



*For further information on an agenda item, please contact
the City at 101 North "D" Street, or call (951) 943-6100*

**AGENDA
JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY,
PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS
AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT
CORPORATION OF THE CITY OF PERRIS**

**PURSUANT TO GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-29-20
THIS MEETING WILL ALSO BE CONDUCTED AS A REMOTE MEETING VIA
ZOOM**

**Tuesday, April 13, 2021
6:30 P.M.
City Council Chambers
(Corner of San Jacinto and Perris Boulevard)
101 North "D" Street
Perris, California**

- 1. CALL TO ORDER:** 6:30 P.M.
- 2. ROLL CALL:**

Rabb, Rogers, Nava, Corona, Vargas
- 3. INVOCATION:**

Pastor Noland Turnage
The Grove Community Church
19900 Grove Community Drive, Riverside CA 92508
- 4. PLEDGE OF ALLEGIANCE:**

Mayor Pro Tem Rabb will lead the Pledge of Allegiance.
- 5. REPORT ON CLOSED SESSION ITEMS:**
- 6. PRESENTATIONS/ANNOUNCEMENTS:**

At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community and it may accept awards on behalf of the City.

- A. Presentation of a Proclamation to Riverside County Habitat Conservation Authority in recognition of Conservation Appreciation Month.
- B. Presentation of a Proclamation to One Legacy in recognition of National DMV Donate Life Month.

7. YOUTH ADVISORY COMMITTEE COMMUNICATIONS:

8. APPROVAL OF MINUTES:

- A. Consideration to approve the Minutes of the Regular Joint Meeting held on March 30, 2021 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

9. CONSENT CALENDAR:

*Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. **Public comment is limited to three (3) minutes.***

- A. Consideration to adopt the Second Reading of proposed Ordinance Number 1398 authorizing the levy of a special tax within Community Facilities District No. 2021-1 (Avion Pointe/Acacia).

The Proposed Second Reading of Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

- B. Consideration of Acceptance of Donation to the City of Real Property Located on the East Side of Perris Boulevard between Orange and Citrus Avenues (Assessor's Parcel Nos. 320-050-016 and 320-090-001) and Payment for Drainage Easement.
- C. Consideration to approve Final Parcel Map 20-05150 (TPM 37457) to consolidate four parcels into one lot to facilitate the construction of a 428,730 square foot (SF) industrial building into 24.2 acres located at the northwest corner of Indian Avenue and Ramona Expressway. (Applicant: IDI Logistics, Inc.)

- D. Consideration to approve Contract Award Augmentation for Hirsch and Associates, Inc. for the professional architectural services required to complete the development of the Morgan Park Phase II Project.
- E. Consideration to award a contract to Hera General Engineering for grading work at Enchanted Hills Park.
- F. Consideration to receive and file the City's 2019-2020 Financial Statements.
- G. Consideration to approve the City's Monthly Check Register for February 2021.

10. PUBLIC HEARINGS:

*The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker's podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. **Public comment is limited to three (3) minutes.***

- A. Consideration to adopt of the First Reading of Proposed Ordinance Number (next in order) placing CR&R residential refuse collection charges on property tax rolls instead of including the charges in water bills.

The First Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AMENDING SECTION 7.16.080 OF THE PERRIS MUNICIPAL CODE TO AUTHORIZE THE RIVERSIDE COUNTY TAX COLLECTOR TO PLACE RESIDENTIAL REFUSE COLLECTION CHARGES ON THE PROPERTY TAX ROLLS

Introduced by: City Attorney Eric Dunn

PUBLIC COMMENT

- B. Consideration to adopt the First Reading of Proposed Ordinance Number (next in order) to Amend Municipal Code Sections 5.58.110(c) and 5.58.124(c) to allow cannabis cultivation and distribution within the Commercial Zone. (Applicant: Nick Ortega, CI Wellness, LLC)

The First Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING PERRIS MUNICIPAL CODE SECTIONS

5.58.110(C) AND 5.58.124(C) TO CHANGE THE LOCATION REQUIREMENTS FOR COMMERCIAL CANNABIS CULTIVATION AND WHOLESALE DISTRIBUTION OPERATIONS

Introduced by: Interim Director of Development Services Candida Neal

PUBLIC COMMENT

- C. Consideration to adopt the First Reading of Proposed Ordinance Number (next in order) and Resolution Number (next in order) updating the Local Development Mitigation Fee (LDMF) Ordinance for funding the preservation of natural ecosystems in accordance with the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP).

The First Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA TO UPDATE THE LOCAL DEVELOPMENT MITIGATION FEE FOR FUNDING THE PRESERVATION OF NATURAL ECOSYSTEMS IN ACCORDANCE WITH THE WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA ADOPTING THE UPDATED WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN NEXUS FEE STUDY AND, BASED UPON SUCH STUDY, UPDATING THE WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN LOCAL DEVELOPMENT MITIGATION FEE APPLICABLE TO ALL DEVELOPMENTS IN THE PLAN AREA

Introduced by: Interim Director of Development Services Candida Neal

PUBLIC COMMENT

11. BUSINESS ITEMS: (not requiring a “Public Hearing”): NO BUSINESS ITEMS

Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. Public Comment is limited to three (3) minutes.

12. PUBLIC COMMENT/CITIZEN PARTICIPATION:

This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor’s, City Council’s and staff’s ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future

meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. **Public comment is limited to three (3) minutes.**

13. COUNCIL COMMUNICATIONS:

(Committee Reports, Agenda Items, Meeting Requests and Review etc.)

This is an opportunity for the Mayor and City Councilmembers to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. NO ACTION CAN BE TAKEN AT THIS TIME.

14. CITY MANAGER'S REPORT:

15. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Hall at (951) 943-6100. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

COVID-19 REMOTE PUBLIC COMMENT/CITIZEN PARTICIPATION

With the intent of adhering to the new community guidelines from the Center for Disease Control, the City of Perris will allow for remote public comment and participation at upcoming City Council meetings via Zoom. Public Comment is limited to three (3) minutes.

ZOOM MEETING INFORMATION

When: April 13, 2021 06:30 PM Pacific Time (US and Canada)
Topic: City Council Meeting

In order to provide Public Comment via Zoom, participants will be required to register at the following link:

https://zoom.us/webinar/register/WN_DzSITN43S0OyTA-KVILirw

After registering, you will receive a confirmation email containing information about joining the meeting.

During the council meeting, if you wish to speak, via Zoom, for public comment on any item, please select the raise hand icon next to your name. The moderator will grant you access to speak. Public Comment is limited to (3) three minutes.

THE CITY COUNCIL MEETING IS ALSO AVAILABLE FOR VIEWING AT THE FOLLOWING:

City's Website:

<https://www.cityofperris.org/government/city-council/council-meetings>

YouTube:

<https://www.youtube.com/channel/UC24S1shebXkJFv3BnxdkPpg>

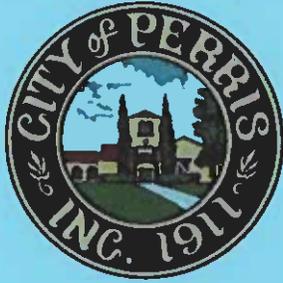
Facebook:

<https://www.facebook.com/PerrisToday/>

For cable subscribers only within Perris:

Spectrum: Channel 3

Frontier: Channel 16



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

8.A.

MEETING DATE: April 13, 2021

SUBJECT: Approval of Minutes

REQUESTED ACTION: Approve the Minutes of the Regular Joint City Council Meeting held on March 30, 2021.

CONTACT: Nancy Salazar, City Clerk **NS**

BACKGROUND/DISCUSSION: None

BUDGET (or FISCAL) IMPACT: None

Prepared by: Judy L. Haughney, CMC, Assistant City Clerk

REVIEWED BY:

City Attorney _____
Assistant City Manager 
Finance Director 

Attachments: 1. Minutes-March 30, 2021

Consent:
Public Hearing:
Business Item:
Presentation:
Other: Approval of Minutes

ATTACHMENT 1

Minutes-March 30, 2021 Regular City Council Meeting

CITY OF PERRIS

MINUTES:

Date of Meeting: March 30, 2021

06:30 PM

Place of Meeting: City Council Chambers

PURSUANT TO GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-29-20 THIS MEETING WAS ALSO CONDUCTED AS A REMOTE MEETING VIA ZOOM

CLOSED SESSION

ROLL CALL

Present: Corona, Rabb, Rogers, Magaña, Vargas

Staff members present by Item:

Item A. Interim City Manager Miramontes, Assistant City Manager Carlos, Former City Engineer Motlagh and City Attorney Dunn

Items B. and C. Interim City Manager Miramontes, Assistant City Manager Carlos and City Attorney Dunn

Item D. City Attorney Dunn

- A. Conference with Legal Counsel - Potential Litigation - Government Code Section 54956.9 (d)(2) - 1 case
- B. Conference with Real Property Negotiators – Government Code Section 54956.8
Property: APN 320-050-016 and 320-090-001 City Negotiator: Clara Miramontes, Interim City Manager Negotiating Parties: Mijo Investments, LP Under Negotiation: Price and terms of payment
- C. Conference with Real Property Negotiators – Government Code Section 54956.8
Property: APN 326-062-017, 326-071-001 and 326-072-005 City Negotiator: Clara Miramontes, Interim City Manager Negotiating Parties: Douglas Whitney Under Negotiation: Price and terms of payment
- D. Public Employee Appointment-City Manager Government Code Section 54957 (b)(1)

- 1. CALL TO ORDER: 6:30 P.M.

Mayor Vargas called the Regular City Council meeting to order at 6:30 p.m.

- 2. ROLL CALL: Corona, Rabb, Rogers, Magaña, Vargas

Present: Corona, Rabb, Rogers, Magaña, Vargas

Staff Members Present: Interim City Manager Miramontes, City Attorney Dunn,

City Engineer McKibbin, Assistant City Manager Carlos, Chief Information Officer Cervantes, Director of Community Services Chavez, Director of Finance Reyna, Interim Director of Development Services Neal, Director of Administrative Services Amozgar, Director of Public Works Hill, Assistant City Clerk Haughney and City Clerk Salazar.

3. INVOCATION: Pastor Don Meinberg Reflections Christian Fellowship
375 Ramona Expressway, Perris CA 92571

4. PLEDGE OF ALLEGIANCE:

Councilmember Corona led the Pledge of Allegiance.

5. REPORT ON CLOSED SESSION ITEMS:

City Attorney Dunn reported that the City Council met in Closed Session to discuss the items listed on the agenda. He noted that an update was given, direction was given to staff, but no reportable action was taken.

6. PRESENTATIONS/ANNOUNCEMENTS:

- A. Presentation by Western Riverside Council of Governments (WRCOG)
regarding a Streetlight Rebate to the City of Perris.

7. YOUTH ADVISORY COMMITTEE COMMUNICATIONS:

8. APPROVAL OF MINUTES:

- A. Approved the Minutes of the Regular Joint Meeting held on March 9, 2021
of the City Council, Successor Agency to the Redevelopment Agency,
Public Finance Authority, Public Utility Authority, Housing Authority,
Perris Community Economic Development Corporation and the Perris
Joint Powers Authority.

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Malcolm Corona to
Approve the Minutes, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela
Magana, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

9. CONSENT CALENDAR:

Mayor Vargas called for Public Comment. There was no Public Comment.

- A. Adopted Resolution Numbers 5767, 5768 and 5769 regarding Annexation
of TR 36648 to Maintenance District Number 84-1.

Resolution Number 5767 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF TR 36648 INTO MAINTENANCE DISTRICT NUMBER 84-1

Resolution Number 5768 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF TR 36648 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1

Resolution Number 5769 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO MAINTENANCE DISTRICT NUMBER 84-1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF TR 36648 TO MAINTENANCE DISTRICT NUMBER 84-1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021

- B. Adopted Resolution Numbers 5770, 5771 and 5772 regarding Annexation of TR 36648 to Landscape Maintenance District Number 1.

Resolution Number 5770 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 154 TR 36648 TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF TR 36648 TO BENEFIT ZONE 154, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

Resolution Number 5771 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF TR 36648 TO BENEFIT ZONE 154, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

Resolution Number 5772 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 154, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 154, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF TR 36648 TO BENEFIT ZONE 154, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021

- C. Adopted Resolution Number 5773 regarding Annexation of TR 36648 to Flood Control Maintenance District Number 1.

Resolution Number 5773 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO AUTHORIZE LEVYING ASSESSMENTS UPON CERTAIN PARCELS OF REAL PROPERTY, TO ORDER ANNEXATION OF TR 36648 TO BENEFIT ZONE 119, FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, PURSUANT TO THE BENEFIT ASSESSMENT ACT OF 1982; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021

- D. Adopted Resolution Number 5774 to Annex Territory to CFD 2001-3-Annexation No. 41. (Owner: Pulte Homes APN: 302-160-043, 302-160-044, and 302-170-024)

Resolution Number 5774 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 41]

- E. Approved a Memorandum of Understanding between the City of Perris and the City of Lathrop to Mitigate Allocation of Revenues over Eight Quarters.

- F. Adopted the Second Reading of Ordinance Number 1397 adding Section 10.24.210 -Parking Time Limits on Certain Streets- to Chapter 10.24 of Title 10 of the Perris Municipal Code.

The Second Reading of Ordinance Number 1397 is entitled:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS
ADDING SECTION 10.24.210, "PARKING TIME LIMITS ON
CERTAIN STREETS," TO CHAPTER 10.24 OF TITLE 10 OF THE
PERRIS MUNICIPAL CODE REGARDING STOPPING, STANDING,
PARKING

- G. Approved a Contract Services Agreement with Flo-Services, Inc. for the replacement of the 7th Street Duplex Sewage Pump Lift Station.

The Mayor called for a motion.

M/S/C: Moved by Marisela Magana, seconded by David Starr Rabb to Approve the Consent Calendar, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Magana, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

10. PUBLIC HEARINGS:

- A. Adopted Resolution Number 5775 to Acquire the Fee Simple Interest in Real Property for Development of Enchanted Hills Park. The property is located on the south side of W. Metz Road, east of Carter Drive, and west of Altura Drive. (APN's 326-062-017, 326-071-001, and 326-072-005).

Resolution Number 5775 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF THE FEE SIMPLE INTEREST IN REAL PROPERTY KNOWN AS ASSESSOR'S PARCEL NOS. 326-062-017, 326-071-001, and 326-072-005

Assistant City Attorney Nick Papajohn gave the presentation on this item.

The Mayor opened the Public Hearing at 6:54 p.m. There was no Public Comment.

The Mayor closed the Public Hearing at 6:55 p.m.

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by David Starr Rabb to Approve Resolution Number 5775, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Magana, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

- B. Adopted Resolution Numbers 5776, 5777, 5778, 5779 and 5780 and the First Reading of Ordinance Number 1398 for the proposed Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris ("CFD 2021-1"). CFD 2021-1 is located at Windflower Lane and Bowen Road (Avion Pointe Tract) and E. Nuevo Road and Wilson Ave. (Acacia Tract).

Resolution Number 5776 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT

Resolution Number 5777 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$5,000,000 OF SAID DISTRICT; AND CALLING A SPECIAL ELECTION WITHIN THE DISTRICT

Resolution Number 5778 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DECLARING THE RESULTS OF A SPECIAL ELECTION RELATING TO THE LEVY OF SPECIAL TAXES THEREIN, THE ISSUANCE OF BONDED INDEBTEDNESS AND THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT

Resolution Number 5779 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND AUTHORIZING EXECUTION OF A FUNDING AGREEMENT AND A JOINT COMMUNITY FACILITIES AGREEMENT IN CONNECTION WITH THE FORMATION OF COMMUNITY FACILITIES DISTRICT 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS; AND MAKING FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH.

Resolution Number 5780 is entitled:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING THE RECORDING OF A NOTICE OF CESSATION OF THE SPECIAL TAX LIEN WITH RESPECT TO COMMUNITY

FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS AND CERTAIN RELATED MATTERS

The First Reading of Ordinance Number 1398 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

Jim Fabian, Fieldman, Rolapp and Associates, gave the presentation on this item.

The Mayor opened the Public Hearing at 7:04 p.m.

There was no Public Comment.

The Mayor closed the Public Hearing at 7:04 p.m.

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Marisela Magana to Approve Resolution Numbers 5776 and 5777, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Magana, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

The Mayor asked City Clerk Salazar to open the ballot.

City Clerk Salazar opened the ballot and reported that it was marked Yes.

The Mayor called for a motion.

M/S/C: Moved by Marisela Magana, seconded by David Starr Rabb to Approve Resolution Numbers 5778, 5779 and 5780 and the First Reading of Ordinance Number 1398, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Magana, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

- C. **Adopted Resolution Number 5781 approving the Draft Community Development Block Grant Action Plan FY 2021-2022.**

Resolution Number 5781 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, APPROVING THE DRAFT FY 2021-2022 ACTION PLAN WITH PROPOSED FUNDING FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FEDERAL ENTITLEMENT PROGRAM

Grants Manager Sara Cortes de Pavon gave the presentation on this item.

The Mayor opened the Public Hearing at 7:10 p.m. There was no Public Comment.

The Mayor closed the Public Hearing at 7:10 p.m.

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by David Starr Rabb to Approve Resolution Number 5781, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Magana, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

- D. Adopted Resolution Number 5782 approving a Substantial Amendment to the 2019-2024 Consolidated Plan and the 2021-2022 Annual Action Plan to include funding in the amount of \$90,000 from the CARES Act Community Development Block Grant Coronavirus CDBG-CV Utility Assistance Program to the CDBG-CV Planning & Administration activity.

Resolution Number 5782 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, APPROVING A SUBSTANTIAL AMENDMENT TO THE 2019-2024 CONSOLIDATED PLAN AND FY 2019-2020 ANNUAL ACTION PLAN TO INCLUDE FUNDING FOR THE CDBG-CV PLANNING & ADMINISTRATION ACTIVITY.

Grants Manager Sara Cortes de Pavon gave the presentation on this item.

The Mayor opened the Public Hearing at 7:17 p.m.

The following person spoke at Public Comment:

Lupe Gomez

The Mayor closed the Public Hearing at 7:19 p.m.

The Mayor called for a motion.

M/S/C: Moved by Malcolm Corona, seconded by Marisela Magana to Approve Resolution Number 5782, as presented.

AYES: Malcolm Corona, David Starr Rabb, Rita Rogers, Marisela Magana, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

11. BUSINESS ITEMS:

A. Western Community Energy (WCE) Update

Casey Daly and Christopher Gray of WRCOG, gave the presentation on this item.

The following Councilmember's spoke:

**Rabb
Corona**

**Magaña
Vargas**

The Mayor called for Public Comment. There was no Public Comment.

B. Police Department Annual Update

Lt. Mike Portillo gave the presentation on this item.

The following Councilmember's spoke:

**Magaña
Vargas**

**Corona
Rabb**

The Mayor called for Public Comment. There was no Public Comment.

12. PUBLIC COMMENT/CITIZEN PARTICIPATION:

There was no Public Comment.

13. COUNCIL COMMUNICATIONS:

The following Councilmember's spoke:

Corona

Magaña (who announced that she has married and her new name will now be Marisela Nava)

Rogers

Rabb

Vargas

14. CITY MANAGER'S REPORT:

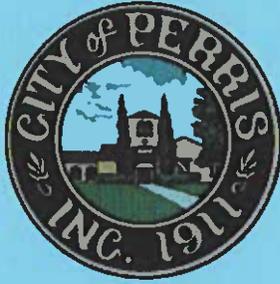
15. ADJOURNMENT:

There being no further business Mayor Vargas adjourned the Regular City Council meeting at 8:28 p.m. in memory of Jalen Duane Rogers, the

grandson of Councilmember Rita Rogers, who passed away on March 25, 2021.

Respectfully Submitted,

Nancy Salazar, City Clerk



CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: April 13, 2021

SUBJECT: Ordinance No. 1398 authorizing the levy of a special tax within Community Facilities District No. 2021-1 (Avion Pointe / Acacia)

REQUESTED ACTION: Approve the Second Reading and adoption of Ordinance No. 1398

CONTACT: Ernie Reyna, Finance Director *ER*

BACKGROUND/DISCUSSION:

On March 30, 2021, the City Council held a public hearing and adopted Resolution 5776 (Resolution of Formation) establishing CFD 2021-1. Accordingly, the City Council called a special election within the CFD on a proposition relating to the levying of special taxes, the incurring of bonded indebtedness and the establishment of an appropriations limit for the CFD. The special election was held and the qualified electors approved the proposition by more than a two-thirds vote.

Following the special election, the City Council adopted a motion to introduce and waive the first reading of the above-referenced Ordinance. The Ordinance authorizes the levy of special taxes within CFD 2021-1 in accordance with the respective Rate and Method of Apportionment approved in connection with the Resolution of Formation and under the conditions specified therein.

The Ordinance and related documents have been prepared and reviewed by the City's finance team, which includes bond counsel, municipal advisor, and special tax consultant.

FISCAL IMPACT

The recommended action carries no immediate fiscal impact on the City. Special taxes from CFD 2006-3 or the developer will be bearing the costs of formation per the MOU. Any further obligation of the City to pay costs for CFD formation will be reimbursed out of existing special taxes collected in CFD 2006-3.

BUDGET (or FISCAL) IMPACT: None. Costs will be paid out of existing special taxes collected in CFD 2006-3.

Prepared by:

REVIEWED BY:

City Attorney _____

Assistant City Manager _____

Finance Director ER

A handwritten signature in black ink, consisting of a large, stylized 'S' or 'C' shape with a loop at the top and a tail extending downwards.

Attachments:

Binder containing all documents is on file with the City Clerk and made a part of the record, including:

1. Vicinity Map
2. Ordinance 1398
3. March 30 City Council Agenda Submittal Without Attachments

Consent: X

Public Hearing:

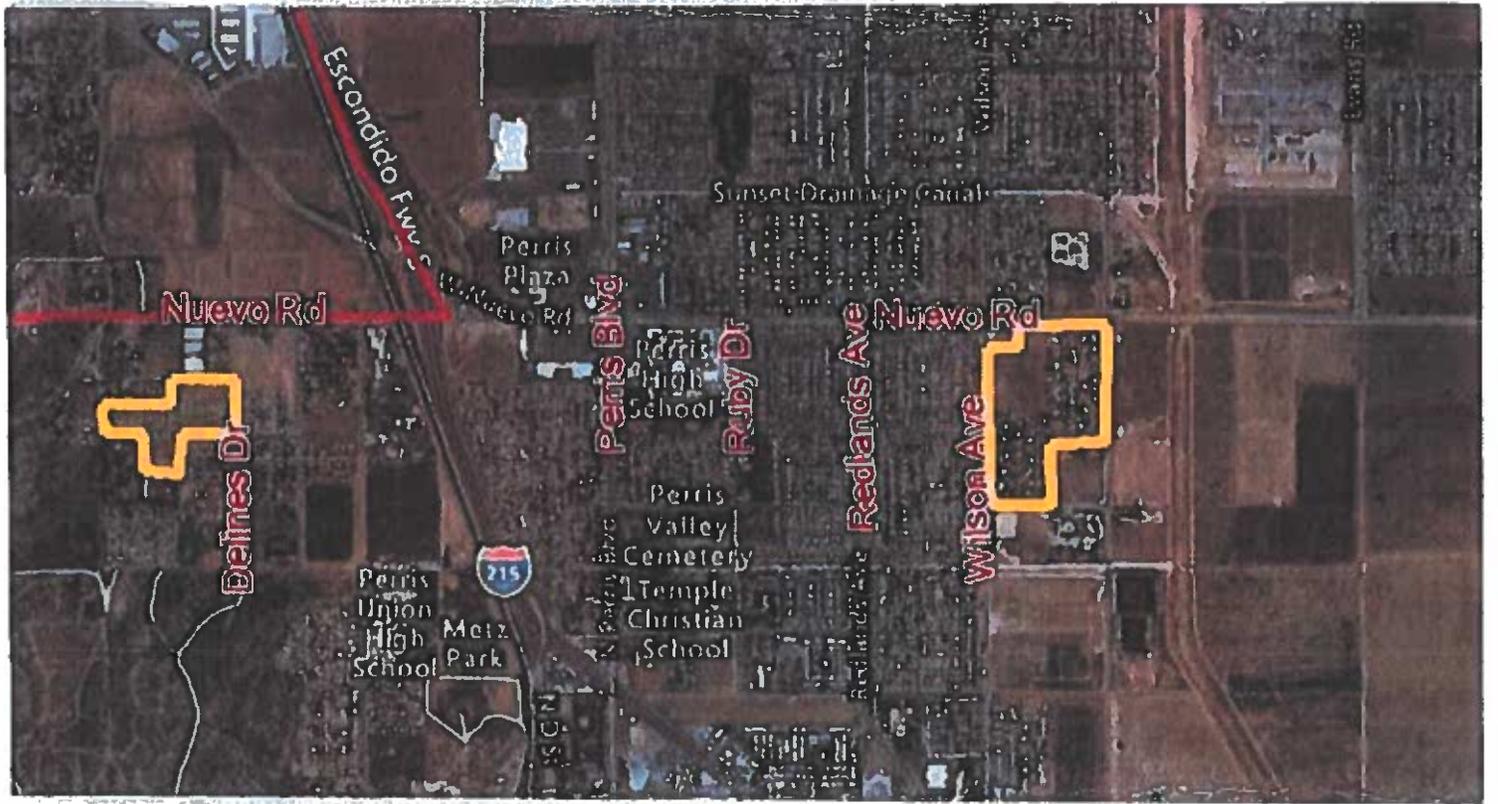
Business Item:

Presentation:

Other:

ATTACHMENT 1

VICINITY MAP FOR CFD NO. 2021-1 (AVION
POINTE / ACACIA) OF THE CITY OF PERRIS



ATTACHMENT 2

**AN ORDINANCE AUTHORIZING THE LEVY
OF A SPECIAL TAX**

ORDINANCE NO. 1398

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

WHEREAS, on February 9, 2021, the City Council (the “Council”) of the City of Perris, California (the “City”) adopted Resolution No. 5756 (the “Resolution of Intention”) declaring its intention to form Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (the “Act”); and

WHEREAS, on March 30, 2021, and in accordance with the Act, the Council opened a public hearing after providing all notice required relating to the formation of the District, and setting forth the rate and method of apportionment and manner of collection of the special tax to be levied within the District, which will be used to pay principal and interest on bonds proposed to be authorized within the District, the proceeds of which will be applied to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto; (2) the payment of development and other fees and the acquisition or construction of public facilities (collectively, the “Facilities”), which Facilities have a useful life of five years or longer; and (3) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as further described in the Resolution of Intention; and

WHEREAS, at the public hearing, all persons not exempt from the special tax desiring to be heard on all matters pertaining to the formation of the District, including the boundaries of the District, the special tax, and the Facilities, were heard and a full and fair hearing was held, and such matters were not precluded by a majority protest; and

WHEREAS, on March 30, 2021, following the close of the public hearing, the Council adopted a resolution establishing the District (the “Resolution of Formation”) and a resolution determining the necessity to incur bonded indebtedness of the District (the “Resolution to Incur Bonded Indebtedness”) each of which called a consolidated special election on March 30, 2021 within the District on a proposition relating to the levying of special taxes, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District; and

WHEREAS, on March 30, 2021, a special election was held within the District at which the qualified electors approved by more than a two-thirds vote the proposition labeled on the official ballot as “Proposition A” which generally authorized the levy of special taxes within the District for the purposes described in the Resolution of Intention and the issuance of bonded indebtedness for the District as described in the Resolution to Incur Bonded Indebtedness.

THE CITY COUNCIL OF THE CITY OF PERRIS, IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The Council finds the above recitals are true and correct and incorporated herein by this reference.

Section 2. By the passage of this Ordinance, the Council authorizes the levy of a special tax within the District at the maximum rate in accordance with the rate and method of apportionment for the District set forth as Exhibit "A" to the Resolution of Formation, and for reference purposes is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Rate and Method").

Section 3. The Council or its designee is hereby further authorized to determine, by ordinance, resolution, or by other action if permitted by then applicable law, on or before August 1 of each year, the specific special tax to be levied for the next ensuing fiscal year on each parcel of land in the District. The special tax to be levied shall not exceed the maximum rates set forth in the Rate and Method, but the special tax may be levied at a lower rate. The City Clerk is authorized and directed to file with the county auditor on or before the 10th day of August of each tax year a certified copy of such ordinance or resolution accompanied by a list of all parcels subject to the special tax levy with the tax to be levied on each parcel.

Section 3. Properties or entities of the state, federal or other local governments shall be exempt from the above-referenced and approved special taxes only to the extent set forth in Section 8 of the Rate and Method, and otherwise shall be subject to the tax consistent with the provisions of Section 53317.3 and 53317.5 of the Act in effect as of the date of adoption of this Ordinance.

Section 4. All of the collections of the special taxes pursuant to the Rate and Method shall be used only as provided for in the Act and Resolution of Formation. The special taxes shall be levied within the District only so long as needed to accomplish the purposes described in Resolution of Formation.

Section 5. The special taxes shall be collected pursuant to the Rate and Method from time to time as necessary to meet the financial obligations of the District on the secured real property tax roll in the same manner as ordinary ad valorem taxes are collected, or other procedures as may be adopted by the Council. The City Manager, or his or her designee, is hereby authorized and directed to provide or to cause to be provided all necessary information to the auditor/tax collector of the County of Riverside and to otherwise take all actions necessary in order to effect proper billing and collection of the special taxes, so that the special taxes shall be levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District in each fiscal year until the bonds issued on the security of such special taxes (the "Bonds") are paid in full, the Facilities have been paid for, and provision has been made for payment of all of the administrative costs of District. The special taxes may be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes as such procedure may be modified by law or this City Council from time to time.

Notwithstanding the foregoing, the City Manager may collect, or cause to be collected, one or more installments of the special taxes by means of direct billing by the District of the property owners within the District, if, in the judgment of the City Manager, such means of collection will reduce the administrative burden of the District in administering the District where it is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the property owners.

Whether the special taxes are levied in the manner provided in the first or the second preceding paragraph, the special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.

Section 6. As a cumulative remedy, if any amount levied as a special tax for payment of bond interest or principal of any Bonds of the District, together with any penalties and other charges accruing under this ordinance, are not paid when due, the Council may, not later than four (4) years after the due date of the last installment of principal of the Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such special tax.

Section 7. This Ordinance relating to the levy of the special taxes within the District shall take effect immediately upon its final passage in accordance with the provisions of Section 36937(a) of the Government Code, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Government Code.

Section 8. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Riverside a notice of special tax lien in the form required by the Act and Division 4.5 of the California Streets and Highways Code, said recording to occur no later than fifteen (15) days following final passage by the Council of this Ordinance, and to perform all other acts which are required by the Act, this Ordinance or by law in order to accomplish the purpose of this Ordinance.

Section 9. The Mayor shall sign this Ordinance and the City Clerk shall attest to the Mayor's signature and then cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

Section 10. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City as required by law.

ADOPTED, SIGNED and APPROVED this 13th day of April, 2021.

Attest:

MAYOR OF THE CITY OF PERRIS

CITY CLERK OF THE CITY OF PERRIS

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Ordinance Number 1398 was duly introduced for first reading by the City Council of the City of Perris at a regular meeting of said Council on the 30th day of March, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

and that it was adopted at a regular meeting of said Council on the 13th day of April, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

By: _____
City Clerk

EXHIBIT "A"

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR COMMUNITY FACILITIES DISTRICT NO. 2021-1
(AVION POINTE/ACACIA) OF THE CITY OF PERRIS**

[SEE ATTACHED]

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)

A Special Tax shall be levied on all Taxable Property within the boundaries of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (“CFD No. 2021-1”) and collected each Fiscal Year commencing in Fiscal Year 2021-22, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 2021-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map. An Acre means 43,560 square feet of land.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the following actual or reasonably estimated costs related to the administration of CFD No. 2021-1 including, but not limited to: the costs of preparing and computing the Annual Special Tax (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2021-1, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 2021-1, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 2021-1, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2021-1, or any designee thereof related to an appeal of the Special Tax; and the City’s annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2021-1 for any other administrative purposes of CFD No. 2021-1, including attorney’s fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor**” means the Assessor of the County of Riverside.

“**Assessor’s Parcel**” means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the Assessor designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means the number assigned to an Assessor’s Parcel by the County for purposes of identification.

“Assigned Special Tax” means the Special Tax of that name described in Section 3.A below.

“Backup Special Tax” means the Special Tax of that name described in Section 3.B below.

“Bonds” means any bonds or other Debt of CFD No. 2021-1, whether in one or more series, secured by the levy of Special Taxes.

“Boundary Map” means the map of the boundaries of CFD No. 2021-1 recorded on March 17, 2021, in the Riverside County Recorder’s Office in Book 86, Page 47-49, of Maps of Assessments and Community Facilities Districts (instrument number 2021-0170673).

“Building Permit” means a building permit for construction of a Residential Unit within CFD No. 2021-1 issued by the City.

“Building Square Footage” means all of the square footage of usable area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by reference to the Building Permit(s) issued for such Assessor’s Parcel and/or by reference to appropriate records kept by the City.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

“CFD No. 2021-1” means the Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris.

“City” means the City of Perris, California.

“Council” means the City Council of the City acting as the legislative body of CFD No. 2021-1 under the Act.

“County” means the County of Riverside, California.

“Debt” means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts.

“Debt Service” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to May 1 of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as

Undeveloped Property, provided that the levy of the Annual Special Tax after such reclassification shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor's Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

"Exempt Property" means for each Fiscal Year, all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section 8 below.

"Final Map" means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots for which Building Permits may be issued without further subdivision.

"Fiscal Year" means the period starting on July 1 and ending the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Land Use Class" means any of the classes listed in Table 1 under Section 3 below.

"Lot" means a parcel created by a Final Map on which a Residential Unit can be constructed.

"Maximum Special Tax" means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor's Parcel of Taxable Property.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for the purpose of constructing one or more non-residential units or facilities.

"Outstanding Bonds" means all Bonds, which are deemed to be outstanding under the Indenture.

"Prepayment Amount" means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel as described in Section 6.A below.

"Property Owner Association Property" means any Assessor's Parcel within the boundaries of CFD No. 2021-1 owned in fee by a property owner association, including any master or sub-association.

"Proportionately" or "Proportionate" means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. **"Proportionately"** may similarly be applied to other categories of Taxable Property as listed in Section 4 below.

"Provisional Property" means all Assessor's Parcels of Public Property, Property Owner Association Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section 8, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section 8.

“Public Property” means any property within the boundaries of CFD No. 2021-1, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units.

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental, separate from adjacent residential dwelling units.

“Special Tax” means any special tax levied within CFD No. 2021-1 pursuant to the Act and this Rate and Method of Apportionment of Special Tax.

“Special Tax Obligation” means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 2021-1.

“Special Tax Requirement” means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Fees and Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2021-1, which are not exempt from the levy of the Special Tax pursuant to law or Section 8 below.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

“Zone” means, as the context requires, either Zone 1 or Zone 2.

“Zone 1” means all property located within the area identified as Zone 1 in the Boundary Map.

“Zone 2” means all property located within the area identified as Zone 2 in the Boundary Map.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2021-22, each Assessor’s Parcel within CFD No. 2021-1 shall be assigned to Zone 1 or Zone 2 and classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of

Developed Property shall be classified according to its applicable Land Use Class based on its Building Square Footage.

3. SPECIAL TAX RATES

A. Assigned Special Tax for Developed Property

The Assigned Special Tax applicable to an Assessor's Parcel classified as Developed Property commencing in Fiscal Year 2021-22 shall be determined pursuant to Table 1 below.

**Table 1
Assigned Special Tax Rates**

Zone	Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax
1	1	Residential Property	> 2,400	\$2,064 per Residential Unit
1	2	Residential Property	2,201 – 2,400	\$1,997 per Residential Unit
1	3	Residential Property	≤ 2,200	\$1,930 per Residential Unit
2	1	Residential Property	> 2,400	\$2,446 per Residential Unit
2	2	Residential Property	2,201 – 2,400	\$2,371 per Residential Unit
2	3	Residential Property	≤ 2,200	\$2,295 per Residential Unit

Each July 1, commencing July 1, 2022, the Assigned Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

B. Backup Special Tax for Developed Property

The Backup Special Tax for Developed Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Backup Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

For the purpose of calculating the Backup Special Tax, the land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.

C. Maximum Special Tax for Developed Property

The Maximum Special Tax for Developed Property shall be the greater of the Assigned Special Tax for Developed Property and the Backup Special Tax for Developed Property.

D. Maximum Special Tax for Provisional Property and Undeveloped Property

The Maximum Special Tax for Provisional Property and Undeveloped Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Maximum Special Tax rates for Provisional Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

4. METHOD OF APPORTIONMENT

For each Fiscal Year, commencing Fiscal Year 2021-22, the CFD Administrator shall levy the Special Tax on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property in an amount up to 100% of the applicable Assigned Special Tax as necessary to satisfy the Special Tax Requirement;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax for Provisional Property;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within CFD No. 2021-1 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

5. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the Council may provide for (i) other means of collecting the Special Tax, including

direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

6. PREPAYMENT OF SPECIAL TAX OBLIGATION

A. Prepayment in Full

Property owners may prepay and permanently satisfy the Special Tax Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The following definitions apply to this Section 6:

“CFD Public Facilities Costs” means \$3,400,000 or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for CFD No. 2021-1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

“Construction Fund” means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 2021-1.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

“Outstanding Bonds” means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

The Special Tax Obligation applicable to an Assessor’s Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Special Tax for such Assessor’s Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment or the delinquent special taxes are paid off concurrently with the prepayment to the satisfaction of the CFD Administrator. An owner of an Assessor’s Parcel eligible to prepay the Special Tax Obligation shall provide the CFD Administrator with written notice of intent to prepay, and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request, and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the CFD No. 2021-1 Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor's Parcel or group of Assessor's Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Future Facilities Prepayment Amount
plus Defeasance Amount
plus Prepayment Administrative Fees and Expenses
less Reserve Fund Credit
less Capitalized Interest Credit
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has already been issued for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for CFD No. 2021-1 assuming all Building Permits have been issued (build-out) within CFD No. 2021-1, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels and round that amount up to the nearest \$5,000 increment (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date, but the redemption date may be any date determined by the CFD Administrator as

convenient and appropriate and permitted by the Indenture and does not have to be the next interest payment date.

9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").

11. Calculate the administrative fees and expenses of CFD No. 2021-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2021-1, and the costs of recording any notices to evidence the prepayment and the redemption (the "Prepayment Administrative Fees").

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement.

13. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the "Prepayment Amount").

15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 2021-1.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of CFD No. 2021-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 2021-1 Bonds to be used with the next prepayment of CFD No. 2021-1 Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

B. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 6.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE-A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section 6.A

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax Obligation

A = the Prepayment Administrative Fees and Expenses from Section 6.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax Obligation, (ii) the percentage by which the Special Tax Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 6.A., and (ii) indicate in the records of CFD No. 2021-1 that there has been a partial prepayment of the Special Tax Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on

Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

7. TERM OF SPECIAL TAX

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement for a period not to exceed forty (40) Fiscal Years commencing with Fiscal Year 2021-22, provided however that the Special Tax will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on CFD No. 2021-1 bonds have been paid.

8. EXEMPTIONS

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, or (iii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, and (v) Assessor's Parcels of Developed Property classified as Non-Residential Property as determined reasonably by the CFD Administrator, provided that no such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or less than 7.21 Acres in Zone 2. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or 7.21 Acres in Zone 2 shall be classified as Provisional Property and will continue to be subject to the CFD No. 2021-1 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property, for each Zone.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 8 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

9. APPEALS

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

(i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,

(ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or

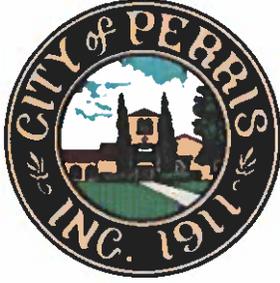
(iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final.

ATTACHMENT 3

**MARCH 30 CITY COUNCIL AGENDA
SUBMITTAL WITHOUT ATTACHMENTS**



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: **March 30, 2021**

SUBJECT: Conduct a Public Hearing and hold a Special Election for the Proposed Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris ("CFD 2021-1"), and adopt various Resolutions and an Ordinance forming CFD 2021-1. CFD 2021-1 is located at Windflower Lane and W. Bowen Road (Avion Pointe Tract) and E. Nuevo Road and Wilson Avenue (Acacia Tract).

REQUESTED ACTION: That the City of Perris (the "City") adopt the following resolutions, respectively:

1. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT
2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$5,000,000 OF SAID DISTRICT; AND CALLING A SPECIAL ELECTION WITHIN THE DISTRICT
3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DECLARING THE RESULTS OF A SPECIAL ELECTION RELATING TO THE LEVY OF SPECIAL TAXES THEREIN,

THE ISSUANCE OF BONDED INDEBTEDNESS AND THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND AUTHORIZING EXECUTION OF A FUNDING AGREEMENT AND A JOINT COMMUNITY FACILITIES AGREEMENT IN CONNECTION WITH THE FORMATION OF COMMUNITY FACILITIES DISTRICT 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS; AND MAKING FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH
5. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING THE RECORDING OF A NOTICE OF CESSATION OF THE SPECIAL TAX LIEN WITH RESPECT TO COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS AND CERTAIN RELATED MATTERS
6. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

CONTACT: Ernie Reyna, Finance Director

BACKGROUND/DISCUSSION:

The City has received a Petition from the property owner, D.R. Horton Los Angeles Holding Company, Inc., to create a community facilities district for the purpose of financing public facilities in connection with a planned development project. The Petition authorizes the levy of special taxes, the issuance of bonds and establishment of an appropriations limit for the proposed community facilities district. The proposed community facilities district will be designated as "Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris." CFD 2021-1 is located in two separate areas, which are designated as "Avion Pointe" and "Acacia". The Avion Pointe Tax Zone is located at Windflower Lane and W. Bowen Road and will include 54 residential units. The grand opening for the Avion Pointe Tract was held on January 16th and D.R. Horton reported six out of eight homes in the first phase have been sold (but not yet closed). The Acacia Tax Zone is located at E. Nuevo Road and Wilson Avenue and will include 52 residential units.

In the Petition, in accordance with the provisions of the Mello-Roos Act allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included in a CFD, D.R. Horton waived such requirements of the Act for establishing CFD 2021-1 and has also waived any notices and requirements as to the

form of the ballot. As such, the election can be conducted immediately after the close of tonight's Public Hearing. Moreover, the City Clerk can immediately certify the results of the election to the City Council. The City's special tax consultant has confirmed that there are no registered voters residing within the territory of proposed CFD 2021-1 for the 90-day period preceding and including March 30, 2021, and that D.R. Horton is the only landowner in CFD 2021-1.

Community facilities district financing is a commonly-used method of financing infrastructure and services for new development in California. Commonly referred to as "Mello-Roos," this land-secured financing permits the local agency (i.e., the City) to issue bonds to pay for the public facilities and infrastructure costs and services of local development. Debt service on the bonds is paid from special taxes levied on real property within the CFD boundary.

The Act also authorizes a community facilities district to finance facilities to be owned or operated by an entity other than the agency that creates the community facilities district pursuant to a joint community facilities agreement. The Petition authorizes the financing of certain public facilities to be constructed, owned and operated by the Eastern Municipal Water District (EMWD) in lieu of payment of fees imposed by EMWD upon the property to finance such facilities and certain water and sewer facilities to be constructed by D.R. Horton and acquired by EMWD. Accordingly, the City, D.R. Horton and EMWD intend on entering into a joint community facilities agreement pursuant to which CFD 2021-1, when and if formed, will be authorized to finance the acquisition and/or construction of all or a portion of the EMWD facilities and/or acquisition facilities.

Moreover, the City and D.R. Horton intend on entering into a Funding Agreement relating to the authorized facilities and authorized fees to be funded by the City pursuant to the Act.

In connection with the formation of CFD 2021-1, the City Council has taken the following actions thus far:

1. On January 12, 2021, the City Council approved a Memorandum of Understanding ("MOU") with D.R. Horton to dissolve the existing CFD No. 2006-3 (Alder) ("CFD 2006-3") that encumbered the Avion Pointe and Acacia Tracts and agreed to form a new CFD.
2. On February 9, 2021, the City Council approved Resolutions declaring intent to form CFD 2021-1, authorize future bonded indebtedness in the amount not to exceed \$5,000,000 and set the time and place for tonight's Public Hearing.

PUBLIC HEARING AND TONIGHT'S ACTIONS:

The proposed CFD 2021-1 will meet all requirements of the City's adopted local goals and policies specified in the Debt Issuance and Management Policy, approved on May 9, 2017, except for the allowance of an annual 2% escalation of the special tax, as was agreed to pursuant to the MOU. Since the proposed CFD 2021-1 is replacing CFD 2006-3 that had an escalator, it is necessary to include an annual escalator in the new CFD 2021-1.

The City Council has initiated proceedings to consider the establishment of a community facilities district pursuant to the provisions of the Act. Tonight's Public Hearing will provide the public an opportunity to provide testimony related to the formation of CFD 2021-1 and the CFD Report (attached) prepared by Willdan & Associates. The CFD Report describes the CFD boundaries, the

rate and method of apportionment of the special taxes to be levied and the facilities to be financed by CFD 2021-1.

The below table shows the special taxes which would be applicable to an Assessor's Parcel classified as Developed Property, as defined in the rate and method of apportionment, commencing in Fiscal year 2021-22:

Zone	Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax
1	1	Residential Property	> 2,400	\$2,064 per Residential Unit
1	2	Residential Property	2,201 – 2,400	\$1,997 per Residential Unit
1	3	Residential Property	≤ 2,200	\$1,930 per Residential Unit
2	1	Residential Property	> 2,400	\$2,446 per Residential Unit
2	2	Residential Property	2,201 – 2,400	\$2,371 per Residential Unit
2	3	Residential Property	≤ 2,200	\$2,295 per Residential Unit

Every year the maximum tax will increase by 2%. The proceedings to establish CFD 2021-1 will be accomplished by the adoption of the Resolution of Formation, as well as the other Resolutions and the Ordinance, identified in the recommended actions. The City Council will be taking certain actions including:

1. Adopt a Resolution of the City Council of the City of Perris determining the validity of prior proceedings, establishing Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, authorizing the levy of a special tax within such Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, establishing an appropriations limit, and taking certain other actions relating to said District.
2. Adopt a Resolution of the City Council of the City of Perris acting in its capacity as the legislative body of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, determining the necessity to incur bonded indebtedness in an amount not to exceed \$5,000,000 of said District; and calling a special election within the District.

After the Resolution of Formation and the Resolution calling the special election are adopted, the City Clerk will open the ballots and state the results of the election. As mentioned above, D.R. Horton expressly consented to the conduct of the special election at the earliest possible time following the adoption of the Resolution of Formation and expressly waived the noticing and time

requirements of Section 53326 of the Government Code and the California Elections Code. Accordingly, the election is an all-mailed or personal delivery ballot landowner election, and the ballots for the special election have been mailed or personally delivered to D.R. Horton. The ballot contains a proposition relating to the levying of the special taxes, the incurring of bonded indebtedness and the establishment of an appropriations limit for CFD 2021-1. If the results of the special election reveals that the proposition has received the affirmative vote of two-thirds of the votes cast, the City Council will then:

3. Adopt Resolution declaring the results of the consolidated special election for CFD 2021-1.
4. Adopt Resolution approving execution of the Joint Community Facilities Agreement and Funding Agreement.
5. Adopt Resolution approving the recordation of a Notice of Cessation of the Special Tax Lien with respect to CFD 2006-3. The Notice of Cessation will be recorded and the Special Tax Lien for CFD 2006-3 will be extinguished and cease with respect to all property within CFD 2006-3.
6. Adopt a motion to introduce and waive the first reading of the Ordinance levying special taxes within CFD 2021-1.

CONCLUSION AND NEXT STEPS

Adopting the attached Resolutions and Ordinance is the last step to establish CFD 2021-1, authorize special taxes and incur a bonded indebtedness. Following tonight's Public Hearing, the proposed schedule to complete the formation of CFD 2021-1 is as follows:

- April 13, 2021: Second reading of Ordinance authorizing special tax levy
- May 14, 2021: Ordinance authorizing special tax levy becomes effective

The Resolutions, Ordinance and related documents have been prepared and reviewed by the City's finance team, which includes bond counsel, municipal advisor, and special tax consultant.

FISCAL IMPACT

The recommended action carries no immediate fiscal impact on the City. Special taxes from CFD 2006-3 or the developer will be bearing the costs of formation per the MOU. The formation of CFD 2021-1 will occur after tonight's public hearing. Any further obligation of the City to pay costs for CFD formation will be reimbursed out of existing special taxes collected in CFD 2006-3.

BUDGET (or FISCAL) IMPACT: None. Costs will be paid out of existing special taxes collected in CFD 2006-3.

REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director _____

Attachments:

1. Vicinity Map
2. Resolution of Formation
3. Resolution Determining Necessity to Incur Bonded Indebtedness and Calling Election
4. Resolution Declaring Results of Election
5. Resolution Approving the JCFA and Funding Agreement
6. Resolution Approving Notice of Cessation

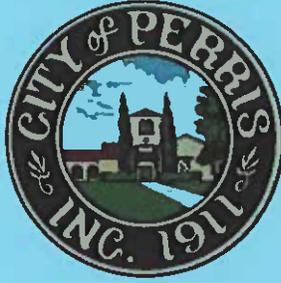
The remaining documents associated with this staff report are available for viewing at:
<https://www.cityofperris.org/government/city-council/council-meetings>

7. Landowner's Petition & Waiver
8. Landowner's Ballot
9. CFD Report
10. JCFA with EMWD
11. Funding Agreement
12. Notice of Cessation
13. Ordinance Authorizing Levy of Special Tax

w/o
Attachments

A Binder containing all documents is on file with the City Clerk and made a part of the record.

Consent:
Public Hearing: X
Business Item:
Presentation:
Other:



CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: April 13, 2021

SUBJECT: **Consideration of Acceptance of Donation to the City of Real Property Located on the East Side of Perris Boulevard between Orange and Citrus Avenues (Assessor's Parcel Nos. 320-050-016 and 320-090-001) and Payment for Drainage Easement**

REQUESTED ACTION: That the City Council approve the attached (i) Real Property Donation Agreement and Joint Escrow Instructions, and (ii) Purchase and Sale Agreement for Drainage Easement, and authorize the Interim City Manager to execute the agreements and other documents reasonably necessary to effectuate the transactions and approve amendments and modifications to the agreements that have no financial impact

CONTACT: Eric Dunn, City Attorney

BACKGROUND/DISCUSSION:

Donation Property: The owners of certain unimproved real property located on the east side of Perris Boulevard between Orange and Citrus Avenues ("**Donation Property**") desire to donate it to the City of Perris ("**City**") for tax purposes. The Donation Property is shown on the attached Vicinity Map. The City's appraisal indicates the fair market value of the Donation Property is \$4,850,000. The property is being donated to the City pursuant to the Real Property Donation Agreement and Joint Escrow Instructions which is Attachment 2 to this Report ("**Land Donation Agreement**"). The Land Donation Agreement provides that the City will be issued an owner's title policy insuring title vested in the City subject to only such exceptions as approved by the City Attorney. Pursuant to the Land Donation Agreement, the City will be financially responsible for all closing related costs including escrow fees, title insurance premiums, etc. Since the land donation was not completed prior to the end of 2020, the owners have incurred penalties on the real property taxes which were not paid. Although the owners will pay the real estate taxes to the closing, the City will pay the penalties.

Drainage Easement: The owners are entitled to compensation from development impact fees ("**DIF**") for a portion of the property which will be used by the City for the extension of Line K in the Area Drainage Plan. Extension of Line K is anticipated to become necessary in the near future to accept drainage from a master planned residential development that is located on the west side of Perris Boulevard. Accordingly, the owners have requested the City to purchase a 30-foot wide

exclusive drainage easement across the southerly portion of the Donation Property (“**Drainage Easement**”). The City will purchase the Drainage Easement for \$59,517 (\$1.50 per square foot) pursuant to the Easement Purchase and Sale Agreement (“**Easement PSA**”) which is Attachment 3 to this Report. The Drainage Easement will be recorded prior to the consummation of the Land Donation Agreement.

Request: The purpose of this Agenda Item is to obtain the City Council’s consent to: (i) City’s purchase of the Drainage Easement pursuant to the Easement PSA; (ii) the City’s acceptance of the Donation Property; and (iii) authorize the expenditure of funds as specified in the respective agreements.

BUDGET (or FISCAL) IMPACT: No purchase price is being paid for the Donation Property. The cost for property tax penalties and escrow is estimated not to exceed \$6,000. The \$59,517 purchase price for the Drainage Easement will be made from Area Drainage Plan funds.

Prepared by: Anne Nelson Lanphar, Special Counsel; Eric Dunn, City Attorney

REVIEWED BY:

City Attorney X
Assistant City Manager 
Finance Director ER

Attachments:

- 1. Vicinity Map
- 2. Land Donation Agreement
- 2. Easement PSA

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:

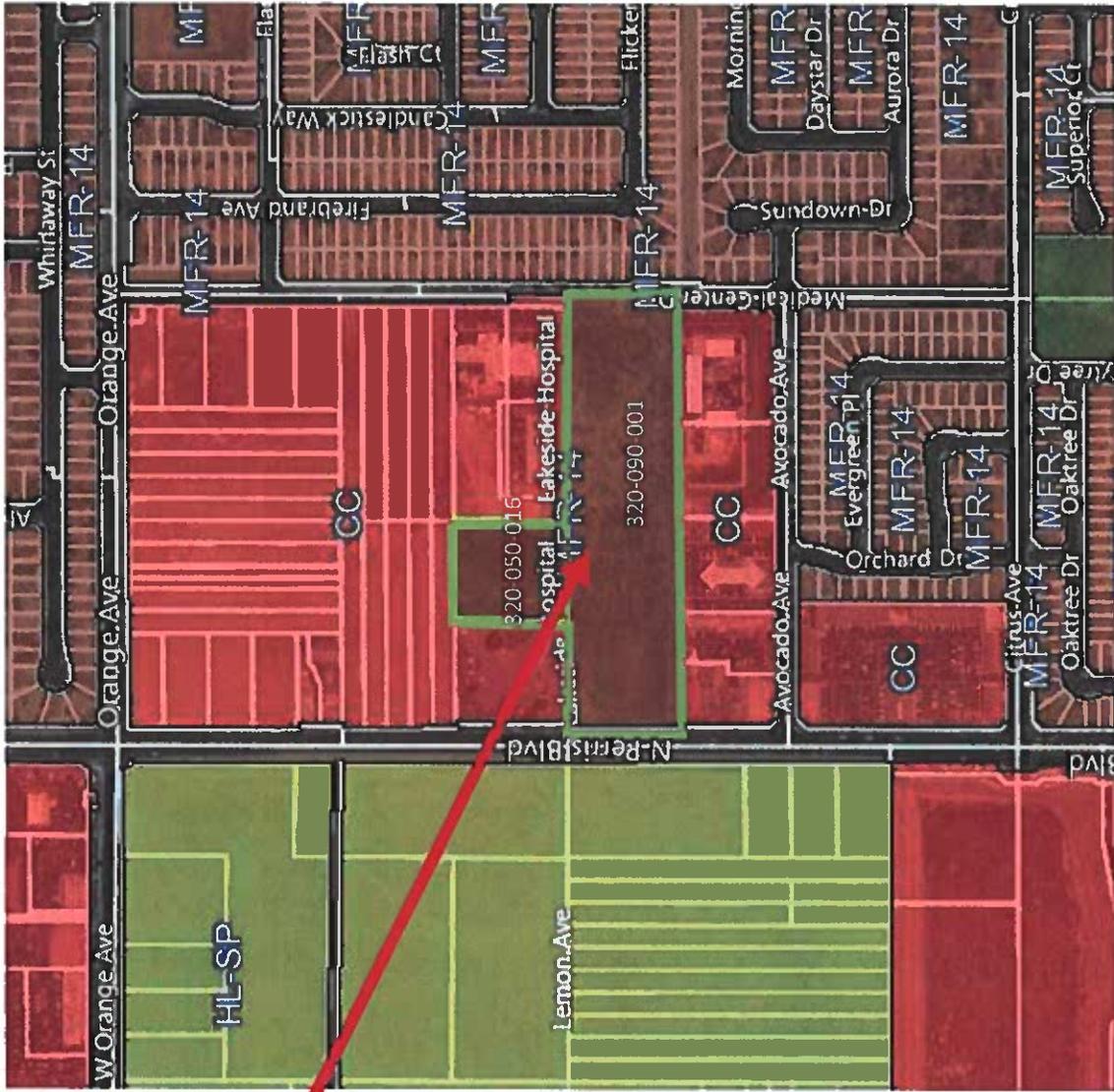
ATTACHMENT 1

VICINITY MAP

McCafferty Property Donation

APN 320-050-016: 2.22 acres

APN 320-090-001: 9.37 acres



Parcel Number	320-050-016	Parcel Number	320-090-001
Owner 1	MCCAFFERTY, DOUGLAS M	Owner 1	MCCAFFERTY, GLADYS
Owner 2	INV, MIJO	Owner 2	MCCAFFERTY FAMILY TRUST
Owner Address	2918 VIA VIEJAS OESTE ALPINE, CA 91901	Owner Address	2918 VIA VIEJAS OESTE ALPINE, CA 91901
Legal Desc.	LOT G LOTTYPE LOT	Legal Desc.	LOTTYPE PARCEL PARCEL 1
No. of Units		No. of Units	
Year Built		Year Built	
Building Area	Data Not Available	Building Area	Data Not Available
Building/Lot Ratio		Building/Lot Ratio	
Lot Area (Assr.)	96,703 SF (2.22 ACRES)	Lot Area (Assr.)	408,157 SF (9.37 ACRES)
Lot Area (Calc.)	96,982 SF (2.23 ACRES)	Lot Area (Calc.)	413,306 SF (9.49 ACRES)
Flood Zone		Flood Zone	
FIRM Panel ID	06065C1440H	FIRM Panel ID	06065C1440H
Zoning	CC	Zoning	CC
Airport Overlay	C2	Airport Overlay	C1 C2
General Plan	MFR-14	General Plan	MFR-14
Full Prop Detail	View	Full Prop Detail	View
Opportunity Zone	No	Opportunity Zone	No

ATTACHMENT 2

LAND DONATION AGREEMENT

REAL PROPERTY DONATION AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This REAL PROPERTY DONATION AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "**Agreement**"), dated _____, 2021 (the "**Agreement Date**"), is made by and between (i) CITY OF PERRIS, a municipal corporation ("**City**"), and (ii) MIJO INVESTMENTS, LP, a California limited partnership ("**Donor 1**"), and MIJO INVESTMENTS, LP, a California limited partnership, JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond and JASON DEMOND, a married man, as his sole and separate property (collectively "**Donor 2**").

Donor 1 and Donor 2 are sometimes individually designated as "**Donor**" as to its respective property and sometimes jointly referred to herein as "**Donors**." Fidelity National Title Insurance Company shall serve as the "**Title Company**".

RECITALS

A. Donor 1 owns that certain vacant real property located in City of Perris, County of Riverside, State of California, near 2200 N. Perris Boulevard, Perris, CA 92571, APN 320-050-016, and as more particularly described on Exhibit A ("**Property 1**").

B. Donor 2 owns that certain vacant real property located in City of Perris, County of Riverside County, State of California, as APN 320-090-001 immediately adjacent to Property 1 and as more particularly described on Exhibit B ("**Property 2**").

C. Property 1 and Property 2 are sometimes individually referred to as a "**Property**" with respect to its respective Donor and sometimes jointly referred to as the "**Properties**."

D. Each Donor desires to donate its Property to City with the intent to receive (i) deductions for the value of the donated Property as a charitable contribution pursuant to Section 170 of the Internal Revenue Code of 1986, as amended, and (ii) deductions for the value of the Property as a charitable contribution pursuant to the applicable provisions of the California Revenue and Taxation Code, as amended (collectively, the "**Tax Benefits**").

E. Donors and City desire to enter into this Agreement for the purpose of setting forth certain terms and conditions for the proposed donation of the Properties.

NOW, THEREFORE, in consideration of the mutual promises contained herein including the recitals above which are incorporated herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. **DONATION OF LAND.** Each Donor agrees to donate its Property to City on the terms and conditions set forth in this Agreement, and City hereby agrees to accept the Property from Donor pursuant to the terms of this Agreement. City acknowledges that it has not provided any payment, goods or services or other consideration (in whole or in part) to either Donor for its Property. Donors understand and agree that they are estopped to revoke this Agreement as a result of the due diligence and other expenses incurred by City. Pursuant to Internal Revenue Code Form Section 8283 City agrees to cooperate with Donor to acknowledge receipt of the donation of the Property by signing Internal Revenue Form 8283 (Non-Cash Charitable Contributions) before the Close of Escrow and any other tax-related forms or documents reasonably requested by Donor and to return any such forms to Donor after City's receipt of such forms from Donor. Donors acknowledge that

City has not made any representations or warranties as to the Tax Benefits.

2. **EFFECTIVE DATE.**

2.1. **Effective Date.** This Agreement shall be effective upon execution of this Agreement by City after its review, consideration, and approval by City Council (the "Effective Date"). Prior to City Council meeting where review and consider for approval of this Agreement is on the City Council agenda, Donors shall deliver three (3) executed copies of this Agreement to City.

2.2. **Opening of Escrow.** Within three (3) days of the Effective Date, the parties shall open escrow by causing three (3) executed copies of this Agreement to be deposited with Janette DeLap, Escrow Officer at 3237 E. Guasti Rd., Ste. 105, Ontario, CA 91761 (909) 569-0225 Janette.Delap@fnf.com ("Escrow Holder") who shall sign and accept the Agreement and provide executed original copies to each party and retain one original. Escrow shall be deemed opened upon Escrow Holder's receipt and acceptance of an executed copy of this Agreement and the Deposit defined in Section 3.1 (the "Opening of Escrow"). If Escrow is not opened in the time and manner specified above, City shall have the right to terminate this Agreement upon written notice to Donors and Escrow Holder prior to the actual Opening of Escrow.

3. **DEPOSIT; FEES AND COSTS.**

3.1 **Deposit.** Upon Opening of Escrow, City shall deposit the sum of One Thousand Dollars (\$1,000) with Escrow Holder.

3.2 **"Good Funds" Required.** All funds, if any, deposited in Escrow shall be in "Good Funds" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

4. **FUNDS AND DOCUMENTS REQUIRED FROM CITY AND DONOR.**

4.1 **Donors.** Donors agree that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Donors will deposit with Escrow Holder such items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- i. All necessary documents to confirm vesting of title for each Property in the applicable Donor to be recorded prior to the Grant Deeds (collectively, the "Transfer Deeds").
- ii. The grant deeds in the forms attached hereto as Exhibit C for Property 1 and Exhibit D for Property 2 (collectively, the "Grant Deeds") executed and acknowledged by the applicable Donor.
- iii. All documents as reasonably required by the Title Company to remove the Disapproved Title Exceptions (as defined in Section 6) and any other documents it reasonably requires in order to issue the Title Policy.
- iv. A Non-Foreign Affidavit as required by federal law.
- v. Such other items and instruments as may be reasonably necessary in order for Escrow Holder to comply with this Agreement.

4.2 **City.** City agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, City will deposit with Escrow Holder all funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement,

including without limitation:

- i. The Certificates of Acceptance executed by City to be attached to each Grant Deed.
- ii. A Preliminary Change of Ownership Statement for each Property (“PCOR”).
- iii. An executed and acknowledged Termination of Easements by Merger in the form of attached Exhibit E (the “Easement Termination”).
- iv. Such funds and other items and instruments as may be reasonably necessary in order for Escrow Holder to comply with this Agreement.

5. CLOSING DATE; TIME IS OF ESSENCE.

5.1 Closing Date. Escrow shall close as soon as possible after the satisfaction of all of the conditions thereto contained in this Agreement, but in no event, later than _____, 2021 (the “Closing Date”). The terms “Close of Escrow” and/or “Closing” are used herein to mean the date that the Grant Deeds then the Easement Termination (in that order) are recorded in the Office of the County Recorder of Riverside County, California (the “Official Records”). Any extension of the Closing Date must be executed by the parties and delivered to Escrow Holder.

5.2 Possession. Upon the Close of Escrow, each Donor shall deliver possession of its Property to City free and clear of any tenants or occupants.

5.3 Time is of Essence. City and Donors specifically agree that time is of the essence under this Agreement and that the specified dates under this Agreement are specifically enforceable and are not subject to substantial compliance arguments.

5.4 City Manager Authority. On behalf of City, City Manager or his designee (who has been designated in writing by City Manager) shall have the authority to (i) extend any dates under this Agreement, (ii) execute documents required to effect this transaction, and (iii) agree to any non material modifications of this Agreement.

6. TITLE POLICY; NHD REPORT.

6.1 Approval of Title. City has previously received the following documents:

a. A preliminary title report No. 989-30057002-BAM for Property 1 dated as of November 2, 2021 issued by the Title Company (“Property 1 PTR”) and a preliminary title report No. 989-30057003-BAM for Property 2 dated as of November 4, 2021 issued by the Title Company (“Property 2 PTR”).

b. That certain “Appraisal Report” dated January 25, 2021, prepared by Chris Fewel, California Certified General Real Estate Appraiser #AG025545, and Ian Fewel, California Certified General Real Estate Appraiser #AG3006184 for the applicable Property.

City approves the following exceptions (collectively, the “Approved Exceptions”):

Property 1 PTR Approved Exceptions (APN 016): Non-delinquent real property taxes and assessments, Exceptions 1, 2, 3, 5, 6, 9, 10 & 15. Exceptions 11 & 12 shall be removed by recordation of the Easement Termination.

Property 2 PTR Approved Exceptions: Non-delinquent real property taxes and assessments, Exceptions 1, 2, 3, 4 & 5 and the New Easement (defined in Section 8.1(v)). Exceptions 6 & 7 shall be removed by recordation of the Easement Termination. Donor 2 shall obtain the

reconveyance of the deed of trust shown as Exception 8.

Any exceptions which are not Approved Exceptions are referred to as "**Disapproved Title Exceptions.**" City reserves the right to accept any other title exceptions which are not Approved Exceptions as specified above.

6.2 Title Policy. At the Close of Escrow, the Title Company shall furnish City with an ALTA owner's standard (non-extended) coverage policy of title insurance insuring title to **both** (i) Property 1 (without Parcel 2 as described in the Property 1 PTR); and (ii) Parcel 2, vested in City (a) with coverage in the amount of Four Million Eight Hundred Thousand Dollars (\$4,800,000), and (b) containing only the Approved Exceptions for each Property. City reserves the right to have the Title Company issue a binder. City may elect to have the Title Company issue an ALTA extended owner's title policy provided that City timely obtains an ALTA survey or alternative survey acceptable to the Title Company, at its own cost and expense and delivers same to the Title Company in a timely manner.

7. DUE DILIGENCE.

7.1 Due Diligence Inspection of Physical Condition. Within two (2) days of the Effective Date, Donors shall deliver to City copies of all inspections, reports, studies and other information regarding the Properties in their possession or control. Commencing on the Effective Date of this Agreement, City and its representatives shall be permitted to enter upon the Property for purposes of reasonably examining, inspecting and investigating the Property to the extent reasonably required in connection with City's acquisition of the Properties. City shall promptly repair any and all damage to the Property or any portion thereof caused by such inspections or investigations. City shall indemnify, defend and hold each Donor as to its Property harmless from and against any and all claims, demands, actions, losses, liabilities, obligations, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs, whether or not any action is filed or prosecuted) arising from or in connection with any entry, inspection or investigation by City pursuant to this Section, and City's indemnity obligations shall survive the termination of this Agreement.

7.2 Disapproval of Due Diligence Matters. At any time prior to the Closing, City may, in its sole discretion, notify the Donors in writing (with a copy to Escrow Holder) of its decision not to acquire the Properties and its election to terminate this Agreement and Escrow ("**Due Diligence Disapproval Notice**"). Upon receipt of the Due Diligence Disapproval Notice, this Agreement and Escrow shall be deemed terminated and Escrow Holder shall return all deposits, unless amended Escrow instructions are issued to provide alternative instructions to Escrow Holder. If City does not deliver a Due Diligence Disapproval Notice in the time and manner specified, City shall conclusively be deemed to have elected to acquire the Properties.

7.3 NHD Report. Within five (5) days of Opening of Escrow, Escrow Holder shall order and deliver to City a Natural Hazards Disclosure report for the Property issued by Disclosure Source ("**NHD Report**"). The cost of the NHD Report shall be paid by City.

8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

8.1 Conditions to City's Obligations. The obligations of City under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by City of each of the following conditions precedent:

- i. William Howard Swegles, Trustee of the William and Lilly Swegles Trust, created by instrument dated April 21, 1999, and Douglas M. McCafferty, Trustee of the Robert F. McCafferty and Gladys M. McCafferty Revocable Trust, created by instrument dated August 25, 1994, and restated February 6, 2002 (collectively, the "Transferring Trusts"), agree to and have transferred by Grant Deed all of the Transferring Trusts interests in Property 1 and Property 2

to MiJo Investments, LP, a California limited partnership ("MiJo"), in consideration of MiJo's full satisfaction and cancellation of and reconveyance to the Transferring Trusts of MiJo's "Straight Note," dated February 8, 2006.

- ii. Donors have delivered to Escrow Holder the Grant Deeds as specified in Section 4.1(ii).
- iii. City has not delivered the Due Diligence Disapproval Notice pursuant to Section 7.
- iv. Both Properties are transferred to City at the Closing pursuant to the Grant Deeds and the Title Company is prepared to issue the Title Policy pursuant to Section 6.2.
- v. The Easement Termination is recorded immediately following the Grant Deeds.
- vi. Prior to Closing, a new drainage easement in favor of City across Property 2 has been recorded ("**New Easement**").
- vii. Escrow Holder holds and will deliver to City the instruments and funds, if any, accruing to City pursuant to this Agreement.
- viii. Donors are not in material default of their obligations under this Agreement.
- ix. Douglas M. McCafferty is a licensed California Real Estate Broker acting only in the capacity of trustee of the Robert F. McCafferty and Gladys M. McCafferty Revocable Trust, created by instrument dated August 25, 1994, and restated February 6, 2002 and no commissions or fees are due him as part of this donation.

8.2 Conditions to Donors' Obligations. The obligations of Donors are subject to the satisfaction or written waiver, in whole or in part, by Donors of the following conditions precedent:

- i. City has not delivered a Due Diligence Disapproval Notice pursuant to Section 7.
- ii. Both Grant Deeds are recorded at Closing.
- iii. Both Properties are transferred to City at Closing.
- iv. City shall execute Internal Revenue Code Form Section 8283 and any other tax-related forms or documents reasonably requested by Donors to secure the Tax Benefits.
- v. Escrow Holder holds and will deliver to Donors the instruments and funds, if any, accruing to Donors pursuant to this Agreement.
- vi. City is not in material default of its obligations under this Agreement.

8.3 CONDITION OF THE PROPERTY. At Close of Escrow, City shall acquire the each Property in its "AS-IS" condition and City shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of each Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, or other structures located on, under or about the Property, and Donor makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. City acknowledges that Donor is not making any representations or warranties and City is acquiring the Property in AS-IS condition solely based on City's investigation of the Properties. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of hazardous materials or similar substances, the purpose for which each Property is suited, or drainage.

9. ESCROW PROVISIONS.

9.1 Escrow Instructions. Sections 1 through 6, inclusive, 8, 9, 10 and 11 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, City and Donor agree to execute Escrow Holder's standard Escrow instructions, provided that the same are consistent with and do not

conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. City and Donors will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. City and Donors agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to Close Escrow.

9.2 General Escrow Provisions. Title Company shall deliver the Title Policy to the City and instruct the Riverside County Recorder to mail the Grant Deeds to City at the address set forth in Section 10 after recordation. All funds, if any, received in this Escrow shall be deposited in one or more general Escrow accounts of the Escrow Holder with any bank doing business in Southern California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

9.3 Proration of Taxes. Real property taxes shall be paid current as of Closing and shall not be prorated. City is exempt from real estate taxes. After the Closing, each Donor shall have the right to request a refund from the County of Riverside with respect to its Property and City shall reasonably cooperate with such efforts. However, City shall pay the penalty amount due for real property tax assessment which was not paid by December 10, 2020 and April 10, 2021.

9.4 Payment of Costs.

- a. **Cost Allocation.** Donor shall not pay any costs of this transaction except as otherwise specified herein such as removing of Disapproved Exceptions. City shall pay all costs and fees including the NHD Report, the Title Policy, Escrow services, and any similar transaction costs and as otherwise specified herein such as paying property tax penalties.

NOTE 1: As City is a governmental agency, the Grant Deeds shall not be subject to recording fees.

NOTE 2: No documentary transfer taxes are required to be paid with respect to this transaction pursuant to California Revenue & Taxation Code Sections 11911 and 19122.

- b. **Closing Statement.** At least two (2) business days prior to the Closing Date, Escrow Holder shall furnish City and Donors with a preliminary escrow closing statement showing all costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

9.5 Termination and Cancellation of Escrow. If Escrow fails to close due to a failure of a condition precedent, then the party in whose favor the condition precedent runs may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return all documents then in Escrow to the respective depositor of same. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights City or Donors may have against each other arising from the Escrow or this Agreement.

9.6 Documents. Upon recordation of the Grant Deeds, Escrow Holder will deliver conformed copies of the Grant Deeds to each party.

9.7 Information Report. If applicable, Escrow Holder shall file and Donor and City agree to cooperate with Escrow Holder and with each other in completing any report (the "Information Report") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045 regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Donors and City also agree that Donors and City, their respective employees and attorneys, and Escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045E, and further agree that neither Donor nor City shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

9.8 No Withholding as Foreign Donor. Each Donor represents and warrants to City that Donor is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state Donor under California Revenue and Tax Code Section 18805 and that it will deliver to City on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

9.9 Brokerage Commissions. City and Donors represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. City and Donors each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

10. NOTICES. Any notice which either Party may desire to give to the other Party or to the Escrow Holder must be in writing and may be given (i) by personal delivery (including reputable overnight courier (such as Federal Express, UPS or DHL) which will be deemed received the following day, or (ii) by mailing the same by registered or certified mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail, addressed to the Party to whom the notice is directed as set forth below, or (iii) by email, return receipt accepted or as mutually agreed by the Parties and Escrow Holder, or (iv) such other address and to such other persons as the Parties may hereafter designate:

To City: City of Perris
101 N. D Street
Perris, CA 92570
ATTN: City Manager

With a Copy to: Aleshire & Wynder
3880 Lemon Street
Suite 520
Riverside, CA 92501
Attn: Eric Dunn, City Attorney

To Donor 1: MiJo Investments, LP
2273 Suree Ellen Lane
Altadena, CA 91001
Attn: Michele Coudures

With a Copy to: Sklar Kirsh, LLP
1880 Century Park East, Suite 300
Los Angeles, CA 90067
Attn: Owen Gross, Esq.

To Donor 2: MiJo Investments, LP
2273 Suree Ellen Lane
Altadena, CA 91001
Attn: Michele Coudures

Jason DeMond, Trustee
8 Goldmine St.
Trabuco Canyon, Ca 92679

To Escrow Holder: Fidelity National Title Insurance Company
4210 Riverwalk Parkway, Suite 100
Riverside, CA 92505
Attn: Janette DeLap, Escrow Officer

11. GENERAL PROVISIONS.

11.1 Assignment. Neither Donor nor City may assign this Agreement without the written consent of the other parties.

11.2 Attorney's Fees. In any action between among the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Properties, including any defense of any such action, the prevailing party in such action shall be entitled to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

11.3 Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. The venue for any dispute shall be Riverside County.

11.4 No Waiver. No delay or omission by a party in exercising any right or power accruing upon the compliance or failure of performance by the other parties under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by a party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

11.5 Amendments and Modifications. Any amendment or modification of this Agreement must be in writing executed by each party.

11.6 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

11.7 Merger. This Agreement and other documents incorporated herein by reference contain

the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written are merged herein and, except as otherwise stated elsewhere in this Agreement, shall be of no further force or effect after Closing.

11.8 Construction. This Agreement shall be construed according to its fair meaning and as if prepared by all parties hereto. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

11.9 Qualification and Authority. Each individual executing this Agreement on behalf of an Donor represents, warrants and covenants to City that (a) such person is duly authorized to execute and deliver this Agreement on behalf of the Donor in accordance with authority granted under the organizational documents of such entity, and (b) Donor is bound under the terms of this Agreement.

11.10 No Third-Party Beneficiaries. This Agreement is only between the parties and is not intended to be nor shall it be construed as being for the benefit of any third party.

11.11 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

11.12 Exhibits. Exhibits A through E attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Real Property Donation Agreement and Joint Escrow Instructions as of the date set forth above.

CITY:

CITY OF PERRIS, a municipal corporation

By: _____
Clara Miramontes,
Interim City Manager

_____, 2021

ATTEST:

Nancy Salazar, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

DONOR 1:

MIJO INVESTMENTS, LP, a California limited partnership

By: MiJo Investments, LLC, a California limited liability company
General Partner

By: 

Michele A. Coudures (formerly known as Michele C. Maynard),
Trustee of the Michele C. Maynard Revocable Trust U/D/T dated November 12, 2004
Member

DONOR 2:

MIJO INVESTMENTS, LP, a California limited partnership

By: _____
Eric Dunn, City Attorney

ACCEPTED BY ESCROW HOLDER:

FIDELITY NATIONAL TITLE INSURANCE
COMPANY, a corporation

By: _____
Janette DeLap, Escrow Officer

Dated: _____, 2021

Escrow No. _____

By: MiJo Investments, LLC, a California limited
liability company
General Partner

By: 
Michele A. Coudures (formerly
known as Michele C. Maynard),
Trustee of the Michele C. Maynard
Revocable Trust U/D/T dated
November 12, 2004
Member

JASON DEMOND, as Trustee in the Trust for
benefit of Jordan Robert Demond

JASON DEMOND, a married man, as his sole
and separate property

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY 1

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 2 OF WAIVED PARCEL MAP NO. 28747, CERTIFICATE OF COMPLIANCE NO. 01-0080 RECORDED SEPTEMBER 27, 2001, AS INSTRUMENT NO. 2001-469216, OFFICIAL RECORDS.

THAT PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF TOGETHER WITH THAT PORTION OF TRACT NO. 3550-R, AS SHOWN BY MAP ON FILE IN BOOK 56, PAGE 69 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT, SAID NORTHWEST CORNER BEING ON THE EAST LINE OF PERRIS BOULEVARD, (100.00 FEET WIDE); THENCE SOUTH 89° 38' 12" EAST, ALONG THE NORTH LINE OF SAID TRACT, A DISTANCE OF 319.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89° 38' 12" EAST ALONG SAID NORTH LINE, A DISTANCE OF 291.00 FEET; THENCE SOUTH 00° 36' 28" WEST PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD, A DISTANCE OF 332.28 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 20; THENCE NORTH 89° 36' 00" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 291.00 FEET TO A POINT ON A LINE PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD WHICH PASSES THROUGH THE POINT OF BEGINNING; THENCE NORTH 00° 36' 28" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 332.10 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS TO THE DOMINANT TENEMENT ("EASEMENT") OVER, UNDER, WITHIN, THROUGH AND ACROSS THE SERVANT TENEMENT. SAID EASEMENT IS DATED JULY 17, 2006 AND RECORDED AUGUST 8, 2006, AS INSTRUMENT NO. 2006-580764, OFFICIAL RECORDS. THE EASEMENT SHALL BE COMPRISED OF A PAVED ROAD SUITABLE FOR PUBLIC VEHICULAR TRAFFIC AND BUILT CONSISTENT WITH ALL CODES AND ORDINANCES OF THE CITY OF PERRIS, THE COUNTY OF RIVERSIDE AND THE STATE OF CALIFORNIA. THE LOCATION OF THE EASEMENT SHALL BE AT THE DISCRETION OF THE OWNERS OF THE DOMINANT TENEMENT. PARCEL 1 OF PARCEL MAP 11398 RECORDED IN BOOK 52, PAGE 67 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 320-050-016

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY 2

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 1 AND LETTERED LOT B OF PARCEL MAP NO. 11398, IN THE CITY OF PERRIS, AS SHOWN BY MAP ON FILE IN BOOK 52, PAGE 67 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN 320-090-001

EXHIBIT C
GRANT DEED FOR PROPERTY 1

**Recording requested by and
When Recorded Return to:**

City of Perris
101 N. D Street
Perris, CA 92570
ATTN: City Clerk

APN. 320-050-016

(Space Above This Line for Recorder's Office Use Only)

THE UNDERSIGNED GRANTOR DECLARES that the documentary transfer tax (computer on full value) is not applicable per R&T Code 11922.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged and subject to the covenants set forth below, MIJO INVESTMENTS, LP, a California limited partnership ("Grantor") grants to THE CITY OF PERRIS, a municipal corporation ("Grantee"), all of its rights, title, and interest in that certain real property in City of Perris, County of Riverside, State of California, as more particularly described in Exhibit A attached hereto and incorporated by this reference ("Property").

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed on its behalf as of _____, 2021.

GRANTOR:

MIJO INVESTMENTS, LP, a California limited partnership (as to an undivided 50% interest)

By: MiJo Investments, LLC, a California limited liability company
General Partner

By: _____
Michele A. Coudures (formerly known as Michele C. Maynard),
Trustee of the Michele C. Maynard Revocable Trust U/D/T dated November 12, 2004
Member

**EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY**

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 2 OF WAIVED PARCEL MAP NO. 28747, CERTIFICATE OF COMPLIANCE NO. 01-0080 RECORDED SEPTEMBER 27, 2001, AS INSTRUMENT NO. 2001-469216, OFFICIAL RECORDS.

THAT PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF TOGETHER WITH THAT PORTION OF TRACT NO. 3550-R, AS SHOWN BY MAP ON FILE IN BOOK 56, PAGE 69 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT, SAID NORTHWEST CORNER BEING ON THE EAST LINE OF PERRIS BOULEVARD, (100.00 FEET WDE); THENCE SOUTH 89° 38' 12" EAST, ALONG THE NORTH LINE OF SAID TRACT, A DISTANCE OF 319.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89° 38' 12" EAST ALONG SAID NORTH LINE, A DISTANCE OF 291.00 FEET; THENCE SOUTH 00° 38' 28" WEST PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD, A DISTANCE OF 332.28 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 20; THENCE NORTH 89° 36' 00" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 291.00 FEET TO A POINT ON A LINE PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD WHICH PASSES THROUGH THE POINT OF BEGINNING; THENCE NORTH 00° 38' 28" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 332.10 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS TO THE DOMINANT TENEMENT ("EASEMENT") OVER, UNDER, WITHIN, THROUGH AND ACROSS THE SERVANT TENEMENT. SAID EASEMENT IS DATED JULY 17, 2006 AND RECORDED AUGUST 8, 2006, AS INSTRUMENT NO. 2006-580764, OFFICIAL RECORDS. THE EASEMENT SHALL BE COMPRISED OF A PAVED ROAD SUITABLE FOR PUBLIC VEHICULAR TRAFFIC AND BUILT CONSISTENT WITH ALL CODES AND ORDINANCES OF THE CITY OF PERRIS, THE COUNTY OF RIVERSIDE AND THE STATE OF CALIFORNIA. THE LOCATION OF THE EASEMENT SHALL BE AT THE DISCRETION OF THE OWNERS OF THE DOMINANT TENEMENT. PARCEL 1 OF PARCEL MAP 11398 RECORDED IN BOOK 52, PAGE 67 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 320-050-016

CERTIFICATE OF ACCEPTANCE

This is to certify that the real property conveyed by MIJO INVESTMENTS, LP, a California limited partnership ("**Grantor**"), by Grant Deed to the CITY OF PERRIS ("**City**"), is hereby accepted by the undersigned officer and agent of City and City consents to the recording of the Grant Deed.

Signed and dated at _____, California on _____, 2021.

CITY

CITY OF PERRIS,
a municipal corporation

By: _____
Clara Miramontes,
Interim City Manager

EXHIBIT D
GRANT DEED FOR PROPERTY 2

**Recording requested by and
When Recorded Return to:**

City of Perris
101 N. D Street
Perris, CA 92570
ATTN: City Clerk

APN. 320-090-001

(Space Above This Line for Recorder's Office Use Only)

THE UNDERSIGNED GRANTOR DECLARES that the documentary transfer tax (computer on full value) is not applicable per R&T Code 11922.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged and subject to the covenants set forth below, MIJO INVESTMENTS, LP, a California limited partnership, JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond, and JASON DEMOND, a married man, as his sole and separate property ("**Grantor**") grants to THE CITY OF PERRIS, a municipal corporation ("**Grantee**"), all of its rights, title, and interest in that certain real property in the City of Perris, County of Riverside, State of California, as more particularly described in Exhibit A attached hereto and incorporated by this reference ("**Property**").

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed on its behalf as of _____, 2021.

MIJO INVESTMENTS, LP, a California limited partnership (as to an undivided 72.5% interest)

By: MiJo Investments, LLC, a California limited liability company
General Partner

JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond, as to an undivided 13.75% interest

By: _____
Michele A. Coudures (formerly known as Michele C. Maynard),
Trustee of the Michele C. Maynard Revocable Trust U/D/T dated November 12, 2004
Member

JASON DEMOND, a married man, as his sole and separate property, as to an undivided 13.75% interest

**EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY**

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 1 AND LETTERED LOT B OF PARCEL MAP NO. 11398, IN THE CITY OF PERRIS, AS SHOWN BY MAP ON FILE IN BOOK 52, PAGE 67 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN 320-090-001

CERTIFICATE OF ACCEPTANCE

This is to certify that the real property conveyed by MIJO INVESTMENTS, LP, a California limited partnership, JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond and JASON DEMOND, a married man, as his sole and separate property (collectively "Grantor"), by Grant Deed to the CITY OF PERRIS ("City"), is hereby accepted by the undersigned officer and agent of City and City consents to the recording of the Grant Deed.

Signed and dated at _____, California on _____, 2021.

CITY

CITY OF PERRIS,
a municipal corporation

By: _____
Clara Miramontes,
Interim City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2021 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2021 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

**EXHIBIT E
EASEMENT TERMINATION**

**FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Perris
101 N. D Street
Perris, CA 92570
Attention: City Manager

APN: 320-090-001 & 016
Exempt from Documentary Transfer Taxes under R&T Code
11922

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

TERMINATION OF EASEMENTS BY MERGER

This Termination of Easements by Merger ("**Termination**") is made this ____ day of _____, 2021 by the CITY OF PERRIS, a public agency ("**Owner**").

RECITALS:

A. Owner owns that certain real property in the City of Perris, County of Riverside, State of California (APN 320-090-016) legally described on Exhibit A attached hereto ("**Property A**").

B. Owner owns that certain real property in the City of Perris, County of Riverside, State of California (APN 320-090-001) legally described on Exhibit A attached hereto ("**Property B**") which is adjacent to Property A.

C. Property A is the dominant tenement for that certain ingress, egress and access easements across Property B as the servient tenement which easements were created by (i) that certain Grant of Easement dated July 17, 2006 which was recorded on August 8, 2006 as Instrument No. 2006-0580764, and (ii) certain Grant of Easement dated May 22, 2006 which was recorded on July 5, 2006 as Instrument No. 2006-0487241, both in the Official Records of Riverside County ("**Property A Access Easements**").

D. Property B is the dominant tenement for that certain ingress, egress and access easements across Property A as the servient tenement which easements were (i) created by that certain Grant of Easement dated May 22, 2006 which was recorded on July 5, 2006 as Instrument No. 2006-0487241, and (ii) that certain Grant of Easement dated July 17, 2006 as Instrument No. 2006-0580764, both in the Official Records of Riverside County ("**Property B Access Easements**").

E. As owner of both Property A and Property, Owner desires to acknowledge the termination of both the Property A Access Easements and the Property B Access Easements by merger.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are true and correct and incorporated herein.

2. **Effective Date.** This Termination shall be effective upon recordation in the Official Records of Riverside County ("**Effective Date**").

3. **Merger.** As of the Effective Date, Owner, as the Owner of both Property A and Property B, hereby terminates both the Property A Access Easements and the Property B Access Easements both of which shall have no further force or effect against either Property A or Property B.

IN WITNESS WHEREOF, the Grantor has caused this Termination of Easements by Merger to be executed as of the day and year first above written.

GRANTOR:

CITY OF PERRIS, a municipal corporation

By: _____
Clara Miramontes,
Interim City Manager
_____, 2021

ATTEST:

Nancy Salazar, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Eric Dunn, City Attorney

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY A

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 2 OF WAIVED PARCEL MAP NO. 28747, CERTIFICATE OF COMPLIANCE NO. 01-0080 RECORDED SEPTEMBER 27, 2001, AS INSTRUMENT NO. 2001-469216, OFFICIAL RECORDS.

THAT PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF TOGETHER WITH THAT PORTION OF TRACT NO. 3550-R, AS SHOWN BY MAP ON FILE IN BOOK 58, PAGE 69 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT, SAID NORTHWEST CORNER BEING ON THE EAST LINE OF PERRIS BOULEVARD, (100.00 FEET WIDE); THENCE SOUTH 89° 38' 12" EAST, ALONG THE NORTH LINE OF SAID TRACT, A DISTANCE OF 319.00 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 89° 38' 12" EAST ALONG SAID NORTH LINE, A DISTANCE OF 291.00 FEET;
THENCE SOUTH 00° 36' 28" WEST PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD, A DISTANCE OF 332.28 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 20;
THENCE NORTH 89° 36' 00" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 291.00 FEET TO A POINT ON A LINE PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD WHICH PASSES THROUGH THE POINT OF BEGINNING;
THENCE NORTH 00° 36' 28" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 332.10 FEET TO THE POINT OF BEGINNING.

EXHIBIT B
LEGAL DESCRIPTION OF PROPERTY B

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 1 AND LETTERED LOT B OF PARCEL MAP NO. 11398, IN THE CITY OF PERRIS, AS SHOWN BY MAP ON FILE IN BOOK 52, PAGE 67 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN 320-090-001

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

ss.

On _____, 2021 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

ATTACHMENT 3

EASEMENT PSA

PURCHASE AND SALE AGREEMENT FOR DRAINAGE FEASEMENT

This PURCHASE AND SALE AGREEMENT FOR DRAINAGE EASEMENT (this "Agreement") is made this _____ day of _____, 2021 (the "Agreement Date") by and between the CITY OF PERRIS, a municipal corporation ("Buyer") and MIJO INVESTMENTS, LP, a California limited partnership, JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond and JASON DEMOND, a married man, as his sole and separate property (collectively "Seller").

RECITALS

A. Seller is the fee owner of that certain real property in the City of Perris, County of Riverside, State of California (APN 320-090-001) legally described on Exhibit A attached hereto (the "Property").

B. Buyer desires to acquire an exclusive drainage easement to that portion of the Property (the "Easement") as specified in the Grant of Drainage Easement attached as Exhibit B (the "Easement Grant").

C. Seller is willing to sell the Easement to Buyer under the terms and conditions set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties mutually agree as follows:

TERMS AND CONDITIONS

1. INCORPORATION OF RECITALS; EFFECTIVE DATE.

1.1 Recitals. The Recitals are an integral part of this Agreement and incorporated herein.

1.2 Effective Date. This Agreement shall be effective upon execution of this Agreement by City after its review, consideration, and approval by City Council (the "Effective Date"). Prior to City Council meeting where this Agreement is on the City Council agenda, Seller shall deliver three (3) executed copies of this Agreement to City.

2. PURCHASE AND SALE OF EASEMENT. Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer, the Easement pursuant to the Grant of Easement. As of the Closing, Buyer accepts the Easement AS-IS.

3. PURCHASE PRICE.

3.1 Purchase Price. The purchase price for the Easement is Fifty-Nine Thousand Five Hundred Seventeen Dollars (\$59,517)¹ (the "Purchase Price"). Buyer shall pay the Purchase Price to Seller in accordance with Section 3.2.

3.2 Payment. Upon confirmation of recordation of the Easement Grant and issuance of the Title Policy (pursuant to Section 6.2), Buyer shall promptly deliver the Purchase Price to Seller

¹ 39,678 sq feet at \$1.50 per square foot.

as directed by Seller in writing to Buyer.

4. NO ESCROW; CLOSING; TITLE POLICY.

4.1 No Escrow. No Escrow shall be required under this Agreement.

4.2 Closing. Within ten (10) days after Buyer's issuing the Due Diligence Approval Notice (pursuant to Section 6.3) but, in no event later than thirty (30) days after the Effective Date, the parties shall consummate this transaction. If the Buyer delivers the Disapproval Notice pursuant to Section 6.3, this Agreement shall terminate.

(a) Delivery of Easement Grant. Within two (2) days of Seller's receipt of the Approval Notice (as defined in Section 6.3), Seller shall execute, acknowledge and deliver the Easement Grant.

(b) Vested Title. Seller shall obtain and record all documents required so that title to the Property is vested in Seller.

(c) Recordation. Promptly upon Buyer's receipt of the originally executed Easement Grant, Buyer shall execute a Certificate of Acceptance and attach it to the Easement Grant and promptly deliver it to the Title Company for recordation in the Official Records of Riverside County, California.

(d) Closing. This transaction shall be deemed closed upon confirmation from the Title Company that the Easement Grant has been recorded and the Title Company has issued the Title Policy (as defined below) and receipt of the Purchase Price by Seller (the "Closing").

(e) Cooperation. Seller agrees to cooperate with Buyer in the event any additional documents are required to record the Easement Grant and to cause the Title Company to issue the Title Policy.

4.3 Costs. Buyer shall pay the recording fees and the premium for the Title Policy.

5. SELLER'S REPRESENTATIONS AND WARRANTIES. As of the Effective Date, Seller represents and warrants to Buyer that (i) it owns the Property free and clear of any and all liens or encumbrances or, if there is a lien covenants to obtain a subordination agreement to record with the Easement Grant; (ii) that there are no conflicting easements over the Easement Area; and (iii) has full authority to execute the Easement Grant which, upon recordation, will be binding on the Property. This section shall survive Closing and recordation of the Easement Grant.

6. DUE DILIGENCE.

6.1 Entry onto Property. For a period of ten (10) days following the Effective Date (the "Due Diligence Period"), Seller grants to Buyer, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Easements, which studies, surveys, investigations and tests shall be done at Buyer's sole cost and expense. Buyer shall indemnify, defend and hold Seller and the Property harmless from and against any and all claims, demands, actions, losses, liabilities, obligations, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs, whether or not any action is filed or prosecuted) arising from or in connection with any entry, inspection or investigation by

Buyer pursuant to this Section. Buyer's indemnity obligations under this Section 6.1 shall survive the termination of this Agreement.

6.2 Title Policy. Within two (2) days from the Effective Date, Seller shall order a preliminary title report (the "**Title Report**") from Fidelity National Title Insurance Company (the "**Title Company**") with respect to the Property for review and approval. At Closing, Buyer shall cause the Title Company to issue to Buyer an ALTA non-extended coverage owner's title policy insuring the Easement vested in Buyer with coverage in the amount of the Purchase Price subject to such exceptions as approved by Buyer but senior to all deeds of trusts (the "**Title Policy**"). Seller shall be responsible to obtain a subordination agreement from any lenders in a form acceptable to the Title Company.

6.3 Buyer's Election Notice. If Buyer disapproves the condition of the Easement and/or the Title Report, Buyer shall have the right to terminate this Agreement provided Buyer delivers written notice of termination to Seller prior to the end of the Due Diligence Period (the "**Termination Notice**"). If Buyer does not deliver a Termination Notice in the time and manner specified, Buyer shall conclusively be deemed to have elected to acquire the Easement.

7. MISCELLANEOUS.

7.1 No Conflict of Interest. No officer or employee of Buyer or Seller shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Seller and Buyer each warrant that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

7.2 Notices. All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth herein, and the same shall be effective upon receipt if delivered personally, one (1) business day after depositing with an overnight air courier, or two (2) business days after depositing in the mail.

Buyer:	City of Perris 101 N. D Street Perris, CA 92570 Attention: City Manager
With copy to:	Aleshire & Wynder, LLP 3880 Lemon Street Suite 520 Riverside, CA 92501 Attn: Eric Dunn, City Attorney
Seller:	Jason DeMond, Trustee 8 Goldmine St. Trabuco Canyon, Ca 92679 MiJo Investments, LP 2273 Suree Ellen Lane Altadena, CA 91001

Attn: Michele Coudures

With copy to:

Sklar Kirsh, LLP
1880 Century Park East, Suite 300
Los Angeles, CA 90067
Attn: Owen Gross, Esq.

7.3 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neutral gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

7.4 No Waiver. No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions.

7.5 Amendment. The Agreement may only be modified or amended by a written document executed by both parties.

7.6 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7.7 Merger of Prior Agreements and Understandings. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated by this Agreement and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

7.8 Time of Essence. Time is of the essence of this Agreement.

7.9 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on both parties, notwithstanding that both parties are not signatories to the original or the same counterpart.

7.10 Attorney's Fees. In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of this Agreement, the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees and related costs.

7.11 Incorporation of Exhibits. Exhibit A and B attached hereto are incorporated herein by reference.

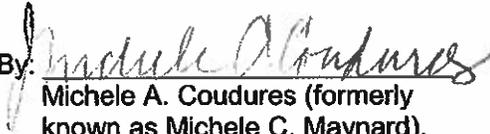
[SIGNATURES ON FOLLOWING PAGE]_____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

SELLER:

MIJO INVESTMENTS, LP, a California limited partnership

By: MiJo Investments, LLC, a California limited liability company
General Partner

By: 
Michele A. Coudures (formerly known as Michele C. Maynard),
Trustee of the Michele C. Maynard Revocable Trust U/D/T dated November 12, 2004
Member

JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond

JASON DEMOND, a married man, as his sole and separate property

BUYER:

CITY OF PERRIS, a municipal corporation

By: _____
Clara Miramontes
Interim City Manager

_____, 2021

ATTEST:

Nancy Salazar, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Eric Dunn, City Attorney

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 2 OF WAIVED PARCEL MAP NO. 28747, CERTIFICATE OF COMPLIANCE NO. 01-0080 RECORDED SEPTEMBER 27, 2001, AS INSTRUMENT NO. 2001-469216, OFFICIAL RECORDS.

THAT PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF TOGETHER WITH THAT PORTION OF TRACT NO. 3550-R, AS SHOWN BY MAP ON FILE IN BOOK 56, PAGE 69 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT, SAID NORTHWEST CORNER BEING ON THE EAST LINE OF PERRIS BOULEVARD, (100.00 FEET WIDE); THENCE SOUTH 89° 38' 12" EAST, ALONG THE NORTH LINE OF SAID TRACT, A DISTANCE OF 319.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89° 38' 12" EAST ALONG SAID NORTH LINE, A DISTANCE OF 291.00 FEET; THENCE SOUTH 00° 36' 28" WEST PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD, A DISTANCE OF 332.28 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 20; THENCE NORTH 89° 38' 00" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 291.00 FEET TO A POINT ON A LINE PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD WHICH PASSES THROUGH THE POINT OF BEGINNING; THENCE NORTH 00° 36' 28" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 332.10 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS TO THE DOMINANT TENEMENT ("EASEMENT") OVER, UNDER, WITHIN, THROUGH AND ACROSS THE SERVANT TENEMENT. SAID EASEMENT IS DATED JULY 17, 2006 AND RECORDED AUGUST 8, 2006, AS INSTRUMENT NO. 2006-580764, OFFICIAL RECORDS. THE EASEMENT SHALL BE COMPRISED OF A PAVED ROAD SUITABLE FOR PUBLIC VEHICULAR TRAFFIC AND BUILT CONSISTENT WITH ALL CODES AND ORDINANCES OF THE CITY OF PERRIS, THE COUNTY OF RIVERSIDE AND THE STATE OF CALIFORNIA. THE LOCATION OF THE EASEMENT SHALL BE AT THE DISCRETION OF THE OWNERS OF THE DOMINANT TENEMENT. PARCEL 1 OF PARCEL MAP 11398 RECORDED IN BOOK 52, PAGE 67 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 320-050-016

EXHIBIT B

**FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Perris
101 N. D Street
Perris, CA 92570
Attention: City Manager

APN. 320-090-001
Exempt from Documentary Transfer Taxes under R&T Code 11922

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

GRANT OF DRAINAGE EASEMENT

This Grant of Drainage Easement (this "**Easement Agreement**") is made this ____ day of _____, 2021 by MIJO INVESTMENTS, LP, a California limited partnership, JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond and JASON DEMOND, a married man, as his sole and separate property (collectively, "**Grantor**") in favor of the CITY OF PERRIS, a public agency ("**Grantee**").

RECITALS:

A. Grantor is the fee owner of that certain real property in the City of Perris, County of Riverside, State of California (APN) legally described on Exhibit A attached hereto (the "**Property**").

B. Grantee desires to acquire an exclusive easement of thirty-two (32) feet in width running east and west along the southern border of the Property (approximately 1,239.94 feet in length) (the "**Easement Area**") for the purpose of construction and maintenance of a drainage easement together a non-exclusive easement for ingress and egress to the drainage easement by Grantee, its agents and assigns to that fifteen (15) foot area which is immediately adjacent to the Easement Area (the "**Easement Access Area**") for the purpose of accessing the Easement Area.

C. Grantor is willing to grant to Grantee the Easement under the terms and conditions set forth in this Easement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals Incorporated. The foregoing recitals are true and correct and incorporated herein.

2. Effective Date. This Easement Agreement shall be effective upon recordation in the Official Records of Riverside County, California (the "**Effective Date**").

3. Drainage Easement. Grantor hereby grants to Grantee and its successor and assigns an exclusive easement in gross over the Easement Area to construct, install, maintain, operate, repair, replace and modify (and all activities reasonably necessary in connection therewith) (the "**Drainage Easement**"). Grantor shall have no obligation for the maintenance or repair of the Easement Area. As of the Effective Date, Grantor grants to Grantee and its successors and assigns a non-exclusive easement in gross for ingress and egress over the Easement Access Area to access the Easement Area for the purposes set forth in Section 3, subject to the provisions of Section 4. Grantor shall maintain the Easement Access Area clear and unobstructed so as not to impair access by Grantee and its employees, agents or other authorized personnel to the Easement Area. Grantor shall maintain the Easement Access Area in accordance with the requirements of the Perris Municipal Code. Access to the Easement Area shall not unreasonably interfere with Grantor's use of the Property.

4. Notice of Intent to Access the Easement Area. Prior to construction of the Drainage Easement and any material replacement or maintenance of the Drainage Easement shall require prior notice to Grantor which notice shall include a brief description of the work to be performed.

5. No Merger. In the event that Grantee acquires fee title to all or any portion of the Property, the Easement shall not be deemed to merge into that fee interest and shall remain in full force and effect until such time that Grantee executes and records in the Official Records a specific statement that the Easement is merged into the fee interest in the Property and that the Easement is terminated.

6. Miscellaneous.

6.1. Relationship of the Parties. Nothing in this Easement Agreement shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture, or any other association between Grantor and Grantee other than the relationship described herein.

6.2. Entire Agreement. This Easement Agreement, including all exhibits hereto (which are hereby incorporated herein by reference for all purposes), contains the full and final agreement of every kind and nature between the parties concerning the subject matter set forth herein.

6.3. Modification or Amendment. This Easement Agreement may not be amended, modified or changed in any way except other than by a written agreement executed by Grantor and Grantee and duly recorded in the Official Records of the County of Riverside, California.

6.4. Partial Invalidity. If any provision of this Easement Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Easement Agreement in its application shall not be affected by such partial invalidity but shall be enforced to the fullest extent permitted by law.

- 6.5. Applicable Law.** This Easement Agreement shall be governed by the laws of the State of California and jurisdiction for any action shall be Riverside County.
- 6.6. Counterparts.** This Easement Agreement may be executed in one or more identical counterparts and all such counterparts together shall constitute a single instrument for the purpose of the effectiveness of this Easement Agreement.
- 6.7. Attorney's Fees.** If any legal or equitable action or proceeding is instituted by one party against the other to enforce or interpret any provision of this Agreement, the prevailing party in such action shall be entitled to recover from the other party its reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the Grantor has caused this Easement Agreement to be executed as of the day and year first above written.

GRANTOR:

MIJO INVESTMENTS, LP, a California
limited partnership

By: MiJo Investments, LLC, a California
limited liability company
General Partner

By: _____
Michele A. Coudures (formerly
known as Michele C. Maynard),
Trustee of the Michele C. Maynard
Revocable Trust U/D/T dated
November 12, 2004
Member

JASON DEMOND, as Trustee in the Trust
for benefit of Jordan Robert Demond

JASON DEMOND, a married man, as his
sole and separate property

**CERTIFICATE OF ACCEPTANCE OF
GRANT OF DRAINAGE EASEMENT**

Pursuant to Government Code Section 27281, this is to certify that the easement interest conveyed by MIJO INVESTMENTS, LP, a California limited partnership, JASON DEMOND, as Trustee in the Trust for benefit of Jordan Robert Demond and JASON DEMOND, a married man, as his sole and separate property by that certain Grant of Drainage Easement ("**Grant of Easement**") to the CITY OF PERRIS, a municipal corporation ("**City**"), is hereby accepted by the undersigned and duly authorized officer and agent of the City who hereby consents to the recording of the Grant of Easement.

Executed in Perris, California on _____, 2021.

"City"
CITY OF PERRIS,
a municipal corporation

By: _____
Clara Miramontes,
Interim City Manager

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of Perris, County of Riverside, State of California legally described as follows:

PARCEL 2 OF WAIVED PARCEL MAP NO. 28747, CERTIFICATE OF COMPLIANCE NO. 01-0080 RECORDED SEPTEMBER 27, 2001, AS INSTRUMENT NO. 2001-469216, OFFICIAL RECORDS.

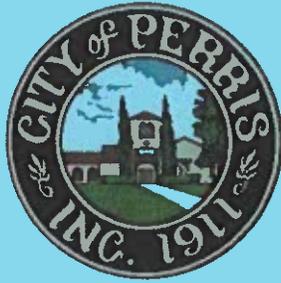
THAT PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF TOGETHER WITH THAT PORTION OF TRACT NO. 3550-R, AS SHOWN BY MAP ON FILE IN BOOK 56, PAGE 69 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT, SAID NORTHWEST CORNER BEING ON THE EAST LINE OF PERRIS BOULEVARD, (100.00 FEET WIDE); THENCE SOUTH 89° 38' 12" EAST, ALONG THE NORTH LINE OF SAID TRACT, A DISTANCE OF 319.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89° 38' 12" EAST ALONG SAID NORTH LINE, A DISTANCE OF 291.00 FEET; THENCE SOUTH 00° 36' 28" WEST PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD, A DISTANCE OF 332.28 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 20; THENCE NORTH 89° 38' 00" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 291.00 FEET TO A POINT ON A LINE PARALLEL WITH THE EAST LINE OF PERRIS BOULEVARD WHICH PASSES THROUGH THE POINT OF BEGINNING; THENCE NORTH 00° 36' 28" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 332.10 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS TO THE DOMINANT TENEMENT ("EASEMENT") OVER, UNDER, WITHIN, THROUGH AND ACROSS THE SERVANT TENEMENT. SAID EASEMENT IS DATED JULY 17, 2006 AND RECORDED AUGUST 8, 2006, AS INSTRUMENT NO. 2006-580764, OFFICIAL RECORDS. THE EASEMENT SHALL BE COMPRISED OF A PAVED ROAD SUITABLE FOR PUBLIC VEHICULAR TRAFFIC AND BUILT CONSISTENT WITH ALL CODES AND ORDINANCES OF THE CITY OF PERRIS, THE COUNTY OF RIVERSIDE AND THE STATE OF CALIFORNIA. THE LOCATION OF THE EASEMENT SHALL BE AT THE DISCRETION OF THE OWNERS OF THE DOMINANT TENEMENT. PARCEL 1 OF PARCEL MAP 11398 RECORDED IN BOOK 52, PAGE 67 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 320-050-016



CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 13, 2021

SUBJECT: **Final Parcel Map 20-05150 (TPM 37457)** – A Final Parcel Map to consolidate four parcels into one lot to facilitate the construction of a 428,730 square feet (SF) industrial building on 24.2 acres located at the northwest corner of Indian Avenue and Ramona Expressway. **Applicant:** IDI Logistics, Inc.

REQUESTED ACTION: **Approve Final Parcel Map 37457**

CONTACT: Candida Neal, Interim Director Development Services Department

BACKGROUND/DISCUSSION:

On December 18, 2019, the Planning Commission approved Tentative Parcel Map 37547 (TPM 18-05058) to consolidate four parcels into one lot to facilitate the construction of a 428,730 square foot industrial building located at the northwest corner of Indian Avenue and Ramona Expressway. The project site is located within the Light Industrial zone of the Perris Valley Commerce Center Specific Plan. The project started grading in early January of 2021 and is anticipated to begin vertical construction in April 2021.

The Final Map has now been reviewed by the City Engineer's office and is substantially consistent with the Tentative Tract Map approved by the Planning Commission on December 18, 2019. Also, all associated engineering fees are paid, and all bonds are posted. The applicant has also complied with all Planning Division requirements related to the Conditions of Approval for Tentative Parcel Map 37457 prior to the Final Parcel Map's recordation. Staff recommends the City Council approve Final Parcel Map 37457.

BUDGET (or FISCAL) IMPACT: The cost for processing this application is paid by the applicant.

Prepared by: Ryan Griffiths, Assistant Planner
REVIEWED BY: Kenneth Phung, Planning Manager

City Attorney _____
 Assistant City Manager _____
 Finance Director _____

Attachments:

1. Vicinity Map
2. Final Tract Map 37457
3. Conditions of Approval (Planning, Engineering, Public Works, Building, and Fire)

Consent: April 13, 2021

ATTACHMENT 1
Vicinity Map

VICINITY MAP



ATTACHMENT 2
Final Parcel Map 37457

PARCEL MAP 37457

BEING A SUBDIVISION OF PORTIONS OF LOTS 5 & 6 OF BLOCK 11 OF RIVERSIDE TRACT, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 685 OF MAPS, RECORDS OF SAN DIEGO COUNTY, TOGETHER WITH PARCEL 2 AS SHOWN ON THAT CERTIFICATE OF COMPLIANCE (LOT LINE ADJUSTMENT NO. 15-05162) AS EVIDENCED BY DOCUMENT RECORDED JUNE 01, 2017 AS INSTRUMENT NO. 2017-0218876 OF OFFICIAL RECORDS OF COUNTY OF RIVERSIDE, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, LYING IN SECTIONS 6 AND 7, TOWNSHIP 4 SOUTH, RANGE 3 WEST.

ALBERT A. WEBB ASSOCIATES - CIVIL ENGINEERS FEBRUARY, 2020

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF THE LAND INCLUDED WITHIN THE SUBDIVISION SHOWN HEREON, THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID LAND, THAT WE CONSENT TO THE MAKING AND RECORDING OF THIS SUBDIVISION MAP AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: LOT "A" (PERRY STREET), LOT "B" (INDIAN AVENUE) AND LOT "C" (ROMONA EXPRESSWAY). THE DEDICATION IS FOR STREET AND PUBLIC UTILITY PURPOSES.

AS A CONDITION OF THE DEDICATION OF LOT "B" (INDIAN AVENUE) AND LOT "C" (ROMONA EXPRESSWAY), THE OWNER OF PARCEL 1, ADJOINING THIS HIGHWAY AND DURING SUCH TIME WILL WAIVE HIS RIGHTS OF ACCESS, EXCEPT A 27 FOOT WIDE ACCESS OPENING ALONG ROMONA EXPRESSWAY, A 33.27 FOOT WIDE ACCESS OPENING ALONG INDIAN AVENUE AND THE GENERAL EASEMENT OF TRAVEL. ANY CHANGE OF ALIGNMENT OR WIDTH THAT RESULTS IN THE VACATION THEREOF SHALL TERMINATE THIS CONDITION OF ACCESS RIGHTS AS TO THE PART VACATED.

WE HEREBY RETAIN EASEMENTS INDICATED AS "PRIVATE ACCESS EASEMENT", AS SHOWN HEREOF FOR PRIVATE USE, FOR THE SOLE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOT OWNERS WITHIN THIS TRACT MAP.

CARRIER:

IDL ROMONA, LLC, A DELAWARE LIMITED LIABILITY COMPANY

[Signature]
By: **STEPHEN HOLLIS**
V.P. CONSTRUCTION

NOTARY ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA COUNTY OF RIVERSIDE SS

ON December 9, 2020 BEFORE ME, ALISON HILL, A NOTARY PUBLIC, PERSONALLY APPEARED STEPHEN HOLLIS

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/IT/HEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S) OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT. WITNESS MY HAND:

[Signature]
Alison Hill
Notary Public

MY OFFICIAL PLACE OF BUSINESS IS IN RIVERSIDE COUNTY, MY COMMISSION EXPIRES Feb 27, 2021 MY COMMISSION NUMBER 2195013



RECORDED STATEMENT
FILED THIS _____ DAY OF _____ 20____
AT _____ OF PARCEL MAPS AT
PAGES _____ AT THE REQUEST OF THE
CITY CLERK OF THE CITY OF PERRIS.
NO. _____
FEE _____
PETER ALDANA, ASSESSOR - COUNTY CLERK - RECORDED
By: _____ DEPUTY
SUBDIVISION GUARANTEE - FIRST AMERICAN TITLE INSURANCE COMPANY

SURVEYOR'S STATEMENT

I, MATTHEW E. WEBB, A LICENSED LAND SURVEYOR OF THE STATE OF CALIFORNIA, HEREBY STATE THAT THE SURVEY OF THIS SUBDIVISION WAS MADE BY ME OR UNDER MY DIRECTION ON SEPTEMBER 24, 2018 AND THAT SAID SURVEY IS TRUE AND COMPLETE AS SHOWN, THAT MONUMENTS OF THE CHARACTER INDICATED HAVE BEEN SET OR FOUND AT THE SUBDIVISION BOUNDARY CORNERS AND I WILL SET ALL OTHER MONUMENTS OF THE CHARACTER AND AT THE POSITION INDICATED BY THE LEGEND IN THIS MAP WITHIN THIRTY (30) DAYS AFTER COMPLETION OF THE REQUIRED IMPROVEMENTS IN ACCORDANCE WITH THE MONUMENT AGREEMENT FOR THE MAP AND SUCH MONUMENTS ARE OR WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE PERFORMED. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP.

By: *[Signature]*
MATTHEW E. WEBB
P.L.S. NO. 5529 EXP. 9-30-2022
DATE: NOVEMBER 30, 2020



CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND I AM SATISFIED THAT IT IS TECHNICALLY CORRECT, THAT ALL THE PROVISIONS OF THE SUBDIVISION MAP ACT AND THE CITY OF PERRIS ORDINANCE NO. 5-43 AS AMENDED, WHICH WERE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP, HAVE BEEN COMPLIED WITH, AND THAT THE SUBDIVISION SHOWN ON THIS MAP IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE APPROVED TENTATIVE PARCEL MAP.

DATE: _____
By: GABRIEL D. YBASRA, L.S. 4343 EXP. 06-30-22
FOR STUART E. MOYSEWITZ, P.C.E. 44552 EXP. 03/31/21
CITY ENGINEER FOR THE CITY OF PERRIS



CITY CLERK'S STATEMENT

I HEREBY STATE THAT AN UNDERTAKING OF CASH DEPOSIT SATISFACTORY TO THE CITY COUNCIL OF THE CITY OF PERRIS, GUARANTEEING THE CONSTRUCTION OF RECORD STREET IMPROVEMENTS AND MONUMENTATION HAS BEEN APPROVED AND FILED WITH THE CITY OF PERRIS PRIOR TO ACCEPTANCE OF THIS MAP.

DATE: _____
NANCY SALAZAR
CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA
By: _____ CITY CLERK

CITY ACCEPTANCE STATEMENT

THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BY ITS DULY AUTHORIZED OFFICER HEREBY APPROVES SAID FINAL MAP AND ACCEPTS THE OFFERS OF DEDICATION MADE HEREON OF LOTS "A", "B" AND "C" FOR PUBLIC ROAD AND PUBLIC UTILITY PURPOSES, AND AS PART OF THE CITY MAINTAINED POND SYSTEM. SUBJECT TO AMENDMENTS IN ACCORDANCE WITH CITY STANDARDS.

AND APPROVES THE EASEMENT BEING AMANDATED
CITY: PERRIS, CALIFORNIA
MAYOR: MICHAEL M. VARGAS
ATTEST: _____ CITY CLERK
DATE: _____

SIGNATURE OMISSIONS

- PURSUANT TO SECTION 6642 OF THE SUBDIVISION MAP ACT, THE SIGNATURES OF THE FOLLOWING OWNERS OF EASEMENTS AND/OR OTHER INTERESTS HAVE BEEN OMITTED:
- AN EASEMENT FOR GAS AND WATER PIPELINE AND INCIDENTAL PURPOSES, RECORDED OCTOBER 01, 1958 AS BOOK 2343, PAGE #31 OF OFFICIAL RECORDS IN FAVOR OF JOHN COULURES AND MARIE COULURES CAN NOT BE LOCATED FROM RECORD INFORMATION.
 - AN EASEMENT FOR EITHER OF BOTH POLE LINES, COALDUTS OR UNDERGROUND FACILITIES AND INCIDENTAL PURPOSES, RECORDED MARCH 13, 1952 AS BOOK 1150, PAGE 65 OF OFFICIAL RECORDS IN FAVOR OF CALIFORNIA ELECTRIC POWER COMPANY.
 - AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED JULY 15, 1960 AS INSTRUMENT NO. 62987 OF OFFICIAL RECORDS IN FAVOR OF EASTERN MUNICIPAL WATER DISTRICT.
 - AN EASEMENT FOR AVIGATION AND INCIDENTAL PURPOSES, RECORDED JULY 19, 2017 AS INSTRUMENT NO. 2017-0293278 OF OFFICIAL RECORDS IN FAVOR OF WARCH INLAND PORT AIRPORT AUTHORITY (MFAA).
 - AN EASEMENT FOR AVIGATION AND INCIDENTAL PURPOSES, RECORDED JUNE 19, 2019 AS INSTRUMENT NO. 2019-0220491 OF OFFICIAL RECORDS IN FAVOR OF MFAA, A CALIFORNIA AIRPORT AUTHORITY, ITS SUCCESSORS, ASSIGNS, LESSEES, SUB LESSEES, LICENSEES AND TENANTEES, BLANDED IN NATURE.

ABANDONMENT NOTE:

PURSUANT TO SECTION 66134 & 66459 20 1/2 OF THE SUBDIVISION MAP ACT, THE APPROVAL AND RECORDATION OF THIS PARCEL MAP CONSTITUTES ABANDONMENT OF THE FOLLOWING:
THOSE PORTIONS OF INDIAN AVENUE AS DEDICATED ON MAP OF THE RIVERSIDE TRACT ON FILE IN BOOK 14 OF MAPS AT PAGE 685, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, WITHIN THE BOUNDARY OF THIS PARCEL MAP, THE PUBLIC UTILITY EASEMENT ON INDIAN AVENUE IS HEREBY RETAINED.

TAX COLLECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE PROPERTY SHOWN ON THE WITHIN MAP FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOW A LIEN BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE \$36,622.00.
DATE: February 8, 2021
MATTHEW JENNINGS
COUNTY TAX COLLECTOR
By: *[Signature]* DEPUTY

TAX BOND CERTIFICATE

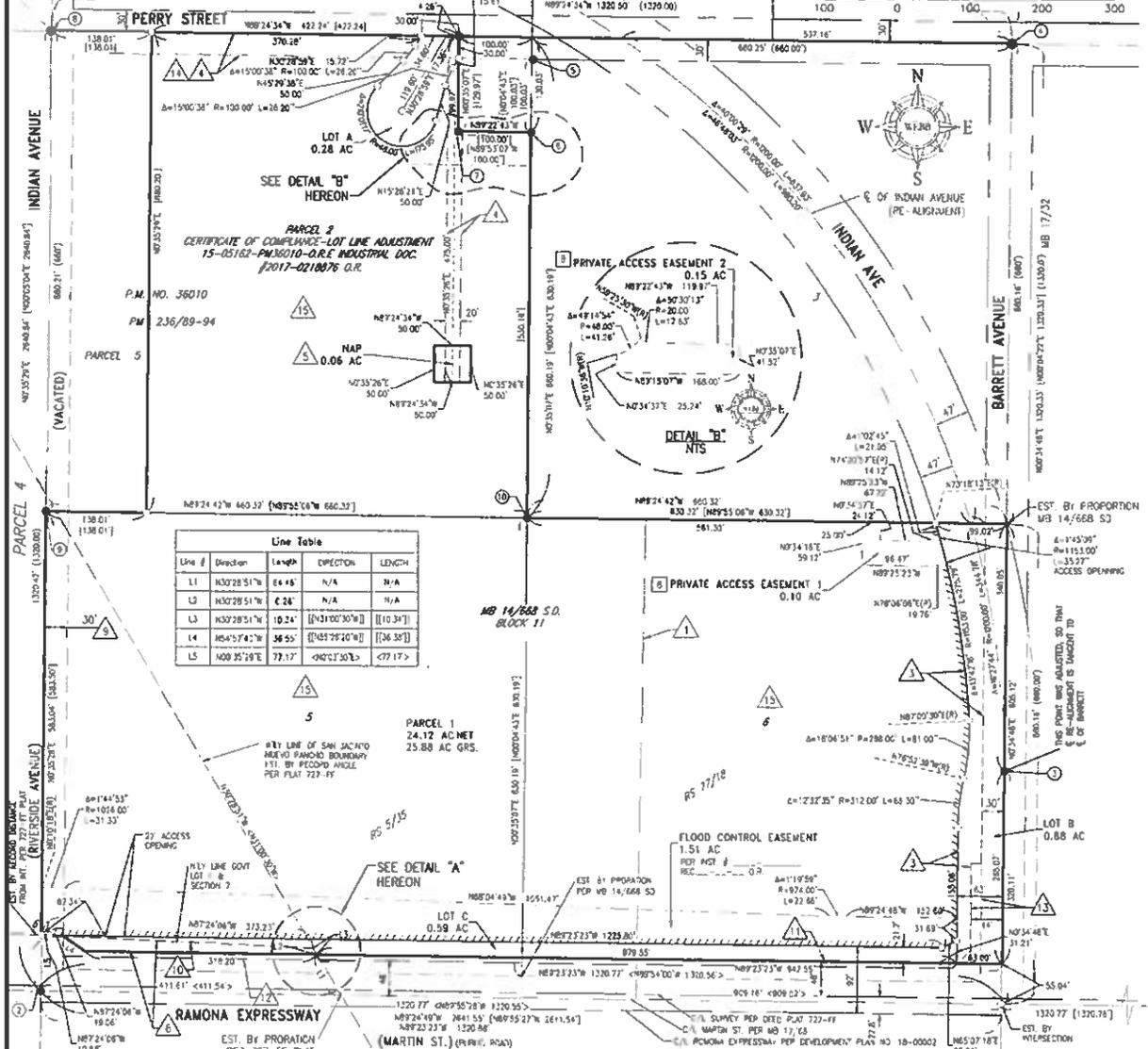
I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$36,622.00 HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL, OR LOCAL, AND ALL SPECIAL ASSESSMENTS COLLECTED AS TAXES, WHICH AT THE TIME OF FILING OF THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY BUT NOT YET PAYABLE AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.
DATE: February 9, 2021
CASH OR SURETY BOND
MATTHEW JENNINGS
COUNTY TAX COLLECTOR
By: *[Signature]* DEPUTY

PARCEL MAP 37457

BEING A SUBDIVISION OF PORTIONS OF LOTS 5 & 6 OF BLOCK 11 OF RIVERSIDE TRACT, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 668 OF MAPS, RECORDS OF SAN DIEGO COUNTY, TOGETHER WITH PARCEL 2 AS SHOWN ON THAT CERTIFICATE OF COMPLIANCE (LOT LINE ADJUSTMENT NO. 15-05182) AS EVIDENCED BY DOCUMENT RECORDED JUNE 01, 2017 AS INSTRUMENT NO. 2017-0218876 OF OFFICIAL RECORDS OF COUNTY OF RIVERSIDE, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, LYING IN SECTIONS 6 AND 7, TOWNSHIP 4 SOUTH, RANGE 3 WEST.

ALBERT A. WEBB ASSOCIATES - CIVIL ENGINEERS FEBRUARY, 2020

CERTIFICATE OF COMPLIANCE 16-05180
INST. #2016-0543495 O.R.



Line #	Direction	Length	Bearing	Distance	Length
L1	N30°28'51"W	64.45	N/A	N/A	N/A
L2	N30°28'51"W	6.28	N/A	N/A	N/A
L3	N30°28'51"W	10.24	[N31°00'30"W]	[11.034]	
L4	N64°57'42"W	58.55	[N45°29'10"W]	[56.38]	
L5	N00°35'19"E	77.17	[N02°13'07"E]	[77.17]	

- SURVEYOR'S NOTES**
1. THE BASIS OF BEARINGS FOR THIS SURVEY IS BASED ON THE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE 10N, NAD 83 (2011.00 EPOCH) AS DETERMINED LOCALLY BY A LINE BETWEEN "A11911" AND "A11807" BEING NORTH 52°20'18" WEST AS DERIVED FROM COORDINATES PUBLISHED BY NATIONAL GEODETIC SURVEY (NGS) NORTHING EASTING LATITUDE LONGITUDE CONVERGENCE
 2. INDICATES FOUND 1" IP, LS 5529 PER PM 236/89-94 UNLESS OTHERWISE NOTED
 3. INDICATES SET 1" IP TAGGED LS 5529, FLUSH
 4. TOTAL GROSS AREA OF THE PROPERTY IS 25.88 ACRES MORE OR LESS. NET AREA OF PROPERTY IS 24.12 ACRES MORE OR LESS
 5. INDICATES RECORD OR CALCULATED DATA PER PM 236/89-94, UNLESS OTHERWISE NOTED.
 6. INDICATES RECORD DATA PER MB 14/668 SD
 7. INDICATES RECORD DATA PER DEED PLAT 727-FF
 8. INDICATES RECORD OR CALCULATED GROUND DATA PER CALTRANS MON MAP 443584 (REV. MAP 200-088). GRID DISTANCES CAN BE OBTAINED BY MULTIPLYING GROUND DISTANCES BY A COMBINED FACTOR OF 0.999929405
 9. INDICATES RECORD DATA PER 151 #1959 11974 O.P., REC. 02/11/1959
 10. INDICATES RECORD & MEASURED DATA PER LLA 15-05182 REC. 6/1/17 AS INST. NO. 2017-0218876 O.R.
 11. SET 1" IP, TAGGED LS 5529, FLUSH AT ALL LOT CORNERS, REAR LOT CORNERS, AND ANGLE POINTS IN SUBDIVISION BOUNDARY
 12. SET NAIL AND TAG LS 5529 ON TOP OF REAR BLOCK WALL AT REAR LOT CORNERS, WHERE REAR CONCRETE BLOCK WALLS EXIST
 13. ALL MONUMENTS SHOWN AS "SET" ARE SET ACCORDANCE WITH COUNTY ORDINANCE 461.2; AND THE MONUMENTATION AGREEMENT FOR THIS MAP
 14. INDICATES PESTRIATED ACCESS

- MONUMENT NOTES**
1. 1" IP, 1/2" COIL PLUG NO TAG, DN 2.20, IN LIEU OF 1/2" BRASS IRON ROD PER P.S. 77/18, ACCEPTED AS E INTERSECTION. SET TAG LS 5529 FLUSH
 2. 3/4" IP, NO TAG, ON 1.7" PER PM 230/38-39 FOR C/L INT. MARTIN ST. AND INDIAN AVE., SET TAG LS 5529 FLUSH
 3. 1" IP, LS 5529, FLUSH PER PM 244/88-92
 4. 1" IP, LS 5529, FLUSH PER PM 244/88-92
 5. FOUND 1" IP, LS 5529 FLUSH, PER PM 236/89-94
 6. FOUND 1" IP, LS 5529 FLUSH, PER PM 236/89-94
 7. FOUND 1" IP, LS 5529 FLUSH, PER PM 236/89-94
 8. FOUND 1" IP, LS 5529 FLUSH, PER PM 236/89-94
 9. FOUND 1" IP, LS 5529 FLUSH, PER PM 236/89-94
 10. FOUND 1" IP, LS 5529 FLUSH, PER PM 236/89-94
 11. FOUND 1" IP, REMAINS OF PLASTIC PLUG & NAIL IN CENTER, DN 0.3" X LIEU OF 1/2" IP, PER TB 22/87, ACCEPTED AS C/L INT. A C 1 SEC 8 PER PM 213/8-10

SEE SHEET 3 FOR EASEMENT NOTES AND BASIS OF BEARINGS

PARCEL MAP 37457

BEING A SUBDIVISION OF PORTIONS OF LOTS 5 & 6 OF BLOCK 11 OF RIVERSIDE TRACT, AS SHOWN BY MAP ON FILE IN BOOK 14 PAGE 668 OF MAPS, RECORDS OF SAN DIEGO COUNTY, TOGETHER WITH PARCEL 2 AS SHOWN ON THAT CERTIFICATE OF COMPLIANCE (LOT LINE ADJUSTMENT NO 15-05162) AS EVIDENCED BY DOCUMENT RECORDED JUNE 01, 2017 AS INSTRUMENT NO. 2017-0218876 OF OFFICIAL RECORDS OF COUNTY OF RIVERSIDE, IN THE CITY OF PEPRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, LYING IN SECTIONS 8 AND 7, TOWNSHIP 4 SOUTH, RANGE 3 WEST.

ALBERT A. WEBB ASSOCIATES - CIVIL ENGINEERS FEBRUARY, 2020

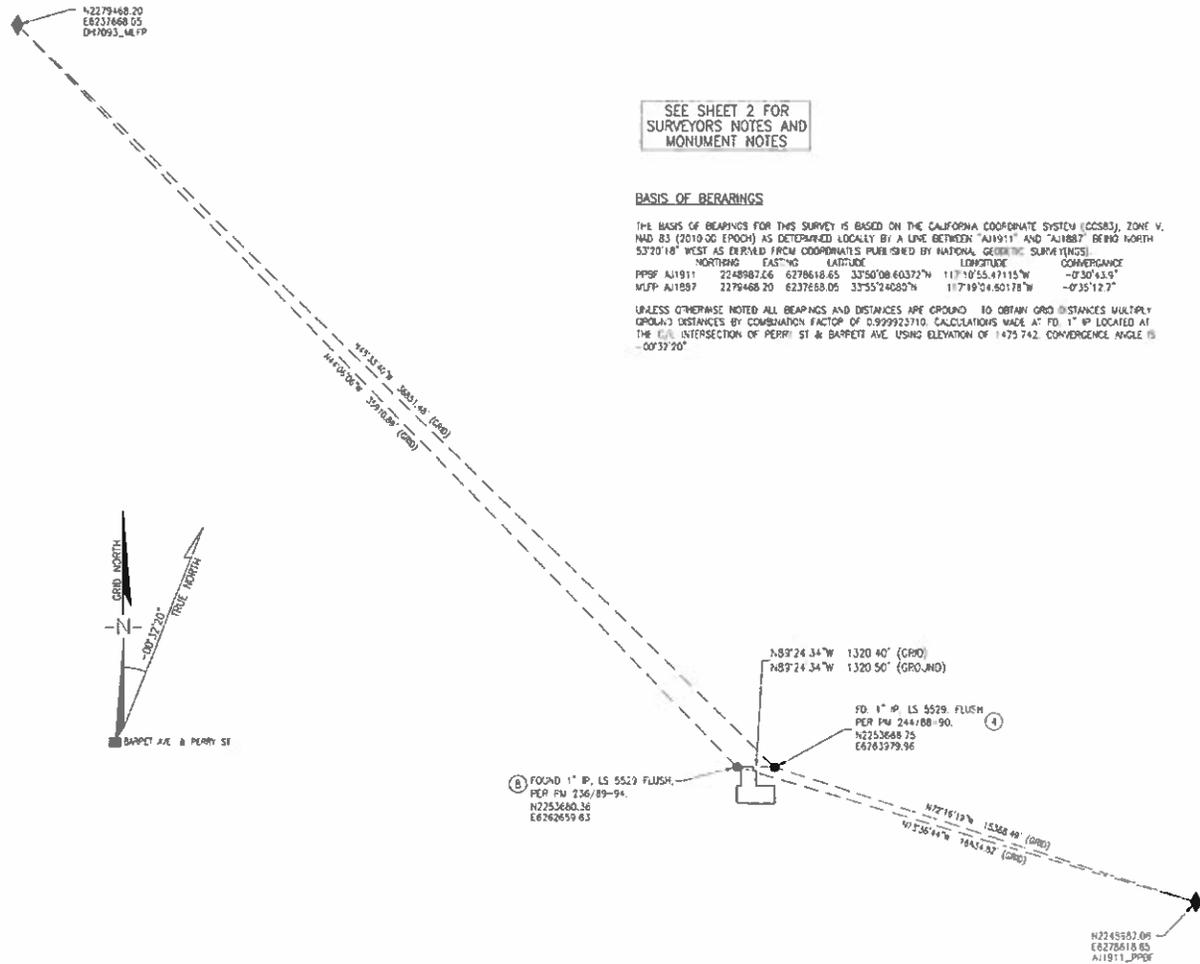
SEE SHEET 2 FOR SURVEYORS NOTES AND MONUMENT NOTES

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS BASED ON THE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE V, NAD 83 (2011.00 EPOCH) AS DETERMINED LOCALLY BY A LINE BETWEEN "A11911" AND "A11887" BEING NORTH 53°10'18" WEST AS DERIVED FROM COORDINATES PUBLISHED BY NATIONAL GEODETIC SURVEY (NGS)

	NORTHING	EASTING	LATITUDE	LONGITUDE	CONVERGENCE
PPSP A11911	2248987.66	6278618.65	33°50'08.60372"N	117°10'55.47115"W	-0°30'43.9"
MUPP A11887	2276468.20	6237668.05	33°55'24.0680"N	117°19'04.60178"W	-0°35'12.7"

UNLESS OTHERWISE NOTED ALL BEARINGS AND DISTANCES ARE GROUND TO OBTAIN GRID DISTANCES MULTIPLY GROUND DISTANCES BY COMBINATION FACTOR OF 0.999923710. CALCULATIONS MADE AT PD. 1" IP LOCATED AT THE INTERSECTION OF PERRY ST & BARRETT AVE. USING ELEVATION OF 1475.742. CONVERGENCE ANGLE IS -00°32'20"



EASEMENT NOTES

- ⚠ AN EASEMENT FOR EFT&P, GP, BOTH POLE LINES, CONDUITS OR UNDERGROUNDS FACILITIES AND INCIDENTAL PURPOSES, RECORDED MARCH 13, 1952 AS BOOK 1750, PAGE 85 OF OFFICIAL RECORDS, IN FAVOR OF CALIFORNIA ELECTRIC POWER COMPANY.
- ⚠ AN EASEMENT FOR GAS AND WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED OCTOBER 07, 1958 AS BOOK 2343, PAGE 437 OF OFFICIAL RECORDS IN FAVOR OF JOHN COOKLICES AND WARP COOKLICES, CAN NOW BE LOCATED FROM RECORD INFORMATION.
- ⚠ AN OFFER OF DEDICATION FOR PUBLIC STREET AND HIGHWAY AND INCIDENTAL PURPOSES, RECORDED APRIL 21, 2009 AS INSTRUMENT NO. 2009-0195379 OF OFFICIAL RECORDS, IN FAVOR OF THE CITY OF PEPRIS, A MUNICIPAL CORPORATION.
- ⚠ AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED JULY 15, 1960 AS INSTRUMENT NO. 62897 OF OFFICIAL RECORDS, IN FAVOR OF EASTERN MUNICIPAL WATER DISTRICT.
- ⚠ AN EASEMENT FOR AVIATION AND INCIDENTAL PURPOSES, RECORDED JUNE 19, 2017 AS INSTRUMENT NO. 2017-0293878 OF OFFICIAL RECORDS IN FAVOR OF: MARION INLAND PORT AIRPORT AUTHORITY (MIPAA).
- ⚠ THE RIGHTS, IF ANY, OF A CITY, PUBLIC UTILITY OR SPECIAL DISTRICT TO PRESERVE A PUBLIC EASEMENT IN ROAD AS THE SAME WAS VACATED BY THE DOCUMENT RECORDED FEBRUARY 11, 1959 AS INSTRUMENT NO 11974 OF OFFICIAL RECORDS.
- 7. THE EFFECT OF THOSE EASEMENTS FOR PUBLIC UTILITY PURPOSES AS DISCLOSED BY DOCUMENTS RECORDED FEBRUARY 8, 1984 AS INSTRUMENT NO. 26532, FEBRUARY 17, 1984 AS INSTRUMENT NOS. 32383 AND 32384 ALL OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, BLANKET IN NATURE, NOT PLOTTED.
- Ⓜ PRIVATE ACCESS EASEMENT RETAINED HEREON.
- ⚠ THOSE PORTIONS OF INDIAN AVENUE AS DEDICATED ON MAP OF THE RIVERSIDE TRACT ON FILE IN BOOK 14 OF MAPS AT PAGE 668 RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, WITHIN THE BOUNDARY OF THIS PARCEL MAP ABANDONED HEREON THE PUBLIC UTILITIES EASEMENT ON INDIAN AVENUE IS HEREBY RETAINED.
- ⚠ ADJUTTER'S RIGHTS OF INGRESS AND EGRESS TO OR FROM THE EREWAY HAVE BEEN RELINQUISHED IN THE DOCUMENT RECORDED OCTOBER 01, 1958 AS BOOK 2341, PAGE 177 OF OFFICIAL RECORDS.
- ⚠ ADJUTTER'S RIGHTS OF INGRESS AND EGRESS TO OR FROM THE EREWAY HAVE BEEN RELINQUISHED IN THE DOCUMENT RECORDED OCTOBER 07, 1958 AS BOOK 2341, PAGE 437 OF OFFICIAL RECORDS.
- ⚠ ADJUTTER'S RIGHTS OF INGRESS AND EGRESS TO OR FROM THE EREWAY HAVE BEEN RELINQUISHED IN THE DOCUMENT RECORDED FEBRUARY 11, 1959 AS INSTRUMENT NO 11975 OF OFFICIAL RECORDS.
- ⚠ AN OFFER OF DEDICATION FOR PUBLIC STREET AND HIGHWAY PURPOSES AND INCIDENTAL PURPOSES, RECORDED DECEMBER 16, 1999 AS INSTRUMENT NO. 1999-344997 OF OFFICIAL RECORDS, IN FAVOR OF THE CITY OF PEPRIS, A MUNICIPAL CORPORATION.
- ⚠ THE RIGHTS, IF ANY, OF A CITY, PUBLIC UTILITY OR SPECIAL DISTRICT TO PRESERVE A PUBLIC EASEMENT IN PEPRIS STREET, INDIAN AVENUE, BRENNAN AVENUE, HONEY WAY AND WARRIUM STREET AS THE SAME WAS VACATED BY THE PARCEL MAP RECORDED APRIL 22, 2014 AS INSTRUMENT NO. 2014-0144886 OF OFFICIAL RECORDS.
- ⚠ AN EASEMENT FOR AVIATION AND INCIDENTAL PURPOSES, RECORDED JUNE 19, 2019 AS INSTRUMENT NO. 2019-0224297 OF OFFICIAL RECORDS, IN FAVOR OF MIPAA, A CALIFORNIA AIRPORT AUTHORITY, ITS SUCCESSORS, ASSIGNS, LESSEES, SUB LESSEES, UNCLELES AND WRITERS, GRANTER IN NATURE.

ATTACHMENT 3
Conditions of Approval

**CITY OF PERRIS
DEPARTMENT OF DEVELOPMENT SERVICES
PLANNING DIVISION**

CONDITIONS OF APPROVAL (Revised 12.18.19)

Development Plan Review 18-00002

Tentative Parcel Map 18-05058 (TPM 37457)

Planning Commission: December 18, 2019

Project: Proposal for a 428,730 square feet (SF) Warehouse building, including 8,800 SF of supporting office on 24.2 acres in the Light Industrial zone of the Perris Valley Commerce Center Specific Plan (PVCCSP), located at the northwest corner of Indian Avenue and Ramona Expressway.
Applicant: IDI Logistics, Mr. Steve Hollis

GENERAL CONDITIONS:

1. **Approval Period for Development Plan Review 18-00002.** In accordance with P.M.C. Section 19.50.080, Expiration and Extension of Time, this approval shall expire three (3) years from the date of Planning Commission approval. Within three years, the applicant shall demonstrate the beginning of substantial construction as contemplated by this approval, which shall thereafter be diligently pursued to completion, or substantial utilization. A maximum of three (3) one-year extensions may be requested. A written request for extension shall be submitted to the Planning Division at least ten (10) days prior to the initial (and any subsequent extension) expiration of the Development Plan Review.
2. **Approval Period for Tentative Parcel Map 18-05058 (TPM 37457).** In accordance with the Subdivision Map Act, the recordation of the final map shall occur within two (2) years from the City Council approval, unless an automatic extension is granted by the State of California. The applicant may apply for a maximum of five (5) one-year extensions to permit additional time to record the final map. A written request for an extension shall be submitted to the Planning Division at least thirty (30) days prior to the initial (and subsequent extensions) expiration of Tentative Parcel Map approval.
3. **City Ordinances and Business License.** The subject business shall maintain compliance with all local and City Ordinances, including but not limited to an annual fire inspection and maintenance of a City business license.
4. **Mitigation Monitoring & Reporting Program (MND #2342).** The project shall fully comply with all provisions of the adopted Mitigation Monitoring and Reporting Program (MMRP) of the MND #2343 and shall be implemented in accordance with the timeline, reporting and monitoring intervals listed.
5. **Specific Plan Compliance.** The project shall conform to the General Industrial (GI) zone standards of the Perris Valley Commerce Center Specific Plan (PVCCSP).
6. **Adjacent Property Owner Reciprocal Accesses.** The property owner/developer shall provide for two separate reciprocal access easements for ingress and egress for the property

owner/developer immediately adjacent on the north, including a reciprocal access easement that provides access through the property to the southerly right-in/right-out driveway on Indian Avenue, as well as a reciprocal access easement that provides access through the property to the northerly driveway on Indian Avenue.

7. **Partial Tentative and Partial Final Cancellation Process Completion.** Approval of this Project is conditioned upon the applicant completing the Partial Tentative and Partial Final Cancellation process through the City Council of the City of Perris, in accordance with Government Code § 51200 et seq, pursuant to the Williamson Act of 1965, and Perris Municipal Code Chapter 19.74, prior to grading permit issuance.
8. **Building Occupancy.** The proposed shall not exceed the intensity ratio established by the Mitigation Monitoring Program. The use of the building shall comply with Tables 2.0-2, Land Use, and 12.0-1, Land Use Restrictions, of the PVCCSP.
9. **Future Obligation of Buyers and Lessees.** All future buyers and lessees shall be informed of their obligation to comply with these Conditions of Approval. The applicant shall provide a copy of these conditions and inform the buyer or lessee of their obligation to maintain compliance with all local and City ordinances, including but not limited to an annual fire inspection and maintenance of a City business license.
10. **Phasing.** Any phasing plan shall be reviewed and approved by the Development Services Department and the City Engineer. Each phase of the project shall provide adequate drainage and at least two points of paved access.
11. **Expansion of Use.** No expansion of the site or the use shall occur without subsequent reviews and approvals from the Planning Division.
12. **Graffiti.** Graffiti located on-site shall be removed within 48 hours. The site shall be maintained in a graffiti-free state at all times.
13. **Trash Enclosures.** Trash enclosures are required to be screened with landscaping and a solid trellis cover.
14. **Conformance to Approved Plans.** Development of the project site, building elevations, and conceptual landscaping shall conform substantially to the set of plans approved by the Planning Commission on November 20, 2019, or as amended by these conditions. Any deviation shall require appropriate Planning Division review and approval.
15. **Building Official/Fire Marshal.** The project shall adhere to all requirements of the Building Official/Fire Marshal in the attached conditions of approval. Fire hydrants shall be located on the project site pursuant to the Fire Marshal, and a fire access and fire underground plan shall be submitted for approval prior to submittal of construction drawings. Water, gas, sewer, electrical transformers, power vaults and separate fire/water supply lines (as applicable) shall be shown on the final set of construction plans.
16. **Public Works Department.** The project shall adhere to all requirements of the Public Works Department.

17. **ADA Compliance.** The project shall conform to all disabled access requirements in accordance with the State of California, Title 24, and Federal Americans with Disabilities Act (ADA).
18. **City Engineer.** The project shall adhere to the requirements of the City Engineer as indicated in the attached (Revised) Engineering Conditions of Approval dated November 7, 2019. On and off-site improvement plans shall be submitted for review and approval by the City Engineer.
19. **Indemnification.** The developer/applicant shall indemnify, protect, defend, and hold harmless, the City and any agency or instrumentality thereof, and/or any of its officers, employees and agents from any and all claims, actions, or proceedings against the City, or any agency or instrumentality thereof, or any of its officers, employees and agents, to attack, set aside, void, annul, or seek monetary damages resulting from an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board or legislative body including actions approved by the voters of the City concerning this project. The City shall promptly notify the applicant of any claim, action, or proceeding for which indemnification is sought, and shall further cooperate fully in the defense of the action.
20. **Southern California Edison (SCE).** The developer/owner shall contact the Southern California Edison for Savings by Design information (909 357-6509) and the SCE area service planner (951 928-8323) to explore energy conservation benefit options and to complete the required forms prior to commencement of construction. No grading permits shall be issued until a letter from SCE is received by the City Engineer indicating electrical service will be placed underground.
21. **Waste Hauling and Disposal.** The project shall use only the City-approved waste hauler for all construction and other waste disposal.
22. **Property Maintenance.** The project shall comply with the Perris Municipal Code Chapter 7.42 regarding Property Maintenance. The site shall be maintained graffiti-free state at all times. Any graffiti located on the site shall be removed within 48 hours.
23. **On-site & Off-site Utilities.** All utilities attached to buildings, including meters and utility boxes, shall be painted to match the wall of the building to which they are affixed. These facilities shall also be screened from the public right-of-way by landscaping.
24. **Performance Standards.** The applicant shall comply with all Performance Standards listed in Chapter 19.44.070.
25. **Glazing.** Highly-reflective glass shall not be used for architectural elevations.
26. **Roof Parapets.** The height of the roof parapet shall fully screen any roof-mounted equipment. All vent pipes and similar devices shall be painted to match the building.
27. **Downspouts.** Exterior downspouts are not permitted on building elevations facing the public right of way. Interior downspouts are required for these elevations.

28. **Fish and Game Fee.** Within three (3) days of Planning Commission approval, the applicant shall submit a check to the City Planning Division, payable to "Riverside County Clerk-Recorder" for payment of State Fish and Game filing fees and the County documentary handling fee. In accordance with Section 711.4 of the State Fish and Game Code, no project shall be operative, vested, or final until the filing fees have been paid.
29. **Signage.** The project approval does not include signage. All monument signage is required to include the Perris Valley Commerce Center logo (per PVCCSP Chapter 4.2.5). Any proposed wall or monument sign will require a sign application and shall be reviewed and approved by the Planning Division prior of building permit issuance.
30. **Preliminary Water Quality Management Plan (PWQMP).** A Preliminary WQMP was prepared for the proposed project site. All PWQMPs were determined to be in substantial compliance, in concept, with the Riverside County WQMP Manual requirements. Additional Engineering Department review is required to determine if the proposed retention basin is adequately sized to meet the minimum 100 year storm event volumes. The following two conditions apply:
 - a. The development shall be subject to all provisions of City of Perris Ordinance Number 1194, which establishes stormwater/urban runoff management and discharge controls to improve water quality and comply with federal regulations, and any subsequent amendments, revisions, or ordinances pertaining thereto.
 - b. The structural BMPs selected for this project have been approved in concept. The owner shall submit a Final WQMP including plans and details providing the elevations, slopes, and other details for the proposed structural BMPs including the Retention Basin. The Public Work Department shall review and approve the Final WQMP text, plans and details.
31. **Construction Practices.** To reduce potential traffic, noise, and air quality impacts, the mitigation measures listed in the SEIR Mitigation Monitoring and Reporting Plan (MMRP) shall be listed and included with the "General Notes" on the construction drawings, and implemented in accordance with the timeline, reporting and monitoring intervals listed in the MMRP.
32. **Vehicle Parking.** Parking for high-occupancy vehicles (HOV) and rideshare vans, and for High-Efficiency Vehicles (HEV) and other fuel-efficient vehicles shall be provided as required by Section MM Air 14, of the Mitigation Monitoring and Reporting Plan (MMRP). Design of parking stalls shall comply with PMC 19.69.030C.5b (double-striping). Specially-designated parking stalls shall be marked as such.
33. **LEED Certification.** The building may be designed to achieve LEED Certification. The design, construction, and operation of the proposed building may incorporate a series of green building strategies which may include, but not be limited to, the following:
 - The parking area shall include designated parking spaces for high-occupancy vehicles (HOV) and rideshare vans. Parking stall design shall comply with Perris

Municipal Code, Section 19.69.030C.5b (required by mitigation measure MM Air 14 of the PVCC Specific Plan EIR).

- The parking area shall include parking spaces for alternative-fueled vehicles.
- The parking area shall include electric vehicle charging stations for light-duty vehicles. Electrical lines shall be designed and sized to add additional charging stations when a demand is demonstrated.
- All parking areas shall be concrete, and may include pervious concrete, if feasible.
- Automobile parking areas shall include 24-inch box trees from the list provided in the PVCC Specific Plan Landscape Standards Section 6.0 to provide 50 percent shade coverage.
- Energy-efficient street lighting shall be installed throughout the project site (as required by the Mitigation, Monitoring & Reporting Program).
- The building's energy efficiency shall be increased by approximately 20 percent above the current Title 24 Energy Standards, as adopted by the City, which exceeds the 15 percent requirement of the PVCC Specific Plan EIR (see mitigation measure MM Air 20).
- Indoor water use shall be reduced by 25 percent (required by mitigation measure MM Air 20 of the PVCC Specific Plan EIR).
- Irrigation water use shall be reduced through the use of a native and/or drought-tolerant plant palette and "smart" irrigation system that includes drip irrigation and a weather controller.
- Recycled water shall be used for landscape irrigation.
- Potable water use shall be reduced by selecting high efficiency fixtures, reducing indoor use, and using recycled water for landscaping irrigation.
- Light-colored, high-albedo paving and/or roofing materials that reduce the heat island effect shall be incorporated.

PRIOR TO THE ISSUANCE OF GRADING PERMITS:

34. **Precise Grading Plans.** Precise grading plans shall be submitted to the City for review and approval. Grading plans shall be consistent with approved development plans.
35. **Traffic Control Plan.** A Traffic Control Plan shall be submitted for approval to the City Engineer.
36. **Construction Staging Areas.** Prior to the issuance of grading permits, any temporary nighttime lighting installed for security purposes shall be downward facing and hooded or shielded to prevent security light spillage outside of the staging area or direct broadcast of security light into the sky.

PRIOR TO THE ISSUANCE OF BUILDING PERMITS:

37. **Final Water Quality Management Plan (FWQMP).** To mitigate impacts related to pollutant loading to receiving waters and/or increased erosion/siltation resulting from the long-term operation of the project, the applicant shall develop, receive approval from the City, and implement a FWQMP. The FWQMP shall contain measures that will effectively treat all pollutants of concern and hydrologic conditions of concern, consistent with the

Preliminary WQMP and developed in compliance with the MS4 permit. The FWQMP shall specifically identify pollution prevention, source control, treatment control measures, and other Best Management Practices (BMPs) that shall be used on-site to control predictable pollutant runoff to reduce impacts to water quality to the maximum extent practicable. The FWQMP shall substantially comply with site design, source control, and treatment control BMPs proposed in the approved Preliminary Water Quality Management Plan (PWQMP).

38. **Tentative Parcel Map.** The Tentative Parcel Map shall be approved, prior to the issuance of the first building permit.

39. **Landscaping Plans.** Prior to issuance of building permits, three (3) copies of Construction Landscaping and Irrigation Plans shall be submitted to the Planning Division for approval accompanied by the appropriate filing fee. The plans shall be prepared by a California-registered landscape architect and conform to the requirements of Chapter 19.70 of the Municipal Code. The location, number, genus, species, and container size of the plants shall be shown. The following treatments, consistent with the conceptual landscape plan or as conditioned herein, are required:
 - a. **Project Boundary.** Mature trees (24" to 36" box) shall be planted along the project boundary. Where tubular steel fencing is used, solid landscape screening is required in addition to mature trees.
 - b. **Water Quality Basins and Large Swales.** Tiered landscaping with mature trees (24" to 36" box) shall be planted in these areas, including berms.
 - c. **Accent Landscaping.** Large trees (24" to 36" box) shall be included in the landscape design at all driveway entrances to the project site
 - d. **Parking Areas.** A minimum of 30 percent of trees shall be 36-inch box or larger. Also, a minimum of one 24-inch box tree per 6 parking stalls shall be provided.
 - e. **Parking Lot Area Buffer.** A minimum 3-foot high hedge is required to screen all non-truck parking areas from view of the public rights-of-way.
 - f. **Street Trees.** All street trees within the public right of way shall be 24-inch box size or larger and planted an average of 30 feet on center within the parkway.
 - g. **Landscape Berms.** Screen walls along frontages shall include a 4:1 sloped landscape berm to visually reduce the screen wall height to eight feet or less, where possible.
 - h. **Enhanced Pavement.** Decorative pavement treatments (accent colors, textures, and patterns) should be used for driveway entrances and pedestrian pathways.
 - i. **BMPs for Water Quality.** All BMPs (vegetated swales, detention basins, etc.) shall be indicated on the landscape plans with appropriate planting and irrigation.
 - j. **Water Conservation.** Rain sensing override devices and soil moisture sensors shall be required on all irrigation systems. Landscaping shall comply with Zoning Code Chapter 19.70 (www.cityofperris.org) for mandated water conservation.
 - k. **Maintenance.** Required landscaping shall be maintained in a viable growth condition.
 - l. **Landscape Inspections.** The project applicant shall inform the on-site project manager and the landscape contractor of their responsibility to call for final landscape inspection after installation of all landscaping and irrigation system is completely operational. Before calling for a final inspection, the City's "Certificate of Compliance" form shall be completed and signed by the designer/auditor responsible for the project, and submitted to the project planner. The project planner shall sign off the "Certificate of Compliance" to signify code compliance

and acceptance.

- m. **Enhanced Landscaping Along Ramona Expressway Frontage.** A minimum of 40 percent of trees shall be 36-inch box or larger. Also, 10% additional trees shall provided above and beyond, the standard one 24-inch box tree per 6 parking stalls.

- 40. **Screen Walls and Fencing.** Decorative screen walls shall screen views into truck courts from the public right of way and adjacent uses. Plans and details for the screen walls shall be included in the landscape plan check submittal package for review and approval by the Planning Division. The following shall apply:
 - a. **Decorative Screen Walls.** Decorative screen walls along the eastern boundary as shown on the site plan presented at the November 20, 2019, Planning Commission meeting.
 - b. **Tubular fencing.** Shall be provided, as shown as presented at the Planning Commission meeting of November 20, 2019.
 - c. **Gates.** Any tubular steel gates in public view shall have high-quality view-obscuring mesh material, subject to Planning review and approval.
 - d. **Graffiti.** All block/tilt-up walls shall be treated with a graffiti-resistant coat.
 - e. **Knox boxes** are required for all gates and shall be approved by the Fire Marshal and issued by the Building Division.

- 41. **Building Plan Requirements.** The following shall be shown on the building plan check set for Planning staff review and approval:
 - a. Charging Stations. The applicant shall install charging stations for Electric Vehicles, and the station locations and specifications shall be included on the building plans.
 - b. Parking stalls for passenger vehicles shall be striped in accordance with Chapter 19.69.030C.5b of the Zoning Code (double striping).

- 42. **Site Lighting Plan.** A site lighting plan shall be approved that complies with the City's Outdoor Lighting Regulations and Mount Palomar Observatory's Dark Sky Ordinance. The lighting plan shall include photometrics, fixture details, and light standard elevations. **The lighting fixtures shall be decorative in nature to complement the architecture of the building.** High-efficiency fixtures with full cut-off shields shall be used to prevent light and glare above the horizontal plane of the bottom of the lighting fixture. At least one foot-candle of light shall be provided in all parking lot and pedestrian areas for safety and security.

- 43. **March Air Reserve Base.** As required by the Perris Valley Commerce Center Specific Plan (PVCCSP), the following Accident Potential Zones I & II measures shall be implemented to address the project's location within Accidental Zone I & II and compatibility Zone, B1:
 - a. Prior to issuance of building permits, the landowner shall have conveyed an avigation easement to the March Inland Port Airport Authority.
 - b. Any outdoor lighting installed shall be shielded to prevent either the spillage of lumens or reflection into the sky. Outdoor lighting shall be downward facing.

- c. The following uses shall be prohibited:
 - i) Any use which would direct a steady light or flashing light of red, white, green or amber colors associated with airport operations toward an aircraft engaged in an initial straight climb following takeoff or toward an aircraft engaged in a straight final approach toward a landing at an airport, other than an FAA-approved navigational signal light or visual approach slope indicator.
 - ii) Any use which would cause sunlight to be reflected towards an aircraft engaged in an initial straight climb following takeoff or towards an aircraft engaged in a straight final approach towards a landing at an airport.
 - iii) Any use which would generate smoke or water vapor or which would attract large concentrations of birds, or which may otherwise affect safe air navigation within the area. (such uses include landscaping utilizing water features, aquaculture, production of cereal grains, sunflower, and row crops, artificial marshes, wastewater management facilities, composting operations, trash transfer stations that are open on one or more sides, recycling centers contain putrescible wastes, construction and demolition debris facilities, fly ash disposal and incinerators.)
 - iv) Any use that would generate electrical interference that may be detrimental to the operation of aircraft and/or aircraft instrumentation.
 - d. A "Notice of Airport in the Vicinity" shall be provided to all potential purchasers and tenants.
 - e. Any use which would generate electrical interference that may be detrimental to the operation of aircraft and/or aircraft instrumentation.
 - f. All retention and water quality basins shall be designed to dewater within 48 hours of a rainfall event.
 - g. A minimum of 45 days prior to submittal of an application for a building permit for the project, the project applicant shall consult with the City of Perris Planning Division to determine whether any implementing project-related vertical structures or construction equipment would encroach into the 100-to-1 imaginary surface surrounding the MARB. If so, the implementing development project applicant shall file a FAA Form 7460-1, Notice of Proposed Construction or Alteration.
44. **Construction Plans.** All Planning Division and Engineering Department Conditions of Approval, proposed employee amenities, LEED requirements that are included with the Supplemental & Original Final EIR Mitigation Monitoring and Reporting Plan, and the Mitigation Monitoring Plan itself shall be reproduced in full on construction drawings and grading plans, immediately following the cover sheet of such plans. Each Condition shall be annotated on the construction plans for ease of reference (i.e., sheet and detail numbers).
45. **Fees.** The developer shall pay the following fees according to the timeline noted:
- Prior to the issuance of building permits, the applicant shall pay:
- a. Stephen's Kangaroo Rat Mitigation Fees of \$500.00 per acre;
 - b. Multiple Species Habitat Conservation Plan fees currently in effect;
 - c. Current statutory school fees to all appropriate school districts;
 - d. Any outstanding liens and development processing fees owed to the City;

Prior to issuance of the Certificate of Occupancy, the applicant shall pay:

- e. Appropriate City Development Impact Fees (DIF) in effect at the time of development; and
 - f. Appropriate Transportation Uniform Mitigation Fees (TUMF) in effect at the time of development, or
 - g. Appropriate Road and Bridge Benefit District fees.
46. **Assessment and Community Facilities Districts.** The project shall be annexed into any assessment, community facilities, or similar district that provides funding for maintenance, services, or public improvements that benefit the project. The costs and benefits shall be described in the applicable district and annexation documents. The developer shall complete all actions required to complete such annexation prior to issuance of a Certificate of Occupancy. This condition shall apply only to districts existing at the time the project is approved (or all requirements have been met for a certificate of occupancy, as applicable). Such districts may include but are not limited to the following:
- Landscape Maintenance District No. 1;
 - Flood Control Maintenance District No. 1;
 - Maintenance District No. 84-1;
 - North Perris Road and Bridge Benefit District; and
 - Future Fire Protection Community Facilities District.

PRIOR TO THE ISSUANCE OF OCCUPANCY PERMITS:

- 47. **Final Inspection.** The applicant shall obtain occupancy clearance from the Planning Division by scheduling a final Planning inspection after final sign-offs from the Building Division and Engineering Department. Planning Staff shall verify that all Conditions of Approval have been met.
- 48. **Occupancy Clearance.** The applicant shall have all required paving, parking, screen walls, colors and materials (per approved elevation plans), site lighting, landscaping and automatic irrigation installed and in good condition.
- 49. **Maintenance Agreement.** The applicant shall provide a recorded document in the form of a Covenant Declaration and/or a Maintenance Agreement to the Development Services Department that specifies maintenance responsibilities for on-site improvements not dedicated to public use including, but not limited to, walkways, decorative pavement, landscaping, fences and walls, signage, lighting fixtures, detention basins and water quality BMP's.

PUBLIC WORKS DEPARTMENT REQUIREMENTS

- 50. **Off-site Landscaping Plans.** Similar to onsite landscape submittal, three copies of conceptual Construction Landscaping and Irrigation Plans shall be submitted to the Planning Division accompanied by the appropriate filing fee. These plans will be forwarded to Public Works Administration for review and approval. The landscape plans shall be prepared by a California-registered landscape architect and conform to the requirements of Chapter 19.70 of the Zoning Code. The location, number, genus, species,

and container size of the plants shall be shown. This landscape plan shall be titled “LMD Conceptual Off-site Landscape Plan 17-05075,” and exclude private on-site landscaping, unless intended to be included in landscape easement and annexation. The Conceptual Landscape Plan shall include but not be limited to:

- a. **Landscape Limits** – Limits of right-of-way areas or easement areas, defined by concrete mow curb and fully dimensioned, to be annexed into the Landscape Maintenance District. A planting palette and hardscape plan intended to meet the design intent of the Landscape Guidelines in effect for the area, or if no such guidelines exist, the design intent of neighboring development as determined by the Engineering Administration and Special Districts Division.
- b. **Irrigation** – A list of irrigation system components intended to meet the performance, durability, water efficiency, and anti-theft requirements for Special District landscape areas as determined by the Engineering Administration and Special Districts Division. Components shall include, but not be limited to Salco or GPH flexible PVC risers, an ET based controller with weather station (Hunter or equal), Sentry Guard Cable Guard and Union Guard, and backflow Wilkens Model 375 (or equal) (if one is not already in place).
- c. **Benefit Zone Quantities** – Include a Benefit Zone quantities table (i.e., SF of planting areas, turf, number of trees, SF of hardscape, etc.) in the lower right hand corner of the cover sheet for off-site landscape areas, indicating the amount of landscaping the district will be required to maintain.
- d. **Meters** – If landscape system will be separate from on-site meter water and power, provide new water meter and electrical service. If system is separate, system and accounts to be turned over to landscape district, and district will assume costs for water and power. Each district is required to be metered separately. Show locations of water and electrical meter for landscape district.

SPECIAL CONDITION

51. **Park fees and Public Art Fee.** Upon entitlement approval and expiration of the applicable statute of limitations for CEQA based challenges for this Project, the applicant shall pay all City park fees and public art fees. However, in the event that a CEQA based challenge is timely filed, the applicant shall instead be required to pay such City park fees and public art fees upon final resolution of such challenge, **such as**, resolution through a settlement agreement or through a final decision of a court of competent jurisdiction.
52. **Fire Access Gates.** Fire access gates shall be provided along the northwesterly driveway of the building and the northeasterly driveway of the building, so as to further discourage use of these driveways for truck travel to Ramona Expressway.

[End of Conditions]



CITY OF PERRIS

HABIB MOTLAGH, CITY ENGINEER

CONDITIONS OF APPROVAL

P8-1322

November 7, 2019, **Revised November 21, 2019**

DPR 18-00002, TPM 37457 (18-05058)

IDI Logistics, NwC of Ramona Expressway & Indian Avenue

With respect to the Conditions of Approval for the above referenced project, the City of Perris requires that the developer/property owner provide the following street improvements and/or road dedications in accordance with the City of Perris Municipal Code Title 18. It is understood that the site plan correctly shows all existing and proposed easements, traveled ways, rights-of-way, and drainage courses with appropriate Q's and their omission may require the site plan to be resubmitted for further consideration. These ordinances and the following conditions are essential parts and requirement occurring in ONE is as binding as though occurring in all. They are intended to be complimentary and to describe the conditions for a complete design of the improvements. Unless otherwise noted, all offsite improvements as conditioned shall be installed prior to issuance of any occupancy permits. All questions regarding the true meaning of the conditions shall be referred to the City Engineer's office.

In the even of a conflict between any conditions stated below, those imposed by Planning Department and others, and requirements identified in the approved Traffic Impact Analysis, the most stringent in the opinion of the City shall prevail

General Conditions:

1. The project grading shall be in a manner to perpetuate existing natural drainage patterns. Any deviation from this, concentration or increase in runoff must have approval of adjacent property owners and City Engineer. The developer/property owner shall accept the offsite runoff and convey to acceptable outlet.
2. Prior to issuance of any permit, the developer/property owner shall secure City's and appropriate agencies' approvals of the improvement plans.

3. Prior to commencement of any construction or installation of fencing in public right-of-way, an encroachment permit shall be obtained from the City Engineer's office.
4. Truck access to the site shall be limited to and from I-215 and Harley Knox Boulevard and Indian Avenue. Truck access to and from Ramona Expressway is prohibited.

Prior to Issuance of Grading Permit:

5. Prior to issuance of any permit for this project it is contingent upon the developer/property owner's successful acquisition of the required offsite rights-of-way to accommodate acceptable access to the project site per the two scenarios specified in below Engineering Conditions #24 and #25 otherwise, the developer/property owner shall revise and resubmit the development application for review and approval.
6. The developer/property owner shall sign the consent and waiver form to join the Lighting and Landscape District. The developer/property owner shall maintain all onsite and offsite landscaping. The proposed streetlights and existing and new traffic signals shall be maintained by the City and cost paid by the developer/property owner through the said annexation. In the event Riverside County Flood Control and Water Conservation District (RCFCD) does not maintain the drainage facilities, latter shall be annexed into City's Flood Control District for maintenance.
7. The developer/property owner shall submit the following to the City Engineer for review and approval:
 - a. Onsite Grading Plan and Erosion Control Plan – All pads shall be graded to be a minimum of 1' above adjacent finished grade. Plans shall show the approved WDID No.
 - b. Final Drainage Improvement Plan, Hydrology and Hydraulic Report
 - c. Final WQMP (for reference)
 - d. ~~Water and Sewer Plan – Fire Department and Eastern Municipal Water District (EMWD) approvals are required prior to City Engineer's approval.~~
 - e. Street Improvement Plan
 - f. Signing and Striping Plan
 - g. Street Light Plan prepared by a registered Electrical Engineer per City of Perris Street and Safety Lighting Standard Guidelines.

The design shall be in compliance with EMWD, RCFCD, Riverside County Transportation Department, Caltrans, City of

Perris, and ADA's most recent standards, criteria and requirements and in effect at the time of construction and shall be coordinated with the approved plans of adjacent developments.

8. The developer/property owner shall comply with RCFCD correspondence dated October 16, 2018 as attached. Storm drain improvement plans, and hydrology and hydraulic calculations shall receive RCFCD approval prior to issuance of grading permit.
9. The developer/property owner shall construct an underground double 14' w x 7' h Reinforced Concrete Box (RCB) to collect runoff discharged from the existing drainage facility to the west, convey it through the property, and discharge the flows ~~on the east side of Indian Avenue~~ **into the existing box culvert at Indian Avenue.** A low flow pump lift station shall be installed on the ~~east~~ west side of Indian Avenue to discharge the runoff to the existing gunite ditch along Ramona Expressway. The pump shall be operated by the developer/property owner.
10. The project is located within the limits of Perris Valley Area Drainage Plan (ADP) for which drainage fees have been adopted by the City. The developer should contact City Engineering about ADP fee credit for constructing Perris Valley Line E.

Prior to Issuance of Building Permit:

11. Parcel map 37457 shall be filed and recorded.
12. All rights-of-way dedications along the property frontage on Ramona Expressway, Indian Avenue, and Perry Street and Indian Avenue ultimate intersection configuration including the corner cut backs, and drainage easements shall be offered to the public in perpetuity. Dedications shall be free from all encumbrances as approved by the City Engineer.
13. All Weather ~~Paved~~ access **per Fire Department standards** shall be provided to the proposed building per the Precise Grading Plan.
14. The developer/property owner shall submit a compaction certification from the Soils Engineer in compliance with the approved geotechnical/soils report.
15. **Fire Department approval of onsite water improvement plan and Eastern Municipal Water District (EMWD) approval of offsite water and sewer improvement plans shall be provided.**

Prior to Issuance of Certificate of Occupancy:

DEPARTMENT OF ENGINEERING
24 S. "D" STREET, SUITE 100, PERRIS, CA 92570
TEL.: (951) 943-6504 - FAX: (951) 943-8416

16. Ramona Expressway (Expressway – 184'/134') along the property frontage within the 92' half width dedicated right-of-way shall be improved to provide for 6' wide sidewalk and street lights.
17. Indian Avenue (Secondary Arterial – 94'/64') along the property frontage within the 47' half-width dedicated right-of-way shall be improved to provide for 6' wide sidewalk and street lights.
18. Existing power poles (under 66 kv) on Perry Street along the property boundary shall be removed and cables undergrounded.
19. This and other similar projects will significantly impact the transportation infrastructure within the City and adjacent communities. Subsequently, ensuing transportation infrastructure improvements will be required to mitigate the initial and ongoing impacts therefore, the project shall participate in the City's RBBB.
20. The developer/property owner shall pay the City \$250,000 for their contribution towards the implementation of interim and ultimate improvements to I-215/Ramona Expressway interchange, I-215/Harley Knox Boulevard interchange and other improvements. This one-time contribution if above and beyond TUMF, DIF, RBBB and other City fees, and is not reimbursable.
21. The developer/property owner shall provide for utility trench surface repair as directed by the City Engineer.
22. Any appurtenances damaged or broken during the development of this project shall be repaired or removed and replaced by the developer/property owner to the satisfaction of the City Engineer. Any survey monuments damaged or destroyed shall be reset by qualified professional pursuant to the California Business and Professional Code 8771.
23. The driveway on Ramona Expressway shall be restricted to right-in/right-out movement only. Truck access is not permitted at this driveway.
24. The southerly driveway on Indian Avenue shall be restricted to right-in/right-out movement only. Truck access is not permitted at this driveway.

This southerly driveway on Indian Avenue shall provide a reciprocal access easement to accommodate ingress and egress by the adjacent property/parcel to the north.

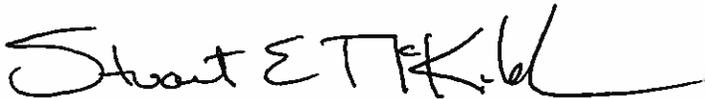
25. The developer/property owner shall realign the intersection of Perry Street and Indian Avenue to a full turn/four-way intersection

accommodating truck turning movements and shall install a traffic signal.

The northerly driveway on Indian Avenue shall connect to the intersection of Indian Avenue and Perry Street. The developer/property owner shall provide a reciprocal access easement to accommodate ingress and egress to the adjacent properties/parcels. The driveway shall be constructed according to the typical section for Perry Street, with appropriate mitigation for truck impacts.

26. In the event that the developer/property owner cannot obtain the required right-of-way to construct the signalized realigned intersection of Perry Street and Indian Avenue and/or northerly driveway, access shall be obtained from the property to the north. The developer/property owner shall construct a full turn/three-way intersection accommodating full truck turning movements and shall install a traffic signal. Moreover, this driveway on Indian Avenue shall include a cul-de-sac per City standards and provide reciprocal access easements to accommodate ingress and egress to the adjacent properties/parcels to the north and south.

Sincerely,



Stuart E. McKibbin
City Engineer



CITY OF PERRIS

PUBLIC WORKS DEPARTMENT

Engineering Administration

. NPDES .

Special Districts (Lighting, Landscape, Flood Control)

MEMORANDUM

Date: May 06, 2019

To: Mary Blais, Associate Planner

From: Public Works

Subject: Condition of Approval for DPR 18-00002 – Development Plan Review (DPR) 18-00002, Tentative Parcel Map 18-05058, Agricultural Preserve Diminishment (pending) – Proposed 428,730 S.F. distribution warehouse on 24+ acres, within the PVCCSP/Light Industrial (L!) Zone – Request for Final Conditions of Approval.

1. **Dedication and Landscape Easement - Offer of Dedication and/or Landscape Easements for City Maintenance shall be provided as follows:**
 - a. **Ramona Expressway:** Provide Offer of Dedication, as needed to provide for street curb and gutter, sidewalk and off-site landscaping requirements, per City General Plan and as requested by the City Engineer.
 - b. **Indian Avenue:** Provide Offer of Dedication, as needed to provide for street curb and gutter, sidewalk and off-site landscaping requirements, per City General Plan and as requested by the City Engineer.
2. **Landscape Maintenance Easement and Landscape Easement Agreement -** The Developer shall provide, for review and approval, a Landscape Easement for areas identified by City Staff. Offer of Dedication and Landscape Easement by City Staff Agreement, and certificate of acceptance to the City of Perris. The City shall record the same with the Riverside County Recorder's Office, and the recorded instrument shall be returned to the City Clerk of the City of Perris for filing.
3. **Landscaping Plan Review –** The Developer shall provide the City with Landscape and Irrigation Plans, titled "LMD Off-Site Landscape Plan DPR# 18-00002 & TPM#18-05058" and shall be mutually exclusive of any private property and on-site landscaping, during the plan review process for review and approval. **The full set of Landscape and Irrigation Plans shall be submitted for City review and approved prior to the start of construction.** The landscape and irrigation plans shall be prepared by a registered landscape architect and conform to the requirements of Chapter 19.70 of the Municipal Code, the Perris Valley Commerce Center Standards and Guidelines, and approved City of Perris plant list. The location, number, genus, species, and container size of the plants shall be shown. Elements of this Conceptual Landscape and Irrigation Plan shall include but not be limited to the following:
 - a. **Landscape Limits:** Limits of right-of-way areas and/or easement areas clearly defined on

plans as well as limits defined by a concrete mow curb, fully dimensioned, that are to be annexed into the Landscape Maintenance District (LMD). A planting palette and hardscape plan intended to meet the design intent of the Landscape Guidelines in effect for the area; and/or the design intent of neighboring development, as determined by the Special Districts Division.

- a. **Irrigation:** A list of irrigation system components intended to meet the performance, durability, water efficiency, and anti-theft requirements for Special District landscape areas, as determined by the Special Districts Division. Components shall include, but not be limited to Salco or GPH flexible PVC risers for a point to point irrigation system. No drip line will be used in the LMD landscape areas. Sentry Guard Cable Guard and Union Guard, and backflow Wilkens Model 375xl, or approved equal. "SMART" Controller shall include an ET based controller with weather station that is centrally controlled capable and Wi-Fi ready (Weather-Trak or approved equal). At the discretion of the Special Districts Division, public landscape areas utilizing no more than 8 valves/stations, programmed to irrigate consecutively, and none simultaneously, may propose the use of an alternative ET based controller with weather station that is centrally controlled capable and Wi-Fi ready, such as the Weather Trak System, or approved equal. Proposed system shall be complete with wireless weather station, a five year bundle service, blade antenna, flow sensor and master valve. Coordinate locations of irrigation lines on all components of Architectural Plans, Landscape, Engineering, and all other plans.
- b. **Benefit Zone Quantities:** Landscape Plans to include a Benefit Zone quantities table (i.e. SF of planting areas, turf, number of trees, SF. of hardscape, etc.) in the lower right hand corner of the cover sheet for off-site landscape areas, indicating the amount of landscaping the Landscape Maintenance District will be required to maintain.
- c. **Meters:** Each Maintenance District is required to be metered separately. Show location of separate water and electrical utility meters intended to serve maintenance district areas exclusively. Show locations of water and electrical meter for Landscape Maintenance District; Flood Control District; Street Lighting District; Traffic Signal on respective plans. Electrical meter pedestals are to be located in the ROW, easily accessible to maintenance staff while not visually obtrusive in the street scene, and away from street intersections. Coordinate locations of meters on all components of Architectural Plans, Landscape, Engineering, and all other plans.
- d. **Controllers:** The off-site irrigation controller, electrical meter, and water meter are to be located within the right of way (within the off-site landscape area). All points of connection equipment including irrigation controller pedestals, electrical meter pedestals, and backflow preventers are to be located in locations that are easily accessible to maintenance staff while not visually obtrusive in the street scene, and away from street intersections and located in the LMD area. Backflow preventers are to be screened on all sides with five (5) gallon plant material land be enclosed in a metal cage. Coordinate locations of controllers on all components of Architectural Plans, Landscape, Engineering, and all other plans.

4. **Eastern Municipal Water District (EMWD) Approval** – The project landscape architect shall submit a complete copy of the project irrigation plans and specifications to EMWD for review and approval.
5. **Landscape Inspections** - The project applicant shall inform the on-site project manager and the landscape contractor of their responsibility to call for only “OFF-SITE” landscape and irrigation inspections at the appropriate stages of construction, reference attached Inspection Form to be used at the various inspection stages. Inspections shall be scheduled 48-Hours in advance prior to actual inspection (Monday-Friday). Contact Special Districts Supervisor at (951) 657-3280 ext. 617 to schedule inspections.
 - a. **Inspection #1** – Trenches open, irrigation installed, and system pressurized to 150 PSI for four (4) hours.
 - b. **Inspection #2** – Soil prepared, and plant materials positioned and ready to plant.
 - c. **Inspection #3** – Landscaping installed, irrigation system fully operational, and request for “start of a 1 year maintenance period” submitted, with all required turn over submittal items provided to Public works Special Districts. Developer to repair and replace all existing plant material and irrigation damaged during construction activities, City to approve final site conditions.
 - d. **Turn-Over Inspection** – On or about the one year anniversary of Inspection #3, Developer shall call for an inspection to allow the City to review and identify any of the following: potential irrigation defects; dead plant material and weeding; debris or graffiti needing removal; stressed, diseased, or dead trees; mulch condition; hardscape; and/or other concerns with the landscape installation; or to accept final turn over of the landscape installation. At the sole expense of the Owner/Developer, shall be responsible for rectifying irrigation system and installation deficiencies, and the one year maintenance period shall be extended by the City until all deficiencies are cured to the satisfaction of the City. If in the opinion of the City’s Landscape Inspector the landscape installation is in substantial compliance with the approved landscaping plans, the irrigation and communication system is functioning as intended, and the landscape installation is found to be acceptable to the City, then the inspector shall recommend to the City’s Special District Supervisor to accept turn-over of water and electrical accounts, Wi-Fi communication contracts and the entire landscape installation.

Note: The City reserves the right for the Contractor and/or Developer to pot hole or uncover all irrigation components at the sole expense of the Contractor and/or Developer, if inspection requirements are not met and/or missed inspection, as the City deems necessary.

6. **One Year Maintenance and Plant Establishment Period** – The applicant will be required to provide at a minimum a one (1) year maintenance and plant establishment period, paid at the sole expense of applicant. This one year maintenance period commences upon the successful completion of inspection #3, discussed above, and final approval by the City. During this one year period the applicant shall be required to maintain all landscape areas free of weeds, debris, trash, and/or graffiti removal; and keep all plants, trees and shrubs in a viable growth condition. Prior to start of the one year maintenance period, the developer shall submit a weekly Landscape Maintenance Schedule for

the review and approval by the City's Special Districts Supervisor. The City shall perform periodic site inspections during the one year maintenance period, to identify any and all items needing correction prior to acceptance by the City, at the conclusion of the one year maintenance period. Said items needing correction may include but are not limited to: replacement of dead or diseased plant materials; weeding; replenishment of mulches; and/or repair of damaged or non-functioning components; test of irrigation controller communications; etc. During this period, the City shall begin the annual assessment of the benefit zone in preparation for the landscape installation turn over to the City maintenance staff. The applicant to provide a site point of contact for any site repairs that are needed, prior to final site sign off.

7. **Acceptance into Flood Control District (FCD) #1** - Prior to acceptance into FCD#1, the Developer shall deliver two (2) hard copies and one (1) electronic copy of the Storm Drain Plan As-Builts. Developer to also include one (1) copy (CD or USB Flash Drive) of video of the complete storm drain pipe intersections/transitions, if applicable. The plans and CD to be submitted to the Department of Public Works attention:

Luis Natera
1015 South G Street
Perris, CA 92570
Cell: (951) 634-1187
E-mail: lnatera@cityofperris.org

8. **Street Lights** – Prior to acceptance into Lighting District 84-1, coordinate turn over information pertaining to street lights, and traffic signal electrical/SCE service meters with City's Special Districts Supervisor at (951) 657-3280 ext. 617. (i.e. provide electrical meter number, photo of pedestal, pole number, and a completed Riverside County Transportation Department Punch List). As-Builts of street lights must be provided, to include one (1) hard copy and a Flash Drive containing As-Builts. Coordinate "request for transfer of billing information" with SCE and City of Perris for all new service meter(s). The Developer shall pay 18 month energy charges to the City of Perris for all site street lighting. Call Daniel Louie, Project Manager at Willdan Financial Services at 951-587-3564 dlouie@willdan.com for amount due and obtaining a receipt for payment.
9. **Assessment District** - Prior to permit issuance, developer shall deposit \$5,250 per District, \$15,750 total due for FCD1, LMD1, 84-1. Payment is to be made to the City of Perris, and check delivered to the City Engineer's Office. Payment shall be accompanied by the appropriate document for each District indicating intent and understanding of annexation, to be notarized by property owner(s):
 - a. **Consent and Waiver for Maintenance District No. 84-1:**
 - b. **Consent and Waiver for Landscape Maintenance District No. 1:**
 - c. **Petition for Flood Control Maintenance District No. 1:**
 - d. **Original notarized document(s) to be sent to:**

Attn: Daniel Louie

Willdan Financial Services
27368 Via Industria #200
Temecula, Ca 92590
P (951) 395-6670 or (951) 587-3500

- e. Additional information related to the annexation process can be obtained by contacting Willdan Financial Services.
 - f. Confirmation by the City Council completes the annexation process and the condition of approval has been met.
- 10. Landscaping Plans** – The developer shall provide three (3) hard copies and one (1) electronic copy of the Landscape and Irrigation As-Built Plans, and a plan titled ““LMD Off-Site Landscape Plan DPR# 18-00002 & TPM#18-05058”. As-Built copies shall be submitted to the Planning Department for approval and shall be accompanied by the appropriate filing fee.
- 11. Water Quality Management Plans** - The applicant shall submit a Preliminary and final WQMP, accompanied by the appropriate filling fee to the Planning Department and City Engineering Department, respectively. Details for treatment control facilities shall meet both the Riverside County WQMP Design guidelines, and the additional requirements of the City Engineer and Special Districts Division intended to reduce the long term maintenance costs and longevity of improvements. Components shall include, but not limited to:
- a. **Storm Drain Screens:** If off site catch basins are required by the City Engineer’s Office, connector pipe screens shall be included in the new catch basins to reduce sediment and trash loading within the storm pipe. Connector pipe screens shall meet the type, style, and durability requirements of the Public Works Department and Special Districts Division.
 - b. **WQMP Inspections:** The project applicant shall inform the on-site project manager and the water quality/utilities contractor of their responsibility to call for both “ON_SITE” and “OFF_SITE” WQMP inspections at the appropriate stages of construction. Contact CGRM at (909) 455-8520 to schedule inspections.
 - c. **Acceptance by Public Works and Special Districts:** Both on-site and off-site flood control/water quality facilities required for the project, as depicted in the final WQMP, shall be installed and fully operational, and approved by the final inspection by the City’s WQMP Consultant, CGRM and/or City Engineer. The developer shall obtain a Final Clearance Letter from CGRM indicating compliance with all applicable Conditions of Approved for the approved WQMP. The Developer shall deliver the same to the Public Works-Engineering Special Districts. In addition, prior to acceptance by the City, the Developer shall submit a Covenant and Agreement describing ongoing maintenance responsibilities for on-site facilities per the approved WQMP, to the Public Works and Special Districts Division. The Public Works and Special Districts Division will review and approve the Covenant and Agreement. The City shall record the same with the Riverside County

- 12. The Reports and corresponding resolutions are placed, for approval, on the City Council Meeting Agenda. City Council action will include ordering the assessment ballots and setting a Public Hearing for no more than 45 days. Property owner attendance at this City Council Meeting is not required.**

SRC COMMENTS
***** BUILDING & SAFETY *****

Planning Case File No(s): Development Plan Review 18-00002, Tentative Parcel Map 18-05058

Case Planner: Mary Blais

Applicant: Steve Hollis, IOI Logistics

Location: Northwest corner of Indian Avenue and Ramona Expressway

Project: Proposed 428,730 s.f. distribution warehouse within the PVCCSP/Light Industrial (LI) Zone. The site is in an Agricultural Preserve and requires cancellation of the Williamson Act contract.

APN(s): 302-060-005, -006; 302-060-038; 302-050-036, 302-050-034

Reviewed By: Jesse Sanchez, CBO

Date: 12/12/18

Following Standard Building & Safety Conditions of Approval
Are Applicable to This Project:

BUILDING & SAFETY

1. Shall comply with the latest adopted edition of the following codes as applicable:
 - A. California Building Code
 - B. California Electrical Code
 - C. California Mechanical Code
 - D. California Plumbing Code
 - E. California Energy Code.
 - F. California Fire Code
 - G. California Green Building Standards Code.
2. Automatic fire suppression systems shall be installed in all new construction when the gross area of the building exceeds 5,000 sf. or more than two-story high per Title 16 of the City of Perris Code of Ordinances.
3. The requirements of the Department of Environmental Health Services and the Air Quality Management District shall be satisfied prior to the issuance of any permit if hazardous materials are stored and/or used.
4. The Tract or Parcel map shall record prior to the issuance of any permits
5. All signs shall be Underwriters Laboratories, or equal, approved.
6. Permits are required prior to the removal and/or demolition of structures.
7. All exterior lighting shall be orientated, directed, and/or shielded as much as possible so that direct illumination does not infringe onto adjoining properties.

PRIOR TO ISSUANCE OF BUILDING/CONSTRUCTION PERMITS

1. The following items shall be completed and/or submitted as applicable – prior to the issuance of building permits for this project:
 - A. Precise grading plans shall be approved
 - B. Rough grading completed
 - C. Compaction certification
 - D. Pad elevation certification
 - E. Rough grade inspection signed off
2. If hazardous substances are used and/or stored, a technical opinion and report, identifying and developing methods of protection from the hazards presented by the hazardous materials may be required. This report shall be prepared by a qualified person, firm, or corporation and submitted to Building & Safety. This report shall also explain the proposed facility's intended methods of operation and list all of the proposed materials, their quantities, classifications, and the effects of any chemical (material) inter-mixing in the event of an accident or spill.
3. The existing parcels shall be combined into a single parcel, or a lot line adjustment shall be done so that the proposed structure(s) does not cross any lot line and complies with all requirements of the California Building Code, prior to any building permits being issued



Dennis Grubb and Associates, LLC

Assisting Cities Build Safe Communities

Fire Department Development Review Comments

May 16, 2019

City of Perris
Attn: Mary Blais
135 N. D Street
Perris, CA 92570-2200

Subject: Development Review for IDI Logistics; DPR 18-00002

As requested a review of the subject property was completed. Please apply the following conditions:

1. Prior to the to the issuance of a grading permits a fire department access plan shall be submitted to the City of Perris for review and approval. The fire department access plan shall comply with the requirements specified by the City of Perris Guideline for Fire Department Access & Water Requirements for Commercial & Residential Development, and the California Fire Code, Chapter 5.
2. A fire department access road complying with the CFC, Chapter 5 and the approved fire department access plans shall be installed prior to building construction.
3. All required fire hydrants shall be installed and operational prior to building construction. All fire hydrants shall remain operational during construction.
4. All required fire hydrants shall be readily visible and immediately accessible. A clear space of not less than 3-feet shall be maintained at all times.
5. Prior to construction a temporary address sign shall be posted and clearly visible from the street.
6. The permanent building address shall be provided and either internally or externally lighted during hours of darkness. The address shall be clearly visible from the street fronting the property and comply with California Fire Code Section 505.1 for size and color.
7. City of Perris approval shall be obtained prior to the storage and/or use of hazardous materials as defined by the California Fire Code.

8. The building shall be provided with an automatic fire sprinkler system in accordance with NFPA 13. Construction plans shall be submitted for review and approval to the City of Perris prior to installation.
9. Prior to building final, the building shall be provided with a Knox Lock key box located no more than seven-feet above the finished surfaced and near the main entrance door.
10. Prior to the issuance of a Certificate of Occupancy the building shall be provided with an emergency radio communication enhancement system. The emergency radio communication enhancement system shall meet the requirements of CFC § 510 and all applicable subsection. The system shall be installed and inspected by the City of Perris Building Department before the Certificate of Occupancy is issued. The requirement can be waived by the Fire Marshal if the building is evaluated by an Emergency Radio Communication Specialist who certifies the building meets the emergency communications capability as specified by the California Fire Code § 510. The certification shall be in the form of a written report which outlines the analysis used in determining the building meets the emergency communications requirements without an enhancement system.
11. Prior to the to the issuance of a grading permits, evidence of sufficient fire flow of 4000 GPM for 4 hours shall be provided to the City of Perris. The City of Perris Building and Fire Marshal Water Available/Fire Flow Form shall be utilized

Respectfully,

Dennis Grubb, CFPE



9.D.

CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

- MEETING DATE:** April 13, 2021
- SUBJECT:** Contract Award Augmentation for Hirsh and Associates, Inc. for the professional architectural services required to complete the development of the Morgan Park Phase II Project.
- REQUESTED ACTION:** That the City Council authorize a contract augmentation to Hirsch and Associates, Inc. for a total amount of \$19,240 for the professional architectural services required to complete the development of the Morgan Park Phase II Project; and Authorize the Interim City Manager to execute related documents.
- CONTACT:** Sabrina Chavez, Community Services Director *SC*

BACKGROUND/DISCUSSION:

On May 28, 2019, the City Council approved a contract award in the amount of \$162,000 to Hirsch and Associates (“Architect”) for professional architectural services needed to develop the Morgan Park Phase II Project (“Project”), which consists of an artificial turf field, prefabricated restroom building, lighting, landscaping, walkways and parking lot. Contracted services provided by Hirsch and Associates included a project scope to cover the various phases of the project development, which include design development, construction drawings, project bidding, and construction support phases. Due to unforeseen COVID-19 related impacts, specifically with the material availability, product delivery, and delayed State approval of the prefabricated restroom building, the project schedule has been delayed past the anticipated project completion date, and therefore, it is necessary to extend the Architect’s services.

At this time, Staff is recommending a contract augmentation in order to extend professional services provided by the Architect to successfully complete the Project. Staff has been closely monitoring construction activities, budget and project deliverables. There were additional design requests that were not included in the Architect’s project scope that required revisions to the original Project plans; 1) a new schematic vehicular access design to address concerns voiced from neighboring residents with traffic congestion in the project area; 2) installation of two security cameras to deter vandalism; 3) updating the utility plans to downsize the size of the water line for a City cost savings of \$91,451 in the payment of Eastern Municipal Water District connection fees; and 4) updating the design plans to support a larger restroom and an added accessible walking path. The artificial soccer field is anticipated for completion in Summer 2021. Attached are the change orders submitted by the Architect for the additional work described above.

Staff respectfully recommends that the City Council authorize a contract augmentation to extend the Architect's professional services in the amount not to exceed \$19,240, to successfully complete the Project.

BUDGET (or FISCAL) IMPACT:

Cost associated with the proposed Hirsch and Associates contract augmentation are covered in the Morgan Park Phase II Project FY 2020-2021 Capital Improvement Project Budget (CIP# P036).

Prepared by: Jessica Galloway, Project Coordinator

REVIEWED BY:

City Attorney _____

Assistant City Manager _____

Finance Director  

- Attachments: 1: Project Site Aerial
2: Project Concept Site Plan
3: Project Change Orders Submitted by the Architect

Consent: X

Public Hearing:

Business Item:

Presentation:

Other:



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 1:
PROJECT SITE AERIAL**



**CITY OF PERRIS
COMMUNITY SERVICES DEPARTMENT**

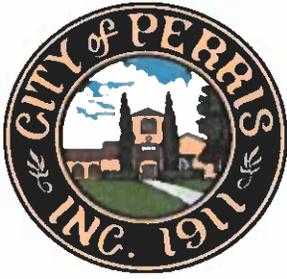
MORGAN PARK PHASE II

Aerial



599 East Morgan Street, Perris CA 92571





CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 2:
PROJECT CONCEPT SITE PLAN**

MORGAN PARK CITY OF PERRIS PHASE II PARK IMPROVEMENT 1-20-21



KEY NOTES

- ① DROUGHT TOLERANT NATIVE LANDSCAPING
- ② 344' x 223' ARTIFICIAL TURF SOCCER FIELD WITH WATER CANNONS, SPORTS LIGHT AND ALUMINUM BLEACHER SEATING
- ③ SPORTS LIGHT POLE
- ④ ACCESSIBLE DRINKING FOUNTAIN WITH PET BOWL AND BOTTLE FILLER
- ⑤ ALUMINUM BLEACHER SEATING FOR 66 PEOPLE
- ⑥ 4" THICK NATURAL GRAY CONCRETE
- ⑦ 6' WIDE DECOMPOSED GRANITE PATH
- ⑧ SOLAR AREA LIGHTS
- ⑨ DRAINAGE BASIN FOR ARTIFICIAL TURF SOCCER FIELDS
- ⑩ CONCRETE RETAINING CURB WITH 3' TALL CHAIN LINK FENCE
- ⑪ EXISTING SEWER UTILITY WITH A 25' EASEMENT EACH SIDE OF SEWER
- ⑫ PREMANUFACTURED RESTROOM BUILDING
- ⑬ EXISTING WATER UTILITY WITH A 15' EASEMENT EACH SIDE OF WATER LINE
- ⑭ PARKING LOT LIGHTS
- ⑮ PARKING LOT WITH 91 PARKING STALLS
- ⑯ RETAINING WALL
- ⑰ 6' PERIMETER CHAIN LINK FENCE
- ⑱ ENTRY GATES
- ⑲ SOCCER FIELD ACCESS POINT THROUGH CHAIN LINK FENCE



HIRSCH & ASSOCIATES, INC.
LANDSCAPE ARCHITECTURE & PLANNING

2221 EAST WINSTON ROAD, SUITE A
ANAHEIM, CALIFORNIA 92805
PHONE 714-776-4340 FAX 714-776-4395
WWW.HAILANDARCH.COM LA#1710



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 3:
PROJECT CHANGE ORDERS SUBMITTED
BY
THE ARCHITECT**



HIRSCH & ASSOCIATES, INC.

LANDSCAPE ARCHITECTURE & PLANNING

March 25, 2020

Sabrina Chavez, Director
Community Services
City of Perris
227 North "D" Street
Perris, CA 92570-1998

Re: Morgan Park

Subject: Professional Design Services

Dear Sabrina,

Please review the following proposal to prepare the requested Exhibit Plan for Morgan Park. The plan will illustrate the extension of the existing two - lane Morgan Drive for Morgan Park Phase One from the its west end to Rider Road. The proposed extension will run from the end of the existing Morgan Drive to the SCE easement then turn south along east side of the SCE easement to the EMWD easement, then turn southeast along the limit line of the Riverside County Channel ending at Riders Road. The plan will also illustrate the requested additional parking for Morgan Park Phase Two.

Fee Proposal

Final Plan Preparation	\$2,500.00
------------------------	------------

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Patrick L. Hirsch', is written over a large, light-colored oval scribble.

Patrick L. Hirsch, President
Landscape Architect CA #1710



HIRSCH & ASSOCIATES, INC.
LANDSCAPE ARCHITECTURE & PLANNING

May 4, 2020

Jessica Bravo, Project Coordinator
Community Services
City of Perris
227 North "D" Street
Perris, CA 92570-1998

Re: Morgan Park Security Camera

Subject: Professional Design Services

Dear Jessica,

As requested, HAI provides this proposal for your review and approval for the addition of a security camera to the previously completed plans/bid documents. Once approved, we shall authorize IDS Group to undertake the design for the camera system. Time line is 3 business days to provide drawings once authorized.

Scope of Work

1. Revise Panel Schedule to include circuit for (2) cameras.
2. Review conduit sizing to verify size vs. additional wire/conductors. Conform additional conduits are not needed.
3. Provide detail for 120V electrical outlet on light pole for use by Bay Alarm Company to power wireless cameras.

Professional Fee Schedule

Professional fees for services stated include all costs for general overhead, profit, telephone, clerical, travel to and from the city and project site, and incidental expenses not separately requested by City. All conditions and terms of our existing contract shall apply to these additional services.

Construction Document Phase

Task

• HAI	\$700.00
• IDS Engineering	\$1,800.00
Total.....	\$2,500.00

Thank You,

Charles Foley, Vice President
Landscape Architect #5567, ASLA



HIRSCH & ASSOCIATES, INC.
LANDSCAPE ARCHITECTURE & PLANNING

Mrs. Sabrina Chavez
Director of Community Services
City of Perris
101 D. Street
Perris, Ca. 92570

11-19-20

Re: Additional services for the installation of Morgan Park.

Subj: Change order proposal for site changes to accommodate a larger restroom building. Reduce the size of the artificial turf water cannon system and the addition of stone veneer to the new restroom building.

Dear Sabrina,

I am respectfully submitting this request for approval of additional fees for design work required, based upon requested changes to the restroom building and the artificial turf water cannon system. All hourly rates, supplemental conditions and requirements of our existing contract apply to these additional services. The additional services include;

- Revise all affected plans to incorporate a larger prefabricated restroom building. Affected sheets to include Accessibility Plan, Grading Plan, Utility Plan, Construction Plan, Horizontal Control, Irrigation Plan, Planting Plan and according detail sheets.
- Coordinate changes to the new restroom building with the Electrical Engineer for electrical compatibility with the electrical plans as currently designed.
- Coordinate the new water requirements for the larger restroom building with EMWD. Revise water meter application and resubmit to EMWD. Revise EMWD As-Built PDF Plans

- Revise all affected plans to incorporate a smaller water meter and pressure pump for the artificial turf water cannon system. Affected plans to include Utility Plan, Irrigation Plan and according detail sheets.
- Coordinate changes to the artificial turf pressure pump with the Electrical Engineer for electrical compatibility with the new pressure pump.
- Coordinate the new water requirements of the artificial turf water cannon system with EMWD. Revise water meter application and resubmit to EMWD. Revise EMWD As-built PDF Plans.
- Revise all affected plans to incorporate a stone veneer onto the prefabricated restroom building. Stone veneer manufacturer to be selected and approved by the City prior to revising the plans. Affected plans to include Accessibility Plan, Construction Plan and according detail sheets.

PROFESSIONAL FEE SCHEDULE

Professional fees for services stated include all costs for general overhead, profit, and telephone, clerical, travel and incidental expenses not separately requested by Lewis Investment Company, LLC. Professional fees are good for a period of (60) days from date of proposal. All services not completed within 18 months from date of proposal will be subject to an adjustment per Consumer Price Index as published in the Wall Street Journal.

Revision costs and order of priority:

1. Coordinate new meter application for the new restroom building and water cannon system with EMWD, and revise As-Built.
 Design Time 20 hours.....\$1,500.00
 PM Time 4 hours.....\$380.00
2. Revise Utility Plans and details for the new restroom building and pressure pump for artificial turf field.
 Design Time 20 hours.....\$1,500.00
 Pm-4 hours.....\$380.00
3. Revise the Construction Plan set and details to accommodate the larger restroom building.
 Design Time 48 hours.....\$3,600.00
 Pm Time 6 hours.....\$570.00

- 4. Revise Construction Plans and details for the new stone veneer.
Design Time 12 hours.....\$900.00

Revision and Coordination Total.....\$8,260.00

- 5. Additional Construction Support Services Per Original Contract if an Extension in Construction Schedule is Required.
One Month (4 Weeks) Additional Construction Support Services if Required.....\$5,170.00

- Revision and Coordination Total.....\$8,260.00

- One Month (4 Weeks) Additional Construction Support Services if Required.....\$5,170.00

HAI Change Order #1 Grand Total.....\$13,430.00

Execution

To initiate professional services, Hirsch & Associates Inc. please provide an executed Agreement, Purchase Order or Services Agreement with our proposal as Exhibit "A".

Authorization to Proceed

Date

Thank You,



Mark Hirsch
Project Manager
C27 #956898
CWA #84847



HIRSCH & ASSOCIATES, INC.
LANDSCAPE ARCHITECTURE & PLANNING

Mrs. Sabrina Chavez
Director of Community Services
City of Perris
101 D. Street
Perris, Ca. 92570

12-29-20

Re: Additional services for the installation of Morgan Park.

Subj: Change order proposal for site changes to accommodate an accessible walking path to the restroom building from the western side of the soccer field.

Dear Sabrina,

I am respectfully submitting this request for approval of additional fees for design work required, based upon requested changes for an accessible path to the restroom building. All hourly rates, supplemental conditions and requirements of our existing contract apply to these additional services. The additional services include;

- Revise all affected plans to incorporate an accessible walking path to the restroom building, from the western side of the soccer field.
- Affected sheets to include Cover Sheet, Accessibility Plan, grading cover Sheet, Grading Plans, Utility Plans, Construction Plans, Horizontal Control, Irrigation Plans, Planting Plans and according detail sheets.

PROFESSIONAL FEE SCHEDULE

Professional fees for services stated include all costs for general overhead, profit, and telephone, clerical, travel and incidental expenses.

Re: Additional services for the installation of Morgan Park.

Subj: Change order proposal for site changes to accommodate an accessible walking path to the restroom building from the western side of the soccer field.

Revision Costs:

1. Revise the Construction Plan set and Details to accommodate the Accessible Walking Path to the Restroom Building.

Design Time 48 hours.....\$3,600.00

Pm Time 3 hours.....\$285.00

Revision Total.....\$3,885.00

HAI Change Order #2 Grand Total.....\$3,885.00

Execution

To initiate professional services, Hirsch & Associates Inc. please provide an executed Agreement, Purchase Order or Services Agreement with our proposal as Exhibit "B".

Authorization to Proceed

Date

Thank You,



Mark Hirsch
Project Manager
C27 #956898
CWA #84847



HIRSCH & ASSOCIATES, INC.
LANDSCAPE ARCHITECTURE & PLANNING

February 16, 2021

Sabrina Chavez, Director
Community Services
City of Perris
227 North "D" Street
Perris, CA 92570-1998

Re: Morgan Park

Subject: Professional Design Services

Dear Sabrina,

Our original contract time for Construction Support Meeting services will expire on February 26, 2021 per the original approved 120 calendar days project construction schedule. Per LA Engineering's current schedule, the construction completion date is April 16, 2021. At this time, we are requesting a Change Order to cover (7) Construction Support Meetings and (5) Project Close-out Meetings as listed below.

Services:
Additional Meetings

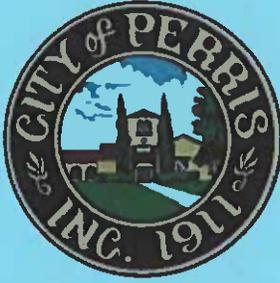
Job Site Meetings	7 meetings @ \$850.00	\$5,950.00
Project Close-out Meetings		
SCE Sign-off	1 meeting @ \$850.00	\$850.00
EMWD Sign-off	1 meeting @ \$850.00	\$850.00
Irrigation Coverage Test	1 meeting @ \$850.00	\$850.00
Prepare Project Punch List	1 meeting @ \$850.00	\$850.00
Punch List Sign Off	1 meeting @ \$850.00	<u>\$850.00</u>
Total		\$10,200.00

Please let me know if you have any questions.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Patrick L. Hirsch', is written over a large, light-colored oval scribble.

Patrick L. Hirsch, President
Landscape Architect CA #1710



9.E.

CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 13, 2021

SUBJECT: Consideration to Award Contract to Hera General Engineering for grading work at Enchanted Hills Park.

REQUESTED ACTION: That the City Council award a contract to Hera General Engineering for a total bid of \$578,300 for the Grading at Enchanted Hills Park; Authorize the Interim City Manager to enter into contract with Hera General Engineering; Authorize 10% of the Bid Amount for Construction Contingencies, and Authorize the Interim City Manager to executed related documents.

CONTACT: Sabrina Chavez, Director of Community Services *SC*

BACKGROUND/DISCUSSION:

The Enchanted Hills area was identified as a park deficient community and eligible for grant funding under Proposition 68. The City applied for a highly competitive grant in August 2019 and in February 2020, the City received notification of grant award in the amount of \$8.5 million from the California Department of Parks and Recreation Office of Grants and Local Services under the Proposition 68 Statewide Park Program ("SPP") Grant to develop a new park, Enchanted Hills Park. The park project site is comprised of a total of 22.5 acres and is located on 1400 Westin Road, Perris, CA 92571. The City recently approved the clear and grub activities for this project, which has been completed, and now the next required activity is the grading.

On March 11, 2021, the grading bid documents were advertised on Active Bidder and published in the local newspaper on March 17, 2021 and March 24, 2021. Bids opened on March 30, 2021, and three bids were received with amounts ranging from \$578,300 to \$2,385,000. The lowest responsive bid in the amount of \$578,300 was submitted by Hera General Engineering, Inc. The engineering's estimate was set at \$600,000. Based on the information and documents contained in this staff report, staff respectfully recommends that the City Council award a contract to Hera General Engineering for the grading activities at the park site for a total bid amount of \$578,300. Costs associated with these activities are reimbursable through the SPP Grant.

BUDGET (or FISCAL) IMPACT:

Costs associated for services provided by Hera General Engineering is covered under the Proposition 68 Statewide Park Program Grant.

Prepared by: Bill Hemsley, Interwest Consulting Services, Project Manager

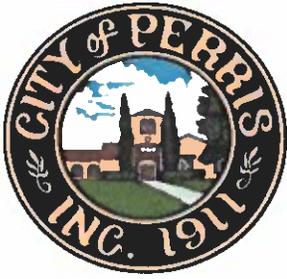
REVIEWED BY:

City Attorney _____
Assistant City Manager _____
Finance Director



Attachments: 1: Enchanted Hills Park Site Aerial
2. Active Bidder Summary Sheet
3: Draft Contract Services Agreement
4 and 5: Due to size, Attachments 4 (Hera General Engineering Bid Documents)
and 5 (Bid Project Manual and Specifications) are available on file at the City
Clerk's Office or at this link: <https://www.cityofperris.org/government/city-council/council-meetings>

Consent: X
Public Hearing:
Business Item:
Presentation:
Other:



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 1:
ENCHANTED HILLS PARK SITE AERIAL**



**CITY OF PERRIS
COMMUNITY SERVICES DEPARTMENT**

ENCHANTED HILLS PARK PROJECT SITE

Aerial



Enchanted Hills Park Project Site

City of Perris

Park Address: 1400 Weston Road, Perris 92570





CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 2:
ACTIVE BIDDER SUMMARY SHEET**

Enchanted Hills Park Project - Grading

Post Date: 03/11/2021 19:51 PST

Due Date: 03/30/2021 before 11:00 PDT

Estimated Value: N/A

Enchanted Hills Park Project - Grading

Estimated Value:	N/A	Bid Post Date:	03/11/2021 19:51 PST
Department:		Bid Due Date:	03/30/2021 before 11:00 PDT
Bid Bond:	10%	Performance Bond:	100%
Payment Bond:	10%		

License Requirements:

For this contract, the contractor shall possess Classification "A" Engineering License at the time the contract is awarded.

Project Information:

1) Enchanted Hills Park Project - Grading	Type: PRIMARY
Location:	1400 Weston Road Perris, CA 92570
Project Start Date:	04/21/2021
Project End Date:	05/31/2021

Scope of Services:

There is a mandatory Pre-Bid Meeting scheduled for March 23, 2021 at 1:00 PM.

The Project consists of furnishing all labor, technical and professional services, supervision, materials and equipment, and performing all operations necessary and required in conformity with the requirements in the specifications and plans.

Notes:

There is a mandatory Pre-Bid Meeting scheduled for March 23, 2021 at 1:00 PM.

The Project consists of furnishing all labor, technical and professional services, supervision, materials and equipment, and performing all operations necessary and required in conformity with the requirements in the specifications and plans.

Enchanted Hills Park Project - Grading

Post Date: 03/11/2021 19:51 PST

Due Date: 03/30/2021 before 11:00 PDT

Estimated Value: N/A

Registered Bidders / 4 total

#	Name	Company	Address	City	State	Phone
1	Butler, Christine	Byrom-Davey, Inc.	13220 Evening Creek Drive 103	San Diego	CA	858-513-7199
2	Haygood, Joseph	Los Angeles Engineering, Inc.	633 N. Barranca Avenue	Covina	CA	626-454-5222
3	Ortega, Michael	Horizons Construction Company	432 W Meats Avenue	Orange	California	7146260000
4	Monge, Patty	Hera General Engineering, Inc.	16580 Bonanza Dr.	Riverside	CA	951-345-9726

Enchanted Hills Park Project - Grading

Post Date: 03/11/2021 19:51 PST

Due Date: 03/30/2021 before 11:00 PDT

Estimated Value: N/A

Results / 3 total

#	Name	Company	Address	Phone	Amount	Submitted	Status
1	Monge, Patty	Hera General Engineering, Inc.	16580 Bonanza Dr. Riverside, CA 92504	951-345-9726	\$578,300	03/29/2021 16:18:30	Apparent Low Bidder
2	Ortega, Michael	Horizons Construction Company	432 W Meats Avenue Orange, California 92865	7146260000	\$797,350	03/30/2021 12:49:04	
3	Haygood, Joseph	Los Angeles Engineering, Inc.	633 N. Barranca Avenue Covina, CA 91723	626-454-5222	\$2,385,000	03/30/2021 12:47:42	

Enchanted Hills Park Project - Grading

Post Date: 03/11/2021 19:51 PST

Due Date: 03/30/2021 before 11:00 PDT

Estimated Value: N/A

1. Apparent low bidder details for: Monge, Patty / Hera General Engineering, Inc.

1) Enchanted Hills Park Project - Grading

Item	UM	Qty	Unit Pricing	Item Total	
Base Bid					
1	Project Start Up (3% of total, maximum) Mobilization including General Conditions, Special Provisions, Insurance and Bonds	LS	1	\$17,300	\$17,300
2	Site Work (Earthwork, Grading Rough, Soil Balance)	LS	1	\$513,400	\$513,400
3	Site Security (Fencing, after hours security guard)	LS	1	\$14,600	\$14,600
4	Boulders/Rock Excavation over 1 CY	CY	2,000	\$11.5	\$23,000
5	Trash & Debris Removal in Subgrade	CY	1,000	\$10	\$10,000
				Subtotal	\$578,300
				Project Total	\$578,300

Enchanted Hills Park Project - Grading

Post Date: 03/11/2021 19:51 PST

Due Date: 03/30/2021 before 11:00 PDT

Estimated Value: N/A

File attachment details for: Monge, Patty / Hera General Engineering, Inc.

File name	Description	Type	Size	Notes
20210329_BID FORM	Additional	pdf	5.9 MB	Bid Documents and Addendum 1



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 3:
DRAFT CONTRACT SERVICES AGREEMENT**

CITY OF PERRIS

CONTRACT FOR ENCHANTED HILLS PARK GRADING PROJECT

THIS PUBLIC WORKS CONTRACT (herein "Agreement") is made and entered into this ___ day of _____, 2021, by and between the CITY OF PERRIS, a municipal Corporation, (herein "City"), and Hera General Engineering, Incorporated, a California Corporation (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

1.0 SERVICE OF CONTRACTOR

1.1 Contract.

The complete contract includes all contract documents, to wit: **ENCHANTED HILLS PARK GRADING PROJECT** Plans and Specifications and Information for Bidders, Special Provisions, which are incorporated by this reference as though set forth in full herein; and the Federal Prevailing Wage Determinations.

1.2 Scope of Services.

In compliance with all of the terms and conditions of this Agreement, the Contractor shall furnish all tools, equipment, services, apparatus, facilities, transportation, labor, building/encroachment permits, disposal and materials necessary and reasonably incidental to create **ENCHANTED HILLS PARK GRADING PROJECT**, and miscellaneous related improvements in Perris, California, in strict accordance with improvements plans and Specification. Contractor warrants that all work and services set forth in the Scope of Service will be performed in a competent, professional and satisfactory manner.

1.3 Incorporation of and Compliance with State, Federal and Local Law.

All applicable State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions required to be contained in public works contracts which are not specifically referenced in the Agreement are incorporated herein by this reference. The Contractor is responsible for and has an independent duty to be familiar with all State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions related to, pertaining to, and/or associated with the work and services to be provided under the Agreement. All work and services rendered hereunder shall be provided in accordance with all laws, statutes, rules, regulations, orders, determinations, and resolutions of the City and any Federal, State or local governmental agency of competent jurisdiction.

1.4 Licenses, Permits, Fees and Assessments.

If applicable, Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

1.5 Additional Services

City shall have the right at any time during the performance of the work and services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustments in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. City and Contractor agree to negotiate the cost for additional services based on the unit pricing proposed by the Contractor in the original Bid Schedule of Values found in Section BF, "Bid Form," of the Specification. City and Contractor agree that City may seek additional cost estimates from third party contractor's to perform additional services. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, while City seeks estimates from third party contractor's to perform additional services. Written orders shall be made on forms prescribed by the Contract Officer in accordance with Part I "Procedural Documents," Section CO of the Specification. Any increase in compensation of up to ten percent (10%) of the Contract Sum; or in the time to perform of up to one hundred twenty (120) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services and work specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the work and services to be provided pursuant to the Scope of Services may be more costly or time consuming than the Contractor anticipates and that the Contractor shall not be entitled to additional compensation therefore.

2.0 COMPENSATION

2.1 Contract Sum.

For the services rendered pursuant to this Agreement, the Contractor shall be compensated, except as provided in Section 1.5, the sum of Five Hundred and Seventy-eight Thousand Three Hundred and Zero/100 dollars (\$ 578,300.00), in accordance with Section GP and Section SP, "General Provisions" and "Special Provisions," and Section BF, "Bid Form," and "Bid Schedule of Values."

2.2 Method of Payment.

Contractor shall submit to the City, and invoice for services rendered prior to the date of the invoice. In accordance with Section GP, "General Provision", Section SP, "Special Provisions"; "Schedule of Values", and upon receipt and approval of invoice by the City, City shall pay Contractor within a reasonably prompt manner consistent with City's normal procedures for payable accounts, but not to exceed thirty (30) days from date received by City, unless otherwise directed by the labor compliance officer. Progress payments shall be issued upon successful completion of items listed on the bid schedule of values, and inspection made by the City, unless otherwise directed by the project manager or labor compliance officer. A retention of five percent (5%), unless otherwise directed by the project manager shall be withheld from this payment. Upon completion of the work by the contractor,

a final inspection shall be made by the City. Unless otherwise directed by the project manager or labor compliance officer, upon approval, the City shall file a Notice of Completion and a final payment will be issued (minus five (5%) percent retention). The final retention payment shall be issued following 45 days from the filing of the Notice of Completion, unless otherwise directed by the labor compliance officer. The City must pay interest at the legal rate on any Contractor payment request not paid within 30 days of its submission when the validity of the request is not disputed and the request has been properly submitted. (Public Contract Code § 20104.50)

2.3 Retention of Funds.

Contractor hereby authorized City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omission in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

3.0 COORDINATION OF WORK

3.1 Representative of Contractor.

Angelica P. Monge, designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

3.2 Contract Officer.

The City Manager is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer at any time.

3.3 Prohibition Against Subcontracting or Assignment.

Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

3.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein

as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way for any purpose become or deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise of Contractor.

4.0 INSURANCE, INDEMNIFICATION AND BONDS

4.1 Insurance.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance.

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least \$2,000,000 bodily injury and property damage including coverage for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations. The Commercial General Liability Policy shall name the City of Perris, California, its officers, employees and agents as additional insured in accordance with standard ISO additional insured endorsement form CG2010(1185) or equivalent language.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases carrying out the work or service contemplated in this Agreement.

(c) Business Automobile Insurance. A policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of \$1,000,000 bodily injury and property damage. Said policy shall include coverage for owned, non-owned, lease and hired cars.

All of the above policies of insurance shall be primary insurance. The insurer shall waive all rights of subrogation and contribution it may have against the City of Perris, its officers, employees and agents, and its insurers. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or service under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverage and said Certificates of Insurance or binders are approved by the City.

Contractor agrees that the provision of this Section 4.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or person for which the Contractor is otherwise responsible. In the event the Contractor subcontracts any portion of the work in compliance with Section 3.3 of this Agreement, the contract between the Contractor and such subcontractor shall required the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section.

4.2 Indemnification.

(a) To the fullest extent permitted by law, Contractor hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless the City of Perris, its officers and their representatives, consultants, employees, directors, shareholders, successors, and assigns (individually as "Indemnities") from and against any and all damages, cost, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, attorneys, expert witnesses, consultants, or other professionals and all costs associated therewith (collectively, "Claims"), to the extent arising or claimed to arise out of, in connection with, resulting from, or related to any negligent act, error, omission or failure to act of Contractor or any of its subcontractors and their respective officers, agents, servants, employees, subcontractors, material men, suppliers or Contractor's failure to perform or negligent performance of any term, provision, covenant or condition of the Agreement or the Scope of Services, including this indemnity provision. This indemnity also applies to any Claims of any type or nature asserted on behalf of any of Contractor's subcontractors. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnities may have under the law. Payment is not required as a condition precedent to and Indemnities' right to recover under this indemnity provision. An indemnities shall have the right to select the attorneys to represent it in the event of a Claim and at Contractor's expense. Contractor shall pay Indemnities for any attorney's fees, consultant and expert witness fees and costs incurred in enforcing this indemnification provision. This indemnity is effective without reference to the existence or applicability of any insurance coverage which may have been required under the Agreement or may additional insured endorsements, which may extend to Indemnities.

(b) Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against any Indemnities with respect to those Claims as to which such Indemnities is indemnified under Section 4.2(a) above, except for such Claims which are the result of such Indemnities' willful misconduct.

(c) In the event the City and its officers, agents or employees are made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operations or activities of Contractor hereunder, Contractor agrees to pay to the City and its officers, agents or employees, any and all costs and expenses incurred by the City, and its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

4.3 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or designee of the City due to unique circumstances. In the event the City's Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 5 may be changed accordingly upon receipt of written notice from the City's Risk Manager or designee; provided that the Contractor shall have the right to appeal a determination of increased coverage by the City's Risk Manager to the City Council within ten (10) days of receipt of notice from the City's Risk Manager.

4.4 Labor and Materials Bond.

Concurrently with the execution of this Agreement, Contractor shall deliver to City a labor and materials bond in a sum not less than one hundred percent of the total amount payable by terms of the Agreement, in the form provided by the City Clerk, which secures payments to subcontractors and suppliers in the event of default by Contractor. The labor and materials bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The labor and materials bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor completely and faithfully pays all subcontractors and suppliers that have been approved in writing to perform in whole or part the services required herein. If Contractor is the provider of architectural, engineering, and land surveying services pursuant to an existing contract with City for a public work, Contractor shall not be required to post or deliver a labor and materials bond.

4.5 Performance Bond.

Concurrently with execution of this Agreement, Contractor shall deliver to City a performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement, unless such requirement is waived by the Contract Officer. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

5.0 TERM

5.1 Time for Completion and Liquidated Damages.

The work for the Enchanted Hills Park Grading Project shall commence on the day of April 27, 2021 and shall be completed within forty (40) calendar days from and after said date. It is expressly agreed that, except for extensions of time duly granted in writing by the City Manager and for reasons authorized in this Agreement, time shall be of the essence, and contractor shall be held responsible for liquidated damages in a sum equal to \$500.00 (five hundred dollars) for each and every day after the permitted time if the work is not completed to the City's satisfaction.

5.2 Force Majeure.

The time period(s) specified in this Agreement for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy

being extension of the Agreement pursuant to this Section.

5.3 Termination for Default of Contractor.

If the Contract Officer determines that the Contractor is in default due to the Contractor's failure to fulfill its obligations under this Agreement, City will give Contractor a written Notice of Default which will be served personally on the Contractor's representative or sent via U.S. First Class Mail to the Contractor at the address set forth in Section 8.1. The Contractor shall continue performing its obligations hereunder so long as the Contractor commences to cure such default within five (5) calendar days of service of such notice and completes the cure of such default within forty-five (45) calendar days after service of the notice, or such longer period as may be permitted by the City; provided that if the default is an immediate danger to the health, safety and general welfare, the City reserves the right to not notify the Contractor of the default and to take any and all action that may be necessary to cure the default.

If a Notice of Default is issued and the Contractor fails to cure the default within the time periods set forth in this Section, the City may take over the work and prosecute the same to completion by contract or otherwise. The City may use any portion or all of the Contract Sum to pay for said work. The Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages).

Contractor agrees that if the default is an immediate danger to the health, safety, and general welfare, the City may take immediate action to cure the default and the Contractor shall be liable for all costs and expenses associated with curing the default.

Compliance with the provisions of this Section shall only be a condition precedent to termination of this Agreement for cause. Such compliance shall not be a waiver of the City's right to take legal action in the event that the dispute is not cured. Further, compliance with this Section shall not be a waiver of the City's right to seek liquidated damages or other damages from the Contractor caused by the Contractor's failure to comply with any term of the Agreement.

5.4 Resolution of Contractor Construction Claims.

Public Contracts Code section 20104 et. seq. sets forth detailed procedures for resolving disputes of \$375,000 or less. In the event that a dispute, valued at \$375,000 or less, arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a claim therefore. Contractor and City shall comply with the detailed procedures stipulated in Public Contract Code Section 20104-20104.6, for resolving claims of \$375,000 or less.

In the event of any dispute valued at more than \$375,000 arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a detailed claim that sets forth the amount of damages, the basis and/or cause of the damages and all supporting documents which support the claim within ten (10) calendar days after the claim arose. Contractor agrees to submit any additional information or documents requested by the City so it can fully analyze the claim.

In the event of any dispute, the Contractor shall not be relieved of its obligations under this Agreement and shall continue performing its obligations hereunder unless the City agrees in writing to release the Contractor from its obligations under the Agreement. Compliance with the provisions of this Section shall be a condition precedent to any legal action.

6.0 CITY OFFICERS, EMPLOYEES, AND U.S. MEMBERS OF CONGRESS

6.1 Non-liability of City Officers and Employees

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

6.2 Conflict of Interest

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

6.3 Federal Employee Benefit Clause

No member of or delegate to the Congress of the United States, and no resident commissioner shall be admitted to any share or part of this agreement or to any benefit to arise from the same.

7.0 NON-DISCRIMINATION AND EQUAL OPPORTUNITY

7.1 Covenants Against Discrimination

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any

person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

Statement of Equal Opportunity Clause

- (a) Contractor will not discriminate against any employee or applicant for employment because of race, color religion, sex, or national origin. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the County setting forth the provisions of this non-discriminating clause.
- (b) Contractor will ensure that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

8.0 MISCELLANEOUS PROVISIONS

8.1 Notice

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail addressed as follows:

City

City of Perris
101 N. "D" Street
Perris, CA 92570
ATTN: Clara Miramontes, Interim City Manager

Contractor

HERA General Engineering, Inc.
16580 Bonanza Drive
Riverside, CA 92504
ATTN: Angelica P. Monge, President

8.2 Handicap Accessibility Certification.

Contractor certifies that with respect to the public facilities or parts thereof that are altered

by the work in this contract, the altered portions of the facilities are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, and meet the laws established by the Americans With Disabilities Act of 1990, Public Law 101-336, and applicable portions of Title 24 of the California Code of Regulations (Access Code).

8.3 Records Retention Clause Examination and Audit

Contractor shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Agreement in a form in accordance with generally acceptable accounting principals. Said books and records shall be made available to the City of Perris, the State Auditor of California, the Federal Government and to any authorized representatives thereof for purposes of audit at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least five (5) years after the final payment is received by the Contractor.

8.4 Payroll Records

Contractor shall comply with State Labor Code section 1776, and shall maintain and keep accurate payroll records of employees, and shall certify these records upon request by the City. Said payroll records shall be made available to the City, the State Division of Labor Standards Enforcement, and the State Division of Apprenticeship Standards. If the Contractor fails to comply with State Labor Code Section 1776, Contractor shall be held responsible for penalties as set forth in said section.

8.5 Prevailing Wages

Pursuant to State and Federal statutes, rules, orders, resolutions, and regulations, the Contractor is required to pay the higher of the State of California or Federal prevailing wages. The Contractor is required to be fully familiar with and comply with all State of California and Federal statutes, rules, regulations, orders, resolutions, and determinations which govern the payment of wages for the work and services provided for in this Agreement.

Under the State Labor Code, Contractor shall not pay less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate per diem wages for holiday, overtime, health and welfare, pension, vacation and similar purposes to all workers employed on the work described in this Agreement. The City has obtained from the Director of the Department of Industrial Relations, State of California, the determination of general prevailing rates of per diem wages believed to be applicable to the work described in this Agreement, including employer payments for health and welfare, pension, vacation and similar purposes. Contractor shall obtain from the City Clerk said General Prevailing Wage Determination and post it in a conspicuous place at the site of the work described in this Agreement.

8.6 Working Hours Restriction and Penalties for Non-Compliance

Contractor agrees that eight (8) hours is a legal days work for all employees hired by the Contractor, and that any worker's time of service is restricted to eight (8) hours during any calendar day, and forty (40) hours during any calendar week, unless overtime compensation is paid at not less than one and one half times the basic rate of pay. Contractor shall comply with said working hours restrictions and overtime compensation provisions, and shall pay a penalty of \$50.00 (fifty and 00/100 dollars) for each and every day a worker is employed in violation of said working hours restrictions and overtime compensation provisions.

8.7 Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.8 Integration; Amendment

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.9 Severability

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.10 Corporate Authority

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[End – Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

"CITY"
CITY OF PERRIS

By: _____
Nancy Salazar, City Clerk

By: _____
Clara Miramontes, Interim City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Eric L. Dunn, City Attorney

"CONTRACTOR"
Hera General Engineering, Inc.
16580 Bonanza Drive
Riverside, CA 92504

By: _____
Signature

Print Name and Title

By: _____
Signature

Print Name and Title

(Corporations require two signatures; *one from each* of the following: A. Chairman of Board, President, any Vice President; *AND B.* Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]



CITY OF PERRIS
COMMUNITY SERVICES

**ATTACHMENT 4:
HERA GENERAL ENGINEERING
BID DOCUMENTS**

Note: Due to the size of the attachment the document is located in the following link:

Link: <https://www.cityofperris.org/government/city-council/council-meetings>

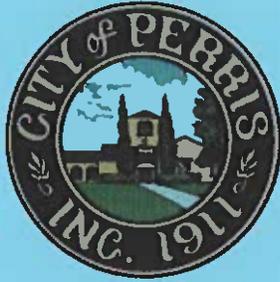


CITY OF PERRIS
COMMUNITY SERVICES

ATTACHMENT 5: BID PROJECT MANUAL AND SPECIFICATIONS

Note: Due to the size of the attachment the document is located in the following link:

Link: <https://www.cityofperris.org/government/city-council/council-meetings>



9.F.

CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 13, 2021

SUBJECT: 2019-2020 Financial Statements

REQUESTED ACTION: Receive and File the City's Comprehensive Annual Financial Report, Public Utility Authority, Public Financing Authority, Joint Powers Authority, Community Economic Development Corporation (CEDC), and Housing Authority Financial Statements for 2019-20

CONTACT: Ernie Reyna, Director of Finance *ER*

BACKGROUND / DISCUSSION:

The purpose of this report is to present the City's Comprehensive Annual Financial Report and component financial statements for the Council's approval. Each year the City of Perris is required to have an audit of its financial statements. The scope of this audit includes the City itself, the City's Federal Grant Programs (Single Audit), the Public Utility Authority, the Public Financing Authority, the Joint Powers Authority, the Community Economic Development Corporation (CEDC), and the Housing Authority. The period under review spans the previous fiscal year which, in this case, represents July 1, 2019 through June 30, 2020. The audit was conducted by The PUN Group, an independent CPA firm appointed by, and reporting directly to, the City Council. The purpose of the Audit is to provide a professional opinion with regards to the accuracy of the City's stated financial position and results of operations.

After conducting the audit, The PUN Group has issued the opinion that the City's, the Public Utility Authority, the Public Financing Authority, the Joint Powers Authority, and the Housing Authority's financial statements present fairly in all material aspects the financial position of the City government activities, business-type activities, and all major/minor funds.

An audit is an evidence gathering process. Audit evidence is used to evaluate how well audit criteria are being met. Audits must be objective, impartial, and independent, and the audit process must be both systematic and documented. Findings include criteria or basis for determining that a problem does exist, a condition or situation that was observed, the effect or impact of the condition, and the root cause of the problem to the extent that it can be determined. Findings should result in recommendations that resolve the issue and are helpful to management. The PUN Group has reported that there were no material findings from the audit and that there was not any disagreement with City Management regarding any aspect of the audit.

BUDGET (or FISCAL) IMPACT:

None.

Prepared by: Stephen Ajobiewe, Finance Manager

REVIEWED BY:

Assistant City Manager

Director of Finance



Attachments:

1. Financial Statements for the Public Utility Authority (PUA)
2. Statement on Auditing Standards – 114 Conclusion Letter for PUA
3. Financial Statement for Housing Authority
4. Statement on Auditing Standards – 114 Conclusion Letter for Housing Authority
5. Financial Statement for Joint Power Authority (JPA)
6. Statement on Auditing Standards – 114 Conclusion Letter for JPA
7. Financial Statement for Public Financing Authority (PFA)
8. Statement on Auditing Standards – 114 Conclusion Letter for PFA
9. Financial Statement for Community Economic Development Corporation (CEDC)
10. Statement on Auditing Standards – 114 Conclusion Letter for CEDC
11. Report on Appropriations Limit

The remaining documents associated with this staff report are available for viewing at:
<https://www.cityofperris.org/government/city-council/council-meetings>

12. City Comprehensive Annual Financial Report (AFR)
13. Statement on Auditing Standards – 114 Conclusion Letter for City AFR

Consent Item: X

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE PUBLIC UTILITY AUTHORITY (PUA)

**City of Perris
Public Utility Authority**

Perris, California

**Basic Financial Statements
and Independent Auditors' Reports**

For the Year Ended June 30, 2020



City of Perris Public Utility Authority
For the Year Ended June 30, 2020
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the City of Perris Public Utility Authority
Perris, California

Report on the Financial Statements

We have audited the accompanying financial statements of the of the City of Perris Public Utility Authority (the "Authority"), a component unit of the City of Perris, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' Responsibility

Our responsibility is to express 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 Audit 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 Authority, as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the City of Perris Public Utility Authority
Perris, California
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Schedule of Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Proportionate Share of Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits on pages 30 to 35 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 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
April 2, 2021



**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***

Independent Auditors' Report

To the Board of Directors
of the City of Perris Public Utility Authority
Perris, 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 City of Perris Public Utility Authority (the "Authority"), a component unit of the City of Perris, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the City of Perris Public Utility Authority
Perris, California
Page 2

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
April 2, 2021

BASIC FINANCIAL STATEMENTS

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City of Perris Public Utility Authority
Statement of Net Position
June 30, 2020

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 293,657
Accounts receivable, net	526,671
Total current assets	820,328
Noncurrent assets:	
Capital assets, not being depreciated	300,564
Capital assets, net of depreciation	7,395,124
Total noncurrent assets	7,695,688
Total assets	8,516,016
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	123,249
Deferred outflows of resources related to other postemployment benefits	31,423
Total deferred outflows of resources	154,672
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 528,173
Due to the City of Perris	3,476,013
Deposits payable	111,410
Compensated absences, due in one year	1,721
Loans payable to the City of Perris, due within one year	195,988
Total current liabilities	4,313,305
Noncurrent liabilities:	
Compensated absences, due in more than one year	6,882
Loans payable to the City of Perris, due in more than one year	4,507,719
Net pension liability	92,156
Net other postemployment benefits liability	183,067
Total noncurrent liabilities	4,789,824
Total liabilities	9,103,129
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	7,313
Deferred inflows of resources related to other postemployment benefits	83
Total deferred inflows of resources	7,396
NET POSITION	
Net investment in capital assets	2,991,981
Unrestricted (deficit)	(3,431,818)
Total net position	\$ (439,837)

See accompanying Notes to the Basic Financial Statements.

City of Perris Public Utility Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020

Operating Revenues	
Charges for services	\$ 848,934
Total operating revenues	<u>848,934</u>
Operating Expenses	
Maintenance and operations	157,240
Contractual services	291,595
Administrative and general	67,331
Depreciation	<u>320,359</u>
Total Operating Expenses	<u>836,525</u>
Operating income	<u>12,409</u>
Nonoperating Expenses	
Interest expense	<u>(293,982)</u>
Total nonoperating expenses	<u>(293,982)</u>
Change in net position	<u>(281,573)</u>
Net Position:	
Beginning of year	<u>(158,264)</u>
End of year	<u><u>\$ (439,837)</u></u>

City of Perris Public Utility Authority
Statement of Cash Flows
For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers and user	\$ 601,224
Cash paid for employee services	(215,279)
Cash paid to suppliers for goods and services	(242,227)
Net cash provided by operating activities	<u>143,718</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Cash received from the City of Perris	423,230
Net cash provided by noncapital financing activities	<u>423,230</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal payments on capital debt	(195,988)
Interest payments on capital debt	(293,982)
Net cash (used in) capital and related financing activities	<u>(489,970)</u>

Net increase in cash and cash equivalents	76,978
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CASH AND CASH EQUIVALENT:

Beginning of year	216,679
End of year	<u>\$ 293,657</u>

**RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income	\$ 12,409
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	320,359
(Increase) decrease in accounts receivable	(249,115)
Increase (decrease) in pension related deferred outflows of resources	(100,267)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(29,697)
(Increase) decrease in accounts payable and accrued liabilities	128,009
Increase (decrease) in deposit payable	1,405
(Increase) decrease in compensated absences	(1,265)
(Increase) decrease in net pension liability	17,120
Increase (decrease) in net other postemployment benefits liabilities	43,769
(Increase) decrease in pension related deferred inflows of resources	1,024
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	(33)
Total adjustment	<u>131,309</u>
Net cash provided by (used in) operating activities	<u>\$ 143,718</u>

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City of Perris Public Utility Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of Perris Public Utility Authority (the “Authority”), a component unit of the City of Perris, California (the “City”), have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Boards (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority’s significant accounting policies are described below.

A. Description of the Reporting Entity

The City and the former Perris Redevelopment Agency (the “Agency”) formed the Authority, a Joint Powers authority, pursuant to a Joint Exercise Powers Agreement, dated as of December 29, 1999 to assist the City in its financing objectives by purchasing and operating the Sewer and Water systems from the City.

The City and the Authority entered into a “Purchase Agreement”, dated March 16, 2000, to sell the sewer and water enterprise from the City to the Authority. The sale price was based upon the completion of an appraisal of the enterprise, which was not completed until November 2000. On August 28, 2001, the original purchase agreement was rescinded and replaced by a new purchase agreement. The new purchase agreement was subsequently rescinded on February 12, 2002. Therefore, transactions related to the Purchase Agreement was not completed, nor presented in the accompanying financial statements. In December 2008, the Authority purchased the McCanna Ranch Water Company (“MRWC”).

On February 1, 2012, the former Agency was dissolved by legislation from the California State Legislature and a decision by the California Supreme Court. The City became the Successor Agency of the former Agency and oversees the remaining activities of the former Agency.

The Authority’s office and records are located at the City hall, 101 North “D” Street, Perris, California, Telephone number (951) 943-6100.

The Authority is a component unit of the City of Perris and, accordingly, the financial statements of the Authority are included in the financial statements of the City. The Authority is an integral part of the reporting entity of the City. The funds of the Authority have been blended within the financial statements of the City because the City Council of the City is the governing board of the Authority and exercises control over the operations of the Authority. Only the funds of the Authority are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

B. Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and capital acquisition proceeds. The Authority’s financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from those revenues and expenses that are nonoperating. Operating revenues are those revenues that are generated by services while operating expenses pertain directly to the furnishing of those services. Nonoperating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business services.

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash and Cash Equivalent

The Authority's cash and cash equivalent consist of cash and investments pooled with the City. The Authority cash balance is pooled with various other City funds for deposit and investment purposes. The Authority does not own specifically identifiable securities in the City's pool. The share of each fund in the pooled cash is separately maintained and interest income is apportioned to the participating funds based on the relationships of their average quarter-end cash balances to the total of the pooled cash and investments. The Authority consider the pool cash and cash equivalent due to the funds can be withdrawn upon request.

D. Uncollectible Accounts Receivable

The Authority uses the allowance method for uncollectible accounts receivable. Included in accounts receivable is an allowance for doubtful accounts of \$52,837.

E. Capital Assets

Capital assets, which include land, buildings, building improvements, machinery, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Capital assets purchased in excess of \$5,000, and buildings and building improvements purchased in excess of \$20,000 are capitalized if they have an expected useful life of 2 years or more. Infrastructure is capitalized if cost is in excess of \$50,000 and it has an expected useful life of 2 years or more. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Donated capital assets are valued at their acquisition value rather than the estimated fair market value at the date of donation.

Capital assets used in operations are depreciated over the estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	30 - 45 years
Building Improvements	7 - 30 years
machinery	6 - 15 years
Vehicles	5 - 15 years
Infrastructure	20 - 40 years
Structures and Improvements	35 - 40 years
Reservoirs and Manholes	50 - 60 years
Boosters	25 years
Other Equipment and Services	35 - 60 years

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Deferred Outflows and Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods; therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods; therefore, are not recognized as a revenue until that time.

G. Compensated Absences

Accumulated vacation and sick leave benefits and compensatory time are payable in future years when used by City employees. These amounts are payable from future resources and therefore have been recorded in long-term liabilities in the financial statements. Vacation benefits, sick leave, and compensatory time are recorded as expenses when incurred.

H. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the 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.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	June 30, 2018 to June 30, 2019

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of sources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Other Postemployment Benefits (“OPEB”)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The following timeframes are reported OPEB reporting:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The gains and losses are amortized on a straight-line basis over the average expected remaining service lives of all members.

J. Net Position

The net position is classified as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and related debt.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the Authority’s policy is to apply restricted net position first, then unrestricted net position as they are needed.

K. Use of Estimates

The preparation of basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ.

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Implementation of New GASB Pronouncement

Guidance (GASB Statement No. 95), to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of provisions in certain GASB Statements and Implementation Guides which became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later. The Authority implemented GASB Statement No. 95 in the fiscal year ended June 30, 2020 and postponed the effective dates of the following GASB Statements:

- GASB Statement No. 84, Fiduciary Activities
- GASB Statement No. 87, Leases
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- GASB Statement No. 90, Majority Equity Interests
- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered

Note 2 – Cash and Cash Equivalent

Cash and cash equivalent at June 30, 2020 was in the amount of \$293,657 and consisted of pooled cash with the City in the City's internal investment pool. The Authority does not own specific identifiable securities in the City pool. Interest income is allocated based on average cash balances. Investment policies and associated risk factors applicable to the Authority are those of the City and are included in the City's basic financial statements. Please refer to the City's Comprehensive Annual Financial Report for related cash and investment disclosures.

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Capital Assets

The summary of changes in capital assets for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Reclassification	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 300,564	\$ -	\$ -	\$ -	\$ 300,564
Total capital assets, not being depreciated	300,564	-	-	-	300,564
Capital assets, being depreciated:					
Major equipment	396,481	-	-	-	396,481
Structures and improvements	244,829	-	-	-	244,829
Reservoirs	1,608,367	-	-	-	1,608,367
Mains	5,641,405	-	-	-	5,641,405
Services	1,335,421	-	-	-	1,335,421
Meters	204,327	-	-	-	204,327
Hydrants	656,884	-	-	-	656,884
Wells	996,070	-	-	-	996,070
Total capital assets, being depreciated	11,083,784	-	-	-	11,083,784
Less accumulated depreciation:					
Major equipment	(208,153)	(19,824)	-	-	(227,977)
Structures and improvements	(60,676)	(5,778)	-	-	(66,454)
Reservoirs	(375,283)	(35,742)	-	-	(411,025)
Mains	(1,690,262)	(160,463)	-	-	(1,850,725)
Services	(467,397)	(44,514)	-	-	(511,911)
Meters	(71,515)	(6,811)	-	-	(78,326)
Hydrants	(197,064)	(18,768)	-	-	(215,832)
Wells	(297,951)	(28,459)	-	-	(326,410)
Total accumulated depreciation	(3,368,301)	(320,359)	-	-	(3,688,660)
Total capital assets being depreciated, net	7,715,483	(320,359)	-	-	7,395,124
Capital assets, net of depreciation	\$ 8,016,047	\$ (320,359)	\$ -	\$ -	\$ 7,695,688

Note 4 – Compensated Absences

The summary of changes in compensated absences for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
Compensated absences	\$ 9,868	\$ -	\$ (1,265)	\$ 8,603	\$ 1,721	\$ 6,882

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 5 – Loans Payable to the City of Perris

On December 12, 2008, the Authority entered into a promissory note with MRWC for \$9,360,000 for the acquisition of the company’s capital assets and operations. Interest on the note accrues at 2% per annum. The note is secured by the issuance of bonds. The first bond is required to equal or exceed \$4,950,000. The remaining \$4,410,000 shall be determined by the subsequent issuance of bonds according to the promissory note covenants. In January 2010, BAI Investors, LLC (“BAI”) acquired the promissory note from the MRWC. On March 31, 2015, the Authority approved the first settlement agreement with BAI that requires two payments to settle the debt. The Authority agreed to pay BAI \$5,879,635 to satisfy the first payment in the amount of \$4,950,000. The second payment in the amount of \$4,410,000 will become due when the State Water Resources Control Board issues an amendment to the Authority’s permit allowing appropriation of additional water from the underground stream diversion of that water to other parts of the City. The Authority and BAI entered into second settlement agreement in the amount of \$2,079,000 for the second payment during the year ended June 30, 2018.

On March 31, 2015, the City and the Authority entered in to loan agreement for \$5,879,635. The loan is being used to provide funding for the first settlement agreement with BAI. Interest on the loan accrues 6% per annum. Principal on the loan is payable in annual payments of \$195,988 and a final payment of \$195,983 commencing June 30, 2015 through June 30, 2044. The balance of the loans payable was in the amount of \$4,703,707 at June 30, 2020.

The future debt requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 195,988	\$ 282,222	\$ 478,210
2022	195,988	270,463	466,451
2023	195,988	258,704	454,692
2024	195,988	246,945	442,933
2025	195,988	235,185	431,173
2026-2030	979,940	999,537	1,979,477
2031-2035	979,940	705,556	1,685,496
2036-2040	979,940	411,573	1,391,513
2041-2044	783,947	117,592	901,539
Total	<u>\$ 4,703,707</u>	<u>\$ 3,527,777</u>	<u>\$ 8,231,484</u>

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Pensions

A. General Information about the Pension Plan

Plan Description

The Public Utility Authority participates in the City of Perris’s miscellaneous plan, an agent multiple-employer defined benefit pension plan for miscellaneous employees. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the annual actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Benefits Provided

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

Below is the summary of the plans’ provisions and benefits in effect at June 30, 2020, for which the City of Perris has contracted:

	Classic	Tire II	PEPRA
		January 1, 2010	
	Prior to	but prior to	January 1, 2013
Hire date	January 1, 2013	January 1, 2013	and after
Benefit formula	2.7% @ 55	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	Minimum 50 yrs	Minimum 50 yrs	Minimum 52 yrs
Monthly benefits, as a			
% of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Employee contribution rate	8.000%	7.000%	6.250%
Employer contribution rate			
(Measurement period)	12.212%	7.634%	6.842%
Employer contribution rate			
(current fiscal year)	13.182%	8.081%	6.985%

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Pensions (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided

Participant is eligible for non-industrial disability retirement if he/she becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 or 36 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Employees Covered by Benefit Terms

Please refer to the City's Comprehensive Annual Financial Report for numbers of employees covered by benefit terms at June 30, 2018 valuation date.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Pensions (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions

There were no change of assumptions in 2019.

Long-Term Expected Rate of Return

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

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

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Pensions (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Assets Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

¹ In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments. Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period

³ An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability 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 Authority's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Plan's Net Pension Liability		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Measurement Date June 30, 2019	\$ 147,824	\$ 92,156	\$ 46,207

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Pensions (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The Authority proportionate share of net pension liability of the City’s miscellaneous plan is determined by the City’s CalPERS fiscal year 2018-2019 contribution made by the Authority over the total miscellaneous plan contribution. The following table shows the Authority’s proportionate share of the City’s miscellaneous plan net pension liability over the measurement periods ended June 30, 2019.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018 (Valuation Date)	\$ 313,771	\$ 238,735	\$ 75,036
Balance at June 30, 2019 (Measurement Date)	377,387	285,231	92,156
Net Changes during 2018-2019	<u>\$ 63,616</u>	<u>\$ 46,496</u>	<u>\$ 17,120</u>

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2018). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018-19).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the City’s share of net pension liability at the measurement date and the Authority’s share of contribution made.

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Pensions (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The Authority’s proportionate shares of the net pension liabilities are as follows:

June 30, 2018	0.00078%
June 30, 2019	<u>0.00090%</u>
Change - Increase (Decrease)	<u>0.00012%</u>

For the year ended June 30, 2020, the Authority recognized pension expense in the amounts of \$82,123.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan for the 2018-19 measurement period is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired).

As of measurement date of June 30, 2019, the Authority reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 108,460	\$ -
Changes of assumptions	4,394	(1,558)
Difference between expected and actual experience	6,401	(496)
Net difference between projected and actual earning on pension plan investments	-	(1,611)
Adjustment due to differences in proportions	3,994	
Difference between the City's contributions and proportionate share of contributions	-	(3,648)
Total	\$ 123,249	\$ (7,313)

The amounts above are net of deferred outflows and inflows of resources recognized in the 2018-2019 measurement period expense.

\$108,460 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Pensions (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources <u>Miscellaneous Plan</u>
2020	\$ 6,751
2021	(579)
2022	978
2023	326
2024	-
Thereafter	-
	<u>\$ 7,476</u>

Note 7 – Other Postemployment Benefits (“OPEB”)

A. General Information about the OPEB Plan

Plan Description

The Authority participates in the City of Perris Retiree Healthcare Plan, CPRHP. The City provides medical benefits to eligible retired employees and qualified dependents. CPRHP is part of the Public Agency portion of the California Employers’ Retiree Benefit Trust Fund (“CERBT”), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions as well as other requirements are established by State statute within the Public Employees’ Retirement Law. CPRHP selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a Comprehensive Annual Financial Report (“CAFR”). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. Retirees hired prior to June 26, 2007 are covered by an “equal contribution method” resolution. The City contributes 100% of the retiree and dependent premiums up to the average of the family premiums for the two median-cost plans.

Retirees hired after June 25, 2008 are covered under a “vesting” resolution. A summary of the vesting resolution is as follows:

Contribution (Maximum)		
Employee Only	Employee and 1 dependent	Employee and 2+ dependent
\$ 931	\$ 1,862	\$ 1,733

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

A. General Information about the OPEB Plan (Continued)

Funding Policy (Continued)

Years of Service	Vesting %
Less than 10	0%
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

Contributions

The Authority currently finances benefits on a pay-as-you-go basis.

Employee Covered

Please refer to the City’s Comprehensive Annual Financial Report for numbers of employees covered by the plan at June 30, 2020.

B. Net OPEB Liability

Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal, Level of Percentage of Pay
Amortization Method	Straight-line amortization over a closed period equal to the average expected remaining service lives of all members (6.5 years).
Actuarial Assumptions:	
Discount Rate	2.20% per annum, net of investment expenses
Inflation	2.75% per annum
Salary Increases	2.75% per annum
Healthcare cost trend rates	4.00%
Retiree's share of cost	Retiree liabilities are based on actual retiree premium plus an implicit rate subsidy of 93.4% of non-Medicare medical premium. Liabilities for active participants are based on the first year costs shown below, which include the implicit rate subsidy. Subsequent years' costs are based on first year costs adjusted for trend and limited by any City contribution caps.
Mortality	2017 CalPERS Mortality for Miscellaneous and Schools Employees

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability (Continued)

Change of Assumptions

The discount rate decreased from 3.5% at June 30, 2019 to 2.2% at June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.2%. The discount rate was based on the Bond Buyer 20-bond General Obligation Index. Currently, the City is under a pay-as-you-go method and the CPRHP.

C. Change in the Net OPEB Liability

Proportionate Share of Net OPEB Liability

The following table shows the Authority’s proportionate share of the City’s CPRHP net OPEB liability over the measurement period ended June 30, 2020.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019	\$ 139,298	\$ -	\$ 139,298
Balance at June 30, 2020 (Measurement Date)	183,067	-	183,067
Net Changes	\$ 43,769	\$ -	\$ 43,769

The Authority’s proportionate shares of the net OPEB liabilities is 0.83% at the measurement date of June 30, 2020.

June 30, 2019	0.83%
June 30, 2020	0.83%
Change - Increase (Decrease)	0.00%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net OPEB liability of the City, as well as what the Authority’s proportionate share of net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20 percent) or 1-percentage-point higher (3.20 percent) than the current discount rate:

	Plan’s Net OPEB Liability		
	Discount Rate - 1% (1.20%)	Current Discount Rate (2.20%)	Discount Rate + 1% (3.20%)
Measurement Date June 30, 2020	\$ 215,618	\$ 183,067	\$ 157,361

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

C. Change in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Authority’s proportionate share of the net OPEB liability of the City, as well as what the Authority’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current healthcare cost trend rates:

	Plan's Net OPEB Liability		
	Current Rate -1%	Current Healthcare Cost Trend Rates	Current Rate +1%
	3.00%	4.00%	5.00%
Measurement Date June 30, 2020	\$ 154,133	\$ 183,067	\$ 220,862

D. OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the Authority recognized OPEB expenses in the amount of \$14,039. At June 30, 2020, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	of Resources	of Resources
Changes of assumptions	\$ 18,523	\$ -
Difference between expected and actual experience	12,900	(83)
Total	\$ 31,423	\$ (83)

The amounts above are net of outflows recognized in the 2020 measurement period expense.

The deferred outflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending June 30	Outflows/(Inflows) of Resources OPEB Plan
2021	\$ 5,947
2022	6,182
2023	5,489
2024	5,489
2025	5,489
Thereafter	2,744
	\$ 31,340

City of Perris Public Utility Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 8 – Commitments and Contingencies

The Authority did not have material outstanding commitments as of June 30, 2020.

Note 9 - Asset Purchase Agreement with Liberty Utilities (Park Water) Corp

On December 19, 2017, the City and Liberty Utilities Corp. (“Liberty Utilities”) entered into asset purchase agreement where the City will sell the both the water distribution system located entirely inside the northeast boundary of the City owned by the Authority and the water distribution system located entirely within the central downtown area of the City owned by the City (collectively the “Water Systems”) to Liberty Utilities for \$11,500,000. The sale includes the real property for the operation of the Water Systems and the related facilities, equipment, personal property, inventory, supplies, and customer-related information. The sale excludes the cash, receivables, customer deposits, and certain settlement agreements. The asset purchase agreement was denied by the California Public Utilities Commission (the “CPUC”).

Note 10 – Other Required Disclosure

The Agency had deficit net position of \$(3,431,818) at June 30, 2020. The deficit balances are mainly due to the loans payable to the City of Perris. Refer to Note 5 for details.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

City of Perris Public Utility Authority
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability and Related Ratios
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System

Measurement period	June 30, 2014 ¹	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Authority's Proportion of the Net Pension Liability	0.00097%	0.00116%	0.00900%	0.00091%	0.0008%
Authority's Proportionate Share of the Net Pension Liability	\$ 60,159	\$ 79,463	\$ 78,308	\$ 90,399	\$ 75,036
Authority's Covered Payroll	\$ 89,836	\$ 85,815	\$ 72,332	\$ 54,762	\$ 54,449
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	66.97%	92.60%	108.26%	165.08%	137.81%
Authority's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	86.36%	80.34%	75.87%	74.71%	76.09%

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2019, there were no changes of assumption. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. 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 percent discount rate.

City of Perris Public Utility Authority
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System

Measurement period	<u>June 30, 2019</u>
Authority's Proportion of the Net Pension Liability	<u>0.0009%</u>
Authority's Proportionate Share of the Net Pension Liability	<u>\$ 92,156</u>
Authority's Covered Payroll	<u>\$ 92,215</u>
Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>99.94%</u>
Authority's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>75.58%</u>

City of Perris Public Utility Authority
Required Supplementary Information (Unaudited)
Schedule of Contributions – Pensions
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System

Fiscal year	<u>2014-2015¹</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Actuarially determined contribution	\$ 7,797	\$ 7,878	\$ 8,391	\$ 8,515	\$ 8,392
Contributions in relation to the actuarially determined contribution	<u>(7,797)</u>	<u>(7,878)</u>	<u>(8,391)</u>	<u>(8,515)</u>	<u>(8,392)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 85,815	\$ 72,332	\$ 54,762	\$ 54,449	\$ 92,215
Contributions as a percentage of covered payroll	9.09%	10.89%	15.32%	15.64%	9.10%

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. 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 percent discount rate.

**City of Perris Public Utility Authority
 Required Supplementary Information (Unaudited)
 Schedule of Contributions – Pensions (Continued)
 For the Year Ended June 30, 2020**

Last Ten Fiscal Years

California Public Employees' Retirement System

Fiscal year	<u>2019-2020</u>
Actuarially determined contribution	\$ 108,460
Contributions in relation to the actuarially determined contribution	<u>(108,460)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 90,926
Contributions as a percentage of covered payroll	119.28%

City of Perris Public Utility Authority
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2020

Last Ten Fiscal Years

Other Postemployment Benefits

Measurement period	June 30, 2018 ¹	June 30, 2019	June 30, 2020
Authority's Proportion of the Net OPEB Liability	0.83000%	0.8300%	0.8300%
Authority's Proportionate Share of the Net OPEB Liability	\$ 133,703	\$ 139,298	\$ 183,067
Authority's Covered Payroll	\$ 54,449	\$ 92,215	\$ 90,926
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	245.56%	151.06%	201.34%
Authority's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%

¹ Historical information is presented only for measurement periods for which GASB 75 is implemented. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2020, the discount rate reduced from 3.5 percent to 2.2 percent. In 2019, the discount rate reduced from 3.6 percent to 3.5 percent.

City of Perris Public Utility Authority
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plan
For the Year Ended June 30, 2020

Last Ten Fiscal Years

Other Postemployment Benefits

Fiscal year	2017-2018 ¹	2018-2019	2019-2020
Actuarially determined contribution	\$ 4,249	\$ 4,368	N/A
Contributions in relation to the actuarially determined contribution	<u>(5,229)</u>	<u>(5,402)</u>	<u>(5,888)</u>
Contribution deficiency (excess)	<u>\$ (980)</u>	<u>\$ (1,034)</u>	<u>\$ (5,888)</u>
Covered employee payroll	\$ 54,449	\$ 92,215	\$ 90,926
Contributions as a percentage of covered employee payroll	9.60%	5.86%	6.48%

¹ Historical information is presented only for measurement periods for which GASB 75 is implemented. Additional years of information will be presented as it becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for measurement date June 30, 2020 were derived from the June 30, 2019 funding valuation reports.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent Payroll
Asset valuation method	Market Value
Inflation	2.45% per annum
Discount rate	2.20%
Payroll Growth	2.75% per annum, in aggregate
Individual salary growth	N/A
Medical Trend Rates	4.00%

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ATTACHMENT 2

STATEMENT ON AUDITING STANDARDS – 114 CONCLUSION LETTER FOR PUA



April 2, 2021

To the Board of Directors
of the City of Perris Public Utility Authority
Perris, California

We have audited the financial statements of the City of Perris Public Utility Authority (the "Authority"), a component unit of the City of Perris, California (the "City") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2020 as part of the communication letter to the City. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the basic financial statements. The Authority implemented GASB 95, Postponement of the Effective Dates of Certain Authoritative Guidance. As a result, no new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Summary of Significant Accounting Policies
- Note 6 – Pensions
- Note 7 – Other Postemployment Benefits ("OPEB")
- Note 8 – Commitments & Contingencies
- Note 10 – Other Required Disclosure

The financial statement disclosures are neutral, consistent, and clear.

To the Board of Directors
of the City of Perris Public Utility Authority
Perris, California
Page 2

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 2, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
of the City of Perris Public Utility Authority
Perris, California
Page 3

Other Matters

We applied certain limited procedures to the Schedule of the Proportionate Share of Net Pension Liability and Related Ratios, the Schedules of Plan Contributions – Pension, the Schedules of the Proportionate Share of Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits, which are Required Supplementary Information (“RSI”) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The PwC Group, LLP

Santa Ana, California

ATTACHMENT 3

**FINANCIAL STATEMENTS FOR THE
HOUSING AUTHORITY**

City of Perris Housing Authority

Perris, California

Basic Financial Statements and Independent Auditors' Report

For the Year Ended June 30, 2020



City of Perris Housing Authority
For the Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the City of Perris Housing Authority
Perris, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Perris Housing Authority (the "Housing Authority"), a component unit of the City of Perris, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority'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.

Auditors' 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 Audit 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Housing Authority, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the City of Perris Housing Authority
Perris, California
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule, the Schedule of Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Proportionate Share of Net OPEB Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits on pages 41 to 46 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 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2021, on our consideration of the Housing Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority’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 Housing Authority’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
April 2, 2021



**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***

Independent Auditors' Report

To the Board of Directors
of the City of Perris Housing Authority
Perris, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Perris Housing Authority (the "Housing Authority"), a component unit of the City of Perris, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated April 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority'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 Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the City of Perris Housing Authority
Perris, California
Page 2

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The Peris Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
April 2, 2021

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Perris Housing Authority
Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 846,339
Interest receivable	872
Total current assets	847,211
Noncurrent assets:	
Notes and loans	3,677,047
Land	500,902
Total noncurrent assets	4,177,949
Total Assets	5,025,160
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	718,247
Deferred outflows of resources related to other postemployment benefits	61,709
Total deferred outflows of resources	779,956
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	127,833
Compensated absences, due in one year	15,280
Total current liabilities	143,113
Noncurrent liabilities:	
Compensated absences, due in more than one year	61,122
Net pension liability	537,050
Net other postemployment benefits liability	359,516
Total noncurrent liabilities	957,688
Total liabilities	1,100,801
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	42,614
Deferred inflows of resources related to other postemployment benefits	163
Total deferred inflows of resources	42,777
NET POSITION	
Investment in capital assets	500,902
Unrestricted	4,160,636
Total net position	\$ 4,661,538

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City of Perris Housing Authority
Statement of Activities
For the Year Ended June 30, 2020

	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions/Programs:	<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental activities:	<u>Expenses</u>	
Community development	\$ 964,914	\$ (874,274)
Total Governmental Activities	<u>\$ 964,914</u>	<u>(874,274)</u>
General Revenues:		
Investment income		42,872
Total General Revenues		<u>42,872</u>
Change in net position		(831,402)
Net position - beginning of year		5,492,940
Net position - end of year		<u>\$ 4,661,538</u>

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Perris Housing Authority
Balance Sheet
Governmental Fund
June 30, 2020

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 846,339
Interest receivable	872
Notes and loans	<u>3,677,047</u>
Total Assets	<u><u>4,524,258</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued liabilities	\$ <u>127,833</u>
Total Liabilities	<u>127,833</u>
Fund Balance:	
Nonspendable	3,677,047
Unassigned	<u>719,378</u>
Total Fund Balance	<u>4,396,425</u>
Total Liabilities and Fund Balance	<u><u>\$ 4,524,258</u></u>

City of Perris Housing Authority
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Total Governmental Funds **\$ 4,396,425**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of depreciation have not been included as financial resources. Therefore, they are not reported in governmental funds. Those assets consist of amount reported in the Statement of Net Position:

Land		500,902
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Compensated absences that have not been included in the governmental fund activity.		(76,402)
---	--	----------

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position:

Deferred outflows of resources related to pensions	718,247	
Net pension liability	(537,050)	
Deferred inflows outflows of resources related to pensions	(42,614)	138,583

Net other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position:

Deferred outflows of resources related to other postemployment benefits	61,709	
Net other postemployment benefits liability	(359,516)	
Deferred inflows outflows of resources related to other postemployment benefits	(163)	(297,970)

Net position of governmental activities		\$ <u>4,661,538</u>
--	--	----------------------------

City of Perris Housing Authority
Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund
For the Year Ended June 30, 2020

	General Fund
REVENUES:	
Charges for services	\$ 90,640
Investment earnings	42,872
Total Revenues	133,512
EXPENDITURES:	
Current:	
Community development	1,433,660
Total Expenditures	1,433,660
NET CHANGE IN FUND BALANCE	(1,300,148)
FUND BALANCE:	
Beginning of year	5,696,573
End of year	\$ 4,396,425

City of Perris Housing Authority
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Change
in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds:	\$ (1,300,148)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Compensated absences 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.	(1,184)
Pension expenses is an expenditure in the governmental funds, but reduce the net pension liability in the Statement of Net Position, net of pension contribution made after measurement date in the amount of \$632,065.	497,500
Other postemployment expenses is an expenditure in the governmental funds, but reduce the net pension liability in the Statement of Net Position, net of pension contribution made during the measurement period in the amount of \$11,562.	<u>(27,570)</u>
Change in net position of governmental activities	<u>\$ (831,402)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Perris Housing Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of Perris Housing Authority (the “Housing Authority”), a component unit of the City of Perris, California (the “City”), have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Boards (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Housing Authority’s significant accounting policies are described below.

A. Description of the Reporting Entity

The Housing Authority was formed on March 29, 2011 and operates as a public authority whose primary goal is to provide decent, safe and sanitary housing in a suitable living environment for families that cannot afford private housing that comply with housing quality standards.

The Housing Authority’s office and records are located at City hall, 101 North “D” Street, Perris, California, telephone number (951) 943-6100.

The Housing Authority is a component unit of the City and, accordingly, the financial statements of the Housing Authority are included in the financial statements of the City of Perris. The Housing Authority is an integral part of the reporting entity of the City. The funds of the Housing Authority have been blended within the financial statements of the City because the City Council of the City is the governing board of the Housing Authority and exercise control over the operations of the Housing Authority. Only the funds of the Housing Authority are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

B. Basis of Accounting and Measurement Focus

The accounts of the Housing Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

C. Government-Wide Financial Statements

The Housing Authority’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These financial statements present summaries of activities for the Housing Authority.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

D. Government Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all governmental funds. All governmental funds are accounted for using the “*current financial resources*” measurement focus and modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Government Fund Financial Statements (Continued)

The Housing Authority reports the following major governmental fund:

- The General Fund is the main operating fund for the Housing Authority and accounts for aids to low-income families in obtaining decent, safe and sanitary housing through federal assistance programs and low/moderate income housing programs.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are reported when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are reported in the accounting period in which the related fund liability is incurred.

Unavailable revenue arises when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue arises when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue and unearned revenue are removed from the balance sheet and revenue is recognized.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences.

E. Cash and Investments

The Housing Authority’s cash and investments consist of cash and investments pooled with the City. The Housing Authority cash balance is pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash is separately maintained and interest income is apportioned to the participating funds based on the relationships of their average quarter-end cash balances to the total of the pooled cash and investments.

F. Capital Assets

The Housing Authority’s capital assets include land, and are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Capital assets are purchased in excess of \$5,000.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

G. *Deferred Outflows and Inflows of Resources*

The Statement of Net Position and Balance Sheet reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods; therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods; therefore, are not recognized as a revenue until that time.

H. *Compensated Absences*

Accumulated vacation and sick leave benefits and compensatory time payable in future years when used by the Housing Authority employees amounted to \$76,402 at June 30, 2020. These amounts are payable from future resources and therefore have been recorded in long-term liabilities in the financial statements. Vacation benefits, sick leave, and compensatory time are recorded as expenses when used.

I. *Pensions*

For purposes of measuring the net pension liability, deferred outflows and 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") plan (Plan) 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.

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of sources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

J. *Other Postemployment Benefits ("OPEB")*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Other Postemployment Benefits (“OPEB”) (Continued)

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.

Other Postemployment Benefits

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The gains and losses are amortized on a straight-line basis over the average expected remaining service lives of all members.

K. Net Position

In the Government-Wide Financial Statements, net position are classified as follows:

Investment in Capital Assets – This amount consists of capital assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted – This amount is all net position that does not meet the definition of “investment in capital assets” or “restricted net position.”

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the Housing Authority’s policy is to apply restricted net position first, then unrestricted net position as they are needed.

L. Fund Balance

Fund balance in the governmental fund are reported in classifications that comprise a hierarchy based primarily on the extent to which the Housing Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Housing Authority considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Housing Authority considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Fund Balance (Continued)

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (ordinance) by the government's highest level of decision-making authority. The Board of Directors of the Housing Authority is the highest level of decision-making authority for the Housing Authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance - Amounts that are constrained by the Housing Authority's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given. The Board of Directors of the Housing Authority has by resolution authorized the Finance Director to assign fund balance. The Board of Directors of the Housing Authority may also assign fund balance, however, unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

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

M. Use of Estimates

The preparation of basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ.

Note 2 – Cash and Investments

Cash and investments of the Housing Authority at June 30, 2020 was in the amount of \$846,339. Cash is deposited in the City's internal investment pool, which is reported at amortized cost. The Housing Authority does not own specifically identifiable securities in the City pool. Interest income is allocated based on average cash balances. Investment policies and associated risk factors applicable to the Housing Authority are those of the City and are included in the City's basic financial statements.

Note 3 – Notes and Loans Receivable

The former Redevelopment Agency for the City of Perris made long-term rehabilitation and acquisition loans to owner-occupants of substandard homes who would otherwise be unable to obtain sufficient public or private financing to rehabilitate or acquire their homes. These loans were transferred to the Housing Authority subsequently to the dissolution of the redevelopment agency in accordance with Assembly Bill IX 26. The loans are payable upon the sale or change in ownership of the property. Included in a portion of these loans are provisions for forgiving the balances if certain criteria is met. The amounts forgiven are reflected as loan amortizations on the financial statements which amounted to \$55,754 in the current year. The receivable balance of \$3,677,047 is not expected to be collected within one year.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Capital Assets

The summary of change in capital assets for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Land	\$ 500,902	\$ -	\$ -	\$ 500,902

Note 5 – Compensated Absences

The summary of changes in compensated absences for the year ended June 30, 2020 was a follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
Compensated absences	\$ 75,218	\$ 5,907	\$ (4,723)	\$ 76,402	\$ 15,280	\$ 61,122

Note 6 – Net Pension Liabilities

A. General Information about the Pension Plan

Plan Description

The Housing Authority participates in the City’s miscellaneous plan, a cost-sharing multiple-employer defined benefit pension plan for miscellaneous employees. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in annual actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Benefits Provided

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

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Net Pension Liabilities (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Below is the summary of the plans' provisions and benefits in effect at June 30, 2020:

	Plans		
	Miscellaneous		
	Classic	Tire II	PEPRA
		January 1, 2010	
Hire date	Prior to January 1, 2013	but prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.7% @ 55	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	Minimum 50 yrs	Minimum 50 yrs	Minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Employee contribution rate	8.000%	7.000%	6.250%
Employer contribution rate (Measurement period)	12.212%	7.634%	6.842%
Employer contribution rate (current fiscal year)	13.182%	8.081%	6.985%

Participant is eligible for non-industrial disability retirement if he/she becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 or 36 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Net Pension Liabilities (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

Please refer to the City's Comprehensive Annual Financial Report for numbers of employees covered by benefit terms at June 30, 2018, the valuation date.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions

In 2019, there were no changes in assumptions.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Net Pension Liabilities (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set 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 ¹	Assumed Assets Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

¹ In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period

³ An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability 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.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Net Pension Liabilities (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

The following presents the Housing Authority’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Housing Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Plan's Net Pension Liability		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
	Measurement Date June 30, 2019	\$ 861,456	\$ 537,050

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report.

Proportionate Share of Net Pension Liability and Pension Expense

The Housing Authority proportionate share of net pension liability of the City’s miscellaneous plan is determined by the City’s CalPERS fiscal year 2018-2019 contribution made by the Housing Authority over the total miscellaneous plan contribution. The following table shows the Housing Authority’s proportionate share of the City’s miscellaneous plan net pension liability over the measurement periods ended June 30, 2019.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
	Balance at June 30, 2018 (Valuation Date)	\$ 1,930,288	\$ 1,468,676
Balance at June 30, 2019 (Measurement Date)	2,199,258	1,662,208	537,050
Net Changes during 2018-2019	\$ 268,970	\$ 193,532	\$ 75,438

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2018). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018-19).

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Net Pension Liabilities (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the City’s share of net pension liability at the measurement date.

The Housing Authority’s proportionate shares of the net pension liabilities are as follows:

June 30, 2018	0.0048%
June 30, 2019	<u>0.0052%</u>
Change - Increase (Decrease)	<u>0.0005%</u>

For the year ended June 30, 2020, the Housing Authority recognized pension credit in the amounts of \$134,565.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan for the 2018-19 measurement period is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired).

As of measurement date of June 30, 2019, the Housing Authority reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 632,065	\$ -
Changes of assumptions	25,609	(9,078)
Difference between expected and actual experience	37,300	(2,890)
Net difference between projected and actual earning on pension plan investments	-	(9,389)
Adjustment due to differences in proportions	23,273	-
Difference between the City's contributions and proportionate share of contributions	-	(21,257)
Total	\$ 718,247	\$ (42,614)

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Net Pension Liabilities (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The amounts above are net of deferred outflows and inflows of resources recognized in the 2018-19 measurement period expense.

\$632,065 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources <u>Miscellaneous Plan</u>
2021	\$ 39,341
2022	(3,372)
2023	5,701
2024	1,898
2025	-
Thereafter	-
	<u>\$ 43,568</u>

Note 7 – Other Postemployment Benefits (“OPEB”)

A. General Information about the OPEB Plan

Plan Description

The Housing Authority participates in the City of Perris Retiree Healthcare Plan (“CPRHP”). The City provides medical benefits to eligible retired employees and qualified dependents. CPRHP is part of the Public Agency portion of the California Employers’ Retiree Benefit Trust Fund (“CERBT”), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees’ Retirement Law. CPRHP selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a Comprehensive Annual Financial Report (“CAFR”). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

A. General Information about the OPEB Plan (Continued)

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. Retirees hired prior to June 26, 2007 are covered by an “equal contribution method” resolution. The City contributes 100% of the retiree and dependent premiums up to the average of the family premiums for the two median-cost plans.

Retirees hired after June 25, 2008 are covered under a “vesting” resolution. A summary of the vesting resolution is as follows:

Contribution (Maximum)		
Employee Only	Employee and 1 dependent	Employee and 2+ dependent
\$ 931	\$ 1,862	\$ 1,733

Years of Service	Vesting %
Less than 10	0%
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

Contributions

The City currently finances benefits on a pay-as-you-go basis.

Employee Covered

Please refer to the City’s Comprehensive Annual Financial Report for numbers of employees covered by the plan at June 30, 2020.

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability

Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal, Level of Percentage of Pay
Amortization Method	Straight-line amortization over a closed period equal to the average expected remaining service lives of all members (6.5 years).
Actuarial Assumptions:	
Discount Rate	2.20%, net of investment expense, including inflation
Inflation	2.75% per annum
Salary Increases	2.75% per year
Healthcare cost trend rates	4.00%
Retiree's share of cost	Retiree liabilities are based on actual retiree premium plus an implicit rate subsidy of 93.4% of non-Medicare medical premium. Liabilities for active participants are based on the first year costs shown below, which include the implicit rate subsidy. Subsequent years' costs are based on first year costs adjusted for trend and limited by any City contribution caps.
Mortality	2017 CalPERS Mortality for Miscellaneous and Schools Employees

Change of Assumptions

The discount rate decreased from 3.5% at June 30, 2019 to 2.2% at June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.2 percent. The discount rate was based on the Bond Buyer 20-bond General Obligation Index. Currently, the City contributes based on a pay-as-you-go method.

C. Change in the Net OPEB Liability

Proportionate Share of Net OPEB Liability

The following table shows the Housing Authority's proportionate share of the City's CPRHP net OPEB liability over the measurement period ended June 30, 2020.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2019	\$ 273,561	\$ -	\$ 273,561
Balance at June 30, 2020 (Measurement Date)	359,516	-	359,516
Net Changes	\$ 85,955	\$ -	\$ 85,955

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

C. Change in the Net OPEB Liability (Continued)

Proportionate Share of Net OPEB Liability (Continued)

The Housing Authority’s proportionate shares of the net OPEB liabilities is 1.63% at the measurement date of June 30, 2020:

June 30, 2019	1.63%
June 30, 2020	1.63%
Change - Increase (Decrease)	<u>0.00%</u>

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

The following presents the Housing Authority’s proportionate share of the net OPEB liability of the City, as well as what the Housing Authority’s proportionate share of net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20 percent) or 1-percentage-point higher (3.20 percent) than the current discount rate:

	Plan's Net OPEB Liability		
	Discount Rate - 1% (1.20%)	Current Discount Rate (2.20%)	Discount Rate + 1% (3.20%)
Measurement Date June 30, 2020	<u>\$ 423,442</u>	<u>\$ 359,516</u>	<u>\$ 309,033</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Housing Authority’s proportionate share of the net OPEB liability of the City, as well as what the Housing Authority’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Plan's Net OPEB Liability		
	Current Healthcare		
	1% Decrease (3.00%)	Cost Trend Rates 4.00%	1% Increase (5.00%)
Measurement Date June 30, 2020	<u>\$ 302,696</u>	<u>\$ 359,516</u>	<u>\$ 433,742</u>

D. OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the Housing Authority recognized OPEB expenses in the amount of \$39,132. At June 30, 2020, the Housing Authority reported deferred outflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Changes of assumptions	\$ 36,376	\$ -
Difference between expected and actual experience	25,333	(163)
Total	<u>\$ 61,709</u>	<u>\$ (163)</u>

City of Perris Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Other Postemployment Benefits (“OPEB”) (Continued)

D. OPEB Expense and Deferred Outflows of Resources Related to OPEB (Continued)

The amounts above are net of outflows recognized in the 2019-20 measurement period.

The amounts reported as deferred outflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources OPEB Plan
2021	\$ 11,679
2022	12,140
2023	10,779
2024	10,779
2025	10,779
Thereafter	5,390
Total	<u>\$ 61,546</u>

Note 8 – Commitments and Contingencies

As of June 30, 2020, there was no outstanding matter that would have a significant effect on the financial position of the Housing Authority.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Perris Housing Authority
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 23,500	\$ 45,369	\$ 90,640	\$ 45,271
Investment earnings	-	-	42,872	42,872
Contributions	711,463	711,463	-	(711,463)
Total revenues	<u>734,963</u>	<u>756,832</u>	<u>133,512</u>	<u>(623,320)</u>
EXPENDITURES:				
Current:				
Community development	<u>1,384,691</u>	<u>1,461,124</u>	<u>1,433,660</u>	<u>27,464</u>
NET CHANGE IN FUND BALANCE	<u>\$ (649,728)</u>	<u>\$ (704,292)</u>	<u>(1,300,148)</u>	<u>\$ (595,856)</u>
FUND BALANCE:				
Beginning of year			<u>5,696,573</u>	
End of year			<u>\$ 4,396,425</u>	

City of Perris Housing Authority
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2020

Budget and Budgetary Accounting

The Housing Authority adopts an annual budget on a basis consistent with generally accepted accounting principles in the United States and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions.

City of Perris Housing Authority
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability and Related Ratios
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System

Measurement period	June 30, 2017 ¹	June 30, 2018	June 30, 2019
Housing Authority's Proportion of the Net Pension Liability	0.0066%	0.0048%	0.0052%
Housing Authority's Proportionate Share of the Net Pension Liability	\$ 649,904	\$ 461,612	\$ 537,050
Housing Authority's Covered Payroll	\$ 421,740	\$ 344,965	\$ 354,265
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	154.10%	133.81%	151.60%
Housing Authority's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	74.71%	76.09%	75.58%

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented for the period ended June 30, 2017. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2019, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent.

City of Perris Housing Authority
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System

Fiscal year	2017-2018	2018-2019	2019-2020 ¹
Actuarially determined contribution	\$ 59,536	\$ 51,624	\$ 632,065
Contributions in relation to the actuarially determined contribution	(59,536)	(51,624)	(632,065)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 344,965	\$ 354,265	\$ 302,126
Contributions as a percentage of covered payroll	17.26%	14.57%	209.21%

¹ Historical information is presented only for measurement periods for which GASB 68 is implemented during measurement period ended June 30, 2017. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2019, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent.

City of Perris Housing Authority
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

Last Ten Fiscal Years

Measurement period	June 30, 2018	June 30, 2019	June 30, 2020 ¹
Housing Authority's Proportion of the Net OPEB Liability	1.6300%	1.6300%	1.6300%
Housing Authority's Proportionate Share of the Net OPEB Liability	\$ 262,573	\$ 273,561	\$ 359,516
Housing Authority's Covered Employee Payroll	\$ 344,965	\$ 354,265	\$ 302,126
Housing Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Employee Payroll	76.12%	77.22%	119.00%
Housing Authority's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%

¹ Historical information is presented only for measurement periods for which GASB 75 is implemented. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Changes of Assumptions: In 2020, the discount rate reduced from 3.5 percent to 2.2 percent. In 2019, the discount rate reduced from 3.6 percent to 3.5 percent.

City of Perris Housing Authority
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2020

Last Ten Fiscal Years

Other Postemployment Benefits Plan

Fiscal year	2017-18	2018-19	2019-20 ¹
Actuarially determined contribution	\$ 8,344	\$ 8,579	N/A
Contributions in relation to the actuarially determined contribution	(10,269)	(10,610)	(11,562)
Contribution deficiency (excess)	<u>\$ (1,924)</u>	<u>\$ (2,031)</u>	<u>\$ (11,562)</u>
Covered employee payroll	\$ 344,965	\$ 354,265	\$ 302,126
Contributions as a percentage of covered employee payroll	2.98%	2.99%	3.83%

¹ Historical information is presented only for measurement periods after GASB 75 implementation in 2017-18. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent Payroll
Asset valuation method	Market Value
Inflation	2.75% per
Discount rate	2.20%
Payroll Growth	2.75% per annum, in aggregate
Individual salary growth	N/A
Medical Trend Rates	4.00%

ATTACHMENT 4

STATEMENT ON AUDITING STANDARDS – 114 CONCLUSION LETTER FOR HOUSING AUTHORITY



April 2, 2021

To the Board of Directors
of the City of Perris Housing Authority
Perris, California

We have audited the financial statements of the governmental activities and the major fund of the City of Perris Housing Authority (the "Housing Authority"), a component unit of the City of Perris, California (the "City") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2020 as part of the communication letter to the Housing Authority. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Housing Authority are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Housing Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Housing Authority's financial statements were:

- Management's estimate of the net pension liabilities is based on the actuarial valuation on total pension liability and based on financial statements on fiduciary net position for CalPERS plans and collateral plan. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net other post-employment benefits ("OPEB") liability is based on the actuarial valuation on total OPEB liability. We evaluated the key factors and assumptions used to develop the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Summary of Significant Accounting Policies
- Note 6 – Net Pension Liabilities
- Note 7 – Other Postemployment Benefits ("OPEB")
- Note 8 – Commitments and Contingencies

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The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 2, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Housing Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Housing Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule, the Schedule of the Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of the Proportionate Share of Net OPEB Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits, which are Required Supplementary Information ("RSI") that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

To the Board of Directors
of the City of Perris Housing Authority
Perris, California
Page 3

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Housing Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Pen Group, LLP

Santa Ana, California

ATTACHMENT 5

**FINANCIAL STATEMENTS FOR THE JOINT
POWER AUTHORITY (JPA)**

Perris Joint Powers Authority

Perris, California

Financial Statements and Independent Auditors' Reports

For the Year Ended June 30, 2020



Perris Joint Powers Authority
For the Year Ended June 30, 2020
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Perris Joint Powers Authority
Perris, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Perris Joint Powers Authority (the "Authority"), a component unit of the City of Perris, California (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2020, and the respective changes in financial position for the year then in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the Perris Joint Powers Authority
Perris, California
Page 2

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and Budgetary Comparison Schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
April 2, 2021



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Board of Directors
of the Perris Joint Powers Authority
Perris, 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 governmental activities and the major fund of the Perris Joint Powers Authority (the "Authority"), a component unit of the City of Perris, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority'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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the Perris Joint Powers Authority
Perris, California
Page 2

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pw Group, LLP

Santa Ana, California
April 2, 2021

BASIC FINANCIAL STATEMENTS

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Perris Joint Powers Authority
Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 53,442
Interest receivable	1,580,349
Total current assets	1,633,791
Noncurrent assets:	
Restricted investment with fiscal agent	10,796,087
Investments with fiscal agent	124,698,803
Total noncurrent assets	135,494,890
Total Assets	137,128,681
LIABILITIES	
Deposits	10,306,811
Interest payable	1,580,349
Noncurrent liabilities:	
Due within one year	5,075,000
Due in more than one year	118,643,187
Total Liabilities	135,605,347
NET POSITION	
Restricted for debt service	1,523,334
Total Net Position	\$ 1,523,334

Perris Joint Powers Authority
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expenses) Revenue and Change in Net Position</u> Governmental Activities
Program Expenses:			
Interest and fiscal charges	\$ 5,000,766	\$ 261,925	\$ (4,738,841)
Total governmental activities	<u>\$ 5,000,766</u>	<u>\$ 261,925</u>	<u>(4,738,841)</u>
 General Revenues:			
Investment earnings			<u>4,301,460</u>
Change in Net Position			(437,381)
Net Position:			
Beginning of year			<u>1,960,715</u>
End of year			<u>\$ 1,523,334</u>

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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Perris Joint Powers Authority
Balance Sheet
Governmental Fund
June 30, 2020

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 53,442
Cash with fiscal agent	10,796,087
Restricted investments	<u>124,698,803</u>
Total assets	\$ <u>135,548,332</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Deposits	\$ 10,306,811
Total liabilities	<u>10,306,811</u>
Fund Balances:	
Restricted for:	
Debt service	<u>125,241,521</u>
Total Fund Balances	<u>125,241,521</u>
Total liabilities and fund balance	\$ <u>135,548,332</u>

See accompanying Notes to the Financial Statements.

Perris Joint Powers Authority
Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balance - Governmental Fund	\$ 125,241,521
Amounts reported for governmental activities in the statement of net position are different because:	
Interest receivable on the investments does not provide current financial resources; therefore, interest receivable is not reported as an asset in the governmental fund.	1,580,349
Long-term liabilities applicable to the governmental activities are not due and payable in the current period; therefore, are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Positions.	
Revenue bonds	(123,718,187)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	<u>(1,580,349)</u>
Net position of governmental activities	<u><u>\$ 1,523,334</u></u>

Perris Joint Powers Authority
Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund
For the Year Ended June 30, 2020

	<u>General Fund</u>
REVENUES:	
Investment earnings	\$ 4,321,754
Contributions	248,242
Miscellaneous	13,683
Total revenues	4,583,679
EXPENDITURES:	
Debt service:	
Principal retirement	5,345,000
Interest and fiscal charges	5,103,655
Total expenditures	10,448,655
Deficiency of Revenues over Expenditures	(5,864,976)
Other Financing Sources:	
Issuance of long-term debt	3,450,000
Issuance premium	32,724
Total other financing sources	3,482,724
Net change in fund balance	(2,382,252)
FUND BALANCE:	
Beginning of year	127,623,773
End of Year	\$ 125,241,521

Perris Joint Powers Authority
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Change
in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balance - governmental fund: \$ (2,382,252)

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

Interest income on investment receivable does not provide current financial resource. Therefore, interest income is not reported as revenue in the governmental fund. This is the net change in accrued interest receivable for the current period. (20,294)

Issuance of long-term debt provides current financial resources to governmental funds, while repayment of bond principal is an expenditure in the governmental funds, but the issuance increases the long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.

Issuance of long-term debt	(3,450,000)	
Issuance premium	(32,724)	
Revenue bonds principal repayments	5,345,000	
Amortization of premium/discount and deferred charges	82,595	1,944,871

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 20,294

Change in net position of governmental activities **\$ (437,381)**

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Perris Joint Powers Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

A. Reporting Entity

The Perris Joint Powers Authority (the “Authority”) is a joint exercise of powers between the City of Perris, California (the “City”) and the Perris Housing Authority (the “Authority”), created by a joint powers agreement dated March 26, 2013. The purpose of the Authority is to provide financing for public capital improvements and other programs within the City.

The Authority’s offices and records are located at City Hall, 101 North “D” Street, Perris, California, telephone (951) 943-6100.

The Authority is a component unit of the City and, accordingly, the financial statements of the Authority are included in the financial statements of the City. The Authority is an integral part of the reporting entity of the City. The funds of the Authority have been blended within the financial statements of the City because the City Council of the City is the governing board of the Authority and exercises control over the operations of the Authority. Only the funds of the Authority are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

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

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

Government-Wide 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 (the Authority). 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. All Authority activities are governmental; no business-type activities are reported in the statements.

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 expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the Authority 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.

Revenues not included among program revenues are reported as general revenues.

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Financial Statement Presentation, Measurement Focus, and Basis of Accounting (Continued)

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. Currently, the Authority only has one governmental fund.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore 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 Authority.

The Authority reports the following major governmental fund:

The ***General Fund*** is the main operating fund of the Authority and is used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs.

C. Cash and Investments

The Authority’s cash and investments consist of cash and investments pooled with the City and investment held by fiscal agents to meet debt obligations. Investments with fiscal agents are restricted for the redemption of bonded debt.

D. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Level of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

E. Long-Term Debt

In the government-wide financials statements, long-term debt are reported as liabilities in the applicable governmental activities statement of net position. 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 and discount.

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

The Fund Financial Statements do not present long-term debt. Accordingly, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position.

F. Deferred Outflows and Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority does not report any deferred outflows of resources.

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. Currently, the Authority does not report any deferred inflows of resources.

G. Net Position

The difference between assets, deferred outflows of resources, liabilities and inflows of resources is reported as net position. Net position is classified as follows:

Restricted net position consists of net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the Authority's policy is to apply restricted net position first, then unrestricted net position as they are needed.

H. Fund Balance

Fund balance in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

H. Fund Balance (Continued)

The Authority considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used.

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

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned Fund Balance - Amounts that are constrained by the Authority's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

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

I. Investment Earnings

Investment earnings include amortization of \$624,878 premiums and \$96,241 discounts on Community Facilities District bond investments.

J. Use of Estimates

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain amounts and, accordingly, actual results could differ from those estimates.

Note 2 – Cash and Investments

The Authority's cash and investments consisted of cash and investments pooled with the City and cash and investments by fiscal agents, at June 30, 2020, the Authority had the following:

Cash pooled with the City of Perris	\$ 53,442
Restricted investments with fiscal agent	10,796,087
Investments with fiscal agent	<u>124,698,803</u>
Total	<u>\$ 135,548,332</u>

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

A. Deposits

Cash is deposited in the City's internal investment pool. The Authority does not own specifically identifiable securities in the City's pool. Interest income is allocated based on the average cash balances. Investment policies and associated risk factors applicable to the Authority are those of the City and are included in the City's basic financial statements. Please refer to the City's comprehensive annual financial report for more detail.

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy.

C. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

	1 Year or Less	2 to 3 Years	3 to 5 Years	Over 5 Years	Total
Investments with fiscal agent:					
Money market mutual funds	\$ 10,796,087	\$ -	\$ -	\$ -	\$ 10,796,087
Local obligation bonds	5,634,201	5,448,664	15,868,812	97,747,126	124,698,803
Total	<u>\$ 16,430,288</u>	<u>\$ 5,448,664</u>	<u>\$ 15,868,812</u>	<u>\$ 97,747,126</u>	<u>\$ 135,494,890</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the Authority's investment policy and the actual rating as of year end for each investment type.

Investment Type	Fair Value at June 30, 2019	Minimum Legal Rating	AAA		Not Rated	
			\$	-	\$	-
Investments with fiscal agent:						
Money market mutual funds	\$ 10,796,087	AA	\$ 10,796,087	-	-	-
Local obligation bonds	124,698,803	A	-	-	124,698,803	-
Total	<u>\$ 135,494,890</u>		<u>\$ 10,796,087</u>	<u>-</u>	<u>\$ 124,698,803</u>	<u>-</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments in money market funds and local obligation bonds are held by fiscal agent.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

D. Investment with Fiscal Agent

Investments held and invested by fiscal agents on behalf of the Authority are pledged for payment or security of certain long-term debt issuances. Fiscal agents are mandated by bond indentures as to the types of investments in which debt proceeds can be invested.

Included in investments with fiscal agent are the debt securities issued by some of the City's Community Facilities Districts. These are special assessment obligations and, therefore, are not obligations of the Authority or the City. The Authority has purchased various Community Facilities District ("CFD") Bonds from the proceeds of revenue bonds issued by the Authority to facilitate the respective bond issues of the Districts (see Note 3).

The CFD Bonds are secured solely by assessments on property owners within the Districts. The repayment schedules of the bonds, and interest thereon, to the Authority are concurrent and sufficient to satisfy the debt service requirements of the respective Authority revenue bonds. The investments are summarized below:

Investment	Fair Value
CFD 2002-1 Special Tax Bonds, 2013 Series	\$ 4,453,436
CFD 2001-1 Special Tax Refunding Bonds (IA1, IA2 and IA3), 2014 Series	9,275,642
CFD 2006-1 Special Tax Refunding Bonds, 2014 Series	2,177,342
CFD 2004-3 Special Tax Refunding Bonds (IA1), 2014 Series	6,128,111
CFD 2004-2 Special Tax Refunding Bonds, 2014 Series	3,850,559
CFD 2001-1 Special Tax Refunding Bonds (IA6 and IA7), 2014 Series	11,642,205
CFD 2004-1 Special Tax Refunding Bonds, 2014 Series A	1,904,598
CFD 2003-1 Special Tax Refunding Bonds, 2014 Series	2,899,720
CFD 2005-2 Special Tax Refunding Bonds 2015 Series	11,876,708
CFD 2006-2 Special Tax Refunding Bonds 2015 Series	8,979,980
CFD 2004-3 Special Tax Refunding Bonds (IA2), 2015 Series	7,373,000
CFD 2014-2 Special Tax Refunding Bonds, 2015 Series	990,753
CFD 2005-1 Special Tax Refunding Bonds (IA3), 2015 Series	4,144,782
CFD 2005-4 Special Tax Refunding Bonds, 2015 Series	5,148,423
CFD 2005-4 Special Tax Bonds, 2015 Series	2,528,209
CFD 2014-1 Special Tax Bonds, 2017 Series	4,106,640
CFD 2001-1 Special Tax Bonds (IA4 and IA5), 2017 Series	22,202,427
CFD 93-1 and 2004-5 Special Tax Refunding Bonds, 2017 Series	2,783,479
CFD 2014-1 Special Tax Bonds (IA2), 2018 Series	4,099,703
CFD 2014-1 Special Tax Bonds (IA3), 2018 Series	4,752,726
CFD 2007-2 Special Tax Bonds, 2020 Series	3,380,360
Total	<u>\$ 124,698,803</u>

E. Fair Value Measurement

The investments in the local obligation bonds are reported as level 2 investments. The measurement input is significant other observable inputs based on institutional bond quotes.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 3 – Long-Term Liabilities

The following is a summary of the changes in long-term liabilities:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2013 Revenue Bonds, Series B	\$ 4,880,000	\$ -	\$ (240,000)	\$ 4,640,000	\$ 195,000
2014 Revenue Bonds, Series A	9,700,000	-	(550,000)	9,150,000	485,000
2014 Revenue Bonds, Series B	2,420,000	-	(90,000)	2,330,000	65,000
2014 Revenue Bonds, Series C	6,765,000	-	(375,000)	6,390,000	340,000
2014 Revenue Bonds, Series D	3,910,000	-	(220,000)	3,690,000	200,000
2014 Revenue Bonds, Series E	12,175,000	-	(475,000)	11,700,000	420,000
2014 Revenue Bonds, Series F	2,045,000	-	(130,000)	1,915,000	105,000
2014 Revenue Bonds, Series G	2,965,000	-	(125,000)	2,840,000	135,000
2015 Revenue Bonds, Series A	11,690,000	-	(645,000)	11,045,000	555,000
2015 Revenue Bonds, Series B	8,780,000	-	(95,000)	8,685,000	80,000
2015 Revenue Bonds, Series C	7,620,000	-	(255,000)	7,365,000	270,000
2015 Revenue Bonds, Series D	795,000	-	(260,000)	535,000	265,000
2015 Revenue Bonds, Series E	4,105,000	-	(180,000)	3,925,000	150,000
2015 Revenue Bonds, Series F	4,770,000	-	(175,000)	4,595,000	180,000
2015 Revenue Bonds, Series G	2,850,000	-	(110,000)	2,740,000	110,000
2017 Revenue Bonds, Series A	4,515,000	-	(40,000)	4,475,000	45,000
2017 Revenue Bonds, Series B	21,325,000	-	(825,000)	20,500,000	880,000
2017 Revenue Bonds, Series C	3,465,000	-	(510,000)	2,955,000	530,000
2018 Revenue Bonds, Series A IA 2	4,340,000	-	(30,000)	4,310,000	35,000
2018 Revenue Bonds, Series A IA 3	4,980,000	-	(15,000)	4,965,000	30,000
2020 Series	-	3,450,000	-	3,450,000	-
Total revenue bonds	124,095,000	3,450,000	(5,345,000)	122,200,000	5,075,000
Premiums	2,392,193	32,724	(130,529)	2,294,388	-
Discounts	(824,135)	-	47,934	(776,201)	-
Total	\$ 125,663,058	\$ 3,482,724	\$ (5,427,595)	\$ 123,718,187	\$ 5,075,000

2013 Revenue Bonds, Series B

On June 12, 2013, the Authority issued \$5,750,000 2013 Local Agency Revenue Bonds, Series B, to acquire CFD 2002-1 (Willowbrook Refunding) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$125,000 to \$540,000 commencing September 1, 2014 through September 1, 2033. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$553,761 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,640,000.

2014 Revenue Bonds, Series A

On January 16, 2014, the Authority issued \$12,165,000 2014 Local Agency Revenue Bonds, Series A, to refund a portion of the Perris Public Financing Authority 2003 Revenue Bonds, Series A and to acquire CFD 2001-1 (May Farms IA 1, 2 & 3) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.375% per annum. Principal on serial bonds is payable in annual installments ranging from \$405,000 to \$905,000 commencing September 1, 2014 through September 1, 2033. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$945,153 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$9,150,000.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 3 – Long-Term Liabilities (Continued)

2014 Revenue Bonds, Series B

On June 4, 2014, the Authority issued \$2,825,000 2014 Local Agency Revenue Bonds, Series B, to refund a portion of the Perris Public Financing Authority 2007 Revenue Bonds, Series C and to acquire CFD 2006-1 (Meritage Homes) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$45,000 to \$120,000 commencing September 1, 2014 through September 1, 2038. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$210,205 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$2,330,000.

2014 Revenue Bonds, Series C

On July 24, 2014, the Authority issued \$8,615,000 2014 Local Agency Revenue Bonds, Series C, to refund a portion of the Perris Public Financing Authority 2004 Revenue Bonds, Series A and to acquire CFD 2004-3 (Monument Ranch IA 1) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$315,000 to \$595,000 commencing September 1, 2015 through September 1, 2034. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$580,639 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$6,390,000.

2014 Revenue Bonds, Series D

On July 17, 2014, the Authority issued \$4,695,000 2014 Local Agency Revenue Bonds, Series D, to acquire CFD 2004-2 (CLC Refunding) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$170,000 to \$325,000 commencing September 1, 2015 through September 1, 2034. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$338,890 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$3,690,000.

2014 Revenue Bonds, Series E

On September 18, 2014, the Authority issued \$13,925,000 2014 Local Agency Revenue Bonds, Series E, to refund a portion of the Perris Public Financing Authority 2007 Revenue Bonds, Series D and to acquire CFD 2001-1 (May Farms IA 6 & 7) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$380,000 to \$890,000 commencing September 1, 2015 through September 1, 2038. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$919,516 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$11,700,000.

2014 Revenue Bonds, Series F

On October 9, 2014, the Authority issued \$2,465,000 2014 Local Agency Revenue Bonds, Series F, to refund a portion of the Perris Public Financing Authority 2004 Revenue Bonds, Series A and to acquire CFD 2004-1 (Amber Oaks) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$90,000 to \$165,000 commencing September 1, 2015 through September 1, 2034. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$174,536 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$1,915,000.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 3 – Long-Term Liabilities (Continued)

2014 Revenue Bonds, Series G

On November 13, 2014, the Authority issued \$3,435,000 2014 Local Agency Revenue Bonds, Series G, to acquire CFD 2003-1 (Chaparral Ridge) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$105,000 to \$290,000 commencing September 1, 2015 through September 1, 2033. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$302,254 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$2,840,000.

2015 Revenue Bonds, Series A

On March 26, 2015, the Authority issued \$13,570,000 2015 Local Agency Revenue Bonds, Series A, to acquire CFD 2005-2 (Harmony Grove) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.875% per annum. Principal on serial bonds is payable in annual installments ranging from \$355,000 to \$885,000 commencing September 1, 2015 through September 1, 2035. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$925,397 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$11,045,000.

2015 Revenue Bonds, Series B

On May 19, 2015, the Authority issued \$9,020,000 2015 Local Agency Revenue Bonds, Series B, to acquire CFD 2006-2 (Monument Park Estates) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$40,000 to \$760,000 commencing September 1, 2016 through September 1, 2045. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$756,410 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$8,685,000.

2015 Revenue Bonds, Series C

On June 18, 2015, the Authority issued \$8,285,000 2015 Local Agency Revenue Bonds, Series C, to acquire CFD 2004-3 (IA 2) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$210,000 to \$715,000 commencing September 1, 2016 through September 1, 2032. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$745,005 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$7,365,000.

2015 Revenue Bonds, Series D

On August 6, 2015, the Authority issued \$1,540,000 2015 Local Agency Revenue Bonds, Series D, to acquire CFD 2014-2 (Perris Valley Spectrum) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$240,000 to \$270,000 commencing September 1, 2016 through September 1, 2021. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$154,334 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$535,000.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 3 – Long-Term Liabilities (Continued)

2015 Revenue Bonds, Series E

On September 15, 2015, the Authority issued \$4,560,000 2015 Local Agency Revenue Bonds, Series E, to refund a portion of the Perris Public Financing Authority 2008 Revenue Bonds, Series B, and to acquire CFD 2005-1 (IA 3) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.50% per annum. Principal on serial bonds is payable in annual installments ranging from \$130,000 to \$295,000 commencing September 1, 2016 through September 1, 2038. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$307,535 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$3,925,000.

2015 Revenue Bonds, Series F

On October 14, 2015, the Authority issued \$5,415,000 2015 Local Agency Revenue Bonds, Series F, to refund a portion of the Perris Public Financing Authority 2008 Revenue Bonds, Series A, and to acquire CFD 2005-4 (Stratford Ranch) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$145,000 to \$340,000 commencing September 1, 2016 through September 1, 2038. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$348,220 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,595,000.

2015 Revenue Bonds, Series G

On December 8, 2015, the Authority issued \$3,190,000 2015 Local Agency Revenue Bonds, Series G, to acquire CFD 2005-4 (Steeplechase) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$105,000 to \$190,000 commencing September 1, 2016 through September 1, 2038. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$202,313 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$2,740,000.

2017 Revenue Bonds, Series A

On June 21, 2017, the Authority issued \$4,580,000 2017 Local Agency Revenue Bonds, Series A, to acquire CFD 2014-1 (Avelina) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.75% per annum. Principal on serial bonds is payable in annual installments ranging from \$20,000 to \$335,000 commencing September 1, 2017 through September 1, 2047. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$331,804 which is sufficient to the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,475,000.

2017 Revenue Bonds, Series B

On September 12, 2017, the Authority issued \$22,175,000 2017 Local Agency Revenue Bonds, Series B, to acquire CFD 2001-1 (May Farms IA 4&5) and CFD 2005-1 (Perris Valley Vistas IA 4) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$825,000 to \$1,555,000 commencing September 1, 2018 through September 1, 2037. The related CFD bonds have individual reserve requirements, under the Bond Indenture, but the Authority is not required to have a cash reserve balance. The outstanding balance at June 30, 2020 was \$20,500,000.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 3 – Long-Term Liabilities (Continued)

2017 Revenue Bonds, Series C

On December 14, 2017, the Authority issued \$4,060,000 2017 Local Agency Revenue Bonds, Series C, to acquire CFD 93-1 (May Ranch) and CFD 2004-5 (Amber Oaks II) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.75% per annum. Principal on serial bonds is payable in annual installments ranging from \$70,000 to \$595,000 commencing September 1, 2018 through September 1, 2035. The related CFD bonds have individual reserve requirements, under the bond indenture, but the Authority is not required to have a cash reserve balance. The outstanding balance at June 30, 2020 was \$2,955,000.

2018 Revenue Bonds, Series A, IA 2

On April 10, 2018, the Authority issued \$4,410,000 2018 Local Agency Revenue Bonds, Series A, to acquire CFD 2014-1 (Avelina IA-2) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$30,000 to \$330,000 commencing September 1, 2018 through September 1, 2048. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$328,616 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,310,000.

2018 Revenue Bonds, Series A, IA 2

On November 29, 2018, the Authority issued \$4,980,000 2018 Local Agency Revenue Bonds, Series A, to acquire CFD 2014-1 (Avelina) IA 3 Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 3.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$15,000 to \$395,000, commencing September 1, 2019 through September 1, 2037. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$392,051 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,965,000.

2020 Revenue Bonds (Pacific Heritage)

On June 25, 2020, the Perris Joint Powers Authority issued \$3,450,000 2020 Local Agency Revenue Bonds, to acquire CFD 2007-2 (Pacific Heritage) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$35,000 to \$160,000, commencing September 1, 2021 through September 1, 2040. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$258,105 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$3,450,000.

Perris Joint Powers Authority
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2020

Note 3 – Long-Term Liabilities (Continued)

Future Debt Requirement

Total revenue bonds outstanding balances was in the amount of \$122,200,000. The future debt requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 5,075,000	\$ 4,733,813	\$ 9,808,813
2022	5,245,000	4,687,273	9,932,273
2023	5,175,000	4,528,942	9,703,942
2024	5,165,000	4,357,580	9,522,580
2025	5,135,000	4,172,320	9,307,320
2026-2030	29,850,000	17,470,451	47,320,451
2031-2035	36,430,000	10,414,323	46,844,323
2036-2040	16,985,000	4,282,957	21,267,957
2041-2045	7,560,000	2,082,335	9,642,335
2046-2050	5,580,000	481,538	6,061,538
Total	<u>\$ 122,200,000</u>	<u>\$ 57,211,532</u>	<u>\$ 179,411,532</u>

Note 4 – Risk Management

To account for risks of loss and liability claims, the Authority participates in the City's self-insurance program. The City of Perris maintains a self-insurance program for workers' compensation. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence, amounts in excess of \$250,000 are covered through PERMA. The limits of the coverage are \$250,000 per accident for workers' compensation and \$5,000,000 each accident for employers' liability.

PERMA was created under a joint exercise of powers agreement for the purpose of providing insurance coverage for its members. The governing Board of Directors consists of one member from each participating agency.

PERMA also provides a non-risk sharing "deductible", or banking, pool for claims within the SIR level. Annual contributions are deposited with the PERMA from which claims are paid.

Under the liability programs risk-sharing pool, each member's share of total claims liabilities, including IBNR's, is determined by the application of risk factors to specific characteristics of each member which provides the relative share of each member in total losses of PERMA. These losses are paid from premiums charged to the members which are established at levels to fund all claims costs. There were no claims filed against the Authority as of June 30, 2020.

The workers' compensation insurance program is a non-risk sharing program. Therefore, each member is directly charged for any losses incurred. Each member's equity represents accumulated contributions held by PERMA on the member's behalf. Any deficits created for losses in excess of assets available for a given member is funded over a ten year period through an adjustment to required premiums. The Authority has no employees and does not report any workers compensation liabilities.

During the past three fiscal years none of the above programs of protection have had settlements or judgements that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The aforementioned information is not included in the accompanying financial statements. Separate financial statements of PERMA may be obtained at 36-951 Cook Street, Suite 100, Palm Desert, California 92211.

ATTACHMENT 6

STATEMENT ON AUDITING STANDARDS – 114 CONCLUSION LETTER FOR JPA



April 2, 2021

To the Board of Directors
of the City of Perris Joint Powers Authority
Perris, California

We have audited the financial statements of the governmental activities and the major fund of the Perris Joint Powers Authority (the "Authority"), a component unit of the City of Perris, California (the "City") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2020. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

- Management's estimate of the investment fair market value is based on institutional bond quotes or matrix pricing for the Authority's investment in local obligation bonds. We evaluated the key factors and assumptions used to develop the investment fair market value in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Reporting Entity and Summary of Significant Accounting Policies
- Note 3 – Long-Term Liabilities

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

To the Board of Directors
of the Perris Joint Powers Authority
Perris, California
Page 2

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 2, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California

ATTACHMENT 7

FINANCIAL STATEMENTS FOR THE PUBLIC FINANCING AUTHORITY (PFA)

City of Perris
Public Financing Authority

Perris, California

Basic Financial Statements
and Independent Auditors' Reports

For the Year Ended June 30, 2020



City of Perris Public Financing Authority
For the Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the City of Perris Public Financing Authority
Perris, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Perris Public Financing Authority (the "Authority"), a component unit of the City of Perris, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' 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 Audit 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the City of Perris Public Financing Authority
Perris, California
Page 2

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and Budgetary Comparison Schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
April 2, 2021



**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***

Independent Auditors' Report

To the Board of Directors
of the City of Perris Public Financing Authority
Perris, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the City of Perris Public Financing Authority (the "Authority"), a component unit of the City of Perris, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the City of Perris Public Financing Authority
Perris, California
Page 2

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
April 2, 2021

BASIC FINANCIAL STATEMENTS

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City of Perris Public Financing Authority
Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 2,819,483
Interest receivable	645
Interest receivable from other agencies	361,339
Total current assets	3,181,467
Noncurrent assets:	
Loan receivable from other agencies	37,620,000
Restricted cash and investments with fiscal agent	3,920,409
Total noncurrent assets	41,540,409
Total Assets	44,721,876
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	675,543
Total Deferred Outflows of Resources	675,543
LIABILITIES	
Deposits	3,905,316
Interest payable	361,339
Noncurrent liabilities:	
Due within one year	1,865,000
Due in more than one year	36,669,391
Total liabilities	42,801,046
NET POSITION	
Unrestricted	2,596,373
Total Net Position	\$ 2,596,373

City of Perris Public Financing Authority
Statement of Activities
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenue and Change in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:			
Program Expenses:			
Interest and fiscal charges	\$ 1,342,529	\$ 1,342,529	\$ -
Total	\$ 1,342,529	\$ 1,342,529	-
General Revenues:			
Interest earnings			2,886,960
Other			5,540
Total General Revenues			2,892,500
Change in Net Position			2,892,500
Net Position:			
Beginning of year			(296,127)
End of year			\$ 2,596,373

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Perris Public Financing Authority
Balance Sheet
Governmental Fund
June 30, 2020

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 2,819,483
Cash and investments with fiscal agent	3,920,409
Interest receivable	645
Loans receivable	37,620,000
Total assets	\$ 44,360,537
LIABILITIES AND FUND BALANCE	
Liabilities:	
Deposits	\$ 3,905,316
Total liabilities	3,905,316
Fund Balances:	
Nonspendable:	
Noncurrent loans receivable	35,755,000
Restricted for:	
Debt service	4,700,221
Total Fund Balances	40,455,221
Total liabilities and fund balance	\$ 44,360,537

City of Perris Public Financing Authority
Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Fund		\$ 40,455,221
Amounts reported for governmental activities in the statement of net position are different because:		
Interest receivable on advances to the Successor Agency of the Former Redevelopment Agency of the City of Perris does not provide current financial resources. Therefore, interest receivable on advances is not reported as an asset in the governmental fund.		361,339
Long-term liabilities applicable to the governmental activities are not due and payable in the current period; therefore, are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Positions.		
Revenue bonds	(38,534,391)	
Deferred losses on refunding	675,543	(37,858,848)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(361,339)
Net position of governmental activities		\$ 2,596,373

City of Perris Public Financing Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2020

	<u>General Fund</u>
REVENUES:	
Investment earnings	\$ 4,343,988
Other	5,540
Total Revenues	4,349,528
 EXPENDITURES:	
Debt service:	
Principal retirement	8,765,000
Interest and fiscal charges	1,462,808
Total Expenditures	10,227,808
Net Changes in Fund Balance	(5,878,280)
 FUND BALANCE:	
Beginning of year	46,333,501
End of Year	\$ 40,455,221

City of Perris Public Financing Authority
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Change
in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balance - governmental fund:		\$ (5,878,280)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Accrued interest on advances receivable does not provide current financial resource. Therefore, accrued interest is not reported as revenue in the governmental fund. This is the net change in accrued interest receivable for the current period.		(114,499)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments:		
Revenue bonds	8,765,000	
Amortization of premium/discount and deferred charges	<u>5,780</u>	8,770,780
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		<u>114,499</u>
Change in net position of governmental activities		<u><u>\$ 2,892,500</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Perris Public Financing Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

A. Reporting Entity

The Perris Public Financing Authority (the “Authority”) is a joint exercise of powers between the City of Perris, California (the “City”) and the former Perris Redevelopment Agency (the “Agency”), created by a joint powers agreement dated August 28, 1989. The purpose of the Authority is to provide financing for public capital improvements within the City. On February 1, 2012, the Agency was dissolved by legislation from the California State Legislature and a decision by the California Supreme Court. The City of Perris is the Successor Agency of the Perris Redevelopment Agency (the “Successor Agency”) which oversees the remaining activities of the former Perris Redevelopment Agency.

The Authority’s offices and records are located at City Hall, 101 North “D” Street, Perris, California, telephone (951) 943-6100.

The Authority is a component unit of the City and, accordingly, the financial statements of the Authority are included in the financial statements of the City. The Authority is an integral part of the reporting entity of the City. The funds of the Authority have been blended within the financial statements of the City because the City Council of the City is the governing board of the Authority and exercises control over the operations of the Authority. Only the funds of the Authority are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

B. Basis of Presentation

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

Government-Wide 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 (the Authority). 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. All Authority activities are governmental; no business-type activities are reported in the statements.

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 expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the Authority 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.

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

City of Perris Public Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Investment earnings and other revenues that are not included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds. Currently, the Authority only has one governmental fund.

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

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual, and is therefore recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental fund:

The *General Fund* is used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, and then use unrestricted resources as they are needed.

D. Cash and Investments

The Authority’s cash and investments consist of cash and investments pooled with the City and investments held by fiscal agents to meet debt obligations. Investments with fiscal agents are restricted for the redemption of bonded debt.

E. Loans Receivable

The Authority advanced funds to the former Agency and reported the advances as loans receivable from other agencies. See Note 3.

City of Perris Public Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

F. Long-Term Debt

In the government-wide financials statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. 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 and discount.

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

The fund financial statements do not present long-term debt. Accordingly, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position.

G. Deferred Outflows and Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods; therefore, will not be recognized as an expense until that time. The Authority reports deferred charges on refunding in this category which arises only under a full accrual basis of accounting. Accordingly, deferred charges on refunding are reported only in the government-wide statement of net position. The deferred charges on refunding resulted from the differences in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods; therefore, are not recognized as a revenue until that time. Currently, the Authority does not report any deferred inflows of resources.

H. Net Position

The difference between assets, deferred outflows of resources, liabilities and inflows of resources is reported as net position. Net position is classified as follows:

Restricted net position consists of net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of restricted net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the Authority's policy is to apply restricted net position first, then unrestricted net position as they are needed.

City of Perris Public Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

I. Fund Balance

Fund balance in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Authority considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned Fund Balance - Amounts that are constrained by the Authority's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

Unassigned Fund Balance - These are residual fund balances in the General Fund.

J. Use of Estimates

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain amounts and, accordingly, actual results could differ from those estimates.

Note 2 – Cash and Investments

The Authority's cash and investments consist of cash and investments pooled with the City and cash and investments held by fiscal agents, at June 30, 2020, the Authority had the following:

Cash and investments pooled with the City of Perris	\$	2,819,483
Restricted investments		3,920,409
Total		\$ 6,739,892

A. Deposits

Cash is deposited in the City's internal investment pool. The Authority does not own specifically identifiable securities in the City's pool. Interest income is allocated based on the average cash balances. Investment policies and associated risk factors applicable to the Authority are those of the City and are included in the City's basic financial statements. Please refer to the City's comprehensive annual financial report for more detail.

City of Perris Public Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

B. Investment Authorized by Debt Agreement

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority’s investment policy.

C. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. At June 30, 2020, the Authority’s investments with fiscal agent in money market fund in the amount of \$3,920,409 had maturity one year or less.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the Authority’s investment policy and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Fair Value at June 30, 2020</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>
Investments with fiscal agent: Money market mutual funds	<u>\$ 3,920,409</u>	AA	<u>\$ 3,920,409</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s investments in money market funds are held by fiscal agent.

Note 3 – Loans Receivable

The Authority has entered into loan agreements with the former Agency whereby the Authority loaned the proceeds of the 2009 Series A, B and C Revenue Bonds and the 2010 Series A Revenue Bond to provide funds for certain public improvements in the former’s Agency project areas. As of February 1, 2012, the former Agency was dissolved (see Note 1A) and the Successor Agency oversees the remaining activities of the former Agency. The Authority entered into additional loan agreements with the Successor Agency where the Authority issued 2015 Series A and B Revenue Refunding Bonds and loaned the proceeds to the Successor Agency to redeem prior bonds. During the year ended June 30, 2020, the Successor Agency repaid the loans funded through 2010 Series A Revenue Bonds.

City of Perris Public Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Loans Receivable (Continued)

The following table represents the remaining balances of net proceeds loaned to the Successor Agency at the end of the year:

	Amount Issued	Beginning Balance	Deletions	Ending Balance
2010 Series A Loan	\$ 7,180,000	\$ 6,935,000	\$ (6,935,000)	\$ -
2015 Series A Loan	21,590,000	18,670,000	(1,015,000)	17,655,000
2015 Series B Loan	23,120,000	20,780,000	(815,000)	19,965,000
Total	<u>\$ 51,890,000</u>	<u>\$ 46,385,000</u>	<u>\$ (8,765,000)</u>	<u>\$ 37,620,000</u>

Note 4 – Deposits

At June 30, 2020, deposits in the amount of \$3,905,316 reflect the amount held by fiscal agent for the repayment of 2015 Series A, and 2015 Series B.

Note 5 – Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2010 Revenue Bonds, Series A	\$ 6,935,000	\$ -	\$ (6,935,000)	\$ -	\$ -
2015 Revenue Refunding Bonds, Series A	18,670,000	-	(1,015,000)	17,655,000	1,035,000
2015 Revenue Refunding Bonds, Series B	20,780,000	-	(815,000)	19,965,000	830,000
Subtotal	46,385,000	-	(8,765,000)	37,620,000	1,865,000
Add (less) Deferred Amounts:					
Bond Premiums	1,218,704	-	(85,523)	1,133,181	-
Bond Discounts	(232,254)	-	13,464	(218,790)	-
Total	<u>\$ 47,371,450</u>	<u>\$ -</u>	<u>\$ (8,837,059)</u>	<u>\$ 38,534,391</u>	<u>\$ 1,865,000</u>

2010 Revenue (Tax Allocation) Bonds, Series A

On April 19, 2010, the Authority issued \$7,180,000 2010 Revenue (Tax Allocation) Bonds, Series A, to provide loans to the Redevelopment Agency (see Note 3). The proceeds of these loans will be used to finance the Housing Loan and to pay related expenses of the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.000% to 5.500% per annum. Principal on the serial bonds is payable in annual installments ranging from \$25,000 to \$1,200,000 commencing October 1, 2010 through October 1, 2040. At June 30, 2020, the bonds were fully redeemed early.

City of Perris Public Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 5 – Long-Term Liabilities (Continued)

2015 Revenue (Tax Allocation) Refunding Bonds, Series A

On July 9, 2015, the Public Financing Authority issued \$21,590,000 2015 Revenue (Tax Allocation) Refunding Bonds, Series A, to refund the 2001 Series A and B, 2002 Series A and B and the 2006 (related to the housing loan) Tax Allocation Revenue Bonds and related Successor Agency Loans (see Note 3). Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 2.000% to 5.000% per annum. Principal on the serial bonds is payable in annual installments ranging from \$795,000 to \$1,645,000 commencing October 1, 2016 through October 1, 2033. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$1,798,934 which is sufficient to cover the reserve requirement. The outstanding balance at June 30, 2020 was \$17,655,000.

2015 Revenue (Tax Allocation Subordinate) Refunding Bonds, Series B

On July 9, 2015, the Public Financing Authority issued \$23,120,000 2015 Revenue (Tax Allocation Subordinate) Refunding Bonds, Series B, to refund the 2002 Series C and the 2006 (excluding the housing loan portion) Tax Allocation Revenue Bonds and related Successor Agency loans (see Note 3). Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 2.000% to 4.150% per annum. Principal on the serial bonds is payable in annual installments ranging from \$765,000 to \$2,190,000 commencing October 1, 2016 through October 1, 2036. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$2,105,400 which is sufficient to cover the reserve requirement. The outstanding balance at June 30, 2020 was \$19,965,000.

Future Debt Requirement

Total revenue bonds outstanding balances was in the amount of \$37,620,000. The future debt requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,865,000	\$ 1,411,182	\$ 3,276,182
2022	1,925,000	1,340,432	3,265,432
2023	2,005,000	1,264,607	3,269,607
2024	2,080,000	1,183,807	3,263,807
2025	2,170,000	1,098,243	3,268,243
2026-2030	12,040,000	4,249,347	16,289,347
2031-2035	12,710,000	1,753,219	14,463,219
2036-2037	2,825,000	114,100	2,939,100
Total	\$ 37,620,000	\$ 12,414,937	\$ 50,034,937

Pledged Revenue

The former Agency and the Successor Agency has pledged certain tax revenues to the repayment of the Authority debts through final maturity of bonds on October 1, 2040, or earlier retirement of the bonds, whichever occurs first. Tax revenues consist of tax increment revenues allocated to the Successor Agency to various project areas pursuant to Section 33670 of the Redevelopment Law. Such Law excludes a portion of tax increment revenues required to be paid under Tax-Sharing Agreements unless the payment of such amounts has been subordinated to the payment of debt service on the Bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to local agency and school entity pursuant to any pass through agreement, then second to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the Successor Agency was \$5,344,605 and the debt service payments on the bonds was \$3,504,353.

City of Perris Public Financing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 5 – Long-Term Liabilities (Continued)

Prior Years Defeased Obligations

In prior years, the PFA defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2020, the Authority had redeemed all prior year bonds that are considered defeased.

Note 6 – Risk Management

To account for risks of loss and liability claims, the Authority participates in the City's self-insurance program. The City of Perris maintains a self-insurance program for workers' compensation. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence, amounts in excess of \$250,000 are covered through PERMA. The limits of the coverage are \$250,000 per accident for workers' compensation and \$5,000,000 each accident for employers' liability.

PERMA was created under a joint exercise of powers agreement for the purpose of providing insurance coverage for its members. The governing Board of Directors consists of one member from each participating agency.

PERMA also provides a non-risk sharing "deductible", or banking, pool for claims within the SIR level. Annual contributions are deposited with the PERMA from which claims are paid.

Under the liability programs risk-sharing pool, each member's share of total claims liabilities, including IBNR's, is determined by the application of risk factors to specific characteristics of each member which provides the relative share of each member in total losses of PERMA. These losses are paid from premiums charged to the members which are established at levels to fund all claims costs. There were no claims filed against the PFA as of June 30, 2020.

The workers' compensation insurance program is a non-risk sharing program. Therefore, each member is directly charged for any losses incurred. Each member's equity represents accumulated contributions held by PERMA on the member's behalf. Any deficits created for losses in excess of assets available for a given member is funded over a ten-year period through an adjustment to required premiums. The PFA has no employees and does not report any workers' compensation liabilities.

During the past three fiscal years none of the above programs of protection have had settlements or judgements that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The aforementioned information is not included in the accompanying financial statements. Separate financial statements of PERMA may be obtained at 36-951 Cook Street, Suite 101, Palm Desert, California 92211.

ATTACHMENT 8

STATEMENT ON AUDITING STANDARDS – 114 CONCLUSION LETTER FOR PFA



April 2, 2021

To the Board of Directors
of the City of Perris Public Financing Authority
Perris, California

We have audited the financial statements of the governmental activities and the major fund of the City of Perris Public Financing Authority (the "Authority"), a component unit of the City of Perris, California (the "City") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2020. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Reporting Entity and Summary of Significant Accounting Policies
- Note 5 – Long-Term Liabilities

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

To the Board of Directors
of the City of Perris Public Financing Authority
Perris, California
Page 2

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 2, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The PwC Group, LLP

Santa Ana, California

ATTACHMENT 9

**FINANCIAL STATEMENTS FOR THE
COMMUNITY ECONOMIC DEVELOPMENT
CORPORATION (CEDC)**

**Perris
Community Economic
Development Corporation**

Perris, California

**Independent Auditors' Report
and Financial Statements**

For the Year Ended June 30, 2020



Perris Community Economic Development Corporation
Financial Statements
For the Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Perris Community Economic Development Corporation
Perris, California

We have audited the accompanying financial statements of the Perris Community Economic Development Corporation (the "Corporation"), a California not-for-profit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, the related the related notes to the financial statements.

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.

Auditors' 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. Those standards require that we plan and perform the audits 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 Corporation as of June 30, 2020, the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Pun Group, LLP

Santa Ana, California
April 2, 2021

200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707
Tel: 949-777-8800 • Fax: 949-777-8850
www.pungroup.cpa

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FINANCIAL STATEMENTS

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Perris Community Economic Development Corporation
Statement of Financial Position
June 30, 2020

ASSETS	
Cash and cash equivalents	\$ 2,792,696
Accounts receivable	2,676
Unconditional promise to give, net	962,502
Interest receivable	1,760
Total assets	<u>\$ 3,759,634</u>
LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable	\$ 178,213
Unearned revenue	2,676
Total liabilities	<u>180,889</u>
Net Assets:	
With donor restrictions - time restrictions	962,502
Without donor restrictions	2,616,243
Total net assets	<u>3,578,745</u>
Total liabilities and net assets	<u>\$ 3,759,634</u>

Perris Community Economic Development Corporation
Statement of Activities
For the Year Ended June 30, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Revenues and gains:	
Rental and lease revenue	\$ 95,244
Investment earnings	80,058
Contribution of nonfinancial assets	71,163
Net assets released from donor restriction	<u>138,145</u>
Total revenues and gains without donor restrictions	<u>384,610</u>
Expenses:	
General administrative	71,163
Program services:	
Professional fees	234,333
Rent	138,145
Economic development programs	410,045
Community sponsorships	15,000
Education programs	<u>52,253</u>
Total program services	<u>849,776</u>
Total expenses	<u>920,939</u>
Decrease in net assets without donor restrictions	<u>(536,329)</u>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:

Contribution revenue with donor restrictions	50,516
Net assets released from restrictions	<u>(138,145)</u>
Decrease in net assets with donor restriction	<u>(87,629)</u>

DECREASE IN TOTAL NET ASSETS (623,958)

NET ASSETS:

Beginning of year	<u>4,202,703</u>
End of year	<u>3,578,745</u>

Perris Community Economic Development Corporation
Statement of Cash Flows
For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$	(623,958)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Changes in operating assets and liabilities:		
(Increase) Decrease in accounts receivable		(2,676)
(Increase) Decrease in receivables from the City of Perris		47,044
(Increase) Decrease in unconditional promise to give		87,629
(Increase) Decrease in interest receivable		3,943
Increase (Decrease) in accounts payable and accrued expenses		166,349
Increase (Decrease) in unearned revenue		2,676
Net cash used in operating activities		<u>(318,993)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (318,993)

CASH AND CASH EQUIVALENTS:

Beginning of year		<u>3,111,689</u>
End of year	\$	<u><u>2,792,696</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

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Perris Community Economic Development Corporation
Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 1 – Organization

The Perris Community Economic Development Corporation (the “Corporation”) was formed on April 16, 2014 as a nonprofit public benefit corporation under Section 501(c)(3) of the Internal Revenue Code by the City of Perris (the “City”). The specific and primary purpose of this corporation is to provide physical, economic, and educational development and revitalization efforts resulting in expanded employment, economic prosperity and, business and housing opportunities, for businesses and residents to provide such services that are associated with such specific purpose as allowed by the law. The Corporation's office and records are located at City Hall, 101 North “D” Street, Perris, California, telephone number (951) 943-6100. The City Council of the City is the governing board of the Corporation and exercises control over the operations of the Corporation. Upon dissolution, any assets or liabilities remaining shall be distributed to the City or a designated nonprofit fund, foundation or corporation by the governing body. Only the funds of the Corporation are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Corporation have been prepared based on the accrual basis of accounting. Financial statement presentation follows the guidance of the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification (“ASC”) Topic 958, Presentation of Financial Statements of Not-For-Profit Organizations as updated in August 2016. Under this pronouncement, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. The significant accounting policies with respect to these two classes of net assets are described in Note 2 F.

B. Basis of Accounting

The Corporation prepares its financial statements in accordance with U.S. GAAP, which are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues and gains are recognized as earned and expenses and losses are recognized as incurred.

C. Cash and Cash Equivalent

Cash is pooled with the City’s internal investment pool and is considered to be cash and cash equivalent due to the funds can be withdrawn upon request.

D. Uncollectible Accounts Receivable

Accounts receivable consists mainly receivables from tenants for rent. The Corporation uses the allowance method for uncollectible accounts receivable but deemed no allowance is necessary based on prior collection experience.

Perris Community Economic Development Corporation
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Promise to Give

An unconditional promise to give shall be recognized when it is received. However, to be recognized there must be sufficient evidence in the form of verifiable documentation that a promise was made and received. Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, shall be recognized when the conditions on which they depend are substantially met, that is, when a conditional promise becomes unconditional. Imposing a condition creates a barrier that must be overcome before the recipient of the transferred assets has an unconditional right to retain those promised assets.

F. Net Assets

Net assets without donor restrictions – Utilized to record fees and other forms of unrestricted revenue and expenses related to the general operations of the Corporation which are not subject to donor-imposed restrictions (donors include other types of contributions, including makers of certain grants).

Net assets with donor restrictions – Utilized to account for donor-imposed restrictions (donors include other types of contributions, including makers of certain grants).

G. Contribution of Nonfinancial Assets

The Corporation recognized contributed nonfinancial assets within contributed service revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed services recognized comprise general administrative services from the City of Perris. Contributed services are valued and are reported at the estimated fair value in the financial statements based on the current rates for similar services.

H. Income Taxes

The Corporation submitted its application to the Internal Revenue Service (the “IRS”) in recognizing the Corporation as a not-for-profit corporation as described in §501(c)(3) of the Internal Revenue Code (“IRC”) and received the exempt status from the IRS on December 7, 2015; effective April 29, 2014. The Corporation is exempt from federal and state income taxes on related income pursuant to §501(a) and §170(b)(1)(A)(i) of the IRC and California Revenue Taxation Code §23701d as a public charity.

The Corporation utilizes a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement.

The Corporation has determined that its major tax jurisdictions are Federal and California. At June 30, 2020, management believed that there were no uncertain tax positions.

I. Functional Allocation of Expenses

The financial statements report categories of expenses that are attributable only one program or supporting function. The general and administrative function of the Corporation is carried out through shared employees from the City. Only direct charges are paid for by the Corporation. The costs of providing the programs and the activities have been summarized on a functional basis in the Statement of Activities for the year ended June 30, 2020. Accordingly, only actual charges are reported for the program services.

Perris Community Economic Development Corporation
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

J. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Implementation of New Accounting Standards

ASU No. 2018-08

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit-Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The guidance is issued to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. Contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions. The Corporation implemented this guidance effective July 1, 2019 on a modified prospective basis.

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2020 was in the amount of \$2,792,696. The Corporation does not own specifically identifiable securities in the City's pool. Interest income is allocated based on average cash balances. Investment policies and associated risk factors applicable to the Corporation are those of the City and are included in the City's basic financial statements.

Note 4 – Unconditional Promise to Give

Effective February 12, 2014, the City entered into a master lease agreement with a California limited liability company for a 9,978 square feet space at \$1.00 per annum for 180 months, with five option terms of 60 months each. The leased space is a portion of a larger affordable multifamily residential project and the lease was subsequently assigned to the Corporation. As part of the lease agreement, the Corporation is obligated to pay the real property taxes allocated to the leased space. The Corporation subleased the space to other entities and generated rent revenue to provide program services.

Unconditional promise to give at June 30, 2020 was in the amount of \$1,185,740, net of unamortized discount in the amount of \$223,238. The effective interest rate for the contribution receivable is 5% annum. The contribution receivable amounts are as follows:

Perris Community Economic Development Corporation
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Unconditional Promise to Give (Continued)

For the year ending June 30,	Amount
2021	\$ 138,145
2022	138,145
2023	138,145
2024	138,145
2025	138,145
2026-2029	495,015
Total	\$ 1,185,740

Note 5 – Liquidity and Availability of Financial Assets

The Corporation had of financial assets in the amount of \$2,797,132 available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and cash equivalents in the amount of \$2,792,696, receivable in the amount of \$2,676 and interest receivables in the amount of \$1,760 at June 30, 2020. It is sufficient to meet cash needs for general expenditure within one year.

The Corporation has a goal to maintain financial assets, which consist of cash and cash equivalents to meet one year of normal operating expense, which are, on average, approximately \$300,000. The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due by keeping the surplus cash with the City’s internal investment pool that can be withdrawn upon request.

Note 6 – Net Assets With Donor Restriction – Time Restrictions

For the year ended June 30, 2020, changes in net assets with donor restriction – time restrictions were as follows:

	July 1, 2019	Addition	Deletion	June 30, 2020
Free use of facilities	\$ 1,050,131	\$ 50,516	\$ (138,145)	\$ 962,502

The Corporation received free use of the facilities (see Note 4) and reported \$138,145 rent expense and net assets released from donor restriction for the year ended June 30, 2020. The time restrictions are released based upon the lease terms through the free use of facilities.

Perris Community Economic Development Corporation
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Related Party Transactions

Conditional Promise to Give

On March 27, 2018, the Corporation entered into a master lease agreement with the City where the City will build the Perris Downtown Skills Training and Job Placement Center and lease the building to the Corporation under the condition of substantial completion of the building. The term of the lease is for 55 years at \$1.00 per annum, upon completion of the construction, the date barriers to entitlement are overcome. The free use of facilities upon completion of the construction is considered a conditional promise to give in the amount of \$16,196,491. The Corporation will sublease the building to subtenants for commercial and education uses related to skill training and job placement at market rate. As part of the lease agreement, the Corporation is obligated to pay the real property taxes allocated to the leased space.

Note 8 – Commitment and Contingencies

The Corporation did not have any major contractual commitments or contingencies as of June 30, 2020.

Note 9 – Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through April 2, 2021, the date the financial statements were available to be issued, required adjustment to, or disclosure in the financial statements. No such events or transactions were identified.

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ATTACHMENT 10

**STATEMENT ON AUDITING STANDARDS –
114 CONCLUSION LETTER FOR CEDC**



April 2, 2021

To the Board of Directors
of the Perris Community Economic Development Corporation
Perris, California

We have audited the financial statements of the Perris Community Economic Development Corporation (the "Corporation") for the years ended June 30, 2020, and we will issue our report thereon dated April 2, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 2 to the financial statements. As described in Note 2 to the financial statements, the Corporation implemented the following accounting standard:

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit-Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The guidance is issued to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Corporation implemented this guidance effective July 1, 2019 on a modified prospective basis.

No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management fee and contribution revenue are based on current year program service costs for the shared employees from the City. We evaluated the key factors and assumptions used to develop the management fee and contribution revenue in determining that it is reasonable in relation to the financial statements taken as a whole.
- Unconditional promise to give is based on the fair market value of the rent. We evaluated the key factors and assumptions used to develop the value for unconditional promise to give in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- Note 2 – Summary of Significant Accounting Policies
- Note 4 – Unconditional Promise to Give
- Note 5 – Liquidity and Availability of Financial Assets
- Note 7 – Related Party Transactions

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 2, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
of the Perris Community Economic Development Corporation
Page 3

This information is intended solely for the use of the Board of Directors and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Perris Group, LLP

Santa Ana, California

ATTACHMENT 11

REPORT ON APPROPRIATIONS LIMIT

City of Perris

Perris, California

Independent Accountants' Report on Applying Agreed-Upon Procedures to Appropriations Limit Schedule

For the Year Ending June 30, 2021





INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and the Members of City Council
of the City of Perris
Perris, California

We have performed the procedures enumerated below, which were agreed to by the City of Perris, California (the "City") 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*) on assisting you in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution for the year ending June 30, 2021. The City's management is responsible for the Appropriations Limit Schedule. The sufficiency of these procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ending June 30, 2021, and determined that the limit and annual calculation factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of City Council.

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

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and agreed the resulting amount to the current 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 Schedule to corresponding information in worksheets used by the City.

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

4. We agreed the appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council.

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Schedule. Accordingly, we do not express such an opinion or conclusion. 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 appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707

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To the Honorable Mayor and the Members of City Council
of the City of Perris
Perris, California
Page 2

This report is intended solely for the information and use of the City Council and the management of the City and is not intended to be and should not be used by anyone other than these specified parties.

The Per Group, LLP

Santa Ana, California
April 2, 2021

City of Perris
Appropriations Limit Schedule
For the Year Ending June 30, 2021

	Amount	Source
A. Appropriations Limit FY 2019-2020	\$ 48,669,585	Prior year appropriations limit adopted by the City
B. Calculation Factors:		
1) Population increase %	1.0079	California Department of Finance
2) Inflation increase %	1.0373	California Department of Finance
3) Total adjustment %	<u>1.0455</u>	(B1 x B2)
C. Annual Adjustment Increase	2,214,207	{(B3 - 1) x A}
D. Other Adjustment Increase		
1) Loss responsibility (-)	-	N/A
2) Transfer to fees (-)	-	N/A
3) Transfer to private (-)	-	N/A
4) Assumed responsibility (+)	-	N/A
E. Total Adjustments	<u>\$ 2,214,207</u>	(C+D)
F. Appropriations Limit FY 2020-2021	<u><u>50,883,792</u></u>	(A+E)

City of Perris
Notes to Appropriations Limit Schedule
For the Year Ending June 30, 2021

Note 1 – Purpose of Limited Procedures Review

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual financial audit.

Note 2 – Method of Calculation

Under Section 10.5 of Article XIII-B, for fiscal years beginning on or after July 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

Note 3 – Population Factors

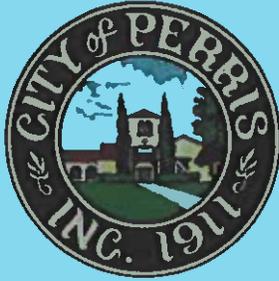
A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for the year ending June 30, 2021, represents the annual percentage change in the population for the County of Riverside.

Note 4 – Inflation Factors

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the California Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for the year ending June 30, 2021, represents the annual percentage change for per capita personal income.

Note 5 – Other Adjustments

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year ending June 30, 2021.



9.G.

CITY OF PERRIS

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: April 13, 2021
SUBJECT: Check Register for February 2021
REQUESTED ACTION: Approve the City's Monthly Check Register for February 2021
CONTACT: Ernie Reyna, Director of Finance

BACKGROUND / DISCUSSION:

The check register for the month of February 2021 is presented for City Council approval.

BUDGET (or FISCAL) IMPACT:

None.

Prepared by: Stephen Ajobiewe, Finance Manager

REVIEWED BY:

Assistant City Manager 
Director of Finance 

Attachment: 1. Check Register – February 28, 2021

Consent Item: X

ATTACHMENT 1
CHECK REGISTER – FEBRUARY 28, 2021

CITY OF PERRIS
CHECK REGISTER
February 28, 2021

CK NUMBER	DATE ISSUED	VENDOR	DESCRIPTION	AMOUNT
144361	02/03/2021	ADVANCE REFRIGERATION & ICE SYSTEMS	FIRE STATION #90, ICE MACHINE REPAIRS	635.17
144362	02/03/2021	AUTOMATED GATE SERVICES, INC	(15) MULTI-CODE 4-BUTTON TRANSMITTER	811.20
144363	02/03/2021	BILL & DAVE'S LDSC MAINTENANCE	IRRIGATION REPAIR & MAINT FOR BENEFIT ZONES	5,971.28
144364	02/03/2021	CAMERON WELDING SUPPLY	PACKAGED GASES FOR WELDING	61.32
144365	02/03/2021	CREATIVE PRINTING	PARKS: POSTERS & DEV SVCS DEPT: ENVELOPES	149.88
144366	02/03/2021	DENNIS GRUBB & ASSOCIATES	DEVELOPMENT REVIEW SERVICES	700.00
144367	02/03/2021	FLOWATER, INC.	DRINKING WATER DISPENSERS	657.46
144368	02/03/2021	HOME DEPOT CREDIT SERVICES	PARKS MAINTENANCE	275.64
144369	02/03/2021	INTERWEST CONSULTING GROUP, INC.	INTERIM PUBLIC WORKS DIRECTOR, OCT 2020	12,249.41
144370	02/03/2021	J THAYER COMPANY, INC.	OFFICE SUPPLIES	209.41
144371	02/03/2021	LA GARE CAFE	CS DEPT: OCT-JAN 2021	345.35
144372	02/03/2021	LYONS SECURITY SERVICE INC.	SECURITY OFFICER FOR CITY HALL	4,005.53
144373	02/03/2021	JIM FORBES VOICE, INC.	PROJECT BID PUBLICATIONS	1,309.59
144374	02/03/2021	LAURA SOSA	FITNESS INSTRUCTOR, VIRTUAL CLASSES JAN-FEB21	1,725.00
144375	02/03/2021	WEST COAST ARBORISTS, INC	PRUNING & TREE REMOVAL AT VARIOUS LOCATIONS	4,184.40
144376	02/05/2021	ACTIVE IMPRESSIONS	OFFICE SUPPLIES	141.38
144377	02/05/2021	ADAME LANDSCAPE, INC.	IRRIGATION REPAIR & MAINT FOR BENEFIT ZONES	69,054.57
144378	02/05/2021	AIR & HOSE SOURCE, INC.	PARTS FOR AUTO REPAIRS	303.16
144379	02/05/2021	ALL MAGIC M.V. INC.	PAINT SERVICES: 2021 FORD F-150 SUPERCREW	500.00
144380	02/05/2021	AMAZON CAPITAL SERVICES	CS DEPT: LAPTOPS, SENIOR CTR, RECREATION, DIY EVENT, ETC	6,282.53
144381	02/05/2021	AMERICAN MEDICAL RESPONSE	AMBULANCE SERVICE: CS STAFF 10/31/20	2,670.00
144382	02/05/2021	ANDERSON CHEVROLET	PARKS DIVISION: SPARE KEY	40.00
144383	02/05/2021	ANDERSON ELECTRIC	ELECTRICAL REPAIRS/MAINT AT VARIOUS LOCATIONS	3,920.00
144384	02/05/2021	COUNTY OF RIVERSIDE	ANIMAL SHELTER SERVICES MAR-APR 2020	55,290.00
144385	02/05/2021	ATWORK FRANCHISE, INC.	TEMP STAFF SERVICES	4,782.85
144386	02/05/2021	CALIFORNIA VETERINARY SPECIALISTS	ANIMAL CONTROL DEPT	60.00
144387	02/05/2021	CAMPOS MATERIALS	CITY HALL: RED WOOD CHIPS	165.30
144388	02/05/2021	CEP AMERICA CALIFORNIA	EMERGENCY VISIT: 10/31/2020	684.00
144389	02/05/2021	CINTAS	FACILITY MAINT SUPPLIES	1,359.54
144390	02/05/2021	CINTAS	FIRST AID KIT REFILL	72.83
144391	02/05/2021	COMMUNITY WORKS DESIGN GROUP	FOSS FIELD PROP 68 GRANT WRITER, NOV-DEC 2020	5,332.96
144392	02/05/2021	CORPORATE PAYMENT SYSTEMS	ACM: STAFF MEALS DEC 30, 2020	174.57
144393	02/05/2021	DAN'S FEED AND SEED INC.	MECHANIC GLOVES/SAW BLADE	56.00
144394	02/05/2021	DATA TICKET, INC.	DAILY CITATION PROCESSING	91.55
144395	02/05/2021	DEGUIRE WEED ABATEMENT	HOMELESS ENCAMPMENT CLEAN UP	889.56
144396	02/05/2021	COUNTY OF RIVERSIDE	PATRIOT PARK: FOOD PERMIT	550.00
144397	02/05/2021	EASTERN MUNICIPAL WATER DISTRICT	12/07-1/11/2021	1,743.75
144398	02/05/2021	FAST 5 PERRIS 8, LLC	PARKS DIVISION: FLEET CAR WASH	48.60
144399	02/05/2021	FEDERAL EXPRESS CORP	1/15-1/26/2021	249.62
144400	02/05/2021	FRONTIER	WATER DEPT: 209-151-3935 1/19-2/18/21	69.37
144401	02/05/2021	GALLARDOS TRANSMISSION	LAWN/MOWER REPAIRS	100.00

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144402	02/05/2021	GAVILAN SPRINGS NURSERY	PARKS BEAUTIFICATION	36.64
144403	02/05/2021	GOSCH - FORD	CITY VEHICLE MAINTENANCE: 2012 LINCOLN MKZ	903.83
144404	02/05/2021	ANLIND OF TEMECULA INC.	SHERIFF DEPT: 2014 BMW R1200RT SERVICE	282.82
144405	02/05/2021	HIDDEN EYE SECURITY / H.E.S.	CITY HALL: FIRE SYSTEM MONITOR & MAINTENANCE	273.00
144406	02/05/2021	IB REPROGRAPHICS	PARKS DIVISION: PRINTING SERVICES	45.99
144407	02/05/2021	VISUAL EDGE, INC.	PUB WORKS: PRINTER SERVICES	509.32
144408	02/05/2021	INLAND AUTO EQUIPMENT	13HP GAS ENGINE AIR COMPRESSOR	3,227.11
144409	02/05/2021	INLAND DESERT SECURITY & COMMUNICATIONS	ANSWERING SERVICES: ANIMAL CONTROL	470.00
144410	02/05/2021	ANA JACQUEZ	VISION REIMBURSEMENT	296.00
144411	02/05/2021	JIM ROGERS' LOCK & KEY	DUPLICATE KEYS	271.22
144412	02/05/2021	LAWN TECH	PARKS DIVISION: EQUIPMENT MAINTENANCE	651.44
144413	02/05/2021	LO, ISABEL	WATER DEPOSIT REFUND	48.93
144414	02/05/2021	EASTERN MUNICIPAL WATER DIST.	COVID19: UTILITY ASSISTANCE PROGRAM	175.60
144415	02/05/2021	LOS ANGELES ENGINEERING, INC.	MORGAN PARK PHASE II 12/01-12/31/2020	416,537.00
144416	02/05/2021	MANPOWER TEMP SERVICES, INC	TEMP STAFF SERVICES	16,249.85
144417	02/05/2021	MOJARRAS & WISMAYER GROUP INC.	EMPLOYMENT ACCOMODATION	930.00
144418	02/05/2021	NATIONAL AUTO FLEET GROUP	PUB WORKS: 2020 FORD F-150 TRUCK	27,716.64
144419	02/05/2021	ANDREW PETERS	TIRE SERVICE REIMBURSEMENT	15.50
144420	02/05/2021	RACHEL PINEDO	STAFF LUNCH MEETING	0.00
144421	02/05/2021	PITNEY BOWES INC	MAILER MACHINE 3/20-6/19/2019	838.76
144422	02/05/2021	QC SOUTHWEST, INC.	MORGAN PARK PHASE II 9/10-11/13/2020	29,265.00
144423	02/05/2021	ARCENIO RAMIREZ	LUNCH MEETING/CPRS AWARDS PRGM REIMBURSEMENT	141.19
144424	02/05/2021	RIGHTWAY	PORTABLE TOILET SERVICES	94.78
144425	02/05/2021	RIVERSIDE COUNTY SHERIFF'S DEPT	SART EXAMS, NOVEMBER 2020	3,200.00
144426	02/05/2021	ROW TRAFFIC SAFETY, INC	BARRICADE LIGHTS/MESSAGE BOARD EQUIPMNT RENTAL	3,822.88
144427	02/05/2021	SALVADOR TORRES	COVID19: MORTGAGE/RENTAL ASSISTANCE PROGRAM	7,200.00
144428	02/05/2021	JAMIE SALAZAR	BACKFLOW TESTER COURSE, OCT 2020	1,265.00
144429	02/05/2021	SAM'S CLUB DIRECT	MEMBERSHIP RENEWAL	125.00
144430	02/05/2021	JOAN SARMIENTO-ARRIOLA	VISION REIMBURSEMENT	145.00
144431	02/05/2021	SOUTHERN CALIFORNIA EDISON	12/18-1/20/2021	194.99
144432	02/05/2021	SOUTHERN CALIFORNIA EDISON	2-01-572-0816 11/30-12/29/2020	11,922.01
144433	02/05/2021	SPARKLETT'S	BOTTLED WATER SERVICES	87.30
144434	02/05/2021	STATE OF CALIFORNIA	BLOOD ALCOHOL ANALYSIS	175.00
144435	02/05/2021	SUSAN W CASE INC.	PEDESTRIAN BRIDGE; PUBLIC NOTICES	335.00
144436	02/05/2021	TAPCO	2021 MUTGD POSTER	61.65
144437	02/05/2021	TLC ANIMAL REMOVAL SERVICES	ANIMAL DISPOSAL FEES, DEC 2020	1,000.00
144438	02/05/2021	COUNTY OF RIVERSIDE	SIGNAL/LIGHT COSTS, SEPT 2020	19,876.55
144439	02/05/2021	TRANSPORT GRAPHICS	CITY VEHICLE DECALS	83.17
144440	02/05/2021	ANGELIC TREJO	CS DEPT SUPPLIES REIMBURSEMENT	93.69
144441	02/05/2021	TRULY NOLEN OF AMERICA , INC.	CITY HALL: MONTHLY PEST CONTROL SVCS	507.00
144442	02/05/2021	UNIFIRST CORPORATION	UNIFORM MAINTENANCE SERVICES	759.49

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144443	02/05/2021	UNITED STORM WATER, INC	YEAR 3 FLOOD CTRL MAINTAANCE 10/19-10/29/20	35,947.80
144444	02/05/2021	VERIZON WIRELESS	SHERIFF DEPT: 12/11-1/10/2021	116.81
144445	02/05/2021	VISTA PAINT CORPORATION	SERVICE CHARGE	7.27
144446	02/05/2021	WALTERS WHOLESale ELECTRIC CO	"D" STREET LIGHTS	317.29
144447	02/05/2021	WESTERN RIVERSIDE COUNCIL OF GOV	TUMF FEES COLLECTED, DEC 2020	265,384.00
144448	02/05/2021	WINGRAPHICS, INC	COVID19: DECALS	43.10
144449	02/05/2021	XEROX FINANCIAL SERVICES	CONTRACT LEASE: SEVERAL DEPT	722.50
144450	02/11/2021	ADVANCE REFRIGERATION & ICE SYSTEMS	ICE MACHINE REPAIRS (SR CENTER & CITY YARD)	1,225.41
144451	02/11/2021	ALESHIRE & WYNDER, LLP	LEGAL SERVICES, DECEMBER 2020	70,998.96
144452	02/11/2021	AMERICAN FORENSIC NURSES LLC	BLOOD DRAWS	550.00
144453	02/11/2021	CREATIVE PRINTING	WATER BILLS/BUSINESS CARDS/CORRECTION NOTICES	2,373.25
144454	02/11/2021	DENNIS GRUBB & ASSOCIATES	PLAN CHECK SERVICES	7,900.00
144455	02/11/2021	HOME DEPOT CREDIT SERVICES	CITY HALL/PARKS MAINTENANCE MATERIALS	1,264.59
144456	02/11/2021	INTERWEST CONSULTING GROUP, INC.	VARIOUS ENGINEERING PROJECTS	24,197.73
144457	02/11/2021	J THAYER COMPANY, INC.	OFFICE SUPPLIES	681.44
144458	02/11/2021	LA GARE CAFE	COVID19: SR CTR LUNCH BOXES AUG-DEC 2020	1,553.60
144459	02/11/2021	PACIFIC CODE COMPLIANCE	EMERGENCY SERVICES, JAN 2021	2,015.00
144460	02/11/2021	JIM FORBES VOICE, INC.	PUBLIC NOTICES: PARKS DEVELOPMENT	622.98
144461	02/11/2021	RK ENGINEERING GROUP INC	PERRIS/RAMONA DPR00012	2,000.00
144462	02/11/2021	LAURA SOSA	VIDEO SHOOT: SENIOR CENTER 2/01/21	200.00
144463	02/11/2021	WILLDAN FINANCIAL SERVICES	ANNUAL DISCLOSURE CFD STATEMENT	19,250.00
144464	02/11/2021	ALEJANDRE, ANA	WATER DEPOSIT REFUND	67.70
144465	02/11/2021	AMAZON CAPITAL SERVICES	COVID TESTING SITE FLYERS/WEBCAM/PROMOTIONAL ITEMS	351.70
144466	02/11/2021	ANDERSON CHEVROLET	SERVICE: 2009 CHEVY TRUCK SILVERADO	1,006.57
144467	02/11/2021	ANDERSON ELECTRIC	MAINT/REPAIRS AT VARIOUS LOCATIONS	7,515.00
144468	02/11/2021	ATWORK FRANCHISE, INC.	TEMP STAFF SERVICES	6,853.29
144469	02/11/2021	AUTO ZONE COMMERCIAL	CHEVY TRUCK PARTS	429.69
144470	02/11/2021	BAY ALARM COMPANY	100 N D STREET: CLOSED CIRCUIT TV	4,179.00
144471	02/11/2021	BDL ALARMS, INC.	SENIOR CENTER: MONTHLY FIRE ALARM SVCS	140.00
144472	02/11/2021	BEAUMONT ELECTRIC, INC.	CIVIC CENTER PARKING LOT	710.00
144473	02/11/2021	DEREK BROWN	VIRTUAL: HIP HOP DANCE INSTRUCTOR	225.00
144474	02/11/2021	BUDLONG & ASSOCIATES, INC.	NUOVO ROAD BRIDGE PROJECT	532.50
144475	02/11/2021	CADENCE ENVIRONMENTAL CONSULTANTS	PLAN REVIEW SERVICES	6,423.75
144476	02/11/2021	CAL-STORM COMPLIANCE, INC.	MORGAN PARK PHSE II	1,500.00
144477	02/11/2021	CINTAS	FACILITY MAINT SUPPLIES	1,191.56
144478	02/11/2021	CINTAS	FIRST AID KIT REFILL	284.28
144479	02/11/2021	CMS COMMUNICATIONS, INC	CMS LICENSES/DESK PHONE	1,253.00
144480	02/11/2021	CORPORATE PAYMENT SYSTEMS	CM: STAFF LUNCH	36.26
144481	02/11/2021	CORPORATE PAYMENT SYSTEMS	EMPLOYEE RECOGNITION LUNCH	118.44
144482	02/11/2021	CR&R	TRASH FEES COLLECTED BY EMWD, DEC 2020	514,944.71
144483	02/11/2021	CRAFCO INC.	ASPHALT HOT BOX TRAILER	44,304.85

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144484	02/11/2021	DIVERSIFIED DISTRIBUTION	GROUP 78 BATTERIES	269.97
144485	02/11/2021	DUTALE, INC. DBA MCS	227 N D STREET CAT6 NETWORK DROPS	3,131.27
144486	02/11/2021	EIDE BAILLY LLP	ACCOUNTING SERVICES, DEC-JAN 2021	16,080.50
144487	02/11/2021	FIRST SECURITY FINANCE, INC.	SOLAR LOAN PAYMENT, 2/01-3/01/21	2,563.82
144488	02/11/2021	FK NUTRITION CONSULTING, INC.	GROW PERRIS USDA GRANT; CONSULTING SERVICES	855.00
144489	02/11/2021	FRONTIER	WATER 940-4036 1/16-2/15/2021	275.65
144490	02/11/2021	GALAXY PARTY SUPPLY & GIFTS	COVID19: BUSINESS ASSISTANCE PROGRAM	10,000.00
144491	02/11/2021	ARTURO GARCIA	VISION REIMBURSEMENT	199.98
144492	02/11/2021	GLOBAL POWER GROUP, INC.	GENERATOR MAINT: CITY HALL/FIRE STATION/SR CENTER	920.00
144493	02/11/2021	GUARANTEED JANITORIAL SERVICE	COVID19: CLEANING SERVICES OF PARK RESTROOMS/PLAYGROUNDS	26,120.60
144494	02/11/2021	HAULAWAY STORAGE CONTAINERS, INC	1093 HARLEY KNOX: 20FT CONTAINER RENTAL	165.20
144495	02/11/2021	HERA GENERAL ENGINEERING, INC.	ENCHANTED HILLS PARK	161,640.60
144497	02/11/2021	HONEYWELL GLOBAL FINANCE	SOLAR PANELS, NOV 2020 KWH PRODUCTION	9,599.35
144498	02/11/2021	REDLANDS TOWNE SQUARE	COVID19: MORTGAGE/RENTAL ASSISTANCE PROGRAM	7,200.00
144499	02/11/2021	VISUAL EDGE, INC.	CS DEPT: PRINTER SERVICES	3,074.15
144500	02/11/2021	INLAND ROAD SERVICE & TIRE	FLAT TIRE REPAIR, RADIAL PATCH	302.34
144501	02/11/2021	INTERMEDIA.NET INC.	OFFICE 365 LICENSES, DEC - JAN 2021	3,505.89
144502	02/11/2021	IRON MOUNTAIN	FILE STORAGE SERVICES	343.63
144503	02/11/2021	JOHNSON EQUIPMENT CO.	NEW F150 VEHICLE EQUIPMENT INSTALL	3,193.75
144504	02/11/2021	JERI LEE	ZUMBA FOR KIDS & ADAPTIVE ZUMBA DEC - JAN 2021	1,125.00
144506	02/11/2021	LAURIE LEVINE	VISION REIMBURSEMENT	190.31
144507	02/11/2021	FREMONT BANK	ENCHANTED HILLS PARK PROJECT	708.75
144508	02/11/2021	MANPOWER TEMP SERVICES, INC	COVID19: MORTGAGE/RENTAL ASSISTANCE PROGRAM	7,200.00
144509	02/11/2021	EMMANUEL MARQUEZ	TEMP STAFF SERVICES	15,729.93
144510	02/11/2021	RAFAEL MOJICA	VISION REIMBURSEMENT	775.21
144511	02/11/2021	MOORE FENCE COMPANY	WORK BOOTS REIMBURSEMENT	250.00
144512	02/11/2021	MR. G'S PLUMBING	METZ PARK: TRANSFER STATION	5.39
144513	02/11/2021	NATIONAL BUSINESS FURNITURE, LLC	FIRE STATION REPAIRS	450.00
144514	02/11/2021	NineSeven LLC	CITY MANAGER'S OFFICE FURNITURE	942.59
144515	02/11/2021	RACHEL PINEDO	JOB/SKILLS CENTER, SEPT 2020	5,217.39
144516	02/11/2021	PITNEY BOWES GLOBAL FINANCIAL	COMMUNITY OUTREACH PROP 68	167.74
144517	02/11/2021	PITNEY BOWES INC	MAILER MACHINE LEASE PAYMENT	838.77
144518	02/11/2021	PREFERRED BENEFIT INSURANCE	E-Z SEAL FOR POSTAGE METER	109.89
144519	02/11/2021	QUALITYIMPRINT	DELTA DENTAL, NOV-DEC 2020	14,152.40
144520	02/11/2021	QUIROZ TACOS	YAC SPECIAL EVENT PROMOTIONAL SUPPLIES	2,286.54
144521	02/11/2021	RIGHTWAY	COMMUNITY OUTREACH PROP 68 (2) PARKS	1,562.50
144522	02/11/2021	RIVERSIDE COUNTY SHERIFF'S DEPT	PORTABLE TOILET SERVICES	897.50
144523	02/11/2021	THE HUNT CLUB APARTMENTS	CONTRACT LAW ENFORCEMENT 8P#06 11/19-12/16/2020	1,516,054.28
144524	02/11/2021	ROSA'S BRIDE & TUX BOUTIQUE	COVID19: MORTGAGE/RENTAL ASSISTANCE PROGRAM	7,080.00
144525	02/11/2021	SAFETY-KLEEN SYSTEMS, INC.	RENTALS: COMMUNITY OUTREACH PROP 68	53.87
			CITY YARD: VACUUM SERVICE FEE (AUTOMOTIVE)	373.00

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144526	02/11/2021	SOUTHERN CALIFORNIA EDISON	12/09-1/08/2021	6,597.82
144527	02/11/2021	SERVICEMASTER RESTORATION BY EMT	COVID19: BOB GLASS GYM, CLEANING SERVICES 1/11-/15/2021	3,250.00
144528	02/11/2021	SHALABI, MOHAMMAD	WATER DEPOSIT REFUND	121.73
144529	02/11/2021	SIEMENS MOBILITY, INC.	REPLACE STL POLE: EVANS & RAMONA	4,837.56
144530	02/11/2021	STATER BROS MARKETS	CS DEPT: OFFICE SUPPLIES	179.11
144531	02/11/2021	STEVE'S TOWING INC	SHERIFF DEPT: TOWING SVCS TO PERRIS STATION	515.00
144532	02/11/2021	ARIZONA MACHINERY LLC	LAWN/MOWER REPAIRS	371.41
144533	02/11/2021	SUPERIOR, LLC	ASP GENERAL MAINT (PENTAMATION SOFTWARE) 2/01-2/28/21	4,072.87
144534	02/11/2021	SUPERIOR PAVEMENT MARKINGS, INC	CDBG: GEAR PROGRAM 11/26-12/30/2020	4,777.00
144535	02/11/2021	TalentZok	TEMP STAFF SERVICES	843.20
144536	02/11/2021	U.S. BANK	CFD BANK ADMIN FEES	1,100.00
144537	02/11/2021	U.S. DIARY	RECREATION DEPT: 2021 MONTHLY PLANNING GUIDES	296.77
144538	02/11/2021	UNIFIRST CORPORATION	MATT SERVICES, VARIOUS LOCATIONS	375.70
144539	02/11/2021	VERIZON WIRELESS	LICENSE PLATE READERS 11/14-12/13/2020	1,140.30
144540	02/11/2021	VOYAGER FLEET	FUEL CARDS	407.60
144541	02/11/2021	WALTERS WHOLESale ELECTRIC CO	CITY HALL/CITY YARD: INTERIOR LIGHTING REPAIRS	811.93
144542	02/11/2021	WINGRAPHICS, INC	COVID19: FLOOR DECALS/TESTING SITE SIGNAGE	373.20
144543	02/11/2021	WINZER CORPORATION	CITY YARD: SHOP TOOLS	536.00
144544	02/11/2021	XEROX FINANCIAL SERVICES	COPIER LEASE PAYMENT	365.04
144545	02/17/2021	ALESHIRE & WYNDER, LLP	LEGAL SERVICES, JANUARY 2021	5,736.00
144546	02/17/2021	AMERICAN FORENSIC NURSES LLC	BLOOD DRAWS	330.00
144547	02/17/2021	BILL & DAVE'S LDSC MAINTENANCE	PARKS: LANDSCAPE MAINTENANCE DEC 2020	33,463.25
144548	02/17/2021	DENNIS GRUBB & ASSOCIATES	PLAN REVIEW SERVICES	220.00
144549	02/17/2021	FLOWATER, INC.	DRINKING WATER DISPENSERS	1,463.14
144550	02/17/2021	HOME DEPOT CREDIT SERVICES	BOB GLASS GYM/227 N D ST BLDG/CITY YARD SHOP TOOLS/ETC	834.60
144551	02/17/2021	INTERWEST CONSULTING GROUP, INC.	VARIOUS ENGINEERING PROJECTS	162,845.65
144552	02/17/2021	J THAYER COMPANY, INC.	OFFICE SUPPLIES	655.54
144553	02/17/2021	DAVID OSORIO	VIRTUAL: MARIACHI INSTRUCTION JAN 2021	1,000.00
144554	02/17/2021	SALVADOR OSORIO	VIRTUAL: MARIACHI INSTRUCTION JAN 2021	1,000.00
144555	02/17/2021	RK ENGINEERING GROUP INC	RIDER N ASSEMBLAGE PROJECT	1,600.00
144556	02/17/2021	SOCIAL WORK ACTION GROUP	HOMELESS SERVICES 1/01-1/31/2021	18,000.00
144557	02/17/2021	WATER EDUCATION SERVICES, INC	PROFESSIONAL SERVICES: COORDINATION WITH INFRAMARK	3,960.00
144558	02/17/2021	WEST COAST ARBORISTS, INC	TREE SERVICES, VARIOUS LOCATIONS	2,115.80
144559	02/19/2021	ACTIVE IMPRESSIONS	GROW PERRIS PRINTING AND MARKETING ITEMS	195.75
144560	02/19/2021	ADAME LANDSCAPE, INC.	LANDSCAPE MAINT, DEC 2020	16,812.34
144561	02/19/2021	ADLERHORST INTERNATIONAL LLC	ON SITE K-9 TRAINING	175.00
144562	02/19/2021	AMERICAN EAGLE TROPHIES	NAME PLATE FOR STAFF	19.58
144563	02/19/2021	ANDERSON ELECTRIC	CITY HALL CM OFFICE/CITY YARD FLOOD	2,444.00
144564	02/19/2021	MARIA ARREGUIN	WORK BOOTS REIMBURSEMENT	204.71
144565	02/19/2021	ATWORK FRANCHISE, INC.	TEMP STAFF SERVICES	993.38
144566	02/19/2021	BLADES GROUP, LLC	ROCK ASPHALT 50 LB BAGS	4,464.00

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144567	02/19/2021	BMW MOTORCYCLES OF RIVERSIDE	SHERIFF DEPT: SERVICE BMW MOTORCYCLES	2,383.08
144568	02/19/2021	CADENCE ENVIRONMENTAL CONSULTANTS	DEDEAUX WALNUT & WILSON MIND REVIEW	11,293.50
144569	02/19/2021	CAL ANIMALS	ANIMAL CONTROL STAFF TRAINING	100.00
144570	02/19/2021	CB KENNER, INC.	PROJECT: 227 N D STREET 12/01-12/31/20	82,814.01
144571	02/19/2021	CENTER AGAINST SEXUAL ASSAULT	FOLLOW UP EXAM	300.00
144572	02/19/2021	CHILD PROTECTION TEAM	SHERIFF: EXAM 2/02/2021	500.00
144573	02/19/2021	CINTAS	FACILITY MAINT SUPPLIES	2,035.29
144574	02/19/2021	COMTRONIX COMMUNICATIONS, INC.	SHERIFF: POLARIS SIREN/LIGHTING INSTALLATION	5,094.51
144575	02/19/2021	CORPORATE PAYMENT SYSTEMS	ACM: CONF CALL EQUIPMENT/COUNCIL CHAMBERS EQUIPMENT	5,724.12
144576	02/19/2021	CORPORATE PAYMENT SYSTEMS	OFFICE FURNITURE/FLOORING/ECONOMIC DEV SUBSCRIPTION	7,116.27
144577	02/19/2021	DAN'S FEED AND SEED INC.	PUB WORKS: BOOTS	35.55
144578	02/19/2021	EASTERN MUNICIPAL WATER DISTRICT	PARKS: 12/17-1/22/2021	16,842.52
144579	02/19/2021	EASTERN MUNICIPAL WATER DISTRICT	12/21-1/25/2021	148,732.05
144580	02/19/2021	EXPERIAN	CREDIT SERVICES: WATER DEPT 12/28-1/29/21	55.01
144581	02/19/2021	FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY	LANDLORD/TENANT PROGRAM, JAN 2021	2,726.99
144582	02/19/2021	FAMILY SERVICE ASSOC.	MOBILE FRESH: CDBG PROGRAM	4,776.31
144583	02/19/2021	FLO-SERVICES, INC.	7TH STREET PUMP STATION	17,243.51
144584	02/19/2021	WARREN ANDERSON	F-150 4X4 FORD TRUCK FOR PUB WORKS	37,512.16
144585	02/19/2021	HINDERLITER DeLLAMAS & ASSOCIATES	SALES TAX/AUDIT SERVICES FOR 4TH & 2D QTR	29,051.16
144586	02/19/2021	INFRAMARK LLC	ADDITIONAL SERVICES: SEWER ON PERRIS OFF METZ RD	6,480.00
144587	02/19/2021	KH METALS AND SUPPLY	MATERIALS FOR SAN JACINTO AVE	444.66
144588	02/19/2021	KIMBALL MIDWEST	CITY YARD: SHOP TOOLS	400.35
144589	02/19/2021	KIMLEY-HORN AND ASSOCIATES, INC.	LOCAL ROAD SAFETY PLAN NOV-DEC 2020	36,045.16
144590	02/19/2021	KOPP-SONG, ABBY SUE	WATER DEPOSIT REFUND	90.19
144591	02/19/2021	MAC TOOLS DISTRIBUTOR	CITY YARD: SHOP TOOLS	2,622.93
144592	02/19/2021	MANPOWER TEMP SERVICES, INC	TEMP STAFF SERVICES	4,869.95
144593	02/19/2021	P&P UNIFORMS RIV	CODE ENFORCEMENT OFFICERS	716.43
144594	02/19/2021	PERRIS VALLEY CHAMBER OF COMMERCE	COVID19: BUSINESS ASSISTANCE PROGRAM (ROUND 2)	10,000.00
144595	02/19/2021	PUBLIC ENTITY RISK MANAGEMENT	WORKERS COMP 3RD QTR FY 20-21	97,743.75
144596	02/19/2021	RECYCLE AWAY, LLC	LITTER REDUCTION	5,508.93
144597	02/19/2021	RIGHTWAY	PORTABLE TOILET SERVICES	94.78
144598	02/19/2021	JOSEPH RIVERA	VISION REIMBURSEMENT	810.40
144599	02/19/2021	S&H CIVILWORKS	A & NUEVO : CONCRETE & STAIR PROJECT	274,460.70
144601	02/19/2021	SOUTHERN CALIFORNIA EDISON	7TH ST & B ST 1/01-2/01/2021	4,113.44
144602	02/19/2021	SOUTHERN CALIFORNIA EDISON	12/19-2/01/2021	4,302.81
144603	02/19/2021	SOUTHERN CALIFORNIA EDISON	12/05-1/06/2021	6,437.20
144604	02/19/2021	SOUTHERN CALIFORNIA EDISON	12/28-1/27/2021	9,489.14
144605	02/19/2021	SOUTHERN CALIFORNIA EDISON	ORANGE AVE 1/01-2/01/2021	33,465.55
144606	02/19/2021	SIEMENS MOBILITY, INC.	4TH & B ST POLE KD & INSTALLATION	6,427.56
144607	02/19/2021	SOCAL GAS	12/28-1/27/2021	5,034.38
144608	02/19/2021	SPARKLETT'S	BOTTLED WATER SERVICES	41.73

**CITY OF PERRIS
CHECK REGISTER
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CK NUMBER	DATE ISSUED	VENDOR	DESCRIPTION	AMOUNT
144609	02/19/2021	STATER BROS MARKETS	COMMUNITY OUTREACH PROP 68	68.40
144610	02/19/2021	STEVE LEMON AIR CONDITIONING	MONTHLY A/C MAINTENANCE	2,339.00
144611	02/19/2021	TalentZok	TEMP STAFF SERVICES	961.78
144612	02/19/2021	TEAMVIEWER GERMANY GmbH	FINAL PAYMENT 2/13-2/12/2021	1,230.00
144613	02/19/2021	SPECTRUM BUSINESS	CABLE/INTERNET VARIOUS LOCATIONS	453.94
144614	02/19/2021	JOSE RODOLFO AVILA FRANCO	COVID19: MORTGAGE/RENTAL ASSISTANCE PROGRAM	5,250.00
144615	02/19/2021	UNIFIRST CORPORATION	MAT SCRAPER SERVICES	1,109.94
144616	02/19/2021	VERIZON WIRELESS	PW ACCT: 8/14-12/13/2020	14,051.10
144617	02/19/2021	WALTERS WHOLESale ELECTRIC CO	CITY HALL: LIGHTING SUPPLIES	510.20
144618	02/19/2021	WASTE WISE PRODUCTS, LLC	CAL RECYCLING RECEIPTABLE	8,145.12
144619	02/19/2021	WESTERN RIVERSIDE COUNTY MSHCP	MSHCP FEES COLLECTED, JAN 2021	61,509.96
144620	02/19/2021	EASTERN MUNICIPAL WATER DIST.	COVID19: UTILITY ASSISTANCE PROGRAM	79.87
144621	02/19/2021	SOUTHERN CALIFORNIA EDISON	COVID19: UTILITY ASSISTANCE PROGRAM	220.13
144622	02/24/2021	ALESHIRE & WYNDER, LLP	LEGAL SERVICES, PERSONNEL JAN 2021	576.00
144623	02/24/2021	BILL & DAVE'S LDSC MAINTENANCE	PARKS/LMD OCT-DEC 2020	10,717.15
144624	02/24/2021	CAMERON WELDING SUPPLY	PACKAGED GASES FOR WELDING	61.32
144625	02/24/2021	HOME DEPOT CREDIT SERVICES	PARKS MATERIALS	1,287.65
144626	02/24/2021	INTERWEST CONSULTING GROUP, INC.	VARIOUS ENGINEERING PROJECTS	156,476.00
144627	02/24/2021	J THAYER COMPANY, INC.	OFFICE SUPPLIES	12.83
144628	02/24/2021	LEILANI CONSTRUCTION INC.	S/E CORNER FO RAMONA EXPRESSWAY	11,750.00
144629	02/24/2021	LYONS SECURITY SERVICE INC.	CITY HALL SECURITY OFFICER/VEHICLE PATROL	33,384.12
144630	02/24/2021	RK ENGINEERING GROUP INC	FOOD MART PERRIS/HARLEY KNOX BLVD	2,760.00
144631	02/24/2021	TEAMSTERS LOCAL 911	UNION DUES, FEB 2021	3,437.00
144632	02/26/2021	AMAZON CAPITAL SERVICES	OFFICE SUPPLIES	217.46
144633	02/26/2021	AMERICAN DYNAMIC SERVICES, INC	QTRLY MONITORING JAN-MAR 2021	135.00
144634	02/26/2021	ANDERSON ELECTRIC	MAINT/REPAIRS AT VARIOUS LOCATIONS	5,303.00
144635	02/26/2021	ATWORK FRANCHISE, INC.	TEMP STAFF SERVICES	2,055.84
144636	02/26/2021	BANNER BANK	RETENTION RELEASE: ESCROW ACCOUNT LOS ANGELES ENGINEERING	64,691.50
144637	02/26/2021	BIO-TOX LABORATORIES	BLOOD ALCOHOL ANALYSIS	1,788.00
144638	02/26/2021	BIO-TOX LABORATORIES	BLOOD ALCOHOL ANALYSIS	2,185.00
144639	02/26/2021	BUDLONG & ASSOCIATES, INC.	PLACENTIA INTERCHANGE	570.00
144640	02/26/2021	CADENCE ENVIRONMENTAL CONSULTANTS	PLANNING: MIND REVIEW SERVICES	7,537.50
144641	02/26/2021	CAL-STORM COMPLIANCE, INC.	MORGAN PARK PHSE II	750.00
144642	02/26/2021	CALIFORNIA PLANNING & DEV REPORT	CP&DR YEARLY SUBSCRIBER	338.00
144643	02/26/2021	CG RESOURCE MANAGEMENT	MORGAN PARK/GOETZ PARK PROJECT	5,398.11
144644	02/26/2021	CHO DESIGN ASSOCIATES, INC.	NUOVO ROAD BRIDGE PROJECT	2,000.00
144645	02/26/2021	CITI CARDS	MONTHLY PAYPAL FEE FOR PLANNING DEPT	30.00
144646	02/26/2021	CM'S COMMUNICATIONS, INC	IT SUPPORT BILLING	52.50
144647	02/26/2021	CONSERVE LANDCARE LLC	PERRIS BLVD MEDIAN & PARKWAY	11,210.00
144648	02/26/2021	CORPORATE PAYMENT SYSTEMS	OFFICE SUPPLIES/FIRE STATION INTERNET	364.64
144649	02/26/2021	CORPORATE PAYMENT SYSTEMS	CA CITIES CONFERENCE/EMPLOYEE APPRECIATION/MEETING	594.73

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CK NUMBER	DATE ISSUED	VENDOR	DESCRIPTION	AMOUNT
144650	02/26/2021	CORPORATE PAYMENT SYSTEMS	OFFICE SUPPLIES/PARKS & REC EVENT SUPPLIES	1,005.66
144651	02/26/2021	CORPORATE PAYMENT SYSTEMS	OFFICE PLATES PROGRAM 1/14-2/08/2021	19,678.04
144652	02/26/2021	COUNTY OF MARIN/CAL-SLA	ANNUAL MEMBERSHIP FOR FY ENDING 6/30/2021	1,260.00
144653	02/26/2021	CR&R ENVIRONMENTAL SERVICES	SOLID WASTE, JANUARY 2021	85,672.21
144654	02/26/2021	CR&R	251 W MET, CONTAINER RENT JAN 2021	1,230.50
144655	02/26/2021	DAN'S FEED AND SEED INC.	PARKS TOOLS	16.11
144656	02/26/2021	DATA TICKET, INC.	DAILY CITATION PROCESSING	37.11
144657	02/26/2021	PREMI DURAIRAJ	PERRIS FS2 FRAMEWORK & ACTION PLAN	2,500.00
144658	02/26/2021	EARTHCHEM INDUSTRIAL SUPPLY, LLC	COVID19- DISINFECTANT SUPPLIES/HAND SANITIZER	13,597.78
144659	02/26/2021	EASTERN MUNICIPAL WATER DISTRICT	SEWER FEES, JANUARY 2021	170,722.94
144660	02/26/2021	EASTERN MUNICIPAL WATER DISTRICT	1/04-2/01/2021	3,184.19
144661	02/26/2021	EMPLOYMENT SCREENING SERVICES	DEGREE VERIFICATION	25.50
144662	02/26/2021	ESTRELLA, RAQUEL	WATER DEPOSIT REFUND	111.12
144663	02/26/2021	FEDERAL EXPRESS CORP	2/03/2021	69.01
144664	02/26/2021	FIELDMAN, ROLAPP & ASSOCIATES	PROFESSIONAL SERVICES: FINANCE 1/06-1/29/2021	4,060.71
144665	02/26/2021	FIRE ETC	SUPPLIES FOR FIRE STATION 90	342.56
144666	02/26/2021	FLO-SERVICES, INC.	4TH STREET PUMP STATION	10,260.18
144667	02/26/2021	LILIANA RUVALCABA	COVID19: MORTGAGE/RENTAL ASSISTANCE PROGRAM	7,200.00
144668	02/26/2021	GRAFFITI TRACKER INC	TRACKING SERVICES MAY 2020 - APRIL 2021	18,900.00
144669	02/26/2021	GREENPLAY, LLC	CONSULTING SERVICES: PARKS & REC	7,121.10
144670	02/26/2021	BRYANT HILL	REIMBURSEMENT: PW MATERIALS	107.72
144671	02/26/2021	HIRSCH & ASSOCIATES INC	MORGAN PARK PHASE II	5,055.00
144672	02/26/2021	HONEYWELL GLOBAL FINANCE	SOLAR: DEC - JAN KWH PRODUCTION	16,844.89
144673	02/26/2021	CLAUDIA HURTADO	VISION REIMBURSEMENT	799.85
144674	02/26/2021	IB REPROGRAPHICS	BID SPECS FOR CIVIC CENTER	627.91
144675	02/26/2021	VISUAL EDGE, INC.	PW PRINTER SERVICES	85.14
144676	02/26/2021	IMPERIAL SPRINKLER SUPPLY	PARTS FOR PARKS MAINT	2,047.45
144677	02/26/2021	IRON MOUNTAIN	FILE STORAGE SERVICES	650.69
144678	02/26/2021	LAWN TECH	PARKS EQUIPMENT MAINTENANCE	1,833.48
144679	02/26/2021	LOR GEOTECHNICAL GROUP INC	NIJEUO ROAD BRIDGE PROJECT	22,858.70
144680	02/26/2021	LOS ANGELES ENGINEERING, INC.	MORGAN PARK PMT #4 1/01-1/31/21	704,502.90
144681	02/26/2021	MANPOWER TEMP SERVICES, INC	TEMP STAFF SERVICES	350.02
144682	02/26/2021	MIR. G'S PLUMBING	PARKS MAINTENANCE	3,225.00
144683	02/26/2021	NALEO	ANNUAL MEMBERSHIP: M VARGAS	100.00
144684	02/26/2021	PURCHASE POWER	REPLENISH POSTAGE METER	4,007.00
144685	02/26/2021	REAL STATE UNLIMITED INC.	WATER DEPOSIT REFUND	142.74
144686	02/26/2021	RHA LANDSCAPE ARCHITECTS- PLANNERS, INC.	COPPER CREEK PROP 68	90.00
144687	02/26/2021	RIGHTWAY	PORTABLE TOILET SERVICES	1,795.00
144688	02/26/2021	RINCON CONSULTANTS, INC	NIJEUO RD CROSSING PRJCT	1,306.63
144689	02/26/2021	RIVERSIDE COUNTY SHERIFF'S DEPT	EXTRA DUTY EVENT: 12/01/2020	401.72
144690	02/26/2021	ROBERT'S FINE ART & FRAMING	CUSTOM ORDER: ADMINISTRATION DEPT	255.36

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CK NUMBER	DATE ISSUED	VENDOR	DESCRIPTION	AMOUNT
144691	02/26/2021	SC FUELS	FUEL CARDS	3,429.90
144692	02/26/2021	SOUTHERN CALIFORNIA EDISON	GOETZ RD TS72 12/24-1/26/2021	138.58
144693	02/26/2021	SOUTHERN CALIFORNIA EDISON	TRAFFIC SIGNAL DEC-JAN 2021	3,706.12
144694	02/26/2021	SERVICEMASTER RESTORATION BY EMT	COVID19 JANITORIAL SERVICES FOR BOB GLASS GYM	7,150.00
144695	02/26/2021	SIEMENS MOBILITY, INC.	B2 POLE KD & INSTALLATION; VARIOUS LOCATIONS	27,269.26
144696	02/26/2021	SPARKLETT'S	BOTTLED WATER SERVICES	69.02
144697	02/26/2021	STATE OF CALIFORNIA	BLOOD ALCOHOL ANALYSIS	70.00
144698	02/26/2021	STATER BROS MARKETS	COVID TESTING SITE SUPPLIES/PARKS SUPPLIES	183.49
144699	02/26/2021	STEVE LEMON AIR CONDITIONING	COVID19: DISINFECT HEATERS & A/C UNITS	3,110.00
144700	02/26/2021	ARIZONA MACHINERY LLC	PARTS FOR LAWNMOWER REPAIRS	165.63
144701	02/26/2021	SUPERION, LLC	ASP GENERAL MAINT (PENTAMATION SOFTWARE)	4,072.87
144702	02/26/2021	SUSAN W CASE INC.	ENCHANTED HILLS PARK	300.00
144703	02/26/2021	SWRCB	NUEVO BRIDGE WIDENING 7/01-6/30/2021	1,736.00
144704	02/26/2021	TalentZok	TEMP STAFF SERVICES	2,008.91
144705	02/26/2021	TEXAS A&M AGRILIFE EXTENSION	GROW PERRIS JUNIOR MASTER GARDENER	1,001.16
144706	02/26/2021	SPECTRUM BUSINESS	CABLE/INTERNET VARIOUS LOCATIONS	544.97
144707	02/26/2021	TRULY NOLEN BRANCH 064	PEST CONTROL SERVICES	275.00
144708	02/26/2021	UNITED WAY OF THE INLAND VALLEY	EMPLOYEE CONTRIBUTION, JAN 2021	51.00
144709	02/26/2021	URIBE PRINTING, INC.	BUSINESS CARDS	113.66
144710	02/26/2021	VERIZON WIRELESS	EOC MOBILE DEC-JAN 2021	93.49
144711	02/26/2021	VISTA PAINT CORPORATION	GRAFFITI ABATEMENT SUPPLIES	992.67
144712	02/26/2021	WALTERS WHOLESale ELECTRIC CO	SERVICE CHARGE	5.14
144713	02/26/2021	WINGRAPHICS, INC	COVID19: TESTING SITE SIGNAGE	572.12
TOTAL REGISTER				\$ 6,359,003.68



CITY OF PERRIS

10.A.

CITY COUNCIL AGENDA SUBMITTAL

MEETING DATE: April 13, 2021

SUBJECT: Placing CR&R residential refuse collection charges on property tax rolls instead of including the charges in water bills.

REQUESTED ACTION: That the City Council consider waiving further reading and introducing Ordinance No. (next in order):

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AMENDING SECTION 7.16.080 OF THE PERRIS MUNICIPAL CODE TO AUTHORIZE THE RIVERSIDE COUNTY TAX COLLECTOR TO PLACE RESIDENTIAL REFUSE COLLECTION CHARGES ON THE PROPERTY TAX ROLLS

CONTACT: Eric L. Dunn, City Attorney

BACKGROUND

The City granted a franchise agreement to CR&R for the collection and disposal of residential and commercial refuse within the City. CR&R entered into an agreement with Eastern Municipal Water District (EMWD) under which the bills for trash services are included in the customers' water bills. As a result, EMWD currently processes the billing for both water and trash services.

EMWD and CR&R have determined to end that process, which means CR&R will be required to bill customers directly. As an alternative, CR&R has proposed that the City enact an ordinance pursuant to California Health and Safety Code Section 5473 whereby all residential refuse collection charges would be billed on the County property tax roll, instead of doing direct billing.

If the ordinance is adopted, the City will receive payments from the Riverside County Tax Assessor's office, and these payments would in turn be sent to CR&R.

ANALYSIS/DISCUSSION

Section 7.16.080 of the Municipal Code currently provides that charges for refuse collection shall be added to utility bills. California Health and Safety Code Section 5473 provides that the City, by two-thirds vote of the members of the legislative body, may elect to have refuse collection charges collected on the County property tax roll in the same manner as general taxes.

If the ordinance is adopted, CR&R will prepare a report identifying the parcels upon which charges are proposed to be collected. The City Council must then hold a public hearing to consider all objections or protests. Following the hearing the City Council may adopt the report which is then forwarded to the County Auditor/Tax Collector, who will place the charges on the property tax roll.

Non-residential customers will be billed directly by CR&R. Residential customers who request temporary bins/roll off services will be billed directly by CR&R. New residential customers at properties that have not yet been placed on the tax roll will be billed directly on a quarterly basis by CR&R until the properties are placed on the tax roll.

The proposed Ordinance requires at least two-thirds approval of the City Council in order to be introduced.

BUDGET (or FISCAL) IMPACT:

None to the City.

Prepared by: Eric Dunn, City Attorney

REVIEWED BY:

City Attorney 
Assistant City Manager
Finance Director 

Attachments: 1. Ordinance No. (Next in order) amending Section 7.16.080 of the Perris Municipal Code to authorize the Riverside County Tax Collector to place residential refuse collection charges on the property tax rolls.

Consent:
Public Hearing: X
Business Item:
Presentation:
Other:

ATTACHMENT 1

ORDINANCE NUMBER (NEXT IN ORDER)

ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AMENDING SECTION 7.16.080 OF THE PERRIS MUNICIPAL CODE TO AUTHORIZE THE RIVERSIDE COUNTY TAX COLLECTOR TO PLACE RESIDENTIAL REFUSE COLLECTION FEES ON THE PROPERTY TAX ROLLS

WHEREAS, pursuant to Chapter 7.16 of the City of Perris (“City”) Municipal Code, the City contracts for the collection and disposal of solid municipal waste; and

WHEREAS, pursuant to Section 7.16.080 of the Municipal Code, charges for residential refuse collection are currently added to utility bills; and

WHEREAS, California Health and Safety Code Section 5473 provides that the City, by two-thirds vote of the members of the legislative body, may elect to have refuse collection charges collected on the County property tax roll in the same manner as its general taxes; and

WHEREAS, the City Council now desires to amend the Perris Municipal Code to authorize placing residential refuse collection charges on the County property tax rolls pursuant to Health and Safety Code Section 5473.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein by this reference.

Section 2. **Charges.** Section 7.16.080 of the Perris Municipal Code is amended to read in its entirety as follows:

“Sec. 7.16.080. - Charges.

(a) Charges for non-residential refuse collection, residential customers who request temporary bin/roll off services, and residential customers at properties not placed on the Riverside County property tax rolls pursuant to this Section 7.16.080, shall be billed by city’s contractor directly to the customer in accordance with the franchise agreement.

(b) Charges for residential refuse collection, including all current and delinquent charges, shall be collected on the Riverside County property tax rolls as authorized by California Health and Safety Code Section 5473, as may be amended.

(c) Charges for residential refuse collection shall be placed on the Riverside County property tax rolls in accordance with the procedures set forth in California Health and Safety Code Section 5473 *et seq.*, as may be amended, and in accordance with the franchise agreement.”

Section 3. **Severability.** If any subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declares that they would have passed each subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional or otherwise unenforceable.

Section 4. **Effective Date.** This Ordinance shall take effect 30 days after its adoption.

Section 5. **Certification.** The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

ADOPTED, SIGNED and APPROVED this ____ day of _____, 2021.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO
HEREBY CERTIFY that the foregoing Ordinance No. (Next in order) was duly adopted by the
City Council of the City of Perris at a regular meeting held the ___ day of _____,
2021, by the following called vote:

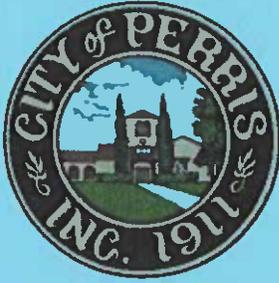
AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk, Nancy Salazar



10.B.

CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

MEETING DATE: April 13, 2021

SUBJECT: **Ordinance Amendment 21-05050** - An Ordinance Amendment to Municipal Code Sections 5.58.110(c) and 5.58.124(c) to allow cannabis cultivation and distribution within the Commercial zone. **Applicant:** Nick Ortega, CI Wellness, LLC

REQUESTED ACTION: Adopt the first reading of **Ordinance No. (next in order)** to approve Ordinance Amendment 21-05050 to allow cannabis cultivation and distribution within the Commercial zone of the north and south cannabis green areas except on Commercial zone properties within 500-feet of Perris Boulevard.

CONTACT: Candida Neal, Interim Director of Development Services

BACKGROUND/DISCUSSION:

On March 21, 2021, Nick Ortega with CI Wellness, LLC filed a request to amend Municipal Code Sections 5.58.110(C) and 5.58.124(C) to allow cannabis cultivation and distribution in the Commercial (C) zone within the Commercial zone of the north and south cannabis designated areas. Cannabis cultivation and distribution are currently allowed in the Light Industrial (LI) and General Industrial (GI) zones.

The reason for the proposed ordinance amendment is the lack of available property zoned for cannabis use. In looking for a property to locate his cannabis business, Mr. Ortega could not find an appropriately zoned property in either the northern end or southern end of the City. However, the applicant has identified a commercially zoned property within the northern end of the City with an existing legal non-conforming industrial building that they could occupy with the approval of the Ordinance Amendment.

ANALYSIS:

In considering the application, staff reviewed how similar communities zoned for these uses and looked at the impact the proposed amendment would have on the existing areas zoned for cannabis cultivation and distribution in the City of Perris.

Zoning in Other Cities. Staff discovered that all of the cities treated cultivation and distribution the same. If a city allowed cultivation in the commercial zoning districts, then distribution was also permitted on commercially zoned properties. Seven of the twelve cities' surveyed allowed cultivation and distribution in the commercial zone, two of which have boundaries adjacent to the City of Perris (i.e., County of Riverside and Moreno Valley). The survey results are summarized in the following table.

Cultivation and Distribution Permitted in Commercial Zone		
Community	Cultivation	Distribution
Adelanto	No	No
Banning	No	No
Cathedral City	Yes	Yes
Coachella	No	No
County of Riverside	Yes	Yes
Desert Hot Springs	No	No
Long Beach	Yes	Yes
Palm Desert	Yes	Yes
Palm Springs	Yes	Yes
Moreno Valley	Yes	Yes
San Diego	Yes	Yes
San Jacinto	No	No

South Perris Cannabis Green Area. Staff reviewed the cannabis green zone in the southern end of the City bounded by Watson to the south, Ellis Avenue to the north, the Santa Fe Railroad to the east, and the Perris Valley Storm Drain Channel to the east. There is no commercial zone land in this area, so the Ordinance Amendment does not apply to the southern end of town. (see Attachment 2)

North Perris Cannabis Green Area. Staff reviewed the cannabis green zone on the northern end of the City bounded by Perry Street to the south, the city limits to the north, the I-215 freeway to the west, and the Perris Valley Storm Drain to the east. (see Attachment 3)

The amendment would open two additional areas for cultivation and distribution, one at the intersection of Harley Knox Boulevard and Perris Boulevard and the other generally located along the south side of Harley Knox Boulevard at Oleander Avenue. (see Attachment 4 – Close-up Map of Commercial Zone Areas) Both commercial zone areas are not in proximity to any sensitive zones or uses, identified as being 600 feet away from a school, park, place of worship, youth-oriented facility, youth facility, daycare center, or residential zone. The closest sensitive uses (i.e., place of worship or residential zone lots) are at least ½ mile south of either of the two commercial zoned areas.

Regarding the commercially zoned area at the intersection of Harley Knox Boulevard and Perris Boulevard staff is concerned a cannabis cultivator and distributor could locate along the Perris Boulevard commercial corridor. Both cannabis cultivation and distribution are considered compatible with industrial uses. The City Council in recent years has been concerned about preserving existing commercial uses and viable commercially zoned land. To protect the Perris Boulevard commercial properties, staff is recommending cultivation and distribution along this corridor be required to maintain a minimum distance of 500-feet from Perris Boulevard. This will limit cultivation and distribution operations to the one parcel on the south side of Harley Boulevard and approximately 550-feet east of Perris Boulevard. This property is surrounded by industrial land uses along three frontages (i.e., north, south, and west), with existing industrial buildings to the north of Harley Knox Boulevard and south of the site.

The second commercial area on the south side of Harley Knox Boulevard at Oleander Avenue could open five parcels for cannabis cultivation or distribution. Although these properties are zoned commercial, the uses on these properties are currently industrial, as they were zoned industrial before the adoption of the PVCC Specific Plan. Several factors encourage industrial businesses to remain based upon the fact there

are existing industrial uses on the properties, and they are within the B2 zone of the March Air Reserve Base Compatibility Plan. The B2 zone places limitations on commercial uses in close proximity to the airport runway. These limitations prohibit commercial uses such as children's schools, daycare centers, libraries, hospitals, hotels/motels, and places of assembly. Also, total density is limited to 100 people per acre of building area. As an example, if a proposed building is 43,000 sq ft, it will need to be demonstrated no more than 100 people will occupy the site at any time.

RECOMMENDATION:

Therefore, staff recommends the City Council adopt the first reading of **Ordinance No. (next in order)** to approve Ordinance Amendment 21-05050 to allow cannabis cultivation and distribution within the Commercial zone of the north and south cannabis green areas except on Commercial zone properties within 500-feet of Perris Boulevard.

BUDGET (or FISCAL) IMPACT: The cost for staff preparation of this item is borne by the applicant.

Prepared by: Kenneth Phung, Planning Manager
Reviewed by: Candida Neal, Interim Director of Development Services

City Attorney _____
Assistant City Manager 
Finance Director 

Consent:
Public Hearing: X
Business Item:
Presentation:
Others:

- Attachments:**
1. Ordinance No. (Next in Order)
 2. Southern Perris Cannabis Green Zone Map
 3. North Perris Cannabis Green Zone Map
 4. Close-up Map of Commercial Zone Areas

ATTACHMENT 1

ORDINANCE NO. (NEXT IN ORDER)

ORDINANCE NO. (next in order)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING PERRIS MUNICIPAL CODE SECTIONS 5.58.110(C) AND 5.58.124(C) TO CHANGE THE LOCATION REQUIREMENTS FOR COMMERCIAL CANNABIS CULTIVATION AND WHOLESALE DISTRIBUTION OPERATIONS

WHEREAS, Chapter 5.58 of the Perris Municipal Code (“PMC”) provides regulations for commercial marijuana operations engaged in indoor or mixed-light cultivation (pursuant to PMC Section 5.58.110) and commercial marijuana operations engaged in distribution (pursuant to PMC Section 5.58.124), as these terms are defined therein;

WHEREAS, more specifically, PMC Section 5.58.110(C) and PMC 5.58.124(C) provide for location requirements for indoor or mixed-light cultivation and distribution, respectively;

WHEREAS, indoor or mixed-light cultivation and distribution provide economic development in the City;

WHEREAS, the City desires to encourage economic development in the City;

WHEREAS, the City now desires to amend such location requirements as provided herein.

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

Section 1. Recitals. The Recitals set forth above are incorporated herein by this reference.

Section 2. Amendment to Commercial Cultivation Location Requirements. PMC Section 5.58.110(C) is hereby amended as highlighted in BOLD and strike-through below:

(C). Location Restrictions.

1. No cultivation operation shall locate or operate in any area or zone of the City of Perris, other than in the following subareas of the Light Industrial (LI) Zone, ~~or~~ the General Industrial (GI) Zone, **or the Commercial (C) Zone** as defined more fully in Chapter 19.44 (Industrial Zones), **and Chapter 19.38 (Commercial)** of Title 19 (Zoning) of the Perris Municipal Code:

a. North Perris: North of Perry Street to the city limits, between the Perris Valley Storm Drain Channel and the I-215 Freeway.

b. South Perris: North of Watson Road, south of Ellis Avenue, between the Perris Valley Storm Drain Channel and Santa Fe Railroad.

2. No cultivation operation shall locate within 600 feet of a school, park, place of worship, youth-oriented facility, youth center, day care center or residential zone. The distance shall be measured as the horizontal distance measured in a straight line from the property line of one site to the property line of another site.

3. **No cultivation operation shall locate within 500 feet of Perris Blvd.**

Section 3. Amendment to Distribution Location Requirements. PMC Section 5.58.124(C) is hereby amended as highlighted in BOLD and strike-through below:

(C). Location Restrictions.

1. No cultivation operation shall locate or operate in any area or zone of the City of Perris, other than in the following subareas of the Light Industrial (LI) Zone, ~~or~~ the General Industrial (GI) Zone, **or the Commercial (C) Zone** as defined more fully in Chapter 19.44 (Industrial Zones), **and Chapter 19.38 (Commercial)** of Title 19 (Zoning) of the Perris Municipal Code:

a. North Perris: North of Perry Street to the city limits, between the Perris Valley Storm Drain Channel and the I-215 Freeway.

b. South Perris: North of Watson Road, south of Ellis Avenue, between the Perris Valley Storm Drain Channel and Santa Fe Railroad.

2. No cultivation operation shall locate within 600 feet of a school, park, place of worship, youth-oriented facility, youth center, day care center or residential zone. The distance shall be measured as the horizontal distance measured in a straight line from the property line of one site to the property line of another site.

3. **No cultivation operation shall locate within 500 feet of Perris Blvd.**

Section 3. Severability. If any subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declare that they would have passed each subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional or otherwise unenforceable.

Section 4. Effective Date. This Ordinance shall take effect 30 days after its adoption.

Section 5. Certification. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

ADOPTED, SIGNED and APPROVED this ___ day of ____, 2021.

MAYOR, MICHAEL M. VARGAS

ATTEST:

CITY CLERK, NANCY SALAZAR

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Ordinance No. (next in order) was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the ___th day of ____, 2021, and that it was so adopted by the following vote:

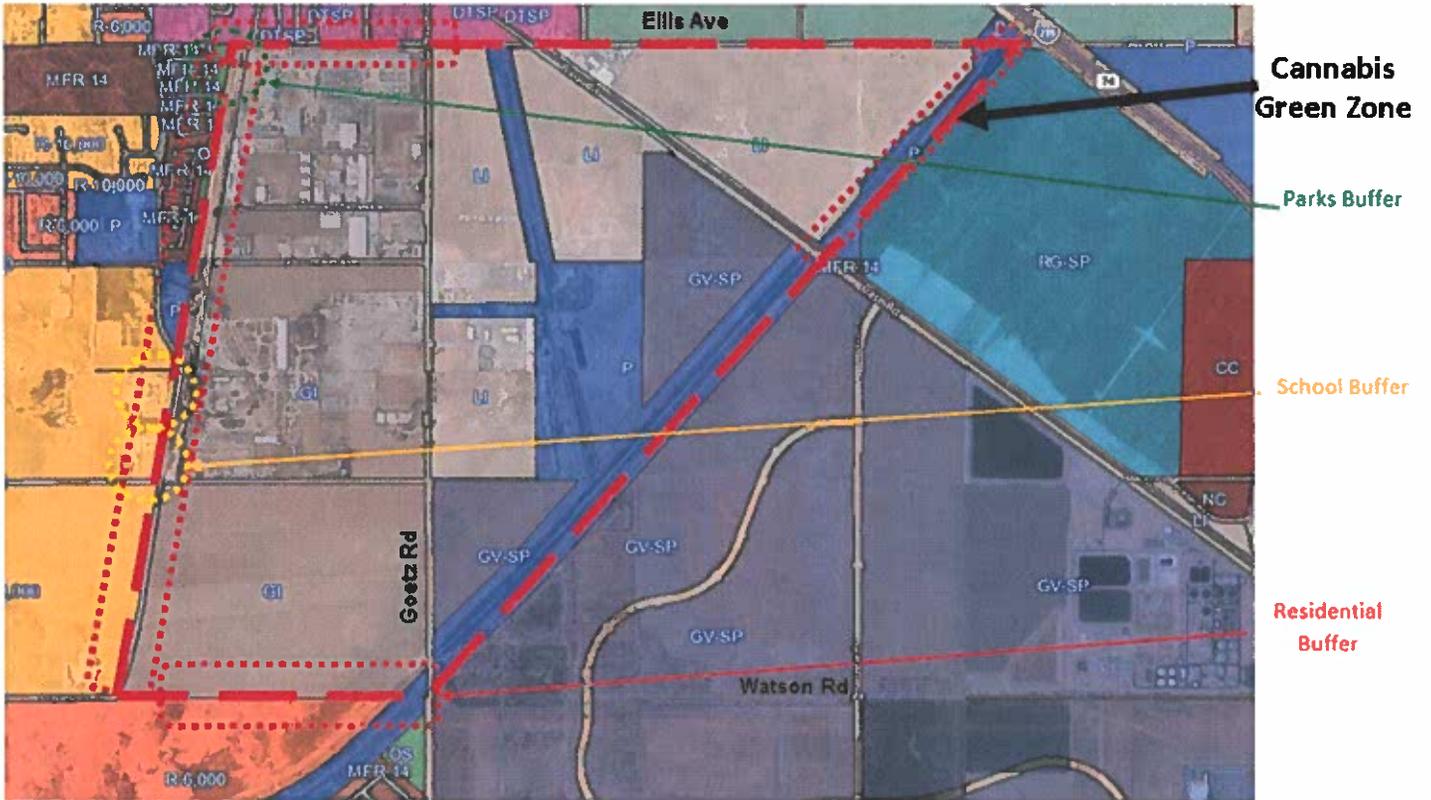
AYES:
NOES:
ABSENT:

City Clerk, Nancy Salazar

ATTACHMENT 2

SOUTH PERRIS CANNABIS GREEN AREA

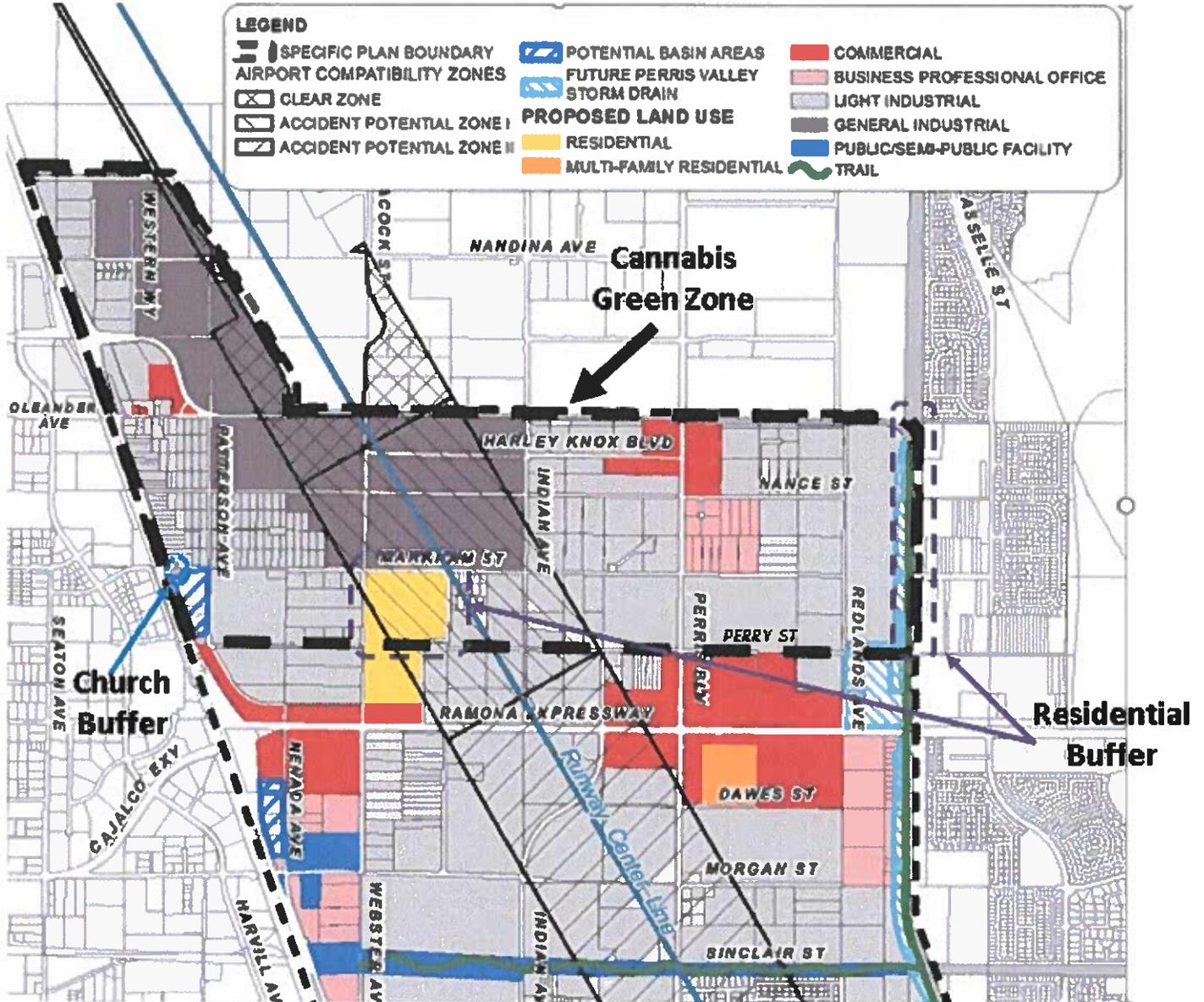
SOUTH PERRIS CANNABIS GREEN AREA



ATTACHMENT 3

NORTH PERRIS CANNABIS GREEN AREA

NORTH PERRIS CANNABIS GREEN AREA

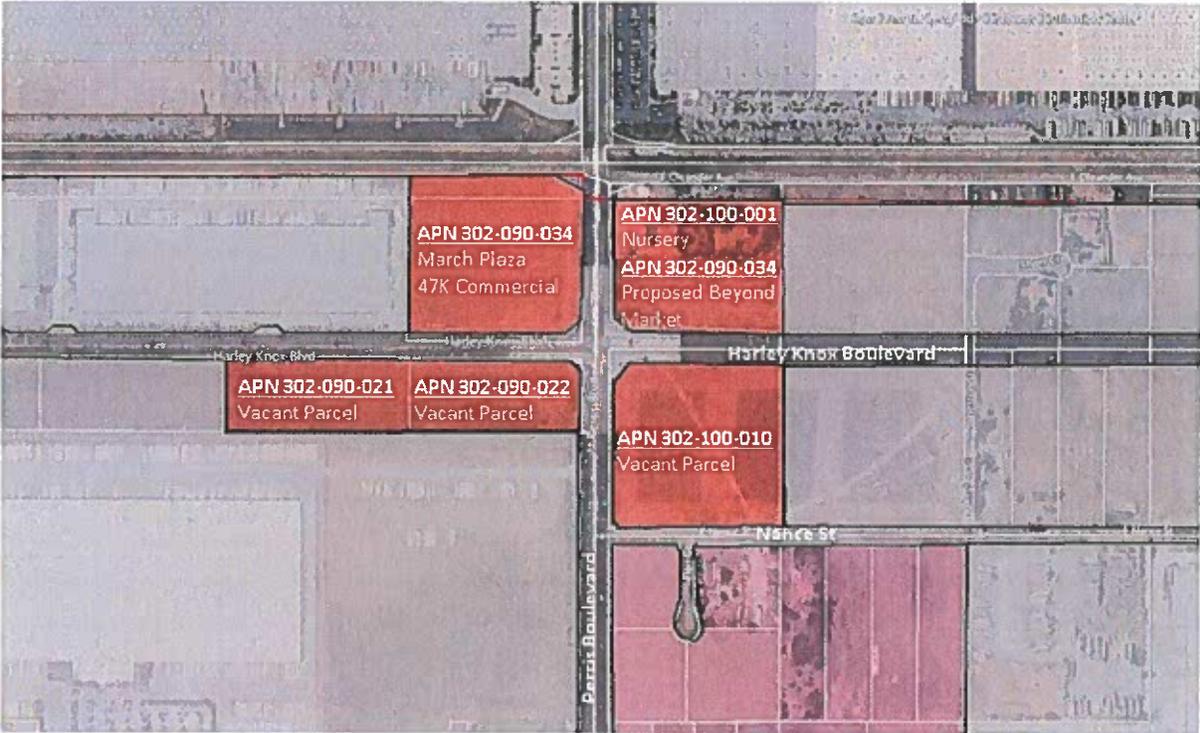


ATTACHMENT 4

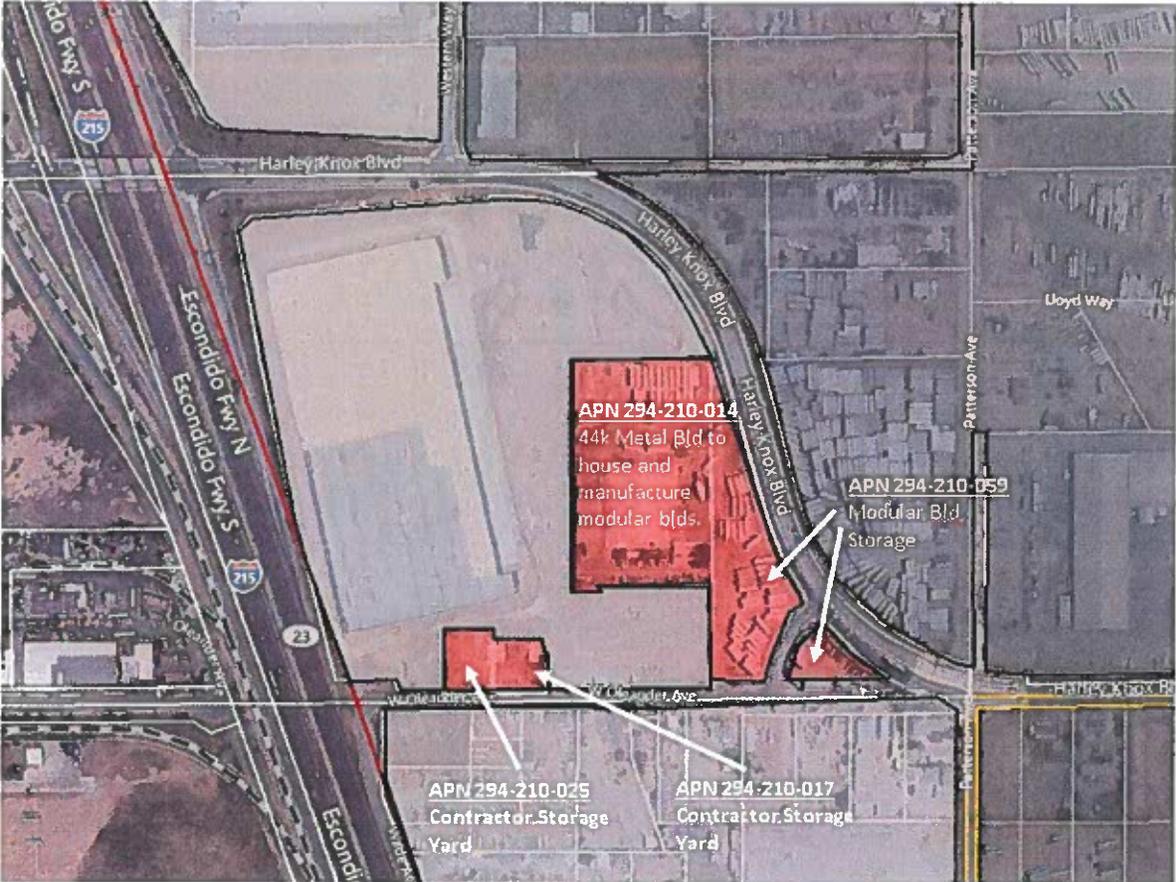
CLOSE-UP MAP OF COMMERCIAL ZONE AREAS

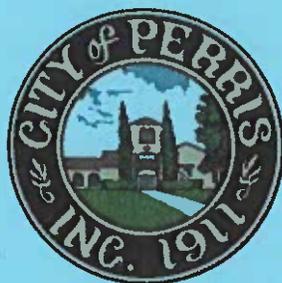
CLOSE-UP MAP OF COMMERCIAL ZONE AREAS

Commercial Zoned Area at Harley Knox and Perris Boulevard



Commercial Zoned Area on the South Side Harley Knox at Oleander Avenue





CITY OF PERRIS

CITY COUNCIL

AGENDA SUBMITTAL

- MEETING DATE:** April 13, 2021
- SUBJECT:** **MSHCP Ordinance Update and Adoption of Fee Resolution.** An Ordinance and Resolution updating the Local Development Mitigation Fee (LDMF) Ordinance for funding the preservation of natural ecosystems in accordance with the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP). **Applicant:** City of Perris
- REQUESTED ACTION:** **Introduce First Reading of Ordinance No. (next in order),** which updates the LDMF Ordinance for funding the preservation of natural ecosystems in accordance with the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP), based upon the findings in the Ordinance; and
- Adopt Resolution No. (next in order),** which adopts the 2020 Nexus Study, the updated LDMF, and the related fee schedule, based upon the findings in the Resolution.
- CONTACT:** Candida Neal, Interim Director of Development Services

BACKGROUND:

The City of Perris is a Member Agency of the Western Riverside County Regional Conservation Authority (RCA), a joint powers authority comprised of the County of Riverside and the eighteen (18) cities located in western Riverside County. The RCA was formed to acquire, administer, operate, and maintain land and facilities to establish habitat reserves for the conservation and protection of species covered by the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP or Plan).

The Western Riverside County MSHCP, originally adopted in 2004, is a comprehensive, multi-jurisdictional Habitat Conservation Plan (HCP) focusing on the permanent conservation of 500,000 acres and the protection of 146 species, including 33 that are currently listed as threatened or endangered. The MSHCP was developed in response to the need for future growth opportunities in western Riverside County, from housing developments to transportation and infrastructure, while addressing the requirements of the State and federal Endangered Species Acts (ESA). The MSHCP serves as an HCP pursuant to Section 10(a)(1)(B) of the federal Endangered Species Act of 1973 as well as a Natural Communities Conservation Plan (NCCP) under California's NCCP Act of 2001. The MSHCP streamlines environmental permitting processes by allowing the participating jurisdictions such as the City of Perris to authorize "take" of plant and wildlife species identified within the Plan Area. Without the MSHCP, each development and transportation project would need to conduct an individual assessment and mitigation for impacts to endangered species, an approach that would be less efficient and effective and more costly.

MSHCP NEXUS STUDY TO SUPPORT FEE UPDATE:

The MSHCP required a Nexus Study under the Mitigation Fee Act (Gov. Code §§ 66000 *et seq.*) to establish a Local Development Mitigation Fee (LDMF) that would then be adopted by each jurisdiction participating in the MSHCP. The LDMF pays for the acquisition of Additional Reserve Lands (ARL) to meet the target conservation acreage that local governments are responsible for acquiring per the Plan. The original Nexus Study was completed in 2003, coinciding with the adoption of the MSHCP, Implementing Agreement, and signing of the Permits. Section 8.5.1 of the MSHCP allows the fee to be reevaluated and revised should it be found to insufficiently cover mitigation of new development.

Pursuant to the Mitigation Fee Act, RCA prepared a new nexus study (“2020 Nexus Study”) to update the fees for the first time since original adoption. An updated Nexus Study was needed to ensure adequate funding to complete reserve acquisition to fulfill local governments’ responsibilities under the MSHCP. Over the last 16 years, many of the assumptions underlying the original Nexus Study were not borne out by reality. Forces contributing to the unmet expectation include the recession, less acreage dedicated to RCA by private landowners, and less state and federal funding than expected. The 2020 Nexus Study calculated the expected costs to complete Additional Reserve Lands (ARL) acquisition, manage the conservation lands in perpetuity via an endowment, and administration of the MSHCP.

The adoption process of the 2020 Nexus Study stretched over a year with multiple public meetings. The RCA adopted the document on December 7, 2020, with a phased increase of the new fee, with 50 percent of the fee increase taking effect on July 1, 2021, and the remainder of the increase taking effect on January 1, 2022.

Category	Current	July 1, 2021 – December 31, 2021	January 1, 2022
Residential, density less than 8.0 dwelling units per acre (fee per dwelling unit)	\$2,234	\$2,935	\$3,635
Residential, density between 8.0 and 14.0 dwelling units per acre (fee per dwelling unit)	\$1,430	\$1,473	\$1,515
Residential density greater than 14.0 dwelling units per acre (fee per dwelling unit)	\$1,161	\$670	\$670
Commercial (fee per acre)	\$7,606	\$11,982	\$16,358
Industrial (fee per acre)	\$7,606	\$11,982	\$16,358

PROPOSED ORDINANCE AND RESOLUTION:

For the proposed 2020 Nexus study to be implemented, the City needs to adopt the proposed Ordinance, which provides the legal basis for a revised MSHCP LDMF schedule. The MSHCP LDMF fee schedule will be established through adoption of the Resolution.

In summary, the proposed Ordinance and 2020 Nexus Study: (i) identifies the purpose of the revised fees; (ii) identifies the use to which the revised fees is to be put, including identification of any facilities to be financed; (iii) determines how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed; (iv) determines how there is a reasonable relationship between the need for the public facilities and the type of development project upon which the fee is imposed; and (v) determines how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

STAFF RECOMMENDATION:

Staff recommends that the City Council introduce First Reading of Ordinance No. (next in order), which updates the LMDF Ordinance for funding the preservation of natural ecosystems in accordance with the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) and adopt Resolution No. (next in order) which adopts the 2020 Nexus Study and the updated LMDF and related fee schedule, based upon the findings in the Resolution.

BUDGET (or FISCAL) IMPACT: The cost for staff preparation of this item is covered in the 2020-2021 General Fund budget.

Prepared by: Kenneth Phung, Planning Manager
Reviewed by: Candida Neal, Interim Director of Development Services

City Attorney _____
Assistant City Manager 
Finance Director 

Consent:
Public Hearing: X
Business Item:
Presentation:
Others:

Attachments: 1. Ordinance No. (Next in Order)
2. Resolution No. (Next in Order), including the 2020 Nexus Study and the MSHCP Mitigation Fee Implementation Manual

ATTACHMENT 1

ORDINANCE NO. (NEXT IN ORDER)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA TO UPDATE THE LOCAL DEVELOPMENT MITIGATION FEE FOR FUNDING THE PRESERVATION OF NATURAL ECOSYSTEMS IN ACCORDANCE WITH THE WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN

WHEREAS, the City Council of the City of Perris (“City”) finds that the ecosystems of the City and western Riverside County, and the vegetation communities and sensitive species they support are fragile, irreplaceable resources that are vital to the general welfare of all residents;

WHEREAS, these vegetation communities and natural areas contain habitat value which contributes to the City’s and the region’s environmental resources;

WHEREAS, special protections for these vegetation communities and natural areas are being established to prevent future endangerment of the plant and animal species that are dependent upon them;

WHEREAS, adoption and implementation of this Ordinance will help enable the City to achieve the conservation goals set forth in the Western Riverside County Multiple Species Habitat Conservation Plan (“MSHCP”), adopted by the City Council on October 14, 2003, to implement the associated Implementing Agreement executed by the City Council on September 30, 2003, and to preserve the ability of affected property owners to make reasonable use of their land consistent with the requirements of the National Environmental Policy Act (“NEPA”), the California Environmental Quality Act (“CEQA”), the Federal Endangered Species Act (“FESA”), the California Endangered Species Act (“CESA”), the California Natural Community Conservation Planning Act (“NCCP Act”), and other applicable laws;

WHEREAS, the purpose and intent of this Ordinance is to update its Local Development Mitigation Fee to assist in the maintenance of biological diversity and the natural ecosystem processes that support this diversity; the protection of vegetation communities and natural areas within the City and western Riverside County which are known to support threatened, endangered, or key sensitive populations of plant and wildlife species; the maintenance of economic development within the City by providing a streamlined regulatory process from which development can proceed in an orderly process; and the protection of the existing character of the City and the region through the implementation of a system of reserves which will provide for permanent open space, community edges, and habitat conservation for species covered by the MSHCP;

WHEREAS, the findings set forth herein are based on the MSHCP and the 2020 Nexus Study, and the estimated implementation costs of the MSHCP as set forth in the 2020 Nexus Study, a copy of which is on file in the City Clerk’s office;

WHEREAS, The Western Riverside County Regional Conservation Authority (“RCA”)

has prepared an updated nexus study entitled “WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN NEXUS FEE STUDY UPDATE” (2020 Nexus Study”) pursuant to California Government code sections 66000 et seq. for the purpose of updating the Local Development Mitigation Fee (“LDMF”). On December 7, 2020, the RCA Board of Directors reviewed the 2020 Nexus Study and directed RCA Permittees to adopt this updated MSHCP fee ordinance.

WHEREAS, pursuant to Article 11, Section 7 of the California Constitution, the City is authorized to enact measures that protect the health, safety, and welfare of its citizens;

WHEREAS, pursuant to Government Code sections 66000 et seq., the City is empowered to impose fees and other exactions to provide necessary funding and public facilities required to mitigate the negative effect of new development projects;

WHEREAS, on October 14, 2003, the City Council took action on the MSHCP and the associated Implementing Agreement and adopted the original LDMF, and made appropriate findings pursuant to CEQA;

WHEREAS, the levying of LDMF has been reviewed by the City Council and staff in accordance with the California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines and it has been determined that the adoption of this ordinance is exempt from CEQA pursuant to Section 21080(b)(8) of the California Public Resources Code and Sections 15273 and 15378(b)(4) of the State CEQA Guidelines; and

WHEREAS, pursuant to Government Code sections 66016, 66017, and 66018, the City has: (a) made available to the public, at least ten (10) days prior to its public hearing, data indicating the estimated cost required to provide the facilities and infrastructure for which these development fees are levied and the revenue sources anticipated to provide those facilities and infrastructure; (b) mailed notice at least fourteen (14) days prior to this meeting to all interested parties that have requested notice of new or increased development fees; and (c) held a duly noticed, regularly scheduled public hearing at which oral and written testimony was received regarding the proposed fees.

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

Section 1. FINDINGS. The City Council finds and determines as follows:

(A) The preservation of vegetation communities and natural areas within the City and western Riverside County which support species covered by the MSHCP is necessary to protect and promote the health, safety, and welfare of all the citizens of the City by reducing the adverse direct, indirect, and cumulative effects of urbanization and development and providing for permanent conservation of habitat for species covered by the MSHCP.

(B) It is necessary to update certain development impact fees to ensure that all new development within the City pays its fair share of the costs of acquiring and preserving

vegetation communities and natural areas within the City and the region which are known to support plant and wildlife species covered by the MSHCP.

(C) A proper funding source to pay the costs associated with mitigating the direct, indirect, and cumulative impacts of development to the natural ecosystems within the City and the region, as identified in the MSHCP, is a development impact fee for residential, commercial, and industrial development. The amount of the fee is determined by the nature and extent of the impacts from the development to the identified natural ecosystems and or the relative cost of mitigating such impacts.

(D) The MSHCP and the 2020 Nexus Study, a copy of which is on file in the City Clerk's office, provides a basis for the imposition of development impact fees on new construction.

(E) The use of the development impact fees to mitigate the impacts to the City's and the region's natural ecosystems is reasonably related to the type and extent of impacts caused by development within the City.

(F) The costs of funding the proper mitigation of natural ecosystems and biological resources impacted by development within the City and the region are apportioned relative to the type and extent of impacts caused by the development.

(G) The facts and evidence provided to the City establish that there is a reasonable relationship between the need for preserving the natural ecosystems in the City and the region, as defined in the MSHCP, and the direct, indirect, and cumulative impacts to such natural ecosystems and biological resources created by the types of development on which the fee will be imposed, and that there is a reasonable relationship between the fee's use and the types of development for which the fee is charged. This reasonable relationship is described in more detail in the MSHCP and the 2020 Nexus Study.

(H) The cost estimates for mitigating the impact of development on the City's and the region's natural ecosystem and biological resources, as set forth in the MSHCP, are reasonable and will not exceed the reasonably estimated total of these costs.

(I) The fee set forth herein does not reflect the entire cost of the lands which need to be acquired in order to implement the MSHCP and mitigate the impact caused by new development. Additional revenues will be required from other sources. The City Council finds that the benefit to each development project is greater than the amount of the fee to be paid by the project.

(J) The fees collected pursuant to this Ordinance shall be used to finance the acquisition and perpetual conservation of the natural ecosystems and certain improvements necessary to implement the goals and objectives of the MSHCP.

(K) The Recitals set forth above are incorporated herein by this reference.

Section 2. ADMINISTRATIVE RESPONSIBILITY. The RCA is hereby reaffirmed as the Administrator of this Ordinance. The RCA is hereby authorized to receive all fees generated from the Local Development Mitigation Fee within the City, and to invest, account for, and expend such fees in accordance with the provisions of the MSHCP, MSHCP Implementing Ordinance, this Ordinance, and the MSHCP Mitigation Fee Implementation Manual. The detailed administrative procedures concerning the implementation of this Ordinance shall be contained in the MSHCP Mitigation Fee Implementation Manual adopted December 7, 2020 and as may be amended from time to time. The RCA Board of Directors may adopt a policy that will allow the City to authorize the RCA to calculate the fees due and collect those amounts directly from property owners. If such a policy is adopted, it will be included in the MSHCP Mitigation Fee Implementation Manual.

Section 3. DEFINITIONS. As used in this Ordinance, the following terms shall have the following meanings:

“Accessory Dwelling Unit” means an accessory dwelling unit as defined by California Government Code section 65852.2(j)(1), or as defined in any successor statute.

“Board of Supervisors” means the Board of Supervisors of the County of Riverside, California.

“City” means the City of Perris, County of Riverside, California.

“City Council” means the City Council of the City of Perris, County of Riverside, California.

“Credit” means a credit allowed pursuant to Section 10 of this Ordinance, which may be applied against the development impact fee paid.

“Development” means a human-created change to improved or unimproved real estate, including buildings or other structures, mining, dredging, filing, grading, paving, excavating, and drilling.

“Development Project” or “Project” means any project undertaken for the purpose of development pursuant to the issuance of a building permit by the City pursuant to all applicable ordinances, regulations, and rules of the City and state law.

“Junior Accessory Dwelling Unit” means a junior accessory dwelling unit as defined by California Government Code section 65852.22(h)(1), or as defined in any successor statute.

“Local Development Mitigation Fee” or “Fee” means the development impact fee imposed pursuant to the provisions of this Ordinance.

“Multiple Species Habitat Conservation Plan” or “MSHCP” means the Western Riverside County Multiple Species Habitat Conservation Plan, adopted by the City Council on October 14, 2003.

“MSHCP Conservation Area” has the same meaning and intent as such term is defined and utilized in the MSHCP.

“Ordinance” means this Ordinance No. (next in order) of the City of Perris, County of Riverside, California.

“Project Area” means the area, measured in acres, within the Development Project including, without limitation, any areas to be developed as a condition of the Development Project. Except as otherwise provided herein, the Project Area is the area upon which the project will be assessed the Local Development Mitigation Fee. See the MSHCP Mitigation Fee Implementation Manual for additional guidance for calculating the Project Area.

“Revenue” or “Revenues” means any funds received by the City pursuant to the provisions of this Ordinance for the purpose of defraying all or a portion of the cost of acquiring and preserving vegetation communities and natural areas within the City and the region which are known to support threatened, endangered, or key sensitive populations of plant and wildlife species.

“Western Riverside County Regional Conservation Authority” or “RCA” means the governing body established pursuant to the MSHCP that is delegated the authority to oversee and implement the provisions of the MSHCP.

Any capitalized term not otherwise defined herein shall carry the same meaning and definition as that term is used and defined in the MSHCP.

Section 4. LOCAL DEVELOPMENT MITIGATION AND LOCAL INFRASTRUCTURE FEE.

(A) **Adoption of Local Development Mitigation Fee Schedule.** The City Council shall adopt an applicable Local Development Mitigation Fee schedule provided by the RCA through a separate resolution, which may be amended from time to time.

(B) **Public Projects.** The City is required to mitigate the impacts of Public Projects pursuant to the MSHCP and the MSHCP Implementing Agreement. The definition of Public Project and the method for mitigating Public Projects will be set forth in the MSHCP Mitigation Fee Implementation Manual.

(C) **Periodic Fee Adjustment.** The Local Development Mitigation Fee schedule set forth in the fee resolution referenced above may be periodically reviewed and the amounts adjusted as set forth in the MSHCP Mitigation Fee Implementation Manual.

(D) **Automatic Annual Fee Adjustment.** In addition to the Periodic Fee Adjustment mentioned above, the RCA shall provide the City with an automatic annual fee adjustment for the Local Development Mitigation Fee established by this Ordinance as set forth in the MSHCP Mitigation Fee Implementation Manual.

Section 5. IMPOSITION OF THE LOCAL DEVELOPMENT MITIGATION FEE.

(A) The Local Development Mitigation Fee will be paid no later than at the issuance of a building permit. Notwithstanding any other provision of the City's Municipal Code, no building permit shall be issued for any Development Project unless the Local Development Mitigation Fee applicable to such Development Project has been paid. The amount of the Local Development Mitigation Fee shall be calculated in accordance with the MSHCP Mitigation Fee Implementation Manual.

(B) In lieu of the payment of the Local Development Mitigation Fee as provided above, the Fee for a Development may be paid through a Community Facilities District, provided that such arrangement is approved by the RCA in writing.

Section 6. PAYMENT OF LOCAL DEVELOPMENT MITIGATION FEE.

(A) The Local Development Mitigation Fee shall be paid in full in accordance with applicable law.

(B) The Local Development Mitigation Fee required to be paid under this Ordinance shall be the fee in effect at the time the building permit is issued for which the Local Development Mitigation Fee is assessed; provided, however, that Housing Development Projects as defined by California Government Code section 65589.5(h)(2) may be entitled to pay the fee in effect at the time of the preliminary application was submitted.

(C) Notwithstanding anything in the City's Municipal Code, or any other written documentation to the contrary, the Local Development Mitigation Fee shall be paid whether or not the Development Project is subject to conditions of approval by the City imposing the requirement to pay the fee.

(D) If all or part of the Development Project is sold prior to payment of the Local Development Mitigation Fee, the Project shall continue to be subject to the requirement to pay the fee as provided herein.

(E) The fee title owner(s) of the Property is responsible for the payment of the Local Development Mitigation Fee.

Section 7. REFUNDS.

Under certain circumstances, such as double payment, expiration of a building permit, or fee miscalculation due to clerical error, an applicant may be entitled to a refund. Refunds will be reimbursed by the end of the fiscal year on a first come, first served basis, depending upon the net revenue stream. Refunds will only be considered reimbursable if requested within 3 years of the original Local Development Mitigation Fee payment. In all cases, the applicant must promptly submit a refund request with proof of Local Development Mitigation Fee payment to the RCA if

RCA collected the Local Development Mitigation Fee, or if collected by a local jurisdiction, the refund request shall be submitted to that local jurisdiction, which will subsequently forward the request to RCA for verification, review, and possible action.

1. Expiration Of Building Permits - If a building permit should expire, is revoked, or is voluntarily surrendered and is, therefore voided and no construction or improvement of land has commenced, then the applicant may be entitled to a refund of the Local Development Mitigation Fee collected which was paid as a condition of approval, less administration costs. Any refund must be requested within three (3) years of the original payment. The applicant shall pay the current Local Development Mitigation Fee in effect at the time in full if s/he reapplies for the permit.

2. Double Payments – on occasion due to a clerical error, a developer has paid all or a portion of the required Local Development Mitigation Fee for project twice. In such cases, a refund of the double payment may be required.

3. Balance Due – when Local Development Mitigation Fee is incorrectly calculated due to City clerical error, it is the City’s responsibility to remit the balance due to RCA. The error must be discovered within three (3) years of the original payment for the City to be held accountable. The amount due can be remitted through alternate methods agreed to by the RCA Executive Committee. If first approved through RCA staff in writing, the calculation is not subject to additional review.

Section 8. ACCOUNTING AND DISBURSEMENT OF COLLECTED LOCAL DEVELOPMENT MITIGATION FEES; CITY ADMINISTRATIVE FEE.

(A) All fees paid pursuant to this Ordinance shall be deposited, invested, accounted for, and expended in accordance with Section 66006 of the Government Code and all other applicable provisions of law.

(B) Subject to the provisions of this section, all fees collected pursuant to this Ordinance shall be remitted to the Western Riverside County Regional Conservation Authority at least quarterly.

(C) The City Council may also adopt a fee by resolution to defray the City’s costs of collecting the Local Development Mitigation Fee from project proponents and remitting thereof to RCA. Any amounts collected by the City shall not reduce the amount collected and remitted to the RCA under this Ordinance. The fee contemplated by this Section 8.C shall be due at the same time as the Local Development Mitigation Fee is due pursuant to Section 6 and such fee may be adjusted from time to time by resolution of the City Council.

Section 9. EXEMPTIONS. The following types of construction shall be exempt from the provisions of this Ordinance:

(A) Reconstruction or improvements that were damaged or destroyed by fire or other natural causes, provided that the reconstruction or improvements do not result in additional

usable square footage.

(B) Rehabilitation or remodeling to an existing Development Project, provided that the rehabilitation or remodeling does not result in additional usable square footage.

(C) Accessory Dwelling Units, but only to the extent such fee is exempted under state law.

(D) Junior Accessory Dwelling Units, but only to the extent such fee is exempted under state law.

(E) Existing structures where the use is changed from an existing permitted use to a different permitted use, provided that no additional improvements are constructed and does not result in additional usable square footage.

(F) Certain Agricultural Operations as allowed by the MSHCP, as amended.

(G) Vesting Tentative Tract Maps entered into pursuant to Government Code section 66452 et seq. (also, Government Code section 66498.1 et seq.) and Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq., prior to the effective date of Ordinance No. 1123, wherein the imposition of new fees are expressly prohibited, provided that if the term of such a vesting map or development agreement is extended by amendment or by any other manner after the effective date of Ordinance No. 1123, the MSHCP Fee shall be imposed.

Except as exempted above, all projects are required to make a mitigation payment/contribution and where no mitigation payment process is specified, the project will pay the updated per acre mitigation fee.

Section 10. FEE CREDITS. Any Local Development Mitigation Fee credit that may be applicable to a Development Project shall be determined by the City and approved by the RCA. All Fee Credits shall comply with the resolutions, ordinances, Implementing Agreement, and policies of the Western Riverside County Regional Conservation Authority including, without limitation, the MSHCP Mitigation Fee Implementation Manual.

Section 11. SEVERABILITY. This Ordinance and the various parts, sections, and clauses thereof, are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid, the remainder of this Ordinance shall be affected thereby. If any part, sentence, paragraph, section, or clause of this Ordinance, or its application to any person entity is adjudged unconstitutional or invalid, such unconstitutionality or invalidity shall affect only such part, sentence, paragraph, section, or clause of this Ordinance, or person or entity; and shall not affect or impair any of the remaining provision, parts, sentences, paragraphs, sections, or clauses of this Ordinance, or its application to other persons or entities. The City Council hereby declares that this Ordinance would have been adopted had such unconstitutional or invalid part, sentence, paragraph, section, or clause of this Ordinance not been included herein;

or had such person or entity been expressly exempted from the application of this Ordinance.

Section 12. CEQA FINDINGS. The City Council hereby finds that in accordance with CEQA and the CEQA Guidelines the adoption of this Ordinance is exempt from CEQA pursuant to Section 21080(b)(8) of the California Public Resources Code and Sections 15273 and 15378(b)(4) of the State CEQA Guidelines.

Section 13. ORDINANCE SUPERSEDED. This Ordinance supersedes the provisions of Ordinance No. 1123 provided this Ordinance is not declared invalid or unenforceable by a court of competent jurisdiction. If, for whatever reason, this Ordinance is declared invalid or unenforceable by a court of competent jurisdiction, Ordinance No. 1123 and all other related ordinances and policies shall remain in full force and effect.

Section 14. EFFECTIVE DATE. The Mayor shall sign this Ordinance and the City Clerk shall attest thereto and shall within fifteen (15) days of its adoption cause it, or a summary of it, to be published in the _____, a newspaper published and circulated in the City of Perris, County of Riverside, and thereupon and thereafter this Ordinance shall take effect and be in force according to law. Pursuant to Section 13.2(A) of the MSHCP Implementing Agreement, the City Clerk shall send a copy of this Ordinance to RCA within 30 days of the date of adoption.

PASSED, APPROVED, AND ADOPTED, this ____ day of _____ 2021 by the following:

Mayor Michael Vargas

ATTEST:

City Clerk Nancy A. Salazar

ATTACHMENT 2

RESOLUTION NO. (NEXT IN ORDER),
INCLUDING THE 2020 NEXUS STUDY AND THE
MSHCP MITIGATION FEE IMPLEMENTATION
MANUAL

RESOLUTION NO. (NEXT IN ORDER)

A RESOLUTION OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA ADOPTING THE UPDATED WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN NEXUS FEE STUDY AND, BASED UPON SUCH STUDY, UPDATING THE WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN LOCAL DEVELOPMENT MITIGATION FEE APPLICABLE TO ALL DEVELOPMENTS IN THE PLAN AREA

WHEREAS, the City of Perris (“City”) is a member agency of the Western Riverside County Regional Conservation Authority (“RCA”), a joint powers agency comprised of the County of Riverside and the 18 cities located in western Riverside County; and

WHEREAS, the member agencies of RCA recognized that a habitat conservation plan is necessary to provide special protections for vegetation communities and natural areas containing habitat values to prevent future endangerment of the plant and animal species impacted by new development in western Riverside County; and

WHEREAS, in order to address these issues, the member agencies formulated a plan called the Western Riverside County Multiple Species Habitat Conservation Plan (the “MSHCP”) whereby a mitigation fee would be assessed on new development and would be used to fund the implementation of the MSHCP; and

WHEREAS, in furtherance of the MSHCP, the City is approving and adopting the updated “Western Riverside County Multiple Species Habitat Conservation Plan Nexus Fee Study”, dated October 2020 (the “2020 Nexus Study”) attached hereto and incorporated herein by this reference as Exhibit “A;” and

WHEREAS, based on the 2020 Nexus Study, the City introduced and conducted the first reading of Ordinance (next in order) on April 13, 2021 (the “2021 Local Development Mitigation Fee Ordinance”) pursuant to California Government Code sections 66000 *et seq.* authorizing the Western Riverside County Regional Conservation Authority to impose the Local Development Mitigation Fee upon new development; and

WHEREAS, section 4.A. of the 2021 Local Development Mitigation Fee Ordinance authorizes the City to adopt an applicable Local Development Mitigation Fee schedule by resolution; and

WHEREAS, the Local Development Mitigation Fees collected pursuant to this Resolution shall be used to finance the public facilities described or identified in the 2020 Nexus Study; and

WHEREAS, the City Council conducted a public hearing on April 13, 2021, regarding the 2020 Nexus Study, and the proposed Local Development Mitigation Fee, at which all oral and written testimony (including, but not limited to, all written and oral presentations and testimony by City staff and members of the public) was considered (the “public hearing”); and

WHEREAS, the levying of Local Development Mitigation Fee has been reviewed by the City Council and staff in accordance with the California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines and it has been determined that the adoption of this resolution is exempt from CEQA pursuant to Section 21080(b)(8) of the California Public Resources Code and Sections 15273 and 15378(b)(4) of the State CEQA Guidelines.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. **Recitals.** The recitals set forth above are incorporated herein by this reference.

Section 2. **Findings.** Based upon the forgoing and the 2020 Nexus Study and all oral and written testimony submitted to the City Council (including, but not limited to, all written and oral presentations and testimony by City staff and members of the public at the public hearing), the City Council finds and determines as follows:

A. The preservation of vegetation communities and natural areas within western Riverside County which support species covered by the MSHCP is necessary to protect and promote the health, safety, and welfare of all the residents of the City by reducing the adverse direct, indirect, and cumulative effects of urbanization and development and providing for permanent conservation of habitat for species covered by the MSHCP.

B. It is necessary to establish a mitigation fee to ensure that all new development within the City pays its fair share of the costs of acquiring and preserving vegetation communities and natural areas within the City and the region which are known to support plant and wildlife species covered by the MSHCP.

C. A proper funding source to pay the costs associated with mitigating the direct, indirect and cumulative impacts of development to the natural ecosystems within the City and the region, as identified in the MSHCP, is a development impact fee for residential, commercial, and industrial development. The amount of the fee is determined by the nature and extent of the impacts from the development to the identified natural ecosystems and or the relative cost of mitigating such impacts.

D. The MSHCP and the 2020 Nexus Study, a copy of which is on file in the City Clerk’s office, provides a basis for the imposition of development impact fees on new construction.

E. The use of the development impact fees to mitigate the impacts to the City’s and the region’s natural ecosystems is reasonably related to the type and extent of impacts caused by development within the City.

F. The costs of funding the proper mitigation of natural ecosystems and biological resources impacted by development within the City and the region are apportioned relative to the type and extent of impacts caused by the development.

G. The facts and evidence provided to the City establish that there is a reasonable relationship between the need for preserving the natural ecosystems in the City and the region, as defined in the MSHCP, and the direct, indirect and cumulative impacts to such natural ecosystems and biological resources created by the types of development on which the fee will be imposed, and that there is a reasonable relationship between the fee's use and the types of development for which the fee is charged. This reasonable relationship is described in more detail in the MSHCP and the 2020 Nexus Study.

H. The cost estimates for mitigating the impact of development on the City's and the region's natural ecosystem and biological resources, as set forth in the MSHCP, are reasonable and will not exceed the reasonably estimated total of these costs.

I. The fee set forth herein does not reflect the entire cost of the lands which need to be acquired in order to implement the MSHCP and mitigate the impact caused by new development. Additional revenues will be required from other sources. The City Council finds that the benefit to each development project is greater than the amount of the fee to be paid by the project.

J. The fees collected pursuant to this Resolution shall be used to finance the acquisition and perpetual conservation of the natural ecosystems and certain improvements necessary to implement the goals and objectives of the MSHCP.

Section 3. Adoption of 2020 Nexus Study. The City Council hereby adopts the 2020 Nexus Study and its findings, which is attached hereto and incorporated herein by this reference as Exhibit "A."

Section 4. Adoption of the MSHCP Mitigation Fee Implementation Manual. The City Council hereby adopts the MSHCP Mitigation Fee Implementation Manual, which is attached hereto and incorporated herein by this reference as Exhibit "B."

Section 5. Local Development Mitigation Fee. Based upon the forgoing and the 2020 Nexus Study and all oral and written testimony submitted to the City Council (including, but not limited to, all written and oral presentations and testimony by City staff and members of the public at the public hearing), the City Council hereby adopts the Local Development Mitigation Fee schedule as set forth below:

MSHCP Local Development Mitigation Fee Schedule	
Effective July 1, 2021 through December 31, 2021	
Fee Category	Fee
Residential density less than 8.0 dwelling units per acre (fee per dwelling unit)	\$2,935
Residential density between 8.0 and 14.0 dwelling units per acre (fee per dwelling unit)	\$1,473

Residential density greater than 14.0 dwelling units per acre (fee per dwelling unit)	\$670
Non-Residential/Commercial (fee per acre)	\$11,982
Industrial (fee per acre)	\$11,982

MSHCP Local Development Mitigation Fee Schedule	
Effective January 1, 2022	
Fee Category	Fee
Residential density less than 8.0 dwelling units per acre (fee per dwelling unit)	\$3,635
Residential density between 8.0 and 14.0 dwelling units per acre (fee per dwelling unit)	\$1,515
Residential density greater than 14.0 dwelling units per acre (fee per dwelling unit)	\$670
Non-Residential/Commercial (fee per acre)	\$16,358
Industrial (fee per acre)	\$16,358

Section 6. Periodic Fee Adjustment. The Local Development Mitigation Fee schedule set forth above may be periodically reviewed and the amounts adjusted as set forth in the MSHCP Mitigation Fee Implementation Manual adopted pursuant to this Resolution.

Section 7. Automatic Annual Fee Adjustment. In addition to the Periodic Fee Adjustment mentioned above, the RCA shall provide the City with an automatic annual fee adjustment for the Local Development Mitigation Fee established by the 2021 Local Development Mitigation Fee Ordinance as set forth in the MSHCP Mitigation Fee Implementation Manual adopted pursuant to this Resolution.

Section 8. CEQA Findings. The City Council hereby finds that in accordance with CEQA and the State CEQA Guidelines the adoption of this Resolution is exempt from CEQA pursuant to Section 21080(b)(8) of the California Public Resources Code and Sections 15273 and 15378(b)(4) of the State CEQA Guidelines.

Section 9. Severability. This Resolution and the various parts, sections, and clauses thereof, are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid, the remainder of this Resolution shall not be affected thereby. If any part, sentence, paragraph, section, or clause of this Resolution, or its application to any

person entity is adjudged unconstitutional or invalid, such unconstitutionality or invalidity shall affect only such part, sentence, paragraph, section, or clause of this Resolution, or person or entity; and shall not affect or impair any of the remaining provision, parts, sentences, paragraphs, sections, or clauses of this Resolution, or its application to other persons or entities. The Board of Supervisors hereby declares that this Resolution would have been adopted had such unconstitutional or invalid part, sentence, paragraph, section, or clause of this Resolution not been included herein; or had such person or entity been expressly exempted from the application of this Resolution.

If the fees collected for the conservation of the land, including the monitoring and management thereof, are later adjudged by a final unappealable judgment of a court of competent jurisdiction to be unconstitutional or invalid, the prior Local Development Mitigation Fee adopted under the prior 2003 Local Development Mitigation Fee Nexus Study and the corresponding Ordinance No. 1123, shall each be revived and shall continue for the life of the MSHCP.

Section 10. Effective Date; Fee Effective Date. This Resolution shall become effective upon the adoption of Ordinance No. (next in order). The Local Development Mitigation Fee shall be effective on July 1, 2021.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Perris, California, at a regular meeting held on the ___ day of _____, 2021.

Michael M. Vargas, Mayor

ATTEST:

Nancy Salazar, City Clerk

Exhibits:

- A. 2020 Nexus Study, dated October 2020
- B. MSHCP Mitigation Fee Implementation Manual

EXHIBIT “A”

2020 Nexus Study, dated October 2020

(Due to the size of the document, the file is available with the Planning Department and available online at

<https://www.cityofperris.org/Home/ShowDocument?id=13980>

EXHIBIT “B”

MSHCP Mitigation Fee Implementation Manual

(Due to the size of the document, the file is available with the Planning Department and available online at <https://www.cityofperris.org/Home/ShowDocument?id=13982>)
