

# **Early Release Report**

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



SAN BERNARDINO COUNTY CIVIL GRAND JURY  
172 WEST THIRD STREET, SECOND FLOOR  
SAN BERNARDINO, CA 92415-0243  
(909) 387-9120

# CITY OF UPLAND INVESTIGATION

## SUMMARY

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

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

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

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

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

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

## **Glossary**

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

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

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

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

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

---

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

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

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

**Disbursements:** Payments from a fund.

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

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

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

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

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

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

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

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

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

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

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

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

## **BACKGROUND**

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

## **METHODOLOGY**

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

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

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

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

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

## **DISCUSSION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **FINDINGS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **RECOMMENDATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **EXHIBITS**

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

Exhibit #2 City's Statement of Investment Policy

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

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

Exhibit #5 Monthly Treasury Report 9/2019

Exhibit #6 Monthly Treasury Report 10/2019

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

Exhibit #8 Resolution 6504

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

# EXHIBIT 1


[Home](#)
[Bill Information](#)
[California Law](#)
[Publications](#)
[Other Resources](#)
[My Subscriptions](#)
[My Favorites](#)

 Code: 

 Section: 


[Up^](#) [Add To My Favorites](#)
**GOVERNMENT CODE - GOV**
**TITLE 4. GOVERNMENT OF CITIES [34000 - 45345]** ( Title 4 added by Stats. 1949, Ch. 79. )

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

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

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

**41001.** The city treasurer shall receive and safely keep all money the treasurer receives.  
(Amended by Stats. 2017, Ch. 77, Sec. 1. (SB 742) Effective January 1, 2018.)

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

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

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

**41003.** The city treasurer shall pay out money only on warrants signed by legally designated persons.  
(Amended by Stats. 2017, Ch. 77, Sec. 3. (SB 742) Effective January 1, 2018.)

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

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

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

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

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

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

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

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

# EXHIBIT 2

EXHIBIT 11

**EXHIBIT A**

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

## **POLICY**

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

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

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

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

### **1.0 Scope**

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

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

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

### **2.0 Standard of Care**

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

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

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

### **3.0 Objectives**

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

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

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

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

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

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

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

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

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

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

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

#### **5.0 Internal Controls**

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

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

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

#### **6.0 Conflict of Interest**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **9.0 Safekeeping and Custody**

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

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

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

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

## **10.0 Collateralization**

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

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

Officer with a safekeeping receipt that he shall retain.

## **11.0 Authorized Investments**

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

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

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

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

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

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

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

### **11.03 Municipal Securities**

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

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

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

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

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

#### **11.06 Commercial Paper**

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

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

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

### **11.08 Certificates of Deposit**

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

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

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

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

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

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

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

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

#### **11.11 Supranational Securities**

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

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

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

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

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

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

### **13.0 Investment Pools**

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

#### **14.0 Diversification**

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

#### **15.0 Maximum Maturity**

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

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

#### **16.0 Portfolio Rebalancing**

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

#### **17.0 Credit Downgrading**

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

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

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

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

#### **18.0 Portfolio Benchmark**

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

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

#### **19.0 Performance Reporting**

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

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

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

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

## GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# EXHIBIT 3

TREASURY REPORT

City of Upland - Successor Agency - Public Financing Authority

CITY MANAGER'S OFFICE

For Period Ended  
July 31, 2019

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

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

<b>Weighted Average Days to Maturity</b>	615.11
--	--------

<b>Blended Yield:</b>	2.240%
<b>Benchmarks:</b>	
LAIF	2.379%
2yr U.S. Treasury	1.890%
5yr U.S. Treasury	1.840%

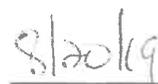
Restricted Funds with Fiscal Agent	Book Value	Market Value
Water System Lease Revenue Refunding Bonds 2011	11	11
Colonies CFD Area #2 2015	2,762,478	2,762,478
Colonies CFD Area #1 2012	3,443,372	3,443,372
Upland 54 CFD 2004	287,266	287,266
Successor Agency TAN 2013 / TAN 2016- Merged Project	2,457,152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

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

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

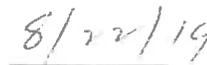


Reviewed by Finance Officer



Date





Date

City Treasurer

# EXHIBIT 4

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

RECEIVED

AUG 22 2019

For Period Ended  
July 31, 2019

CITY MANAGER'S OFFICE

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

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

<b>Weighted Average Days to Maturity</b>	615.11
--	--------

<b>Blended Yield:</b>	2.240%
<b>Benchmarks:</b>	
LAIF	2.379%
2yr U.S. Treasury	1.890%
5yr U.S. Treasury	1.840%

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

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



Reviewed by Finance Officer



City Treasurer



Date



Date

# EXHIBIT 5

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

For Period Ended  
September 30, 2019

Investment Portfolio	Cost	Par Value	Market Value	% of Portfolio
State Local Agency Investment Fund	\$ 21,451,376	N/A	\$ 21,545,381	24.6%
Bank Accounts and Change Funds	5,881,776	N/A	5,881,776	6.8%
ABS-Corporate Paydown Securities	-	N/A	-	0.0%
Money Market Fund	2,540,448	N/A	2,540,448	2.9%
Government Agency Securities	43,759,516	43,805,000	43,828,568	50.3%
Corporate Bonds	12,584,553	12,593,000	12,735,732	14.6%
US Treasury	602,322	600,000	598,636	0.7%
<b>Total Cash and Investments</b>	<b>\$ 86,819,991</b>	<b>\$ 56,998,000</b>	<b>\$ 87,130,539</b>	<b>100.0%</b>

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

<b>Weighted Average Days to Maturity</b>	642.61
--	--------

<b>Blended Yield:</b>	2.220%
<b>Benchmarks:</b>	
LAIF	2.280%
2yr U.S. Treasury	1.630%
5yr U.S. Treasury	1.550%

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

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



Reviewed by Finance Officer

10/23/19

Date

\_\_\_\_\_  
City Treasurer

\_\_\_\_\_  
Date

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

**State Local Agency Investment Fund**

**For Period Ended  
September 30, 2019**

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

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

**Bank Accounts and Change Funds**

**For Period Ended  
September 30, 2019**

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

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

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
<b><u>Government Securities</u></b>						
FHLMC	Morgan Stanley & Co	3137EADM8	198,617	199,994	1.250%	10/2/2019
FNMA	Deutsche Bank Sec Intl	3135G0R39	1,485,675	1,499,100	1.000%	10/24/2019
FHLB	Wells Fargo Sec LLC	3130AA3R7	1,498,710	1,498,980	1.375%	11/15/2019
FHLB	Wells Fargo Sec LLC	3130A0JR2	205,698	200,180	2.375%	12/13/2019
FHLB	Wells Fargo Sec LLC	3130A7PU3	199,088	199,354	1.200%	4/6/2020
FFCB	Wells Fargo Sec LLC	3133ECPD0	204,100	204,496	1.420%	5/13/2020
FHLB	Federal Home Loan Bks	313382J53	1,508,501	1,498,665	1.750%	9/28/2020
FNMA	Deutsche Bank Sec Intl	3135G0RM7	1,499,295	1,495,245	1.630%	10/30/2020
FNMA	Deutsche Bank Sec Intl	3135G0F73	1,492,515	1,494,690	1.500%	11/30/2020
FFCB	Federal Farm Credit Bks	3133EHYU1	1,236,313	1,250,013	1.840%	9/13/2021
FNMA	Deutsche Bank Sec Intl	3135G0Q89	1,481,400	1,491,495	1.375%	10/7/2021
FFCB	Federal Farm Credit Bks	3133EFPT8	2,020,180	2,009,260	1.960%	11/19/2021
FHLB	Federal Home Loan Bks	3130AFCU9	1,500,000	1,502,415	3.125%	11/26/2021
FHLB	Federal Home Loan Bks	3130AGCU7	1,500,000	1,505,100	2.550%	6/6/2022
FFCB	Federal Farm Credit Bks	3133EKMN3	1,000,000	1,002,360	2.430%	6/3/2022
FHLMC	Federal Home LN Corp	3134GTSD8	1,500,000	1,500,495	2.500%	6/6/2022
FFCB	Federal Farm Credit Bks	3133EKVP8	3,000,000	3,004,950	2.110%	7/22/2022
FFCB	Federal Farm Credit Bks	3133EHYB3	1,232,838	1,250,038	1.940%	9/12/2022
FHLB	Federal Home Loan Bks	3130ACH72	1,247,738	1,250,000	2.260%	10/4/2022
FFCB	Federal Farm Credit Bks	3133EHF73	1,248,850	1,250,013	2.280%	10/17/2022
FHLMC	Federal Home LN Corp	3134GB3A8	1,500,000	1,501,020	2.250%	11/28/2022
FHLMC	Morgan Stanley & Co	3134GTKX0	2,000,000	2,004,540	2.780%	10/30/2023
FHLMC	Morgan Stanley & Co	3134GTDW0	2,000,000	2,006,660	2.750%	4/30/2024
FHLMC	Morgan Stanley & Co	3134GTPF4	1,500,000	1,501,230	2.700%	5/22/2024
FHLMC	Federal Home LN Corp	3134GTRZ8	2,000,000	2,001,520	2.650%	6/4/2024
FHLB	Federal Home Loan Bks	3130AGKB0	2,500,000	2,508,800	2.550%	6/5/2024
FHLMC	Federal Home LN Corp	3134GTRK1	1,000,000	1,002,960	2.550%	6/17/2024
FHLMC	Federal Home LN Corp	3134GTP56	1,500,000	1,502,205	2.300%	7/30/2024
FHLMC	Federal Home LN Corp	3134GTP98	1,500,000	1,501,230	2.400%	7/30/2024
FFCB	Federal Farm Credit Bks	3133EKZ99	1,500,000	1,489,320	2.060%	8/13/2024
FHLMC	Federal Home LN Corp	3134GUBY5	1,500,000	1,500,240	2.000%	9/18/2024
<b>Government Securities Subtotal</b>			<b>43,759,516</b>	<b>43,828,568</b>		
<b><u>Money Market Fund</u></b>						
City of Upland						
	US Bank	31846V203	2,540,448	2,540,448	0.93%	N/A
<b>Money Market Fund Subtotal</b>			<b>2,540,448</b>	<b>2,540,448</b>		
<b><u>Corporate Bonds</u></b>						
	Lakeside Bank CD	51210SPT8	250,000	250,105	2.400%	10/30/2019
	USNY Bank CD	90344LEQ8	250,000	250,175	2.650%	11/5/2019
	Wex Bank Midvale CD	92937CHF8	250,000	250,323	2.550%	12/13/2019
	Bank of China CD	06428FMD6	250,000	250,028	1.950%	12/20/2019
	Bank Baroda New CD	06063HBF9	250,000	250,528	2.800%	12/27/2019
	Customers Bank CD	23204HHM3	250,000	250,038	1.950%	12/30/2019
	The Fahey CD	303117CQ6	250,000	250,430	2.500%	1/10/2020
	Union Bank CD	90520VAG8	250,000	250,573	2.650%	1/16/2020
	Merrick Bank CD	58013J6A3	250,000	250,630	2.700%	1/21/2020
	Radius Bank CD	75047ABK9	250,000	250,100	2.000%	1/29/2020
	Town and Country CD	89210PBZ5	250,000	250,106	2.000%	1/30/2020
	Valley N B CD	919853BX8	250,000	250,745	2.700%	2/7/2020
	Iberia Bank CD	45083ALH3	250,000	251,003	2.800%	3/2/2020

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

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
Compass BK CD		20451PWE2	250,000	251,018	2.800%	3/4/2020
Bank of OZK C D		06417NGZ0	250,000	250,873	2.350%	4/9/2020
Unlted Bankers CD		909557HZ6	250,000	251,630	2.850%	5/19/2020
Brookline Bank CD		11373QFU7	250,000	251,790	2.900%	5/29/2020
First Financial CD		32021SFP6	250,000	252,008	2.900%	6/26/2020
Ally Bank Midvale Utah		02007GDM2	250,875	251,755	2.750%	6/29/2020
TCF National Bank CD		87227RCN2	250,000	251,498	2.800%	7/2/2020
Wells Fargo Bank CD		949763SP2	249,873	252,043	2.800%	7/27/2020
Bank Pontiac ILL C D		064455AM0	250,000	251,188	2.350%	8/14/2020
State Street Bank Note		857477AS2	103,593	100,472	2.550%	8/18/2020
Bank of Hope CD		062683BX4	250,000	252,365	2.800%	9/14/2020
Comenity CAP BK CD		20033AXY7	250,000	250,528	2.000%	10/23/2020
First Internet CD		32056GDD9	250,000	253,690	3.000%	12/28/2020
JP Morgan Chase CD		48128F4V1	250,000	250,700	3.000%	1/8/2021
Live Oak CD		538036DX9	250,000	254,023	3.000%	2/9/2021
Eagle Bank CD		27002YDY9	250,000	253,725	2.800%	3/8/2021
CitiBank NA CD		17312QH93	250,000	253,575	2.750%	4/12/2021
Capital One NA CD		14042RFV8	246,218	250,523	2.250%	5/24/2021
B Bay LLC Promisory Notebal		05580ANK8	250,000	255,263	3.000%	7/13/2021
Capital One Bank CD		14042TBG1	250,000	251,355	2.100%	8/2/2021
Abacus Federal CD		00257TBA3	250,000	255,185	2.900%	8/31/2021
First Fid Bank C D		32024FAB7	250,000	255,040	2.850%	9/14/2021
Wells Fargo Bank CD		949763LT1	250,000	252,400	2.250%	12/8/2021
Synchrony Bank CD		87164WYK8	250,000	255,325	2.700%	3/8/2022
Sterling Bank CD		85916VCW3	250,000	257,708	3.100%	3/9/2022
Morgan Stanley CD		61890UFC9	250,000	255,958	2.800%	3/14/2022
American CD		02587DN38	249,875	248,967	2.400%	4/5/2022
First Northeast CD		33583FAB8	239,570	248,188	2.000%	4/19/2022
Old Missouri CD		68002LBL1	250,000	258,195	3.100%	5/5/2022
American Express CD		02587CFU9	250,000	253,105	2.400%	8/29/2022
BMO Harris CD		05581WN35	250,000	250,478	2.850%	9/14/2022
Apple Inc		037833DE7	494,750	608,130	2.400%	1/13/2023
Goldman Sachs CD		38148PYQ4	250,000	258,020	2.800%	2/28/2023
Sallie Mae Bank Salt Lke		795450P86	250,000	261,868	3.200%	5/9/2023
Discover Bank Greenwood Def CD		254673RF5	250,000	263,270	3.300%	7/11/2023
Morgan Stanley C D		61760AZR3	250,000	259,203	2.750%	5/2/2024
Jonesboro St Bank C D		48040PFB6	250,000	250,098	2.050%	9/16/2024
<b>Corporate Bonds Subtotal</b>			<b>12,584,553</b>	<b>12,735,732</b>		
<b>US Treasury</b>						
US T-note	Barclays Capital Inc	912828G61	199,188	199,816	1.500%	11/30/2019
US T-note	Citigroup Global Mkt Inc	912828H52	202,258	199,554	1.250%	1/31/2020
US T-note	Morgan Stanley	912828UV0	200,876	199,266	1.125%	3/31/2020
<b>US Treasury Subtotal</b>			<b>602,322</b>	<b>598,636</b>		
<b>Total Portfolio</b>			<b>\$ 59,486,841</b>	<b>\$ 59,703,382</b>		

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

September 30, 2019	Market Value	Availability 09/30/19 10/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity
Petty Cash	11,400	10/01/19	1	0.0%	0.00	
Checking Account	2,920,861	10/01/19	1	3.4%	0.03	
Successor Agency	2,949,715	10/01/19	1	3.4%	0.03	5,881,776
<b>Total Bank Accounts</b>	<b>5,881,776</b>					
<b>State Local Agency Investment Fund</b>	<b>21,545,381</b>	10/01/19	1	24.7%	0.25	21,545,381
US Bank	2,540,448	10/01/19	1	2.9%	0.03	2,540,448
<b>Total Money Market Accounts</b>	<b>2,540,448</b>					
Morgan Stanley & Co	199,994	10/02/19	2	0.2%	0.00	
Deutsche Bank Sec Intl	1,499,100	10/24/19	24	1.7%	0.41	1,899,094
<b>Government Securities</b>	<b>1,699,094</b>					
Lakeside Bank CD	250,105	10/30/19	30	0.3%	0.09	250,105
<b>Corporate Bonds</b>	<b>250,105</b>					
						<b>31,916,804</b> 1 - 30 days
Wells Fargo Sec LLC	1,498,980	11/15/19	46	1.7%	0.79	1,498,980
<b>Government Securities</b>	<b>1,498,980</b>					
USNY Bank CD	250,175	11/05/18	36	0.3%	0.10	250,175
<b>Corporate Bonds</b>	<b>250,175</b>					
						<b>1,749,155</b> 31 - 60 days
Wells Fargo Sec LLC	200,180	12/13/19	74	0.2%	0.17	200,180
<b>Government Securities</b>	<b>200,180</b>					
Wex Bank Midvale CD	250,323	12/13/19	74	0.3%	0.21	
Bank of China CD	250,028	12/20/19	81	0.3%	0.23	
Bank Baroda New CD	250,528	12/27/19	88	0.3%	0.25	
Customers Bank CD	250,038	12/30/19	91	0.3%	0.26	
The Fahey CD	250,430	01/10/20	102	0.3%	0.29	
Union Bank CD	250,573	01/16/20	108	0.3%	0.31	
Merrick Bank CD	250,630	01/21/20	113	0.3%	0.33	1,752,548
<b>Corporate Bonds</b>	<b>1,752,548</b>					
Barclays Capital Inc	199,816	11/30/19	61	0.2%	0.14	199,816
<b>US Treasury</b>	<b>199,816</b>					
						<b>2,152,544</b> 61 - 120 days
Radius Bank CD	250,100	01/29/20	121	0.3%	0.35	
Town and Country CD	250,105	01/30/20	122	0.3%	0.35	
Valley N B CD	250,745	02/07/20	130	0.3%	0.37	
Iberia Bank CD	251,003	03/02/20	154	0.3%	0.44	
Compass BK CD	251,018	03/04/20	156	0.3%	0.45	1,252,970
<b>Corporate Bonds</b>	<b>1,252,970</b>					
Citigroup Global Mkt Inc	199,554	01/31/20	123	0.2%	0.28	199,554
<b>US Treasury</b>	<b>199,554</b>					
						<b>1,452,524</b> 121 - 180 days
Wells Fargo Sec LLC	199,354	04/06/20	189	0.2%	0.43	
Wells Fargo Sec LLC	204,498	05/13/20	226	0.2%	0.53	
Federal Home Loan Bks	1,498,665	09/28/20	364	1.7%	6.26	1,902,515
<b>Government Securities</b>	<b>1,902,515</b>					
Bank of OZK C D	250,673	04/09/20	192	0.3%	0.65	
United Bankers CD	251,630	05/19/20	232	0.3%	0.67	
Brookline Bank CD	251,790	05/29/20	242	0.3%	0.70	
First Financial CD	252,008	06/26/20	270	0.3%	0.78	
Ally Bank Midvale Utah	251,755	06/29/20	273	0.3%	0.79	
TCF National Bank CD	251,498	07/02/20	276	0.3%	0.80	
Wells Fargo Bank CD	252,043	07/27/20	301	0.3%	0.87	
Bank Pontiac ILL C D	251,188	08/14/20	319	0.3%	0.92	
State Street Bank Note	100,472	08/18/20	323	0.1%	0.37	
Bank of Hope CD	252,365	09/14/20	350	0.3%	1.01	2,365,420
<b>Corporate Bonds</b>	<b>2,365,420</b>					

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

September 30, 2019	Market Value	Availability 09/30/19 10/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity	
Morgan Stanley US Treasury	<u>199,266</u> 199,266	03/31/20	183	0.2%	0.42	199,266	
						<u>4,467,200</u>	181 - 1 year
Deutsche Bank Sec Intl Deutsche Bank Sec Intl Federal Farm Credit Bks Government Securities	<u>1,495,245</u> 1,494,690 1,250,013 4,239,948	10/30/20 11/30/20 09/13/21	396 427 714	1.7% 1.7% 1.4%	6.80 7.33 10.24	4,239,948	
Comenity CAP BK CD First Internet CD JP Morgan Chase CD Live Oak CD Eagle Bank CD Citibank NA CD Capital One NA CD B Bay LLC Promissory Notebal Capital One Bank CD First Fid Bank C D Corporate Bonds	<u>250,528</u> 253,690 250,700 254,023 253,725 253,575 250,523 255,263 251,355 255,040 2,528,420	10/23/20 12/28/20 01/08/21 02/09/21 03/08/21 04/12/21 05/24/21 07/13/21 08/02/21 09/14/21	389 455 466 498 525 560 602 652 672 715	0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3%	1.12 1.32 1.34 1.45 1.53 1.63 1.73 1.91 1.94 2.09	2,528,420	
						<u>6,768,368</u>	1- 2 years
Deutsche Bank Sec Intl Federal Farm Credit Bks Federal Home Loan Bks Federal Home Loan Bks Federal Farm Credit Bks Federal Home LN Corp Federal Farm Credit Bks Federal Farm Credit Bks Government Securities	<u>1,491,495</u> 2,009,260 1,502,415 1,505,100 1,002,360 1,500,495 3,004,950 1,250,038 13,266,113	10/07/21 11/19/21 11/26/21 05/08/22 06/03/22 06/06/22 07/22/22 09/12/22	738 781 788 949 977 980 1,026 1,078	1.7% 2.3% 1.7% 1.7% 1.2% 1.7% 3.4% 1.4%	12.63 18.01 13.59 16.39 11.24 16.88 35.38 15.47	13,266,113	
Wells Fargo Bank CD Synchorony Bank CD Morgan Stanley CD Sterling Bank CD American CD First Northeast CD Old Missouri CD American Express CD Corporate Bonds	<u>252,400</u> 255,325 255,958 257,708 248,967 248,188 258,185 253,105 2,029,845	12/08/21 03/08/22 03/14/22 03/09/22 04/05/22 04/19/22 05/05/22 08/29/22	800 890 896 891 918 932 948 1,064	0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3% 0.3%	2.32 2.61 2.63 2.64 2.62 2.65 2.81 3.09	2,029,845	
						<u>15,295,957</u>	2- 3 years
Federal Home Loan Bks Federal Farm Credit Bks Federal Home LN Corp Government Securities	<u>1,250,000</u> 1,250,013 1,501,020 4,001,033	10/04/22 10/17/22 11/28/22	1,100 1,113 1,165	1.4% 1.4% 1.7%	15.78 15.97 19.90	4,001,033	
Abacus Federal CD BMO Harris CD Apple Inc Goldman Sachs CD Sallie Mae Bank Salt Lke Discover Bank Greenwood Del CD Corporate Bonds	<u>255,185</u> 250,478 508,130 258,020 261,868 263,270 1,796,950	10/04/22 09/14/22 01/13/23 02/28/23 05/09/23 07/11/23	1,100 1,080 1,201 1,247 1,317 1,380	0.3% 0.3% 0.6% 0.3% 0.3% 0.3%	3.22 3.10 7.00 3.69 3.96 4.17	1,796,950	
						<u>5,797,983</u>	3- 4 years
Morgan Stanley & Co Morgan Stanley & Co Morgan Stanley & Co Federal Home LN Corp Federal Home Loan Bks Federal Home LN Corp Federal Home LN Corp Federal Home LN Corp Federal Home LN Corp Federal Farm Credit Bks Federal Home LN Corp Government Securities	<u>2,004,540</u> 2,008,660 1,501,230 2,001,520 2,508,800 1,002,960 1,502,205 1,501,230 1,489,320 1,500,240 17,020,705	10/30/23 04/30/24 05/22/24 06/04/24 06/05/24 06/17/24 07/30/24 07/30/24 08/13/24 09/18/24	1,491 1,674 1,696 1,709 1,710 1,722 1,765 1,765 1,779 1,815	2.3% 2.3% 1.7% 2.3% 2.9% 1.2% 1.7% 1.7% 1.7% 1.7%	34.30 38.59 29.22 39.26 49.24 19.82 30.43 30.41 30.41 31.25	17,020,705	

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

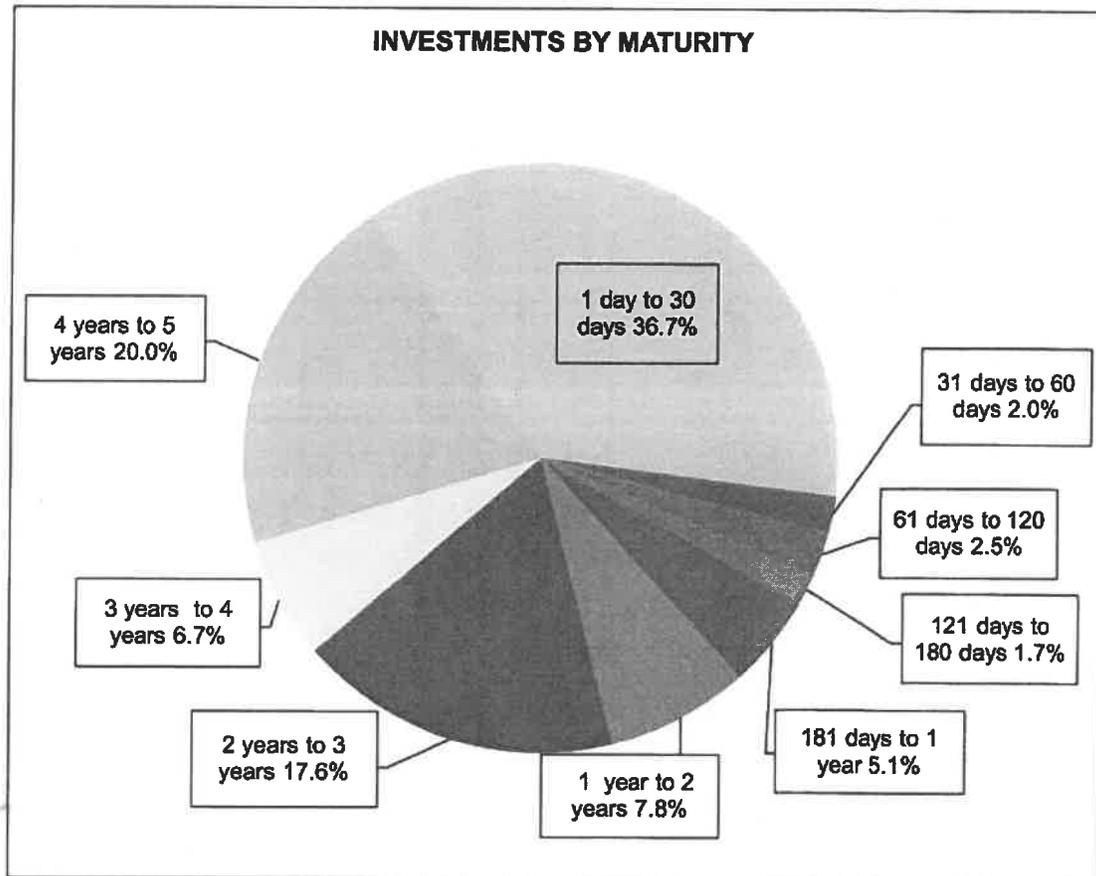
<u>September 30, 2019</u>	Market Value	Availability 09/30/19 10/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity	
Morgan Stanley C D	259,203	05/02/24	1,676	0.3%	4.99		
Jonesboro St Bank C D	250,098	09/16/24	1,813	0.3%	5.20	509,300	
Corporate Bonds	<u>509,300</u>						
						<u>17,530,005</u>	4- 5 years
<b>Total Investments</b>	<u>\$ 87,130,539</u>			100.00%	642.61	<u>\$ 87,130,539</u>	
		Average Maturity in Days	642.61				
		Average Maturity in Years:	1.761				
LAIF Amortized Cost	\$ 97,726,256,515						
LAIF Fair Value	<u>\$ 98,154,515,097</u>						
Check:	1.004382228						

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

**September 30, 2019**

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

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



# EXHIBIT 6

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

For Period Ended  
October 31, 2019

Investment Portfolio	Cost	Par Value	Market Value	% of Portfolio
State Local Agency Investment Fund	\$ 21,580,037	N/A	\$ 21,756,339	24.3%
Bank Accounts and Change Funds	7,486,501	N/A	7,486,501	8.4%
ABS-Corporate Paydown Securities	-	N/A	-	0.0%
Money Market Fund	5,876,233	N/A	5,876,233	6.6%
Government Agency Securities	40,828,637	40,855,000	40,886,056	45.9%
Corporate Bonds	12,334,553	12,343,000	12,484,370	14.0%
US Treasury	602,322	600,000	599,372	0.7%
<b>Total Cash and Investments</b>	<b>\$ 88,718,283</b>	<b>\$ 53,798,000</b>	<b>\$ 89,088,871</b>	<b>100.0%</b>

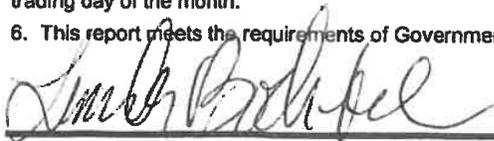
PARS Investment Portfolio	Cost	Market Value	% of Portfolio
115 Trust-OPEB Investment as of 10/31/19	1,147,121	1,147,121	14.3%
Pension Trust Investment as of 10/31/19	6,860,273	6,860,273	85.7%
<b>Total Cash and Investments</b>	<b>\$ 8,007,392</b>	<b>\$ 8,007,392</b>	<b>100.0%</b>

Weighted Average Days to Maturity	602.55
-----------------------------------	--------

Blended Yield:	2.200%
Benchmarks:	
LAIF	2.180%
2yr U.S. Treasury	1.520%
5yr U.S. Treasury	1.510%

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

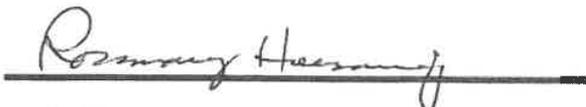
- I hereby certify that the investments are in compliance with the investment policy adopted by the City Council in June 2018.
- The City has the ability to meet its budgeted expenditures for the next six months.
- The market values for funds held in banking institutions do not change. The amounts listed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



Reviewed by Finance Officer

11/20/19

Date



Interim City Manager

11/21/19

Date

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

**State Local Agency Investment Fund**

**For Period Ended  
October 31, 2019**

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

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

**Bank Accounts and Change Funds**

**For Period Ended  
October 31, 2019**

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

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

Investment	Purchased From	Cusip #	Cost	Market Value	Stated Rate	Maturity Date
Iberia Bank CD		45083ALH3	250,000	251,048	2.800%	3/2/2020
Compass BK CD		20451PWE2	250,000	251,063	2.800%	3/4/2020
Bank of OZK C D		06417NGZ0	250,000	250,838	2.350%	4/9/2020
United Bankers CD		909557HZ6	250,000	251,718	2.850%	5/19/2020
Brookline Bank CD		11373QFU7	250,000	251,878	2.900%	5/29/2020
First Financial CD		32021SFP6	250,000	252,108	2.900%	6/26/2020
Ally Bank Midvale Utah		02007GDM2	250,876	251,888	2.750%	6/29/2020
TCF National Bank CD		87227RCN2	250,000	251,670	2.600%	7/2/2020
Wells Fargo Bank CD		949763SP2	249,873	252,210	2.800%	7/27/2020
Bank Pontiac ILL C D		064455AM0	250,000	251,433	2.350%	8/14/2020
State Street Bank Note		857477AS2	103,593	100,537	2.550%	8/18/2020
Bank of Hope CD		062683BX4	250,000	252,488	2.800%	9/14/2020
Comerity CAP BK CD		20033AXY7	250,000	250,750	2.000%	10/23/2020
First Internet CD		32056GDD9	250,000	253,703	3.000%	12/28/2020
JP Morgan Chase CD		48128F4V1	250,000	250,630	3.000%	1/8/2021
Live Oak CD		538036DX9	250,000	254,035	3.000%	2/9/2021
Eagle Bank CD		27002YDY9	250,000	253,768	2.800%	3/8/2021
CitiBank NA CD		17312QH93	250,000	253,643	2.750%	4/12/2021
Capital One NA CD		14042RFV8	246,218	250,730	2.250%	5/24/2021
B Bay LLC Promissory Notebal		05580ANK6	250,000	255,230	3.000%	7/13/2021
Capital One Bank CD		14042TBG1	250,000	251,495	2.100%	8/2/2021
Abacus Federal CD		00257TBA3	250,000	255,145	2.900%	8/31/2021
First Fid Bank C D		32024FAB7	250,000	255,010	2.850%	9/14/2021
Wells Fargo Bank CD		949763LT1	250,000	252,408	2.250%	12/8/2021
Synchrony Bank CD		87164WYK8	250,000	255,078	2.700%	3/8/2022
Sterling Bank CD		85916VCW3	250,000	257,380	3.100%	3/9/2022
Morgan Stanley CD		61690UFC9	250,000	255,680	2.800%	3/14/2022
American CD		02587DN38	249,675	248,760	2.400%	4/5/2022
First Northeast CD		33583FAB8	239,570	248,010	2.000%	4/19/2022
Old Missouri CD		68002LBL1	250,000	257,755	3.100%	5/5/2022
American Express CD		02587CFU9	250,000	252,555	2.400%	8/29/2022
BMO Harris CD		05581WVN35	250,000	250,373	2.850%	9/14/2022
Apple Inc		037833DE7	494,750	509,530	2.400%	1/13/2023
Goldman Sachs CD		38148PYQ4	250,000	257,230	2.800%	2/28/2023
Sallie Mae Bank Salt Lke		795450P66	250,000	261,030	3.200%	5/9/2023
Discover Bank Greenwood Del CD		254873RF5	250,000	262,443	3.300%	7/11/2023
Morgan Stanley C D		61760AZR3	250,000	258,860	2.750%	5/2/2024
Jonesboro St Bank C D		48040PFB6	250,000	250,160	2.050%	9/16/2024
<b>Corporate Bonds Subtotal</b>			<b>12,334,553</b>	<b>12,484,370</b>		
<b>US Treasury</b>						
US T-note	Barclays Capital Inc	912828G61	199,188	199,942	1.500%	11/30/2019
US T-note	Citigroup Global Mkt Inc	912828H52	202,258	199,828	1.250%	1/31/2020
US T-note	Morgan Stanley	912828UJ0	200,876	199,602	1.125%	3/31/2020
<b>US Treasury Subtotal</b>			<b>602,322</b>	<b>599,372</b>		
<b>Total Portfolio</b>			<b>\$ 59,641,747</b>	<b>\$ 59,846,031</b>		

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

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

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

October 31, 2019	Market Value	Availability 10/31/19 11/01/19	No. of days until maturity	weight	days to maturity  weighted average	Total by maturity	
						<b>5,571,805</b>	<b>181 - 1 year</b>
Deutsche Bank Sec Intl	1,498,485	11/30/20	396	1.7%	6.68		
Federal Farm Credit Bks	1,250,025	09/13/21	683	1.4%	9.58		
Deutsche Bank Sec Intl	1,494,525	10/07/21	707	1.7%	11.86	4,243,035	
<b>Government Securities</b>	<b>4,243,035</b>						
First Internet CD	253,703	12/28/20	424	0.3%	1.21		
JP Morgan Chase CD	250,630	01/08/21	435	0.3%	1.22		
Live Oak CD	254,035	02/09/21	467	0.3%	1.33		
Eagle Bank CD	253,768	03/08/21	494	0.3%	1.41		
CitiBank NA CD	253,643	04/12/21	529	0.3%	1.51		
Capital One NA CD	250,730	05/24/21	571	0.3%	1.61		
B Bay LLC Promissory Notebal	255,230	07/13/21	621	0.3%	1.78		
Capital One Bank CD	251,495	08/02/21	641	0.3%	1.81		
First Fid Bank C D	255,010	09/14/21	684	0.3%	1.96		
Abacus Federal CD	255,145	08/31/21	670	0.3%	1.92	2,533,388	
<b>Corporate Bonds</b>	<b>2,533,388</b>						
						<b>6,776,423</b>	<b>1- 2 years</b>
Federal Farm Credit Bks	2,014,780	11/19/21	750	2.3%	16.96		
Federal Home Loan Bks	1,501,215	11/26/21	757	1.7%	12.76		
Federal Home Loan Bks	1,505,775	05/06/22	918	1.7%	15.52		
Federal Farm Credit Bks	1,002,360	06/03/22	946	1.1%	10.64		
Federal Home LN Corp	1,500,345	06/06/22	949	1.7%	15.98		
Federal Farm Credit Bks	3,005,490	07/22/22	995	3.4%	33.57		
Federal Farm Credit Bks	1,250,050	09/12/22	1,047	1.4%	14.69	11,780,015	
<b>Government Securities</b>	<b>11,780,015</b>						
Wells Fargo Bank CD	252,408	12/08/21	769	0.3%	2.18		
Synchrony Bank CD	255,078	03/08/22	859	0.3%	2.46		
Morgan Stanley CD	255,680	03/14/22	865	0.3%	2.48		
Sterling Bank CD	257,380	03/09/22	860	0.3%	2.48		
American CD	248,760	04/05/22	887	0.3%	2.48		
First Northeast CD	248,010	04/19/22	901	0.3%	2.51		
Old Missouri CD	257,755	05/05/22	917	0.3%	2.65		
American Express CD	252,555	08/29/22	1,033	0.3%	2.93		
BMO Harris CD	250,373	09/14/22	1,049	0.3%	2.95	2,277,998	
<b>Corporate Bonds</b>	<b>2,277,998</b>						
						<b>14,058,013</b>	<b>2- 3 years</b>
Federal Home LN Corp	1,500,640	11/28/22	1,124	1.7%	18.93		
Morgan Stanley & Co	2,003,540	10/30/23	1,460	2.2%	32.83	3,504,080	
<b>Government Securities</b>	<b>3,504,080</b>						
Apple Inc	509,530	01/13/23	1,170	0.6%	6.69		
Goldman Sachs CD	257,230	02/28/23	1,216	0.3%	3.51		
Sallie Mae Bank Salt Lke	261,030	05/09/23	1,286	0.3%	3.77		
Discover Bank Greenwood Del CD	262,443	07/11/23	1,349	0.3%	3.97	1,290,233	
<b>Corporate Bonds</b>	<b>1,290,233</b>						
						<b>4,794,313</b>	<b>3- 4 years</b>
Morgan Stanley & Co	2,007,640	04/30/24	1,643	2.3%	37.03		
Morgan Stanley & Co	1,500,555	05/22/24	1,665	1.7%	28.04		
Federal Home LN Corp	2,000,840	06/04/24	1,678	2.2%	37.69		
Federal Home Loan Bks	2,508,200	08/05/24	1,679	2.8%	47.27		
Federal Home LN Corp	1,002,780	08/17/24	1,691	1.1%	19.03		
Federal Home LN Corp	1,502,115	07/30/24	1,734	1.7%	29.24		
Federal Home LN Corp	1,501,035	07/30/24	1,734	1.7%	29.22		
Federal Farm Credit Bks	1,491,510	08/13/24	1,748	1.7%	29.26		
Federal Home LN Corp	1,500,585	09/18/24	1,784	1.7%	30.05		
Federal Home Loan Bks	1,238,863	10/02/24	1,798	1.4%	25.00	16,254,123	
<b>Government Securities</b>	<b>16,254,123</b>						

**TREASURY REPORT**

City of Upland - Successor Agency - Public Financing Authority

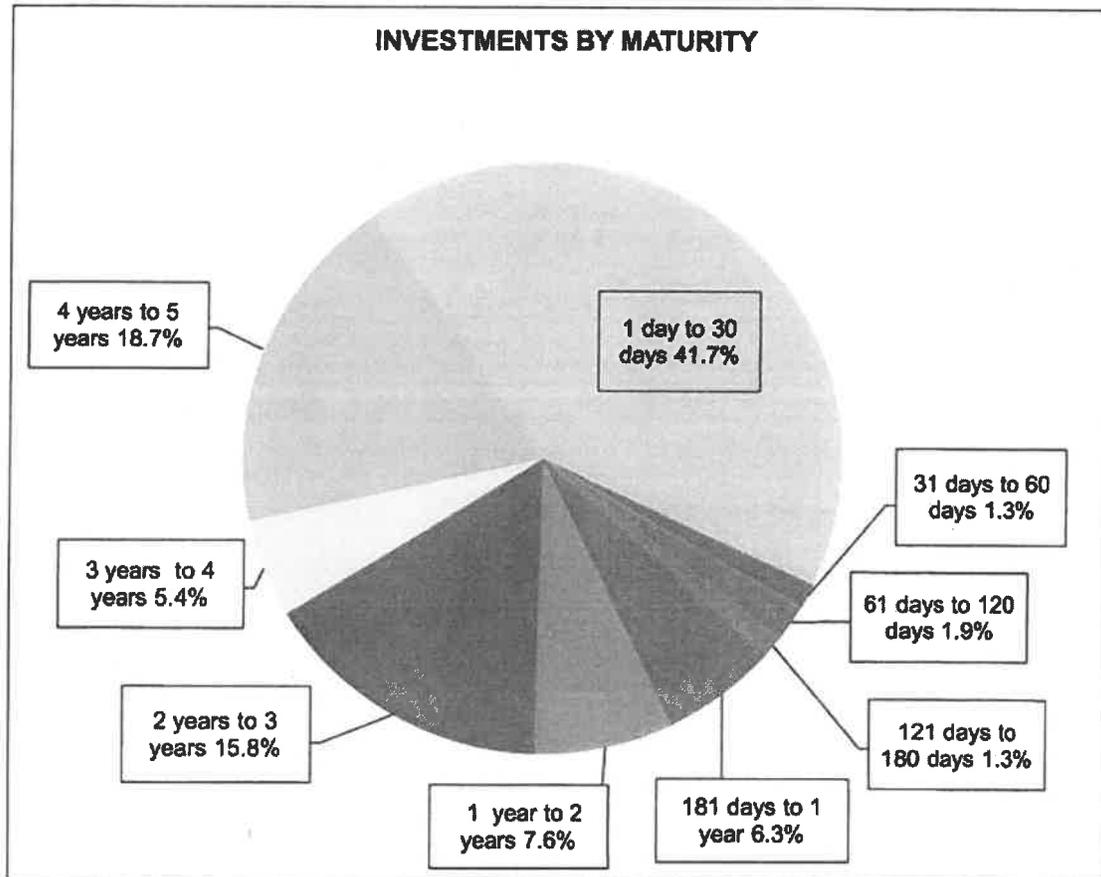
October 31, 2019	Market Value	Availability 10/31/19 11/01/19	No. of days until maturity	weight	days to maturity weighted average	Total by maturity	
Morgan Stanley C D	258,860	05/02/24	1,645	0.3%	4.78		
Jonesboro St Bank C D	250,160	09/16/24	1,782	0.3%	5.00	509,020	
Corporate Bonds	<u>508,020</u>						
						<u>16,763,143</u>	4- 5 years
<b>Total Investments</b>	<b>\$ 89,088,871</b>			<b>100.00%</b>	<b>602.55</b>	<b>\$ 89,088,871</b>	
		<b>Average Maturity in Days</b>	<b>602.55</b>				
		<b>Average Maturity in Years:</b>	<b>1.651</b>				
LAIF Amortized Cost	\$ 91,358,769,998						
LAIF Fair Value	\$ 92,062,479,216						
Check:	1.007702700						

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

October 31, 2019

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

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



# EXHIBIT 7

## EXHIBIT 14



# California

## LEGISLATIVE INFORMATION

Home Bill Information California Law Publications Other Resources My Subscriptions My Favorites

Code:  Section:   ⓘ

[Up^](#) [<< Previous](#) [Next >>](#)

[cross-reference chaptered bills](#)

[PDF](#) | [Add To My Favorites](#)



Search Phrase:

### GOVERNMENT CODE - GOV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# EXHIBIT 8

RESOLUTION NO. 6504

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

Intent of the Parties and Findings

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

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

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

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

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

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

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

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

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

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

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

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

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

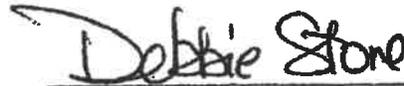
**Section 1. The City Council hereby amends the established guidelines for Authorities, Boards, Committees, and Commissions of the City (as attached) including incorporating, by reference, all prior actions taken by the City Council to eliminate or modify Committees, to the extent they are not inconsistent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

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

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

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

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



**Debbie Stone, Mayor**

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

**AYES: Mayor Stone, Councilmembers Elliott, Felix, Velto, Zuniga  
NOES: None  
ABSENT: None  
ABSTAINED: None**

**ATTEST:**

  
**Keri Johnson, City Clerk**

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

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

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

### **SECTION 2. DEFINITION**

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

### **SECTION 3. APPLICABILITY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SECTION 9. CHAIRPERSON SELECTION**

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

**SECTION 10. POSTING REQUIRED**

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

**SECTION 11. DUTIES**

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

**SECTION 12. ATTENDANCE**

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

**SECTION 13. OPEN MEETINGS**

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

## **BUILDING APPEALS BOARD**

### **PURPOSE**

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

### **MEMBERSHIP**

5 Members Total

Selected from the following classifications:

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

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

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

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

### **SELECTION PROCESS**

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

### **CODE REFERENCES**

Resolution 4107  
Resolution 2725  
Ordinance 1882

(effective July 27, 1992)

## **CITY COUNCIL ADVISORY COMMITTEE**

### **PURPOSE**

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

### **MEMBERSHIP**

5 Members Total  
Nominated by Councilmembers

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

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

### **SELECTION PROCESS**

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

### **CODE REFERENCE**

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

## **COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE**

### **PURPOSE**

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

### **MEMBERSHIP**

5 Members Total  
Nominated by Councilmembers

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

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

### **SELECTION PROCESS**

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

### **CODE REFERENCE**

- Council Minutes 3/14/89

## **LIBRARY BOARD**

### **PURPOSE**

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

### **MEMBERSHIP**

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

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

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

### **SELECTION PROCESS**

Mayor shall appoint with Council ratification

### **CODE REFERENCES**

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

## **PERSONNEL BOARD OF REVIEW**

### **PURPOSE**

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

### **MEMBERSHIP**

**3 Members Total**  
**1 Alternate Member**

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

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

### **SELECTION PROCESS**

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

### **CODE REFERENCE**

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

## PLANNING COMMISSION

### PURPOSE

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

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

### MEMBERSHIP

7 Members Total

Airport Land Use Committee consists of:

7 Planning Commissioners

2 ALUC members (possess expertise in aviation)

### LENGTH OF TERM/FREQUENCY OF MEETINGS

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

### SELECTION PROCESS

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

### CODE REFERENCE

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

## **STREET TREE ADVISORY COMMITTEE**

### **PURPOSE**

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

### **MEMBERSHIP**

5 Members Total  
Selected from 5 Citizens at Large

### **LENGTH OF TERM**

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

### **MEETINGS**

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

### **SELECTION PROCESS**

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

### **CODE REFERENCE**

Resolution 5786  
Resolution 5201  
Resolution 4462

## TRAFFIC SAFETY ADVISORY COMMITTEE

### PURPOSE

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

### MEMBERSHIP

10 Members Total

5 Citizens at Large (one nominated by each Councilmember)

1 Upland Unified School District

1 Chamber of Commerce Representative

Non Voting Liaison members:

1 Upland Police Department Liaison

1 Engineering Department Liaison

1 Upland School District Representative

### LENGTH OF TERM/FREQUENCY OF MEETINGS

- 4 Year Term (except Police and Engineering Liaisons)
- No applicant shall serve more than two full consecutive terms, unless approved by a 4/5ths vote of the Council

Meets quarterly the first Wednesday of February, May, August and November, 8:30 a.m. at the Police Department

### SELECTION PROCESS

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

### CODE REFERENCE

Resolution 6147

Upland Council Minutes, 11/6/78

Upland Council Minutes, 10/6/64

## **ECONOMIC DEVELOPMENT COMMITTEE**

### **PURPOSE**

The function of the Committee is to provide an opportunity for review and fact finding relative to significant projects, programs, or activities in economic development operations prior to consideration by the entire Council.

### **MEMBERSHIP**

2 City Council Members

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

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor
- Meets quarterly, the first Monday of March, June, September, and December

### **SELECTION PROCESS**

All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010

Resolution No. 6397

Resolution No. 5290

Upland City Council Minutes, 12/01/2001

## **POLICE & FIRE COMMITTEE**

### **PURPOSE**

The function of the Committee is to provide an opportunity for review and fact finding relative to significant projects, programs, or activities in public safety operations prior to consideration by the entire Council.

### **MEMBERSHIP**

2 City Council Members

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

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor
- Meets quarterly, the 4th Monday of March, June, September, and December

### **SELECTION PROCESS**

All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010

Resolution No. 5290

Upland City Council Minutes, 12/01/2001

## **PUBLIC WORKS COMMITTEE**

### **PURPOSE**

The function of the Committee is to provide an opportunity for review and fact finding relative to significant projects, programs, or activities in Public Works operations prior to consideration by the entire Council.

### **MEMBERSHIP**

2 City Council Members

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

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor
- Meets quarterly, the 2nd Tuesday of January, April, July, and October

### **SELECTION PROCESS**

All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010

Resolution No. 5290

Upland City Council Minutes, 12/01/2001

## **FINANCE COMMITTEE**

### **PURPOSE**

The Committee shall be responsible for reviewing matters pertaining to the finances of the City. This may include reviewing warrants and registers, financial statements, investment reports, the City's annual independent audit, City fees and service charges, and operating budgets

### **MEMBERSHIP**

2 City Council Members  
Finance Officer (staff)  
City Treasurer (review of quarterly investment reports)

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

- Appointments may coincide with elections biannually or be reviewed and reassigned annually as desired by the Mayor with the exception of the Finance Officer
- Meets quarterly, the 4th Wednesday of January, April, July, and October

### **SELECTION PROCESS**

The City Treasurer is an established elected position and shall review and provide input on the quarterly investment reports. All Standing Legislative Committees are appointed by the Mayor with Council ratification

### **CODE REFERENCE**

UMC Section 2.16.010  
Resolution No. 6397  
Resolution No. 6394 (Investment Policy)