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STUDY SESSION AGENDA
234 N. Second Avenue, Covina, California
Covina Library Community Room
Tuesday, December 20, 2016

**CITY COUNCIL/SUCCESSOR AGENCY TO THE COVINA
REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCING
AUTHORITY/COVINA HOUSING AUTHORITY
JOINT MEETING—STUDY SESSION
5:00 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members: Walter Allen III, Peggy A. Delach, John C. King, Mayor Pro Tem/Vice Chair Jorge A. Marquez and Mayor/Chair Kevin Stapleton

PUBLIC COMMENTS

To address the Council/Agency/Authority please complete a yellow speaker request card and give it to the City Clerk/Agency/Authority Secretary. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Council/Agency/Authority Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future Council/Agency/Authority agendas may do so at this time.

CITY MANAGER COMMENTS

NEW BUSINESS

NB 1. Department of Public Works - Water Operations Update.

Report: [Water Operations Update](#)

Staff Recommendation:

Review and discuss Department of Public Works – Water Operations Update, including information about water quality, capital projects, distribution system line flushing program, contract with Covina Irrigating Company for water system and water quality consulting services, and related topics.

NB 2. Economic Development Update on Various Ongoing Commercial and High-Profile Projects.

Report: [Economic Development Update](#)

Staff Recommendation:

Consider and discuss the ongoing projects list and provide comment and/or direction to staff as appropriate.

NB 3. Fiscal Year 2015-16 Year End Report and Fiscal Year 2016-17 Budget Update.

Report: [Year End Report and Budget Update](#)

Staff Recommendation:

Receive and file the Fiscal Year 2015-16 Year End Report and Fiscal Year 2016-17 Budget Update.

ADJOURNMENT

The Covina City Council/Successor Agency to the Covina Redevelopment Agency/Covina Public Financing Authority/Covina Housing Authority will adjourn to its next regular meeting of the Council/Agency/Authority scheduled for Tuesday, December 20, 2016, at 6:30 p.m. for closed session and at 7:30 p.m. for open session in the Council Chamber, 125 East College Street, Covina, California, 91723.

Any member of the public may address the Council/Agency/Authority during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Mayor/Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located at the City Clerk's desk.

MEETING ASSISTANCE INFORMATION: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 384-5430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

If you challenge in court any discussion or action taken concerning an item on this agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.

The Covina City Clerk's Office does hereby declare that, in accordance with California Government Code Section 54954.2(a), the agenda for the Tuesday, December 20, 2016, meeting was posted on December 15, 2016, on the City's website and near the front entrances of: 1) Covina City Hall, 125 East College Street, Covina; and 2) Covina Public Library, 234 N. Second Avenue, Covina.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA, AND SUBMITTED TO THE CITY COUNCIL AFTER PUBLICATION OF THE AGENDA, ARE AVAILABLE TO THE PUBLIC IN THE CITY CLERK'S OFFICE AT 125 E. COLLEGE STREET, CA.



CITY OF COVINA

STUDY SESSION REPORT

MEETING DATE: December 20, 2016

TITLE: Department of Public Works – Water Operations Update

PRESENTED BY: Siobhan Foster, Director of Public Works
Bill Pesci, Interim Assistant Public Works Director (Water)

RECOMMENDATION: Review and discuss Department of Public Works – Water Operations Update, including information about water quality, capital projects, distribution system line flushing program, contract with Covina Irrigating Company for water system and water quality consulting services, and related topics.

BACKGROUND:

Since June 2016, the City Council has authorized numerous actions that have enabled the Department of Public Works to initiate water quality and system operational enhancements. The department has also undertaken additional steps on an administrative basis. Key initiatives to enhance water quality and system operations implemented to date are summarized in Attachment A to this report.

On November 14, 2016, William Pesci started employment with the City as Interim Water Services Supervisor. Mr. Pesci has a 30 year record of professional accomplishments in public agencies performing complex assignments involving wholesale and retail water utility management and operations, project design and construction management, and water resources management. Mr. Pesci's experience includes serving as Unit Manager, Section Manager, Operations and Maintenance Manager with Metropolitan Water District of Southern California, and General Manager of Foothill Municipal Water District. Mr. Pesci has a B.S. in Civil Engineering from Loyola Marymount University and possesses a Treatment Operator 5 certification issued by the State Water Resources Control Board (SWRCB).

Effective December 6, 2016, Mr. Pesci began serving as Assistant Public Works Director on an interim basis to support Water Division operations, for a limited duration, up to a maximum of 960 hours in FY 2017. In this capacity, Mr. Pesci's primary focus is sustaining enhanced water quality, as specified and expected by the SWRCB, and to achieve demonstrable results from the City's re-focused distribution system line flushing program and implementation of the mobile Residual Control System (RCS) unit at the Charter Oak Reservoir site and PAX mixer at the Rancho La Merced Reservoir.

Additionally, Mr. Pesci is an active participant in the multitude of projects and initiatives underway, including the training and mentoring of new and existing Water Division personnel and assisting with planned Capital Improvement Program (CIP) projects, such as the Water Utility Supervisory Control and Data Acquisition (SCADA) system upgrade, Urban Water

Management Plan (UWMP), Forestdale Reservoir roof repairs, and various water system upgrades. The effort to update the aged water system master plan, including the development of a new rate structure, also needs to be initiated.

DISCUSSION:

At the City Council Study Session, Mr. Peci will present a verbal update on the following topics:

1. Water quality;
2. RCS Unit and PAX Mixer project updates;
3. Distribution system line flushing program;
4. Condition of the water system, including assessment underway by Cla-Val on deferred maintenance of critical pressurized valves;
5. Contract with Covina Irrigating Company (CIC), including the training of City Water Pump Operators and proposed Third Amendment to the Professional Services Agreement;
6. Anticipated mid-year supplemental budget request for water quality and treatment, including chemical supplies, sampling equipment and supplies, and SCADA training; and
7. Comprehensive water system master plan and rate study.

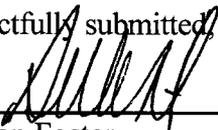
FISCAL IMPACT:

There is no fiscal impact associated with the Water Operations Update. Specific projects and initiatives involving water quality and system operational enhancements will have fiscal impacts and be brought forward for City Council consideration when needed.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

Not applicable.

Respectfully submitted,



Siobhan Foster
Director of Public Works

ATTACHMENTS:

Attachment A: Summary of Key Initiatives to Enhance Water Quality and System Operations

Attachment A
 Summary of Key Initiatives to Enhance Water Quality and System Operations

Date	Item	Description
June 21, 2016	CC 5	Professional Services Agreement with Covina Irrigating Company (CIC) for Water System and Water Quality Consulting Services through December 20, 2016.
August 16, 2016	CC 11	Purchase of the mobile Residual Control System (RCS) unit for Charter Oak and other reservoir sites.
October 4, 2016	CC 12	Purchase and installation of PAX Mixer at Rancho La Merced Reservoir.
October 4, 2016	---	(Administrative action) Partnered with Rowland Water District for technical assistance and use of District's mobile RCS system at Rancho Simi Reservoir, from October 4 to October 12, 2016.
October 18, 2016	CC 4	Rental of temporary RCS rental unit, furnished by Doane and Hartwig Water Systems, Inc., for one month period.
October 18, 2016	CC 10	Second Amendment to Professional Services Agreement with CIC for Water System and Water Quality Consulting Services extending term through January 17, 2017 and increase total compensation.
November 1, 2016	---	(Administrative action) Start of comprehensive training for two City employees in areas of water pump operations and distribution system sampling, provided by CIC.
November 1, 2016	NB 1	Authorization to hire retired, qualified water industry veteran to assist Water Division on temporary basis, serving in capacity of Interim Water Services Supervisor.
November 14, 2016	---	(Administrative action) Hired Bill Pecs, as Interim Water Services Supervisor. Mr. Pecs has a 30 year record of professional accomplishments in public agencies performing complex assignments involving wholesale and retail water utility management and operations, project design, construction management, and water resources management.
December 6, 2016	CC 4	Retain temporary RCS rental unit for additional one month period through January 3, 2017.

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City of Covina
Current Development Projects Update
December 20, 2016

	Property	Location	Comments/Description
1.	Former K-Mart	1162 N. Citrus Ave.	The City Council approved the project on Nov. 29 th . The Notice of Determination was filed on Nov. 30 th .
2.	Former Dodge Dealership property	345 S. Citrus Ave.	The site has been cleared of the fire-damaged structures (only the southerly automobile repair garage remains).
3.	Giovanni's Restaurant	114 E. Italia St.	On Oct. 4 th , the City Council approved a 3-year extension to the Giovanni's lease. In late November, City staff became aware the restaurant was in the process of being sold to a new operator.
4.	Former Covina Bookstore	230 N. Citrus Ave.	Tenant improvement work is underway. The TI work is expected to be completed by the end of December.
5.	Former RED nightclub (proposed Ola Sports Bar)	211 N. Citrus Ave.	On Dec. 6 th , the City Council adopted the resolution upholding the Planning Commission's approval of the CUP (requiring a midnight closure and no live entertainment).
6.	Azo Vino (new name to be "Lincoln House")	144 W. Badillo St.	According to communication from the operator, the tenant improvement modifications will commence in January 2017.
7.	Former Albertsons	1000 N. Azusa Ave.	No responses or counter-proposals to the LOI's and/or verbal proposals submitted by Dunkin Donuts, Steak and Shake and Chipolte have occurred.
8.	Barley Lodge Microbrewery	740 E. Arrow Hwy.	This use is open and active.
9.	Waba Grill	1013 N. Grand Ave.	The tenant improvements are underway.
10.	Bowling Alley property	1060 W. San Bernardino Rd.	We've received written confirmation from the National Register of Historic Places that the bowling alley building is historically eligible. No subsequent inquiries from developers have been received.
11.	Masonic Homes	1650 E. Old Badillo St.	On Nov. 22 nd , the Planning Commission approved the Site Plan Review for a new memory care/assisted living facility on the Masonic Homes campus. On Dec. 13 th the Planning Commission approved a CUP for the conversion of an existing child care facility on the Masonic Homes campus into an updated child care facility within the existing building envelope.
12.	Covina Mini Mall (Arrow Center)	412 W. Arrow Hwy.	Another "reminder letter" will be sent to the property owner reminding them the indoor swap meet use must cease operations and no new business licenses will be issued for the location.
13.	Dalton Place (Banna subdivision)	Cypress Ave/Banna/Kidder	This project is under construction. The model homes will be constructed first.

14.	Vita Pakt property	707 N. Barranca Ave.	The property has been listed for sale. However, no development inquiries have been received lately.
15.	Edna Place/Grand Ave.	777 E. Edna Pl./731 N. Grand Ave.	The light industrial project received approval last month. However, no entitlement application has been received on the Grand Ave. parcel (former Blake Paper Co).
16.	City Ventures downtown project	116 W. San Bernardino Rd & 413 N. Citrus Ave.	Approx. 68 unit townhouse development with approx. 10,000 sq.ft. of cumulative commercial floor area. This past September the court ruled in favor of the defendant (City Ventures).
17.	Inter-Community Hospital	210 W. San Bernardino Rd.	Discussions with the hospital re: potential expansion project involving additional medical/admin offices and parking.
18.	Alhassen Project(s)	Numerous locations: 137 W. San Bernardino Rd (et al), 129 W. Orange St., 401 N. Citrus Ave & parcel on the N/E corner of Park Ave. and San Bernardino Rd.	4 separate development sites proposed for a significant "mixed use" project (including the use of the Geneva Street ROW), a 6-unit townhouse project, a commercial/office building and mixed use project of commercial with residential apartments on the 2 nd floor. The project is in the initial stages of the CEQA process, with a NOP issued.
19.	Former Hi Ho Market	160 E. College St.	United Catholic Credit Union purchased property. Although my conversation with them earlier this summer led me to believe they would be moving expeditiously, no plans have been submitted, or even casual inquiries about the development review and/or plan check process have been made.
20.	Utility Board Shop	110 E. College St.	Skateboard shop has not been open for several months. Inventory remains visible inside the store. The business filed for bankruptcy in May 2016. It is rumored an existing skate shop currently located on San Bernardino Road may potentially relocate to the site.
21.	Vacant property	525 S. Citrus Ave.	Conceptual development plans for a 2-pad fast food (drive-thru) and a "spec" multi-tenant commercial building have been submitted.
22.	Fonda Don Chon	612 Shoppers Lane	The small commercial space next door to the Fonda Don Chon restaurant has been leased by the Fonda Don Chon operator. The concept is to create a small retail "bionicas" store facing Shoppers Lane and utilize the remainder of the store space for "back of the house" operations for the existing Fonda Don Chon restaurant.
23.	Prince of Peace Lutheran Church	1359 E. Covina Blvd.	Inquiry from Los Angeles County Department of Education proposing to lease classroom space to establish an "alternative high school" at the location.
24.	Existing commercial shopping center	139 N. Grand Ave.	Facade improvement upgrades under construction.

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CITY OF COVINA

STUDY SESSION REPORT

MEETING DATE: December 20, 2016

TITLE: **Economic Development Update – Giovanni’s Restaurant Lease Transfer – 114 E. Italia Street**

PRESENTED BY: Brian K. Lee, Director of Community Development

RECOMMENDATION: Provide direction as appropriate.

DISCUSSION:

On November 19, 2013, Resolution 13-7200 was adopted approving a Lease Agreement with Elite Dining Services, Inc., for real property located at 114 E. Italia Street, Covina, and authorizing the City Manager, with concurrence of the City Attorney, to execute and deliver on behalf of the City the Agreement and such other documents as may be necessary to carry out the actions authorized in the Resolution. Elite Dining Services, Inc. does business at 114 E. Italia Street, Covina, as Giovanni’s Ristorante (“Elite”). The lease premises comprises approximately 1,406 square feet.

The initial term expired on December 1, 2016 and pursuant to the terms of the lease Elite Dining Services, Inc. was entitled to one (1), three-year extension. At the October 4, 2016 City Council meeting, the City Council authorized the City Manager to approve the three-year lease extension for Elite Dining Services, Inc., owner/operators of Giovanni’s Ristorante. In late November 2016, City staff became aware the Giovanni’s restaurant operation was subject to a possible sale. Subsequently, City staff has endeavored to gain information on the background and restaurant operating experience of the potential buyers.

Attached is a statement from the prospective Giovanni’s Restaurant buyers of their restaurant operating experience for consideration by the City Council.

FISCAL IMPACT:

None at this time.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

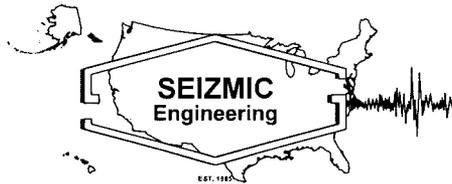
This item is not subject to the provisions of CEQA.

Respectfully submitted,

Brian K. Lee
Director of Community Development

ATTACHMENTS:

Attachment A: Statement from Sal and Nancy Fateen – buyers of Giovanni’s Restaurant



CONVEYOR SUPPORTS

Ceiling Supported
Seismic Bracing
Header Steel
Floor Supports

RACK STRUCTURES

Pick Modules
Automatic Storage Systems
Rack Buildings
Rack Repair

SPECIAL SERVICES

Seismic Analysis
Permit Management
Layout/Egress Plans
R-Mark Testing
Safety Inspection
Special Fabrication

SHELVING

Bolted & Boltless
Gondolas
Pick Modules
Archives

EQUIPMENT PLATFORMS

Stairs & Guardrail
Crossovers
Canopies
Foundation Analysis

Licensed in All 50 States

December 7, 2016

Re: Elite Dining Services, Inc.
114 E. Italia St.
Covina, CA 91723

To Whom It May Concern:

Per your request, herein contains information regarding the qualifications of Sal and Nancy Fateen, potential buyers of the Elite Dining Services Corporation and all of its holdings including Giovanni's Restaurant in Covina.

Sal Fateen has been a resident of Covina for 40+ years and, in March of this year, moved his engineering firm to a large industrial building in Covina. Seismic Engineering was started by Sal in 1985 as a one-man operation and has since grown to 45 employees. Upon the expansion to this new facility, Sal enlisted his long-time associate and friend to join the Seismic team as President and full-time overseer of operations so that he could begin to pursue his lifelong dream of owning and running a successful restaurant.

In addition of his evident experience and success in a managerial/business owner role, Sal has also been the President of the Cathedral Canyon Country Club association in Cathedral City for many years. In this position he is involved in ensuring the successful management of the residential units and restaurant events.

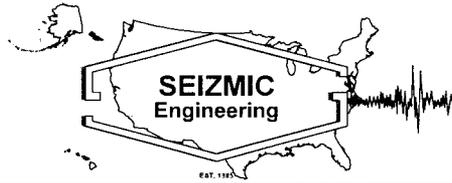
He is also the President of the Materials Handling and Management Society; a non-profit industry networking association that holds special events and lunches/dinners for its members on a monthly basis. Duties include but are not limited to: planning, budgeting, selecting location, agenda, educational topics, menu, advertising, décor and set up, adequate staffing, entertainment and evaluating financial impact.

He also plans and hosts several golf tournaments and catered dinners for industry members and is responsible for planning these events in their entirety, again including planning, budgeting, formation of teams, prizes and trophies, menu, advertising, décor and set up, and entertainment.

Nancy Fateen (Sal's daughter) has also been a resident of Covina for 30+ years and has held a number of managerial and restaurant positions over the past 20 years. In 1998 she began working at Seismic in the Operations Department and worked her way up to Operations Manager in 2010, a position that she currently holds.

She graduated from University of La Verne in 2012 with a degree in Organizational Management with an emphasis on Human Resources.

From 2001-2005 Nancy worked evenings and weekend 5-6 days a week as a hostess, restaurant server, cocktail waitress and ultimately, Assistant Manager at Zendejas Mexican Restaurant. During this time she completed the LEAD (Licensee Education on Alcohol and Drugs) program held by the



California Department of Alcohol and Beverage Control. She also successfully completed the ServSafe Food Handler course and exam.

In 2005, Nancy formed her own corporation; a sister company to the engineering firm that manages the permitting process for material handling projects requiring a building permit. The company now has 3 full time project managers handling 30+ permits per month across the 50 states.

In addition, she has been closely involved alongside Sal in the organizing of the aforementioned industry events and dinners and has overseen the successful execution of over 100 events for 20-250 attendees.

Additionally, she lives within a mile of the restaurant and intends to be an integral part of the operations and management of the restaurant and will be available on call to handle any questions or issues that may arise.

Understanding full well that running a restaurant is very involved and time consuming and requires more expertise than simply restaurant and business management experience, the intention is to keep the current management and kitchen personnel on staff as well as appointing a highly experienced full time on-site manager to ensure proper adherence to superior food and beverage service standards. Qualifications of the proposed manager can be furnished upon request.

The goal is to maintain the reputation and quality that residents and guests have come to expect from Giovanni's as a staple in the Covina community as well as making minor adjustments to help it grow to new levels of success. For example, updates to the website, utilization of social media, local advertising, special events, support of local artists and musicians, participation in community events (Wine Walk, Christmas Parade, etc.) and the implementation of a Point of Sale system to assist in determining peak hours, popular menu items, inventory tracking etc.

Also, Sal and Nancy both intend to take the ABC course and the ServSafe courses and exams as well as ensuring that the entire staff is sufficiently trained in proper food and beverage safety and handling.

With regard operational capital, Sal intends to pay cash for the corporation. He does not hold any outstanding real estate loans. He owns a home in West Covina, a condo in Covina, a condo in Cathedral City and a 16,000 sf. office/warehouse building in Covina; all of which are paid in full.

Given all of this information, it is clear to see that Sal and Nancy are driven, motivated, excited and financially capable of taking on this venture and ensuring its continued growth and success in the City of Covina.

Please feel free to reach out should you have additional questions or require additional information.

We greatly appreciate your time and consideration in this matter.

Sal Fateen ([909-228-8081/sal@seizmicinc.com](mailto:sal@seizmicinc.com)) & Nancy Fateen ([909-228-8104/nancy@seizmicinc.com](mailto:nancy@seizmicinc.com))

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CITY OF COVINA

STUDY SESSION REPORT

MEETING DATE: December 20, 2017

TITLE: Fiscal Year 2015-16 Year End Report and Fiscal Year 2016-17 Budget Update

PRESENTED BY: Anita Agramonte, Finance Director

RECOMMENDATION: Receive and File the Fiscal Year 2015-16 Year End Report and Fiscal Year 2016-17 Budget Update

Fiscal Year 2015-16 Year End Report

Although the City's Comprehensive Annual Financial Report has not been finalized yet, most of the year-end audit work is complete. Accordingly, staff would like to provide the City Council with a preliminary year-end report on the outcomes of Fiscal Year 2015-16. Overall, citywide revenues totaled \$68,933,477 and expenditures came in at \$67,068,927. The balances of each fund are detailed in the attached Fund Balances Report (Attachment A).

General Fund:

For the General Fund, including Rule 20A Swap funding, Fiscal Year 2015-16 revenues totaled \$34,606,656 while expenditures amounted to \$36,522,176, resulting in a deficit of \$1,915,519. The table below illustrates the position of the General Fund:

	July 1, 2015			June 30, 2016	
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	Change
1010 General Fund	4,114,256	33,056,656	35,397,176	1,773,737	(2,340,519)
1060 Special General Fund (20A Swap)	-	1,550,000	1,125,000	425,000	425,000
1095 Emergency Reserve	6,345,730	-	-	6,345,730	-
	10,459,986	34,606,656	36,522,176	8,544,467	(1,915,519)

Attachments B and C provide Fiscal Year 2015-16 General Fund Revenue and Expenditure summaries. It is important to note that Fiscal Year 2015-16 expenditures include the Banna Park property purchase as outlined below:

Funding for the Banna Park

Acquisition:	1,092,748.49	General Fund
	550,000.00	Rule 20A Fund
	556,964.87	Quimby Fees Fund
Total Cost:	2,199,713.36	

As of June 30, 2016 the General Fund had a fund balance of \$8,544,467, including an emergency reserve of \$6,345,730 and \$425,000 Rule 20A funding restricted for capital projects.

Fiscal Year 2016-17 Budget Update

General Fund:

The table below summarizes the original Fiscal Year 2016-17 General Fund adopted budget:

Original 2016-17 Budget

	July 1, 2016			June 30, 2017	
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	Change
1010 General Fund	1,773,737	34,163,510	34,110,635	1,826,612	52,875
1060 Special General Fund (20A Swap)	425,000	-	52,875	372,125	(52,875)
1095 Emergency Reserve	6,345,730	-	-	6,345,730	-
	8,544,467	34,163,510	34,163,510	8,544,467	-

Please note that the Fiscal Year 2016-17 General Fund budget is balanced based on the assumption that \$346,637 in salary savings would be realized this fiscal year.

The following table summarizes the current Fiscal Year 2016-17 General Fund budget, revised to include any budget resolutions approved by the City Council to date, including encumbrance carryovers:

Revised 2016-17 Budget

	July 1, 2016			June 30, 2017	
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	Change
1010 General Fund	1,773,737	34,163,510	34,258,433	1,678,814	(94,923)
1060 Special General Fund (20A Swap)	425,000	-	52,875	372,125	(52,875)
1095 Emergency Reserve	6,345,730	-	-	6,345,730	-
	8,544,467	34,163,510	34,311,308	8,396,669	(147,798)

The current budget projects a deficit balance of \$147,798 at the end of Fiscal Year 2016-17. Of this amount, \$52,875 pertains to Rule 20A funding for Capital Projects.

Due to the nature of municipal revenues, at this point it is too early to project Fiscal Year 2016-17 revenue outcomes. Property taxes are paid in December and April, sales tax revenues lag about 3 months after the close of each quarter, and certain franchise payments are paid annually in the spring. Therefore, general fund revenues received to date are not a good indicator and do not provide sufficient information to update year-end revenue projections at this point. The following table summarizes Fiscal Year 2016-17 general fund revenues:

General Fund Revenue Summary Fiscal Year 2016-17

General Fund	2016 Actual	2017 Adopted	2017 Revised	Actual Year To Date	Percent of budget
Property Tax	10,842,698	11,403,830	11,403,830	1,059,971	9%
Sales Tax	9,747,855	9,156,000	9,156,000	2,052,300	22%
Utility Users Tax	4,632,448	5,200,000	5,200,000	1,744,048	34%
Other Taxes	2,257,528	2,469,150	2,469,150	578,852	23%
Total Taxes	27,480,529	28,228,980	28,228,980	5,435,171	19%
Licenses and Permits	660,144	849,000	849,000	299,320	35%
Intergovernmental	1,286,508	779,860	779,860	209,944	27%
Charges for Services	2,310,901	2,543,985	2,543,985	1,298,637	51%
Fines and Forfeitures	848,519	1,050,000	1,050,000	244,372	23%
Other revenues	470,056	711,685	711,685	58,822	8%
General Fund Total	33,056,656	34,163,510	34,163,510	7,546,265	22%

Fiscal Year 2016-17 General Fund expenditures by department are summarized in the following table:

**General Fund Expenditure Summaries by Department
Fiscal Year 2016-17**

General Fund	2016 Actual	2017 Adopted	2017 Revised	Actual Year To Date	Percent of budget
Legislative	286,766	376,739	401,150	116,382	29%
Administration	987,032	893,721	893,721	277,001	31%
Finance	904,137	904,140	975,640	291,229	30%
Non-Departmental	661,694	185,473	185,473	634,178	342%
Human Resources	1,103,520	971,244	971,244	500,467	52%
Police	14,578,066	14,839,893	14,878,350	6,195,811	42%
Fire	9,085,703	8,956,828	8,956,828	5,253,519	59%
Public Works	2,643,779	3,070,171	3,070,174	1,002,863	33%
Parks and Recreation	2,386,927	2,614,108	2,614,935	1,128,923	43%
Community Development	1,621,213	1,298,320	1,310,920	503,706	38%
Total Expenditures	34,258,837	34,110,636	34,258,434	15,904,079	46%

The City currently has 22 vacant positions, of which 18 are funded completely or in part by the General Fund. Although some of the positions are temporarily fulfilled with the use of contracted services or overtime, significant salary savings are anticipated as a result of these vacancies. Additional savings are anticipated as a result of the consolidated election. We would also like to bring to the Council’s attention that additional costs are anticipated during this fiscal year as a result of three significant workers’ compensation claim settlements and one liability claim that cumulatively may result in approximately \$775,000 in additional costs.

More detailed information for Fiscal Year 2016-17 will be provided during the Mid-year Budget update, which is projected to be presented to the City Council in February 2017.

Respectfully submitted,



Anita Agramonte
Finance Director

ATTACHMENTS:

Attachment A: Fund Balances Report – Fiscal Year 2015-16

Attachment B: General Fund Revenue Report – Fiscal Year 2015-16

Attachment C: General Fund Expenditure Summaries by Department – Fiscal Year 2015-16

City of Covina
Fund Balances Report

Fund	Description	June 30, 2015 Fund			June 30, 2016			Chg
		Balance	Revenues	Available resources	Expenditures	Adjustments	Fund Balance	
1010	General Fund	4,114,256	33,056,656	37,170,912	35,397,176	-	1,773,736	(2,340,519)
1050	Payroll Agency	-	-	-	-	-	-	-
1060	Special General Fund (20A Swap)	-	1,550,000	1,550,000	1,125,000	-	425,000	425,000
1095	Emergency Reserve	6,345,730	-	6,345,730	-	-	6,345,730	-
	Total General Fund	10,459,986	34,606,656	45,066,642	36,522,176	-	8,544,467	(1,915,519)
2020	Low Mod Housing Asset Fund	727,238	492,064	1,219,302	57,220	-	1,162,082	434,844
2100	Community Development Block Gr	-	113,561	113,561	113,561	-	-	-
2130	Supp Housing Program Grant McG	(26)	94,961	94,935	94,960	-	(26)	1
2185	Building Equipment Reserve	42,307	2,526	44,833	-	-	44,833	2,526
2188	Community Improvement	126,439	15,116	141,555	3,672	-	137,883	11,444
2189	Heritage Tree Preservation	25,065	-	25,065	-	-	25,065	-
2200	Police Evidence Reserve	13	-	13	-	-	13	-
2205	Inmate Communication	30,292	1,447	31,739	-	-	31,739	1,447
2210	Red Light Camera Program	283,425	-	283,425	-	-	283,425	-
2221	Federal Treasury Narcotics	14,653	4	14,657	-	-	14,657	4
2222	Federal Justice Narcotic Siezu	156,285	86	156,371	-	-	156,371	86
2227	Local Narcotic Seizure	59,294	-	59,294	-	-	59,294	-
2228	Local 15% Narcotic Seizure	28,221	-	28,221	-	-	28,221	-
2230	Other state Grants	(2,098)	42,274	40,176	40,630	-	(455)	1,643
2246	Supplemental Law	25,005	155,287	180,292	115,864	-	64,428	39,422
2270	Other Federal Grants	(8,624)	15,027	6,403	-	-	6,403	15,027
2271	Justice Assistance Grant	2,414	(3,221)	(807)	7,599	-	(8,405)	(10,820)
2272	Justice Assistance Grant - ARR	(0)	-	(0)	-	-	(0)	-
2290	Traffic Safety Fund	59,192	9,030	68,222	-	-	68,222	9,030
2300	State Gas Tax	2,346,111	1,056,648	3,402,760	667,300	-	2,735,460	389,348
2360	CA-Strong Motion Instrumentati	9,914	214	10,128	-	-	10,128	214
2365	SB1186 Fund	6,161	189	6,350	-	-	6,350	189
2370	CA-Green Building Standards	1,371	-	1,371	-	-	1,371	-
2400	Proposition A	1,485,059	1,163,777	2,648,836	746,109	-	1,902,727	417,668
2405	Proposition C	1,160,343	762,333	1,922,676	137,407	-	1,785,269	624,926
2407	TDA	12,345	99,976	112,321	112,321	-	(0)	(12,345)
2410	Measure R	1,304,450	559,473	1,863,924	999,976	-	863,948	(440,503)
2500	Air Quality Improvement	53,134	61,850	114,984	5,831	-	109,153	56,019
2520	DOC Beverage Container Grant	76,124	338	76,462	618	-	75,844	(280)
2530	Oil Payment Program	(0)	13,566	13,566	13,566	-	(0)	0

Fund	Description	June 30, 2015 Fund			June 30, 2016			
		Balance	Revenues	Available resources	Expenditures	Adjustments	Fund Balance	Chg
2540	Energy Efficiency/Conserv-ARRA	15,439		15,439			15,439	-
2600	Cultural Arts	(3,265)	5,260	1,995	11,279		(9,284)	(6,019)
2604	Quimby Fees	556,965		556,965	556,965			(556,965)
2700	Municipal Parking District	633,098	184,899	817,997	127,369		690,628	57,530
2710	Street Lighting Assessment Dis	(58,040)	253,052	195,012	241,567		(46,555)	11,485
2720	Street Trees and Landscaping	149,184	212,088	361,272	153,737		207,535	58,351
2740	Community Facilities District	56,273	62,098	118,371	80,336		38,035	(18,238)
2750	Shoppers Lane Parking District	2,523	7,960	10,484	7,152		3,331	808
2800	Literacy Grant	24,889	36,303	61,192	61,192			(24,889)
2807	Workforce Act Grant	69	17,168	17,237	17,226		11	(58)
2810	Library Equipment Reserve	27,507	9,177	36,684	781		35,903	8,396
2820	Library Other Federal Grants	48	-	48			48	-
2830	Other Library Grants	17	1,000	1,017	972		45	28
2890	Public Education in Government	287,044	71,711	358,755	20,120		338,635	51,591
2900	General Donation	1,225	-	1,225			1,225	-
2920	Public Safety Donation	3,333		3,333			3,333	-
2922	DARE Donation Admin	4,787		4,787			4,787	-
2923	Canine Unit Donations	933	11,625	12,558	1,480		11,079	10,145
2926	Gang & Graffiti Donation	922		922			922	-
2927	Police Explorer Donation	11,090	5,376	16,466	1,446		15,020	3,930
2928	Operation Full Throttle Donat	9,493		9,493			9,493	-
2930	Gang/Graffiti Scholarship Fund	679		679			679	-
2931	Every 15 Minutes Admin	2,896		2,896			2,896	-
2940	Pub Wrks Admin Donations	337		337			337	-
2957	Playground Equip Replace Donat	5,941		5,941			5,941	-
2958	Teen Program Fundraising	2,774	272	3,046	105		2,941	167
2959	Covina Park Plunge Donations	3		3			3	-
2960	Parks & Recreation Donations	14,800		14,800	179		14,621	(179)
2961	Vietnam Wall Memorial Fund	(4,389)		(4,389)			(4,389)	-
2963	Joslyn Foundation Donation	19,821		19,821	574		19,247	(574)
2965	Youth Program Donations	3,112	1,357	4,469			4,469	1,357
2966	Youth Sports Equip Donation	55,562		55,562			55,562	-
2967	Volunteer Web Berger Grant	22,778	8,309	31,087	6,633		24,455	1,676
2968	Senior Fundraising Donations	7,891		7,891	1,389		6,502	(1,389)
2969	Grandmothers Club Donations	202		202	614		(413)	(614)
2970	Library Services-Donation	31,207	21,290	52,498	16,294		36,204	4,997
2971	Lib Book Donation	9,374		9,374			9,374	-
2972	Library Services-IT Donation	1,475		1,475			1,475	-
2973	Gates Donation Fund	13,026		13,026			13,026	-

Fund	Description	June 30, 2015 Fund			June 30, 2016			Chg
		Balance	Revenues	Available resources	Expenditures	Adjustments	Fund Balance	
2975	Lib Services-Literacy Donation	10,983	-	10,983	-	-	10,983	-
2976	Joseph J Borrello Memorial	142,260	-	142,260	46,174	-	96,086	(46,174)
2980	Miscellaneous Grants	1,152	-	1,152	-	-	1,152	-
4010	General CIP	(10,278)	76,957	66,679	384,777	-	(318,098)	(307,820)
4050	Banna Park Open Space	-	2,199,713	2,199,713	2,199,713	-	-	-
4060	Covina ITEC Project fund	-	125,000	125,000	139,581	-	(14,581)	(14,581)
4300	Transportation CIP	(5)	1,379,966	1,379,961	1,381,438	-	(1,477)	(1,473)
4600	Parks and Recreation CIP	(8,976)	550,550	541,574	111,960	-	429,614	438,590
4630	Kahler Russell Park Gymnasium	111,540	-	111,540	-	-	111,540	-
4640	Joslyn Center Reconstruction	-	5,000	5,000	-	-	5,000	5,000
4701	Impact Fees-General Govt	4,425	-	4,425	-	-	4,425	-
4702	Impact Fees-Library Admin	70,715	-	70,715	-	-	70,715	-
4703	Impact Fees-Police Admin	97,797	-	97,797	-	-	97,797	-
4704	Impact Fees-Park Fac Admin	197,497	-	197,497	-	-	197,497	-
4705	Impact Fees-Streets Adm	230,560	-	230,560	-	-	230,560	-
4706	Impact Fees-Fire Admin	38,112	-	38,112	-	-	38,112	-
6010	Water Utility Admin	17,384,526	10,028,430	27,412,956	7,926,251	-	19,486,705	2,102,179
6011	Water Capital Improvement Fund	7,908,117	499,118	8,407,235	346,348	139,447	7,921,440	13,323
6200	Environmental-Waste Mgmt	1,203,280	1,164,927	2,368,207	946,792	-	1,421,415	218,135
6300	Sewer Utility	9,988,493	2,720,241	12,708,734	1,581,026	-	11,127,708	1,139,215
7010	Central Equipment Operations	729,562	1,154,163	1,883,725	1,137,158	(1,823)	748,390	18,828
7200	Information Technology	393,190	1,575,104	1,968,294	1,297,762	-	670,532	277,342
7360	Worker's Compensation	4,930,472	476,903	5,407,374	1,083,208	-	4,324,166	(606,305)
7370	Public Liability	476,612	237,071	713,683	720,718	-	(7,035)	(483,647)
8186	Downtown District	1,318	8,250	9,568	8,125	-	1,443	125
8187	Prospero	119	6,750	6,869	6,750	-	119	-
9010	General - Fixed Assets	-	-	-	4,533,937	-	(4,533,937)	(4,533,937)
9100	Gen Long-Term Debt-City	196,047	-	196,047	-	-	196,047	-
Sxxx	Successor Agency Funds	(1,204,501)	6,539,315	5,334,814	2,268,853	-	3,065,961	4,270,463
T800	OPEB Trust	455,936	13,894	469,830	2,134	-	467,696	11,760
	Total All Funds	63,744,074	68,933,477	132,677,552	67,068,927	137,624	65,471,001	1,726,927

City of Covina
General Fund Revenue Summary
Fiscal Year 2015-16

General Fund	2016 Revised Budget	2016 Projected	2016 Actual	Variance from Proj	(Over) Under Budget
Property Tax	11,522,130	10,553,782	10,842,698	288,916	(679,432)
Sales Tax	9,275,200	10,051,283	9,747,855	(303,428)	472,655
Utility Users Tax	5,200,000	5,000,000	4,632,448	(367,552)	(567,552)
Other Taxes	2,380,150	2,404,483	2,257,528	(146,955)	(122,622)
Total Taxes	28,377,480	28,009,548	27,480,529	(529,019)	(896,951)
Licenses and Permits	808,000	773,955	660,144	(113,811)	(147,856)
Intergovernmental	842,525	1,311,236	1,286,508	(24,728)	443,983
Charges for Services	2,315,730	2,418,012	2,310,901	(107,112)	(4,829)
Fines and Forfeitures	950,000	832,770	848,519	15,749	(101,481)
Other revenues	582,315	442,294	470,056	27,761	(112,259)
General Fund Total	33,876,050	33,787,815	33,056,656	(731,159)	(819,394)
Rule 20A Swap-La Verne	1,550,000	1,550,000	1,550,000	-	-
Total Revenues	35,426,050	35,337,815	34,606,656	(731,159)	(819,394)

City of Covina
General Fund Expenditure Summaries by Department
Fiscal Year 2015-16

	2016 Revised Budget	2016 Projected	2016 Actual	Variance from Proj	(Over) Under Budget
Legislative					
City Council	48,360	43,745	43,749	(4)	4,611
City Clerk	2,630	2,630	2,625	5	5
Elections	-	-	1	1	(1)
City Treasurer	2,870	2,870	2,856	14	14
City Attorney	220,000	231,380	237,536	(6,156)	(17,536)
	<u>273,860</u>	<u>280,625</u>	<u>286,766</u>	<u>(6,140)</u>	<u>(12,906)</u>
Administration					
General Administration	476,061	469,371	471,559	(2,188)	4,502
Economic Development	128,000	142,496	125,216	17,280	2,784
Public Information	114,850	194,731	198,589	(3,858)	(83,739)
Records Management	210,431	179,999	191,668	(11,669)	18,763
	<u>929,342</u>	<u>986,597</u>	<u>987,032</u>	<u>(435)</u>	<u>(57,690)</u>
Finance					
Accounting	800,166	930,839	871,319	59,520	(71,153)
Duplicating	84,607	31,775	32,818	(1,043)	51,789
	<u>884,773</u>	<u>962,614</u>	<u>904,137</u>	<u>58,477</u>	<u>(19,364)</u>
Non Departmental					
Cost Allocation	410,074	410,074	372,277	37,797	37,797
Debt Service	101,370	101,370	1,938	99,432	99,432
Intergovernmental	31,500	39,500	34,986	4,514	(3,486)
Community Outreach	70,228	58,812	72,433	(13,621)	(2,205)
Transfers Out	180,060	180,060	180,060	-	-
	<u>793,232</u>	<u>789,816</u>	<u>661,694</u>	<u>128,122</u>	<u>131,538</u>
Human Resources					
General Administration	443,781	489,335	528,236	(38,901)	(84,455)
General Insurance	610,500	609,482	575,284	34,198	35,216
	<u>1,054,281</u>	<u>1,098,817</u>	<u>1,103,520</u>	<u>(4,703)</u>	<u>(49,239)</u>

	2016 Revised Budget	2016 Projected	2016 Actual	Variance from Proj	(Over) Under Budget
Police Department					
General Administration	1,377,810	1,716,805	1,745,327	(28,522)	(367,517)
Crime Prevention	368,170	395,220	414,305	(19,085)	(46,135)
Investigations	2,589,724	2,270,077	2,178,678	91,399	411,046
Police Records	570,485	451,366	451,340	26	119,145
Jail	387,580	378,470	386,930	(8,460)	650
Communications Svcs	1,315,243	1,179,315	1,212,464	(33,149)	102,779
Patrol	6,308,327	6,297,687	6,478,535	(180,848)	(170,208)
Canine	149,820	201,463	219,007	(17,544)	(69,187)
Traffic	442,850	439,466	449,057	(9,591)	(6,207)
Parking Control	363,975	294,623	260,643	33,980	103,332
Police Training	429,106	408,292	456,927	(48,635)	(27,821)
Computer Service	97,943	161,522	173,559	(12,037)	(75,616)
Disaster Preparation	10,000	6,700	7,599	(899)	2,401
Animal Control	125,340	143,915	143,695	220	(18,355)
	<u>14,536,373</u>	<u>14,344,921</u>	<u>14,578,066</u>	<u>(233,145)</u>	<u>(41,693)</u>

	2016 Revised Budget	2016 Projected	2016 Actual	Variance from Proj	(Over) Under Budget
Fire Department	9,032,477	9,086,450	9,085,703	747	(53,226)

	2016 Revised Budget	2016 Projected	2016 Actual	Variance from Proj	(Over) Under Budget
Public Works					
General Administration	167,900	103,328	150,550	(47,222)	17,350
Civic Center	103,400	98,705	88,812	9,893	14,588
Graffiti	72,300	72,000	72,254	(254)	46
Engineering	262,194	258,043	241,645	16,398	20,549
Streets	710,888	686,180	736,864	(50,684)	(25,977)
Street Lighting	230,000	261,709	259,959	1,750	(29,959)
Traffic Control	228,800	212,547	193,723	18,824	35,077
Yard Center	189,815	193,752	196,233	(2,481)	(6,418)
Park Maint	1,025,028	848,289	703,739	144,549	321,289
	<u>2,990,325</u>	<u>2,734,553</u>	<u>2,643,779</u>	<u>90,774</u>	<u>346,546</u>

	2016 Revised Budget	2016 Projected	2016 Actual	Variance from Proj	(Over) Under Budget
Parks And Recreation					
General Administration	498,100	521,483	521,492	(9)	(23,392)
Community Relations	142,120	150,263	147,752	2,511	(5,632)
Community Special Events	-	-	-	-	-
Community Programs	-	-	69	(69)	(69)
Recreation Services	593,960	551,896	547,265	4,631	46,695
Senior Services	253,000	184,269	172,463	11,806	80,537
Community Parade	92,800	93,139	93,666	(528)	(866)
Aquatics	328,930	203,266	276,946	(73,680)	51,984
Library Services	722,534	615,761	627,274	(11,513)	95,261
	<u>2,631,444</u>	<u>2,320,077</u>	<u>2,386,927</u>	<u>(66,850)</u>	<u>244,517</u>

	2016 Revised Budget	2016 Projected	2016 Actual	Variance from Proj	(Over) Under Budget
Community Development					
General Administration	221,429	324,250	326,013	(1,763)	(104,584)
Historic Preservation	25,000	-	-	-	25,000
Planning	515,033	599,000	620,669	(21,669)	(105,636)
Planning Commission	17,620	-	1,052	(1,052)	16,568
Building Inspection	584,762	473,406	499,282	(25,876)	85,480
Code Enforcement	48,643	186,000	174,197	11,803	(125,554)
	1,412,487	1,582,656	1,621,213	(38,557)	(208,726)
Total Gen Fund	34,538,594	34,187,126	34,258,837	(71,710)	279,757
Other					
Unassigned - Banna Proj.	1,091,864		1,079,439	(1,079,439)	12,425
Finance VTD Amendment	58,900		58,900	(58,900)	-
Total Gen Fund	35,689,358	34,187,126	35,397,176	(1,210,048)	292,182
Rule 20A *	1,125,000	1,125,000	1,125,000	-	-
Total General Fund Including Rule 20A	36,814,358	35,312,126	36,522,176	(1,210,048)	292,182

Additional Information:

* Rule 20A funding :	75,000	iTEC Project
	500,000	Covina Senior Center
	550,000	Banna Park
FY 15-16 Total	1,125,000	

Funding for the Banna Park

Acquisition:	1,092,748.49	General Fund
	550,000.00	Rule 20A Fund
	556,964.87	Quimby Fees Fund
Total Cost:	2,199,713.36	