



## CITY COUNCIL AGENDA CITY OF HEMET, CALIFORNIA

Tuesday, January 26, 2021  
City Council Chamber  
450 E. Latham Ave., Hemet, California 92543  
**REGULAR MEETING AT 7:00 P.M.**

In accordance with the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the City of Hemet is providing alternative measures for the public to attend/view City Council Meetings.

**Council Chamber:** In-person participation is limited in the Council Chamber in order to maintain social distancing room capacity.

**Live stream:** This meeting will be live streamed on the City's website at [hemetca.gov/agenda](https://hemetca.gov/agenda).

**Public Comments:** Members of the Public who wish to comment on matters before the Council, in lieu of attending in person, may submit comments on or before 2:00 p.m. the day of the meeting by using the following link: [Online Comment Form](#). Comments will be recorded in the official meeting record.

**Teleconference:** Residents may also submit public comments by teleconference during Communications from the Public by using the following teleconference number: (888) 585-9008, when prompted dial: 768-176-038, please mute your phone when not providing public comment. The teleconference line will be deactivated after public comments have been provided.

We appreciate your understanding during this unprecedented time of social distancing under the Safer at Home orders. These procedures may be modified in the future as social and public gathering protocols change. Thank you.



### Notice Regarding Americans with Disability Act

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting or if you need agenda documents provide in an alternate format, please contact the City Clerk's Office at (951) 765-2307 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made (28CFR 35.102-35.104 ADA Title II)

**CLOSED SESSION – 6:00 P.M.**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PUBLIC COMMENT PERIOD - RULES OF DECORUM, RESOLUTION NO. 4545**

At this time, members of the public may only comment on an item appearing on the agenda. Please adhere to the following when addressing the Council:

Comments will be limited to 2 minutes or less.

Comments should be directed to the Council as a whole and not directed to individual Council Members.

Please follow the adopted rules of decorum: [Resolution No. 4545](#).

**4. DISCUSSION ITEMS**

**4.A CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to Government Code Section 54957.6

Agency Designated Representative: Christopher Lopez, City Manager

Employee Organization: HMMA and SEIU

**4.B CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9

*Messiah Acosta v. City of Hemet, et al.*, USDC

Case No. 5:19-cv-00903

**4.C CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant Exposure

Pursuant to Paragraph 2 of subdivision 3 of Government Code Section 54956.9

Number of Cases: (1)

**4.D CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Pursuant to Government Code Paragraph (1) of Subdivision (d) of Section 54956.9

*Name of Case: Kenneth J. Graff v. Joe S. Males*, Riverside County Superior Court

Case No. CVSW2001682

**5. ADJOURNMENT OF CLOSED SESSION**

**REGULAR MEETING - 7:00 P.M.**

**6. CALL TO ORDER**

**7. ROLL CALL**

## 8. INVOCATION

## 9. PLEDGE OF ALLEGIANCE

## 10. CITY ATTORNEY CLOSED SESSION REPORT

### 10.A City Attorney's Report regarding Closed Session

#### Recommendation: Information Only

## 11. COMMUNICATIONS FROM THE PUBLIC

### Welcome to a meeting of the Mayor and City Council of the City of Hemet

- Anyone who wishes to speak during public comment or on a particular item will be required to fill out a speaker slip and turn it in to the City Clerk. Each request will cover one speaker.
- **There is a temporary 2-minute-per-person time limit for all general public comments on non-public hearing items.**
- All who wish to speak, including Council members and staff, need to be recognized by the Mayor before speaking.
- Members of the public shall comply with the adopted [Rules of Decorum, Resolution No. 4545](#). A copy of which can be requested through the City Clerk's Office.
- You may also fill out a form and submit your comments online at [www.hemetca.gov](http://www.hemetca.gov) and it will be read aloud. Submittal must be done before 2:00 p.m. the day of the meeting.
- For those that wish to join by teleconferencing, you will be able to join by calling (888) 585-9008, when prompted dial: 768-176-038. Reminder, if you are joining by teleconference, please mute your phone to prevent noise interference until you are given time to provide public comment.
- Please state your name and item you are commenting on before speaking.

### 11.A Public Comment for Items Listed on the Agenda: Consent and Discussion Items

### 11.B Public Comment for Items Not Listed on the Agenda, but within Jurisdictional Matter

## 12. PUBLIC HEARING

The City Council's Procedures for Public Hearing will be as follows:

- Staff will provide a report and clarification of items presented.
- The public hearing will be opened for comments for those IN FAVOR of or IN OPPOSITION to the item: followed by rebuttal to any comments made.
- The Public Hearing will be closed, and the City Manager may respond to any questions raised by the public (the public will not have an opportunity to respond.).
- Discussion will be brought back to the City Council for direction or action.

### 12.A Program Year 2020 Community Development Block Grant - Coronavirus (CDBG-CV) Initial Public Hearing for Round 3 Allocation (For Fiscal Year 2020-2021).

9 - 10

[Staff Report #21-012 - Pdf](#)

#### Recommendation:

That the City Council:

1. Conduct a public hearing to elicit comments of citizens, public

agencies, and other interested parties regarding community needs and priorities;

2. Receive and consider all comments for incorporation in the City of Hemet 2020 Annual Action Plan – Substantial Amendment draft and the 2020-2025 Consolidated Plan – Substantial Amendment draft; and
3. Form the CDBG Ad Hoc Committee with the appointment of two Council members for the 2020 CDBG-CV application selection and funding recommendations.

- 12.B** An Ordinance of the City Council of the City of Hemet, California, Renumbering Certain Ordinances of the Hemet Municipal Code.

11 - 17

[Staff Report #21-013 - Pdf](#)

**Recommendation:**

1. Conduct a public hearing, and
2. Entertain Public Comment
3. Waive further reading, and introduce by title only an Ordinance of the City Council of the City of Hemet, California renumbering certain ordinances

**13. RECEIVE AND FILE**

**14. CONSENT CALENDAR**

All Consent Calendar items will be acted upon by a single action of the City Council unless otherwise requested by an individual Council Member for separate consideration.

- 14.A** Appointment of Wraymond Sawyer to the Infrastructure Commission for a Term Due to Expire on August 1, 2022. Said Vacancy is the Result of Resignation of Infrastructure Commissioner Dana Hill.

19 - 24

[Staff Report #21-014 - Pdf](#)

**Recommendation:** Appoint Wraymond Sawyer to fill the seat resulting from the resignation of Dana Hill as an Infrastructure Commissioner for the Hemet Infrastructure Commission until August 1, 2022.

- 14.B** A Resolution of the City Council of the City of Hemet, California, Awarding the Purchase of Annual Eden ERP Financial Software Support and Maintenance in the Amount of \$65,788.16 to Tyler Technologies, Inc. and Authorize the City Manager to Execute all Documents Regarding this Purchase Order

25 - 31

[Staff Report #21-018 - Pdf](#)

**Recommendation:** Adopt a resolution of the City Council of the City of Hemet, California, Awarding the Purchase of Annual Eden ERP Financial Software Support and Maintenance in the Amount of \$65,788.16 to Tyler Technologies, Inc. and Authorize the City Manager to Execute all Documents Regarding This Purchase Order

- 14.C** A Resolution of the City Council of the City of Hemet, California approving Parcel Map 37636 located at the southeast corner of State

33 - 89

Street and Mayberry Avenue and authorize the Finance Director to appropriate \$6,000 from fund 247 Neighborhood Stabilization Program (NSP).

[Staff Report #21-010 - Pdf](#)

**Recommendation:**

Adopt a Resolution approving Parcel Map 37636 located at the southeast corner of State Street and Mayberry Avenue and authorize the Finance Director to appropriate \$6,000 from fund 247 Neighborhood Stabilization Program (NSP).

**15. DISCUSSION - ACTION ITEMS**

- 15.A** Council Discussion Regarding City of Hemet Accounting Policies 91 - 177  
[Staff Report #21-020 - Pdf](#)

**Recommendation:** Staff respectfully requests City Council review and discuss the Accounting Policies for the City of Hemet Finance Department.

- 15.B** Novel Coronavirus (COVID-19) Emergency Declaration Update 179 - 181  
[Staff Report #21-016 - Pdf](#)

**Recommendation:** That the City Council receive the following information.

**16. CITY COUNCIL AND STAFF REPORTS**

**COUNCIL MEMBER BROWN**

1. Skate Park Committee - Alternate
2. Infrastructure Commission - Main Rep
3. Council Protocols Ad-Hoc - Alternate
4. CDBG-CV Ad-Hoc - Alternate
5. Banking RFP Ad-Hoc Committee - Alternate
6. League of California Cities
7. Riverside Transportation Commission - Alternate
8. Riverside County Habitat Conservation Agency - Main Rep
9. Hemet San Jacinto Water Master Board \* - Alternate
10. Western Community Energy - Main Rep
11. Western Riverside Council of Governments \* - Main Rep
12. CAJPIA Board - Main Rep

**COUNCIL MEMBER KRUPA**

1. Hemet Housing Authority - Main Rep
2. Investment Oversight Committee - Main Rep
3. Hemet Public Library Board of Trustees - Main Rep
4. Council Protocols Ad-Hoc Committee - Main Rep
5. CDBG- CV-Ad-Hoc Committee - Main Rep
6. Banking RFP Ad-Hoc Committee - Main Rep
7. Riverside County Airport Land Use Commission \* - Main Rep
8. League of California Cities

9. Riverside County Transportation Commission \* - Man Rep
10. Riverside Transit Agency - Main Rep
11. Ramona Bowl Board of Directors - Main Rep
12. Hemet San Jacinto Water Master Board \* - Main Rep

**COUNCIL MEMBER LILIENTHAL**

1. Hemet Housing Authority - Alternate
2. Community Outreach Committee - Main Rep
3. Skate Park Committee - Main Rep
4. Vision and Mission Statement Ad-Hoc Committee - Main Rep
5. League of California Cities
6. Riverside Transit Agency \* Alternate
7. Western Riverside Council of Governments \* Alternate

**MAYOR PRO TEM MALES**

1. Community Outreach Committee - Main Rep
2. Planning Commission - Main Rep
3. Community Action Commission of Riverside County - Main Rep
4. League of California Cities
5. Ramona Bowl Board of Directors - Alternate
6. Western Community Energy - Alternate

**MAYOR MEYER**

1. Investment Oversight Committee - Alternate
2. Vision and Mission Statement Ad-Hoc Committee - Alternate
3. League of California Cities
4. CAJPIA Board - Alternate

**AD-HOC COMMITTEE REPORTS**

1. Council Protocols Ad-Hoc Committee (Brown/Krupa Feb. 25, 2020)
2. CDBG-CV Ad-Hoc Committee (Krupa/Brown Sep. 22, 2020)

**CITY MANAGER LOPEZ**

<b>17. FUTURE AGENDA ITEMS</b>
If Members of Council have items for consideration at a future City Council meeting, please state the agenda item to provide direction to the City Manager.

1. Street Vendor Permit Regulations and Enforcement
2. Review of Penalties for Fireworks, Section 46-104 of the Hemet Municipal Code
3. Broadcasting of City Council Meetings
4. Vagrancy and Pan Handling Laws
5. Investment Portfolio Audit
6. Council Protocols
7. Animal Control Regulations for Businesses
8. Solar Feasibility
9. Consider Local Banking Options
10. Review of Resolution No. 4703
11. City Attorney Function
12. Legal Review of Hemet Youth Baseball
13. Code Enforcement Efficiency Plan

## 18. ADJOURNMENT

### AFFIDAVIT OF POSTING

I, Daryl A. Betancur, Interim City Clerk for the City of Hemet, declare under penalty of perjury that the foregoing agenda was posted at City Hall located at 445 E. Florida Ave., the Council Chamber located at 450 E. Latham Ave., Hemet, CA, and the City Website.

Date & Time: \_\_\_\_\_

- Meeting Schedule:** The City Council of the City of Hemet regularly meets on the second and fourth Tuesdays of each month at 7:00 p.m., unless otherwise noted. Closed and Special Sessions will be duly noticed as needed.
- Council Agendas:** Agendas for Regular Meetings are available for public review on the City's website at [hemetca.gov](http://hemetca.gov) and in the City Clerk's Office, 445 E. Florida Ave. typically by 4:00 p.m. on the Thursday prior to the meeting, but no later than 72 hours prior to the meeting. Agendas for Closed and Special Sessions are made available at least 72 hours prior to the meeting when possible, but no later than 24 hours prior to the meeting.
- Livestream:** Regular City Council Meetings are available for viewing during the meeting at [hemetca.gov](http://hemetca.gov).
- Use of Equipment:** Please contact the City Clerk's Office if requesting to use the chamber equipment as part of a scheduled presentation 24 hours prior to the meeting at (951) 765-2307





City of Hemet  
City Council Meeting  
**STAFF REPORT**

**Meeting:** City Council Meeting - Jan 26 2021  
**Department:** Finance  
**Submitted by:** Christopher Lopez, City Manager  
 Lorena Rocha, Finance Director, Veronica Allen, Management Analyst;

**Receive and File**       **Consent Calendar**       **Business Item**       **Public Hearing**

**TITLE:**

Program Year 2020 Community Development Block Grant - Coronavirus (CDBG-CV) Initial Public Hearing for Round 3 Allocation (For Fiscal Year 2020-2021).

**RECOMMENDED ACTION:**

That the City Council:

1. Conduct a public hearing to elicit comments of citizens, public agencies, and other interested parties regarding community needs and priorities;
2. Receive and consider all comments for incorporation in the City of Hemet 2020 Annual Action Plan – Substantial Amendment draft and the 2020-2025 Consolidated Plan – Substantial Amendment draft; and
3. Form the CDBG Ad Hoc Committee with the appointment of two Council members for the 2020 CDBG-CV application selection and funding recommendations.

**BACKGROUND:**

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (CARES Act). This law makes available \$5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants). The City of Hemet has been allocated \$535,773 in Round 3 CDBG-CV funds on a formula basis from HUD. The activities must be measurable, well documented, and reportable. The CDBG-CV activities will continue to follow regular CDBG program requirements and meet a National Objective. HUD is allowing a waiver on the 15% Public Services cap for CDBG-CV activities. To apply for CDBG-CV grants, the City may follow existing regulatory requirements for a substantial amendment to the 2020-25 Consolidated Plan and 20/21 Annual action plan that describes the amount of CDBG-CV funds available in the allocation and planned use of the funds, in accordance with existing requirements and the flexibilities in the CARES Act.

The Notice of Funding Availability was published in La Prensa and The Press Enterprise on October 16, 2020 and January 1, 2021. The CDBG-CV funding applications were made available for interested parties to apply from October 16 through November 30, 2020 and from January 1 through

January 29, 2021. All applications for the second Notice of Funding Availability are due to the City on February 1, 2021. Regulations established by HUD for receiving CDBG funding require citizen participation in establishing funding needs and priorities. Information gathered will be summarized and incorporated into the City's 2020 Annual Action Plan (AAP) – Substantial Amendment draft and the 2020-2025 Consolidated Plan – Substantial Amendment draft. To date no written public comments have been received. The AAP and Consolidated Plan substantial amendment draft will be available for 5 days for public review and comment prior to a Public Hearing of the City Council, tentatively scheduled for February 23, 2021, before final approval and submission to HUD. The reduced public review period is a waiver approved by HUD to allow CDBG-CV funds to be expedited for use within the community. The substantial amendment to the AAP and Consolidated Plan will be submitted to HUD no later than February 26, 2021.

The City of Hemet is an entitlement city of the Community Development Block Grant program and as such receives annual grants on a formula basis from HUD. The purpose of CDBG is to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services, with maximum feasible priority given to activities which benefit low and moderate income persons. The City of Hemet is responsible for developing their own programs and funding priorities within the CDBG (HUD) requirements, as well as monitoring sub-recipients of the funds awarded under this grant.

#### **FISCAL IMPACT:**

No General Fund Impact. Funding for this activity is not included in the FY 20/21 CDBG budget. Due to the coronavirus pandemic the CDBG-CV funding is a one-time allocation from the U. S. Department of Housing and Urban Development. A request to accept supplemental appropriations for this funding will occur when the funding allocations have been approved at a future City Council meeting.

#### **REVIEWED BY LEGAL:**

- |  |                                     |
|--|-------------------------------------|
| <input checked="" type="checkbox"/> Staff report | <input type="checkbox"/> Resolution |
| <input type="checkbox"/> Ordinance               | <input type="checkbox"/> Agreement  |



City of Hemet  
City Council Meeting  
**STAFF REPORT**

**Meeting:** City Council Meeting - Jan 26 2021  
**Department:** City Council  
**Submitted by:** Christopher Lopez, City Manager  
 Daryl Betancur, Interim City Clerk;

**Receive and File**       **Consent Calendar**       **Business Item**       **Public Hearing**

**TITLE:**

An Ordinance of the City Council of the City of Hemet, California, Renumbering Certain Ordinances of the Hemet Municipal Code.

**RECOMMENDED ACTION:**

1. Conduct a public hearing, and
2. Entertain Public Comment
3. Waive further reading, and introduce by title only an Ordinance of the City Council of the City of Hemet, California renumbering certain ordinances

**BACKGROUND:**

Upon a careful audit of the current Hemet Municipal Code, it was noted that the index of Ordinances has not followed the sequence of numbers established by previous resolution and in accordance with records management protocols. Therefore, this action will render the index corrected and accurate.

**ANALYSIS:**

From time to time, the City Council of the City of Hemet, adopts ordinances that have the effect of becoming part of the Hemet Municipal Code. These ordinances are assigned a specific four digit index identifier, which enables their timely archival and retrieval from the City's collection of permanent records. Therefore, it is crucial that the City Clerk as the custodian of records, ensures the accuracy and proper archival of said documents.

**FISCAL IMPACT:**

There is no fiscal associated with this recommendation.

**REVIEWED BY LEGAL:**

Staff report

Resolution

Ordinance

Agreement

**ATTACHMENT(S):**

[Ord No.1971 Ordinance Index Correction](#)



**CITY OF HEMET  
Hemet, California**

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF HEMET, CALIFORNIA RENUMBERING CERTAIN  
ORDINANCES**

**WHEREAS**, the Office of the City Clerk desires to maintain the accuracy of all City permanent records, and

**WHEREAS**, it was noted during the City Clerk’s annual audit of City of Hemet Ordinances that the index for this specific type of record changed from the traditional four-digit index identifier to a seven-digit number, which includes the year of adoption; and

**WHEREAS**, in accordance with best management practices and records management guidelines, it is recommended that the index be property corrected.

**NOW, THEREFORE**, the City Council of the City of Hemet does hereby ordain, determine, find and order as follows:

**SECTION 1: PURPOSE.**

The purpose of this Ordinance is to renumber the City of Hemet Ordinances in keeping with format utilized by the City of Hemet.

**SECTION 2: ASSIGNMENT OF NEW NUMBERS TO ORDINANCES.**

The following Ordinances are hereby renumbered as follows:

PREVIOUS NUMBER	ORDINANCE TITLE	NEW NUMBER
2020-001	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF CITY OF HEMET COMMUNITY FACILITIES DISTRICT NO. 2019-01 (MCSWEENY) AUTHORIZING THE LEVY OF A SPECIAL TAX HEREIN	1962
2020-002	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA ADDING SECTION 2-2 TO CHAPTER 2, ARTICLE 1 OF THE CITY OF HEMET MUNICIPAL CODE ESTABLISHING REGULATIONS FOR THE USE OF THE CITY SEAL AND LOGO	1963
2020-003	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET AMENDING SECTIONS 90-321 AND 90-383 OF CHAPTER 90 (ZONING) OF THE HEMET MUNICIPAL CODE TO UPDATE THE REGULATIONS FOR ACCESSORY DWELLING IN COMPLIANCE WITH STATE LAW	1964
2020-004	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA AMENDING VARIOUS SECTIONS OF CHAPTER 90 (ZONING) OF THE HEMET MUNICIPAL CODE TO UPDATE THE DEFINITIONS FOR SMALL AND LARGE FAMILY DAYCARE HOMES AND TO PERMIT SMALL AND LARGE FAMILY DAYCARE HOMES IN ALL RESIDENTIAL ZONES PURSUANT TO STATE LAW	1965
2020-005	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA AMENDING SECTION 90-136 AND SUBSECTION 90-386(i) OF CHAPTER 90 (ZONING) OF THE HEMET MUNICIPAL CODE TO REVISE THE STANDARDS FOR FRONT YARD FENCING IN THE SINGLE-FAMILY AND MULTIPLE-FAMILY RESIDENTIAL ZONES	1966
2020-006	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA AMENDING SECTION 70-224 OF ARTICLE VIII	1967

**CITY COUNCIL ORDINANCE**  
**Renumbering Certain Ordinances**  
**[2]**

	(SECURITY IMPROVEMENTS) OF CHAPTER 70 (SUBDIVISIONS) OF THE HEMET MUNICIPAL CODE RELATING TO THE CITY'S ACCEPTANCE OF LIEN AGREEMENTS AS SECURITIES FOR SUBDIVISION IMPROVEMENT AGREEMENTS.	
2020-007	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA PROHIBITING THE CONSTRUCTION OR OPERATION OF PRIVATE DETENTION CENTERS AND COMMUNITY DETENTION FACILITIES FOR UNACCOMPANIED MINORS IN THE CITY OF H EMET	1968
2020-008	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA ADDING SECTION 90-83 (DETENTION FACILITY) AND AMENDING SECTION 90-312 D (SINGLE-FAMILY RESIDENTIAL), 90-383 C (MULTIPLE FAMILY RESIDENTIAL, 90-893 C (COMMERCIAL) AND SECTION 90-1043 F (MANUFACTURING) OF CHAPTER 90 (ZONING) OF THE HEMET MUNICIPAL CODE TO PROHIBIT PRIVATE DETENTION CENTERS AND COMMUNITY DETENTION FACILITIES FOR UNACCOMPANIED MINORS IN THE CITY OF HEMET IN ALL ZONES, AND AMENDING THE DEFINITION OF TRANSITIONAL HOUSING IN SECTION 90-262	1969

1 **SECTION 3: SEVERABILITY.**  
 2

3           If any section, subsection, subdivision, sentence, clause, phrase, or portion of  
 4 this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of  
 5 any court of competent jurisdiction, such decision shall not affect the validity of the  
 6 remaining portions of this Ordinance. The City Council hereby declares that it would  
 7 have adopted this Ordinance, and each section, subsection, subdivision, sentence,  
 8 clause, phrase, or portion thereof, irrespective of the fact that any one or more sections,  
 9 subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared  
 10 invalid or unconstitutional.  
 11

1 **SECTION 4. EFFECTIVE DATE.**

2  
3 This Ordinance shall take effect thirty (30) days from its passage by the City  
4 Council of the City of Hemet.

5  
6 **SECTION 5: PUBLICATION.**

7 The City Clerk is authorized and directed to cause this Ordinance to be published  
8 within fifteen (15) days after its passage in a newspaper of general circulation and  
9 circulated within the City in accordance with Government Code Section 36933(a) or, to  
10 cause this Ordinance to be published in the manner required by law using the  
11 alternative summary and pasting procedure authorized under Government Code  
12 Section 39633(c).

13 **INTRODUCED** at the regular meeting of Hemet City Council on the 26<sup>th</sup> day of January,  
14 2021.

15 **APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

16  
17  
18 \_\_\_\_\_  
19 Karlee Meyer, Mayor

20 **ATTEST:**  
21 \_\_\_\_\_  
22 Daryl A. Betancur, MMC  
23 Interim City Clerk

**APPROVED AS TO FORM:**  
24 \_\_\_\_\_  
25 Steven Graham, Interim City Attorney

26  
27  
28

1  
 2 State of California )  
 3 County of Riverside )  
 4 City of Hemet )  
 5

6 I, Daryl A. Betancur, Interim City Clerk of the City of Hemet, do hereby certify that the  
 7 foregoing Ordinance is the actual Ordinance adopted by the City Council of the City of  
 8 Hemet and was first introduced at a regular meeting of the City Council on the 26<sup>th</sup> day of  
 9 January, 2021 by the following vote:

10  
 11 AYES:  
 12 NOES:  
 13 ABSTAIN:  
 14 ABSENT:  
 15  
 16  
 17  
 18

19 \_\_\_\_\_  
 20 Daryl A. Betancur, MMC  
 21 Interim City Clerk  
 22





City of Hemet  
City Council Meeting  
**STAFF REPORT**

**Meeting:** City Council Meeting - Jan 26 2021  
**Department:** City Council  
**Submitted by:** Christopher Lopez, City Manager  
Daryl Betancur, Interim City Clerk;

Receive and File       Consent Calendar       Business Item       Public Hearing

**TITLE:**

Appointment of Wraymond Sawyer to the Infrastructure Commission for a Term Due to Expire on August 1, 2022. Said Vacancy is the Result of Resignation of Infrastructure Commissioner Dana Hill.

**RECOMMENDED ACTION:**

Appoint Wraymond Sawyer to fill the seat resulting from the resignation of Dana Hill as an Infrastructure Commissioner for the Hemet Infrastructure Commission until August 1, 2022.

**BACKGROUND:**

With the recent appointment of Dana Hill to the Planning Commission, a vacancy currently exists. The City of Hemet solicited applications to fill this seat with very little responses.

Because Mr. Sawyer had previously expressed an interest in serving on a City Commission, staff revisited previous applications submitted on April of 2020, and inquired of those interested at that time about their interest.

Mr. Sawyer has also been nominated by Council Member Lienthal as a possible applicant and is therefore presenting him as a candidate for the Council's consideration as a potential applicant to fill the seat on the Infrastructure Commission.

**PREVIOUS COUNCIL ACTION:**

According to adopted Council Protocols, "appointments to Citizen Advisory Boards, Commissions, and Committees will be placed on the Consent Calendar. After Council action on the Consent Calendar, the Mayor may as the appointee to stand and be recognized."

**FISCAL IMPACT:**

There is no fiscal impact associated with this recommendation

**REVIEWED BY LEGAL:**

Staff report

Resolution

Ordinance

Agreement

**ATTACHMENT(S):**

[Application Wraymond Sawyer](#)

**RECEIVED**

APR 20 2020

City Clerk's Office  
City of Hemet



**City of Hemet**

**Application for Appointment to Volunteer Commissions/Boards/Committees**

Thank you for your interest in serving your community. Interested applicants are encouraged to contact the City Clerk's Office for more information about the benefits and responsibilities of Advisory Body service. Applications will be kept on file for one year, during which time the applicant will be given the opportunity to interview for any opening for which the applicant is eligible.

City Clerk's office (951) 765-2316 – 445 E. Florida Avenue, Hemet, CA 92543

<b>1. CONTACT INFORMATION:</b>	
Name: <u>WRAYMOND SAWYER</u>	Home Address: <u>CLE</u>
City: <u>HEMET</u>	Zip: <u>92543</u>
Name and Address of Business (if applying as business owner)	
Mobile Phone: <u>951</u>	Home Phone: <u>951</u>
Work Phone:	Personal Email Address:
Work Email Address:	<u>Wraymond2</u>
<p><b>2. APPLYING FOR (MARK ONE OR MORE):</b> Applicants are encouraged to apply for no more than 2 Advisory Bodies best suiting their skills and interests. If applying for multiple bodies, please rank those in order of preference "1" being most preferred. <b>Qualifications for membership:</b> Meet one of the following criteria, 1) The individual is current resident of the City who has lived in the city for at least one year immediately prior to the individual's appointment to the board, commission or committee; or 2) Current resident of the City of Hemet's "Sphere of influence" who has lived in the city or in the city's sphere of influence for at least one year immediately prior to the individual's appointment to the board, commission or committee. See attached for specific qualifications.</p>	
<input checked="" type="checkbox"/> <b>Planning Commission</b>	<input type="checkbox"/> <b>Library Board</b>
<input type="checkbox"/> <b>Measure U Citizen Oversight Committee</b>	<input checked="" type="checkbox"/> <b>Infrastructure Commission</b>
<input type="checkbox"/> <b>Mobile Home Rent Review Commission</b>	
<p><b>3. QUALIFICATIONS:</b> You are encouraged to attach a resume or other additional documentation that may be of interest to the City Council in their evaluation of your application.</p>	
Are you a City resident? <input checked="" type="checkbox"/> Yes, # of years <u>2</u> <input type="checkbox"/> No, are you a resident of the Sphere of Influence? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Relevant Experience (employment, community organizations, etc.): <i>(Attach pages if desired)</i>	
<p><b>SEE ATTACHMENT PLEASE</b></p>	
Advisory Body Experience (body and agency):	
Current:	Term: From _____ to _____
Previous: <u>TRAFFIC + SAFETY</u>	Term: From <u>2010</u> to <u>2013</u>



- Local business owner/Juice it Up franchise (Riverside)
- Member of Riverside County Civil Grand Jury 2018 to Present
- Former Val Verde US District Trustee 2006-2014
- Former Member of Traffic and Safety Commission of Moreno Valley
- Former Commissioner –Department of Community Action /Riverside County
- Former Law Enforcement –Los Angeles Police Department/Jail Division
- Former Law Enforcement – Department of Justice/Federal Bureau of Prisons
- Board Member – Moreno Valley Ranch Homeowners Association
- Former Commissioner – Recreational Trails – City of Moreno Valley

4. **ADDITIONAL INFORMATION:** The City Council would like more information about your interest in serving on an Advisory Body. Please indicate your comments and views relative to the subject matter of the Advisory Body (ies) for which you are applying: (Attach pages if desired.)

SEE ATTACHMENT PLEASE

5. **SIGNATURE: READ CAREFULLY -**

I understand that, if I am appointed to an Advisory Body, I will be required to comply with: the City's Ethics Policy, Advisory Body Policies and Conflict of Interest Code; applicable provisions of the Political Reform Act including filing financial interest disclosure statements (Form 700); and applicable provisions of the Brown Act; and that I must complete state-mandated ethics training and sexual harassment prevention training courses. I understand that, while City staff will make a good faith effort to educate me regarding these requirements, I am responsible for my conduct as an Advisory Member. I understand that all Advisory Body Members serve at the pleasure of the City Council and may be removed from office due to poor attendance, unacceptable conduct, or for any other reason.

I understand that Advisory Body members are volunteers, are not City employees, and do not receive benefits or protections other than workers' compensation in case of injury in the course of duty. I understand that this is a public document, and that information contained within it may be provided to the public upon request. In regard to the online availability of my information, I declare the following:

A. If I am appointed, I authorize the City to post the following contact information (check applicable below) on its website. I understand that other websites not controlled by the City may provide links to a City webpage that has my personal information on it. I also authorize the City to update my personal contact information on its website if my contact information changes.

- Cell Phone
- Home Phone
- Work Phone
- Personal Email address
- Business Email address

Further, if my home address and telephone number are otherwise non-disclosable under the California Public Records Act (California Government Code 6250 et seq.), I understand that by agreeing to the release of the information above, this information may be provided by the City in response to a request made under the Public Records Act.

OR

B. If I am appointed, I do not authorize the City to post my contact information on its website. The City may however, disclose on the internet and in all other venues that fact that I serve on a City Advisory Body.

Applicants Signature:  Date: 4-17-20

For Office Use Only  
Assigned to Commission/Committee/Board:

<input type="checkbox"/> Planning Commission	<input type="checkbox"/> Library Board	<input type="checkbox"/> Evidence of Hemet Resident
<input type="checkbox"/> Infrastructure Commission	<input type="checkbox"/> Measure U Committee	<input type="checkbox"/> Evidence Spheres of influence)
<input type="checkbox"/> Mobile Home Rent Review Commission		

Staff Initials: \_\_\_\_\_  
Expiration of Term: \_\_\_\_\_

**Planning Commission**

I understand that applying for the position of Planning Commission, that I will be making recommendations to the City Council on City zoning and other essentials for the best use of the land.

**Infrastructure Commission**

This position relates to making recommendations to the City Council regarding City Public Facilities revitalization. The Commission considers the best use of available space, community facilities and making capital improvements.



City of Hemet  
City Council Meeting  
**STAFF REPORT**

**Meeting:** City Council Meeting - Jan 26 2021  
**Department:** Information Technology  
**Submitted by:** Christopher Lopez, City Manager  
 Scott Underwood, IT Operations/Network System Supervisor;

**Receive and File**       **Consent Calendar**       **Business Item**       **Public Hearing**

**TITLE:**

A Resolution of the City Council of the City of Hemet, California, Authorizing the Purchase of Annual Eden ERP Financial Software Support and Maintenance in the Amount of \$65,788.16 to Tyler Technologies, Inc. and Authorize the City Manager to Execute all Documents Regarding this Purchase Order

**RECOMMENDED ACTION:**

Adopt a resolution of the City Council of the City of Hemet, California, Authorizing the Purchase of Annual Eden ERP Financial Software Support and Maintenance in the Amount of \$65,788.16 to Tyler Technologies, Inc. and Authorize the City Manager to Execute all Documents Regarding This Purchase Order

**BACKGROUND:**

For over 20 years, the City of Hemet has used Tyler Technologies Eden software as its enterprise resource planning (ERP) system. Eden is a modular system, providing software specifically tailored to each function or use. The integration of these modules provides a centralized system able to provide accurate, up-to-date data in real-time. Integration between modules also eliminates the need for manual import and export of data between systems.

While Eden is the primary software solution used by the City for financial management, its use is truly city-wide. In addition to general accounting and budgeting, Eden software modules support General Ledger, Accounts Payable, CASS (Coding Accuracy Support System for street address accuracy), Accounts Receivable, Human Resources, Fixed Assets, Parcel Manager, Purchasing/Procurement, Business Licensing, Utility Billing and Payroll.

Through special interfaces, Eden connects to other City software to automate a variety of tasks. An interface for the City's cashiering system (Progressive Solutions) allows the posting of online and over-the counter payments to Eden accounts. Eden also connects the City's CRW Software, used by Planning, Code Enforcement and Building & Safety Divisions. This connectivity allows the Eden system to check for unpaid fees before allowing permits to be issued.

**FISCAL IMPACT:**

Funding for annual support and maintenance of Tyler Technologies Eden ERP Financial Software in the amount of \$65,788.16 is budgeted in FY 20/21 in Fund 680-1930-2265 (Information Technology – Software Maintenance)

**REVIEWED BY LEGAL:**

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|--|--|
| <input checked="" type="checkbox"/> Staff report | <input checked="" type="checkbox"/> Resolution |
| <input type="checkbox"/> Ordinance               | <input type="checkbox"/> Agreement             |

**ATTACHMENT(S):**

[Tyler Tech Invoice](#)

[Tyler Annual Maintenance Reso](#)



**Remittance:**  
 Tyler Technologies, Inc.  
 (FEIN 75-2303920)  
 P.O. Box 203556  
 Dallas, TX 75320-3556

# Invoice

<b>Invoice No</b>	<b>Date</b>	<b>14.B</b> <b>Page</b>
045-321445	12/01/2020	1 of 2

**Questions:**  
 Tyler Technologies - ERP & Schools  
 Phone: 1-800-772-2266 Press 2, then 1  
 Email: [car@tylertech.com](mailto:car@tylertech.com)



Bill To: City of Hemet  
 445 E Florida Avenue  
 Hemet, CA 92543-4209

Ship To: City of Hemet  
 445 E Florida Avenue  
 Hemet, CA 92543-4209

<b>Cust No.-BillTo-ShipTo</b>	<b>Ord No</b>	<b>PO Number</b>	<b>Currency</b>	<b>Terms</b>	<b>Due Date</b>
5158 - MAIN - MAIN	148100		USD	NET30	12/31/2020

Date	Description	Units	Rate	Extended Price
Contract No.: HEMET, CITY OF				
	Administration Support	1	5,502.33	5,502.33
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Accounts Receivable Support	1	1,834.12	1,834.12
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	CASS Support	1	2,959.92	2,959.92
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Cash Register Interface Support	1	500.68	500.68
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Data Dictionaries Support	1	446.92	446.92
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Fixed Assets Support	1	3,371.14	3,371.14
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	GL/AP Support	1	9,170.55	9,170.55
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Handhelds Support	1	500.68	500.68
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Human Resources Support	1	6,008.01	6,008.01
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Licensing Support	1	6,675.57	6,675.57
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Parcel Manager Support	1	1,668.88	1,668.88
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Purchasing Support	1	1,834.12	1,834.12
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Payroll/Position Control Support	1	11,665.55	11,665.55
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Utility Billing Support	1	11,682.23	11,682.23
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			
	Human Resources Support Web	1	1,967.46	1,967.46
	Maintenance: Start: 01/Jan/2021, End: 31/Dec/2021			



**tyler**  
technologies

**Remittance:**

Tyler Technologies, Inc.  
(FEIN 75-2303920)  
P.O. Box 203556  
Dallas, TX 75320-3556

**Invoice**

**14.B**

<b>Invoice No</b>	<b>Date</b>	<b>Page</b>
045-321445	12/01/2020	2 of 2

**Questions:**

Tyler Technologies - ERP & Schools  
Phone: 1-800-772-2260 Press 2, then 1  
Email: ar@tylertech.com

Bill To: City of Hemet  
445 E Florida Avenue  
Hemet, CA 92543-4209

Ship To: City of Hemet  
445 E Florida Avenue  
Hemet, CA 92543-4209

<b>Cust No.-BillTo-ShipTo</b>	<b>Ord No</b>	<b>PO Number</b>	<b>Currency</b>	<b>Terms</b>	<b>Due Date</b>
5158 - MAIN - MAIN	148100		USD	NET30	12/31/2020

<b>Date</b>	<b>Description</b>	<b>Units</b>	<b>Rate</b>	<b>Extended Price</b>
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**\*\*ATTENTION\*\***

Order your checks and forms from  
Tyler Business Forms at 877-749-2090 or  
tylerbusinessforms.com to guarantee  
100% compliance with your software.

**Subtotal** 65,788.16

**Sales Tax** 0.00

**Invoice Total** 65,788.16



**CITY OF HEMET  
Hemet, California  
RESOLUTION NO. 2021-XXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEMET, CALIFORNIA, AWARDING THE PURCHASE OF ANNUAL EDEN ERP FINANCIAL SOFTWARE SUPPORT AND MAINTENANCE IN THE AMOUNT OF \$65,788.16 TO TYLER TECHNOLOGIES, INC. AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL DOCUMENTS REGARDING THIS PURCHASE ORDER.**

**WHEREAS**, for over 20 years, the City of Hemet has used Tyler Technologies Eden software as its enterprise resource planning (ERP) system; and

**WHEREAS**, Eden is the primary software solution used by the City for financial management on a citywide basis; and

**WHEREAS**, through special interfaces, Eden connects to other City software to automate a variety of financial tasks; and

**WHEREAS**, renewing our support and maintenance agreement with Tyler Technologies Inc. ensures existing enterprise resource planning financial software remain functional for citywide use.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES HEREBY FIND AND RESOLVE:** to approve annual support and maintenance for continued use of the Eden ERP financial software system in the amount of \$65,788.16 and, authorize the City Manager to approve purchase orders in support of this purchase.

**PASSED, APPROVED AND ADOPTED** this 12<sup>th</sup> day of January 2021.

\_\_\_\_\_  
Karlee Meyer, Mayor

ATTEST:

\_\_\_\_\_  
Daryl A. Betancur, Interim City Clerk

State of California )  
County of Riverside )  
City of Hemet )

I, Daryl A. Betancur, City Clerk of the City of Hemet, do hereby certify that the foregoing resolution was adopted by the Hemet City Council on the 12<sup>th</sup> day of January, 2021, and was passed by the following vote:

AYES: Council Members:  
NOES: Council Member:  
ABSTAIN: Council Member:  
ABSENT: Council Member:

\_\_\_\_\_  
Daryl A. Betancur, Interim City Clerk





City of Hemet  
City Council Meeting  
**STAFF REPORT**

**Meeting:** City Council Meeting - Jan 26 2021  
**Department:** Public Works  
**Submitted by:** Christopher Lopez, City Manager  
Steve Loriso, City Engineer;

**Receive and File**       **Consent Calendar**       **Business Item**       **Public Hearing**

**TITLE:**

A Resolution of the City Council of the City of Hemet, California approving Parcel Map 37636 located at the southeast corner of State Street and Mayberry Avenue and authorize the Finance Director to appropriate \$6,000 from fund 247 Neighborhood Stabilization Program (NSP).

**RECOMMENDED ACTION:**

Adopt a Resolution approving Parcel Map 37636 located at the southeast corner of State Street and Mayberry Avenue and authorize the Finance Director to appropriate \$6,000 from fund 247 Neighborhood Stabilization Program (NSP).

**BACKGROUND:**

The property defined by Parcel Map 37636 is located at the southeasterly corner of State Street and Mayberry Avenue. The subdivision splits a single parcel owned by the Hemet Housing Authority (HHA) into 2 parcels for future residential development.

On June 22, 2010, the City initially acquired the property located at 107 E. Mayberry Avenue through the HUD Neighborhood Stabilization Program (NSP). The National Objective of HUD NSP is to restore blighted areas within the community, rehabilitate the structure and provide it to a low to moderate income family, reinvesting in the community. In this case, the structure on the property was found to be unsafe and uninhabitable and was demolished in January 2012. At this time, it was transferred into the Hemet Community Land Trust to hold until construction was ready to start building a new structure on the land.

On June 26, 2018, as vacant land, the property was sold to the Hemet Housing Authority for one dollar (\$1.00). Since the property was large enough to be divided into two parcels conforming with City codes, HHA made application to the Planning Division for approval of a Parcel Map to divide the property into two parcels.

On December 4, 2018, the Planning Commission passed Resolution Bill No. 18-029 approving Tentative Parcel Map No. 37636 subdividing the property into two single family residential lots subject to its Findings and Conditions of Approval.

HHA retained Engineering Resources of Southern California, Inc. (ERSC) to survey the property and prepare a Parcel Map for its division into two parcels. The City Engineer has reviewed Parcel Map 37636 and finds that it is technically correct and is in substantial conformance with the approved Tentative Map.

As required by the Subdivision Map Act and City Ordinances, when the conditions of tentative map approval include requirements for public improvements the construction of those improvements are generally assured by a Subdivision Improvement Agreement (SIA) and financial security. The City Engineer and City Attorney agree and recommend to the City Council that in this particular circumstance, where the HHA has no viable source of revenue except that which the City provides it and possibly grants, of which none are currently applicable, that construction of required public improvements be completed utilizing City resources, Public Works maintenance crews.

The Interim Public Works Director has reviewed the scope of work required by the Conditions and has determined that it is within the capabilities of Public Works and agrees to complete the work. The estimated value of the work is \$4,000 to \$6,000 and will be paid for from fund 247 (NSP).

The NSP Grant was first awarded to the City in 2009 in an effort to rehabilitate foreclosed homes and sell them to qualified low and moderate income families. The lot mentioned here is the last piece of property related to this grant. The City has worked with Habitat for Humanity to get this lot split into 2 lots and developed with homes that would qualify under the NSP Grant to be sold to low and moderate income families.

At a future Council meeting, Staff will bring forward options for Council to transfer the lots to Habitat for Humanity for development and closure of the NSP Grant.

#### **ANALYSIS:**

The map rededicates State Street and Mayberry Avenue to a half street width of 33 feet with a corner property line cutoff. Abutters' rights of access to State Street are dedicated also thus assuring that both parcels when developed will take access from Mayberry.

Conditions of Approval (COA) require infrastructure improvements to include:

Removing and salvaging existing Riverside Transit Authority (RTA) bus stop (bus bench, sign and painted curb) on south side of Mayberry Avenue east of State Street.

1. Installing RTA bus stop on east side of State Street immediately south of Mayberry Avenue. Relocate salvaged bus bench and sign, install 5 feet by 20 feet PCC sidewalk and paint red curb with bus zone stenciling.
2. Removing approximately 100 square feet of existing sidewalk at east end of project frontage to the extent necessary and installing about 5 feet by 20 feet of PCC sidewalk in accordance with ADA requirements.

With the commitment of Public Works resources necessary to complete the work in the public right-of-way, all applicable conditions of tentative map approval required to be satisfied prior to final map approval have been met. With the City Council's approval of the Parcel Map, the map will be recorded with the Riverside County Recorder.

**FISCAL IMPACT:**

There are no impacts to the General Fund. Funds necessary to complete the public improvements associated with the approval of this Parcel Map will be paid from fund 247 NSP fund balance.

**REVIEWED BY LEGAL:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Staff report | <input checked="" type="checkbox"/> Resolution |
| <input type="checkbox"/> Ordinance               | <input type="checkbox"/> Agreement             |

**ATTACHMENT(S):**

[Attachment 1-Reso-2021xxx-PM37636-MDM20210112](#)

[Attachment 2-PM 37636](#)



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**CITY OF HEMET  
Hemet, California  
RESOLUTION NO. 2021-XXX**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF HEMET, CALIFORNIA  
APPROVING PARCEL MAP 37636 LOCATED  
AT THE SOUTHEAST CORNER OF STATE  
STREET AND MAYBERRY AVENUE AND  
AUTHORIZE THE FINANCE DIRECTOR TO  
APPROPRIATE \$6,000 FROM FUND 247  
NEIGHBORHOOD STABILIZATION  
PROGRAM (NSP) FUND BALANCE**

**WHEREAS**, Tentative Parcel Map 37636, submitted for approval by the developer, Hemet Housing Authority, a California public corporation, was conditionally approved by the City of Hemet City Planning Commission on December 4, 2018; and

**WHEREAS**, Tentative Parcel Map 37636, comprised in whole of 2 parcels for residential purposes and 2 lettered lots for drainage, street and public utility purposes, being a subdivision of a portion of Lot 2, Block 171 of the Hemet Land Company as shown on Map on file in Book 1, pages 14 and 15, records of Riverside County, California being within Section 15, Township 5 South, Range 1 West In the City of Hemet, County of Riverside, State of California; and

**WHEREAS**, to meet the requirements established as prerequisite to final approval of Parcel Map 37636, the City Council desires City staff to complete such required work in the public right-of-way utilizing City’s internal resources; and

**WHEREAS**, staff has reviewed the proposed final map of Parcel Map 37636 and finds it to be technically correct and in conformance with the Subdivision Map Act and local Ordinances; and

**WHEREAS**, the City of Hemet Planning Commission at its regular meeting of December 4, 2018, did by approval of Planning Commission

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Resolution Bill No. 18-029, determined that the Project qualified for a Categorical Exemption pursuant to the California Environmental Quality Act, Section 15315, Minor Land Divisions, and was determined to be exempt from further environmental review requirements contained in California Environmental Quality Act; and

**WHEREAS**, staff recommends the City Council Authorize the Finance Director to appropriate \$6,000 of Fund 247 NSP Funds in order to construct the necessary public improvements; and

**WHEREAS**, the City of Hemet Planning Commission at its regular meeting of December 4, 2018, did by approval of Planning Commission Resolution Bill No. 18-029, approve Tentative Parcel Map 37696 with conditions of approval included therein.

**NOW, THEREFORE, the City Council of the City of Hemet does hereby resolve:**

1. That the foregoing recitals are true and correct.
2. That the location and configuration of the lots to be created by Parcel Map 37636 substantially comply with the previously approved Tentative Map.
3. That City staff are hereby directed to complete such work in the public right-of-way as required by the conditions of tentative map approval utilizing City’s internal resources.
4. That, pursuant to Government Code section 66458, Parcel Map 37636 is approved, and the Mayor is authorized to execute the City Acceptance

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Statement and the City Clerk attest  
thereto on behalf of the City.

**PASSED, APPROVED, AND ADOPTED** this 26<sup>th</sup> day  
of January 2021.

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Mayor,  
City of  
Hemet

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Daryl Betancur, Interim City Clerk

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State of California )  
County of Riverside )  
City of Hemet )

I, Daryl Betancur, Interim City Clerk of the City  
of Hemet, do hereby certify that the foregoing  
resolution was adopted by the Hemet City Council on  
the 26<sup>th</sup> day of January 2021, and was passed by the  
following vote:

AYES: Council Members:  
NOES: Council Member:  
ABSTAIN: Council Member:  
ABSENT: Council Member:

\_\_\_\_\_  
Daryl Betancur, Interim City Clerk



LOT INFORMATION  
NUMBER PARCELS = 2  
LETTER LOTS = 2  
GROSS ACRES = 0.55  
NET ACRES = 0.34

IN THE CITY OF HEMET  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
**PARCEL MAP NO. 37636**

BEING A SUBDIVISION OF PORTION OF LOT 2 IN BLOCK 171, OF THE HEMET LAND COMPANY, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGES 14 & 15 OF MAPS, RECORDS OF RIVERSIDE COUNTY AND BEING IN SECTION 15, T. 5 S., R. 1 W., SAN BERNARDINO MERIDIAN.

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

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: LOTS "A" AND "B". THE DEDICATION IS FOR STREET AND PUBLIC UTILITY PURPOSES.  
AS A CONDITION OF DEDICATION OF A LOT "A", STATE STREET, THE OWNERS OF PARCEL 1, ABUTTING THIS HIGHWAY AND DURING SUCH TIME, WILL HAVE NO RIGHTS OF ACCESS EXCEPT THE GENERAL EASEMENT OF TRAVEL. ANY CHANGE OF ALIGNMENT OR WIDTH THAT RESULT IN THE VACATION THEREOF SHALL TERMINATE THIS CONDITION OF ACCESS RIGHTS AS TO THE PART VACATED.

HEMET HOUSING AUTHORITY, A PUBLIC CORPORATION ORGANIZED AND EXISTING PURSUANT TO THE CALIFORNIA HOUSING AUTHORITIES LAW (HEALTH AND SAFETY CODE 34200 ET SEQ.)

CHRISTOPHER LOPEZ, EXECUTIVE DIRECTOR  
CITY OF HEMET, A CALIFORNIA MUNICIPAL CORPORATION

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

STATE OF CALIFORNIA }  
COUNTY OF \_\_\_\_\_ } ss  
ON \_\_\_\_\_, \_\_\_\_\_, BEFORE ME, \_\_\_\_\_  
A NOTARY PUBLIC, PERSONALLY APPEARED \_\_\_\_\_

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

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

PRINT NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_  
MY COMMISSION EXPIRES ON \_\_\_\_\_  
COUNTY OF PRINCIPAL PLACE OF BUSINESS IS \_\_\_\_\_ COUNTY,  
MY COMMISSION NUMBER IS \_\_\_\_\_

THE PRIZM GROUP CORONA, CA  
FEBRUARY 2019

**TAX COLLECTOR'S CERTIFICATE**  
I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE PROPERTY SHOWN ON THE WITHIN MAP FOR UNPAID STATE, COUNTY, MUNICIPAL, OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOW A LIEN, BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE \$ \_\_\_\_\_

DATE \_\_\_\_\_  
MATT JENNINGS TREASURER TAX COLLECTOR  
BY: \_\_\_\_\_, DEPUTY

**TAX BOND CERTIFICATE**  
I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ \_\_\_\_\_ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL, OR LOCAL, AND ALL SPECIAL ASSESSMENTS COLLECTED AS TAXES WHICH AT THE TIME OF FILING OF THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY BUT NOT YET PAYABLE, AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.

DATE \_\_\_\_\_  
CASH OR SURETY TAX BOND  
MATT JENNINGS TREASURER TAX COLLECTOR  
BY: \_\_\_\_\_, DEPUTY

**PLANNING COMMISSION'S STATEMENT**  
I HEREBY STATE THAT THE SUBDIVISION SHOWN ON THIS MAP IS IN ACCORDANCE WITH THE TENTATIVE PARCEL MAP APPROVED AT A MEETING OF THE PLANNING COMMISSION OF THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, HELD ON \_\_\_\_\_, \_\_\_\_\_  
BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
H.P. KANG  
COMMUNITY DEVELOPMENT DIRECTOR

**CITY ENGINEER'S STATEMENT**  
I, STEVE R LORISO, HEREBY STATE THAT I HAVE EXAMINED THE WITHIN MAP, THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE PARCEL MAP, THAT ALL APPLICABLE PROVISIONS OF THE SUBDIVISION MAP ACT AND CITY OF HEMET CITY ORDINANCE 314, AS AMENDED, HAVE BEEN COMPLIED WITH.

STEVE R. LORISO  
ACTING CITY ENGINEER  
R.C.E. 64701  
DATE \_\_\_\_\_

I HEREBY STATE THAT I HAVE EXAMINED THE MAP, AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.  
DENNIS W. JANDA L.S. 6359  
DENNIS JANDA, INC.  
DATE \_\_\_\_\_

**RECORDERS STATEMENT**  
FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ OF PARCEL MAPS  
AT \_\_\_\_\_ M. IN BOOK \_\_\_\_\_  
AT THE REQUEST OF THE CITY CLERK OF THE CITY OF HEMET  
PETER ALDANA  
COUNTY ASSESSOR/CLERK/RECORDER  
BY: \_\_\_\_\_ DEPUTY  
FEE: \$ \_\_\_\_\_  
NUMBER: \_\_\_\_\_  
SUBDIVISION GUARANTEE: FIRST AMERICAN TITLE COMPANY

**SURVEYOR'S STATEMENT**  
THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF THE HOUSING AUTHORITY ON NOVEMBER 12, 2018.  
I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR WILL BE IN ACCORDANCE WITH THE TERMS OF THE MONUMENT AGREEMENT FOR THE MAP, AND THAT SAID MONUMENTS WILL BE SET SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY.

DATE: DECEMBER 15, 2020  
VINCENT KLEPPE  
VINCENT KLEPPE PLS 7181



**CITY ACCEPTANCE CERTIFICATE**  
THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BY AND THROUGH ITS DULY AUTHORIZED OFFICERS, HEREBY ACCEPTS THE DEDICATION SHOWN HEREON AND APPROVES SAID PARCEL MAP.  
WE HEREBY ACCEPT LOTS "A" AND "B" EASEMENTS FOR STREET AND PUBLIC UTILITY PURPOSES.  
BY \_\_\_\_\_ DATE \_\_\_\_\_  
MAYOR OF THE CITY OF HEMET

ATTEST BY \_\_\_\_\_  
CITY CLERK, CITY OF HEMET

IN THE CITY OF HEMET  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
**PARCEL MAP NO. 37636**

BEING A SUBDIVISION OF PORTION OF LOT 2 IN BLOCK 171, OF THE HEMET LAND COMPANY, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGES 14 & 15 OF MAPS, OFFICIAL RECORDS OF RIVERSIDE COUNTY AND BEING IN SECTION 15, T. 5 S., R. 1 W., SAN BERNARDINO MERIDIAN.

THE PRIZM GROUP CORONA, CA  
 FEBRUARY 2019

**SURVEYORS NOTES:**

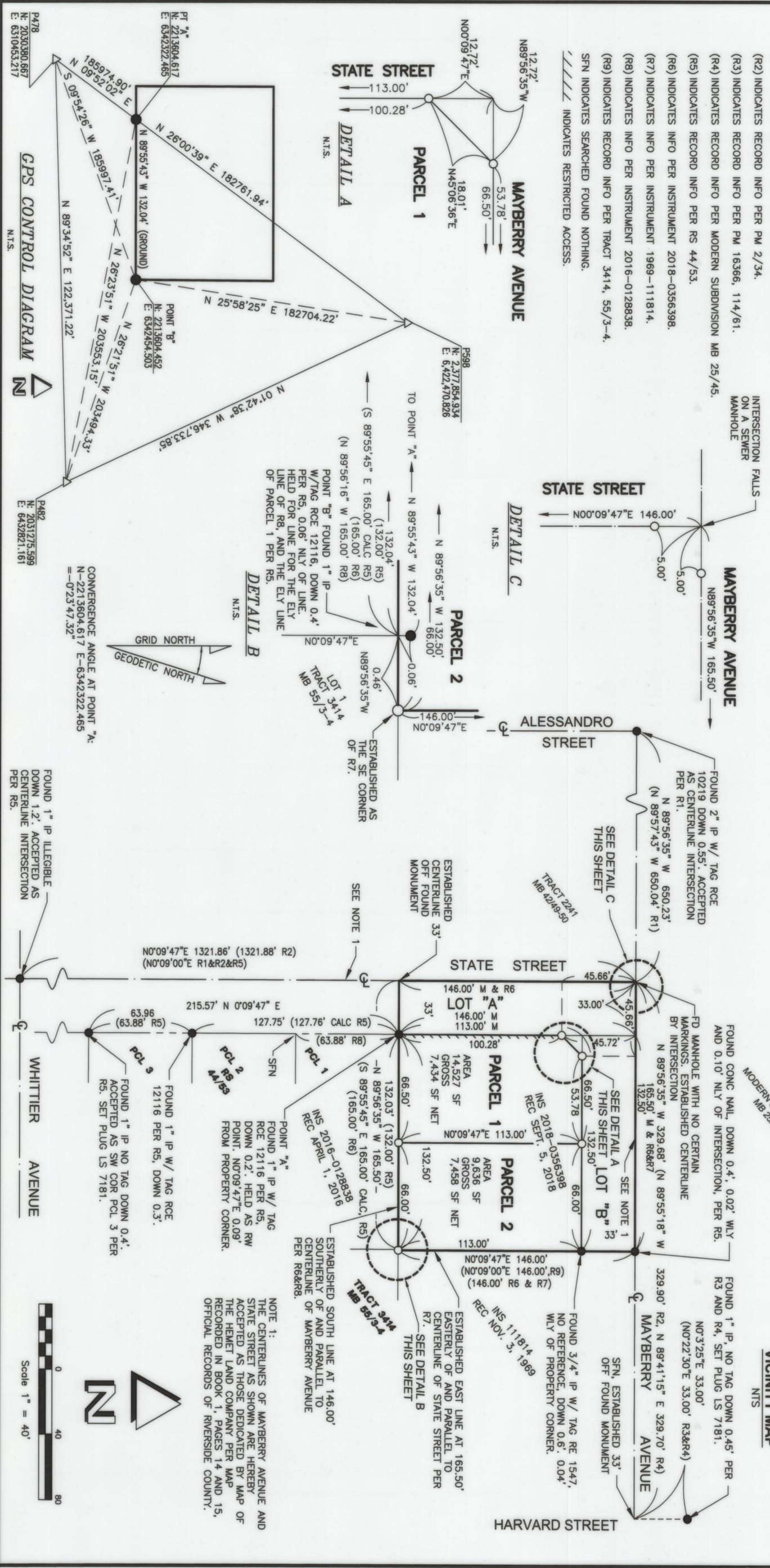
THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, CC83, ZONE 6, BASED LOCALLY ON NGS CONTROL STATIONS "P478", "P482", AND "P598" NAD 83 (NSRS2011) EPOCH 2010.00 AS SHOWN HEREON. ALL BEARINGS SHOWN ON THIS MAP ARE GRID. QUOTED BEARINGS AND DISTANCES FROM REFERENCE MAPS OR DEEDS ARE AS SHOWN PER THAT RECORD REFERENCE. ALL DISTANCES SHOWN ARE GROUND DISTANCES UNLESS SPECIFIED OTHERWISE. GRID DISTANCES MAY BE OBTAINED BY MULTIPLYING THE GROUND DISTANCE BY A COMBINATION FACTOR OF 0.99990786. CALCULATIONS ARE MADE AT POINT "A" WITH COORDINATES OF: N: 2,213,604.617, E: 6,342,322.465, USING AN ELEVATION OF 1598.017.

- INDICATES MONUMENT FOUND AS NOTED.
  - INDICATES SET 1" IRON PIPE WITH PLUG L.S. 7181 FLUSH OR LEAD AND TACK WITH TAG L.S. 7181 IN CONCRETE, OR SPIKE AND WASHER STAMPED "LS 7181" FLUSH IN ASPHALT.
  - △ INDICATES OPUS CORS STATION USED.
  - (R1) INDICATES RECORD INFO PER TRACT 2241, 42/49-50.
  - (R2) INDICATES RECORD INFO PER PM 2/34.
  - (R3) INDICATES RECORD INFO PER PM 16366, 114/61.
  - (R4) INDICATES RECORD INFO PER MODERN SUBDIVISION MB 25/45.
  - (R5) INDICATES RECORD INFO PER RS 44/53.
  - (R6) INDICATES INFO PER INSTRUMENT 2018-0356398.
  - (R7) INDICATES INFO PER INSTRUMENT 1969-111814.
  - (R8) INDICATES INFO PER INSTRUMENT 2016-0128838.
  - (R9) INDICATES RECORD INFO PER TRACT 3414, 55/3-4.
- SNF INDICATES SEARCHED FOUND NOTHING.  
 / / / / INDICATES RESTRICTED ACCESS.

**VICINITY MAP**  
 N.T.S.

FLORIDA AVE	LS	HMT (74)	SHEET 2 OF 2
NEZ ST	ACACIA AVE	HARVARD ST	
ELMWOOD AVE	CENTRAL AVE	MAYBERRY AVE	
STATE ST	WHITTIER AVE	MAYBERRY AVE	
	JOHNSON AVE	CARMALITA ST	

PROJECT LOCATION: STATE ST, MAYBERRY AVE







City of Hemet  
City Council Meeting  
**STAFF REPORT**

**Meeting:** City Council Meeting - Jan 26 2021  
**Department:** Finance  
**Submitted by:** Christopher Lopez, City Manager  
 Lorena Rocha, Finance Director;

**Receive and File**       **Consent Calendar**       **Business Item**       **Public Hearing**

**TITLE:**

Council Discussion Regarding City of Hemet Accounting Policies

**RECOMMENDED ACTION:**

Staff respectfully requests City Council review and discuss the Accounting Policies for the City of Hemet Finance Department.

**BACKGROUND:**

It is considered best practice to establish written policies for the Finance and Accounting functions of the City. Accounting policies act as a roadmap for the application of generally accepted accounting principles and removes variance in employee judgment. They serve as a guide for new and existing employees when determining how to best handle a transaction.

**ANALYSIS:**

For several years, the annual Citywide Financial Audit has generated a finding from auditors stating: "During our review of control environment, we noted that the City lacked formal policies and procedures. Although the City has informal policies, the City should establish formal and comprehensive policies approved by the City Council to provide detailed guidance to employees and management of the City.

Finance staff has worked toward completing these policies. The attached policies include a comprehensive policy that addresses all aspects of the Accounting and Finance functions of the City and well as standalone policies for items such as Petty Cash and use of City issued credit cards.

Finance has worked diligently with the City's auditors to show progress toward clearing the above mentioned finding from the City's annual Financial Statements. Desk procedures have been completed for all General Accounting staff.

Based on Council Direction and discussion, staff will bring forward a finalized version of these policies to Council at a subsequent meeting.

**FISCAL IMPACT:**

No Fiscal Impact.

**REVIEWED BY LEGAL:**

- |  |                                     |
|--|-------------------------------------|
| <input checked="" type="checkbox"/> Staff report | <input type="checkbox"/> Resolution |
| <input type="checkbox"/> Ordinance               | <input type="checkbox"/> Agreement  |

**ATTACHMENT(S):**

- [City of Hemet Accounting Policies](#)
- [Credit Card Policy FINAL 102016](#)
- [Petty Cash Policy](#)



# Accounting Policies Manual

January 2021



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## **INTRODUCTION**

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to the City of Hemet. Its purpose is to ensure that assets are safeguarded, financial statements are in conformity with generally accepted accounting principles, and that finances are managed with responsible stewardship. This manual is intended as well to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the City of Hemet by the City Council under direction of the Finance Director. All Finance employees from the City of Hemet are bound by the policies herein, and any deviation from established policy is prohibited.

# GENERAL POLICIES

## **ORGANIZATIONAL STRUCTURE**

### The Role of the City Council

City of Hemet is governed by its elected City Council. The City Council is responsible for the oversight of the organization by:

1. Planning for the future
2. Establishing broad policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting the City's mission to the public
5. Appointing the City Manager and City Attorney

### The Roles of the City Manager and Staff

The City Council is responsible for hiring and periodically evaluating the City Manager. The City Manager reports directly to the City Council and is responsible for the day-to-day oversight and management of the City of Hemet. The City Manager is responsible for hiring and evaluating Department Directors for each of the City's departments except the City Attorney. Each Department Director reports to the City Manager. Within each Department, Department Directors are responsible for hiring, with approval from the City Manager, employees to work in that department. All employees within a department shall report directly to that Department's Director, who shall be responsible for managing and evaluating all employees within the department.

The Finance Director shall be the chief accounting officer of the City and shall have charge of the administration of the financial affairs of the City of Hemet, under the direction of the City Manager. The Department of Finance shall be under the direction of the City Finance Director.

### Finance Department Responsibilities

The Finance Director is responsible for direction and oversight regarding the overall financial management of the City of Hemet.

Functions of the Finance Department include:

1. Preparation and review of the City's annual budget

2. Monitoring actual vs. budgeted financial performance
3. Long-term financial planning
4. Oversight of reserve funds
5. Responsible for recommending the hiring of and communicating with an independent firm to fulfill the requirement for an annual audit.
6. Prepares the final audited financial statements (CAFR)
7. Responsible for payroll duties and responsibilities
8. Responsible for accounts payable duties and responsibilities
9. Responsible for business license maintenance, administration and control
10. Responsible for utility billing/cashiering maintenance, administration and control
11. Responsible for maintenance and control of Fixed Assets
12. Responsible for accounts receivable duties and responsibilities

## FINANCE DEPARTMENT OVERVIEW

### Organization

The finance department consists of sixteen permanent full-time staff members that manage and process financial information for the City of Hemet. The positions comprising the Finance Department of the City of Hemet, and the titles of each position used throughout this manual, are as follows:

- Finance Director
- Accounting Manager
- Principal Accountant
- Accountant
- Customer Service/Accounting Supervisor
- Procurement Administrator
- Payroll/HR Specialist
- Management Analyst
- Accounting Technician III:
  - Accounts Payable
  - Business Licensing
  - 2 Utility Billing
- Accounting Technician II:
  - Main Cashier
  - 2 Utility Billing
- Office Specialist

### Responsibilities:

The primary responsibilities of the Finance Department consist of:

- General Ledger
- Budgeting
- Annual Audit
- Financial Statements Preparation
- Cash Management
- Grants Administration
- Purchasing

- Accounts Receivable
- Cash Receipts
- Business License
- Accounts Payable
- Cash Disbursements
- Payroll
- Bank Reconciliation
- Cash Reconciliation
- External Reporting of Financial Information
- Compliance with Government Reporting Requirements

## **BUSINESS CONDUCT**

### Practice of Ethical Behavior:

Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of the City of Hemet depend to a very large extent on the following considerations.

Each employee must apply her/his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with the City of Hemet policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known with the Organization or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?

Each employee should be able to answer "yes" to all of these questions before acting.

Each Director, manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors, Managers and supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

### Compliance with Laws, Regulations and Organization Policies

The City of Hemet does not tolerate the willful violation or circumvention of any Federal, State or Local law by an employee during the course of that person's employment; nor does the City of Hemet tolerate the disregard or circumvention to their policies or engagement in unscrupulous dealings. Employees

should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden. Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

#### Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action as outlined in the City's personnel rules and regulations.

The following action shall constitute a violation of this policy:

1. Authorizing or participating directly in actions that are a violation of this policy.
2. Deliberately failing to report a violation or deliberately withholding relevant and material information concerning a violation of this policy.
3. Retaliation, directly or indirectly, or encouraging others to do so, against any employee who reports a violation of this policy. This shall apply to all directors, managers and supervisors.

## FRAUD POLICY

The City of Hemet is committed to its duty to ensure effective stewardship of public money and other assets and resources for which we are responsible. It is the policy of the City of Hemet to prevent and deter all forms of fraud that could threaten the security of our assets or our reputation. The City is committed to the prevention, detection, investigation and corrective action relative to fraud.

City Officials and employees must, at all times, comply with all applicable laws and regulations. The City will not condone the activities of officials or employees who achieve results through violation of the law or unethical business dealings. The City does not permit any activity that fails to stand the closest possible scrutiny.

This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

### Definitions

**Asset Inventory Misuse:** converting City assets/inventory for personal use i.e. gas, vehicles, office supplies, etc.

**Asset Misappropriation:** theft or misuse of City assets.

**Bribery:** offering, giving, receiving, or soliciting of anything of value to influence an official act or a business decision.

**Cash Larceny:** cash stolen from the City after recording on the City books.

**Conflict of Interest:** undisclosed economic or personal interest in a transaction that adversely affects the City.

**Corruption:** wrongful use of influence to procure a benefit to self or another person contrary to duty to City or taxpayer.

**Economic Extortion:** employee demand of pay to influence an official act or a business decision.

**Fraudulent Cash Disbursements:** disbursement of funds through trick or device i.e. false invoices, time records, expense reports, check tampering etc.

**Fraudulent Statements:** purposeful falsification of an organization's financial statements.

**Illegal Gratuities:** person benefiting from an official act or a business decision who gives a gift to a person who made the decision.

**Larceny:** stealing assets/inventory from the City.

**Occupational Fraud:** the use of one's occupation, title or authority for personal enrichment through misuse or misapplication of employer's resources or assets.

**Other similar irregularities:** any activity involving questionable behavior or business dealings that put City revenue, property, information and other assets at risk of waste or abuse.

**Skimming:** cash stolen from the City before recording on City books.

**Responsibilities**

City will investigate any acts of fraud or other similar irregularities.

- Department heads and elected officials are responsible for instituting and maintaining internal controls.
- City Manager has primary responsibility for administering this policy.
- City Manager will be notified of allegations of fraud and notify City Council.
- City Manager is subject to the advice of the City Attorney.
- Investigation results will be reported to City Attorney and City Manager.
- City Attorney will pursue reasonable efforts to obtain recovery of City losses and possible criminal referral.

**Procedures**

Any employee or elected official who has knowledge of an occurrence of irregular conduct, or has reason to suspect that a fraud has occurred, shall immediately notify his/her supervisor or the City Manager. If the employee has reason to believe their supervisor may be involved or does not feel comfortable reporting the occurrence to their supervisor, the employee shall immediately notify the City Manager.

Employees and elected officials have a duty to cooperate during an investigation. Any employee or elected official who knowingly makes false allegations will be subject to discipline and or termination.

Whistle-Blower Protection will be accorded in accordance with appropriate laws and ordinances. The City will protect employees who act in accordance with the requirements of this policy from acts of coercion, intimidation, threats of termination, discipline or suspension.

Upon notification from an employee of suspected fraud, or if management has reason to suspect that a fraud has occurred, they shall immediately notify the City Manager.

Upon notification or discovery of a suspected fraud, the City Manager will promptly investigate the suspected fraud. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the City Manager will inform the City Attorney. Subject to the advice of the City Attorney, the City Manager will contact the proper legal authorities.

City Manager shall take immediate action to secure any evidence and prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records.

If a suspicion of fraud is substantiated by the investigation, disciplinary action, in accordance with local law shall be taken by the appointed authority, in consultation with the City Manager and City Attorney.

**Media Issues**

Any City employee or elected official contacted by the media with respect to alleged fraud or audit investigation shall refer the media to the City Manager. The alleged fraud or audit investigation shall not

be discussed with the media by any person other than through the City Manager, in consultation the City Attorney.

### **Documentation**

At the conclusion of the investigation, the results will be reported to the City Manager, City Council, City Attorney and others as determined necessary. If the report concludes that the allegations are founded, the report will be forwarded to the appropriate authority for further course of action.

### **Reporting to External Administrators**

The City Attorney will report to the external auditors of the City all information relating to investigations.

## **SECURITY**

### **Accounting Department**

Due to the design of City Hall, the Finance Department (Accounting and Utility Billing) are accessible to internal employees only during working hours. The following areas/offices within the Finance Department do have a locking door and must secure the area when critical or confidential material is not able to be locked in a fireproof cabinet:

- Finance Director
- Accounting Manager
- Payroll/HR Specialist
- Procurement Administrator
- Customer Service/Accounting Supervisor

The cash received from customers; as well as, the endorsement stamps shall be stored in a fireproof cabinet that is located inside the vault room right outside of the Utility Billing area. This vault room will be closed and locked at all times with the Customer Service/Accounting Supervisor securing the key for entry. Select personnel will be granted access to the fireproof cabinet and issued an individualized code that will be maintained and monitored by the Customer Service/Accounting Supervisor. Upon severing employment with the City of Hemet, the Customer Service/Accounting Supervisor will be responsible to disable their access. The Finance Director will have ultimate authority over the fireproof cabinet access.

Blank check stock for accounts payable and payroll are kept in a locked, fireproof cabinet within the finance department. A control log is required to track check usage and monitored by the Accounting Manager. Signatures for these checks are maintained and stored in a secure cabinet with the banking files. When signing authority changes, these signatures are obtained by finance staff, submitted to City's financial software company, Tyler Technologies, and converted into an electronic file. Once the electronic file is created, it is uploaded to the City's secured server and saved to the appropriate module by the City's Information Technology Department. Only duly authorized personnel with data input responsibilities are allowed access to the system.

#### Access to Electronically Stored Accounting Data

It is the policy of the City of Hemet to utilize passwords to restrict access to accounting software and data. Accounting personnel are expected to keep their passwords secret. Administration of passwords shall be performed by the Finance Director, Accounting Manager and IT Division. Each password enables a user to gain access into the accounting software only to those menus necessary for each employee's required duties.

#### Storage of Back-Up Files

It is the policy of the City of Hemet and responsibility of the IT Division to maintain backup copies of electronic data files offsite in a secure, fire-protected environment, back-up is performed on a daily basis. Access to back-up files shall be limited to individuals authorized by management.

## GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of the City of Hemet, and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

### Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore the basis for the City of Hemet accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, and expense account.

The City of Hemet chart of accounts is comprised of three types of accounts:

- Balance Sheet:
  - 1000 Assets
  - 2000 Liabilities
  - 3000 Equity
- 0000 Revenue Accounts
- 1100 – 9999 Expense Accounts

Balance sheet accounts are asset, liability, and equity accounts and they appear on the statement of financial position. The revenue and expense accounts, as well as gain and loss accounts, appear on the statement of activities. The revenue and expense accounts are annually closed or zeroed out, but balance sheet accounts are permanent. Balances roll from one year to the next.

Accounts are numbered using a three-digit sequence for fund, a four-digit sequence for department or account type and a four-digit sequence for object. All of the funds of the City of Hemet can be divided into three categories; governmental funds, proprietary funds and fiduciary funds.

### Control of Chart of Accounts

The City of Hemet chart of accounts is monitored and controlled by the Accounting Manager. Responsibilities include the handling of all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Finance Director, who ensures that the chart of accounts is consistent with the organizational structure of the City of Hemet and meets the needs of each division and department.

### Account Definition

#### **Assets**

**Assets** are probable future economic benefits obtained or controlled by the City as a result of past transactions or events. Assets are classified as current assets, fixed assets, contra-assets, and other assets.

**Current assets** are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date.

**Fixed assets** are tangible assets with a useful life of more than one year that are acquired for use in the operation of the organization and are not held for resale.

**Contra-assets** are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable.

**Other assets** include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

#### **Liabilities**

**Liabilities** are probable future sacrifices of economic benefits arising from present obligations of the City to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities are classified as current or long-term.

**Current liabilities** are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

**Long-Term Liabilities** are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the noncurrent portion of a bond payable.

### **Net Assets**

**Net Assets** are the difference between total assets and total liabilities. See the next section for City of Hemet policies on classifying net assets.

### **Revenues**

**Revenues** – The City of Hemet governmental funds are principally supported by taxes and intergovernmental revenues. Business type activities funds recover all or significant portion of their cost through user fees and charges.

The governmental activities from City of Hemet include general government, public safety, community development, public works, and parks and recreation. The business type activities of the City of Hemet include the water enterprise.

### **Expenses**

**Expenses** are outflows or other use of assets or incurrences of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute the City of Hemet ongoing major or central operations.

### Classification of Net Assets

In the Government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

### Changes to the Chart of Accounts

Additions to, deletions from or any other changes to the City of Hemet standard chart of accounts shall only be done with approval of the Finance Director.

#### City of Hemet Fiscal Year

The City of Hemet shall operate on a fiscal year that begins on July 1st and ends on June 30th. Any changes to the City's fiscal year must be ratified by majority vote of the City Council of the City of Hemet.

#### Journal Entries

All general ledger entries that do not originate from a subsidiary ledger shall be supported by the corresponding documentation which shall include a reasonable explanation of each such entry.

Examples of such journal entries include:

1. Recording of non-cash transactions
2. Corrections of posting errors
3. Non-recurring accruals of income and expense

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Accruals of recurring expenses
2. Interest Allocation
3. Reclassification of Payroll Cash Account
4. Due to Due from account adjustment

It is the policy of the City of Hemet that all journal entries not originating from a subsidiary ledger shall be reviewed by the Accounting Manager and authorized by the Finance Director.

**POLICIES ASSOCIATED WITH REVENUES AND**  
**CASH RECEIPTS**

## REVENUE

### Revenue Recognition Policy

The City of Hemet receives revenue from several types of transactions. Revenue is recognized depending on the type of fund the revenue pertains to.

Revenues in the government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Revenues in the governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Property taxes, transient occupancy taxes, and interest are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

#### Refunds

Utility deposits will be refunded in accordance with Resolution Number 4059 pursuant to section 82-74 of the Code of the City of Hemet.

### **CASH RECEIPTS**

#### Overview

Cash (including checks payable to the City) is the most liquid asset an organization has. Therefore, it is the objective of the City of Hemet to establish and follow the strongest possible internal controls in this area.

#### In-House Cash Receipts Processing

For funds that are received directly at the City of Hemet, cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

All incoming checks are to be routed to the Accountant for proper coding and appropriate tracking, if necessary. Checks, along with all other cash transactions are then provided to the Accounting Technician, serving as the City's main cashier, in the utility billing division of the Finance Department for posting. In addition to the City's main cashier located at City Hall, cash payments are also processed at the City's Police Department and Library by designated cashiers under the same policy and procedure.

The cashier processes payments received through the payment software, "Cashiering Central". At the end of the day the cashier will sort and batch receipts. The daily batches will be forwarded to the Customer Service/Accounting Supervisor to perform the overall daily reconciling activity. If a designated employee is not available to receive the batch, a secure, wall-mounted safe is located in the City Hall mailroom for the batch to be stored. Access to this safe is by secure combination held by the Customer Service/Accounting Supervisor. A deposit slip is prepared from the cash/check received and compared

to the daily receipts listing for discrepancies. Deposits are prepared and taken to the bank by an individual other than the employee who prepared the daily cash receipts listing (armored service).

The individuals who entered, posted and prepared the daily list of cash receipts shall not be involved in the accounts receivable process.

The entire daily cash receipts package, which includes transaction activity and the respective supporting documentation, will be forwarded to the Accountant to further reconcile, verify the accuracy and post into the general ledger.

#### Endorsement of Checks

It is the policy of the City of Hemet that all checks received that are payable to the City shall immediately be restrictively endorsed by the cashier that prepares the daily receipts listing. The restrictive endorsement shall be through the register, for all receipts at the window, and includes the following information:

1. "For Deposit Only"
2. "City of Hemet"
3. Bank account number
4. Date
5. Amount
6. Receipt number

For mail and miscellaneous receipts, the restrictive endorsement is through the endorser machine and contains the following information:

1. Bank Name
2. Date
3. "For Deposit Only"
4. "City of Hemet"
5. Account number

#### Timeliness of Bank Deposits

The City of Hemet contracted with Armored transport services to collect the monies at the City Hall location on a daily basis.

#### Reconciliation of Deposits

On a monthly basis, the Principal Accountant, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated and reported to the Finance Director and/or Accounting Manager.

### **BILLING/INVOICING PROCEDURES**

The Finance Department of the City of Hemet is responsible for the billing, customer service and collection of the receivables.

#### Utility Billing

The City administers its own water agency and bills utility customers on a monthly basis. Water meters are read by field staff and presented to the Utility Billing division of the Finance Department. Upon receipt of the meter readings, the Accounting Technician III imports the readings into the City's financial software. Reports to determine any errors, exceptions or inconsistencies are run. Any readings or other irregularities found are sent back into the field to be investigated.

Once all readings have been confirmed, the Accounting Technician III updates the account information and generates the utility bills. Bills are then uploaded to a third-party vendor to be mailed and electronically stored and presented for online payment options.

#### Business License

The City issues business licenses on an ongoing basis. All licenses expire on the last day of each calendar year. A business owner acquires a license to conduct business within the city limits and pays an appropriate tax based on the type of business as outlined in chapter 18 of the City's municipal code.

#### Accounts Receivable

The Accountant is responsible for the invoicing, adjustments, and collections of all City receivables within the subsidiary ledger. Invoices are generated on a monthly, quarterly, annually and as needed basis.

Any request for billings must be submitted to the Finance Department with the appropriate supporting documentation, including the customers' name and address, signed department approval and GL accounting coding.

## **ACCOUNTS RECEIVABLE MANAGEMENT**

### Overview

On a monthly basis, a detailed accounts receivable report (showing aged, outstanding accounts by customer) is generated and reconciled to the general ledger by the Accountant. This is for citywide receivables, including routing billing and monthly utility billing for water services. All differences are immediately investigated and resolved. The Accounting Manager reviews the accounts receivable report on a monthly basis.

### Collections

Collections for **active utility accounts** is as follows:

- All charges for water service shall be billed monthly in accordance to the billing schedule and due within 14 days.
- Any water bill unpaid by the due date shall be considered delinquent and will be granted an additional 50 days to submit payment. Upon the 65<sup>th</sup> day from original bill date any unpaid bill will be assessed a penalty and sent a Shutoff Notice.
- Accounts with unpaid balance upon the 75<sup>th</sup> day from original bill, will have the water service disconnected and the account will be subject to an additional reconnection charge.
- Water Service shall not be restored until all past due charges and reconnection fees have been paid in full by a secured means (cash, cashier check, money order or credit card).

Collections for **closed utility account** is as follows:

- Collections are performed on a monthly basis according to a review of the outstanding items shown on the accounts receivable aging report. This report shows the current month's activity for each customer and prior month balances outstanding for 30, 60 and 90 days.
- Accounts with unpaid balances are reviewed monthly by the Customer Service / Accounting Supervisor. After a balance is unpaid for 30 days the designated personnel will contact the customer by sending letter #1 requesting payment.
- If 90 days have passed without payment, the Customer Service / Accounting Supervisor will send letter #2 notifying the customer that the account will be turned over to the Franchise Tax Board for collections through tax filings.
- A record will be kept of all correspondence.

Collections for **accounts other-than-utility accounts** is as follows:

- All charges for city services shall be billed in accordance to the billing schedule and due upon receipt.
- Collections are performed on a monthly basis according to a review of the outstanding items shown on the accounts receivable aging report. This report shows the current month's activity for each customer and prior month balances outstanding for 30, 60 and 90 days.
- Accounts with unpaid balances are reviewed monthly by the Accountant. After a balance is unpaid for 30 days the designated personnel will contact the customer by sending letter #1 requesting payment.
- If 60 days have elapsed without payment, the Accountant will send letter #2 requesting that payment be made within 30 days and that if payment is not received the account will be sent to a collection agency.
- If 90 days have passed without payment, the account will be held for consideration of write-off.
- A record will be kept of all correspondence.

#### Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include adjustments for billing errors. All credits shall be processed by an employee who is independent of the cash receipts function. In addition, all credits shall be authorized by the Accounting Manager.

### Accounts Receivable Write-Off Authorization Procedures

It is the policy of the City of Hemet to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are initiated by the Customer Service / Accounting Supervisor for uncollectible utility accounts and the Accountant for all other-than-utility accounts with the approval of the Finance Director before being presented to City Council for final consideration.

If an account receivable is deemed uncollectible, the listing of accounts to be written off shall be signed by the Finance Director indicating the approval of the write off of the account. Once a write-off has been processed, the Customer Service / Accounting Supervisor will maintain a master list of uncollectible utility accounts and the Accountant will maintain a master list of uncollectible other-than-utility accounts. Customers listed on the write off list will be extended future credit only if the back debt is paid. If write-off procedures have been initiated, the following accounting treatment applies:

1. Current fiscal year accounts receivables that are written off will be charged against the bad debt expense account. Debit to bad debt expense account and credit to accounts receivable.
2. Accounts written off that are dated prior to the current year will be treated as bad debt and will reduce the allowance for doubtful accounts, discussed in the next section. Debit to allowance for uncollectible account and credit to accounts receivable.

### Delinquent Options

#### *Extension Payment Program (Utility Accounts Only)*

A payment extension may be requested to the Customer Service / Accounting Supervisor within the utility billing division. Dependent upon the account history, an extension request form should be completed and kept on file detailing the payment amount and dates. Delinquency charges are still applicable. If Extension is granted, water service will not be disconnected.

**POLICIES ASSOCIATED WITH EXPENDITURES**  
**AND DISBURSEMENTS**

## **PURCHASING POLICIES AND PROCEDURES**

See City of Hemet's Ordinance number 1941 for the purchasing policy. This policy was revised and adopted by City Council on January 8<sup>th</sup>, 2018.

The policies and procedures for all purchases made by the City of Hemet are in accordance with City of Hemet Ordinance number 1941 per Division 3 of Article V of Chapter 2 of the Code of the City of Hemet.

### Overview

It is the policy of the City of Hemet to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The purchasing policy describes the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

### Procedures – responsibility for purchasing

The Procurement Administrator, or in the alternative such other person as may be designated in writing by the Finance Director, shall be and is appointed to perform the functions of the Purchasing Officer for the City. All contracts shall be reviewed and approved by the City's legal counsel.

All department directors shall have the authority to initiate purchases on behalf of their department within the guidelines described in the City's purchasing policy. Department Heads may delegate purchasing authority to responsible individuals within their department. Department Directors shall inform the Finance Department of all individuals that may initiate purchase requisitions in order to complete the configuration in the City's accounting software. The system administrator (Finance Director or Accounting Manager) will set up the individual's user access within the software with purchase requisition authority and the Procurement Administrator will appoint areas of requisition access within the purchasing module based on the respective director's discretion.

All City purchases in excess of \$2,500.00 require a purchase order requisition. Requisitions must be entered into the accounting system. The requisitions will be electronically routed for approval to the department head, Finance Director, and City Manager as needed. Because the Finance Director is an approver he/she shall not have the authority to initiate purchase requisitions and purchase orders. A

purchase order will be issued by the Finance Department only after the requisition has been approved at all of these levels.

The requisition must include the following information:

1. Description of item (goods/services) being requested for purchase
2. General ledger account number
3. Amount of purchase
4. Quantity
  - a. All purchases requested "Requisitions" must be approved by immediate supervisor/manager and department head.
  - b. All "Requisitions" at or below \$15,000 shall be approved by the Procurement Administrator
  - c. All "Requisitions" over \$15,000 shall be approved by the Finance Director
  - d. All "Requisitions" over \$30,000 shall be approved by the City Manager
  - e. All "Requisitions" over \$50,000 must have prior Council approval
5. Once a requisition has been released by the originator and fully approved, it is then eligible to be converted to a purchase order. Once requisitions are converted, they are ready to be reviewed, posted and printed. The Procurement Administrator distributes hard copies of all converted purchase orders to the respective department and Finance's Accounts Payable division.
6. The designated staff in each department has to prepare the account payable packages in order to proceed with the payment of the invoice. Please refer to Accounts Payable Policy and Procedures for more detail.

#### Vendor Files and Required Documentation

The Accountant shall receive a completed and signed W9 form and create a vendor record for each new vendor from whom the City of Hemet purchases goods or services. The W9 form shall be filed in a secured filing cabinet in the General Accounting area.

#### Ethical Conduct in Purchasing

Ethical conduct in managing the City's purchasing activities is an absolute essential. Staff must always be mindful that they represent the City of Hemet and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.

#### Conflicts of Interest Prohibited

No employee or council member of the City of Hemet shall participate in the recommendation, selection approval or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if a City Council member, employee, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated

herein, has a financial or other interest in the vendor selected. In certain instances, the City may not enter

into contracts or do business with certain entities that are owned, operated, managed by, or that employ

officers of the City.

Employees and council members of the City of Hemet shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub agreements.

#### Non-Discrimination Policy

All vendors/contractors who propose to perform any work or furnish any goods under agreements with the City of Hemet shall agree to these important principles.

1. Vendors/contractors will not discriminate against any employee or applicant for employment because of race, religion, color sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.
2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

### Awards to Debarred and Suspended Parties

The City will not make any award or permit any award (sub grant or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689 “Debarment and Suspension”.

### Bid Protest Review Procedures

#### *Introduction:*

The intent of this procedure is to provide bidders with a process to formally object to a contract award. Before deciding on protesting a solicitation award, bidder should first discuss any issues with the Procurement Administrator. For contracts or purchase orders that require approval by the City Council, bid documents and responses are considered confidential until after the bid opening and such documentation will not be released to the public for review until after the City Council acts on the contract or purchase order award recommendation.

#### *Definitions:*

Purchasing – Procurement Administrator

Solicitation – A request for bid, proposal, or quote

Bidder - A vendor, contractor, firm, or company submitting a solicitation proposal.

Protest- Formal written document contesting award of a contract.

#### *Bidders Protest Procedures:*

Any bidder in the course of a competitive solicitation who is determined non-responsive or who is not being recommended for award of a contract may Protest the solicitation award.

1. A bidder may submit a Protest if they believe that:
  - a. The rating factors and/or evaluation criteria put them at an unjust disadvantage,
  - b. Purchasing erred in its conclusion that the bidder's solicitation was non-responsive or failed to follow procedures set forth in the solicitation document and therefore was unfairly disqualified from the solicitation process,
  - c. Bidder provided the overall best value response, and that Purchasing erred in not recommending them for award of the contract or purchase order, or
  - d. Purchasing failed to follow written policy and/or procedures.

2. The bidder must submit a formal written Protest to the City Clerk prior to the time set for the City Council to act or within ten (10) business days after the award by the Procurement Administrator.
3. The bidder's Protest should provide evidence that the City failed to follow procedures specified in the solicitation or made identifiable mathematical errors or other calculation errors while evaluating the solicitation.

Within a reasonable amount of time, the Protest review shall be completed and a determination shall be provided in writing to the bidder. Throughout the review process, the City has no obligation to delay or otherwise postpone an award of a contract based on a bidder's protest.

*Bidder Solicitation Request Review Guidelines*

Bidders have an obligation to adhere to review timeframes and to submit appropriate documentation to support their concerns.

Bidder's formal Protest must:

1. Cite the legal basis for the review request.
2. Reference relevant documentation that will support their case.
3. Reference the solicitation number and the appropriate sections and page numbers.

A review may be granted if the Protest is submitted prior to the time set for the City council to act or within ten (10) business days of award notification by the Procurement Administrator and the following criteria is met:

1. The firm/person submitting Protest is a bidder.
2. The Protest review request alleges that:
  - a. Bidder submitted a responsive solicitation that was erroneously disqualified; or
  - b. If Bidder is determined to be not responsible, that Bidder's solicitation proposal should have been the lowest cost, responsive and responsible, best value bidder or ranked the highest rated bidder and was not selected for contract award.
3. The Protest itemizes in appropriate detail and with factual reasons, the grounds for review as set forth below:
  - a. The Protest must assert that the City made an error in disqualifying the bidder.

- b. The Protest must assert that the City failed to follow policy and/or procedures.
- c. The Protest must assert that the City made identifiable mathematical or other errors in the evaluation process.
- d. The Protest must assert that the City demonstrated bias in the conduct of the evaluation.

#### *Protest Review and Analysis*

Unless State or Federal statutes or regulations otherwise provide, the review of any determination or action will be conducted by the Procurement Administrator, Finance Director and City Manager with the advice of the City Attorney and be limited to the following:

- Review of Solicitation Requirements
- Review of Disqualified Proposal
- Review of Proposed Vendor Selection Criteria

In all cases, the first level review of any protest shall be conducted by the Procurement Administrator handling the solicitation. However, should a bidder disagree with the conclusion of the Procurement Administrator, the bidder may submit a formal written request for further review by the Finance Director and City Manager.

The City Council with the advice of the Procurement Administrator, Finance Director, City Manager and City Attorney will render a decision on the Protest. The City Council's decision shall be final.

The City's website will include information on how a bidder may Protest.

#### **CREDIT CARD POLICY AND PROCEDURES**

See City of Hemet's Credit Card Policy in Appendix

## **ACCOUNTS PAYABLE POLICY**

The purpose of this policy is to establish the responsibilities, controls, authorizations and procedures for the accurate and timely payment of invoices and check requisitions processed by Accounts Payable.

### **Definitions**

**ACH:** Automated Clearing House

**AP:** Accounts Payable

**EFT:** Electronic Funds Transfer

**PO:** Purchase Order

**Purchase Request:** an internal document notifying the Purchasing Department of items to be ordered or services to be rendered

**Vendor:** a business or individual that provides a product or service to the City.

### **Responsibilities**

Employees within all departments submitting an invoice or check requisition for processing must ensure that invoices and check requisitions are provided to the Accounting Technician III in a timely manner to meet the payment terms and internal processing deadlines.

### **Policy**

#### *Vendors*

All vendors must be authorized by the City of Hemet and must complete and return a form W-9: Request for Taxpayer Identification Number and Certification and obtain any necessary licenses and permits.

Once vendors have been authorized, an employee of the Finance Department creates a new vendor file in the City's financial record keeping system which assigns a unique number to the vendor. Only vendors who have been authorized by will be paid by the City of Hemet.

#### *Invoice Processing for Payment*

Payments are to be made on original invoices received from vendors. Payments are not to be made based on statements from vendors.

All invoices must reference the appropriate purchase order when necessary. It is the practice of the City to require vendors to send invoices directly to the AP division of the City of Hemet. If the invoice is received by the requesting department, the invoice should be forwarded to AP for payment processing. Invoices can be received through inter-department mail, US mail or AP email.

Upon receipt of the vendor invoice, it is entered into the AP workflow for appropriate review and approvals. All invoices must include department's authorized signature and general ledger account coding. If the invoice is for an amount greater than \$2,500, it must also reference the Purchase Order created for its approval. If these items are missing from an invoice, AP will send the invoice out to the appropriate department for approval and coding.

Invoices must be approved by the department head or an individual who has been granted signing authority by the department head to approve before payment is made.

In an effort to avoid shut offs and late fees, Invoices for Utilities (water, electric, gas, etc) are coded by the Accounting Technician III and approved by the Accounting Manager within Council approved budgeted amounts. This information is then made available to Facilities Staff to review and correct if needed.

Once all requirements for the invoice and vendor have been met, it is matched to the purchase order. The invoice data is then entered into the City's financial system.

Departments shall request and follow up with any PO variances with the Purchasing Department. Questions and errors must be resolved before payment is made.

Before processing an invoice for payment, the following is to be verified by the Accounting Technician III:

- PO number, vendor name and amount on the invoice match the PO
- Items on the invoice match the PO line items
- Remit address on invoice matches AP system address
- General ledger accounts appear appropriate, based on the current chart of accounts
- Check is flagged for enclosure, if appropriate (remittance advice)
- Due dates on all registrations and dues to ensure timely payment
- Payment is made from an invoice not a quote or statement
- Payment type is accurate
- Check is flagged to be returned to department, if appropriate. (Note: Approval to return a check to the department must be made by the Finance Director or Accounting Manager.)
- Invoice amount is within the approved budget
- Invoice is not a duplicate of an invoice already paid

If a duplicate invoice is received for processing, the software program will prevent second entry of an invoice if the information was indexed correctly both times. However, due to clerical errors, an invoice may be processed and paid twice. If a duplicate payment is made, the payment made in error should be

voided. If the duplicate payment is discovered after the check is cashed, the vendor shall be billed for overpayment.

#### *Invoice Deadlines*

Invoices should continuously be submitted to AP as they become available. It is the goal of the Accounts Payable Division to provide a two-week turnaround from the time the invoice and all supporting documentation are received to process payment of the invoice.

AP checks are generated every two weeks in tandem with the payroll schedule.

Invoices and claims received by AP by Tuesday before 11am of the check issuing week will be processed for payment. Any invoices or claims submitted after this deadline will not be processed until the next check cycle.

Any urgent request for payment that falls outside of this time frame will only be processed if said payment cannot be held until next pay cycle and it is approved by the Finance Director for a special process. These should only occur in emergency, non-planned situations and should be the exception to the rule, not the norm.

Once the Accounting Technician III has reviewed, entered and reconciled the data entry, it is given to the Accounting Manager for review and final approval. Upon the Accounting Manager's final approval, the checks may be generated.

#### Check Preparation

It is the policy of the City of Hemet to print vendor checks and expense reimbursement checks on a bi-weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

- Expenditures must be supported in conformity with the purchasing, accounts payable, and travel, expense and reimbursement policies referencing in this manual.
- Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors.
- Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
- Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.

- All invoices with supporting documentation attached are submitted to the Accounting Manager for final review and approval prior to checks printing.
- Checks shall be printed in numerical order.
- Checks shall never be made payable to "bearer" or "cash".
- Checks shall never be signed prior to being prepared. (No signed blank checks).
- Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be stamped with "PAID" or "INVOICE ENTERED" in order to prevent subsequent reuse.

#### Check Signing

No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks). It is the policy of the City of Hemet that each Accounts Payable check shall be signed by two authorized check signers and on Payroll checks, there shall be one authorized signer. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

Checks are electronically signed through the City's accounting software on a special printer with MICR ink which is secured inside Payroll's office.

#### EFT Processing

For those vendors who choose to take advantage of the City's EFT payment option are processed in the same manner as checks however an electronic file is created which is uploaded to the City's online banking platform.

Once the Accounting Technician III uploads the file and notifies the Accounting Manager that it is ready for final review and approval. The Accounting Manager logs into the City's online banking and reviews and approves the file. An electronic copy of the approval is stored with the cycles supporting documentation.

#### Segregation of Duties

Segregation of duties separates roles and responsibilities to ensure that an individual cannot process a transaction from initiation through to payment without the involvement of others and thereby segregation of duties reduces the risk of fraud or error to an acceptable level.

For example, no one individual should be able to set up a new vendor, create a purchase order for that vendor, post and approve the invoice from that vendor, create, approve and record the payment to that vendor. Giving a single individual the ability to perform all of the above operations increases the risk of fraud or error.

#### Mailing of Checks

Once the checks are printed, they are no longer allowed to be handled by the preparer. The checks are then safe kept with the Office Specialist, who will prepare them to be mailed.

Checks shall not be mailed by individuals who authorize expenditures.

#### Voided Checks and Stop Payments

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks are processed by the Accounting Technician and a journal entry is generated and shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by the Accounting Technician through the City's online banking portal. A confirmation is printed and attached to the hard copy of the journal entry that is generated by the City's accounting software.

#### Record-Keeping Associated with Vendors

The City of Hemet shall obtain a completed Form W-9 from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

## PAYROLL AND RELATED POLICIES

### Classification of Workers as Independent Contractors or Employees

It is the policy of the City of Hemet to consider all relevant facts and circumstances regarding the relationship between City of Hemet and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between the City of Hemet and the individual.

Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered by the City of Hemet in making employee/contractor determinations shall include:

1. Behavioral control:
  - a. Instructions given by the City of Hemet to the worker that indicate control over the worker (suggesting an employee relationship), such as:
    1. When and where to work
    2. What tools or equipment to use
    3. What workers to hire or to assist with the work
    4. Where to purchase supplies and services
    5. What work must be performed by a specified individual
    6. What order or sequence to follow
  - b. Training provided by the City of Hemet to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)
2. Financial control:
  - a. The extent to which the worker has unreimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor)
  - b. The extent of the worker's investment in the facilities/assets used in performing services for City of Hemet (greater investment associated with contractors)
  - c. The extent to which the worker makes services available to the relevant market

- d. How the City of Hemet pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to some contractors)
- e. The extent to which the worker can realize a profit or loss.

3. Type of Relationship:

- a. Written contracts describing the relationship that City of Hemet and the individual intend to create
- b. Whether City of Hemet provides the worker with employee-type benefits, such as insurance, paid leave, etc.
- c. The permanency of the relationship
- d. The extent to which services performed by the worker are a key aspect of the regular business of City of Hemet

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the City of Hemet personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

Payroll Administration

City of Hemet operates on a bi-weekly payroll. For all City of Hemet employees, a personnel file is established and maintained, with current documentation, as described throughout this section and more fully described in City of Hemet Personnel Manual.

The following forms, documents and information shall be obtained and included in the personnel files located in Human Resources for all new employees:

1. City of Hemet Employment Application (and resume, if applicable)
2. Applicant references
3. Interview questions and notes

4. Form W-4 Employee Federal Withholding Certificate
5. Form DE-4 State Withholding Certificate (if applicable)
6. Form 1-9 Employment Eligibility Verification
7. Copy of driver's license
8. Copy of Social Security card issued by the Social Security Administration
9. Starting date and scheduled hours
10. Job title and starting salary
11. Authorization for direct deposit of paycheck along with a voided check or deposit slip

#### Changes in Payroll Data

It is the policy of City of Hemet that all of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing on a Personnel Action Form (PAF) by the following individuals:

1. City Manager
2. Finance Director
3. Department Director
4. Human Resources Manager

All employee record changes in accordance with a PAF are entered by the Human Resources Technician and verified by the Payroll Specialist. This maintains separation of duties.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's payroll file.

#### Payroll Taxes

The Finance Department is responsible for ensuring that all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. Payroll taxes are paid on pay dates through the respective online platform.

It is the policy of City of Hemet to obtain an updated Form W-4 from each employee when withholding changes are requested. Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee. All Form W-4 are maintained in each employee's payroll file.

#### Preparation of Timesheets

Each City of Hemet employee must submit an electronically signed and approved timesheet no later than 11:00 AM on the Monday following the close of each pay period. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period.
2. If special accounts need to be charged for employee time, the account and number of hours needs to be properly coded.
3. Timesheets must be electronically signed by the employee and approved by their immediate supervisor.

After preparation, timesheets shall be approved by department directors or his/her designee, prior to submission to the Finance Department. Corrections identified by an employee's supervisor/department director shall be authorized by the employee by placing the employee's initials next to the change. In the event that the employee or supervisor is unavailable the director may sign authorizing the correction.

A City employee who is on leave, on travel, or is ill on the day that timesheets are due may telephone or e-mail timesheet information to his or her supervisor (or designated alternate). Time so submitted must reflect the actual time worked.

### Processing of Timesheets

Processing of timesheets in the finance department is performed by the Payroll Specialist. The Payroll Specialist checks all timesheets for mathematical accuracy, then inputs all timesheets into the payroll system.

The Payroll Specialist may not change or correct timesheets. When errors are noted, a corrected and approved timesheet will be requested from the employee and respective supervisor. Tampering with, altering, or falsifying time records, recording time on another employee's time record, or willfully violating any other timesheet policy or procedure is not allowed.

### Direct Deposit and Payroll Checks

The transfer of the direct deposit is conducted through Citibank ACH. The Payroll Specialist will initiate the direct deposit transaction on the bank's website. The Accounting Manager will review and compare amount to direct deposit report and approve the transaction.

The Payroll Specialist will prepare a transfer request to the payroll account with supporting documentation for the amount of the bi-weekly payroll cycle. The Accountant will initiate the transfer through the online banking software into the payroll checking account.

Payroll Taxes and other employee deductions are initiated by the Payroll Specialist and processed by the Accountant.

At no time will the payroll transfers be initiated and completed by the same staff member. All payments are approved by the Finance Director.

The printing of the payroll checks requires security paper and a MICR ink. The checks should be signed by the Director of Finance; therefore, a signature key is kept in an encrypted file that only approved IT personnel have access to.

### Review of Payroll

Upon production of all payroll reports and checks, the Accounting Manager reviews payroll reports, taxes to be paid and all other relevant information. These procedures shall be performed prior to the distribution of the check to employees.

Distribution of Payroll

Payroll payments (or check stubs for electronic deposits) shall be distributed by individuals who do not approve time sheets, are not responsible for hiring and firing, and do not control the preparation of payroll.

**POLICIES PERTAINING TO SPECIFIC ASSET AND**  
**LIABILITY ACCOUNTS**

## CASH AND CASH MANAGEMENT

### *Internal Controls and separation of duties*

The Finance Department is responsible for the cash management of City funds. It is finance staff's responsibility to ensure sufficient funding is available in bank accounts to meet bi-weekly and all other financial obligations.

The City Treasurer is responsible for the investment of excess funds of the City. Excess funds are better described as the available cash balances of all General, Special, Enterprise, and Fiduciary Funds of the City. The Investment Policy of the City of Hemet describes the responsibilities and restrictions related to investment of excess funds.

In order to minimize risk of fraud, internal controls must be exercised at all times.

- Wire transfers require secondary approval prior to completion.
- The City Treasurer may direct Finance staff to transfer funds to or from an investment account. This request must be made in writing. Staff will confirm availability of funds and provide confirmation once the transfer is complete.
- Direct Deposit and ACH payments must be approved by the Finance Director or his/her designee

### Cash Accounts

#### General Checking Account (operating account):

The primary operating account provides for routine business check disbursements. All cash deposits are made to this account.

#### Electronic Funds Transfer Account (EFT):

The checking account where all credit card payments are deposited.

Cash transfers are done on an as needed basis to cover disbursements. Excess funds in these accounts are transferred into short-term investments or higher interest-bearing cash equivalents. Authorized signers on the general checking account include the following; City Treasurer, City Mayor and Finance Director.

Payroll Account:

The payroll account is separate from the operating account. The payroll account has been established to maintain a running balance of \$10,000. As such, only the amount needed to cover each payroll is transferred into this account from the operating account, based on the amount calculated.

Authorized signers on the payroll account include the following; City Treasurer and Finance Director.

Employee Dental and Vision Account:

The Employee Dental and Vision account is separate from the operating account. The Employee Dental and Vision account has been established to maintain a running balance of \$60,000. As such, only the amount needed to cover the payments for each month is transferred into this account from the operating account, based on the amount calculated and communicated by the outside service administrator office (Group Management Services).

Worker's Compensation Account:

The Worker's Compensation account is separate from the operating account. The Worker's Compensation account has been established to maintain a running balance of \$80,000. As such, only the amount needed to cover the payment for each month is transferred into this account from the operating account, based on the amount calculated and communicated by the outside service administrator office (CJPIA).

Bank Reconciliations

Bank account statements are received each month by mail and forwarded unopened to the Principal Accountant. The Principal Accountant opens the statement and reviews its contents for unusual or unexplained items. Unusual or unexplained items shall be reported immediately to the bank representative.

The Principal Accountant prepares the reconciliation between the bank balance and general ledger balance; the principal accountant shall not be an authorized check signer. It is the policy of the City of Hemet to complete the bank reconciliation process within two weeks of receipt of each bank statement.

The bank reconciliation, including any adjusting journal entries resulting from preparing bank reconciliations are reviewed and approved by the Accounting Manager on a monthly basis.

Cash Reconciliation and copies of resulting journal entries are filed in the current year's accounting files.

#### Cash Flow Management

The Accounting Manager monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

#### Stale Checks

It is the policy of the City of Hemet to write off checks that are more than 6 months old that have not cleared the bank. Due diligence attempts are made to those recipients in excess of \$50.00 prior to public notice of all stale dated checks. Public notice will be released in local publication and on the City's website with a timeframe of 60 days to respond and claim funds.

After 60 days of public notice, all state checks are voided in the accounting software system and shall be credited to the originating fund.

#### Wire Transfers

All wire transfers will require two employees. One will be the initiator and the second will be the approver. The Finance Director, Accounting Manager, Principal Accountant and Accountant shall be the only City of Hemet employees authorized to transact wire transfers from the City of Hemet bank accounts. To prevent anyone other than these individuals from transacting wire transfers, a system shall be employed that requires the user to be set up with online banking access with transferring entitlements and the use of bank generated token passcodes. In order to eliminate opportunities for fraud, wires are initiated by one authorized individual and approved by a second authorized individual after review of all information for accuracy and legitimacy.

All wire transfers require the completion of a form detailing the date, amount, reason and general ledger account coding. All wire transfer forms shall be signed by the Finance Director. Confirmation of all

wire transfers are delivered to the Accounting Manager for review and a copy is forwarded to the Principal Accountant to maintain with the monthly bank reconciliation.

### **PETTY CASH PROCEDURES**

See City of Hemet's Petty Cash Policy in Appendix

### **INVESTMENT POLICIES**

See City of Hemet's Investment Policy Resolution No. 2020-083

### **ACCRUED LIABILITIES**

#### Identification of Liabilities

The Finance Department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by the City of Hemet at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Vacation pay / Annual Leave (see policy below)
- Interest
- Payables

#### Accrued Leave

Personnel policies of the City of Hemet permit employees to carry forward unused leave from year to year. Such unused leave is payable to an employee upon termination of employment. Accordingly, it shall be the policy of the City of Hemet to record a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of leave multiplied by each employee's current hourly pay rate.

**POLICIES ASSOCIATED WITH FINANCIAL AND**  
**TAX REPORTING**

## **FINANCIAL STATEMENTS**

### Standard Financial Statements of the City of Hemet

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the City of Hemet.

The basic financial statements of the City of Hemet shall include:

1. Statement of Financial Position - reflects assets, liabilities and net assets of the organization and classifies assets and liabilities as current or non-current/long-term.
2. Statement of Activities - presents revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted).

### Frequency of Preparation

The objective of the Finance Department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by licensed certified public accountants.

### Annual Financial Statements

A formal presentation of the City of Hemet annual financial statements shall be provided by the Independent Auditor to the City Council of the City at a regular scheduled council meeting.

## REPORTING REQUIREMENTS

### Overview

To legitimately conduct business, City of Hemet must be aware of its tax and information return filing obligations and comply with all such requirements of federal state and local jurisdictions. Filing requirements of City of Hemet include:

- Sales tax returns
- Information returns for retirement plans
- Annual reporting of compensation paid
- Payroll tax withholding tax returns
- Quarterly fuel reports
- Quarterly Building Standards fees reports
- Quarterly grant funding reporting
- Annual State Controllers Report
- Quarterly SB1186 reports
- Annual Single Audit report for Federal Grants

### Filing of Returns

It is the policy of the City of Hemet to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Finance Department shall be responsible for identifying all filing requirements and assuring that the City of Hemet follows all such requirements.

It is also the policy of the City of Hemet to file complete and accurate returns with all authorities. City of Hemet shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings made by the City of Hemet include, but are not limited to, the following returns:

1. W-2's and 1099's -Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February 28.
2. Form 941 -Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.
3. DE 9 – Quarterly contribution return and report of wages to the State of California used to report unemployment wages to the State.

4. DE 9C – Quarterly State wages report to the State of California used for reporting state taxable wages, income tax withheld and number of employees to the State.
5. CalPERS Report – Bi-weekly report of employee and employer retirement contribution.

Federal and all applicable State payroll tax returns are prepared by the City of Hemet.

# **FINANCIAL MANAGEMENT POLICIES**

## **FINANCIAL MANAGEMENT POLICIES**

The purpose of this Policy Statement is to establish Financial Policies to ensure that the City's finances are managed in a manner which will, (i) continue to provide for the delivery of quality services, (ii) maintain and enhance service delivery as the community grows in accordance with the general plan, (iii) guarantee a balanced budget annually assuring that the City is always living within its means, and (iv) establish reserves necessary to meet known and unknown future obligations. To achieve these goals the Financial Policies include General Policies, Revenue Policies, Cost of Growth Policies, Reserve Policies, Expenditure and Budgeting Policies, Debt Policies, and Capital Improvement Policies.

### General Policies

1. The City will manage its financial assets in a sound and prudent manner.
2. The City will maintain sound financial practices in accordance with State law and direct its financial resources toward meeting the City's long-term goals.
3. The City will develop and maintain programs to ensure its long-term ability to pay all the costs necessary to provide the level and quality of service required by its citizens.
4. The City will maintain accounting systems in conformance with generally accepted accounting principles.
5. The City will establish and maintain investment policies in accordance with State laws that stress safety and liquidity over yield.

### Revenue Policies

1. The City will strive to maintain a diversified and stable revenue base that is not overly dependent on any land use, major taxpayer, revenue type, restricted revenue, inelastic revenue, or external revenue.
2. The City will aggressively pursue revenue collection and auditing to ensure that money due the City is received in a timely manner.
3. The City will seek Federal and State grants and reimbursements for mandated costs whenever possible.
4. The City will investigate potential new revenue sources, particularly those which will not add to the tax burden of residents or local businesses.

5. The City will work proactively with the League of California Cities and local communities to monitor legislation that may impact the City financially.
6. The City will avoid targeting revenues for specific purposes whenever possible.
7. The City will establish user fees when appropriate and monitor all user fees and other charges so that the fees and charges are reflective of the cost of providing the services.
8. The City will periodically analyze actual revenue received.
9. The City will maintain and develop methods to track major revenue sources and evaluate financial trends.
10. The City will seek methods to continually improve the accuracy of revenue forecasts.

#### Cost of Growth Policies

1. The City will recover the costs of new facilities and infrastructure necessitated by development, consistent with State law.
2. The City will require large developments to prepare a fiscal analysis which measures direct and indirect costs and benefits to the City.

#### Reserve Policies

1. The City will establish, dedicate, and maintain reserves annually to meet known and estimated future obligations.
2. The City will seek to establish specific reserve accounts which include, but are not limited to, designated reserves for the following:
  - a. A General Fund reserve for economic uncertainties of not less than 20% of expenditures.
  - b. Totally funded workers' compensation.
  - c. Liability insurance.
  - d. Value of accrued vacation and sick leave.
  - e. Estimated cost of retirees medical payments on a pay as you go basis
  - f. Depreciation and replacement of vehicles and major equipment.
  - g. Major maintenance and renovations of building, parks, and landscaping.
  - h. The City will establish reserves for replacement of facilities and infrastructure.
  - i. The City will establish reserves for cash flow purposes.

### Expenditure and Budgeting Policies

1. Operating budgets will be prepared to fund current year expenditures with current year revenue. However, surplus fund balances may be used to increase reserves, fund Capital Improvement Projects, or be carried forward to fund future years operating budgets when necessary to stabilize services and fund capital outlay.
2. The City will deliver services in the most cost effective manner, including utilizing the services of volunteers in areas where it is economically viable.
3. Budgets will state the objectives of operating programs and identify the services and resources being provided to accomplish the specified objectives.
4. Budgets will fully account for and apportion all costs, fees, and General Fund transfers associated with the Enterprise Funds.
5. Departmental expenditures are limited to City Council appropriated expenditures in the following major categories:
  - Personal Services
  - Supplies & Services
  - Capital Outlay
6. Budget increases required to hire additional permanent personnel require City Council approval.
7. The City will periodically update replacement and maintenance financing plans and incorporate them into the Budget.

### Debt Policies

1. The City will limit the use of debt so as not to place a burden on the fiscal resources of the City and its taxpayers.
2. The City will limit long-term borrowing for capital improvements or projects that cannot be financed from current revenues.
3. When capital projects are debt financed, the debt will be amortized for a period not to exceed the expected useful life of the project.
4. Whenever possible, the City will investigate the use of special assessment, revenue or other self-supporting bonds to limit the General Fund obligation for debt service payments.
5. The City will not use long-term debt for current operations.

6. The City will not use short-term borrowing to support routine operations, provided however, that it may be used to meet temporary cash flow needs.
7. The City will maintain strong communications with bond rating agencies about the City's financial condition and follow a policy of continuing financial disclosure.
8. The City will strive to improve the City's credit rating.
9. The City will utilize inter-fund loans when possible to reduce the cost of financing capital improvements.

#### Capital Improvement Policies

1. The City will construct all capital improvements in accordance with an adopted capital improvement program.
2. The City will develop a five year plan for capital improvements to be updated at least biannually. Future capital expenditures will be projected annually for a five year period based on changes in the community population, real estate development or replacement of the infrastructure.
3. The City will coordinate preparation of the Capital Improvement Budget with preparation of the Operating Budget. Future operating costs associated with new capital improvements will be projected and included in Operating Budget forecasts.
4. The City will identify the estimated costs and potential funding sources for each proposed capital project before it is submitted to Council for approval.
5. The City will attempt to determine the least costly financing method for all new projects.
6. The estimated cost of Capital replacement for water enterprise funds will be updated at least every two years to ensure that rates and charges are covering the full cost of operating these programs.

## **BUDGETING**

### Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a management commitment of a plan for present and future

organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of

the organization's programs and activities simultaneously in light of the available resources. The budget is a plan that establishes the spending authority for the City's programs and projects during the twelve months budget period. The City's Annual Budget serves as the foundation for the City of Hemet Financial Planning and Control.

Prior to June 30 of each year the City Manager submits to the City Council a proposed operating budget for the Fiscal Year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted and prior to June 30, the budget is adopted by motion of the City Council.

The appropriated budget is prepared by Fund (e.g. General Fund), Department (e.g. Community Development) and Division (e.g. Planning). Operating budgets will be prepared to fund current year expenditures with current year revenue. However, surplus fund balances may be used to increase reserves, fund Capital Improvement Projects, or be carried forward to fund future year's operating budgets when necessary to stabilize services and fund capital outlay.

The City will deliver services in the most cost-effective manner, including utilizing the services of volunteers in areas where it is economically viable.

Budgets will state the objectives of operating programs and identify the services and resources being provided to accomplish the specified objectives. Budgets will fully account for and apportion all costs, fees and General Fund transfers associated with the Enterprise Funds.

Departmental expenditures are limited to City Council appropriated expenditures in the following major categories:

- Personnel Services
- Operating Expenses
- Internal Services
- Capital Outlay

The City will periodically update replacement and maintenance financing plans and incorporate them into the Budget. Budgets are adopted annually and all annual appropriations lapse at fiscal year-end.

#### Procedures for the Preparation and Adoption of the Budget

It is the policy of the City of Hemet to prepare an annual budget using the accounting basis that is in conformance with generally accepted accounting principles. To prepare the Organization budget, the Finance Director shall gather proposed budget information from all Department directors (and others with budgetary responsibilities). Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explaining all material fluctuations in budgeted amounts from prior years. All requests for additional personnel shall include a narrative explaining the need for an increase in staff potential duties for the new employee and expected salary. All requests for capital shall include a narrative explaining the reason for the need of the respective item.

After appropriate revisions and a compilation of all department budgets a draft of the organization-wide budget is prepared by the Finance Director. The appropriated budget is prepared by:

- Fund (e.g. general fund)
- Function (e.g. Public Safety)
- Department (e.g. Police).
- Division (e.g. communication)

The draft of the organization-wide budget, individual departments' budgets as well as the narratives (new capital and additional personnel) are presented to the City Manager for discussion, revision, and initial approval. Each individual capital request is evaluated to determine whether the capital item is needed to clear a safety issue, a legal requirement or to improve customer service. All requests for additional staff are reviewed for viability based on the economic condition of the City.

At a public hearing the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is presented to City Council for discussion, revision

and adoption. Public hearings are conducted at Council Chambers to obtain citizen input. Prior to July 1, the budget is adopted by motion of the City Council.

It is the policy of the City of Hemet to adopt a final budget prior to July 1 of the new fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the Finance Department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

If the budget cannot be adopted prior to July 1, Council will be asked to approve a Continuing Resolution with a pre-determined timeframe and instructions for City operations until an annual budget can be adopted.

#### Monitoring Performance

It is the policy of the City of Hemet to monitor its financial performance by comparing and analyzing actual results with budgeted metrics. This function shall be performed periodically by the Finance Director.

#### Budgetary Review

- Budget-to-actual comparisons are made on a monthly basis by the Finance Department.
- Budget-to-actual comparisons are presented for City Council review quarterly and at midyear.
- Budget-to-actual comparisons are provided in the Comprehensive Annual Financial Report (CAFR) for each individual governmental fund, for which an appropriated annual budget has been adopted.

The City maintains an encumbrance accounting system of purchase orders and contracts as a means of accomplishing budgetary control. Purchase orders are reviewed to ensure that funds are available and that requests are properly authorized prior to being released to vendors.

#### Budget Modifications (transfers)

- Department Directors may request transfers of appropriations within their departmental budgets.

- Transfers of appropriations between departments within the same fund require the authorization of the Finance Director and the City Manager.
- Transfers of appropriations between funds require City Council authorization
- Any revision that increases the total appropriations of any fund must be approved by the City Council.
- Budget increases required to hire additional permanent personnel require City Council approval.

## **ANNUAL AUDIT**

### Role of the Independent Auditor

It is the policy of the City of Hemet to arrange for an annual audit of the City's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by the City through the procurement process and a Request for Proposals will be required to communicate directly with the City Manager, City Council and Finance Director upon the completion of their audit.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the City Council for their review and approval, after the financial statements have been reviewed and approved by the Finance Director.

### Frequency to Review the Selection of the Auditor

The City of Hemet shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm.
2. When a fresh perspective and new ideas are desired.
3. Every five years to ensure competitive pricing and a high quality of service.

### Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. A written Request for Proposal (RFP) will be sent to prospective audit firms. The Finance Director will review the prospective audit proposals and make a recommendation to the City Manager. The City Manager will make a recommendation to the City Council for approval.

### Preparation for the Annual Audit

The City of Hemet shall be actively involved in planning for and assisting with the City's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Finance Department shall aid the independent auditors in the following areas:

- Planning - The Finance Director is responsible for delegating the assignments and responsibilities to finance staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.
- Involvement - City staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.
- Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the City's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. City staff will do as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of the City of Hemet to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

### City Manager, City Council and/or Finance Director/Audit Responsibilities

The Audit responsibilities include, but shall not be limited to, the following:

1. Appointment of, and communication with, the City's independent auditors.
2. Review and approval of the annual, audited financial statements.
3. Discussion of internal control matters with the independent auditor.
4. Responding to any reported instances of fraud involving City of Hemet or its employees.
5. Conducting an annual analysis of the City's financial statements.
6. Making policy and other recommendations to the City Council regarding matters arising out of the audit.

**APPENDIX**



## CITY OF HEMET ADMINISTRATIVE POLICIES:

### CREDIT CARD USE

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#### **SUBJECT:**

Credit Card Use Policy and Procedures

#### **PURPOSE:**

This policy establishes the guidelines for the usage and limitations of City-issued credit cards. A credit card shall be issued to a limited number of employees for the purpose of making authorized small-dollar purchases, securing reservations and paying travel expenses when on official City business. Use of the City-issued credit card should only be for instances where a Purchase Order, Request for Payment or Expense Reimbursement cannot be utilized. Under no circumstance should the use of a City-issued credit card circumvent the City's procurement process.

#### **ISSURANCE OF CITY CREDIT CARDS:**

The issuance of City credit cards are limited to:

- City Elected Officials
- City Manager
- Assistant and Deputy City Manager(s)
- Department Directors and their designees
- Procurement Administrator
- IT Supervisor

Additional credit cards will not be issued unless otherwise approved by the City Manager.

#### **RESPONSIBILITIES:**

##### *Card Holder:*

- Sign the Credit Cardholder Use Agreement (Exhibit A), acknowledging the credit limitations and an understanding of the policy and procedures.
- Maintain all receipts and documentation as detailed in this policy.
- Submitting all detailed receipts to Accounts Payable in a timely manner (five business days upon receipt of receiving a copy of the statement).

##### *City Manager:*

- The City Manager, or designee, shall be responsible for authorizing the issuance of City credit card accounts, additions of new signature authority, increases in credit limit, and similar changes.

*Department Directors:*

- Shall approve requests for the issuance of City credit cards to their staff.
- Shall be responsible for approving the use of City-issued credit cards by their staff.

*Finance Division:*

- Administers the program, including:
  - Processing the request for issuance
  - Establishing the card with the financial institution
  - Collecting the Credit Card Agreement (Exhibit A) from the Cardholder, and processing payment for monthly charges.
- Verifies the allowability, per this policy, IRS regulation and applicable laws, of all credit card transactions by Cardholders.

**POLICY:**

Authorization to use a City-issued credit card is restricted to City business only and may not be used for personal purchases, even if the intent is to reimburse the City at a later time. The credit card must **not** be used for purchases when the Cardholder has a personal interest in the merchant or knowledge that a purchase would create a conflict of interest. (Refer to the Hospitality, Gifts, Meals and Conflicts of Interest Policy for further details.)

The City-issued credit card should not be used with vendors or locations where the City has an open Purchase Order (i.e. Staples, Smart and Final, Home Depot or Lowe's).

The use of the City-issued credit card is restricted to the Cardholder only and will have the Cardholder's name embossed onto the card. Authorization to use this card is exclusive to that specific individual and may not be delegated. Usage by anyone other than the Cardholder impacts the integrity of the City's policies and internal controls while increasing the risk of exposure to fraud and other financial abuse.

The Finance Division issues City credit cards as approved by the City Manager. Credit card limits should not exceed \$5,000. However, based on written justification by the Department Director, the Deputy City Manager/Administrative Services (DCM/AS) may approve a credit limit increase. Additionally, daily and per transaction limits may be implemented at any time under the direction of the DCM/AS or the City Manager.

As with any expense, the Cardholder must ensure that sufficient funds are available in their department budget before making purchases on a City-issued credit card.

Use of the credit card is not intended to replace effective procurement planning which enables volume discounts; the credit card is a supplement to the procurement process. As with other procurement methods the following conditions must be met when using a City-issued credit card:

- The credit card should be used whenever possible in lieu of petty cash for low dollar purchases from point of sale vendors not otherwise covered under other procurement processes.

- Purchases **must not be split** to circumvent transaction limits or Procurement Policy.
- Each single purchase may be comprised of multiple items but the total including tax and freight cannot exceed the per transaction limit.
- Every purchase using a City credit card must adhere to all provisions of the City's Administrative Policies and Procedures.
- Fiscal responsibility, common sense and good judgement must always be exercised when using a City credit card.

### ***Excluded Purchases***

The card is **not** to be used for purchases of a personal nature. Any personal expenses incurred during travel that are not reimbursable must be charged to a personal credit card. If any personal charges are inadvertently charged to a City credit card, a check for those expenses must be included with the monthly credit card statement.

The City of Hemet credit card program **automatically excludes** cash advances.

*Additionally*, the policy **prohibits** credit card purchases of:

- Rental or lease of land or buildings
- Purchase of telephone services
- Gaming or betting
- Purchase of securities or insurance
- Payments to political or religious organizations
- Tax payments
- Court costs, fines, bail or bond payments
- Gifts
- Professional services
- Alcohol
- Any other items not for authorized City use

The following items are considered **restricted** purchases:

- Communications equipment and services such as pagers, cell phones and handheld radios, except as purchased by the Procurement Administrator or IT Supervisor.
- The following IT equipment: printers, computers / laptops, software and network scanners except as purchased by the Procurement Administrator or IT Supervisor.
- Routine gasoline purchases. Gasoline must be obtained through the City fuel service when available and must never be purchased for personal vehicles.
- Flowers can only be purchased by Human Resources or the City Manager, no exceptions.
- Food for employees within City facilities (e.g. food for meetings, training, etc.) must adhere to the parameters outlined in the Hospitality, Gifts, Meals and Conflicts of Interest Policy.
- Holiday decorations may only be purchased by the Procurement Administrator or Public Works Director.

**PROCEDURE:**

Prior to receiving a credit card, the Cardholder must sign the Credit Cardholder Use Agreement (Exhibit A). In signing this form, the Cardholder acknowledges:

1. Receipt of the credit card
2. The card's credit limit
3. An understanding of the rules/procedures of the City of Hemet credit card program

Upon receipt of the monthly credit card statement, the Cardholder must:

1. Review the statement for accuracy
2. Attach a receipt/invoice for **each transaction** that clearly shows the item(s) purchased and their purpose
  - a. If unable to locate the receipt, a completed Lost Receipt Form (Exhibit B) which must be fully completed and approved by the department head.
3. Indicate the General Ledger account code to be charged for **each transaction**
4. If the statement consists of more than one page, **all pages must be initialed**
5. Sign the statement and forward to Accounts Payable **within five (5) working days** of receipt.

If an item purchased has been returned, attach the credit voucher to the statement **on which the credit appears**. If an item purchased is returned after the statement cut-off date (refer to the statement for this date), the credit will appear on the following month's statement. Submit the credit voucher on the statement in which the credit appears.

If an error or questionable item appears on the statement, the Cardholder is responsible for contacting the vendor within three (3) days after the date of the purchase or as soon as the error is discovered. Many errors can be resolved with a phone call to the vendor. If the error is not resolved the Cardholder must highlight the questioned item(s) on the statement and attach a memo explaining in detail, the steps taken in attempting to resolve the error.

**Regardless of the reason, the Cardholder must submit reconciled statements to Accounts Payable within five (5) business days of the receipt.** If the Cardholder will be unavailable to review the statement within the five day period, forward all paperwork to Accounts Payable, including receipts to process in the interim. Upon return, the Cardholder will be required to review and sign the statement.

**Travel:**

Per City policy, travel, training and conferences can be purchased using a City credit card. However, specific regulations within the Travel and Hospitality, Gifts, Meals and Conflicts of Interest Policies must also be followed.

**Lost or Stolen Cards:**

If a credit card is lost or stolen, immediately notify the issuing bank by telephone. As soon as possible, notify the Finance Division to inform them of the date the card was lost or stolen and

the date it was reported to the bank. A new card will be requested and issued to the Cardholder upon receipt.

***Fraud Response:***

The bank's Fraud Prevention Unit continually monitors accounts and transactions to prevent and halt fraud activity. If fraud activity is suspected, the bank may contact the Cardholder by telephone to verify transactions or provide notification about the use (or attempted use) of the credit card in a fraudulent manner.

A Cardholder is responsible for promptly responding to the bank's Fraud Prevention Unit and carefully reviewing the monthly statement. If a fraudulent transaction is discovered, report it to the bank's customer service center and the program administrator immediately. The bank will work to confirm the validity of the transaction(s) in question. An affidavit may be mailed to the Cardholder if the bank deems this necessary. The affidavit must be signed and returned to the bank with a copy retained by the Cardholder. If fraudulent activity is verified, the account will be closed and a new card will be issued.

In the event there has been fraudulent activity, the following information must be provided to the Finance Division in writing or by email:

- The account number on which the fraud has been detected
- The date and dollar amount of the fraudulent transaction(s)
- The date the Cardholder first contacted or was contacted by the bank regarding the fraud
- The name of the bank's representative investigating the account

***Reconciling the Monthly Statement:***

- Circle any unauthorized item(s) and write "fraud" next to the item(s)
- Deduct the fraudulent charges from the total amount owed
- Continue to process the statement as required

**CHANGES TO CARDHOLDER INFORMATION:**

Any changes that need to be made to a Cardholder's account should be immediately reported to the Finance Division in writing or by email.

City credit cards must be surrendered upon separation from City employment.

**VIOLATIONS OF POLICY:**

Failure to adhere to this policy may result in the following:

- First failure – Verbal/written notification
- Second failure – Verbal/written notification and notification to the City Manager.
- Third failure – Written notification and notification to the City Manager with possible suspension of credit card privileges.

- Fourth failure – Suspension of all card privileges. Restoration of card privileges requires approval of the City Manager.

**Please contact the Finance Division with any questions about the appropriate use of a City credit card.**

**CITY OF HEMET  
CREDIT CARDHOLDER USE AGREEMENT**

Exhibit A

---

Employee Name

---

Department

---

Credit Card Account Number  
(To be completed by Finance)

---

Credit Card Limit  
(To be completed by Finance)

The above named employee (Cardholder) has been issued or provided access to a City credit card. The Cardholder has been provided with a copy of the City’s Credit Card Policy and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. **Official Use Only.** City credit cards are for official City business use only. Charging personal expenses on the City credit card is a misuse of City funds.
2. **Timely, Accurate and Supported Credit Card Charges.** Credit card payments will be processed in a timely manner. Original supporting documentation (e.g. receipts, invoices) will be submitted for all charges incurred within 5 business days of the receipt of the monthly statement.
3. **Disputed Charges.** The Cardholder will immediately notify the credit card company and the credit card Finance Division of any disputed charges.
4. **Lost or Stolen Cards.** The Cardholder will immediately notify the credit card company and the credit card Finance Division of a lost or stolen credit card. Failure to do so will make the Cardholder responsible for any fraudulent use of the lost or stolen credit card.
5. **Surrender Upon Request or Separation.** The credit card will be surrendered upon retirement, termination or request of the City Manager. Use of the credit card for any purpose after it is surrendered is prohibited.

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City Manager

---

Date

---

Cardholder

---

Date

CITY OF HEMET  
LOST RECEIPT FORM

Exhibit B

Cardholder Name:

Department:

Department Head Name:

Explain Reason for Lost Receipt:

Explain Attempt to Obtain Duplicate from Merchant:

Description and Purpose of Item(s) Purchased or Charged:	G/L Account #:	Price:

\_\_\_\_\_  
Cardholder Signature:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Department Head Signature:

\_\_\_\_\_  
Date:



## CITY OF HEMET ADMINISTRATIVE POLICIES:

### CASH FUNDS

#### **SUBJECT:**

Cash Funds Policy and Procedures

#### **PURPOSE:**

To provide cash for change or making immediate payments of relatively small amounts on the basis of demonstrated need. Petty cash is to be used only for the acquisition of items that require an immediate cash payment and should not be used as a means to circumvent proper procurement procedures.

#### **POLICY:**

The Deputy City Manager/Administrative Services (DCM/AS) will authorize the establishment or increase of a cash fund for a department upon approval of the Department Director. Every department with a cash fund must designate an employee to be the fund custodian in charge of the fund. When a cash fund is initially established or increased, when the fund custodian changes, and at the beginning of each fiscal year the department must submit a Fund Custodian Authorization Form (Exhibit A) to the Finance Division.

At all times the fund custodian must be able to account for the fund in the form of cash, vouchers and receipts. Periodic, unscheduled audits will be performed by the Finance Division, at which time the fund custodian must provide an accounting of assigned cash funds.

No cash fund shall ever be removed from the assigned City site. Cash funds must be properly safeguarded at all times and kept in a secured, locked location with access limited to the fund custodian. Cash should not be left in a cash register/drawer overnight even if the register/drawer is locked. Limit access to areas where cash is handled and always count cash in a secure area. The fund custodian should reconcile the cash fund on a monthly basis, at a minimum.

Note – Change Funds (used for cash registers) should be reconciled daily as deposits are prepared for transport to City Hall.

Restrict safe combinations/secure area keys to as few employees as possible. Change combinations to safes when an employee who has knowledge of the combination leaves City employment, is transferred to another department or is assigned other duties; ensure keys to secure areas are returned.

A cash fund is used for payment of miscellaneous expenses or charges incurred while performing official City business and may be issued as a reimbursement or in advance. The use of cash for services should be limited to one-time or infrequent purchases and should not be used to purchase more than \$50.00 in services or goods, including tax, shipping, etc.

- **Purchases must not be split in order to stay under the \$50.00 maximum and circumvent the Procurement Policy.**
- **Each single purchase may be comprised of multiple items but the total, including tax and shipping, cannot exceed the \$50.00 maximum limit.**
- **Fiscal responsibility, common sense and good judgement must always be exercised when using city cash funds.**

The Department Director shall use his/her discretion for approving cash purchases and shall periodically verify that policies and procedure are being followed.

The Finance Division reserves the right to deny reimbursement for unallowable expenditures. If a fund custodian is not sure of the allow ability of the expenditure, please contact the Finance Division in advance of honoring a request.

Cash funds are subject to periodic audits by the Finance Division staff. Funds on hand with all supporting documents will be presented immediately upon request to the Finance Division representative designated to audit such funds. The amount of cash may be reduced or revoked at the discretion of the DCM/AS for violation of this policy.

### ***Exceptions***

There are three types of designated cash funds within the Police Department that may not meet transaction criteria and limitations due to the nature of their purpose. They will, however, be expected to meet all other guidelines specified within this policy. This exception is limited to the following funds:

- 231-1102; Informant Rewards
- 110-1102; Detectives Unit
- 110-1102; Gang Task Force

The following expenditures are **acceptable**:

- Mileage and parking while performing City duties
- Travel and conference expenditures under \$50.00
- Working lunch meetings
- Refreshments for community meetings
- Minor office supply items
- Minor repair supplies
- Occasional fuel or mileage reimbursement

The following expenditures are **prohibited**:

- Payment of personal services
- Cashing any type of check including employee's personal or payroll check

- Fixed assets
- Personal loans or salary
- Software of any kind
- Prepaid debit cards, gift cards/certificates, vouchers or coupons

## **PROCEDURES:**

### **Establish/Increase Cash Funds**

To establish or increase a cash fund, departments must submit their request in writing to the Finance Division, approved by the appropriate Department Director.

The request should include the amount, purpose and justification for the establishment or increase of the fund amount, the name of the fund custodian, and the account number to be used to establish the fund.

### **Reimbursement**

The Employee:

1. The employee purchases item with supervisor's approval and obtains an itemized receipt from vendor.
2. The employee prepares a Cash Request Form (Exhibit D) in ink, stating the amount, name of requestor, date, account number, and purpose of the expenditure along with all necessary approval signatures.
3. The employee attaches the itemized receipt to the completed request form and submits it to the fund custodian.

The Fund Custodian:

4. The fund custodian signs the form and provides the employee with the appropriate cash, obtaining the signature of the employee obtaining the cash disbursement.
5. The fund custodian places the original Cash Request Form together with supporting receipts in the cash fund "box" to support cash paid out to the employee.
6. The fund custodian retains and files the completed transaction for their monthly reconciliation.
7. At the end of the month, or during the month as required, the fund custodian reconciles the cash fund by completing the Cash Fund Reconciliation Form (Exhibit B).
8. The fund custodian files the reconciliation to be readily available for review or audit by the Department Head or Finance Division.

### **Cash Advance**

The Employee:

1. The employee receives direction from their supervisor to request cash from the fund custodian.
2. The employee prepares a Cash Request Form (Exhibit D) in ink, stating the amount, name of requestor, date, account number, and purpose of the expenditure along with necessary approval signatures.

3. The employee submits the completed form with appropriate signatures to the fund custodian and receives the cash.
4. Once the employee has completed the purchase, the employee must return all itemized receipts and any change to the fund custodian within three (3) business days.
5. If any prohibited expenses are inadvertently made with a cash advance, a check for those expenses must be provided to the fund custodian within three (3) business days.

The Fund Custodian:

6. The fund custodian signs the form and provides employee with the appropriate cash, obtaining the signature of the employee verifying the cash disbursement.
7. The fund custodian places the request form in the cash fund "box" pending the employee's return of receipts and change.
8. Upon return of the receipt and change, the fund custodian crosses through (single line) the cash advance amount on the cash voucher and writes the purchase amount next to it.
9. The fund custodian attaches the itemized receipt to the completed request form and returns the change to the cash box.
10. The fund custodian retains and files the completed transaction for their monthly reconciliation.
11. All cash advances must be closed within three (3) business days of the advance, either by providing itemized receipt(s) or returning the advance.
12. At the end of the month, or during the month as required, the fund custodian reconciles the cash fund by completing the Cash Fund Reconciliation Form (Exhibit B).
13. The fund custodian files the reconciliation to be readily available for review or audit by the Department Head or Finance Division.

### Reconcile Cash Funds

A critical step in properly maintaining a cash fund is periodic reconciliation. Fund custodians must reconcile their cash funds at least once a month using the Cash Fund Reconciliation Form (Exhibit B). Once the reconciliation is complete it is to be reviewed and signed by the fund custodian's supervisor or manager. All fund reconciliation forms must be maintained for a minimum of 18 months so that evidence of monthly reconciliation can be presented to auditors or Finance Division staff, if requested.

The following are steps to reconcile a cash fund:

1. List the number of bills and coins for each denomination to determine the cash on hand.
2. List the amount and recipient for all outstanding vouchers.
3. List the amount and vendor for all receipts on hand.
4. The grand total of cash on hand, outstanding vouchers and receipts on hand and should equal the cash fund total.
5. Research and resolve any differences.

### Replenish Cash Funds

A cash fund must be replenished when 75% of the authorized amount has been used. Additionally, cash funds must be replenished at the end of each fiscal year to ensure expenditures are recorded in the year in which they were incurred.

The following are steps to replenish a cash fund:

1. Fasten receipts to an 8 ½" x 11" sheet of paper (use tape to secure the receipts to the paper).
2. Prepare an itemized list of receipts using the Cash Fund Receipt Log (Exhibit C) that includes the vendor, item(s) purchased, amount, expenditure account number to charge, and total of all receipts.
3. Complete a Request for Payment, obtain necessary signatures and attach the itemized list and receipts.
4. Forward the Request for Payment form to Accounts Payable.
5. A check will be issued in the name of the fund custodian (e.g. John Doe, Fund Custodian); upon receipt the fund custodian must cash the check to replenish the fund.

#### **Closing a Cash Fund:**

If it is determined that an existing cash fund is no longer needed, the Department Director must close the fund. The fund custodian must complete a final reconciliation (Exhibit B) and submit all historical documentation and cash to their Department Director. Once the Department Director has reviewed and approved the forms, the completed forms must be submitted with the cash to the DCM/AS.

#### **Overage or Shortage:**

Significant overage or shortage amounts should be immediately reported to the Department Director and DCM/AS.

Significant overages and shortages (over \$5) – In order to bring the physical amount of currency and coin in balance with the amount recorded in the general ledger complete a Cash Fund Reconciliation Form and meet with the DCM/AS to rectify the situation.

Minor overages and shortages (under \$5) – At the time of reimbursement note the overage or shortage on the Request for Payment. Include an explanation of the overage/shortage and have the Department Director review and approve.

#### **Consequences:**

Failure to comply with this policy may result in the following:

1. Reduction in authorized balances of the cash fund
2. Suspension of the cash fund
3. Revocation of the cash fund
4. Disciplinary action, including verbal and written notification up to and including termination

#### **Attachments:**

1. Exhibit A: Fund Custodian Authorization Form
2. Exhibit B: Cash Fund Reconciliation Form
3. Exhibit C: Cash Fund Receipt Log
4. Exhibit D: Cash Request Form
5. Exhibit E: Fund Custodian Acknowledgement Form

CITY OF HEMET - FUND CUSTODIAN AUTHORIZATION

Exhibit A

Fiscal Year: \_\_\_\_\_

Type of fund:  Petty cash  Change Amount: \_\_\_\_\_

Fund custodian: \_\_\_\_\_

Department: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Accounting codes:

(Fund/Dept. codes only)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The employee whose name appears above is authorized to issue petty cash for the fund/department codes listed.

Department Director: \_\_\_\_\_

Print Name

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

I acknowledge receipt of funds in the amount listed above and will follow procedures as outlined in the Cash Funds Policy and agree to abide to the policy as documented. I also acknowledge my duties and responsibilities as the Cash Custodian.

Fund Custodian: \_\_\_\_\_

Print Name

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

**CITY OF HEMET - CASH FUND RECONCILIATION FORM** Exhibit B

For month/year: \_\_\_\_\_ Fiscal year: \_\_\_\_\_  
 Fund custodian: \_\_\_\_\_  
 Department: \_\_\_\_\_ Fund amount: \$ \_\_\_\_\_

Cash on hand:	\$100	x	_____	=	\$	-	Coin:				
	\$50	x	_____	=	\$	-	50¢	x	_____	=	\$ -
	\$20	x	_____	=	\$	-	25¢	x	_____	=	\$ -
	\$10	x	_____	=	\$	-	10¢	x	_____	=	\$ -
	\$5	x	_____	=	\$	-	5¢	x	_____	=	\$ -
	\$1	x	_____	=	\$	-	1¢	x	_____	=	\$ -

Total cash on hand \$ -

Outstanding vouchers:	Amount:	_____	Recipient:	_____
	Amount:	_____	Recipient:	_____
	Amount:	_____	Recipient:	_____

Total outstanding vouchers \$ -

Receipts on hand:	Amount:	_____	Vendor:	_____
	Amount:	_____	Vendor:	_____
	Amount:	_____	Vendor:	_____
	Amount:	_____	Vendor:	_____
	Amount:	_____	Vendor:	_____
	Amount:	_____	Vendor:	_____

Total receipts on hand \$ -

Grand total \$ -

Difference between fund amount and on hand \$ -  
 over/(short)

Prepared by:	_____	_____	_____
	Signature	Print Name	Date
Approved:	_____	_____	_____
	Signature	Print Name/Title	Date





# City of Hemet

Exhibit D

## Petty Cash Request Form

<input type="checkbox"/>	<p><b>Cash Advance:</b> Expenditure must be approved by department director.  <u>Receipts must be returned to the fund custodian within 3 working days.</u></p>	
<input type="checkbox"/>	<p><b>Cash Reimbursement:</b> Expenditure must be approved by department director. Receipts <u>must be attached</u> to this document.</p>	
<b>Date:</b>	<b>Dept:</b>	
<b>Requested By:</b>		
<b>Department Director Approval:</b>		
<b>Fund Custodian Approval:</b>		
<b>Receipts Verified By:</b>		
<b>Description</b>	<b>Account</b>	<b>Amount</b>
<b>Petty Cash Limit is \$50</b>		<b>TOTAL</b>





City of Hemet  
City Council Meeting  
**STAFF REPORT**

**Meeting:** City Council Meeting - Jan 26 2021  
**Department:** Administration  
**Submitted by:** Christopher Lopez, City Manager  
 Ericka Murphy, Executive Analyst;

Receive and File       Consent Calendar       Business Item       Public Hearing

**TITLE:**

Novel Coronavirus (COVID-19) Emergency Declaration Update

**RECOMMENDED ACTION:**

That the City Council receive the following information.

**BACKGROUND:**

At the March 16, 2020 Emergency Meeting of the City Council, staff was directed to maintain an ongoing agenda item for the COVID-19 Emergency Declaration. This report is intended to provide the Council with updates on the efforts made towards mitigating impacts to the community.

The Council has reviewed and considered the continued existence of the COVID-19 emergency situation at every Council Meeting since adoption, and has not taken any action to rescind the resolution.

**DISCUSSION:**

As mandates change, staff continues to cooperate with businesses, senior care facilities, and community members to ensure their needs are met.

As mentioned at the last meeting, a state of the art testing bus has been parked at the Library for the prior two weeks, with an average of 300 testers per day. Both Library and Public Works staff have been incredibly accommodating to the needs and requests of the County, and we appreciate them for that.

On January 21, 2021, City parks, were reopened, (including Simpson Park), in conjunction with Riverside County Fire. Public Works staff reviewed and assessed each playground location to ensure the safety of public use.

Vaccines have become available to the first tiers, based on Riverside County's prioritization. The image below reflects the tiers. Hemet public safety personnel are included in the first tiers and have been actively receiving vaccinations based on their desire. Captain Brock from PD was featured on our social media for leading by example and community members are being directed to the County for inquiries regarding vaccine availability.

**COVID-19 Vaccination Distribution Phases**

**PHASE 1A**  
Persons at risk of exposure to SARS-CoV-2 through their work in any role in direct health care or long-term care settings.

- Vaccinating Now Tier 1**
  - Acute care, psychiatric and correctional facility hospital staff
  - Staff at skilled nursing facilities, assisted living facilities, and similar settings for older or medically vulnerable individuals
  - Residents in long-term care settings
  - Paramedics, EMTs, and others providing emergency medical services
  - Staff at dialysis centers
- Vaccinating Now Tier 2**
  - Intermediate care facilities for persons who need non-continuous nursing supervision, and supportive care
  - Home healthcare and IHSS
  - Community health workers (promotoras)
  - Public health field staff
  - Primary care clinics, including federally qualified health centers, rural health centers, correctional facility clinics, and urgent care clinics
- Vaccinating Now Tier 3**
  - Specialty clinics (ex. optometry, cardiology, neurology, outpatient surgery, physical therapy, etc.)
  - Laboratory workers
  - Dental and other oral health clinics
  - Pharmacy staff not working in settings at higher tiers
  - Mortuary service industry workers

**PHASE 1B**

- Tier 1 – Vaccinating Now**
  - Persons aged 65+ years of age and older
  - Frontline essential workers, including education, law enforcement, food and agriculture, Emergency services
- Tier 2 – Vaccinating Soon**
  - Frontline essential workers, including manufacturing, transportation, facilities and services
  - Congregate settings (incarcerated and homeless persons)

**PHASE 1C**

- Persons 50 - 64 years of age
- Individuals 16 - 64 years of age and have an underlying health condition or disability which increases their risk of severe COVID-19
- Essential Workers, including water & waste, defense, energy, chemical and hazardous materials, communications and IT, financial services, government operations and community based essential functions.

[www.RUHealth.org/covid-19-vaccine](http://www.RUHealth.org/covid-19-vaccine)      Currently, there are limited supplies of the vaccine. This information will be updated when supplies improve.      Revised 1/13/2021

The City's website and social media pages continue to be monitored for questions and updated periodically.

Members of the public continue to be encouraged to get tested and remain vigilant in following recommendations surrounding hand washing and social distancing.

**FISCAL IMPACT:**

There is no fiscal impact associated with this recommendation.

**ALTERNATIVE(S):**

The Council can choose to not ratify the Order. This will result an additional costs on applicants and may further delay the development process.

**REVIEWED BY LEGAL:**

Staff report

Ordinance

Resolution

Agreement