

**INLAND VALLEY DEVELOPMENT AGENCY**  
**REGULAR MEETING AGENDA**  
**WEDNESDAY, FEBRUARY 8, 2012 – 2:00 P.M. (Closed Session, if any)**  
**3:30 P.M. (Open Session)**

MAIN AUDITORIUM – Norton Regional Events Center, 1601 East Third Street, San Bernardino, CA



A regional joint powers authority dedicated to the reuse of Norton Air Force Base for the economic benefit of the East Valley

**Patrick J. Morris, Co-Chair**  
*Mayor, City of San Bernardino*  
**Josie Gonzales, Co-Chair**  
*Supervisor, County of San Bernardino*

**BOARD MEMBERS:**

**Ronald Dailey**  
*Councilmember, City of Loma Linda*  
**Neil Derry**  
*Supervisor, County of San Bernardino*  
**Rikke Van Johnson**  
*Councilmember, City of San Bernardino*  
**Ovidiu Popescu**  
*Mayor pro tempore, City of Loma Linda*  
**Fred Shorett**  
*Councilmember, City of San Bernardino*  
**Vincent Yzaguirre**  
*Councilmember, City of Colton*  
**Sarah S. Zamora**  
*Mayor, City of Colton*

**ALTERNATE BOARD MEMBERS:**

**Phillip Dupper**  
*Councilmember, City of Loma Linda*  
**Virginia Marquez**  
*Councilmember, City of San Bernardino*  
**Susan M. Oliva**  
*Councilmember, City of Colton*

- Full agenda packets are available at the IVDA office, 1601 East Third Street, San Bernardino, California, will be provided at the meeting, and are posted on the Public Meetings/Agenda page of our website at [www.sbdairport.com](http://www.sbdairport.com). Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.
- Recordings of the IVDA Board meetings are available on the Public Meetings/Agenda page of our website at [www.sbdairport.com](http://www.sbdairport.com).
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the IVDA office at (909) 382-4100. Notification 48 hours prior to the meeting will enable IVDA staff to make reasonable arrangements to ensure accessibility to this meeting.
- Anyone who wishes to speak during public comment or on a particular item will be required to fill out a speaker slip, which must be turned in to the Clerk of the Board prior to speaking.
- Public comments for agenda items that are not public hearings will be limited to three minutes.
- Public comments for items that are not on the agenda will be limited to three minutes.
- The three-minute limitation shall apply to each member of the public and cannot be shared with other members of the public.

**ORDER OF BUSINESS**

The regular meeting of the governing Board of the Inland Valley Development Agency begins with Closed Session Public Comment and Closed Session at 2:00 p.m., immediately followed by the Open Session portion of the regular meeting which will begin no earlier than 3:30 p.m., or immediately after the conclusion of the preceding meeting of the governing Commission of the San Bernardino International Airport Authority, if applicable.

**2:00 P.M. CALL TO ORDER AND CLOSED SESSION PUBLIC COMMENT**

A. **CALL TO ORDER / ROLL CALL**

B. **CLOSED SESSION PUBLIC COMMENT**

The Closed Session Public Comment portion of the Inland Valley Development Agency Board meeting is limited to a maximum of three minutes for each speaker and comments will be limited to matters appearing on the Closed Session portion of the agenda. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

C. **CLOSED SESSION**

An announcement is typically made prior to closed session discussions as to the potential for a reportable action at the conclusion of closed session.

**No closed session items were anticipated at the time of the posting of this agenda.**

D. **REPORT ON CLOSED SESSION**

Public announcement(s) will be made following closed session if there are any reportable actions taken during closed session.

**3:30 P.M. CALL TO ORDER OPEN SESSION**

E. **ITEMS TO BE ADDED OR DELETED**

Pursuant to Government Code Section 54954.2, items may be added on which there is a need to take immediate action, and the need for action came to the attention of the Inland Valley Development Agency subsequent to the posting of the agenda.

**F. CONFLICT OF INTEREST DISCLOSURE**

1. Members shall note agenda item contractors and subcontractors which may require member abstentions due to possible conflicts of interest.

**[PRESENTER: Kelly Berry; PAGE#: 006]**

**G. INFORMATIONAL ITEMS**

It is intended that the following subject matters and their attachments are submitted to the Board members for informational purposes only. No action is required with regard to these items in the form of a receive-and-file motion or otherwise. Members may inquire of staff as to any questions or seek clarifications, but no discussion may ensue other than to place an item on a subsequent agenda for further consideration. In such situations where permissible levels of discussion are conducted, members are reminded that staff has not presented the related contractor and interested parties conflicts of interest disclosures that are typically provided for agenda items for which action is intended to occur. Additionally, questions may arise as to negotiation strategies or other legal issues which are more appropriately addressed in a closed session discussion.

2. Informational Items **[PRESENTER: A.J. Wilson]**
  - a. Executive Director's Report **[PAGE#: 008]**
  - b. Report on Status of the San Bernardino Valley Enterprise Zone (SBVEZ) **[PAGE#: 009]**

**H. BOARD CONSENT ITEMS**

The following consent items are expected to be routine and non-controversial and will be acted upon by the Board at one time unless the Board directs that an item be held for further discussion.

3. Receive Register of Demands  
**[PRESENTER: Gary Silvius; PAGE#: 010]**
4. Receive and file Cash Report for December 31, 2011, for the Inland Valley Development Agency (IVDA)  
**[PRESENTER: Gary Silvius; PAGE#: 014]**
5. Receive and file Second Quarter Financial Report (July 1, 2011 through December 31, 2011) for the Inland Valley Development Agency (IVDA)  
**[PRESENTER: Gary Silvius; PAGE#: 017]**

6. Authorize Advertisement for the Abatement, Demolition, and Removal of the Existing Mt View Bridge Structure  
[PRESENTER: Alex Estrada; PAGE#: 028]
7. Approve Regular and Special Meeting Minutes: January 25, 2012  
[PRESENTER: Kelly Berry; PAGE#: 031]

**I. BOARD ACTION ITEMS**

Anyone who wishes to speak on a particular item will be required to fill out a speaker slip. Prior to speaking, speaker slips should be turned in to the Clerk of the Board. Public comments for agenda items that are not public hearings will be limited to three minutes.

8. Consider and Adopt Proposed Mid-Year Budget Adjustments for Fiscal Year 2011-2012  
[PRESENTER: Gary Silvius; PAGE#: 045]
9. Adopt 2011 Statement of Investment Policy for the Inland Valley Development Agency (IVDA) [Continued from January 25, 2012]  
[PRESENTER: Gary Silvius; PAGE#: 051]
10. Adopt Resolution No. 2012-06 of the Inland Valley Development Agency (IVDA) Authorizing the Finance and Budget Committee to Serve the Function of an Audit Committee  
[PRESENTER: A.J. Wilson; PAGE#: 061]

**J. ADDED AND DEFERRED ITEMS**


Deferred Items and Items which have been added pursuant to Government Code Section 54954.2 as noted above in Section E.

**K. OPEN SESSION PUBLIC COMMENT**

Anyone who wishes to speak during Open Session Public Comment will be required to fill out a speaker slip. Prior to speaking, speaker slips should be given to the Clerk of the Board. Public comments for items that are not on the agenda will be limited to three minutes. The three-minute limitation shall apply to each member of the public and cannot be shared with other members of the public.

L. **ADJOURNMENT**

Unless otherwise noted, this meeting will be adjourned to the next regularly scheduled meeting of the Inland Valley Development Agency Board.

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 1</b></p> <p><b>PRESENTER: Kelly Berry, Director of Information Services   Clerk of the Board</b></p>
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**SUBJECT: POSSIBLE CONFLICT OF INTEREST ISSUES FOR THE INLAND VALLEY DEVELOPMENT AGENCY (IVDA) BOARD MEETING OF FEBRUARY 8, 2012**

**SUMMARY**

This agenda contains recommendations for action relative to certain contractors/principals and their respective subcontractors. Care should be taken by each Board member to review and consider the information provided herein to ensure they are in compliance with applicable conflict of interest laws.

**RECOMMENDED ACTION(S)**

Receive for information and consideration in accordance with applicable conflict of interest laws.

**FISCAL IMPACT**

None.

PREPARED BY:	Kelly Berry
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Timothy J. Sabo
APPROVED BY:	A.J. Wilson

**BACKGROUND INFORMATION**

The potential conflicts information provided in this report is intended to be used as a means for each voting member to verify campaign contributions from their individual campaign records. The following information is considered to be complete only to the best knowledge that has been disclosed to staff by the following listed contractors and in many instances may not be complete as of the date of publication of the agenda. Staff will endeavor to provide updates and supplements to the disclosure information to the extent additional contractor disclosure information becomes known to staff at or prior to each particular meeting time.

In addition to other provisions of law which prohibit Inland Valley Development Agency (IVDA) Board members from having financial interests in the contracts of public agencies, the provisions of California Government Code Section 84308 prohibit individual IVDA Board members from participating in any Board proceeding involving a license, permit, or other entitlement for use pending before the Board, if the individual member has received a contribution of more than two hundred fifty dollars (\$250.00) within the preceding twelve (12) months or for three (3) months following any such Board proceeding, from any person, company or entity who is the subject of the proceeding or from any person who actively supports or opposes a particular decision in the proceeding and who has a financial interest in such decision, as defined in California Government Code Section 87103.

The restrictions of Government Code Section 84308 do not apply if the individual member returns the contribution within thirty (30) days from the time he or she knows, or should have known, about the contribution and the proceeding.

This agenda contains recommendations for action relative to the following contractors/principals and their respective subcontractors (as informed to IVDA staff by the Principals):

**Agenda  
Item No.**

**Contractors/Tenants**

**Subcontractors/Subtenants**

**THE FEBRUARY 8, 2012  
AGENDA CONTAINS NO  
RECOMMENDATIONS FOR  
ACTION RELATIVE TO  
CONTRACTORS/PRINCIPALS.**

**Attachments:**

- 1. None.



**TO: Inland Valley Development Agency Board**

**DATE: February 8, 2012**

**ITEM NO: 2a**

**PRESENTER: A.J. Wilson, Interim Executive Director**

**SUBJECT: INFORMATIONAL ITEMS – EXECUTIVE DIRECTOR'S REPORT**

### **SUMMARY**

An oral report will be provided at the time of the meeting.

PREPARED BY:	Mike Burrows
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

### **BACKGROUND INFORMATION**

None.

### **Attachments:**

1. None.



**TO: Inland Valley Development Agency Board**

**DATE: February 8, 2012**

**ITEM NO: 2b**

**PRESENTER: A.J. Wilson, Interim Executive Director**

**SUBJECT: INFORMATIONAL ITEMS – REPORT ON STATUS OF THE SAN BERNARDINO VALLEY ENTERPRISE ZONE (SBVEZ)**

### **SUMMARY**

An oral report will be provided to the Inland Valley Development Agency (IVDA) Board at the meeting.


PREPARED BY:	Mike Burrows
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

### **BACKGROUND INFORMATION**

None.

### **Attachments:**

1. None.

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 3</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: RECEIVE REGISTER OF DEMANDS**

**SUMMARY**

IVDA's Register of Demands (Accounts Payable Register).

**RECOMMENDED ACTION(S)**

Receive for information.

**FISCAL IMPACT**

Various accounts as shown.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

Total checks for the three registers for January, 2012 is \$3,065,372.66. The largest payments are for quarterly interest on CMB loans of 1,185,843.32 and quarterly payments based on budget to SBIAA of \$1,375,000.00. In addition, there is a quarterly payment to Stater Bros. to reimburse for improvements made to Building 747 of \$226,394.35. The total of these three payments exceed 90% of the total for the registers for January.

Payments for consultant services including Wilson Communications, Corporate Leadership Group, Innovative Federal Strategies, Arrowhead Consulting, Rosenow Spevek, WR Hendrix, PACE and Marcel Turner total \$66,473.74. In addition, consultant services related to projects to Ludwig Engineering and Rolf Jensen total \$13,098.52.

Actual construction costs paid included in the registers were \$107,082.40 for the Nose Dock in Hanger 763 Bay 2 and \$4,098.12 final payment to Office Max for furniture in Building 48.

Utilities paid to SCE, Verizon, So Cal Gas, AT&T, City of SB Water and Cal Disposal total \$42,579.37.

If you have any questions, you may contact me at (909)382-4100 x141 or at [gsilvius@sbdairport.com](mailto:gsilvius@sbdairport.com).

**Attachments:**

1. Register of Demands for Board Meeting February 8, 2012.

***Inland Valley Development Agency  
Register of Demands For Board Meeting  
February 8, 2012***


COMPANY NAME	DESCRIPTION	A/P	Register	A/P	Register	A/P
			1/6/2012		1/18/2012	
Informational Item:						
A/C Mechanical	HVAC Building Maintenance and Repair		2,183.00		426.77	
AA Equipment Rentals	Vehicle Maintenance		1,992.90			
Alex Estrada	Per Diem		50.00			
Allied Refrigeration Inc	Building Maintenance and Repair		791.40			
Apple One	Temporary Employment		6,125.63			
Arrowhead Consulting Inc	Professional Service		1,725.00			
ATT	Employee Cellphone Service		1,318.12			
Avalon Building Maint	Janitorial Services Bldg 730/SBD Corp Center		5,703.92			
Bernell	Vehicle Maintenance		81.11		87.74	
Board Members	Directors Fees		900.00		900.00	
Budget Backflow	Backflow Testing for City Permits		40.00			
Burgess Moving & Storage	Building 48 Movers		3,484.32			
Cal Disposal	1 of 2 Refuse Acct.				1,445.98	
Calif. Newspaper Service	Advertising - Various RFPs				6,428.86	
California Special Districts Assoc.	Dues				870.00	
Catherine Pritchett	Reimbursement		181.43			
City of San Bernardino Water Dept.	24 of 24 Water Consumption accts.		5,220.54		5,556.14	3,310.39
Clean Sweep	Janitorial Building 48		510.00			
CMB Investment Group A	Loan Payments		75,000.00			
CMB Investment Group B	Loan Payments		87,500.00			
CMB Investment Group I	Loan Payments		175,000.00			
CMB Investment Group II	Loan Payments		262,500.00			
CMB Investment Group III	Loan Payments		67,500.00			
CMB Investment Group IV	Loan Payments		489,486.30			
CMB Investment Group V	Loan Payments		28,857.02			
Corporate Leadership Group	Professional Services		12,962.49			
County of San Bernardino	Auditing Service				204.00	408.00
Crest Chevrolet	Vehicle Maintenance - Parts		106.44			
Dibs Safe and Lock	Building Maintenance				105.95	
Fairview Ford	Vehicle Maintenance - Parts		95.00			
Freeman	General Office Supplies		196.32			1,753.34
Gas Co.	SBD Corp/Bldg. 48 Gas Consumption		2,661.84			
GMS Elevator Service	Monthly DFAS Elevator Service		195.00			
Harbor Freight	Grounds Maintenance				14.02	
Innovative Federal Strategies	Lobbyist Services				8,000.00	
Interstate Battery	Vehicle Maintenance		561.95		122.53	

**Inland Valley Development Agency  
Register of Demands For Board Meeting  
February 8, 2012**

Joel Lawnmower	Grounds Equipment Maint.	271.00		
Kaman Industrial Tech.	Building Maintenance and Repair	157.47		
Kimco	Temporary Employment	2,557.80		626.40
Kiwanis Club	Dues		250.00	
Lawson Products Inc	Building Maintenance and Repair	250.66		
League of Calif Cities	Advertising	40.00		
Ludwig Engineering	EDA - 3rd St Drain	5,598.52		
Marcel Turner	Professional Services - HR Consulting	4,600.00		
Mike Burrows	Per Diem	50.00		
NBI Contractors	Airport Capital Project - Nose Dock Bay 2	107,082.40		
Office Max	Building 48 Furniture			4,096.12
Pacific Advanced Civil Engineering	Professional Services/EDA, Lakes and Streams	3,100.00		
PAETEC	Office Supplies Computer Maint.	3,203.06		
Petty Cash	Petty Cash	163.03	136.28	
P N P Uniforms	Security Patches		646.50	
POPBA	Courier Service - Agenda Delivery		105.28	
PRSA	Dues	20.00		
Roif Jensen and Assoc	Professional Service - Re-Rubber	7,500.00		
Rosenow Spevek	Financial Consultant		8,336.25	
Sam's Club	Supplies - Kitchen/Board Room /Maint.		601.38	
SBIAA	Airport Operational Fund	1,375,000.00		
SCE	18 of 18 Electrical Consumption Accts	8,307.53		14,117.95
Stater Bros Market	Loan Payment Bldg 747	226,394.35		
Technical Business Solutions	Security Office Copier Repair	512.48		
Toshiba	Monthly copier rental fee	693.87		
Verizon Calif	4 of 4 Telephone Service Accts	187.04		453.84
Wayne Hendrix	Professional Services - Redevelopment / Transportation		1,350.00	
Wilson Communications	Professional Services - Intrem Executive Director	26,400.00		
<b>TOTAL</b>		<b>\$ 3,005,018.94</b>	<b>\$ 35,587.68</b>	<b>\$ 24,766.04</b>

**GRAND TOTAL FOR ALL REGISTERS**

**\$ 3,065,372.66**

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 4</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: RECEIVE AND FILE CASH REPORT FOR DECEMBER 31, 2011, FOR THE INLAND VALLEY DEVELOPMENT AGENCY (IVDA)**

**SUMMARY**

Submitted for your consideration is the IVDA's monthly cash reconciliation report.

**RECOMMENDED ACTION(S)**

Receive and file Cash Report for December 31, 2011, for the Inland Valley Development Agency (IVDA).

**FISCAL IMPACT**

None.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

Attached is the Cash Report for December 31, 2011 for the Inland Valley Development Agency (IVDA). Total cash being held by financial institutions for the IVDA on December 31, 2011 is \$94,005,683 with a book cash balance of \$93,992,653. The difference between the two numbers is related to the outstanding checks and the deposits in transit at December 31, 2011.

If you have any questions about this report please contact me at (909) 382-4100 extension 141.

**Attachments:**

1. Cash Report for December 31, 2011.

**Inland Valley Development Agency**


**Cash Report**

**December 31, 2011**

<u>Cash</u>	Balance 11/30/11	Increases	Decreases	Balance 12/31/11
<i>Parent Checking Account - Citizens Business Bank</i>	\$ 100,054	\$ 16,132,412	\$ 16,132,466	\$ 100,000
<i>Investment Sweep</i>	\$ 5,844,458	\$ 11,488,007	\$ 4,263,582	\$ 13,068,883
Offsetting bank activities between Parent MMKT & Sweep acct	-	(15,747,646)	(15,747,646)	-
Deposits In Transit:				
Beginning				
Ending				
<i>Checking Account - Citizens Business Bank</i>	1,880,763	812,395	2,337,055	356,103
Deposits In Transit:				
Beginning				
Ending				
Outstanding Checks:				
Beginning	(1,555,107)		(1,555,107)	-
Ending			11,439	(11,439)
Offsetting bank activities between MMKT & Checking	-	(812,347)	(812,347)	-
<i>Payroll Account - Citizens Business Bank</i>	37,494	75,438	83,742	29,190
Deposits In Transit:				
Beginning				
Ending				
Outstanding Checks:				
Beginning	(9,886)		(9,886)	-
Ending			1,591	(1,591)
Offsetting bank activities between MMKT & Payroll	-	(75,438)	(75,438)	-
Subtotal	6,297,776	11,872,820	4,629,450	13,541,146
<u>Investments</u>				
<i>Local Agency Investment Funds - Regular Account</i>	2,260,208	-	-	2,260,208
Deposits In Transit:				
Beginning				
Ending				
<i>Local Agency Investment Funds - Bond Account</i>	109,934	-	-	109,934
Deposits In Transit:				
Beginning				
Ending				
Subtotal	2,370,142	-	-	2,370,142
<u>Investments Held With Fiscal Agent</u>				
<i>Revenue Fund - US Bank - 2011 series</i>	594,590	49	-	594,639
<i>Reserve Fund - US Bank - 2011 series</i>	11,944,949	982	-	11,945,931
<i>Cost Of Issuance Fund - US Bank - 2011 series</i>	-	2	2	-
<i>Project Fund - US Bank - 2011 series</i>	61,705,755	4,565	-	61,710,320
<i>Capitalized Interest Fund - US Bank - 2011 series</i>	3,689,774	303	-	3,690,077
<i>Kohls Developer Fund - US Bank - 2011 series</i>	140,386	12	-	140,398
Offsetting bank activities between FUNDS	-	(2)	(2)	-
Subtotal	78,075,454	5,911	-	78,081,365
Total Cash and Investments	\$ 86,743,372	\$ 11,878,731	\$ 4,629,450	\$ 93,992,653

I certify that this report accurately reflects all cash and investments for the above period.

  
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 Gary Silvius, Chief Financial Officer

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 5</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: RECEIVE AND FILE SECOND QUARTER FINANCIAL REPORT (JULY 1, 2011 THROUGH DECEMBER 31, 2011) FOR THE INLAND VALLEY DEVELOPMENT AGENCY (IVDA)**

**SUMMARY**

Submitted for your consideration is the Second Quarter Financial Report (July 1, 2011 through December 31, 2011) of the Inland Valley Development Agency.

**RECOMMENDED ACTION(S)**

Receive and File Second Quarter Financial Report (July 1, 2011 through December 31, 2011) for the Inland Valley Development Agency.

**FISCAL IMPACT**

None by this action.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

The Inland Valley Development Agency (IVDA) second quarter statements of revenue and expenditures (or expenses) is for the six month period ending December 31, 2011. Attached are the budget verses actual reports for the Capital Projects Fund, Debt Service Fund, Low and Moderate Income Housing Fund and Sewer Fund.

The Capital Projects Fund shows a loss from operations of \$990,383 and overall revenues over expenditures of \$4,937,422. The difference between these amounts is CMB loan proceeds for the six month period of \$15,500,000 less project costs of \$10,035,364. Project costs include the operating grant to SBIAA of \$2,750,000 for the six months ending December 31, 2011.

The Debt Service Fund shows an excess of revenues over expenditures of \$3,851,430. Tax revenues reflect collections by the County through December 31, 2011 and can be considered the first half tax collections (prior to final adjustments).

The Low and Moderate Income Housing Fund shows an excess of expenditures over revenues of \$3,728,368. Similarly to the Debt Service Fund, tax revenues are based on County collections through December 31, 2011.

The Sewer Fund shows a net income of \$45,465 through the second quarter.

This report is brought forth at this time in conjunction with the Mid-Year Budget Review and due to scheduling issues is being presented prior to being reviewed by the IVDA's Finance Committee.

**Attachments:**

1. Second Quarter Financial Report

**INLAND VALLEY DEVELOPMENT AGENCY - CAPITAL PROJECT FUND  
 SECOND QUARTER REVENUE AND EXPENSE REPORT  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Operating Revenue</b>			
Interest Income	\$ 250,000	\$ 98,683	\$ (151,317)
Lease - Bldg 48	11,000	-	(11,000)
Lease - Bldg 58	18,700	18,690	(10)
Lease - Bldg 190	11,250	11,250	0
Lease - Bldg 477	10,500	10,500	-
Lease - Bldg 932	47,700	47,662	(38)
Lease - Bldg 935	30,000	30,000	-
Lease - Bldg 935 Storage		6,000	6,000
Lease - Bldg 938	60,800	60,810	10
Lease - Bldg 1 - 2 DFAS	446,500	455,182	8,682
Other Income	12,500	3,958	(8,542)
Other Income - SCE Refund		10,000	10,000
Security Service Reimbursements	<u>613,450</u>	<u>306,507</u>	<u>(306,943)</u> 1
	1,512,400	1,059,242	(453,158)
<b>Operating Expense</b>			
<b>Administrative</b>			
Salary & Benefits	814,650	592,144	222,506 2
Temporary Employee Services	12,500	49,515	(37,015) 2
Advertising, Notices & Pub	13,500	3,157	10,343
Enterprise Zone	40,000	96,216	(56,216)
Office Equipment Replacement	25,000	-	25,000
Dues & Subscriptions	6,150	3,766	2,384
Equipment Maintenance	4,250	4,798	(548)
Catering	1,250	521	729
Insurance - Liab, W/C & Prop	110,000	197,253	(87,253) 3
Printing	7,500	3,790	3,710
Miscellaneous - Bank Charges	15,000	2,403	12,597
Miscellaneous - Payroll Svc Fee		1,098	(1,098)
Miscellaneous - LMD Fees		16,330	(16,330)
Miscellaneous - Other		4,358	(4,358)
Miscellaneous - City wide Clean-up		5,000	(5,000)
Office Supplies	25,000	11,762	13,238
Courier	1,500	1,348	152
Prof Training/ Seminars	5,500	200	5,300
Telephone	15,000	10,250	4,750
Travel - Airfare	2,500	-	2,500
Travel - Other	5,250	2,862	2,388
Natrual Gas Vehicle Op	250	390	(140)
Travel - Mileage	1,750	208	1,542
Directors Fees	7,500	6,800	700
Meeting/Video taping	<u>2,750</u>	<u>2,652</u>	<u>98</u>
	1,116,800	1,016,821	99,979

**INLAND VALLEY DEVELOPMENT AGENCY - CAPITAL PROJECT FUND  
 SECOND QUARTER REVENUE AND EXPENSE REPORT  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Professional Services</b>			
Auditing/Accounting Services	27,500	23,961	3,539
Consulting - Fuel Pipeline	2,500	-	2,500
Consulting - Environmental	25,000	4,284	20,716
Consulting - Engineering	100,000	5,383	94,618 4
Consulting - Other	200,000	144,088	55,912 5
Consulting - Executive Director	-	22,800	(22,800) 5
Consulting - Lobbyist	93,000	77,862	15,138
Appraisals	1,350	-	1,350
Title	2,500	-	2,500
Legal	100,000	42,901	57,100 6
	<u>551,850</u>	<u>321,278</u>	<u>230,572</u>
<b>Other Expenditures</b>			
DFAS - Property Management	164,000	159,383	4,617
Property Management	931,150	549,230	381,920 7
Marketing & Co Op Advertising	1,210,000	3,113	1,206,887 8
	<u>2,305,150</u>	<u>711,726</u>	<u>1,593,424</u>
<b>Total Operating Expenditures</b>	<b>3,973,800</b>	<b>2,049,825</b>	<b>1,923,975</b>
<b>Income (Loss) from Operations</b>	<b>(2,461,400)</b>	<b>(990,583)</b>	<b>1,470,817</b>
<b>Non-Operating Revenue</b>			
EDA Weatherization Grant	1,783,000	17,032	(1,765,968)
EDA Grant -3rd St	644,250	-	(644,250)
EDA Grant -DFAS	1,632,000	-	(1,632,000)
EDA Grant -Taxiway Rehab	1,403,700	364,593	(1,039,107)
EDA Grant -Taxiway Design	161,950	-	(161,950)
EDA Grant -Downtown SB Mitigation	64,550	9,543	(55,007)
Grant - Goods Movement	3,750,000	-	(3,750,000)
Local Grant	-	72,000	72,000 9
	<u>9,439,450</u>	<u>463,168</u>	<u>(8,976,282)</u>
<b>Non-Operating Expense</b>			
Projects	47,103,600	10,035,364	37,068,236
<b>Other Financing Sources (Uses)</b>			
Loan Proceeds	9,750,000	15,500,000	5,750,000 10
Bond Proceeds	30,300,000	-	(30,300,000) 11
	<u>40,050,000</u>	<u>15,500,000</u>	<u>(24,550,000)</u>
<b>Revenue Over (Under) Expenditures</b>	<b>\$ (75,550)</b>	<b>\$ 4,937,222</b>	<b>\$ 5,012,772</b>

**INLAND VALLEY DEVELOPMENT AGENCY - CAPITAL PROJECT FUND  
SECOND QUARTER REVENUE AND EXPENSE REPORT  
JULY 1, 2011 THROUGH DECEMBER 31, 2011**

- 1 Budget anticipated commercial airline activity.
- 2 Vacant positions resulted in positive salary variance. More temporary employees due to vacant positions resulted in negative variance in Temporary service.
- 3 Insurance paid through 6/30/12.
- 4 Engineering services assigned to related projects.
- 5 Separated line from Consulting - Other.
- 6 Not all the invoices for the services paid as of 12/31/11.
- 7 Contract with SBPD for security service didn't get executed because of lack of commercial airline activity.
- 8 Lack of commercial airline activity resulted in no co-marketing.
- 9 Local match on grant from San Manual.
- 10 Majority of annual budget already received.
- 11 Received in prior year.

**INLAND VALLEY DEVELOPMENT AGENCY - CAPITAL PROJECT FUNG  
 SECOND QUARTER REVENUE AND EXPENSE REPORT  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

<b>PROJECTS</b>	<b>2ND QTR BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Fuel Pipeline	\$ 3,500	\$ -	\$ 3,500
Land Purchases	50,000	-	50,000
Project Improvement Costs	10,000	3,484	6,516
Stater Bros - Note (Tenant's Improvements)	100,000	-	100,000
DFAS Code Improvements	150,000	217,600	(67,600)
Admin Building 48	313,000	603,864	(290,864)
GM - Central Ave	1,000,000	156	999,844
BX Building 58	50,000	-	50,000
GM - Lena Rd Storm Drain		156	(156)
Mt View Central Ave	10,000,000	110,103	9,889,897
Tippecanoe	3,100,000	8,300	3,091,700
GM 3rd & 5th to I210 SANBAG	3,750,000	179,035	3,570,965
IVDA/SBIAA Boundry fence	10,000	-	10,000
EDA - Weatherization	1,981,100	57,659	1,923,441
FBO/Terminal	3,000,000	5,600,632	(2,600,632)
Airport Operational Funds	2,750,000	2,750,000	-
Sheriff's Hanger	4,800,000	-	4,800,000
Hanger 763 - Nose Dock Modification	-	227,966	(227,966)
EDA - Taxiway & Ramp	1,559,650	222,414	1,337,236
EDA - Taxiway design	179,950	-	179,950
EDA - Downtown SB Mitigation	71,750	13,703	58,047
Building 615 Demo & Lndscpe	108,000	-	108,000
Southgate Drainage Channel	187,500	18,389	169,111
EDA - DFAS	1,813,350	3,273	1,810,077
EDA - 3rd St Drainage	715,800	18,630	697,170
Bond Proceeds - 3rd & 5th	6,400,000	-	6,400,000
Tiger Grant - 3rd & 5th	1,500,000	-	1,500,000
Bond Proceeds - General Aviation	3,500,000	-	3,500,000
	<u>\$ 47,103,600</u>	<u>\$ 10,035,364</u>	<u>\$ 37,068,236</u>

**INLAND VALLEY DEVELOPMENT AGENCY - CAPITAL PROJECT FUND  
 SECOND QUARTER REVENUE AND EXPENSE REPORT  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>DFAS PROPERTY MANAGEMENT</b>			
<b>Grounds Maintenance</b>			
Landscaping	\$ 12,500	\$ -	\$ 12,500
<b>Building Maintenance</b>			
Repair & Maintenance	18,500	15,614	2,886
Janitor Contract	32,500	42,128	(9,628)
Heating/Air	20,000	25,177	(5,177)
	<u>71,000</u>	<u>82,919</u>	<u>(11,919)</u>
<b>Other Expenditures</b>			
Refuse	5,000	-	5,000
Water/Sewer	18,000	15,585	2,415
Electrical Consumption	54,500	57,981	(3,481)
Gas	3,000	2,897	103
	<u>80,500</u>	<u>76,464</u>	<u>4,036</u>
<b>Total Expenditures</b>	<u>\$ 164,000</u>	<u>\$ 159,383</u>	<u>\$ 4,617</u>

**INLAND VALLEY DEVELOPMENT AGENCY - CAPITAL PROJECT FUND  
 SECOND QUARTER REVENUE AND EXPENSE REPORT  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>PROPERTY MANAGEMENT</b>			
<b>Grounds Maintenance</b>			
Maintenance - Uniforms	\$ 1,650	\$ 1,787	\$ (137)
Supplies	61,050	59,014	2,036
	<u>62,700</u>	<u>60,801</u>	<u>1,899</u>
<b>Building Maintenance</b>			
Repairs & Maintenance	5,000	15,793	(10,793)
Supplies	150	-	150
	<u>5,150</u>	<u>15,793</u>	<u>(10,643)</u>
<b>Security Services</b>			
Sargent Salary	76,400	16,369	60,031
Uniforms	500	287	213
Training	5,000	-	5,000
Salaries & Benefits	367,700	335,043	32,657
Miscellaneous - Vehicles	15,000	10	14,990
SBPD Contract	313,100	-	313,100
	<u>777,700</u>	<u>351,709</u>	<u>425,991</u>
<b>Other Expenditures</b>			
Equipment Inventory	-	5,834	(5,834)
Water/Waste Water	48,000	64,477	(16,477)
Electrical Consumption	12,000	35,696	(23,696)
Heating A/C	8,000	4,519	3,481
Environmental Permits	2,600	-	2,600
Pest Control	5,000	-	5,000
Refuse	10,000	10,402	(402)
	<u>85,600</u>	<u>120,927</u>	<u>(35,327)</u>
<b>Total Expenditures</b>	<u>\$ 931,150</u>	<u>\$ 549,230</u>	<u>\$ 381,920</u>

**INLAND VALLEY DEVELOPMENT AGENCY - DEBT SERVICE FUND  
 SECOND QUARTER REVENUES AND EXPENDITURES REPORT  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

	<u>2ND QTR BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b><u>Revenues</u></b>			
Tax Increment - San Bernardino	\$ 7,900,000	\$ 7,599,738	\$ (300,262)
Tax Increment - Colton	220,000	200,474	(19,526)
Tax Increment - Loma Linda	456,000	468,058	12,058
Tax Increment - Unincorporated	3,900,000	4,540,931	640,931
Interest Income	150,000	7,127	(142,873)
	<u>12,626,000</u>	<u>12,816,328</u>	<u>190,328</u>
<b><u>Expenditures</u></b>			
Auditing Services	6,000	-	6,000
Interest/fees 2011 Bonds	2,997,000	1,559,708	1,437,292
Interest paid - Staters		57,378	(57,378)
Interest - CMB Loans	2,300,000	1,932,106	367,894
Long term debt principal -other		400,000	(400,000) 1
School District Pass Throughs	1,080,000	-	1,080,000
County Charges		40,487	(40,487)
Consulting - Other	10,000	5,500	4,500
Legal	10,000	172,662	(162,662) 2
SBVMD Overpayment	682,500	1,314,900	(632,400) 3
TI Pass Thrus - Kohls, Staters	2,573,000	4,791,524	(2,218,524) 3
	<u>9,658,500</u>	<u>10,274,265</u>	<u>(615,765)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ 2,967,500</u>	<u>\$ 2,542,063</u>	<u>\$ (425,437)</u>

- 1 Stater Bros Note payment.
- 2 Legal services for Bond Issuance.
- 3 Paid through 6/30/12.


**INLAND VALLEY DEVELOPMENT AGENCY  
 SECOND QUARTER REVENUES AND EXPENDITURES REPORT - LOW AND MODERATE INCOME FUND  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b><u>Revenues</u></b>			
Tax Increment - S.B. Area	\$ 1,975,000	\$ 1,899,935	\$ (75,065)
Tax Increment - Colton Area	55,000	50,118	(4,882)
Tax Increment - Loma Linda	114,000	117,015	3,015
Tax Increment - Unincorporated	975,000	1,135,223	160,223
Interest Income	25,000	-	(25,000)
Total Revenue	<u>3,144,000</u>	<u>3,202,291</u>	<u>58,291</u>
<b><u>Administrative Expenditures</u></b>			
Auditing Services	3,500	-	3,500
Consulting	3,500	-	3,500
Legal	2,500	-	2,500
Total Administrative Expenditures	<u>9,500</u>	<u>-</u>	<u>9,500</u>
<b><u>Transfers to Member Agencies</u></b>			
Transfer Proceeds - S.B..	1,984,000	6,930,659	(4,946,659) <sup>1</sup>
Transfer Proceeds - Colton	56,000	-	56,000
Transfer Proceeds - Loma Linda	116,500	-	116,500
Transfer Proceeds - County	978,000	-	978,000
Total Transfers to Member Agencies	<u>3,134,500</u>	<u>6,930,659</u>	<u>(3,796,159)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ <u>-</u></b>	<b>\$ <u>(3,728,368)</u></b>	<b>\$ <u>(3,728,368)</u></b>

1 Prior year's payment was made in current year.

**INLAND VALLEY DEVELOPMENT AGENCY - SEWER FUND  
 SECOND QUARTER REVENUE AND EXPENSE REPORT  
 JULY 1, 2011 THROUGH DECEMBER 31, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Revenue</b>			
Sewer Consumption Fees	\$ 45,000	\$ 80,461	\$ 35,461
Total Revenue	<u>45,000</u>	<u>80,461</u>	<u>35,461</u>
<b>Operating Expense</b>			
Sewer Charges	750	33,994	(33,244)
Total Operating Expense	<u>750</u>	<u>33,994</u>	<u>(33,244)</u>
<b>Net Operating Income</b>	44,250	46,467	2,217
<b>Capital Expenses</b>			
Pumps	500	1,002	(502)
Other Systems Improvements	26,000	-	26,000
Total Capital Expenses	<u>26,500</u>	<u>1,002</u>	<u>25,498</u>
<b>Net Income (Loss)</b>	<u>\$ 17,750</u>	<u>\$ 45,465</u>	<u>\$ 27,715</u>

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 6</b></p> <p><b>PRESENTER: Alex Estrada, Director of Redevelopment and Transportation</b></p>
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**SUBJECT: AUTHORIZE ADVERTISEMENT FOR THE ABATEMENT, DEMOLITION, AND REMOVAL OF THE EXISTING MT. VIEW BRIDGE STRUCTURE**

**SUMMARY**

Approval of this item would allow staff to solicit public bids for the Abatement, Demolition, and Removal of the Existing Mt. View Bridge Structure. This project is a precursor to the construction of the new Mt. View Bridge Project. Demolishing the existing structure as a separate project will allow the new bridge design to be finalized and put out to bid concurrently with the demolition. Removal of this structure now will allow the construction of the new bridge to be conducted during the dry months of the year when the water level in the river is at its lowest.

**RECOMMENDED ACTION(S)**

Authorize advertisement for the Abatement, Demolition, and Removal of the existing Mt View Bridge Structure.

**FISCAL IMPACT**

The 2011-2012 Budget for the Inland Valley Development Agency has \$20,000,000 allocated for the entire Mt. View Bridge project as part of CMB Loans and Bond Proceeds. This project is estimated at \$375,000 and would be funded entirely out of the previously allocated Mt. View bridge budget item.

PREPARED BY:	Alex Estrada
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	Timothy J. Sabo
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

On October 25, 2006, the Inland Valley Development Agency (IVDA) Board approved a contract with T. Y. Lin International (TYLI) in an amount not to exceed \$1,103,635 for Preparation of Plans, Specifications and Engineering for the construction of Mt. View Avenue from Palm Meadows Drive to Interstate 10. TYLI has reached 80% design with the project and is preparing to move into the bid and award phase of the project. TYLI estimates that the new bridge project will not be ready for advertisement until May 2012. The removal of the existing dilapidated bridge structure as separate project will allow the design to be completed and the new bridge advertised for bids concurrently with the demolition of the existing structure. Demolishing the structure now, rather than as part of the new bridge construction, will allow construction of the new bridge to start right after project award, taking advantage of the dry months of the year. On September 28, 2011, the IVDA Board approved award of a contract to Hill International for the oversight of the Mt. View Bridge Project. Hill International, Inc. has been asked to perform oversight, quality control, and quality assurance during all phases of the project. As part of this contract, Hill was required to perform a hazardous material assessment of the existing structure. This assessment revealed that the existing bridge paint contains lead and will require abatement prior to demolition. Hill International, with assistance from TYLI will take the lead in preparing the bid documents, and obtaining the required permits to demolish the existing structure as a separate project.

**Attachments:**

1. Location and Pictures of the Existing Bridge.



# INLAND VALLEY DEVELOPMENT AGENCY


1605 East Third Street,  
San Bernardino, CA 92408

Phone: (909) 382-4100/FAX: (909) 382-4106



## Abatement, Demolition, and Removal of the Existing Mt. View Bridge Structure



	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 7</b></p> <p><b>PRESENTER: Kelly Berry, Director of Information Services   Clerk of the Board</b></p>
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**SUBJECT: APPROVE REGULAR AND SPECIAL MEETING MINUTES: JANUARY 25, 2012**

**SUMMARY**

Meeting minutes of the IVDA Board Regular meeting and Special meeting held Wednesday, January 25, 2012.

**RECOMMENDED ACTION(S)**

Approve meeting minutes of January 25, 2012.

**FISCAL IMPACT**

None.

PREPARED BY:	Kelly Berry
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

A draft copy of the referenced action minutes is attached for your consideration. If you have any questions or changes, please contact my office prior to the meeting so we may verify the information and report to you at the meeting, if necessary.

We do have video recordings of most meetings, if anyone wishes to review the meeting at any point in time. The appropriate video can be made available as soon as possible by calling my office at (909) 382-4100.

**Attachments:**

1. Meeting minutes of the IVDA Board Regular meeting held Wednesday, January 25, 2012.
2. Meeting minutes of the IVDA Board Special meeting held Wednesday, January 25, 2012.

**INLAND VALLEY DEVELOPMENT AGENCY  
BOARD ACTIONS  
January 25, 2012**

A Regular Meeting of the Inland Valley Development Agency Board was called to order by Co-Chair Josie Gonzales at approximately 4:27 p.m. on Wednesday, January 25, 2012, at Norton Regional Events Center, Main Auditorium, 1601 East Third Street, San Bernardino, California.

**BOARD MEMBERS PRESENT:**

City of Colton	Councilmember Susan M. Oliva (alt)
City of Loma Linda	Mayor pro tempore Ovidiu Popescu Councilmember Ronald Dailey
County of San Bernardino	Co-Chair/Supervisor Josie Gonzales Supervisor Neil Derry
City of San Bernardino	Co-Chair/Mayor Patrick J. Morris Councilmember Fred Shorett Councilmember Rikke Van Johnson

**OTHERS PRESENT:**

A.J. Wilson, Interim Executive Director  
Michael Burrows, Assistant Director  
Timothy J. Sabo, Lewis Brisbois Bisgaard & Smith, LLP  
Gary Silvius, Interim Director of Finance  
Alex Estrada, Director of Redevelopment and Transportation  
Kelly Berry, Director of Information Services | Clerk of the Board

**A. CALL TO ORDER / ROLL CALL**

Roll call was duly noted and recorded.

**B. ITEMS TO BE ADDED OR DELETED**

Mr. A.J. Wilson, Interim Executive Director, requested Agenda Item No. 7 be continued to the February 8, 2012, regular meeting of the IVDA Board.

Mr. Wilson announced that there was a need to take action on an item which was brought to the attention of the Inland Valley Development Agency (IVDA) staff after the posting of the Agenda for this January 25, 2012, meeting. Mr. Wilson read the recommended action for the record.

Co-Chair Josie Gonzales called for a motion to add the item as Agenda Item No. 13.

**ACTION:** Add the following item to the agenda as Agenda Item No. 13.

**Item #13 – Approve a Lease Agreement with the Inland Empire Economic Partnership (IEEP) for Portions of Building No. 48 (Norton Regional Events Center)**

Motion was made by Johnson, seconded by Shorett, and passed unanimously.

**C. CONFLICT OF INTEREST DISCLOSURE**

**Item #1 - Conflict of Interest Disclosure**

Co-Chair Josie Gonzales stated Board members should note the item(s) listed which might require member abstentions. Supervisor Neil Derry declared a conflict on Agenda Item No. 13.

**D. INFORMATIONAL ITEMS**

**Item #2 – Informational Items**

Mr. A.J. Wilson, Interim Executive Director, presented the following informational items:

**a. Executive Director’s Report**

Mr. Wilson provided a brief executive director’s report.

**b. Report on Status of Certain Construction and Development Agreements**

Mr. Wilson provided information relating to the status report on certain construction and development agreements.

**c. Report on Proposed Change in Meeting Time and Agenda Order for the Inland Valley Development Agency (IVDA) Board Meetings**

Mr. Wilson provided information relating to the proposed change in meeting time and the agenda order for the IVDA Board meetings.

**d. Report on Recently Approved Acreage Expansion of the San Bernardino Valley Enterprise Zone (SBVEZ)**

Mr. Wilson stated Agenda Item No. 2d would be brought back before the IVDA Board, at which time representatives of San Bernardino Valley Enterprise Zone (SBVEZ) would be available for questions.

**E. BOARD CONSENT ITEMS**

**Item #3 – Authorize Advertisement of a Request for Proposals (RFP) from Qualified Firms to Provide Auditing Services for the Inland Valley Development Agency (IVDA)**

**Item #4 – Approve Meeting Minutes: January 11, 2012**

**ACTION:** Approve the Consent Calendar.

Councilmember Susan M. Oliva noted that she would abstain on Agenda Item No. 4.

Motion was made by Johnson, seconded by Dailey, and passed.

Abstain: Oliva (Agenda Item No. 4)

**F. BOARD ACTION ITEMS**

**Item #5 - Approve a Mid Year Budget Adjustment for the San Bernardino Valley Enterprise Zone (SBVEZ) for Fiscal year 2011-2012; and Delegate Certain Authorizations for the Implementation of the Budget to the City of San Bernardino**

Supervisor Neil Derry left the meeting during the discussion of Agenda Item No. 5 and did not return to the meeting.

There was an initial motion by Morris and a second by Johnson to table this item, which was subsequently withdrawn. Supervisor Josie Gonzales posed several questions relating to the SBVEZ. A discussion ensued relating to allocation of funds for public relations, marketing efforts, the role and responsibilities of zone managers, zone benefits, etc., which culminated in a consensus by the Board that a workshop addressing these and other matters should be scheduled in the future.

**ACTION:** Continue Agenda Item No. 5 to the February 8, 2012, regular meeting of the IVDA Board.

Motion was made by Morris, seconded by Johnson, and passed.

Absent: Derry

**Item #6 - Consider and Adopt Resolution No. 2012-02 of the Inland Valley Development Agency (IVDA) Changing the Meeting Time of the Regular Meetings of the IVDA Board and Amending Resolution No. 90-1**

A revised Resolution No. 2012-02 was provided to the Board members, staff and members of the public.

Councilmember Ronald Dailey left the meeting during the discussion of Agenda Item No. 6 and did not return to the meeting.

**ACTION:** Consider and adopt Resolution No. 2012-02 of the Inland Valley Development Agency (IVDA) changing the meeting time of the regular meetings of the IVDA Board and amending Resolution No. 90-1.

Motion was made by Popescu, seconded by Johnson, and passed.

Absent: Derry, Dailey

**Item #7 - Adopt 2011 Statement of Investment Policy for the Inland Valley Development Agency (IVDA)**

At the request of staff, Agenda Item No. 7 was continued to the February 8, 2012, regular meeting of the IVDA Board.

**ACTION:** Continue Agenda Item No. 7 to the February 8, 2012, regular meeting of the IVDA Board.

Motion was made by Morris, seconded by Popescu, and passed.

Absent: Derry, Dailey

**Item #8 - Approve Award of Contract to New Millennium Construction Services, Inc., in an Amount Not to Exceed \$88,890 for the Weatherization and Renovation Project [Phase I], Pursuant to U.S. Department of Commerce, Economic Development Administration (EDA) Grant No. 07-49-06250**

**ACTION:** Approve Award of Contract to New Millennium Construction Services, Inc., in an amount not to exceed \$88,890.00 for the Abatement, Demolition, and Construction for Building Nos. 811 and 863, for the Weatherization Improvements to Existing Buildings and Infrastructure Renovation Project (Phase I), Pursuant to U.S. Department of Commerce, Economic Development Administration (EDA) Grant No. 07-49-06250, Subject to EDA Approval; Appropriate a Contingency Budget in an amount not to exceed \$8,889.00; and authorize the Interim Executive Director or his designee to execute all necessary documents.

Motion was made by Morris, seconded by Popescu, and passed.  
Absent: Derry, Dailey

**Item #9 - Adopt Resolution No. 2012-03 of the Inland Valley Development Agency (IVDA) Establishing the IVDA as the Successor Agency, as Applicable**

**ACTION:** Adopt Resolution No. 2012-03 of the Inland Valley Development Agency (IVDA) Establishing the IVDA as the Successor Agency, as may be applicable under ABx1 26.

Councilmember Susan M. Oliva noted that she would abstain on Agenda Item No. 9.

Motion was made by Morris, seconded by Shorett, and passed.  
Absent: Derry, Dailey  
Abstain: Oliva

**Item #10 - Adopt an Updated Enforceable Obligations Payment Schedule (EOPS) for the Inland Valley Development Agency (IVDA) as may be Required by ABX1 26**

A revised EOPS Total Obligations and Period January 2012 to June 30, 2012 attachment was provided to the Board members, staff and members of the public.

**ACTION:** Adopt an Updated Enforceable Obligations Payment Schedule (EOPS) for the Inland Valley Development Agency as may be required by ABX1 26; and Authorize Staff to submit said EOPS to the State of California and other appropriate agencies.

Motion was made by Popescu, seconded by Johnson, and passed.  
Absent: Derry, Dailey

The Board next jointly considered Agenda Item Nos. 11 and 12.

**Item #11 - Consider and Authorize Certain Funding for the Airport Terminal Renovation Project and Certain Capital Improvements**

Mr. Bill Ingraham, Aviation Director, provided a brief background on the Airport Terminal Renovation Project and Certain Capital Improvements.

**ACTION:** Consider and Adopt Resolution No. 2012-04 of the Inland Valley Development Agency (IVDA) (1) Making Certain Findings and Determinations and Consenting to Payments for Public Improvements by the IVDA Pursuant to Health and Safety Code Section 33445 Related to Certain Airport Capital Improvements; and, (2) Authorizing Certain Capital Expenditures in an Amount Not to Exceed \$3,900,000 for the Airport Terminal Renovation Project and Certain Airport Capital Improvements; and, Authorize the Interim Executive Director or his designee to execute all related documents.

**Item #12 - Consider and Authorize Certain Funding for the Fixed Base Operator (FBO) Development, U.S. Customs and Border Protection Facility at Million Air San Bernardino**

**ACTION:** Consider and Adopt Resolution No. 2012-05 of the Inland Valley Development Agency (IVDA); (1) Making Certain Findings and Determinations and Consenting to Payments for Public Improvements by the IVDA Pursuant to Health and Safety Code Section 33445 Related to Certain Airport Capital Improvements; and, (2) Authorizing Expenditures in an Amount Not to Exceed \$9,400,000 to be deposited into a certain bank account with First American Fund Control, Inc., for the Fixed Base Operator (FBO) Development, to fund, on a per draw course-of-construction basis, the continued construction of the U.S. Customs and Border Protection Facility and systems at Million Air San Bernardino; and, authorize the Interim Executive Director or his designee to execute all related documents.

Motion was made by Shorett, seconded by Popescu, and passed.

Absent: Derry, Dailey

**G. ADDED AND DEFERRED ITEMS**

**Item #13 – Approve a Lease Agreement with the Inland Empire Economic Partnership (IEEP) for Portions of Building No. 48 (Norton Regional Events Center)**

Mayor Patrick J. Morris left the meeting during the discussion of Agenda Item No. 13 and did not return to the meeting.

**ACTION:** Approve a Lease Agreement and Authorize the Interim Executive Director to finalize the Final Form of the Economic Terms and Conditions of Said Lease Agreement with the Inland Empire Economic Partnership (IEEP) for Certain Portions of Building No. 48 (Norton Regional Events Center); and Authorize the Interim Executive Director to Execute all related documents.

Motion was made by Johnson, seconded by Shorett, and passed.  
Absent: Derry, Dailey and Morris

Supervisor Josie Gonzales suggested staff reach out to South Coast Air Quality Management District as a possible tenant for the Norton Regional Events Center.

**H. PUBLIC COMMENT**

There was no public comment.

**I. CLOSED SESSION**

There was no closed session.

**J. ADJOURN MEETING**

There being no further business before the Board at this session, Co-Chair Josie Gonzales declared the meeting adjourned at 5:29 p.m.

**Approved at a Regular Meeting of the Inland Valley Development Agency Board on Wednesday, February 8, 2012.**

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**Kelly Berry**  
**Clerk of the Board**

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**Members Absent:**

City of Colton

Mayor Sarah S. Zamora  
Councilmember Vincent Yzaguirre

City of Loma Linda

Councilmember Phill Dupper (alt)

City of San Bernardino

Councilmember Virginia Marquez (alt)

**INLAND VALLEY DEVELOPMENT AGENCY  
BOARD ACTIONS  
January 25, 2012**

A Special Meeting of the Inland Valley Development Agency Board was called to order by Co-Chair Patrick J. Morris at approximately 2:10 p.m. on Wednesday, January 25, 2012, at Norton Regional Events Center, Main Auditorium, 1601 East Third Street, San Bernardino, California.

**BOARD MEMBERS PRESENT:**

City of Colton	Councilmember Susan M. Oliva (alt)
City of Loma Linda	Mayor pro tempore Ovidiu Popescu Councilmember Ronald Dailey
City of San Bernardino	Co-Chair/Mayor Patrick J. Morris Councilmember Fred Shorett Councilmember Rikke Van Johnson

**OTHERS PRESENT:** A.J. Wilson, Interim Executive Director  
Michael Burrows, Assistant Director  
Timothy J. Sabo, Lewis Brisbois Bisgaard & Smith, LLP  
Kelly Berry, Director of Information Services | Clerk of the Board

**A. CALL TO ORDER / ROLL CALL**

Roll call was duly noted and recorded.

**B. ITEMS TO BE ADDED OR DELETED**

Not applicable for the addition of items for a Special Meeting.

**C. CONFLICT OF INTEREST DISCLOSURE**

**Item #1 - Conflict of Interest Disclosure**

There were no conflicts noted due to the nature of the Special Meeting.

**D. INFORMATIONAL ITEMS**

There were no informational items.

**E. BOARD CONSENT ITEMS**

There were no Board consent items.

**F. BOARD ACTION ITEMS**

There were no Board action items.

**G. ADDED AND DEFERRED ITEMS**

There were no added or deferred items.

**H. PUBLIC COMMENT**

There was no public comment.

**I. CLOSED SESSION**

Co-Chair Patrick J. Morris recessed to closed session at 2:11 p.m. Mr. Timothy J. Sabo, Lewis Brisbois Bisgaard & Smith, LLP, read the closed session items as posted on the Agenda.

The meeting reconvened at 2:59 p.m. Co-Chair Patrick J. Morris asked Mr. Timothy J. Sabo, Agency Counsel, if there were any reportable items. Mr. Sabo said that there were no reportable items.

**J. ADJOURN MEETING**

There being no further business before the Board at this session, Co-Chair Patrick J. Morris declared the meeting adjourned at 3:00 p.m.

**Approved at a Regular Meeting of the Inland Valley Development Agency Board on Wednesday, February 8, 2012.**

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**Kelly Berry**  
**Clerk of the Board**

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**Members Absent:**

City of Colton

Mayor Sarah S. Zamora  
Councilmember Vincent Yzaguirre

City of Loma Linda


Councilmember Phill Dupper (alt)

County of San Bernardino

Co-Chair/Supervisor Josie Gonzales  
Supervisor Neil Derry

City of San Bernardino

Councilmember Virginia Marquez (alt)

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 8</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: CONSIDER AND ADOPT PROPOSED MID-YEAR BUDGET ADJUSTMENTS FOR FISCAL YEAR 2011-2012**

**SUMMARY**

The mid-year budget adjustments modify and correct the adopted budgets to reflect improved estimates and changes in conditions that have been revealed since the adoption of the budgets. Adjustments for the IVDA Capital Project Fund, Debt Service Fund and Sewer Fund are included in the report.

**RECOMMENDED ACTION(S)**

Adopt the Mid-Year Budget Adjustments as Summarized in the Attached Report.

**FISCAL IMPACT**

Based on totals in the report.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

On June 22, 2011, the Inland Valley Development Agency (IVDA) Board adopted the IVDA Budget for Fiscal Year 2011/12. IVDA Staff have reconciled various accounts within the budget through mid-year and have recommended several adjustments to reflect the current status and conditions with respect to proposed projects and programs for the current year. A summary and detail report recommending specific increases and/or decreases to budget line items is attached.

**Attachments:**

1. Mid-Year Budget Adjustment Report

INLAND VALLEY DEVELOPMENT AGENCY  
 PROPOSED BUDGET ADJS - CAPITAL PROJECT FUND  
 FOR FISCAL YEAR ENDING 6/30/12  
 SUMMARY REPORT

	<u>Original Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
<b>Operating Revenue</b>				
Lease Revenue & other	\$ 3,024,800	\$ -	\$ 850,000	\$ 2,174,800
<b>Operating Expenditure</b>				
Administrative	2,233,600		400,000	1,833,600
Professional Services	1,103,700	285,000	230,000	1,158,700
DFAS - Property Management	328,000			328,000
Property Management	1,862,300		722,200	1,140,100
Marketing & Co-Op Advertising	2,420,000		2,200,000	220,000
<b>Total Operating Expenditure</b>	<u>7,947,600</u>	<u>285,000</u>	<u>3,552,200</u>	<u>4,680,400</u>
<b>Non-Operating Revenue</b>				
Grants	18,878,900	72,000		18,950,900
<b>Non-Operating Expenditures</b>				
Projects	94,207,200	12,900,000		107,107,200
<b>Other Financing Sources/(Uses)</b>				
Bond/Loan Proceeds	<u>80,100,000</u>		<u>63,600,000</u>	<u>16,500,000</u>
<b>Excess of Revenue Over/(Under) Expenditure</b>	(151,100)	(13,113,000)	60,897,800	(74,161,900)
<b>Beginning Cash</b>	<u>3,760,694</u>	<u>65,983,011</u>		<u>69,743,705</u>
<b>Ending Cash</b>	<u>\$ 3,609,594</u>	<u>\$ 52,870,011</u>	<u>\$ 60,897,800</u>	<u>\$ (4,418,195)</u>

**INLAND VALLEY DEVELOPMENT AGENCY  
 PROPOSED BUDGET ADJS - CAPITAL PROJECT FUND  
 FOR FISCAL YEAR ENDING 6/30/12  
 DETAILED SCHEDULE**

<b>Operating Revenue</b>	<u><b>Increase</b></u>	<u><b>Decrease</b></u>
3020-00 Interest Income		\$ 300,000
3091-00 Security Service Reimbursements		550,000
<b>Total Operating Revenue</b>	<u>\$ -</u>	<u>\$ 850,000</u>
<b>Operating Expense</b>		
<b>Administrative</b>		
4010-00 Salary & Benefits		\$ 400,000
4110-00 Temporary Employee Services	75,000	
5080-00 Equipment Maintenance	30,000	
<b>Professional Services</b>		
5533-00 Consulting - Engineering		150,000
5534-00 Consulting - Other		80,000
5535-00 Consulting - Executive Director	120,000	
<b>Other Expenditures</b>		
6150-00 Property Management - Sargent Salary		122,200
6156-00 Property Management - SBPD Contract		600,000
6080-00 Building Maintenance	30,000	
6082-00 DFAS - Property Management - Janitor Contract	20,000	
6083-00 Property Management - Janitorial	10,000	
5035-00 Marketing & Co Op Advertising		2,200,000
<b>Total Operating Expenditures</b>	<u>\$ 285,000</u>	<u>\$ 3,552,200</u>
<b>Non-Operating Revenue</b>		
3050-00 Local Grant	\$ 72,000	
<b>Non-Operating Expense</b>		
<b>Projects</b>		
Terminal/FBO	\$ 12,000,000	
Bldg 48	500,000	
Hanger 763 - Nose Dock Modification	400,000	
<b>Total Projects</b>	<u>\$ 12,900,000</u>	<u>\$ -</u>
<b>Other Financing Sources (Uses)</b>		
3100-00 Loan Proceeds		3,000,000
3200-00 Bond Proceeds		\$ 60,600,000
	<u>\$ (13,113,000)</u>	<u>\$ 60,897,800</u>

**INLAND VALLEY DEVELOPMENT AGENCY  
 PROPOSED BUDGET ADJUSTMENTS - DEBT SERVICE FUND  
 FOR FISCAL YEAR ENDING 6/30/12  
 SUMMARY REPORT**

	<u>Original Budget</u>	<u>Proposed</u>		<u>Revised Budget</u>
		<u>Increase</u>	<u>Decrease</u>	
<b>Revenues</b>				
Total Revenues	\$ 25,252,000	435,000	\$ 270,000	\$ 25,417,000
<b>Expenditures</b>				
Total Expenditure	19,317,000	1,477,000		20,794,000
<hr/>				
<b>Excess of Revenue over(under) Expenditure</b>	5,935,000	(1,042,000)	270,000	4,623,000
<b>Beginning Cash</b>	5,648,200	6,124,816		11,773,016
<b>Ending Cash</b>	<u>\$ 11,583,200</u>	<u>\$ 5,082,816</u>	<u>\$ 270,000</u>	<u>\$ 16,396,016</u>

**INLAND VALLEY DEVELOPMENT AGENCY  
 PROPOSED BUDGET ADJUSTMENTS - DEBT SERVICE FUND  
 FOR FISCAL YEAR ENDING 6/30/12  
 DETAIL**


	<u>Increase</u>	<u>Decrease</u>
<b>Revenues</b>		
301X-00 Tax Increment	\$ 435,000	\$ -
3020-02 Interest		270,000
<b>Expenditures</b>		
5155-02 Stater Bros - Bldg 747	880,000	
5610-02 Legal	162,000	
5300-02 County Charges	435,000	
<b>Total Expenditure</b>	<u>1,477,000</u>	<u>0</u>
	<u>\$ (1,042,000)</u>	<u>\$ 270,000</u>

**INLAND VALLEY DEVELOPMENT AGENCY  
 PROPOSED BUDGET ADJS - WATER AND SEWER FUND  
 FOR FISCAL YEAR ENDING 6/30/12  
 SUMMARY REPORT**

	<u>Original Budget</u>	<u>Proposed</u>		<u>Revised Final Budget</u>
		<u>Increase</u>	<u>Decrease</u>	
<b>Revenues</b>				
Sewer Consumption Fees	\$ 90,000	\$ -	\$ -	\$ 90,000
<b>Other Expenses</b>				
Legal	1,500			1,500
Sewer Charges	-	70,000		70,000
<b>Capital Project Expenses</b>				
Water Pumps	1,000			1,000
Other Water System Improvements	52,000		50,000	2,000
<b>Total Expenses</b>	54,500	70,000	50,000	74,500
<b>Excess of Revenue over(under) Expenses</b>	35,500	(70,000)	(50,000)	15,500
<b>Beginning Cash</b>	-	91,202	-	91,202
<b>Ending Cash</b>	<u>\$ 35,500</u>	<u>\$ 21,202</u>	<u>\$ (50,000)</u>	<u>\$ 106,702</u>

**INLAND VALLEY DEVELOPMENT AGENCY  
 PROPOSED BUDGET ADJS - WATER AND SEWER FUND  
 FOR FISCAL YEAR ENDING 6/30/12  
 DETAIL**

	<u>Increase</u>	<u>Decrease</u>
<b>Expenditures</b>		
5834-05 Sewer Charges	70,000	
5836-05 Other Water System Improvements		50,000
<b>Total Expenditure</b>	<u>70,000</u>	<u>50,000</u>
	<u>\$ (70,000)</u>	<u>\$ (50,000)</u>

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 9</b></p> <p><b>PRESENTER: Gary Silvius, Interim Director of Finance</b></p>
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**SUBJECT: ADOPT 2011 STATEMENT OF INVESTMENT POLICY FOR THE INLAND VALLEY DEVELOPMENT AGENCY**

**SUMMARY**

This updated Statement of Investment Policy forms the basis of investing activities for the Inland Valley Development Agency.

**RECOMMENDED ACTION(S)**

Adopt 2011 Statement of Investment Policy for the Inland Valley Development Agency.

**FISCAL IMPACT**

The investment policy sets goals and guidelines related to safety and liquidity which along with market factors determine the income earned from investments.

PREPARED BY:	Gary Silvius
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Gary Silvius
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	A.J. Wilson

**BACKGROUND INFORMATION**

The IVDA's cash management system is designed to monitor and forecast cash flows enabling the IVDA to invest funds to the fullest extent possible. This 2011 Statement of Investment Policy provides staff with guidelines for prudent investment decisions, sets specific limitations as to investments by type, investment quality based on ratings and maturities. In addition, the policy defines instances where collateralization of investments is required.

Most importantly, the 2011 Statement of Investment Policy requires regular reporting of investing activities to the IVDA's Board and sets the content of those reports.

This policy was presented for review at the most recent meeting of the IVDA's Finance and Budget Committee.

This item was carried over from the January 25, 2012 meeting.

**Attachments:**

1. 2011 Statement of Investment Policy

# INLAND VALLEY DEVELOPMENT AGENCY

## “Fiscal Year 2011-12 Statement of Investment Policy”

### **I. Purpose**

This Statement of Investment Policy (this “Policy”) is intended to provide guidelines for the prudent investment of all funds held by the Inland Valley Development Agency (the “IVDA”) that are eligible to be invested, and to outline the policies for maximizing the efficiency of the cash management system for both the IVDA. The ultimate goal is to enhance the economic status of the IVDA while protecting its pooled cash and all other funds under the control of the IVDA.

When investing proceeds from the issuance of bonds and held by the bond trustee/fiscal agent, the IVDA are not limited to the allowable investments identified in this Policy. Bond Proceeds shall be invested in accordance with the requirements and restrictions as outlined in the bond documents.

The California Government Code Section 53646(a)(2) requires that the Investment Policy of the IVDA be updated on an annual basis.

### **II. Objective**

The cash management system the IVDA is designed to accurately monitor and forecast expenditures and revenues, thus enabling the IVDA to invest funds to the fullest extent possible. The IVDA attempts to obtain the highest yield possible provided that investments meet the criteria established for safety and liquidity.

### **III. Policy**

The IVDA adheres to the guidelines provided by the “prudent man rule”, which obligates a fiduciary to ensure that:

“...an investment shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived.”

#### **A. Safety:**

Safety and the minimization of risks associated with investments refer to attempts to reduce the potential loss of principal, interest, or a combination of the two. The first level of control is in California State (the “State”) Law, which restricts municipalities to certain investment instruments. The second level of risk control is the investment in instruments, which appear on examination to be the most credit worthy. The third level of control is in the reduction of market risk by investing in sufficient instruments that have maturities coinciding with dates of disbursement. The IVDA only invest in those instruments that are considered very safe.

#### **B. Liquidity**

Liquidity is the ability to easily sell investment instruments at any time with the minimal risk of losing some portion of principal or interest. Liquidity is an extremely important quality as the IVDA may have an unexpected need for funds to be disbursed.

Most investments are highly liquid, with the exception of collateralized or insured term certificates of deposit issued by banks and savings institutions. Certificate maturities are selected to anticipate cash needs, thereby eliminating the need for forced liquidation.

#### **C. Yield**

Yield is the potential dollar earnings an investment can provide, or “rate of return”. The IVDA attempts to obtain the highest yield possible when selecting an investment, provided that the criteria stated in this Policy for safety and liquidity are met and the investment guidelines and strategy are adhered to.

#### **D. Public Trust**

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluations. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolios’ investment return, provided that adequate diversification has been obtained.

#### **E. Bank and Securities Dealers**

In the selection of financial institutions for the deposit or investment of IVDA funds, staff shall consider the credit worthiness of the institutions. Staff shall continue to monitor each financial institution's credit characteristics and financial history throughout the period in which IVDA funds are deposited or invested.

In an effort to reduce portfolio risk while attaining a market rate of return, the IVDA's portfolio will be suitably diversified by security/agency type and by institution/issuer. With the exception of U. S. Treasuries, agencies, and authorized pools, such as LAIF, no more than 50% of the IVDA's total investment portfolio will be invested in a single security type or with a single issuer.

#### **F. No Commingling of Funds or Other Pooled Investments**

All IVDA funds to be invested pursuant to this Policy are derived from sources that are unique to the IVDA. A portion of funds are derived from its Joint Powers Authority (JPA) as a Base Reuse Agency. These funds are contributed from regular property tax proceeds distributed to JPA member jurisdictions. An additional source of funds are property tax proceeds derived from the IVDA's empowerment to utilize California Redevelopment authority which were granted to the JPA by Health and Safety Code Section 33492 et seq., and as required by the rules and regulations and other grant assurance agreements as applicable shall not be commingled with or otherwise pooled with other investment funds. The IVDA must maintain the integrity of the accountability of the special purpose funds that are entrusted to the IVDA to enable the IVDA to achieve their stated purposes pursuant to the laws of the State of California in a financially prudent manner.

### **IV. Investments**

Authorized investment instruments shall include:

Securities of the United States Government and obligations of its agencies; registered treasury notes, bonds, or legal obligations of the State of California; certificates of deposit placed with commercial banks and savings institutions; bankers acceptances; repurchase agreements (to be collateralized at 102%); commercial paper; negotiable certificates of deposit; Local Agency Investment Fund ("LAIF") demand deposits; passbook savings account demand deposits; interest bearing demand deposits; and, money-market accounts of acceptable instruments.

Government and agency securities are the highest quality investments available in terms of safety and liquidity. Certificates of deposit, savings accounts, repurchase agreements and banker's acceptances are insured or collateralized. Only commercial paper with both "P-1" Moody's and "A-1+" Standard and Poor's ratings (or better) are permitted.

The Agency operates its investment program with many federal, state and self-imposed constraints. This Policy prohibits the purchasing of or dealing in stocks, futures, options, derivatives, security loan agreements, and federal agency securities that take the form of inverse floaters, range notes, mortgage-backed interest-only strips, or any floating-rate investment without a floor.

To maximize investment income, the Agency uses all available economically feasible investment tools. Economic conditions and various money markets are monitored in order to assess the probable course of interest rates.

The final basic premise underlying the investment philosophy of the IVDA is to ensure the safety of existing funds and ensure consistent availability of same.

## **V. Maturities and Portfolio Percentages**

Investments will be chosen with appropriate maturities so that funds will be available to meet the cash flow requirements of the IVDA. No investment will be made with a maturity date in excess of five (5) years. An exception to the five (5) year maturity limit is investments of funds held by the Bond Trustee whereby it is prudent to match the portfolio of the bond funds with the maturity schedule of the bond issue.

It is the full intent of the IVDA, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

- A. United States Treasury bills, bonds and notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest have no percentage limitation of the portfolio for investment purposes, but are limited to the five (5) year maturity.
- B. Obligations issued by the Government National Mortgage Association (“GNMA”), the Federal Farm Credit System (“FFCS”), the Federal Home Loan Bank Board (“FHLB”), the Student Loan Marketing Association (“SLMA”), the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Association (“FHLMC”) have no percentage limitation of the portfolio, although the five (5) year maturity is applicable.
- C. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker’s acceptances may not exceed 180 days to maturity or thirty percent (30%) of the cost of the portfolio.
- D. Commercial paper ranked “P-1” by Moody’s Investor Service or “A-1+” by Standard and Poor’s, and issued by domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on their long term debentures as provided by Moody’s or Standard and Poor’s, may not exceed two hundred seventy (270) days to maturity nor represent more than 10% of the outstanding

paper of the issuing corporation. Purchases of commercial paper may not exceed fifteen percent (15%) of the cost of the value of the portfolio.

- E. Negotiable certificates of deposit issued by nationally or State chartered banks or State or Federal savings institutions may not exceed thirty percent (30%) of the total portfolio, and the maturity limit of five (5) years is applicable.
- F. Repurchase agreements may not exceed maturity of ninety (90) days and shall not exceed ten percent (10%) of the total portfolio. The market value of the securities used as collateral for the repurchase agreements shall not be allowed to decline to less than one hundred two percent (102%) of the value of the repurchase agreements.
- G. LAIF, which is a State of California managed investment pool, may be used to the maximum extent permitted by California State Law.
- H. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations with no more than twenty percent (20%) of the total investment portfolio.
- I. Various daily cash funds, including short-term money market accounts administered for or by trustees, paying agents and custodial banks contracted by the IVDA, may be purchased as allowed under the State of California Government Code. Only funds holding United States Treasury or Government Agency obligations may be utilized. No more than twenty percent (20%) of the total portfolio may be invested in this manner.

J. Municipal Bonds:

Registered treasury notes or bonds of any of the other forty-nine (49) state governments of the United States, in addition to California, payable solely from the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the other forty-nine (49) state governments of the United States, in addition to the State of California. Such securities must have ratings from at least two (2) of the three (3) ratings as follows: "A1" by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings; or as otherwise approved by the IVDA.

Registered general obligation treasury notes or bonds of any of the fifty (50) state governments of the United States. Such securities must have ratings from at least two (2) of the three (3) ratings as follows: at least "A3" by Moody's Investors Service, or "A-" by Standard & Poor's, or "A-" by Fitch Ratings; or as otherwise approved by the IVDA.

Adjustable rate registered treasury notes or bonds of any of the fifty (50) state governments of the United States, including bonds payable solely from the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the other forty-nine (49) state governments of the United States, in addition to the State of California. Such securities must have ratings from at least two (2) of the three (3) ratings as follows: "P-1" by Moody's Investors Service, or "A-1+" by Standard & Poor's, or "F-1+" by Fitch Ratings; or as otherwise approved by the IVDA.

Adjustable rate notes or bonds warrants, or other evidences of indebtedness of any local agency within the State of California with a minimum rating of either "P-1" by Moody's Investors Service, or "A-1+" by Standard & Poor's, or "F-1+" by Fitch Ratings, including bonds, notes, warrants, or other evidences of indebtedness payable solely from the revenues from a revenue-producing property owned, controlled, or operated by either the local agency, a department, board, agency, or authority of the local agency, or of any local agency within the State of California.

Taxable or tax-exempt bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California with a minimum rating of either "A1" by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings (the minimum rating shall apply to the local agency, irrespective of any credit enhancement), including bonds, notes, warrants, or other evidences of indebtedness payable solely from the revenues from a revenue-producing property owned, controlled or operated by either the local agency, a department, board, agency or authority of the local agency, or of any local agency within the State of California.

**K. FDIC-insured Certificates of Deposit:**

The principal amount of the investment must be federally insured. No more than the prevailing FDIC insured coverage amount may be invested with any one deposit. Interest on the principal must be paid to the IVDA at least annually. The placement of Certificates of Deposit with local banks that qualify in accordance with Government Code Section 53601(h) is encouraged. The IVDA, at its discretion, may invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings institutions, or credit union using a private sector entity to assist in the placement of such certificates, provided that it complies with Government Code Section 53601.8. Such investments may not exceed in total fifteen percent (15%) of the funds of the IVDA invested pursuant to Government Code Sections 53601.8, 53635.8 and 53601, and shall have a maximum maturity of one year from the date of the deposit.

**L. FDIC-insured Money Market Accounts:**

Federal Deposit Insurance Corporation insured money market savings accounts or time deposits which are deposited through depository institutions which are participants of the Money Market Insured Deposit Account Service ("MMIDAS").

## **VI. Collateral Requirements**

Collateral is required for investments in certificates of deposit and repurchase agreements. In order to reduce market risk, the collateral level will be at least one hundred two percent (102%) of market value or principal and accrued interest.

In order to conform with the provisions of the Federal Bankruptcy Code, which provides for liquidations of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are direct obligations or, or are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

## **VII. Use of IVDA Investments as Collateral for Loans**

Subject to formal approval by the governing board of the IVDA, IVDA may encumber its pooled investments as may be invested from time to time pursuant to this Policy for the purpose of accomplishing other borrowings and loans utilizing such IVDA pooled investments as pledged collateral for such additional loans to the IVDA. Such IVDA loans as may be secured by the respective pooled investments of the IVDA shall be for either project specific purposes or general working capital loans and lines of credit of the IVDA in furtherance of either the administrative obligations of the IVDA or other governmental activities of the IVDA. The dollar amount of the IVDA pooled investments that may be utilized at any particular time as collateral for such loans pursuant to this Policy shall not exceed a dollar amount equal to seventy-five percent (75%) of then current dollar value of the total pooled investment funds as calculated for the IVDA that are invested at anytime in accordance with this Policy. The market value of such IVDA pooled investment funds shall be determined for compliance purposes as of the date of the pledge as authorized by this Section VII.

## **VIII. Reporting**


The IVDA shall submit regular investment reports to their respective legislative bodies. Under Section 53646 of the California Government Code the required elements of the report shall include:

- a. Type of investment
- b. Institution- issuer of investment
- c. Cost of investment
- d. Par value of investment
- e. Market value of investment
- f. Source of market information
- g. Date of maturity

- h. Statement of compliance of the portfolio as to the investment policy
- i. Statement as to the ability to meet its expenditure requirement for the next six (6) months

**IX. Internal Controls**

A system of internal controls shall be established and documented. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees of the IVDA. Controls deemed most important include: control of collusion, separation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethics. The Executive Director, or designee, shall oversee and authorize all investment activities pursuant to this Policy unless approval is otherwise required to be obtained from the governing board of the IVDA.

	<p><b>TO: Inland Valley Development Agency Board</b></p> <p><b>DATE: February 8, 2012</b></p> <p><b>ITEM NO: 10</b></p> <p><b>PRESENTER: A.J. Wilson, Interim Executive Director</b></p>
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**SUBJECT: ADOPT RESOLUTION NO. 2012-06 OF THE INLAND VALLEY DEVELOPMENT AGENCY (IVDA) AUTHORIZING THE FINANCE AND BUDGET COMMITTEE TO SERVE THE FUNCTION OF AN AUDIT COMMITTEE**

**SUMMARY**

It is appropriate to formally designate the Finance and Budget Committee, a standing committee of the Inland Valley Development Agency (IVDA) formed in 2006, to serve the function of an audit committee.

**RECOMMENDED ACTION(S)**

Adopt Resolution No. 2012-06 of the Inland Valley Development Agency (IVDA) authorizing the Finance and Budget Committee to serve the function of an audit committee.

**FISCAL IMPACT**

None.

PREPARED BY:	Kelly Berry
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Timothy J. Sabo
FINAL APPROVAL:	A.J. Wilson

## **BACKGROUND INFORMATION**

At the October 20, 2011, meeting of the IVDA Finance and Budget Committee meeting, staff suggested it appropriate to formally designate the Finance and Budget Committee, a standing committee of the Inland Valley Development Agency (IVDA) formed in 2006, to serve the function of an audit committee. The Committee unanimously agreed to perform in this capacity and directed staff to present the recommended action set forth above to the IVDA Board for consideration and approval.

### **Attachments:**

1. Resolution 2012-06 [proposed]

RESOLUTION NO. 2012-06

A RESOLUTION OF THE INLAND VALLEY DEVELOPMENT AGENCY (IVDA) AUTHORIZING THE STANDING COMMITTEE KNOWN AS THE FINANCE AND BUDGET COMMITTEE TO SERVE THE FUNCTION OF AN AUDIT COMMITTEE FOR THE PURPOSE OF REVIEW OF THE IVDA ANNUAL INDEPENDENT FINANCIAL AUDITS

WHEREAS, the Inland Valley Development Agency (“IVDA”) is a joint powers authority established under the laws of the State of California; and

WHEREAS, IVDA is the “local redevelopment authority” as recognized by the Secretary of the United States Air Force as set forth in the Base Closure and Realignment Act of 1988, as amended (Public Law 100-526; 10 U.S.C. Section 2687) to provide for the acquisition, redevelopment and civilian reuse of portions of the former Norton Air Force Base (“NAFB”) in accordance with the terms of a certain agreement entitled “Agreement Between the Department of the Air Force and the Inland Valley Development Agency,” dated March 7, 1995, as amended, by and between the Air Force and IVDA; and

WHEREAS, acquisition, redevelopment and civilian reuse activity at IVDA has dramatically increased and is projected to continue in the future, resulting in issues in need of additional attention to be focused on such endeavors; and

WHEREAS, on April 26, 2006, the IVDA Board adopted Resolution No. 2006-01, creating a standing committee to be known as the Finance and Budget Committee (“F&B Committee”); and

WHEREAS, on August 9, 2006, the IVDA Board adopted Resolution No. 2006-03, amending and restating certain portions of Resolution No. 2006-01 regarding F&B Committee membership; and

WHEREAS, it is deemed appropriate to formally create by adoption of this Resolution No. 2012-02, the F&B Committee to serve the function of an audit committee for the purpose of review of the IVDA annual independent financial audits.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE INLAND VALLEY DEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. It is hereby formally designated that the F&B Committee shall serve the function of an audit committee for the purpose of review of the IVDA annual independent financial audits.

SECTION 2. The auditing functions performed by the F&B Committee shall be consistent with the Government Finance Officers Association (GFOA) Best Practices and Advisories, and shall include authorization and review of the IVDA’s annual independent financial audits and related actions thereto.

SECTION 3. The purview and jurisdiction of the F&B Committee in serving the function of an audit committee shall be to make recommendations to the entire IVDA Board relative to actions to be taken by the IVDA on matters impacting annual independent financial audits. The F&B Committee shall have no authority to take any final official actions either on its own or on behalf of the IVDA Board, and is hereby authorized only to make recommendations to the IVDA Board on such matters as are within the jurisdiction thereof as granted by the IVDA Board.

SECTION 4. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 8<sup>th</sup> day of February, 2012.

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Patrick J. Morris, Co-Chair

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Josie Gonzales, Co-Chair

(Seal)  
Attest:

By:\_\_\_\_\_  
Kelly Berry, Clerk of the Board

I, Kelly Berry, Clerk of the Board of the Inland Valley Development Agency (“IVDA”) do hereby certify that the foregoing Resolution No. 2012-06 was duly and regularly passed and adopted by the IVDA at a Regular meeting thereof, held on the 8<sup>th</sup> day of February, 2012, and that the foregoing is a full, true and correct copy of said Resolution and has not been amended or repealed.

(SEAL)

Attest:

By:\_\_\_\_\_  
Kelly Berry, Clerk of the Board