

**AGENDA
MEETING OF THE
ANIMAL CARE JPA
THURSDAY, SEPTEMBER 29, 2011, 10:00 A.M.
YUCCA VALLEY COMMUNITY CENTER MESQUITE ROOM**

ROLL CALL: Directors Cronin, Hagerman, Huntington, Chair Derry

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

Approve the minutes of May 26, 2011 as presented

DIRECTORS REPORTS/UPDATES

DISCUSSION ITEMS

1. Shelter Design Contract Update
2. Site Planning / Floor Plan Presentation
3. Establish Capital Assets and Controlled Asset/Sensitive Equipment Policies

FUTURE AGENDA ITEMS

- . Adopt Reimbursement Strategies
- . Establish In-Kind Contributions Policy

PUBLIC COMMENTS

ADJOURNMENT

**ANIMAL CARE JPA MINUTES
THURSDAY, MAY 26, 2011**

Chair Derry called the meeting to order at 10:02 a.m. with Directors Huntington, Cronin and Chair Derry present.

PLEDGE OF ALLEGIANCE

Led by Chair Derry

APPROVAL OF MINUTES

Approve the minutes of February 24, 2011 as presented.

Director Huntington moved and Director Cronin seconded to approve the minutes of January 27, 2011. As there was no objection, the minutes stand approved.

DIRECTORS REPORTS/UPDATES

None

DISCUSSION ITEMS

1. Approve 2009-10 Audit Expense

Director Cronin advised the total amount is \$7,760 as previously reported at a prior meeting on record that amount has been expended and we are now in preparation for next year's audit. Receive and file.

2. Receive Architect Project Update

Town Manager Nuaimi advised that prior to bringing on the Architect the Town initiated the biological assessment of the site regarding protected species. Item 3 on the agenda is an amendment for additional geotechnical work which resulted in a change in the contract amount.

Max Williams, Williams Architects, advised that so far they have a floor plan and site plan document and are in the pre design stage. It is necessary to have a concept established in order to address CEQA concerns. Diagrams of the proposed site and floor plans were displayed. It is their goal to capture the good things existing at shelter now with open play and get acquainted areas. In addition they are trying to leave as much of site undeveloped as possible, and there is an area proposed for corrals if needed. It was noted the property is right on the edge of an Alquist Priolo fault zone which is why additional geotechnical services are needed. As they trench, they will try to avoid as many

Joshua trees as possible or move them to another place on site. Paseo Los Ninos is proposed to be improved to the same standard as Malin Way.

Rene Glynn, Williams Architects, advised they are generating the site plan looking at the hydrology study etc. and have been going through the CEQA process identifying all the items. She presented the timeline for the remaining steps.

Mayor Huntington recommended moving all the trees proposed to be moved at one time. Town Manager Nuaimi advised that until the trench is completed we don't know if the building will be at that site or not.

Director Cronin advised that the University of California at Davis just released national standards for animal shelter designs, and questioned how the standards fit in relation to the proposed design. Mr. Williams advised that he is not familiar with those standards, but will become so. He noted that everything they have been doing at this time is in compliance with current standards but as standards are adjusted they will adjust. Director Cronin stated he will get a copy for the Architects to review, noting they are significantly different, specifically in relation to housing dimensions. Mr. Williams advised the cost analysis is broken down into on site, off site, and building construction costs, and they will be refining and updating at every stage as decisions are made.

3. Approval of Change Order #1 to contract in an amount not to exceed \$34,910 for additional geotechnical services.

Town Manager Nuaimi advised much of the technical backup is on the change order for a not to exceed amount of \$34,910. Hopefully they will not have to trench to the full extent.

Chair Derry questioned how long this will take. Town Manager Nuaimi stated the period is projected from June to the end of August. It was noted the actual trenching will be between June 28th and July 4th.

Mayor Huntington questioned if we can get verbal approval from the Geologist once the trenching is done. It was noted the geologist will be on site and review the report.

No objection stated to motion by Director Cronin and second by Director Huntington to approve the change order.

4. Approve amendment No. 1 to Animal Shelter Architect's Contract authorizing the Project Manager to approve written JPA change authorization for extra services up to a maximum cumulative amount of \$50,000

Director Cronin advised that this item grants the Project Manager the authority to act if there is a change needs, then it will come to the full Board.

No objection to motion by Director Cronin to approve Amendment No. 1, and second by Director Huntington.

5. Receive JPA Financial Report Update.

Director Cronin recommended this item be on every agenda. He advised the current balance is \$3,487,670.31 including the disbursements talked about for audit expense and insurance payments. Receive and file.

FUTURE AGENDA ITEMS

- A. Adopt Reimbursement Strategies
- B. Establish In-Kind Contribution Policy
- C. Establish Capital Asset Policy

Director Cronin advised he has a meeting with the Auditor Controller this afternoon to work on establishing policies and will be preparing a draft for consideration for the next board meeting.

PUBLIC COMMENTS

None

ADJOURNMENT

There being no further business the meeting was adjourned at 10:53 a.m.

Respectfully submitted

Jamie Anderson
Town Clerk

ANIMAL CARE JPA STAFF REPORT

To: JPA Board Members
From: Mark Nuaimi, Town Manager
Date: September 26, 2011
For JPA Meeting: September 29, 2011

Subject: Shelter Design Contract Update

Prior JPA Review: None

Recommendation:

- Receive and File Architect Project Update

Order of Procedure:

Request Staff Report
Request Public Comment
JPA Discussion/Questions of Staff
Motion/Second
Discussion on Motion
Call the Question (Voice Vote)

Discussion: The Architect has completed much of the pre-design services associated with the scope of work for the Animal Shelter design contract. A project schedule is shown on the following page with updated status information.

The architect has met with the shelter staff to refine the facility requirements and to review site constraints, alternative configurations, and preliminary site plans / facility floor plans.

A number of the required technical studies were initiated and completed. During the initial soils / geotechnical investigation, it was determined that the property is within a State of California Alquist Priolo Fault Hazard Zone. This determination required that the consultant further evaluate the potential for fault hazard and provide recommendations for structural setbacks. The results from that investigation have been incorporated into the site constraints as it relates to the proposed site plan.

The architect completed an internal draft of the Initial Study / Mitigated Negative Declaration environmental document. Based upon comments received from technical staff, an additional scope of work was authorized to conduct a Greenhouse Gas / Air Quality Analysis. This lump sum cost of \$3,070 is within the available contingency for this project.

The architect was given contract go-ahead to proceed to the Schematic Design services tasks. This effort has culminated in the completion of a preferred alternative site plan and building plans. These are included as an attachment to this report and will be presented to the JPA at their meeting for review and comment. Formal approval of the site plan / building plans will be brought to the subsequent JPA meeting, along with the draft IS/MND documentation.

Alternatives: None

Fiscal impact: The current status of costs / invoices are shown in the table below:

Yucca Valley Animal Shelter Financial Summary (09/26/11)						
Description	Proposal Amount	Total %	Prior Amount	Prior %	Current %	Amount
Pre-Design Phase	\$ 12,582.55	90%	\$ 10,066.04	80%	10%	\$ 1,258.26
Concept (Schematic) Design Phase	\$ 25,165.10	20%	\$ -	0%	20%	\$ 5,033.02
Design Development Phase	\$ 37,747.65	0%	\$ -	0%	0%	\$ -
Construction Documents Phase -- 50% completion	\$ 50,330.20	0%	\$ -	0%	0%	\$ -
Construction Documents Phase -- 100% completion	\$ 50,330.20	0%	\$ -	0%	0%	\$ -
Construction Documents Phase -- Completion of Corrections	\$ 25,165.10	0%	\$ -	0%	0%	\$ -
Bid & Construction Administration Ph	\$ 42,780.07	0%	\$ -	0%	0%	\$ -
Close Out	\$ 5,033.02	0%	\$ -	0%	0%	\$ -
Architectural Subtotal	\$249,133.89	6.6%	\$10,066.04	4.0%	2.5%	\$ 6,291.28
Change Orders	Awarded		Prior Invoice			Current Invoice
#1 -- Supplemental Fault Evaluation (Approved May 26, 2011)	\$ 34,910.00	92.5%	\$32,300.22			\$ -
#2 -- GHG / AQ Analysis	\$ 3,070.00		\$ -			\$ -
Project Total	\$287,113.89		\$42,366.26			\$ 6,291.28

Attachments: May 2011 Activity Invoice
Change Order #1 Invoice Authorization
Invoice #091101 (July 31 – September 3, 2011 activity)
Change Order #2 Work Authorization
Preferred Site Plan / Building Plans

Williams Architects, Inc.

276 N. Second Avenue
Upland, CA 91786

Invoice

Date	Invoice #
6/6/2011	061101

Bill To
Brian M. Cronin, Secretary 351 N. Mountain View Ave, 3rd Floor San Bernardino, CA 92415

Mark Miami
approved for payment
6/12/11

Project Name		Project/Phase			Project No.	
158-001-01-10		All Phases			Yucca Valley Animal Shel...	
Description	Proposal Amount	Total %	Prior Amt	Prior %	Curr %	Amount
Pre-Design Phase	12,582.55	80.00%	7,549.53	60.00%	20.00%	2,516.51
Concept (schematic) Design Phase	25,165.10	0.00%			0.00%	0.00
Design Development phase	37,747.65	0.00%			0.00%	0.00
Construction Documents Phase - 50% completion	50,330.20	0.00%			0.00%	0.00
Construction Documents Phase - 100% completion	50,330.20	0.00%			0.00%	0.00
Construction Documents Phase - Completion of Corrections	25,165.10	0.00%			0.00%	0.00
Bid and Construction Administration Phase	42,780.07	0.00%			0.00%	0.00
Close-Out	5,033.02	0.00%			0.00%	0.00
Architectural Subtotal	249,133.89	1.01%			1.01%	2,516.51
Professional Services May 1, 2011 through May 28, 2011				Total		\$2,516.51
				Payments/Credits		\$0.00
				Balance Due		\$2,516.51

Williams Architects, Inc.

276 N. Second Avenue
Upland, CA 91786

Invoice

Invoice Date:	Invoice #:
6/30/2011	071102

Bill To:
Brian M. Cronin, Secretary 351 N. Mountain View Ave, 3rd Floor San Bernardino, CA 92415

Estimate Amount
\$34,910

Project Name	Project/Phase:		Project No.
	Fault Evaluation		
Description	Hours	Rate	Amount
Note: Time is for coordination of fault evaluation, site visits, e-mails, phone calls, etc.			
Principal/Architect	12	130.00	1,560.00
Project Manager	29	115.00	3,335.00
Soils Engineer		1,274.40	1,274.40
Soils Engineer		18,775.60	18,775.60
County Geologist		840.00	840.00
Tree Relocation		6,515.22	6,515.22
Total Reimbursable Expenses			27,405.22
Professional Services May 29, 2011 through June 25, 2011		Amount Due This Invoice	\$32,300.22
		Prior Payments Applied	\$0.00
		Balance Due	\$32,300.22

Phone #
909-981-5188

Authorized for payment.
Clark Hill 8/18/11

RECEIVED

AUG 11 2011

WILLIAMS ARCHITECTS, INC.

UNIQUE LANDSCAPE
P.O. Box 1707
Yucca Valley, CA 92286
License # 461612

BILL TO: DATE: INVOICE#:
Williams Architects Inc. 10 Aug. 2011 # 158-001-01-10
Project Yucca Valley Animal Shelter
(Tree Relocation)

Date Serviced	Description	Amount
June 2011	Re-locate 5 Joshua trees with 94" tree spade	
	Re-locate 6 Joshua trees with 44" tree spade	
	Basic fee for transplanting 94" 500.00 per tree	
	44" 350.00 per tree	
	Total	\$ 4,600.00
	Re-locate 3 additional trees	
	# 10,83,& 84 additional cost	\$ 1,050.00
	Total	\$ 5,650.00
	* Additional work completed staking of 9 Joshua trees for support with the following materials.	
	* 3' steel stakes total 19	
	* 285' braded cable	
	* 38 cable clamps	
	* 19 1/2" pvc pipe to slide over cable	
	* Total all materials.	\$ 264.90
	* Additional labor for staking. (45.00 per tree)	\$ 405.00
	* Billing for water used on project	\$ 195.32
	* Total for all of above charges.	\$ 6,515.22



Leighton Consulting, Inc.
A LEIGHTON GROUP COMPANY

LEIGHTON CONSULTING, INC.
17781 COWAN, SUITE 200
IRVINE, CALIFORNIA 92614-6009
TEL (949) 253-9836
FAX (949) 253-9750
Federal I.D. No. 73-1650031

C95780M
Williams Architects, Inc.
276 North Second Avenue
Upland, CA 91786

INVOICE NO. LCI0020501
Date 07/06/2011
Project Number: 603176002
P.M.: Robert Riha

This is an invoice for Professional Services rendered:
May 2, 2011 Through July 3, 2011

Contact Rene Glynn

Fault Evaluation, Proposed Yucca Valley Animal Shelter,
Yucca Valley, Ca.

Amount Of This Invoice: \$18,775.60

PLEASE REMIT PAYMENT TO: LEIGHTON CONSULTING, INC.
17781 COWAN, SUITE 200
IRVINE, CA 92614-6009

Payment is due upon receipt. After 30 days a late charge of 1-1/2% per month (18% APR) will be added.



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17781 COWAN, SUITE 200
IRVINE, CALIFORNIA 92614-6009
TEL (949) 253-9836
FAX (949) 253-9750
Federal I.D. No. 73-1650031

C95780M
Williams Architects, Inc.
276 North Second Avenue
Upland, CA 91786

INVOICE NO. LCI0020615
Date 07/22/2011
Project Number: 603176002
P.M.: Robert Riha

This is an invoice for Professional Services rendered:
July 4, 2011 Through July 17, 2011

Contact Rene Glynn

Fault Evaluation, Proposed Yucca Valley Animal Shelter,
Yucca Valley, Ca. Final Report dated 7-13-11
100% Complete

RECEIVED
JUL 28 2011
WILLIAMS
ARCHITECTS, INC.

Amount Of This Invoice: \$1,274.40

PLEASE REMIT PAYMENT TO: 17781 COWAN, SUITE 200
IRVINE, CA 92614-6009

Payment is due upon receipt. After 30 days a late charge of 1-1/2% per month (18% APR) will be added.

Williams Architects, Inc.

276 N. Second Avenue
Upland, CA 91786

Invoice

Date	Invoice #
9/14/2011	091101

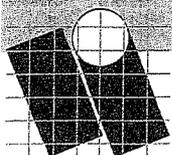
Bill To
Brian M. Cronin, Secretary 351 N. Mountain View Ave, 3rd Floor San Bernardino, CA 92415

Authorized for payment:
Mark Jones 9/26/11

Project Name		Project/Phase			Project No.	
Yucca Valley Animal Shelter		All Phases			158-001-01-10	
Description	Proposal Amount	Total %	Prior Amt	Prior %	Curr %	Amount
Pre-Design Phase	12,582.55	90.00%	10,066.04	80.00%	10.00%	1,258.26
Concept (schematic) Design Phase	25,165.10	20.00%			20.00%	5,033.02
Design Development phase	37,747.65	0.00%			0.00%	0.00
Construction Documents Phase - 50% completion	50,330.20	0.00%			0.00%	0.00
Construction Documents Phase - 100% completion	50,330.20	0.00%			0.00%	0.00
Construction Documents Phase - Completion of Corrections	25,165.10	0.00%			0.00%	0.00
Bid and Construction Administration Phase	42,780.07	0.00%			0.00%	0.00
Close-Out	5,033.02	0.00%			0.00%	0.00
Architectural Subtotal	249,133.89	2.53%			2.53%	6,291.28

Professional Services July 31, 2011 through September 3, 2011

Total	\$6,291.28
Payments/Credits	\$0.00
Balance Due	\$6,291.28



Williams Architects, Inc.

September 22, 2011

Mr. Brian Cronin, Division Chief
ANIMAL CARE JOINT POWERS AUTHORITY
351 N. Mountain View Avenue, Third Floor
San Bernardino, CA 92415

Mr. Mark Nuaimi, Town Manager
ANIMAL CARE JOINT POWERS AUTHORITY
57090 Twentynine Palms Highway
Yucca Valley, CA 92284

RE: Request for Additional Services No. for Yucca Valley Animal Shelter
Yucca Valley, CA
Project No.: 158-001-01-10

Dear Brian:

The following additional services are proposed, as you requested, for your review and approval. The only changes to the services are as described below. All other terms and conditions of the original contract dated March 10, 2011 remain unchanged.

Client requests Williams Architects, Inc. (WAI) to add the following services to the contract. The changes are summarized as follows:

1. Provide an Air Quality and Green House Gas Analysis

WAI proposes to provide these additional services for a lump sum fee of \$3,070 dollars which includes services from Lilburn Corporation to provide the analysis and WAI time for coordination and review.

If this Proposal meets with your approval, please sign where indicated below and return a signed copy to our office.

We enjoy working with you on this project.

Sincerely,
WILLIAMS ARCHITECTS, INC.

Max E. Williams, AIA, AICP
Architect/President C8402

Accepted this 26th day of September 2011, at YUCCA VALLEY, CA

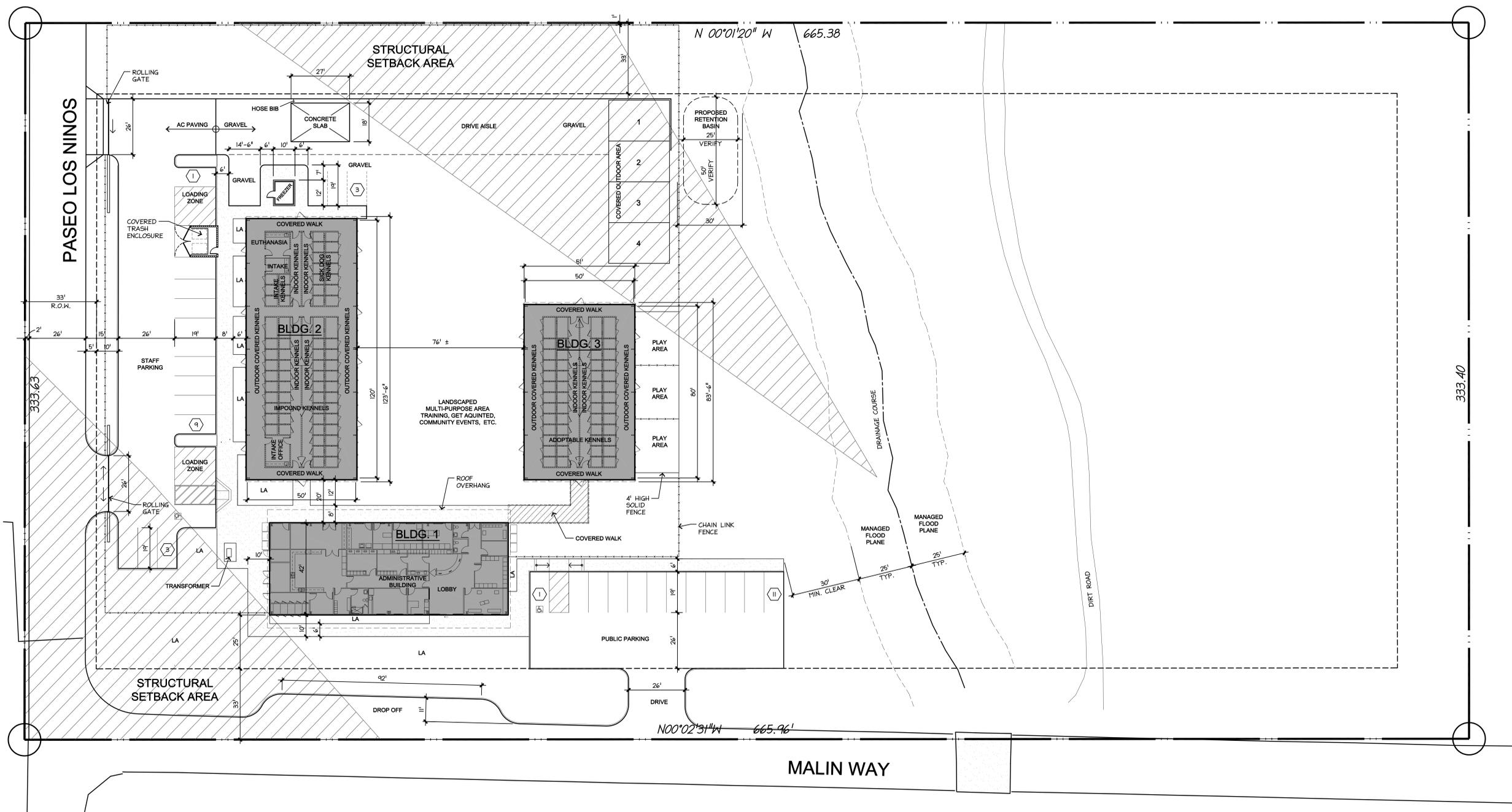
Town of YUCCA VALLEY
Company Name

MARK NUAIMI
Name of Person Authorized to Sign

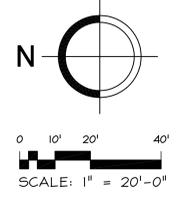
Signature

Town Manager
Title

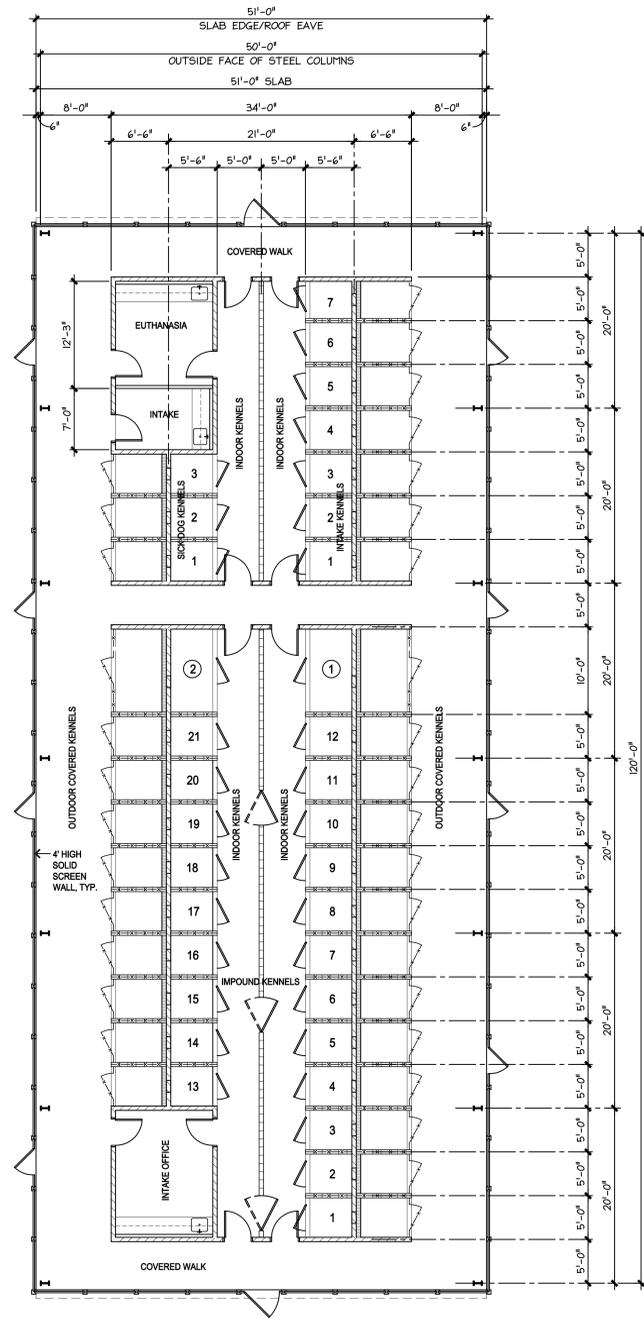
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GOVERNMENT LOT 104
RL-5 ZONE

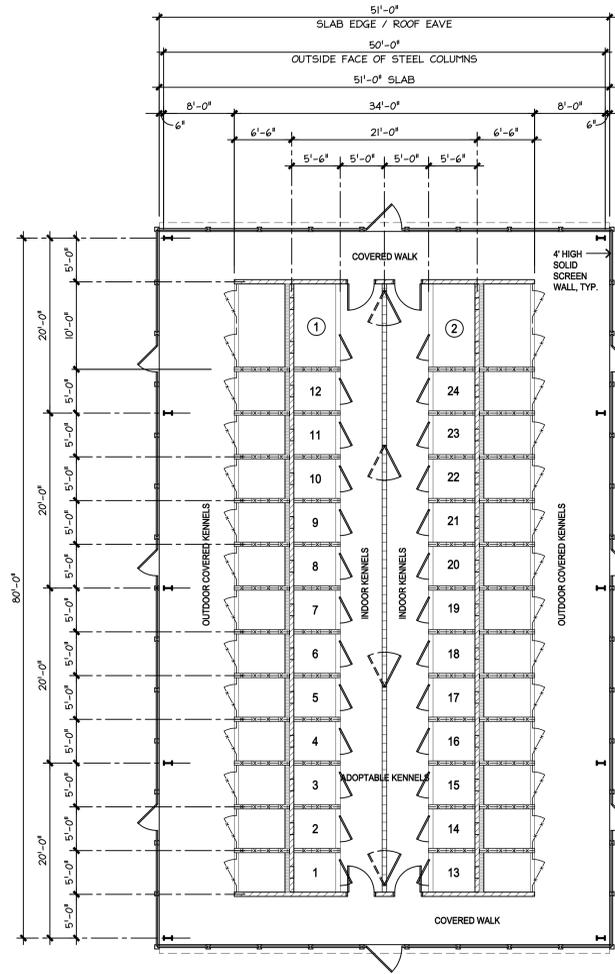


DRAWING CONTENTS	CONCEPT SITE DIAGRAM	
	ALT 12	
PROJECT	YUCCA VALLEY ANIMAL SHELTER	
OWNER	ANIMAL CARE JOINT POWERS AUTHORITY	
CONSULTANT Williams Architects, Inc. Architect: Max E. Williams, AIA, AICP (C-9402) 2716 North Second Avenue Upland, California 91786-0002 909-961-5188 Fax 909-961-7207 wiaoffice@keyway.net		
COPYRIGHT NOTICE <small>THIS DRAWING IS THE PROPERTY OF WILLIAMS ARCHITECTS, INC. AND IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. NO PART OF THIS DRAWING IS TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF WILLIAMS ARCHITECTS, INC. THE USER OF THIS DRAWING AGREES TO HOLD WILLIAMS ARCHITECTS, INC. HARMLESS FROM AND AGAINST ALL LIABILITY, INCLUDING REASONABLE ATTORNEY'S FEES, FOR ANY AND ALL DAMAGES, LOSSES, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE USE OF THIS DRAWING. THE USER OF THIS DRAWING AGREES TO HOLD WILLIAMS ARCHITECTS, INC. HARMLESS FROM AND AGAINST ALL LIABILITY, INCLUDING REASONABLE ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE USE OF THIS DRAWING.</small>		
REVISIONS	NO. BY DATE	DESCRIPTION
PRINTS ISSUED		



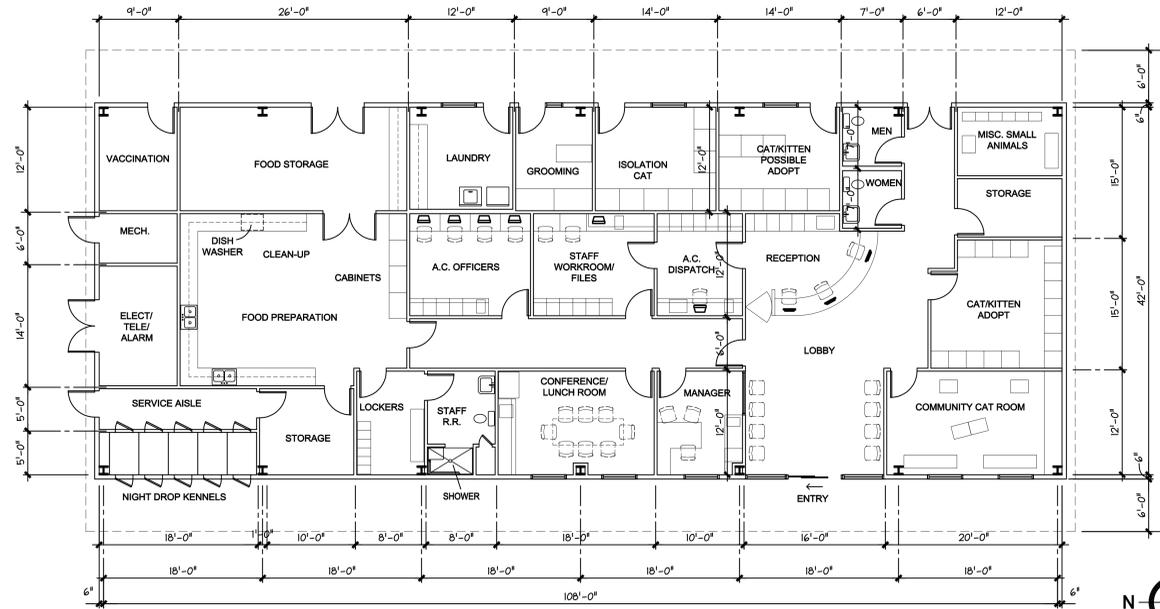
FLOOR PLAN - IMPOUND KENNELS - BUILDING 2

1/8" = 1'-0" 3



FLOOR PLAN - ADOPTION KENNELS - BUILDING 3

1/8" = 1'-0" 2



FLOOR PLAN - ADMINISTRATION - BUILDING 1

1/8" = 1'-0" 1

REVISIONS	NO.	BY	DATE	DESCRIPTION

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CONSULTANT

Williams Architects, Inc.
 Architect: Max E. Williams, AIA, AICP (C-9402)
 276 North Second Avenue
 Upland, California 91786-6002
 909-981-5188 Fax 909-981-7207
 wai@office@keyway.net

PROJECT
 YUCCA VALLEY ANIMAL SHELTER

OWNER
 ANIMAL CARE JOINT POWERS AUTHORITY

DRAWING CONTENTS
CONCEPT FLOOR PLANS

DRAWN BY DATE
 LSW 09-20-11

CHECKED BY DATE
 MEW 09-20-11

JOB NO. 158-001-01-11
DRAWING NUMBER

CA-2
 OF DRAWINGS

Animal Care JPA Meeting

September 29, 2011

Item #2 – Site Plan / Floor Plan Presentation

Yucca Valley Location



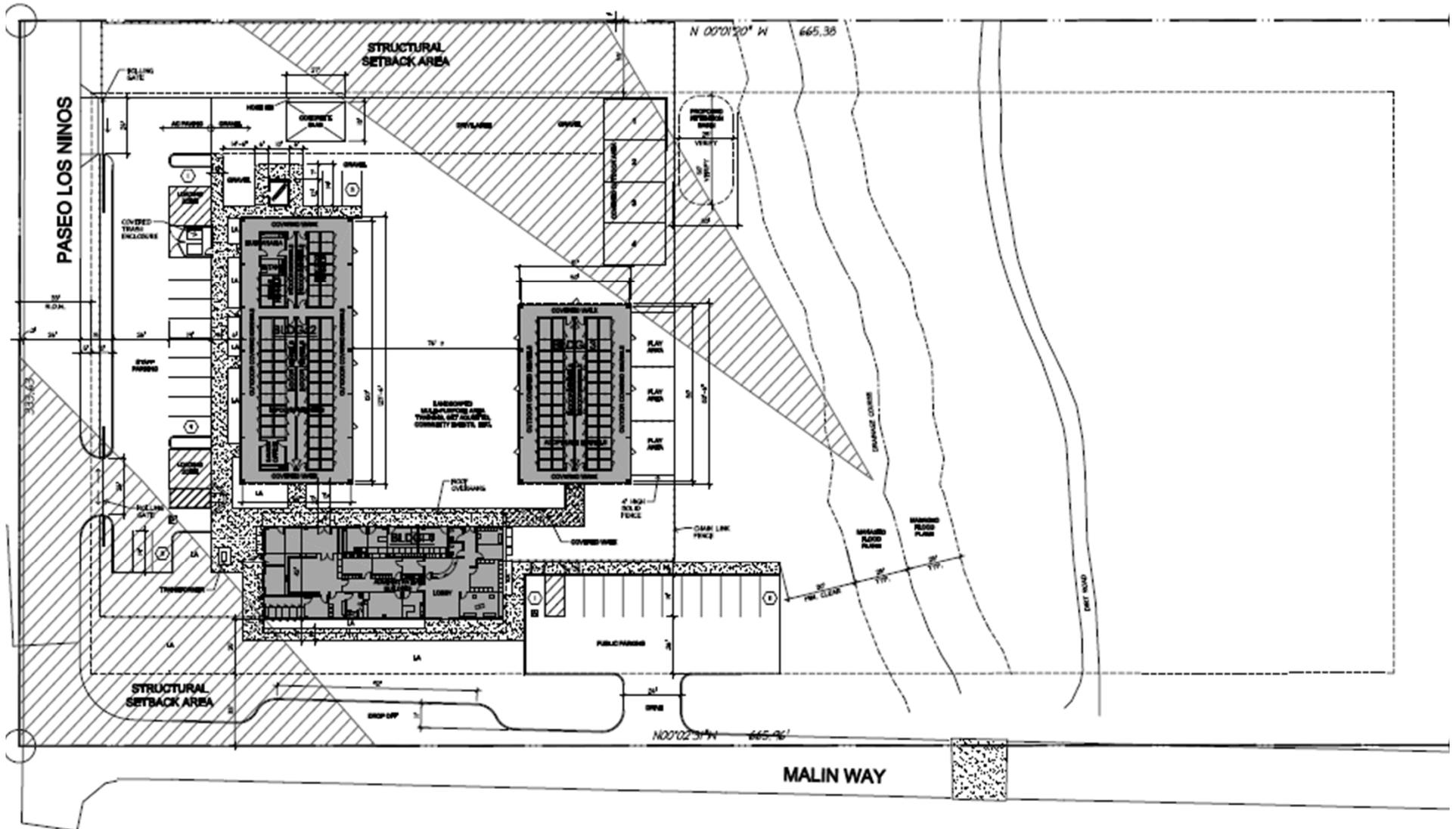


Moving Forward – Replacement Shelter

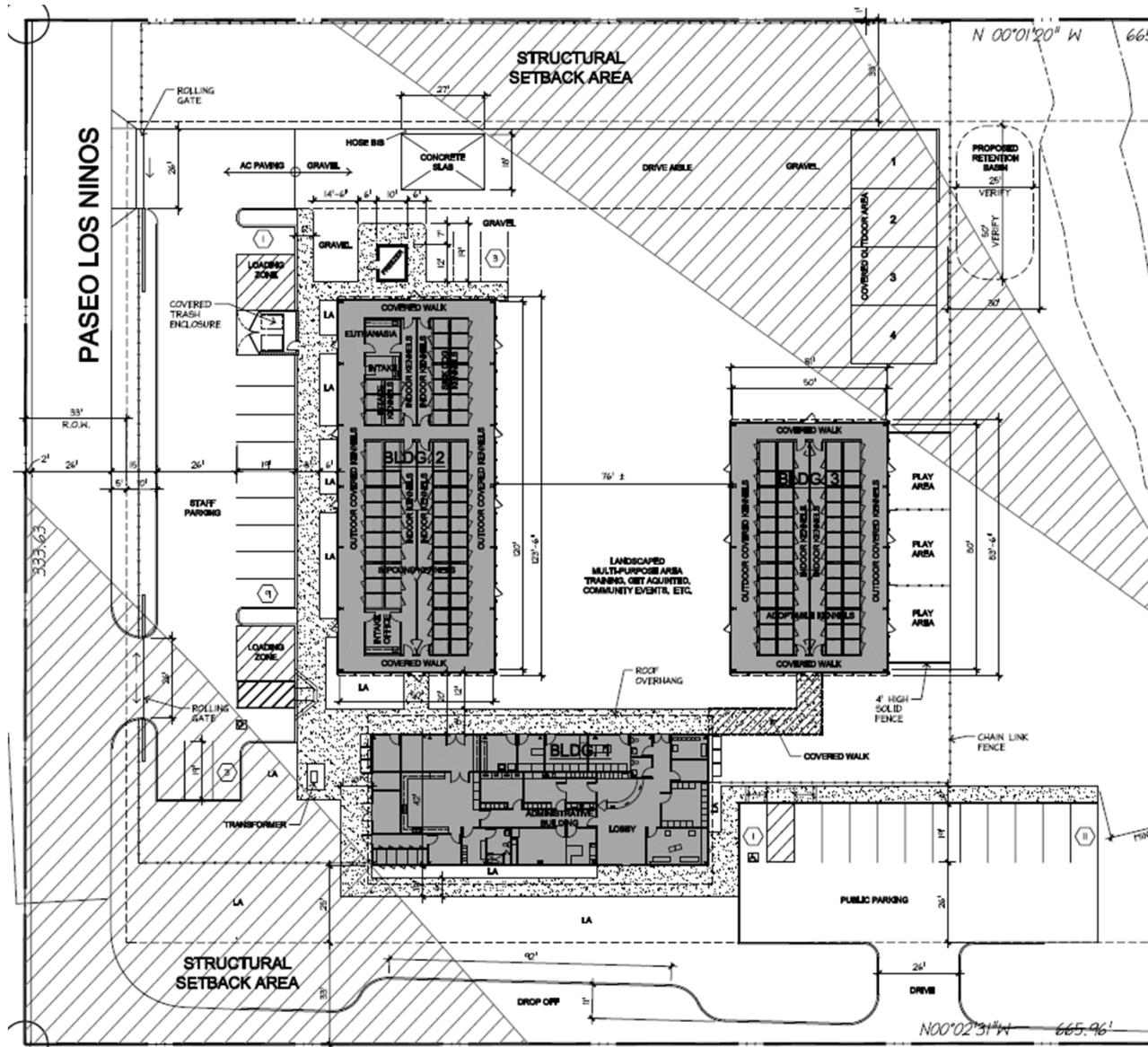
- Seismic investigation completed
- Draft “Initial Study” nearing completion
- Site plan / building floor plans near completion



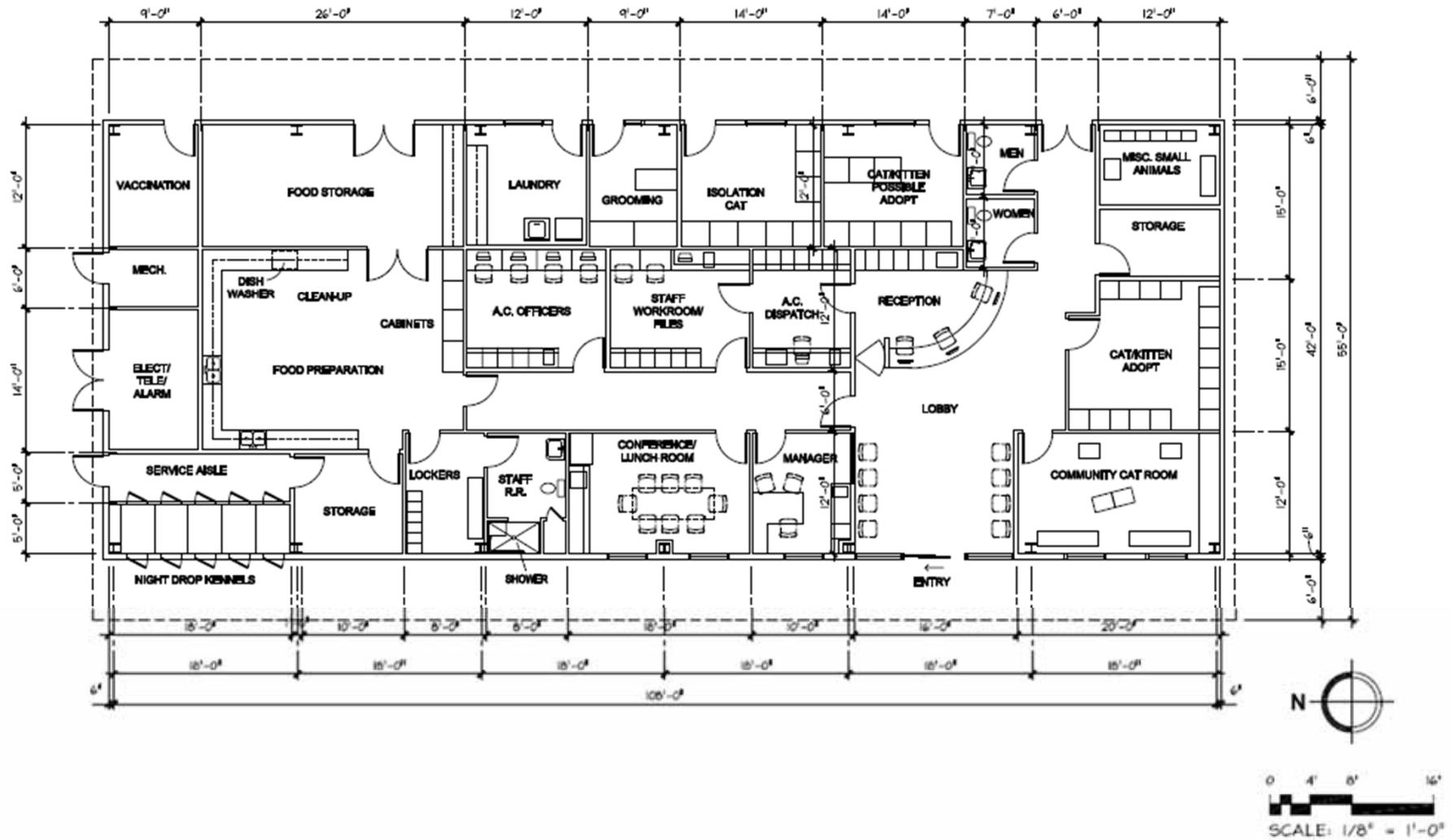
Replacement Shelter – Site Plan (Alt. 12)



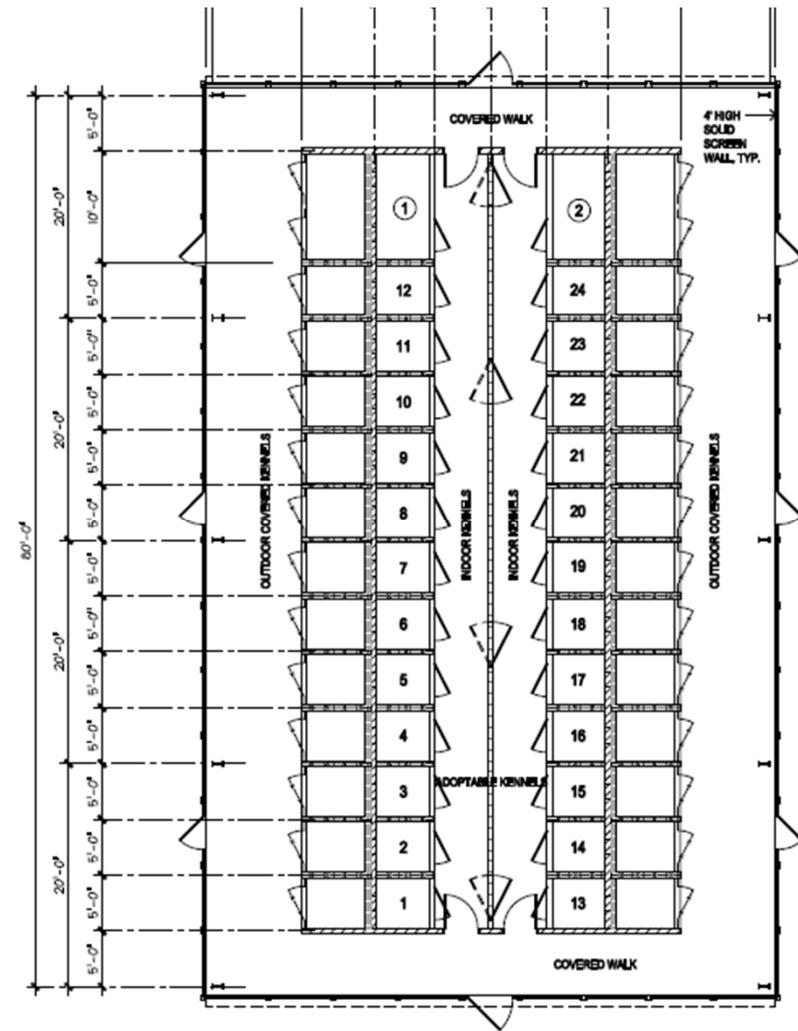
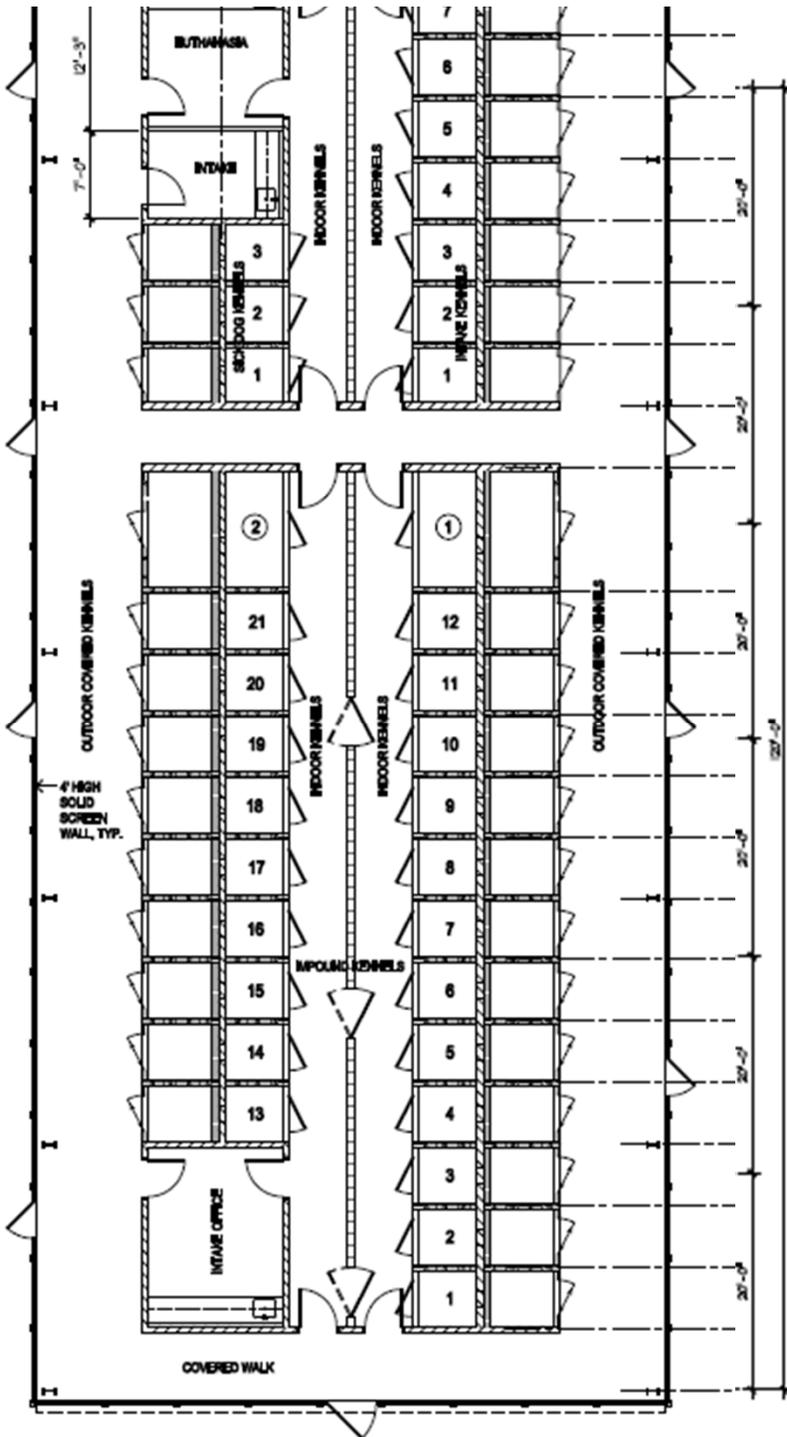
Replacement Shelter – Site Plan (Alt. 12)



Replacement Shelter – Floor Plan



Replacement Shelter – Floor Plan



Controlled Capital Assets: These are non-capitalized tangible or intangible assets that require special compliance attention (e.g., assets acquired with grant funds); protect public safety (e.g., police weapons); or have a heightened risk of theft associated with them (e.g., sound equipment).

County: The County of San Bernardino.

Depreciation: Depreciation is the systematic allocation of the historical cost of a capital asset over its useful life.

Salvage Value: The estimated value of an asset at the end of its useful life. The salvage value of an asset is used in accounting to determine its net cost, which is its acquisition or historical cost minus its salvage value, if any.

Town: The Town of Yucca Valley.

PROCEDURES, RESPONSIBILITIES AND STANDARD PRACTICES

IDENTIFICATION AND CONTROL OVER CAPITALIZED ASSETS OR ITEMS

JPA Board Members, contractors and employees shall develop and implement proper controls over all capitalized assets or items. The JPA Board Members shall properly assign accountability and responsibility for identifying and controlling capitalized assets or items to appropriate contractors and/or employees of the JPA.

The assignment of responsibility shall be documented and communicated by the JPA Board to contractors and/or employees responsible for performing the financial accounting functions. Changes in financial accounting assignments shall also be documented and communicated by the JPA Board.

Contractors or employees responsible for the control of capitalized assets or items shall prepare and maintain a complete list of the Capital Assets and items each year for the JPA.

All controls over the identification and control of capitalized assets or items shall conform to County Auditor-Controller/Treasurer (ACT) standard practices and systems.

IDENTIFICATION AND CONTROL OVER CONTROLLED CAPITAL ASSETS OR ITEMS

JPA Board Members, contractors and employees shall develop and implement proper controls over controlled capital assets or items. The JPA Board shall properly assign accountability and responsibility for identifying and tracking controlled capital assets or items to appropriate contractors and/or employees of the JPA. The assignment of responsibility shall be approved, documented and communicated by the JPA Board to contractors and/or employees responsible for performing accounting functions. Changes in accounting assignments shall also be approved, documented and communicated by the JPA Board.

Contractors and/or employees responsible for tracking controlled capital assets or items shall prepare and maintain a complete list of those assets and items; prepare an annual report to the JPA Board with an explanation of changes; certify that the updated list are on file and available for inspection; that the list is reliable and complete; once every five (5) years procedures shall be performed to verify the reliability and completeness of the data on file for controlled capital assets by the ACT or his/her designee.

All identification and controls over capital assets or items shall conform to ACT standard practices and systems.

CAPITAL OR NON-CAPITAL ACQUISITIONS

All acquisitions of capital or non-capital assets shall be measured or valued by the cash or cash equivalent price to obtain the asset and bring it to the location and in to the condition necessary for its intended use.

All capital or non-capital acquisitions shall conform to ACT standard practices and systems.

DEPRECIATION METHOD

The JPA Board shall approve, identify and select the specific method of depreciation to be used by the contractors or employees of the JPA to depreciate capital assets annually. The JPA Board shall consult with the County, the Town and its Certified Public Accountant (CPA) in making this determination. The Depreciation Method shall be consistent with the accounting standards adopted by the County Board of Supervisors, the Town Council and the JPA Agreement.

The JPA shall consider the following three (3) factors in determining the estimated useful live of capital assets: Quality (differences in design, materials and workmanship); Application (intended use residential verses major arterial street); Environment (climate extremes in heat and cold in determining useful life). The actual effect of each factor may be mitigated or exacerbated by JPA maintenance or replacement policies. Useful lives of capital assets shall be periodically compared to actuals of the County and the Town.

All depreciation methods shall conform to ACT standard practices and systems.

CALCULATING DEPRECIATION

Depreciation normally begins when an asset is purchased or completed and accepted. However, if it is not placed into service immediately, depreciation should begin when the asset begins to lose value. To Calculate and record depreciation for all depreciable capital assets using the straight-line method:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

Non-depreciable capital assets include:

- Land, and
- Construction In Progress

All calculation of depreciation methods shall conform to ACT standard practices and systems.

RECORDS

The JPA Board shall develop and maintain records to track Capital Assets and Non-Capital Assets from purchase date to disposal date which shows adjustments for depreciation and impairments.

All records tracking shall conform to ACT standard practices and systems.

INVENTORY RECORDS

The JPA will maintain an accurate, complete, and up-to-date record of all capital assets. Each inventory record will include the following:

- Description
- Year of acquisition
- Method of acquisition (e.g., purchase, donation)
- Cost or estimated cost
- Salvage value
- Estimated useful life
- Adjustments for depreciation and any impairments
- Disposition Date and final status (e.g., sold including price, scrapped, missing)

All inventory record processes shall conform to ACT standard practices and systems.

SALE, DISPOSAL AND TRANSFER OF CAPITAL ASSETS

The JPA Board shall develop processes for the sale, disposal and transfer of Capital Assets. The JPA Board shall consult with the County, the Town and its CPA in establishing these processes. The Sale, Disposal and Transfer of Capital Assets shall be consistent with the accounting standards adopted by the County Board of Supervisors, the Town Council and the JPA Agreement.

All disposal and transfer of capital assets processes shall conform to ACT standard practices and systems.

Useful Life for Capital Assets

<u>Capital Asset</u>	<u>Useful Life (years)</u>
Building & Improvements	30
Water & Sewer Systems	40
Vehicles	10
Machinery & Equipment	7-15
Furniture & Fixtures	5-10
Computer Software	3

DISPOSAL OF CAPITAL ASSETS

The JPA Board will determine the final disposal of all capital assets.

All disposal of capital assets processes and record keeping shall conform to ACT standard practices and systems.

CONSTRUCTION IN PROGRESS

When assets are acquired or constructed, it may take weeks, months or even years before they are fully functional and ready for use. These assets, such as buildings, represent Construction in Progress (CIP) and are recorded in a similar named general ledger account. They remain in such an account until the assets are put into service, at which time the costs of the assets are transferred into respective property, plant, and equipment accounts.

The CIP account accumulates costs for a fixed asset until it is ready for use. The cost can be accumulated from vendor invoices (for items purchased), used of JPA's inventory items in the fixed asset construction, transportation, and other expenses to make the asset ready for use.

The CIP may contain information for multiple fixed assets under construction. To differentiate costs in the account, they may be categorized by a project. A project is usually one fixed asset.

All construction processes and record keeping shall conform to ACT standard practices and systems.

PROCESS FOR CIP CAPITALIZATION

The JPA Board shall determine the process for capitalizing CIP Costs on an annual basis. The process for CIP Capitalization shall be consistent with the accounting standards adopted by the County Board of Supervisors, the Town Council and the JPA Agreement. The cost records of physical property shall be established (capitalized) according to the following categories:

All CIP Capitalization processes and record keeping shall conform to ACT standard practices and systems.

LEASES

If a lease agreement meets one or more of the following four criteria, the lease is classified as a capital lease-purchase:

- By the end of the lease term, ownership of the leased property is transferred to the JPA; and/or
- The lease contains a purchase option; and/or
- The lease term is substantially (75% or more) equal to the estimated useful life of the leased property; and/or
- At the inception of the lease, the present value of the minimum lease payments is 90% or more of the fair value of the leased property.

All leasing processes and record keeping shall conform to ACT standard practices and systems.

PHYSICAL PROPERTY COST RECORDS

Land

Land is the investment, held in fee title, in real estate, other than structures and improvements, including that acquired for infrastructure purposes. Land should be reported at fair market value at date of acquisition. Include the following:

- Appraisal negotiation, title search and surveying fees.
- Cost of obtaining consents and payments for condemnation costs
- Filing costs
- Clearing land or demolishing or removing existing structures
- Relocation cost of landowner if land was acquired by condemnation

All land cost record keeping and tracking shall conform to ACT standard practices and systems.

Structures and Improvements

Capital assets with physical properties of a permanent nature, such as buildings, structural attachments, storage tanks, reservoirs, and parking areas are included in this category. Structures and improvements are capitalized when the cost, including expenditures for acquisition, exceeds \$5,000. Include the following:

- Architect fees
- Permits and licenses
- Condemnation costs
- Insurance during construction
- Cost of fixtures attached to and forming a permanent part of the structure (e.g., boilers, lighting fixtures, plumbing, shelving (if attached), and air conditioners).

All structure and improvement cost record keeping and tracking shall conform to ACT standard practices and systems.

New Construction

Newly constructed structures and improvements are capitalized when costs, including interest costs, site preparation, architect and other preparation fees, exceed \$5,000.

All new construction record keeping and tracking shall conform to ACT standard practices and systems.

Additions

Extensions of an existing unit which increases that unit's capacity (i.e., a new wing on the shelter). Costs include the same items as new construction.

All additions record keeping and tracking shall conform to ACT standard practices and systems.

Betterments

Expenditures which materially add to the value of property or appreciably extend its life. The costs of a replacement of an existing component with one of higher quality (e.g., replacement of an asphalt roof with a tile roof) is to be added to the value of the asset when the original cost of the replaced component can be specifically identified. The original cost of the component is to be deleted and the new cost capitalized. If the original cost of the component being improved cannot be specifically identified, the expenditure is treated as maintenance. Replacing part of an existing asset with another of like quality is not betterment, even though the useful life of an asset may be maintained or extended. All betterments are capitalized when cost exceeds \$5,000.

All betterments record keeping and tracking shall conform to ACT standard practices and systems.

Maintenance

Expenditures which neither materially add to the value of property nor appreciably prolong its life, but merely keep it in an ordinary efficient operating condition are considered maintenance costs and are not capitalized. All new construction, additions, and betterments not qualifying for capitalization as defined above are changed to Maintenance in the JPA's budget.

All maintenance record keeping and tracking shall conform to ACT standard practices and systems.

Infrastructure

Long-lived assets valued in excess of \$100,000 that normally are stationary in nature and can be preserved for a significantly greater number of years than other capital assets are infrastructure. Examples include curbs, sidewalks, landscaping, and irrigation systems.

Original historical cost may be estimated when records are unavailable or inadequate. Expenditures that are capital in nature (addition and improvements) should be capitalized as part of the infrastructure asset if they increase the capacity or efficiency of the related infrastructure asset and costs exceed \$5,000. Include the following:

- Engineering fees
- Surveyor fees
- Architect fees
- Permits and licenses
- Appurtenances (i.e., traffic signs, signals, street signs, and grade separations)

All infrastructure record keeping and tracking shall conform to ACT standard practices and systems.

Equipment and Vehicles

Tangible personal property which is movable or, if attached, is readily detachable without appreciable impairment to the unit to which it is attached, and has a useful life of more than one year and a value of \$5,000 or more is included in this category. Equipment and vehicles should be recorded at historical cost which should include capitalized interest or ancillary charges necessary to place the asset into its intended location and condition for use. Include the following:

- Preparation costs
- Freight or other transportation charges
- Sales, use, and transportation taxes

- Installation costs (professional fees)

All equipment and vehicles record keeping and tracking shall conform to County Auditor, Treasurer, Controller (ATC) standard practices and systems.

Intangible Property

These assets lack a physical substance, are nonfinancial in nature and not in the form of cash or investments, are not a prepayment for goods and services, and have an initial useful life extending beyond a year. Intangible assets, which include computer software, will not be considered for capitalization unless they are individually valued at \$100,000 or more.

All intangible property record keeping and tracking shall conform to County Auditor, Treasurer, Controller (ATC) standard practices and systems.

TRACKING CAPITAL ASSETS

The example below is how multiple journal entries for a CIP Project could be tracked.

Date	Action	Account Title	Debit	Credit
03/01/11	Project approved by Board.	No entry required		
03/014/11	Vendor A delivers portion of equipment and issues invoice for \$100,000.	Construction in Progress	100,000	
		Accounts Payable		100,000
03/15/11	Bill received from transportation company for delivery of equipment. Cost included because it relates to making the asset ready to use. Bill amount is \$3,000.	Construction in Progress	3,000	
		Accounts Payable		3,000
03/25/11	JPA uses some of its inventory preparing the asset for use. Cost of inventory is \$1,500.	Construction in Progress	1,500	
		Inventory		1,500
03/31/11	Project manager advises Board that equipment is not ready for use.	No entry required		
04/02/2011	Vendor B delivers additional parts for equipment and issues invoice for \$25,000.	Construction in Progress	25,000	
		Accounts Payable		25,000
04/16/11	Equipment is put to use. The accumulated asset cost is moved to a property, plant, and equipment account called Equipment. Cost is determined as follows: Vendor A Invoice \$100,000 Transportation Invoice 3,000 Inventory Used 1,500 Vendor B Invoice 25,000 TOTAL \$129,500			
	Journal entry to transfer the cost of this asset to the fixed assets is as follows:	Equipment	129,500	
		Construction in Progress		129,500

NOTE: In April 2011 JPA would also start depreciating this piece of equipment.

QUESTIONS

JPA Board Members, contractors or employees should refer to the Government Finance Officers Association Best Practices or the ACT with questions.

REFERENCES

Federal Governmental Accounting Standards Board 34 (GASB 34);
California Government Code Sections 6500 and 25000;
County Policy Numbers 02-08, 11-04 and 11-05;
Government Finance Officers Association Best Practices.



	ANIMAL CARE JOINT POWERS AUTHORITY (JPA)	No. ISSUE 1 PAGE 1 OF 3 By EFFECTIVE
SUBJECT Controlled Asset/Sensitive Equipment	APPROVED Chair, Board of Directors	

POLICY STATEMENT

This policy covers accounting practices for Controlled Capital Assets acquired by the Animal Care Joint Powers Authority (JPA). All JPA Controlled Capital Asset accounting and purchasing practices shall conform to Federal Governmental Accounting Standards Board 34 (GASB 34); California Government Code Sections 6500 and 25000; and, to the extent practicable, County Policy Numbers 02-08, 11-04 and 11-05. JPA Board Members, contractors or employees shall refer to the Government Finance Officers Association Best Practices with any questions. It is the policy of the Joint Powers Authority (JPA) to maintain tight control over all tangible assets considered sensitive equipment.

POLICY AMPLIFICATION

Heightened control must be maintained for Controlled Capital Assets like sensitive equipment which is at least \$1,000 per asset but falls below the JPA capitalization level of \$5,000 with a life expectancy of more than one year and/or has a heightened risk of theft ("small and attractive assets"). Sensitive Equipment includes, but is not limited to, the following:

- Communications Equipment
- Cellular Phones/Smart Phones
- Digital or Video Cameras and other Photographic Equipment
- Central Processing Units, Personal Computers, Laptop or Notebook Computers
- Facsimile Machines
- Other IT Equipment and Components (Scanners, Printers, etc.)
- Optical Devices (Binoculars, Telescopes)
- Facsimile (Fax) Machines
- Office Equipment
- Personal Digital Assistants
- Photocopiers
- Monitors, Printers and Scanners
- Radios, Televisions, VCRs, DVD Players, Video Cameras, etc.
- Tools and equipment such as generators, small motors, vacuums, etc.

EMPLOYEES OR PROGRAM(S) AFFECTED

This policy applies to all JPA Members, contractors and employees of the JPA.

DEFINITIONS

Contractors: Shall be understood to mean an outside service provider who furnishes a goods, materials or services to the JPA.

Controlled Capital Assets: These are non-capitalized tangible or intangible assets that require special compliance attention (e.g., assets acquired with grant funds); protect public safety (e.g., police weapons); or have a heightened risk of theft associated with them (e.g., sound equipment).

County: The County of San Bernardino.

Depreciation: Depreciation is the systematic allocation of the historical cost of a capital asset over its useful life.

Purchase Price: Is the acquisition cost of a Controlled Asset or item including the purchase price, before trade in allowance, less discounts, plus freight, transportation, installation costs and sales or use tax.

Sensitive Equipment: Non-capitalized items that fall within the following categories:

- Items that require special attention to ensure legal compliance (e.g., items acquired through grant contracts)
- Items that require special attention to protect public safety and avoid potential liability (e.g., police weapons)
- Items that require special attention to compensate for a heightened risk of theft (e.g. smart phones)

Tangible Assets: Assets having a physical existence, such as cash, equipment, and real estate.

PROCEDURES, RESPONSIBILITIES AND STANDARD PRACTICES

IDENTIFICATION AND CONTROL OVER CONTROLLED CAPITAL ASSETS OR ITEMS

JPA Board Members, contractors and employees shall develop and implement proper controls over controlled capital assets or items. The JPA Board shall properly assign accountability and responsibility for identifying and tracking controlled capital assets or items to appropriate contractors and/or employees of the JPA. The assignment of responsibility shall be approved, documented and communicated by the JPA Board to contractors and/or employees responsible for performing accounting functions. Changes in accounting assignments shall also be approved, documented and communicated by the JPA Board.

Contractors and/or employees responsible for tracking controlled capital assets or items shall prepare and maintain a complete list of those assets and items. The list shall be updated and filed on an annual basis with the County Auditor-Controller/Treasurer (ACT). JPA staff shall prepare an annual report to the JPA Board with an explanation of changes; certify that the updated list are on file and available for inspection; that the list is reliable and complete; once every five (5) years procedures shall be performed to verify the reliability and completeness of the data on file for controlled capital assets by the ACT or his/her designee.

CAPITAL OR NON-CAPITAL ACQUISITIONS

All acquisitions of capital or non-capital assets shall be measured or valued by the cash or cash equivalent price to obtain the asset and bring it to the location and in the condition necessary for its intended use.

All capital or non-capital acquisitions shall conform to ACT standard practices and systems.

Controlling Sensitive Equipment

The JPA Board shall take the following steps to control sensitive equipment.

Step	Description
1	A member of the Board or his/her designee will conduct a physical inventory and prepare an initial list of sensitive equipment. The list will contain the serial, model, or other identifying information. Whenever feasible, each piece of property will be engraved or marked with the JPA's name.
2	A different member of the Board or his/her designee will review the list for accuracy within 30 days of submission.
3	A physical inventory and inventory review will be conducted as often as deemed necessary by the Board, but no less than annually.
4	Newly acquired sensitive equipment will be added to the list within 30 days of acquisition.
5	Sensitive equipment that is disposed of will be removed from the list within 30 days of disposal with the date and type of disposal noted (sale, lost or stolen, etc.).
NOTE: Any disposals of a suspicious nature (e.g., asset missing for unknown reasons) will be	

	investigated as appropriate, based on the nature of the asset and the value. Results of the investigation must be shared with the Board and a police report completed, if necessary.
6	At the close of each fiscal year, the individual assigned to conduct the physical inventory will prepare a report for the Board that provides a complete list of sensitive equipment, along with an explanation of changes from the previous year.

All controlling sensitive equipment processes shall conform to ACT standard practices and systems.

Return of JPA Property

The JPA shall ensure that JPA Members, contractors or employees who are issued Controlled Assets to help them to properly perform their job for the JPA return JPA property in the event of separation, termination or transfer from employment.

All return of JPA property processes shall conform to ACT standard practices and systems.

QUESTIONS

JPA Board Members, contractors or employees should refer to the Government Finance Officers Association Best Practices or the ACT with questions.

REFERENCES

Federal Governmental Accounting Standards Board 34 (GASB 34);
California Government Code Sections 6500 and 25000;
County Policy Numbers 02-08, 11-04 and 11-05;
Government Finance Officers Association Best Practices.