

August 10, 2020

Mayor Debbie Stone
Councilmember Janice Elliot, Bill Velto, Rudy Zuniga
Residents of Upland

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CITY MANAGER'S OFFICE

Dear Mayor, Council Members and Residents,

I was elected City Treasurer in November 2016 by the votes of 16,625 Upland residents to perform my duties according to Government Code Title 4, Chapter 3, City Treasurer [41001-41007]. On February 21, 2017, I was provided the Government Code by then Human Resource Manager, Tanya Bragg, in response to my request for the duties and responsibilities of the City Treasurer.

My duties and responsibilities of financial oversight have been interfered with or eliminated beginning in February 2017 with denying my appointment of a Deputy Treasurer by then Interim City Manager Thouvenell. He emailed me that no one was going to be sworn in. City Attorney Markman emailed me that there was currently no Deputy Treasurer job description or bond available and under these circumstances no appointment can be made.

A Finance Committee previously comprised of the City Treasurer and two City Council members traditionally was involved in the annual budget process and other financial matters. This was dissolved by the Interim City Manager Thouvenell at the March 13, 2017 City Council meeting with no public discussion or notification to the City Treasurer. At the same meeting, it was replaced by an Investment Committee consisting of two City Council Members and the City Treasurer and an Economic Development Committee consisting of two City Council Members. Neither committee has any real budgetary or financial operational oversight.

A June 2019 City Resolution 6491 states, "This Statement of Investment Policy shall apply to all funds that are under the control of the City Treasurer including, but not limited to the general fund; special revenue funds; and any other funds under the control of the City Treasurer. The funds are accounted for in the City's Comprehensive Annual Financial Report". I was never asked by Interim City Manager Thouvenell or current City Manager Horning to attend any meeting with the independent auditor or City staff to review and discuss City finances since I was elected.

A February 2020 letter signed by City Manager Horning and City Financial Officer Helms regarding the independent auditor's report for the year ending June 30, 2019 states on page ii that "The officials responsible for City financial administration are the City Treasurer, City Manager and the Deputy City Manager... The City Treasurer is the custodian of all City funds".

The only duties of Treasurer the City Management and Council recognizes is Government Code 53646, the signing a monthly Treasury Report prepared by City staff.

In April 2019, I had a phone conversation with the California State Treasurer's Office Senior Attorney pertaining to adding a footnote regarding the PERS pension liability on the monthly Treasury Report. He said it was appropriate. I hand wrote my footnote on the reports submitted. However, City Financial Officer Helms at an Investment Committee meeting said it would confuse residents with Council members Elliot and Zuniga agreeing. I continued to add my pension liability note, but my handwritten footnote was removed on Report copies entered into the public record. I refused to sign altered Reports. Acting City Manager Horning emailed me that she would sign the Report.

I believe the interference of my job duties is malfeasance, the commission of a wrongful or unlawful act involving or affecting the performance of ones job duties. Unfortunately, an inept Mayor and Council Members have rubber stamped many of City Management actions. I filed a complaint with the District Attorney of San Bernardino County in June 2019 and still await a formal response.

I no longer want to participate in what I consider to be a corrupt process and hereby resign effectively immediately.

Sincerely,



Larry Kinley