



A G E N D A



**CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY**

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

DECEMBER 2, 2015

**Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

CLOSED SESSION MEETING – 5:00 P.M.

REGULAR MEETING – 6:00 P.M.

THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH PLANNING COMMISSION, PUBLIC FINANCING AUTHORITY, HOUSING AUTHORITY AND IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 423-8301, as far in advance of the meeting as possible.

CLOSED SESSION MEETING CALL TO ORDER

ROLL CALL BY CITY CLERK

CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8:

Properties: 761, 771, 781, 791, 801, and 881 Palm Ave., Imperial Beach, CA 91932

Agency Negotiator: City Manager and City Attorney

Negotiating Parties: Sudberry Properties, Inc.

Under Negotiation: Instruction to Negotiator will concern price and terms of payment

RECONVENE AND ANNOUNCE ACTION (IF APPROPRIATE)

ADJOURN CLOSED SESSION

REGULAR MEETING CALL TO ORDER

ROLL CALL BY CITY CLERK

PLEDGE OF ALLEGIANCE

AGENDA CHANGES

MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/REPORTS ON ASSIGNMENTS AND COMMITTEES

COMMUNICATIONS FROM CITY STAFF

PUBLIC COMMENT- *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

Any writings or documents provided to a majority of the City Council/Planning Commission/Public Financing Authority/Housing Authority/I.B. Redevelopment Agency Successor Agency regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.

PRESENTATIONS (1.1-1.2)

1.1* PRESENTATION OF CERTIFICATES TO 2015 FIRE PREVENTION WEEK POSTER CONTEST WINNERS. (0410-30)

1.2* EL NIÑO UPDATE. (0210-90)

*No Staff Report

CONSENT CALENDAR (2.1-2.8)-All matters listed under Consent Calendar are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember or member of the public requests that particular item(s) be removed from the Consent Calendar and considered separately. Those items removed from the Consent Calendar will be discussed at the end of the Agenda.

2.1 MINUTES. (0300-25)

Recommendation: That the City Council approves the Regular Meeting minutes of October 21, 2015 and the Special Workshop Meeting Minutes of November 17, 2015.

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

Recommendation: Ratify the following registers: Accounts Payable Numbers 87662 through 87713 and EFT #'s 105-110 for a subtotal amount of \$105,332.21 and Payroll Checks/Direct Deposits 46796 through 46829 for a subtotal amount of \$308,917.47 for a total amount of \$414,249.68.

2.3 RESOLUTION NO. 2015-7651 APPROVING THE CALENDAR AND SETTING THE TIME FOR CITY COUNCIL MEETINGS FOR THE YEAR 2016. (0410-05)

Recommendation: That the City Council adopts Resolution No. 2015-7651 approving the calendar and setting the time for regular City Council meetings for the year 2016.

2.4 ADOPTION OF RESOLUTION NUMBER 2015-7650 ACCEPTING THE 2014 STATE HOMELAND SECURITY GRANT PROGRAM (SHSGP) ALLOCATION OF \$19,954.00 IN THE FORM OF REIMBURSEMENT TOWARD THE PURCHASE OF FOUR (4) SELF CONTAINED BREATHING APPARATUS (SCBA) FOR THE FIRE-RESCUE DEPARTMENT. (0390-88)

Recommendation: Adopt resolution.

2.5 RESOLUTION NO. 2015-7654 APPROVING A TEMPORARY LEASE OF 10th STREET & CHERRY AVENUE PUBLIC PARKING LOT TO "DW CONSTRUCTION, INC." (0910-30)

Recommendation: Adopt resolution.

2.6 VACATION OF LANDSCAPE EASEMENT AT 221-225 PALM AVENUE (APNs 625-201-03-00 AND 625-201-04-00). MF 779. (0600-20)

Recommendation: That the City Council approve Resolution 2015-7652 summarily vacating a three-foot landscape easement along the northern property line at 221-225 Palm Avenue.

2.7 FINAL MAP (TM 090016) FOR A MIXED-USE PROJECT AT 221-225 PALM AVENUE (APNs 625-201-03-00 AND 625-201-04-00). MF 779. (0600-20)

Recommendation: That the City Council approve the final map for the project located at 221-225 Palm Avenue (MF 779) proposed by the applicant.

2.8 ADOPTION OF RESOLUTION NO. 2015-7655 AUTHORIZING RETENTION STIPENDS FOR NON-DEPARTMENT HEAD LEVEL EMPLOYEES. (0520-60)

Recommendation: Adopt resolution.

ORDINANCES – INTRODUCTION/FIRST READING (3.1)

3.1 INTRODUCTION OF ORDINANCE 2015-1154, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING SECTION 4.60.010 OF CHAPTER 4.60 "MEDICAL MARIJUANA DISTRIBUTION FACILITIES" RELATED TO THE CULTIVATION OF MEDICAL MARIJUANA. (0610-95)

Recommendation: That the City Council considers the impacts of the recently passed legislation, introduce the proposed Ordinance by title only waiving the reading of the entire Ordinance.

PUBLIC HEARINGS (4)

None.

REPORTS (5.1-5.3)

5.1 ADOPTION OF RESOLUTION NO. 2015-7653 APPROVING THE IMPERIAL BEACH BUSINESS IMPROVEMENT DISTRICT ANNUAL REPORT FOR FY15, APPROVING THE BUDGET FOR FY16, AND IDENTIFICATION OF A DATE TO CONDUCT A PUBLIC HEARING TO CONSIDER LEVYING AN ASSESSMENT FOR FY16. (465-20)

Recommendation: Following a review of the proposed budget and the annual report, staff recommends that the City Council adopt Resolution No. 2015-7653 and direct the City Clerk to take the necessary actions to hold a public hearing on January 20, 2016 to consider adoption of the annual levy for the Business Improvement District.

5.2 FISCAL YEAR 2015 AUDIT. (0310-10)

Recommendation: That the City Council reviews and receives the FY2015 audit.

5.3 ANNUAL CITY COUNCIL REPRESENTATION ASSIGNMENTS FOR 2016. (0410-50)

Recommendation: Review, discuss and approve the Mayor's City Council Representation Assignments List for 2016.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (6)

None.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

ADJOURN REGULAR MEETING

The Imperial Beach City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

FOR YOUR CONVENIENCE, A COPY OF THE AGENDA AND COUNCIL MEETING PACKET MAY BE VIEWED IN THE OFFICE OF THE CITY CLERK AT CITY HALL OR ON OUR WEBSITE AT www.ImperialBeachCA.gov

_____/s/
Jacqueline M. Hald, MMC
City Clerk

**CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

OCTOBER 21, 2015

**Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

**CLOSED SESSION MEETING – NOT HELD
REGULAR MEETING – 6:00 P.M.**

REGULAR MEETING CALL TO ORDER

Mayor Dedina called the Regular Meeting to order at 6:00 p.m.

ROLL CALL BY CITY CLERK

Councilmembers present: Patton, Bragg, Spriggs
Councilmembers absent: None
Mayor Present: Dedina
Mayor Pro Tem Present: Bilbray
Staff Present: City Manager Hall, City Attorney Lyon, City Clerk Hald, Fire Chief French, Assistant City Manager Dush, Environmental Program Manager Helmer, Public Works Director Levien

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Nicole Guardian from Central School.

AGENDA CHANGES

City Attorney Lyon announced the Closed Session item was removed and the meeting was not held.

Consensus of City Council to take Item No. 2.5 before Item No. 4.1.

MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/REPORTS ON ASSIGNMENTS AND COMMITTEES

Councilmember Patton reported on his attendance at the South County Economic Development Council's Elected Officials Reception, Imperial Beach Library's Centennial Celebration along with Mayor Dedina and Councilmember Bragg, and he announced the Fire Station Open House will be held this weekend.

Councilmember Bragg reported on her attendance at the Symphony by the Sea event, the MTS Executive Committee meeting and the SANDAG Transportation Committee meeting. She announced Sheriff's Lieutenant Brown will be the speaker at the next Chamber of Commerce Networking Breakfast, the Eagle Scout Bayshore project will be held this weekend, and the Senior Center Halloween Party and Potluck on October 30.

Councilmember Spriggs reported on his attendance at the Metro Wastewater Commission meeting and his appointment to represent the Commission on the San Diego Independent Rates Oversight Committee. He also reported on his attendance at the South County Economic Development Council's Elected Officials Reception. He spoke about his participation in the Black American Political Association of California (BAPAC) Convention where he served as an Education panelist and was able to emphasize the need for BAPAC to make representations to the State to increase funding for K-12 schools especially in the low income areas of San Diego County.

Mayor Dedina thanked City staff for their efforts on the Symphony by the Sea event. He announced Military Appreciation Day is on Sunday, November 8 and he thanked the Navy for allowing the 32nd Street Brass Band to perform. He thanked City staff for working with the owner of a vacant lot to clean it up and to remove the razor wire and chain link. He spoke about working with City of San Diego Councilmember David Alvarez on cleaning up a property in San Diego. He announced an El Niño Workshop will be held on November 17 and he spoke about the issue of wastewater and trash in the Tijuana River Valley.

COMMUNICATIONS FROM CITY STAFF

Management Analyst Veal announced the availability of a Parks and Recreation Needs Assessment Survey at www.ImperialBeachCA.gov/parksandrec to determine interest levels in various recreation programs.

PUBLIC COMMENT

Crystal Lujan, representing South Bay Youth 4 Change, spoke about the #ItsTooEasy youth campaign informing the dangers of underage drinking.

Marios Ballesteros, representing South Bay Youth 4 Change, invited City Council to the launch of the #ItsTooEasy youth campaign event at Pier Plaza on October 29.

Cheryl Quinones, representing Safe Food for IB Super Pac, asked City Council to put forth a resolution supporting healthy and safe food practices in Imperial Beach. She also asked City Council to instruct staff to draw up licenses, regulations and reviews for safe food in IB. She complained about business practices at Wally's Supermarket (additional speaking time donated by Linda Heath and Ernie Galindo).

Roger Benham, representing Pond20forus.com, expressed concern about Pond 20 being given away as mitigation and noted unease about not having adequate public input on the matter.

PRESENTATIONS (1.1-1.4)

1.1 PRESENTATION ON SDG&E VEHICLE GRID INTEGRATION PROGRAM. (0820-90)

Kevin O'Beirne, gave a PowerPoint presentation on the item and spoke about the desire to place charging stations at Imperial Beach businesses and multi-unit buildings. He also spoke about the various payment options for charging stations such as using a credit card, subscription service or hosted sites for employees.

Councilmember Spriggs spoke about an article that appeared in the Los Angeles Times regarding the struggle for electric vehicle owners in California to locate charging stations. He encouraged SDG&E to get vendors to subsidize or have businesses provide charging for free for a limited time period to get people to switch to electric vehicles.

Mayor Dedina encouraged SDG&E to work with City Staff on identifying locations where charging stations can be installed, including affordable housing projects.

1.2 NAVAL BASE CORONADO COASTAL CAMPUS CONSTRUCTION UPDATE BY NAVY CAPT. STEPHEN D. BARNETT. (0620-80)

Captain Stephen D. Barnett gave a PowerPoint presentation on the item.

Councilmember Patton expressed concern about the traffic impacts to the Silver Strand. He encouraged the Navy to have minimal use of Silver Strand Blvd. because it is a residential area, to continue to listen to the public, and to keep the project dynamic.

Captain Barnett stated that he will discuss commuting and the behavior of commuters at his tenant leadership meetings.

Councilmember Spriggs noted the traffic issue is a significant change and a community concern. He suggested solutions such as staggering working hours and widening SR 75. He also expressed concern with the increase of traffic around the Silver Strand entry point, the

possibility for hearing gunfire from the indoor shooting range, and he cautioned against impacts to the IB community.

Captain Barnett stated he will provide the City with information on the shooting range. He also stated that he and his staff aim for transparency and they will continue to communicate with the City.

Councilmember Bragg suggested to Captain Barnett to ride the MTS 901 bus starting at Florida Street and Imperial Beach Blvd. to Coronado so he can have an understanding of the Navy's impacts to traffic in Coronado. She also encouraged him to inform his sailors to use public transportation.

Captain Barnett spoke about encouraging his staff to use non-traditional transportation.

Mayor Dedina announced the Military Appreciation Day is a great time to show the Navy, other military branches and veterans that they are appreciated. He also spoke about the importance of the Federal government to encourage agencies to improve water quality in the Tijuana River so Navy personnel can train 24 hours a day and not get sick from water pollution.

1.3 PRESENTATION OF PROCLAMATION IN RECOGNITION OF MOVEMBER 2015. (0410-30)

Mayor Dedina read a proclamation in recognition of Movember 2015 and presented it to Assistant City Manager Dush.

1.4 EL NIÑO REPORT. (0210-90)

Fire Chief French gave a presentation on the item. In response to questions of Councilmember Patton, he stated that staff has been in discussions with the City of San Diego, County of San Diego and the Navy for their assistance in the event of a local disaster. With regard to public safety, the City has automatic and mutual aid resources from outside the City.

Councilmember Bragg encouraged staff to inform the community about the November 17th workshop so the public will know what to do in case of a disaster and that staff identify community partners.

Councilmember Spriggs suggested that there be a network of volunteers to assist in the event of an emergency to help with sandbagging, etc. He spoke about the importance of notifying people through the use of cell phone numbers due to the decline in use of landlines. He also stressed the benefits of early notification and warning.

Fire Chief French concluded with a review of City Council's role during an emergency as not to interfere with emergency operations. He noted that all communications to and from City Council will go through the City Manager.

Mayor Dedina suggested City Staff have king tide maps available, he encouraged the Navy to clean out their storm drains to avoid flooding during a rain event, and that City Council be notified immediately of an emergency.

CONSENT CALENDAR (2.1-2.4 & 2.6)

MOTION BY BRAGG, SECOND BY SPRIGGS, TO APPROVE CONSENT CALENDAR ITEM NOS. 2.1 THROUGH 2.4 AND 2.6. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS: PATTON, BRAGG, SPRIGGS, DEDINA

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: BILBRAY

2.1 RATIFICATION OF WARRANT REGISTER. (0300-25)

Ratified the following registers: Accounts Payable Numbers 87431 through 87501 and EFT #'s 82-89 for a subtotal amount of \$832,218.09, and Payroll Checks/Direct Deposits 46736 through 46777 for a subtotal amount of \$345,536.14 for a total amount of \$1,177,754.23.

2.2 RECEIVE TREASURER'S REPORT. (0300-90)

City Council received the monthly treasurer's report.

2.3 RESOLUTION NO. 2015-7637 APPROVING AND ADOPTING THE CITY'S SALARY & COMPENSATION PLAN FOR FY 2015-2017. (0520-75)

Adopted resolution.

2.4 ADOPTION OF RESOLUTION NUMBERS 2015-7634 AND 2015-7635 APPROVING THE FISCAL YEAR 2016 SCOPE OF WORK FOR THE SAN DIEGO BAY WATERSHED AND TIJUANA RIVER WATERSEHD WATER QUALITY IMPROVEMENT PLANS. (0770-87)

1. Adopted Resolution 2015-7634 approving the FY 2016 scope of work for URS Corporation Americas to implement the Tijuana River watershed WQIP and
2. Adopted Resolution 2015-7635 approving the FY 2016 scope of work for AMEC Foster Wheeler to implement the San Diego Bay watershed WQIP.

2.6 RESOLUTION NO. 2015-7641 AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE SAN DIEGO UNIFIED PORT DISTRICT FOR FINANCIAL ASSISTANCE AND OTHER MATTERS ASSOCIATED WITH THE IMPERIAL BEACH CULTURAL SERIES. (0150-70).

Adopted resolution.

ORDINANCES – INTRODUCTION/FIRST READING (3)

None.

CONSENT CALENDAR (2.5)

2.5. BREAKWATER FINAL MAP BY SUDBERRY AT 9TH STREET AND PALM AVENUE. MF 1062. (0600-20)

Assistant City Manager Dush explained the need for approval of the final map noting that the property will be legally subdivided so the construction of the development can begin. It is also part of the performance agreement required of the applicant in order for the development to occur.

Councilmember Spriggs noted the community's concern for a quality grocer and he urged the developer to disclose the tenants as soon as possible at a future City Council meeting.

Estein Lenyon, representing the Sudberry Properties, reported that construction should begin within 90 days.

MOTION BY SPRIGGS, SECOND BY BRAGG, TO APPROVE THE FINAL MAP FOR THE BREAKWATER PROJECT (MF 1062) PROPOSED BY SUDBERRY PROPERTIES. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS: PATTON, BRAGG, SPRIGGS, DEDINA

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: BILBRAY

PUBLIC HEARINGS (4.1)

4.1 RESOLUTION NO. 2015-7640 APPROVING THE USE OF CDBG FUNDS FOR THE SENIOR CENTER. (0650-34 & 0930-20)

Mayor Dedina declared the public hearing open.

Assistant City Manager Dush gave a PowerPoint presentation on the item. He reviewed the cost for a remodel versus a complete reconstruction. He noted regardless of the approach to remodel or reconstruct the building, the project will be phased with the first phase consisting of planning and design (with a two year funding request) followed by the second phase of construction (identifying other funding streams to realize the project). He also announced a revised staff report and resolution were submitted as last minute agenda information.

City Clerk Hald announced no speaker slips were submitted.

In response to Councilmember Spriggs' question, Assistant City Manager Dush clarified staff is seeking direction on whether to do new construction or a remodel. If, however, there is direction to evaluate planning and design for both scenarios, City funds must be used. One of the options must be selected in order to use CDBG funds.

Councilmember Bragg spoke in support for a new construction and for the staff's recommendation for the two year funding option.

Councilmember Patton spoke in support for a new and efficient building and supported staff's recommendation.

Mayor Dedina spoke about the success with tearing down the old life guard building and constructing the state of the art Dempsey Center, the difficulties that can arise from remodeling old buildings, and he spoke in favor of building a new Senior Center.

Councilmember Spriggs spoke in support for moving ahead with a new construction.

MOTION BY SPRIGGS, SECOND BY BRAGG, TO ADOPT RESOLUTION NO. 2015-7640 AND DIRECT THE CITY MANAGER TO PREPARE THE CDBG APPLICATION IN ACCORDANCE WITH THE POLICY DIRECTION TO MOVE FORWARD WITH NEW CONSTRUCTION. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS: PATTON, BRAGG, SPRIGGS, DEDINA

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: BILBRAY

Without dissent from the City Council Mayor Dedina closed the public hearing.

REPORTS (5.1-5.4)

5.1 ADOPTION OF RESOLUTION NUMBER 2015-7636 APPROVING THE IMPERIAL BEACH BMP DESIGN MANUAL FOR PERMANENT SITE DESIGN, STORM WATER TREATMENT AND HYDROMODIFICATION MANAGEMENT AND AUTHORIZING MINOR CHANGES TO THE IMPERIAL BEACH DESIGN MANUAL AS MAY BE DIRECTED BY THE SAN DIEGO REGIONAL WATER CONTROL BOARD. (0770-95)

Environmental Program Manager Helmer gave a PowerPoint presentation on the item. In response to Councilmember Spriggs, he stated that staff is working towards having the Bernardo Shores project fall under the old storm water requirements. With regard to the new hotel, he stated that it may fall under the new requirements which he briefly reviewed.

Councilmember Patton left Council Chambers at 7:52 p.m. and returned at 7:55 p.m.

City Clerk Hald announced no speaker slips were submitted.

MOTION BY SPRIGGS, SECOND BY PATTON, TO ADOPT RESOLUTION NO. 2015-7636 APPROVING THE IMPERIAL BEACH BMP DESIGN MANUAL WITH AN EFFECTIVE DATE AS SET BY THE MUNICIPAL STORM WATER PERMIT ORDER NO. 2013-0001 OR AS AMENDED BY THE SAN DIEGO REGIONAL WATER QUALITY CONTROL BOARD AND AUTHORIZING MINOR AMENDMENTS (WITHOUT FURTHER CITY COUNCIL APPROVAL) TO THE IMPERIAL BEACH BMP DESIGN MANUAL AS MAY BE DIRECTED BY THE SAN DIEGO REGIONAL WATER QUALITY CONTROL BOARD OR AS NECESSARY TO SUPPORT CONSISTENT IMPLEMENTATION OF THE BMP DESIGN MANUAL ACROSS JURISDICTIONS WITHIN THE SAN DIEGO REGION. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS: PATTON, BRAGG, SPRIGGS, DEDINA

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: BILBRAY

5.2 RESOLUTION NO. 2105-7639 AWARDDING THE 13TH STREET CLASS 2 BIKEWAY CONSTRUCTION ELEMENT OF THE BIKEWAY VILLAGE DEVELOPMENT PROJECT S15-702 TO PAL GENERAL ENGINEERING, INC. AND APPROPRIATING AN ADDITIONAL \$55,000 FROM THE 2010 BOND FUND. (0680-20)

Public Works Director Levien reported on the item.

City Clerk Hald announced no speaker slips were submitted.

Councilmember Spriggs encouraged City staff to take all reasonable measures to notify the public about the change to the road prior to the construction of the project.

Wes Bomyea, Community Plans and Liaison for Navy Base Coronado, stated the only concern is the flow of traffic as the single lane approaches the entrance of the base. He also stated the addition of a turn lane on the right hand side of the entrance to the base could alleviate the traffic.

MOTION BY BRAGG, SECOND BY SPRIGGS, TO ADOPT RESOLUTION NO. 2105-7639 AWARDDING THE 13TH STREET CLASS 2 BIKEWAY CONSTRUCTION ELEMENT OF THE BIKEWAY VILLAGE DEVELOPMENT PROJECT S15-702 TO PAL GENERAL ENGINEERING, INC. AND APPROPRIATING AN ADDITIONAL \$55,000 FROM THE 2010 BOND FUND. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS: PATTON, BRAGG, SPRIGGS, DEDINA

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: BILBRAY

5.3 FORMATION OF 60TH ANNIVERSARY CELEBRATION COMMITTEE. (0100-20)

City Manager Hall recommended the formation of a City Council Ad Hoc Committee to work with the community on the City's 60th Anniversary.

City Clerk Hald announced no speaker slips were submitted.

Both Councilmember Bragg and Mayor Dedina offered to be on the Ad Hoc Committee.

MOTION BY BRAGG, SECOND BY SPRIGGS, TO FORM A 60TH ANNIVERSARY AD HOC COMMITTEE CONSISTING OF MAYOR DEDINA AND COUNCILMEMBER BRAGG. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS: PATTON, BRAGG, SPRIGGS, DEDINA

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: BILBRAY

5.4 DISCUSSION AND REQUEST FOR DIRECTION REGARDING THE LIVE BROADCAST OF CITY COUNCIL MEETINGS ON COX CABLE. (0160-23 & 0800-10)

City Manager Hall reported on the item.

Councilmember Spriggs stated that he was dismayed by the action of Cox Communications to charge Imperial Beach and other cities. He encouraged City staff to do public outreach to inform the public of the alternative ways to follow the City Council.

Councilmember Bragg encouraged City staff to tell the public the other options for viewing City Council meetings.

Councilmember Patton spoke in support for looking at other options and to negotiate with Cox Communications.

Mayor Dedina suggested City staff look into improved cameras.

Councilmember Spriggs raised concern regarding members of the public not having access to the Internet.

MOTION BY PATTON, SECOND BY SPRIGGS, TO HAVE CITY MANAGER HALL NEGOTIATE A ZERO COST WITH COX COMMUNICATIONS, IF NOT THE CITY WILL GO WITH AT&T AND YOUTUBE FOR BROADCASTING CITY COUNCIL MEETINGS. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: COUNCILMEMBERS: PATTON, BRAGG, SPRIGGS, DEDINA

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: BILBRAY

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (6)

None.

ITEMS PULLED FROM THE CONSENT CALENDAR

None.

ADJOURN REGULAR MEETING

Mayor Dedina adjourned the Regular Meeting at 8:27 p.m.

Serge Dedina, Mayor

Jacqueline M. Hald, MMC
City Clerk

MINUTES

Item No. 2.1

JOINT MEETING OF THE
CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
DESIGN REVIEW BOARD
AND
TIDELANDS ADVISORY COMMITTEE

NOVEMBER 17, 2015 – 6:00 P.M.

Tijuana Estuary Visitors Center
301 Caspian Way, Imperial Beach, CA 91932

CALL TO ORDER BY MAYOR

Mayor Dedina called the Special Workshop Meeting to order at 6:00 p.m.

ROLL CALL BY CITY CLERK

City Council/Planning Commission:

Councilmembers Present: Patton, Bragg, Spriggs

Mayor Present: Dedina

Mayor Pro Tem Absent: Bilbray

Design Review Board:

Boardmembers present: Bowman, Smith, Voronchihin

Boardmembers absent: Pamintuan

Board Chair absent: Nakawatase

Tidelands Advisory Committee:

Boardmembers present: Archer, Hill, Robertson

Boardmembers absent: Doyle, Ellis

WORKSHOP

Welcome and Introductions

Mayor Serge Dedina, City of Imperial Beach

Coastal Flooding 101: Storms, Sea Level Rise (SLR), & El Niño

Dr. David Revell, Coastal Scientist

Climate Resiliency & Regional Actions

Nicola Hedge, The San Diego Foundation

Jim Nakagawa, City Planner

City of IB Coastal Flooding Vulnerabilities and Adaptation Study

Dr. David Revell, Coastal Scientist

Preparing Imperial Beach for El Niño

John French, Public Safety Director

Bennett Cummings, County Office of Emergency Services

James Brotherton, National Oceanic and Atmospheric Administration

Question and Answer session with the entire panel, and Public Comments on items in this Special Meeting Agenda

Breakout Interactive Stations to discuss impacts of Coastal Flooding: Sea Level Rise, and El Niño on City coastal assets (City stations, County Office of Emergency Services, NOAA Weather Service, SLR maps)- Ongoing throughout the workshop meeting.

ADJOURNMENT

Mayor Dedina adjourned the meeting at 7:51 p.m.

Serge Dedina
Mayor

Shirley Nakawatase
Design Review Board Chair

Tidelands Advisory Chair

Jacqueline M. Hald, MMC
City Clerk

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: DOUG BRADLEY, ADMINISTRATIVE SERVICES DEPARTMENT *DB*
SUBJECT: RATIFICATION OF WARRANT REGISTER

EXECUTIVE SUMMARY:

Approval of the warrant register in the amount of \$ 414,249.68.

RECOMMENDATION:

It is respectfully requested that the City Council ratify the warrant register.

RATIONALE:

The warrant register is presented providing transparency with regards to City expenditures.

OPTIONS:

- Receive and file the report from the City Manager
- Provide direction to the City Manager to take a specific action

BACKGROUND:

None

ANALYSIS:

As of April 7, 2004 all large warrants above \$100,000 will be separately highlighted and explained on the staff report.

Vendor: _____ Check: _____ Amount: _____ Description: _____
N/A

The following registers are submitted for Council ratification:

Accounts Payable

DATE	CHECK #	EFT #	AMOUNT (\$)
11/06/2015	87662-87691	105-110	69,551.21
11/10/2015	87692-87713		35,781.00
	Sub-total		105,332.21

Payroll Checks/Direct Deposit

DATE	CHECK #		AMOUNT (\$)
P.P.E. 10/29/15	46796-46813		\$155,366.40
P.P.E. 11/12/15	46814-46829		\$153,551.07

TOTAL \$ 414,249.68

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Warrants are issued from budgeted funds and there is no additional impact on reserves.

Attachments:

1. Warrant Register
2. Warrant Register as Budgeted FY2016

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount
2015-11-06	105	CALIFORNIA STATE DISBURSEMENT UP	PAYROLL AP PPE 10/29/15	101-0000-209.01-07	20151105	(blank) \$ 355.84
	106	I B FIREFIGHTERS ASSOCIATION	PAYROLL AP PPE 10/29/15	101-0000-209.01-08	20151105	(blank) \$ 420.00
	107	I B FIREFIGHTERS ASSOCIATION	REIMBURSE FEE/OPEN HOUSE	101-3020-422.30-02	1128	(blank) \$ 150.00
	108	ICMA RETIREMENT TRUST 457	PAYROLL AP PPE 10/29/15	101-0000-209.01-10	20151105	(blank) \$ 6,819.23
	109	SEIU LOCAL 221	PAYROLL AP PPE 10/29/15	101-0000-209.01-08	20151105	(blank) \$ 1,324.17
	110	US BANK	PAYROLL AP PPE 10/29/15	101-0000-209.01-20	20151105	(blank) \$ 1,390.02
	87662	ACACIA LANDSCAPE, CO.	OCT 2015	101-6020-452.21-04	5327	160093 \$ 3,275.00
	87663	AGRICULTURAL PEST CONTROL	OCT 2015 SPORTS PARK	101-6020-452.21-04	372854	160086 \$ 95.00
	87664	ALL PHASE DRYWALL	REFUND DEPOSIT	101-0000-221.01-02	11-02-2015	(blank) \$ 1,534.74
	87665	AZTEC LANDSCAPING INC	OCT 2015	101-5010-431.21-04	0028275-IN	160081 \$ 1,499.00
	87666	CALIFORNIA AMERICAN WATER	1015-210019335248 OCT 15	101-6020-452.27-02	11-10-2015	(blank) \$ 4,377.70
	87667	MISCELLANEOUS VENDOR	2015 JRLG CAPTAIN PROG	101-3035-423.28-08	2015 JRLG	(blank) \$ 300.00
	87668	CHULA VISTA ALARM, INC	NOV 2015 -2089 EOC	101-1910-419.20-23	34878	160088 \$ 30.00
			NOV 2015 -2466 PW REAR	101-1910-419.20-23	34902	160088 \$ 55.00
			NOV 2015 -2698	101-1910-419.20-23	34950	160088 \$ 30.00
			NOV 2015 -314 MVC	101-1910-419.20-23	34961	160088 \$ 30.00
			NOV 2015 -314 PW	101-1910-419.20-23	34982	160088 \$ 40.00
	87669	CLEAN HARBORS	AUG 2015	101-5040-434.21-04	1001072428	160022 \$ 1,264.00
			SEP 2015	101-5040-434.21-04	1001113772	160022 \$ 862.00
	87670	COX COMMUNICATIONS	10/25-11/24 3110039780701	503-1923-419.21-04	11-15-2015	160166 \$ 1,000.00
			10/22-11/21 3110038384601	503-1923-419.21-04	11-12-2015	160287 \$ 230.00
	87671	DLA PRINTING & PROMO'S	A/P CHECK VOUCHERS	101-1210-413.28-11	8197	F16026 \$ 223.97
	87672	HINDERLITER, DELLAMAS & ASSOCIATI	OCT-DEC 2015 PROPERTY TAX	101-1210-413.20-06	0022055-IN	160178 \$ 2,025.00
	87673	IB BUSINESS IMPROVEMENT DISTRICT	FEB-SEP 2015 BID FEES	101-0000-203.22-00	09-30-2015	(blank) \$ 14,236.00
	87674	INTERSTATE BATTERY OF SAN DIEGO	# 127 MTP-24	501-1921-419.28-16	50004422	160008 \$ 110.31
	87675	JACQUELINE SUE STENZEL	OCT 2015	101-6030-453.20-06	28	160131 \$ 160.00
	87676	O'REILLY AUTOMOTIVE STORES, INC.	#603 WINDOW/OIL	501-1921-419.28-16	3980-334584	160063 \$ 127.33
			#127 VEHICLE PARTS	501-1921-419.28-16	3980-337429	160063 \$ 18.13
	87677	OFFICE DEPOT, INC	CHAIRMAT	502-1922-419.29-04	801071218001	160000 \$ 48.59
			STAPLER/STORAGE BOXES/	101-1010-411.30-01	797461458001	160000 \$ 55.99
			CLAENDAR REFILL/LAMINATIN	101-5020-432.30-01	801294648001	160000 \$ 113.83
			CR FOR CHAIRMAT	502-1922-419.29-04	801070811001	160000 \$ (51.83)
	87678	PARTNERSHIP WITH INDUSTRY	P/E 10/15/2015	101-6040-454.21-04	GS06585	160085 \$ 1,185.03
	87679	PRUDENTIAL OVERALL SUPPLY	10/07/15 PW UNIFORMS	101-5020-432.25-03	30532099	160082 \$ 126.85
			10/14/15 PW UNIFORMS	101-5020-432.25-03	30533581	160082 \$ 136.57
			10/21/15 PW UNIFORMS	101-5020-432.25-03	30535069	160082 \$ 126.85
			10/28/15 PW UNIFORMS	101-5020-432.25-03	30536545	160082 \$ 190.32
	87680	RANCHO AUTO & TRUCK PARTS	FUEL FILTER	501-1921-419.28-16	7693-247242	160014 \$ 7.03
			OIL FILTER	501-1921-419.28-16	7693-246675	160014 \$ 4.99
			OIL FILTERS	501-1921-419.28-16	7693-244436	160014 \$ 9.74
			#602 BRAKES/SEALS	501-1921-419.28-16	7693-244590	160014 \$ 104.38
			OIL/AIR/TRANS FILTERS	501-1921-419.28-16	7693-244591	160014 \$ 116.73
			VALVE KIT	501-1921-419.28-16	7693-245046	160014 \$ 13.26
			MOTOR OIL, OIL/AIR FILTER	501-1921-419.28-16	7693-245350	160014 \$ 92.62

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount	
87680	RANCHO AUTO & TRUCK PARTS	RTN OIL SEAL	501-1921-419.28-16	7693-245479	160014	\$ (4.17)	
		STOCK RIB BELTS	501-1921-419.28-16	7693-245818	160014	\$ 44.16	
		OIL FILTERS/MOTOR OIL/BEL	501-1921-419.28-16	7693-245899	160014	\$ 185.76	
		#602 BRAKE HOSE	501-1921-419.28-16	7693-246624	160014	\$ 12.92	
		#117 MTO INDUS FLTR	501-1921-419.28-16	7693-246715	160014	\$ 75.27	
		FUEL/OIL FILTERS/OIL/SPRK	501-1921-419.28-16	7693-247199	160014	\$ 58.70	
		CREDIT-RTN FUEL FILTER	501-1921-419.28-16	7693-247248	160014	\$ (12.52)	
87681	READYREFRESH	OCT 2015	101-1010-411.30-02	05J0031149578	160143	\$ 47.51	
		OCT 2015	101-5020-432.30-02	15J0026726646	160084	\$ 72.23	
87682	SCCCA	HALD,J & CARBALLO,S REGIS	101-1020-411.28-04	11-19-2015	(blank)	\$ 80.00	
87683	SEAN PUTNAM	REIMBURSE EMT CERTIFICATN	101-3030-423.28-04	28710	(blank)	\$ 54.00	
87684	SHARP REES-STEALY MEDICAL CNTR	SEP 2015	101-1130-412.21-04	289	160183	\$ 138.00	
		SEP 2015	101-3030-423.21-04	289	160183	\$ 113.00	
		SEP 2015	501-1921-419.28-13	289	160183	\$ 366.00	
		SEP 2015	601-5060-436.21-04	289	160183	\$ 108.00	
87685	SIMPLEX GRINNELL LP	DEC-FEB 16 QRTRLY SPRNKL	101-1910-419.21-04	78190170	160210	\$ 250.00	
87686	SITEONE LANDSCAPE SUPPLY, LLC	GREEN BOX/COVER	101-6020-452.28-01	73775383	160024	\$ 22.46	
		ELECT VALVE/BALL VAL	101-6020-452.30-02	73626155	160024	\$ 515.71	
87687	SKS INC.	1400 G REG/450.1 G DIESEL	501-1921-419.28-15	1273525-IN	160040	\$ 4,693.22	
87688	SLOAN ELECTRIC COMPANY	PS#3 SERVICE CALL	601-5060-436.21-04	0065730	160053	\$ 500.00	
87689	URS CORPORATION	JUL/AUG 2015 WQIP-TJ RIVR	101-5050-540.20-06	37646218	150277	\$ 16,067.35	
87690	WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES	101-6040-454.30-02	75598217	160097	\$ 634.34	
		LATEX GLOVES	101-6040-454.30-02	75584660	160097	\$ 302.13	
		STEEL LINERS/MOPS/TOWELS	101-6040-454.30-02	75583109	160097	\$ 547.11	
		GREEN SPARKLE GLASS	101-3030-423.30-02	75455834	160097	\$ 59.43	
87691	WHITE CAP CONSTRUCTION SUPPLY	SAFETY VESTS/SAFETY JCKET	601-5060-436.30-02	50003391325	160013	\$ 149.87	
		SAFETY JACKETS	601-5060-436.30-02	50003391326	160013	\$ 207.34	
2015-11-06 Total						\$ 69,551.21	
2015-11-10	87692	CALIFORNIA ENV CONTROLS INC	IMPELLER CAP SCREWS/WASHR	601-5060-436.28-01	3319	160048	\$ 320.17
	87693	CSAC EXCESS INSURANCE AUTHORITY	EWG PREMIUM ADJUSTMENT	502-1922-419.28-03	16100427	(blank)	\$ 10,744.00
	87694	MISCELLANEOUS REFUNDS	REFUND BL DOUBLE PYMNT	101-0000-321.72-10	7843	(blank)	\$ 238.75
	87695	MISCELLANEOUS "DEVELOPERS"	BOND REFUND-1178 DONAX AV	101-0000-221.01-05	TEP 15-31	(blank)	\$ 1,743.84
	87696	HENRY A. LEVIEN	REIMBURSE PROJECT MATRL	101-5010-431.30-02	01339C/9581264	(blank)	\$ 36.98
			REIMBURSE PROJECT MATRL	101-5010-431.30-02	05141C/9021168	(blank)	\$ 107.78
	87697	HUDSON SAFE-T LITE RENTALS	REFLECTIVE CONES	601-5060-436.30-02	00033349	160061	\$ 787.32
	87698	INDUSTRIAL EMPLOYERS & DISTRIBUT	SALARY/BENEFIT SUMRY SUBS	101-1130-412.21-04	2015072908	160345	\$ 735.28
	87699	IPMA/ SAN DIEGO CHAPTER	11/19/15 MORENO,N IPMA MT	101-1130-412.28-04	11-19-2015	F16044	\$ 25.00
	87700	KEYSER MARSTON ASSOC INC	SEP 2015 ECONOMIC CONSULT	303-1250-413.20-06	0028928	F16045	\$ 5,797.23
	87701	KOA CORPORATION	JUL 2015 AS NEEDED TRAFFI	402-5000-532.20-06	JB14106X25	160111	\$ 542.50
	87702	LIGHTHOUSE, INC	#612 LIGHTHEAD ASSEMBLY	501-1921-419.28-16	0199968	160035	\$ 137.56
	87703	MARCO A. MORENO	RIMBURSE PRESCRIPTION SUN	502-1922-419.29-04	787937116	(blank)	\$ 250.00
	87704	MCCAIN TRAFFIC SUPPLY	LIGHT COVERS	101-5010-431.21-23	INV0198044	160015	\$ 440.65
	87705	PATRICK SPEARS	TUITION REIMBURSEMENT	101-3020-422.29-01	11-04-2015	160237	\$ 288.00
	87706	PAULINA MAMAHUA	PER DIEM TRAVEL-BAJA CA	101-3020-422.28-04	11-13-2015	(blank)	\$ 50.00

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount
87707	PROTECTION ONE ALARM MONITORING	NOV 2015	601-5060-436.20-23	105499906	160071	\$ 293.50
87708	RANCHO AUTO & TRUCK PARTS	TRANSMISSION JACK	501-1921-419.30-22	7693-247295	160014	\$ 970.92
		FUEL TANK ADAPTER	501-1921-419.30-22	7693-247296	160014	\$ 287.23
		#147 ROTEX	501-1921-419.28-16	7693-247690	160014	\$ 150.88
		CREDIT RTN #147 STARTER	501-1921-419.28-16	7693-247711	160014	\$ (150.79)
87709	SAN DIEGO COUNTY - ASSESSOR, PO B	JUL-SEP 2015 MPR EXTRACT	101-1210-413.29-04	201504322	160175	\$ 125.00
87710	SDGE	2741 969 9359 09/30-10/31	101-5010-431.27-01	11-18-2015	(blank)	\$ 175.37
		2819 871 6315 09/30-10/31	215-6026-452.27-01	11-18-2015	(blank)	\$ 2,108.65
		1912 409 2723 09/25-10/27	101-5010-431.27-01	11-13-2015	(blank)	\$ 7.81
		5280 340 6641 09/25-10/27	101-5010-431.27-01	11-13-2015	(blank)	\$ 87.90
		5576 188 0541 09/25-10/27	101-5010-431.27-01	11-13-2015	(blank)	\$ 8.08
		0646 753 1938 09/29-10/29	101-5010-431.27-01	11-17-2015	(blank)	\$ 7.81
		1694 230 1484 09/29-10/29	101-5010-431.27-01	11-17-2015	(blank)	\$ 15.15
		3062 843 3719 09/29-10/29	101-5010-431.27-01	11-17-2015	(blank)	\$ 11.61
		3448 930 9646 09/29-10/29	101-5010-431.27-01	11-17-2015	(blank)	\$ 7.55
		5153 272 6717 09/29-10/29	101-5010-431.27-01	11-17-2015	(blank)	\$ 12.44
		9476 001 6989 09/29-10/29	101-5010-431.27-01	11-17-2015	(blank)	\$ 617.13
		2081 689 7619 09/30-10/30	101-6010-451.27-01	11-18-2015	(blank)	\$ 571.31
		2081 700 4165 09/30-10/30	101-6010-451.27-01	11-18-2015	(blank)	\$ 94.80
		8773 823 6424 09/28-10/28	601-5060-436.27-01	11-14-2015	(blank)	\$ 1,207.96
		0824 329 2041 09/30-10/30	101-5010-431.27-01	11-18-2015	(blank)	\$ 319.22
		7706 795 7872 09/30-10/30	101-5010-431.27-01	11-18-2015	(blank)	\$ 11.32
		2081 692 3399 09/30-10/30	101-6010-451.27-01	11-18-2015	(blank)	\$ 12.39
		3206 700 9265 09/30-10/30	101-6010-451.27-01	11-18-2015	(blank)	\$ 111.38
		9956 693 6272 09/30-10/30	101-6010-451.27-01	11-18-2015	(blank)	\$ 139.23
		0175 275 3776 09/30-10/30	101-6020-452.27-01	11-18-2015	(blank)	\$ 718.94
		2081 689 1273 09/30-10/30	101-6020-452.27-01	11-18-2015	(blank)	\$ 911.51
		2083 847 9032 09/30-10/30	101-6020-452.27-01	11-18-2015	(blank)	\$ 93.88
		5456 692 8951 09/30-10/30	101-6020-452.27-01	11-18-2015	(blank)	\$ 37.68
		6921 003 2109 09/30-10/30	101-6020-452.27-01	11-18-2015	(blank)	\$ 663.46
		9327 898 1346 09/30-10/30	101-6020-452.27-01	11-18-2015	(blank)	\$ 857.98
87711	TERRA BELLA NURSERY, INC.	50 CY SEQUOIA MULCH	101-5010-431.30-02	156854	160027	\$ 1,510.92
		25 CY SEQUOIA MULCH	101-5010-431.30-02	157055	160027	\$ 755.46
		3CY MULCH	101-5010-431.30-02	157583	160027	\$ 90.66
87712	UNDERGROUND SERVICE ALERT OF	OCT 2015	601-5060-436.21-04	1020150325	160070	\$ 45.00
87713	VULCAN MATERIALS, CO	ROCK DUST	101-5010-431.30-02	70934408	160098	\$ 143.75
		ROCK DUST	101-5010-431.30-02	70934409	160098	\$ 141.26
		ROCK DUST	101-5010-431.30-02	70937850	160098	\$ 73.12
		ROCK DUST/BASE	101-5010-431.30-02	70948725	160098	\$ 288.47
2015-11-10 Total						\$ 35,781.00
Grand Total						\$ 105,332.21

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 11/18/2015

Expense	Budget	Previous Warrant Registers		2015-11-06		2015-11-10		Remaining Budget
101 GENERAL FUND								
ADVERTISING	\$ 7,000	\$ 235						\$ 6,765
ATTORNEY SERVICES	\$ 40,276	\$ -						\$ 40,276
ATTORNEY SERVICES-OTHER	\$ 110,724	\$ -						\$ 110,724
AUTO ALLOWANCE	\$ 48,075	\$ 13,412						\$ 34,663
BANKING/FIN SRVCS CHARGES	\$ 38,000	\$ 15,354						\$ 22,646
CELL PHONE ALLOWANCE	\$ 13,440	\$ 3,347						\$ 10,093
COMMUNITY PROGRAMS	\$ 91,800	\$ 76	\$ 300					\$ 91,424
CONTRACTS-ELECTIONS	\$ 9,000							\$ 9,000
COPIER LEASES	\$ 28,050	\$ 1,935						\$ 26,115
COUNCIL/RDA BOARD PAY	\$ 41,999	\$ 13,957						\$ 28,042
EMPLOYEE RECOGNITION AWRD	\$ 2,650	\$ 305						\$ 2,345
EQUIPMENT	\$ 7,000							\$ 7,000
FEES & LICENSES	\$ 20,485	\$ 11,448						\$ 9,037
FICA	\$ 364,943	\$ 126,568						\$ 238,375
FIRE EXTINGUISHER SERVICE	\$ 550							\$ 550
FLSA WAGES	\$ 27,528	\$ 8,678						\$ 18,850
GAS & ELECTRIC (SDG&E)	\$ 237,000	\$ 17,432			\$ 5,494			\$ 214,074
HOUSING ALLOWANCE		\$ 3,840						\$ (3,840)
LIFE INSURANCE	\$ 14,265	\$ 4,563						\$ 9,702
MAINTENANCE & REPAIR	\$ 69,200	\$ 158	\$ 22					\$ 69,019
MEMBERSHIP DUES	\$ 44,306	\$ 195						\$ 44,111
MGT MEDICAL REIMBURSEMENT	\$ 3,150	\$ (319)						\$ 3,469
MILEAGE REIMBURSEMENT	\$ 550							\$ 550
NUISANCE ABATEMENT CHARGE	\$ 1,000							\$ 1,000
OFFICE SUPPLIES	\$ 20,850	\$ 68	\$ 170					\$ 20,612
OPERATING SUPPLIES	\$ 285,845	\$ 892	\$ 2,328	\$ 3,148				\$ 279,476
OTHER SERVICES & CHARGES	\$ 34,800	\$ (215)		\$ 125				\$ 34,890
OVERTIME	\$ 122,800	\$ 52,863						\$ 69,937
PARS CITY CONTRIBUTION	\$ 24,816	\$ 10,485						\$ 14,331
PERS-CITY PORTION	\$ 792,142	\$ 468,079						\$ 324,063
PEST CONTROL SERVICE	\$ 4,300	\$ 219						\$ 4,081
PLAN CHECK SERVICIES	\$ 8,000							\$ 8,000
POSTAGE & FREIGHT	\$ 11,450	\$ -						\$ 11,450
PRINTING SERVICES	\$ 10,376	\$ -	\$ 224					\$ 10,152
PROFESSIONAL SERVICES	\$ 7,984,749	\$ (641)	\$ 18,252					\$ 7,967,137
RCS PROGRAM	\$ 50,000							\$ 50,000
RENT-EQUIPMENT	\$ 3,400	\$ -						\$ 3,400
RENT-UNIFORMS	\$ 31,612	\$ 1,043	\$ 581					\$ 29,989
SALARIES FULL-TIME	\$ 4,381,044	\$ 1,517,073						\$ 2,863,971
SALARIES PART-TIME	\$ 672,576	\$ 291,891						\$ 380,685
SECTION 125 CAFETERIA	\$ 832,487	\$ 242,492						\$ 589,995
SECURITY & ALARM	\$ 5,460	\$ -	\$ 185					\$ 5,275
SMALL TOOLS/NON-CAPITAL	\$ 21,750	\$ -						\$ 21,750
SUBSCRIBE & PUBLICATIONS	\$ 5,475	\$ -						\$ 5,475
TECHNICAL SERVICES	\$ 635,923	\$ 4,164	\$ 8,681	\$ 735				\$ 622,343
TEMPORARY STAFFING	\$ 53,600	\$ 3,001						\$ 50,599
TRAFFIC CONTROL	\$ 51,000	\$ -		\$ 441				\$ 50,559
TRAINING & EDUCATION-MOU	\$ 10,000	\$ -		\$ 288				\$ 9,712

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 11/18/2015

	Budget	Previous Warrant Registers		2015-11-06	2015-11-10	Remaining Budget
TRANSFER OUT	\$ 17,000	\$ 17,000				\$ -
TRAVEL, TRAINING, MEETING	\$ 62,096	\$ 1,405	\$ 134	\$ 75		\$ 60,482
UNEMPLOYMENT INSURANCE	\$ 41,956	\$ 9,786				\$ 32,170
UTILITIES-CELL PHONES	\$ 20,100	\$ -				\$ 20,100
UTILITIES-SEWER	\$ 8,568					\$ 8,568
UTILITIES-TELEPHONE	\$ 200	\$ (2,133)				\$ 2,333
UTILITIES-WATER	\$ 149,680		\$ 4,378			\$ 145,302
WORKER'S COMP INSURANCE	\$ 71,209	\$ 71,209				\$ -
PERS-EMPLOYEE PORTION		\$ -				\$ -
201 GAS TAX FUND						\$ -
AUTO ALLOWANCE	\$ 190	\$ 39				\$ 151
CELL PHONE ALLOWANCE	\$ 60	\$ 13				\$ 47
FICA	\$ 1,890	\$ 434				\$ 1,456
PERS-CITY PORTION	\$ 2,620	\$ 609				\$ 2,011
PROFESSIONAL SERVICES	\$ 596,600	\$ 208				\$ 596,392
SALARIES FULL-TIME	\$ 23,050	\$ 5,353				\$ 17,697
SECTION 125 CAFETERIA	\$ 3,590	\$ 840				\$ 2,750
TRANSFER OUT	\$ 789,000	\$ 789,000				\$ -
202 PROP "A" (TRANSNET) FUND						\$ -
AUTO ALLOWANCE	\$ 530	\$ 129				\$ 401
CELL PHONE ALLOWANCE	\$ 180	\$ 43				\$ 137
FICA	\$ 3,480	\$ 869				\$ 2,611
PERS-CITY PORTION	\$ 4,810	\$ 1,197				\$ 3,613
PROFESSIONAL SERVICES	\$ 1,140,000	\$ -				\$ 1,140,000
SALARIES FULL-TIME	\$ 43,850	\$ 10,924				\$ 32,926
SECTION 125 CAFETERIA	\$ 7,150	\$ 1,563				\$ 5,587
TRANSFER OUT	\$ 209,100	\$ 209,100				\$ -
212 SLESF (COPS) FUND						\$ -
PROFESSIONAL SERVICES	\$ 100,000					\$ 100,000
215 LLMD-ASSMT DIST #67 FUND						\$ -
GAS & ELECTRIC (SDG&E)	\$ 27,000			\$ 2,109		\$ 24,891
PROFESSIONAL SERVICES	\$ 2,000					\$ 2,000
216 HOUSING AUTHORITY						\$ -
FICA	\$ 3,529	\$ 779				\$ 2,750
PERS-CITY PORTION	\$ 8,788	\$ 5,049				\$ 3,739
PROFESSIONAL SERVICES	\$ 4,100	\$ -				\$ 4,100
SALARIES PART-TIME	\$ 46,133	\$ 10,185				\$ 35,948
UNEMPLOYMENT INSURANCE	\$ 434					\$ 434
301 SA DEBT SERVICE FUND						\$ -
BOND INTEREST (2010 TAB)	\$ 1,051,836	\$ 430,760				\$ 621,076
BOND PRINCIPAL (2010 TAB)	\$ 245,000					\$ 245,000
INTEREST BOND (2013 TAB)	\$ 762,957	\$ 329,359				\$ 433,598
303 REDEV OBLIG RETIRE FUND						\$ -
ATTORNEY SERVICES	\$ 90,000	\$ -				\$ 90,000
AUTO ALLOWANCE		\$ 30				\$ (30)
CELL PHONE ALLOWANCE		\$ 5				\$ (5)
FICA		\$ 87				\$ (87)
OTHER SERVICES & CHARGES	\$ 9,000					\$ 9,000
PERS-CITY PORTION		\$ 116				\$ (116)
PROFESSIONAL SERVICES	\$ 200,000	\$ (976)		\$ 5,797		\$ 195,179

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 11/18/2015

	Budget	Previous Warrant Registers		2015-11-06	2015-11-10	Remaining Budget
SALARIES FULL-TIME	\$ 250,000	\$ 1,058				\$ 248,942
SECTION 125 CAFETERIA		\$ 112				\$ (112)
TRANSFER OUT	\$ 2,059,793	\$ 912,163				\$ 1,147,630
401 CAPITAL IMPROVEMENT FUND						\$ -
AUTO ALLOWANCE	\$ 2,690	\$ -				\$ 2,690
CELL PHONE ALLOWANCE	\$ 900	\$ -				\$ 900
FICA	\$ 11,200	\$ 15				\$ 11,185
PERS-CITY PORTION	\$ 15,190	\$ 21				\$ 15,169
PROFESSIONAL SERVICES	\$ 3,681,250	\$ 2,913				\$ 3,678,337
SALARIES FULL-TIME	\$ 138,590	\$ 192				\$ 138,398
SECTION 125 CAFETERIA	\$ 25,180	\$ 10				\$ 25,170
402 C.I.P. 2010 BOND						\$ -
AUTO ALLOWANCE	\$ 700	\$ 166				\$ 534
CELL PHONE ALLOWANCE	\$ 240	\$ 55				\$ 185
FICA	\$ 13,950	\$ 1,504				\$ 12,446
PERS-CITY PORTION	\$ 18,980	\$ 2,069				\$ 16,911
PROFESSIONAL SERVICES	\$ 4,225,002	\$ 143		\$ 543		\$ 4,224,317
SALARIES FULL-TIME	\$ 173,070	\$ 18,979				\$ 154,091
SECTION 125 CAFETERIA	\$ 12,510	\$ 2,090				\$ 10,420
420 PARKS MAJOR MAINTENAN CIP						\$ -
AUTO ALLOWANCE		\$ 18				\$ (18)
CELL PHONE ALLOWANCE		\$ 4				\$ (4)
FICA		\$ 42				\$ (42)
PERS-CITY PORTION		\$ 57				\$ (57)
PROFESSIONAL SERVICES	\$ 225,000					\$ 225,000
SALARIES FULL-TIME		\$ 517				\$ (517)
SECTION 125 CAFETERIA		\$ 80				\$ (80)
501 VEHICLE REPLACEMENT/MAINT						\$ -
FEES & LICENSES	\$ 3,150	\$ 1,555	\$ 366			\$ 1,229
FICA	\$ 9,373	\$ 3,701				\$ 5,672
FIRE EXTINGUISHER SERVICE	\$ 400					\$ 400
LIFE INSURANCE	\$ 265	\$ 49				\$ 216
MAINTENANCE & REPAIR	\$ 11,100	\$ -				\$ 11,100
OPERATING SUPPLIES	\$ 4,100	\$ 60				\$ 4,040
OTHER SERVICES & CHARGES	\$ 2,400	\$ -				\$ 2,400
OVERTIME	\$ 300					\$ 300
PERS-CITY PORTION	\$ 23,762	\$ 15,662				\$ 8,100
SALARIES FULL-TIME	\$ 106,734	\$ 46,478				\$ 60,256
SECTION 125 CAFETERIA	\$ 25,760	\$ 5,982				\$ 19,778
SMALL TOOLS/NON-CAPITAL	\$ 12,000	\$ -		\$ 1,258		\$ 10,742
TEMPORARY STAFFING	\$ 18,000	\$ 1,237				\$ 16,763
UNEMPLOYMENT INSURANCE	\$ 868					\$ 868
VEHICLE OPERATE-FUEL/OIL	\$ 240,200	\$ -	\$ 4,693			\$ 235,507
VEHICLE OPERATE-PARTS M&O	\$ 25,000	\$ -	\$ 965	\$ 138		\$ 23,898
WORKER'S COMP INSURANCE	\$ 3,266	\$ 3,266				\$ -
502 RISK MANAGEMENT FUND						\$ -
ATTORNEY SERVICES	\$ 75,000	\$ -				\$ 75,000
AUTO ALLOWANCE	\$ 1,980	\$ 562				\$ 1,418
CELL PHONE ALLOWANCE	\$ 600	\$ 76				\$ 524
FICA	\$ 5,911	\$ 1,884				\$ 4,027

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 11/18/2015

	Budget	Previous Warrant		2015-11-06	2015-11-10	Remaining Budget
		Registers				
INSURANCE PREMIUM/DEPOSIT	\$ 155,622	\$ -			\$ 155,622	\$ 155,622
INSURANCE PREMIUM/WK COMP	\$ 84,144	\$ -			\$ 10,744	\$ 73,400
LIFE INSURANCE	\$ 269	\$ 86				\$ 183
MGT MEDICAL REIMBURSEMENT	\$ 126	\$ 84				\$ 42
OPERATING SUPPLIES	\$ 1,000					\$ 1,000
OTHER SERVICES & CHARGES		\$ 62	\$ (3)	\$ 250		\$ (309)
PAYMENT OF CLAIMS	\$ 50,000					\$ 50,000
PERS-CITY PORTION	\$ 9,080	\$ 2,490				\$ 6,590
PYMT OF WORK COMP CLAIMS	\$ 150,000	\$ 113,685				\$ 36,315
SALARIES FULL-TIME	\$ 70,512	\$ 23,102				\$ 47,410
SECTION 125 CAFETERIA	\$ 9,947	\$ 3,148				\$ 6,799
TECHNICAL SERVICES	\$ 1,000	\$ -				\$ 1,000
THIRD PARTY ADMIN (W/C)	\$ 25,970	\$ -				\$ 25,970
UNEMPLOYMENT INSURANCE	\$ 347					\$ 347
WORKER'S COMP INSURANCE	\$ 1,025	\$ 1,025				\$ -
503 TECHNOLOGY/COMMUNICATIONS						\$ -
AUTO ALLOWANCE	\$ 4,800	\$ 991				\$ 3,809
CELL PHONE ALLOWANCE	\$ 960	\$ 147				\$ 813
EQUIPMENT	\$ 30,000					\$ 30,000
FEES & LICENSES	\$ 7,164	\$ -				\$ 7,164
FICA	\$ 13,516	\$ 3,483				\$ 10,033
H.T.E. MAINTENANCE	\$ 37,500	\$ -				\$ 37,500
LIFE INSURANCE	\$ 571	\$ 189				\$ 382
MAINTENANCE & REPAIR	\$ 1,400					\$ 1,400
MEMBERSHIP DUES	\$ 640	\$ -				\$ 640
MGT MEDICAL REIMBURSEMENT	\$ 84	\$ 84				\$ -
OFFICE SUPPLIES	\$ 500					\$ 500
OPERATING SUPPLIES	\$ 7,000	\$ -				\$ 7,000
OVERTIME		\$ 663				\$ (663)
PARS CITY CONTRIBUTION	\$ 883	\$ 242				\$ 641
PERS-CITY PORTION	\$ 19,271	\$ 12,092				\$ 7,179
POSTAGE & FREIGHT	\$ 200	\$ -				\$ 200
PROFESSIONAL SERVICES	\$ 12,850	\$ -				\$ 12,850
QUESYST	\$ 8,000					\$ 8,000
SALARIES FULL-TIME	\$ 130,702	\$ 39,390				\$ 91,312
SALARIES PART-TIME	\$ 23,559	\$ 6,455				\$ 17,104
SECTION 125 CAFETERIA	\$ 26,001	\$ 5,485				\$ 20,516
SMALL TOOLS/NON-CAPITAL	\$ 24,600	\$ -				\$ 24,600
TECHNICAL SERVICES	\$ 47,020	\$ 268	\$ 1,230			\$ 45,522
TRAVEL, TRAINING, MEETING	\$ 4,950					\$ 4,950
UNEMPLOYMENT INSURANCE	\$ 1,389	\$ 119				\$ 1,270
UTILITIES-CELL PHONES	\$ 4,000	\$ -				\$ 4,000
UTILITIES-TELEPHONE	\$ 12,000	\$ 2,133				\$ 9,867
504 FACILITY MAINT/REPLACEMNT						\$ -
AUTO ALLOWANCE		\$ 22				\$ (22)
CELL PHONE ALLOWANCE		\$ 7				\$ (7)
FICA		\$ 70				\$ (70)
PERS-CITY PORTION		\$ 92				\$ (92)
PROFESSIONAL SERVICES	\$ 100,000	\$ -				\$ 100,000
SALARIES FULL-TIME		\$ 838				\$ (838)

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 11/18/2015

	Budget	Previous Warrant Registers	2015-11-06	2015-11-10	Remaining Budget
SECTION 125 CAFETERIA		\$ 144			\$ (144)
TECHNICAL SERVICES	\$ 58,600	\$ -			\$ 58,600
601 SEWER ENTERPRISE FUND					\$ -
AUTO ALLOWANCE		\$ 574			\$ (574)
CELL PHONE ALLOWANCE		\$ 106			\$ (106)
EQUIPMENT	\$ 40,400	\$ -			\$ 40,400
FEES & LICENSES	\$ 2,950				\$ 2,950
FICA	\$ 20,686	\$ 9,015			\$ 11,671
GAS & ELECTRIC (SDG&E)	\$ 68,000	\$ 5,749		\$ 1,208	\$ 61,043
LIFE INSURANCE	\$ 664	\$ 202			\$ 462
MAINTENANCE & REPAIR	\$ 40,800	\$ 779		\$ 320	\$ 39,701
MEMBERSHIP DUES	\$ 900	\$ -			\$ 900
OPERATING SUPPLIES	\$ 13,895	\$ -	\$ 357	\$ 787	\$ 12,750
OTHER SERVICES & CHARGES	\$ 8,400				\$ 8,400
OVERTIME	\$ 12,200	\$ 5,682			\$ 6,518
PERS-CITY PORTION	\$ 48,138	\$ 31,241			\$ 16,897
PROFESSIONAL SERVICES	\$ 2,134,360	\$ 11,537			\$ 2,122,823
RENT-EQUIPMENT	\$ 1,000				\$ 1,000
SALARIES FULL-TIME	\$ 252,693	\$ 100,197			\$ 152,496
SECTION 125 CAFETERIA	\$ 57,094	\$ 16,025			\$ 41,069
SECURITY & ALARM	\$ 4,000	\$ -		\$ 294	\$ 3,707
SMALL TOOLS/NON-CAPITAL	\$ 3,000	\$ -			\$ 3,000
STAND-BY PAY	\$ 21,000	\$ 5,162			\$ 15,838
TECHNICAL SERVICES	\$ 2,681,200	\$ 562,721	\$ 608	\$ 45	\$ 2,117,826
TEMPORARY STAFFING	\$ 30,000	\$ 1,085			\$ 28,915
TRAVEL, TRAINING, MEETING	\$ 5,200				\$ 5,200
UNEMPLOYMENT INSURANCE	\$ 2,170	\$ 434			\$ 1,736
UTILITIES-TELEPHONE	\$ 2,500	\$ -			\$ 2,500
UTILITIES-WATER	\$ 6,700	\$ (1,899)			\$ 8,599
WORKER'S COMP INSURANCE	\$ 6,532	\$ 6,532			\$ -
Revenue				\$ 239	
Asset					
Liability			\$ 26,080	\$ 1,744	
Fund Balance					
Grand Total			\$ 69,551	\$ 35,781	



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: CITY CLERK *pmh*
SUBJECT: RESOLUTION NO. 2015-7651 APPROVING THE CALENDAR AND SETTING THE TIME FOR CITY COUNCIL MEETINGS FOR THE YEAR 2016

EXECUTIVE SUMMARY:

Adoption of Resolution No. 2015-7651 approves the calendar and sets the time for regular City Council meetings for the year 2016.

RECOMMENDATION:

That the City Council adopts Resolution No. 2015-7651 approving the calendar and setting the time for regular City Council meetings for the year 2016.

RATIONALE:

Having a set calendar and start time of 6:00 p.m. for regular City Council meetings helps prevent scheduling conflicts.

OPTIONS:

- Adopt Resolution No. 2015-7651 approving the calendar and setting the start time for regular City Council meetings for 6:00 p.m. for the year 2016
- Do not adopt Resolution No. 2015-7651, request additional information, and an additional report

BACKGROUND:

According to Imperial Beach Municipal Code §2.12.040.A, unless otherwise specified by resolution, the City Council must hold regular meetings on the first and third Wednesdays of each month at an hour to be set by resolution. Additionally, the City Council has historically adopted the meeting calendar for the upcoming year after review of potential meeting schedule conflicts.

ANALYSIS:

Upon review of the holiday schedule and a conference scheduled for 2016, staff recommends the following:

- Cancel the October 5, 2016 City Council meeting due to a conflict with the League of California Cities Annual Conference & Expo.

In accordance with City Council Policy 102, a meeting will not be scheduled on the third Wednesday of December unless required for urgent City business. Therefore, staff recommends cancellation of the December 21, 2016 City Council meeting.

Staff further recommends cancellation of the January 4, 2017 City Council meeting due to the holiday and furlough closures in December 2016.

Note: The January 6, 2016 City Council meeting was cancelled by previous City Council action on December 10, 2014.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

None associated with this report.

Attachments:

1. Resolution No. 2015-7651
2. 2016 City Council Meeting Calendar

RESOLUTION NO. 2015-7651

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING THE CALENDAR AND SETTING THE TIME FOR CITY COUNCIL MEETINGS FOR THE YEAR 2016

WHEREAS, Section 2.12.040.A of the Imperial Beach Municipal Code states that unless otherwise adopted by resolution, the City Council must hold regular meetings on the first and third Wednesdays of each month at an hour to be set by resolution; and

WHEREAS, the City Council has historically reviewed potential meeting schedule conflicts prior to adopting the upcoming City Council meeting calendar;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. That regular City Council meetings shall begin at 6:00 p.m. and
2. That the 2016 City Council meeting calendar, attached hereto as Exhibit A, is hereby approved.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of December 2015, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

2016

City of Imperial Beach Council Meeting Calendar

2016

January						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

March						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April						
S	M	T	W	T	F	S
					1	2
3	4	5	8	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

November						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

-  Council Meetings 6 PM
-  Friday Closures
-  City Holiday / City Hall Closed



AGENDA ITEM NO. 24

**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: DECEMBER 2, 2015

ORIGINATING DEPT.: PUBLIC SAFETY *JF*

SUBJECT: ADOPTION OF RESOLUTION NUMBER 2015-7650 ACCEPTING THE 2014 STATE HOMELAND SECURITY GRANT PROGRAM (SHSGP) ALLOCATION OF \$19,954.00 IN THE FORM OF REIMBURSEMENT TOWARD THE PURCHASE OF FOUR (4) SELF CONTAINED BREATHING APPARATUS (SCBA) FOR THE FIRE-RESCUE DEPARTMENT

EXECUTIVE SUMMARY:

The Fire-Rescue Department is frequently exposed to dangerous vapors, fumes and/or smoke and requires special equipment to protect respiration during these exposures. This life preserving equipment is the SCBA worn by each firefighter that enters harmful environments to save lives or property. The current inventory of SCBAs is aged, and in need of replacement. Five new SCBAs were included in the equipment for the new fire engine purchased in 2014. Five new SCBAs are now needed for Engine 239. City Council has already approved purchase of one (1) new SCBA excess funds made available through CDBG. Public Safety is now recommending that the City of Imperial Beach SHSGP allocation of \$19,954.00 be used towards the total amount of \$21,643.20 to pay for the remaining four (4) SCBAs for placement on Engine 239.

The Fiscal Impact to the Fiscal Year 2015/2016 Budget will be to increase expense to account 101-3020-422-5004, Equipment by \$19,954.00; and increase revenue to account 101-0000-337-5001, Grants by \$19,954.00. The remaining \$1,689.20 will be covered by existing 2015/16 budget in the Fire-Rescue Department.

RECOMMENDATION:

That the City Council adopt Resolution No. 2015-7650 accepting the 2014 State Homeland Security Grant Program allocation of \$19,954.00 in the form of reimbursement for the purchase of four (4) Self Contained Breathing Apparatus for the Fire-Rescue Department.

RATIONALE:

The purchase of SCBAs will replace the current aged inventory with new equipment that meets the most current standard for respiratory protection. The most recent National Fire Protection Association (NFPA) standards from 2013 for SCBA equipment impose more stringent requirements for Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) certification. An SCBA is a device worn by firefighters to provide breathable air in an "Immediately Dangerous to Life or Health" environment.

OPTIONS:

- Receive and file the report from the City Manager
- Provide direction to the City Manager to take a specific action
- Request additional information and an additional report

BACKGROUND:

The Fire-Rescue Department is frequently exposed to dangerous vapors, fumes and/or smoke and requires special equipment to protect respiration during these exposures. This life preserving equipment is the Self Contained Breathing Apparatus (SCBA) worn by each firefighter that enters harmful environments to save lives or property. The current inventory of SCBAs is aged, and in need of replacement. Five new SCBAs were included in the equipment for the new fire engine purchased in 2014. Five new SCBAs are now needed for Engine 239. City Council has already approved purchase of one (1) new SCBA excess funds made available through CDBG. Public Safety is now recommending that the City of Imperial Beach SHSGP allocation of \$19,954.00 be used towards the total amount of \$21,643.20 to pay for the remaining four (4) SCBAs for placement on Engine 239.

ANALYSIS:

Since the current inventory of SCBA on Engine 239 is aged, and does not meet the most current NFPA standards for respiratory protection, replacement is necessary to ensure the safety of our firefighters. This action will replace the aged inventory with equipment that meets this latest standard, and the purchase of this equipment is an authorized use of SHSGP funds, therefore Public Safety recommends this action.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The Fiscal Impact to the Fiscal Year 2015/2016 Budget with the adoption of Resolution 2015-7650 will be to increase expense to account 101-3020-422-5004, Equipment by \$19,954.00; and increase revenue to account 101-0000-337-5001, County Funding/Grant by \$19,954.00.

Attachments:

1. Resolution No. 2015-7650
2. Allocation Award Notice

RESOLUTION NO. 2015-7650

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, ACCEPTING THE 2014 STATE HOMELAND SECURITY GRANT PROGRAM (SHSGP) ALLOCATION OF \$19,954.00 IN THE FORM OF REIMBURSEMENT TOWARD THE PURCHASE OF FOUR (4) SELF CONTAINED BREATHING APPARATUS (SCBA) FOR THE FIRE-RESCUE DEPARTMENT

WHEREAS, the County of San Diego has been identified as the grantee and administrator of the State Homeland Security Grant Program (SHSGP); and

WHEREAS, the SHSGP grant is dedicated to providing cities funding for equipment and training to strengthen emergency preparedness regionally; and

WHEREAS, the County of San Diego has allocated \$19,954.00 to the City of Imperial Beach for the Fiscal Year 2014 SHSGP Award; and

WHEREAS, the Imperial Beach Fire-Rescue Department has identified SCBAs that needs to be replaced to operate life-saving missions safely and efficiently; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. Adoption of Resolution No. 2015-7650 accepting Fiscal Year 2014 SHSGP Reallocation Award
2. Approve Budget Amendment in the amount of \$19,954.00 to increase expense to account 101-3020-422-5004, Equipment; and increase revenue to account 101-0000-337-5001, Grants by \$19,954.00.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of December 2015, by the following vote:

**AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:**

SERGE DEDINA, MAYOR

ATTEST:

**JACQUELINE M. HALD, MMC
CITY CLERK**

FY 2014 STATE HOMELAND SECURITY PROGRAM (SHSP) GRANT APPROVED ALLOCATION							
JURISDICTION	FY2013 - ALLOCATION			FY2014 - FINAL ALLOCATION			
CITIES	LE - 25% of FY13 Allocation	Non-LE	TOTAL	LE - 25% of FY14 Allocation	Non-LE	TOTAL	% Change from FY2013 to FY2014
CARLSBAD	16,271	54,791	71,062	16,744	66,762	83,506	18%
CHULA VISTA	29,687	120,321	150,008	30,645	148,594	179,239	19%
CORONADO	5,994	15,722	21,716	6,634	18,129	24,763	14%
DEL MAR	-	6,939	6,939	-	7,374	7,374	6%
EL CAJON	17,127	51,503	68,630	19,271	61,765	81,036	18%
ENCINITAS	-	32,906	32,906	-	39,312	39,312	19%
ESCONDIDO	21,409	72,544	93,953	23,852	87,467	111,319	18%
ESCONDIDO RINCON DEL DIABLO	-	6,284	6,284	-	7,731	7,731	23%
IMPERIAL BEACH	-	17,305	17,305	-	19,954	19,954	15%
LA MESA	9,563	31,958	41,521	10,741	37,946	48,687	17%
LEMON GROVE	-	16,840	16,840	-	19,535	19,535	16%
NATIONAL CITY	11,561	32,268	43,829	12,637	38,290	50,927	16%
NATIONAL CITY - LINCOLN ACRES	-	736	736	-	904	904	23%
OCEANSIDE	28,830	83,298	112,128	31,593	100,967	132,560	18%
POWAY	DECLINED FY13			DECLINED FY14			
SAN DIEGO	261,042	-	261,042	285,912	-	285,912	10%
SAN MARCOS	-	44,569	44,569	-	55,555	55,555	25%
SAN MARCOS FIRE PROTECTION DISTRICT	-	6,599	6,599	-	8,118	8,118	23%
SANTEE	-	30,269	30,269	-	36,285	36,285	20%
SANTEE - CSA 115	-	2,106	2,106	-	2,592	2,592	23%
SOLANA BEACH	-	11,012	11,012	-	12,343	12,343	12%
VISTA	-	48,947	48,947	-	58,887	58,887	20%
VISTA FIRE PROTECTION DISTRICT	-	9,592	9,592	-	11,801	11,801	23%
TOTAL CITIES	401,484	696,509	1,097,993	438,029	840,311	1,278,340	16%
FIRE DISTRICTS/OTHER							
PORT OF SAN DIEGO	17,841	-	17,841	18,956	-	18,956	6%
ALPINE	-	11,954	11,954	-	13,548	13,548	13%
BORREGO SPRINGS	-	6,726	6,726	-	7,068	7,068	5%
DEER SPRINGS	-	10,567	10,567	-	11,789	11,789	12%
JULIAN/CUYAMACA	-	6,647	6,647	-	7,002	7,002	5%
NORTH COUNTY	-	25,321	25,321	-	33,369	33,369	32%
RANCHO SANTA FE	-	19,427	19,427	-	22,610	22,610	16%
SAN MIGUEL	-	61,000	61,000	-	73,798	73,798	21%
VALLEY CENTER	-	12,737	12,737	-	14,411	14,411	13%
TOTAL FIRE DISTRICTS/OTHER	17,841	154,379	172,220	18,956	183,595	202,551	18%
COUNTY DEPTS							
OES, HHS-A-EMS	-	1,380,317	1,380,317	-	1,454,998	1,454,998	5%
SHERIFF	324,410	-	324,410	369,317	-	369,317	14%
TOTAL COUNTY DEPTS	324,410	1,380,317	1,704,727	369,317	1,454,998	1,824,315	7%
TOTAL ALLOCATIONS	743,735	2,231,205	2,974,940	826,302	2,478,904	3,305,206	11%

Notes:

*Personnel Cap: Each jurisdiction's allocation has a personnel cap of 50%.

*San Diego Sheriff includes: Unincorporated San Diego County and the contracted cities of Del Mar, Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, Solana Beach and Vista.



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: PUBLIC WORKS *HA Leven*
SUBJECT: RESOLUTION NO. 2015-7654 APPROVING A TEMPORARY LEASE OF 10th STREET & CHERRY AVENUE PUBLIC PARKING LOT TO "DW CONSTRUCTION, INC."

EXECUTIVE SUMMARY:

DW Construction Inc. has requested temporary use of a public parking lot at the corner of Cherry Avenue and 10th Street adjacent to the Public Works facility, Bayside Elementary School and the old CAL-AM office building. DW Construction, Inc. has the contract to demolish the old CAL-AM office building and to construct three (3) new single family dwelling units on this parcel. The temporary lease agreement would authorize DW Construction, Inc. exclusive use of this site as the construction laydown yard for approximately 9 months starting in early Calendar Year 2016.

RECOMMENDATION:

Adopt Resolution No. 2015-7654 authorizing the City Manager to sign a temporary lease agreement for the exclusive use a public parking lot across the street from the old CAL-AM office building at 1019 Cherry Avenue. See Attachment 2.

RATIONALE:

DW Construction, Inc. has requested to temporarily lease the public parking lot at the intersection of 10th Street and Cherry Avenue during the construction of 3 new single family residents at the lot across the street from the parking lot. Construction sites often require dedicated areas where their supplies and materials need to be temporarily stored. When this occurs, the contractors take up street side parking and they have other impacts on the neighboring residences. Authorizing this lease agreement for staging construction materials would reduce the street impacts and would provide for containment of materials within a fenced perimeter. This arrangement should be safer for and have less impact on the neighboring residents and the youth attending Bayside Elementary School.

OPTIONS:

- Adopt Resolution No. 2015-7654 authorizing the City Manager to sign a temporary lease agreement with DW Construction, Inc. for their use as a construction materials laydown yard;
- Provide direction to the City Manager to not enter into a temporary lease agreement; or

- Request additional information and an additional report.

BACKGROUND:

DW Construction, Inc. submitted a written request for the temporary use of the public parking lot at the corner of 10th Street and Cherry Avenue during their construction of three new single family dwellings at the former CAL-AM office and maintenance yard (1019 Cherry Avenue). The requested public parking lot is across the street from 1019 Cherry Avenue. This parking lot had previously been leased by CAL-AM for their employee parking when their office was at 1019 Cherry Avenue. More recently the lot has been a frequent drop off and pick up site for parents with students at Bayside Elementary School. Also, some Public Works employees have used this lot for their private vehicle parking during the work day. The 10th Street and Cherry Avenue parking lot has 11 parking spaces.

ANALYSIS:

The lease of the public parking lot at the northeast corner of 10th Street and Cherry Avenue during the construction of three single family dwelling units would have the positive effect of keeping the construction materials off the street and clear from the Bayside Elementary School students. The downside of leasing this lot to DW Construction, Inc. is that it takes parking away from the student's parents and Public Works employees. However the new gravel parking lot adjacent to the Bayshore Bikeway is available for use by the school parents and City employees. This lot is not currently used to capacity during normal work days.

Based on the lease agreement with CAL-AM, the fair market value of the temporary use of this lot is \$442 per month.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Revenue to the General Fund of \$442.00 per month.

Attachments:

1. Resolution No. 2015-7654
2. Parking Lot Aerial (10th Street & Cherry Avenue)

RESOLUTION NO. 2015-7654

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING A TEMPORARY LEASE OF 10TH STREET & CHERRY AVENUE PUBLIC PARKING LOT TO “DW CONSTRUCTION, INC.”

WHEREAS, DW Construction Inc. has requested temporary use – lease - of a public parking lot at the corner of Cherry Avenue and 10th Street adjacent to the Public Works facility, Bayside Elementary School and the old CAL-AM office building; and

WHEREAS, DW Construction, Inc. has the contract to demolish the old CAL-AM office building – 1019 Cherry Avenue - and to construct three (3) new single family dwelling units on this parcel; and

WHEREAS, a temporary lease agreement would authorize DW Construction, Inc. exclusive use of this site as the construction laydown yard for approximately 9 months starting in early Calendar Year 2016; and

WHEREAS, construction sites often require dedicated areas where their supplies and materials need to be temporarily stored; and

WHEREAS, when this occurs, the contractors take up street side parking and they have other impacts on the neighboring residences; and

WHEREAS, authorizing this lease agreement for staging construction materials would reduce the street impacts and would provide for containment of materials within a fenced perimeter; and

WHEREAS, this arrangement should be safer for and have less impact on the neighboring residents and the youth attending Bayside Elementary School; and

WHEREAS, the fair market value of the temporary use of this lot is \$442 per month.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. A temporary lease of the public parking lot at the northwest corner of 10th Street and Cherry Avenue is approved at a monthly lease rate of \$442 per month.
3. The City Manager is authorized to sign a lease agreement with DW Construction, Inc. for use as a construction lay down yard during the course of the single family dwellings construction.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of December 2015, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

**JACQUELINE M. HALD, MMC
CITY CLERK**



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**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: COMMUNITY DEVELOPMENT DEPARTMENT *ST TF*
SUBJECT: CONSENT AGENDA: VACATION OF LANDSCAPE EASEMENT AT 221-225 PALM AVENUE (APNs 625-201-03-00 AND 625-201-04-00). MF 779.

EXECUTIVE SUMMARY:

This is the consideration of vacating a three-foot wide landscape easement along the northern property line at 221-225 Palm Avenue. A mixed-use project with six residential units and two commercial spaces was approved by the City Council on November 6, 2013, which required vacation of the landscape easement prior to completion of the project.

RECOMMENDATION:

That the City Council approve Resolution 2015-7652 summarily vacating a three-foot landscape easement along the northern property line at 221-225 Palm Avenue.

RATIONALE:

The landscape easement has never been used and there are no plans or need for its use because improvements on Old Palm Avenue have taken place to improve the aesthetics and pedestrian accessibility in the public right-of-way, and the private property has been developed with a mixed-use project that provides storefronts and other improvements along the northern property line. Vacation of the landscape easement would not negatively impact conformity with the General Plan, public interest, or public benefit.



OPTIONS:

- Option 1: Approve the vacation of the easement, which would allow the applicant to proceed with the completion of the project.
- Option 2: Do not approve the vacation of the landscape easement, which would delay completion of the project.

BACKGROUND:

The application (MF 779) for an Administrative Coastal Permit (ACP 050218), Conditional Use Permit (CUP 050219), Design Review Case (DRC 050220), Site Plan Review (SPR 050221), and Tentative Map (TM 090016) to construct two mixed-use buildings with a total of six residential units and 2,600 square feet of commercial space at 221-225 Palm Avenue (APN 625-201-03-00 and 625-201-04-00) was approved by the City Council on November 6, 2013.

While processing the project's application, it was discovered that the City of Imperial Beach owns a three-foot landscape easement along the northern property line, which was created in 1976. The easement granted the right to plant, install and maintain trees, shrubs, lawns, ground cover or other landscape materials. However, it does not appear that the landscape easement was utilized and there are no plans or need for its use because improvements on Old Palm Avenue have enhanced the aesthetics and pedestrian accessibility in the public right-of-way. In addition, the property owner proposed to construct a mixed-use development, which would provide storefronts and other improvements, including landscaping, along the northern property line. As such, the applicant requested approval of the project and that the easement be vacated by the City. The project was approved by the City Council at the November 6, 2013 City Council meeting and it was determined that vacation of the landscape easement would take place at a future meeting. The applicant has since constructed the buildings, installed all necessary right-of-way improvements, and complied with the conditions of approval as stipulated in Resolution 2013-7411. Vacation of the landscape easement would allow the applicant to proceed with the completion of the project.

ANALYSIS:

The landscape easement was recorded in 1976 to plant, install and maintain trees, shrubs, lawns, ground cover or other landscape materials. At the time the easement was acquired, the property was undeveloped and it appears the easement was created to allow for the opportunity to improve the aesthetics of the vacant lots. However, the landscape easement has not been utilized, there are no public improvements on the easement, and there are no plans or need for its use because improvements on Old Palm Avenue have enhanced the aesthetics and pedestrian accessibility in the public right-of-way, reducing the need for a three-foot landscape strip along the adjacent private properties. Pursuant to Government Code Section 65402 (Restrictions on Acquisition and Disposal of Real Property), the City Council must find that vacation of the easement is consistent with general plan. The proposed vacation would conform to General Plan Land Use Policy L-4e, which states that the Seacoast Area, which includes portions of Palm Avenue where the subject property is located, "shall serve as a commercial and mixed-use visitor-serving, pedestrian-oriented commercial area..." Vacation of the landscape easement would allow for a mixed-use project with pedestrian-oriented storefronts with two commercial spaces that allow for visitor-serving uses to be completed, which is in conformance with the General Plan. The vacation would not reduce the amount of public right-of-way and would also serve as a public benefit because it would allow for completion of a project that would serve the public with two commercial spaces and market rate housing.

ENVIRONMENTAL DETERMINATION:

This matter is not considered a "project" pursuant to the provisions of the California Environmental Quality Act (CEQA) Chapter 2.5 Section 21065.

FISCAL ANALYSIS:

The applicant has deposited \$12,500.00 in Project Account Number (050218) to fund the processing of this application.

Attachments:

1. Resolution 2015-7652
2. 1976 Landscape Easement

RESOLUTION NO. 2015-7652**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING THE VACATION OF A LANDSCAPE EASEMENT AT 221-225 PALM AVENUE (APNs 625-201-03-00 AND 625-201-04-00). MF 779.**

WHEREAS, on December 2, 2015, the City Council of the City of Imperial Beach held a public meeting to consider the vacation of a three-foot wide landscape easement along the north property line of property located at 221-225 Palm Avenue (APN 625-201-03-00 and 625-201-04-00). The project site is legally described as follows:

Lots 21 and 22 in Block 6 of Silver Strand Beach Gardens, in the City of Imperial Beach, County of San Diego, State of California, according to Map thereof No. 1902, filed in the Office of County Recorder of San Diego County, March 25, 1926; and,

WHEREAS, while processing an application for a mixed-use project consisting of two buildings with a total of six residential units and two commercial units for a property located at 221-225 Palm Avenue, it was discovered that the City of Imperial Beach owns a three-foot wide landscape easement recorded in 1976 to plant, install and maintain trees, shrubs, lawns, ground cover or other landscape materials along the northern property line; and

WHEREAS, the owner of the property requested approval of the project and vacation of a three-foot wide landscape easement; and

WHEREAS, on November 6, 2013 the City Council adopted Resolution 2013-7411 approving the construction of a mixed-use project located at 221-225 Palm Avenue and vacation of the landscape easement would be considered at a future City Council meeting; and

WHEREAS, the vacation of the landscape easement was placed on the City Council's agenda on December 2, 2015 and a staff report and resolution were part of the materials prepared for and considered by the City Council on that meeting date; and

WHEREAS, at the time the easement was acquired, the property was undeveloped and the easement was created to allow for the opportunity to improve the aesthetics of the vacant lots; and

WHEREAS, the landscape easement has not been utilized, there are no public improvements on the easement, and there are no plans or need for its use because improvements on Old Palm Avenue have enhanced the aesthetics and pedestrian accessibility in the public right-of-way, reducing the need for a three-foot landscape strip along the adjacent private properties; and

WHEREAS, the property owner received approval to construct a mixed-use development, which provides storefronts and other improvements, including landscaping, along the northern property line; and

WHEREAS, Government Code Section 65402 (Restrictions on Acquisition and Disposal of Real Property), states that the City Council must find that vacation of the easement is consistent with general plan; and

WHEREAS, Vacation of the landscape easement would allow for a mixed-use project with pedestrian-oriented storefronts with two commercial spaces that allow for visitor-serving

uses to be completed, which is in conformance with the General Plan Land Use Policy L-4e; and

WHEREAS, the vacation would not reduce the amount of public right-of-way and would also serve as a public benefit because it would allow for completion of a project that would serve the public with two commercial spaces and market rate housing; and

WHEREAS, the easement is unnecessary for present or prospective public use.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Imperial Beach approved the vacation of the landscape easement as described below:

1. The easement described herein is hereby vacated, and the vacation of the easement shall be the most northerly three-feet of Lots 21 and 22 in Block 6 of Silver Strand Beach Gardens, in the City of Imperial Beach, County of San Diego, State of California, according to Map thereof No. 1902.
2. The signatory on any recording documents is hereby delegated to the City Manager, as a means of carrying out policy adopted by the City Council via this resolution. The City Manager is authorized to sign any and all documents necessary to release, distinguish, and/or reconvey this easement if necessary.
3. The City Clerk is hereby authorized to have this resolution recorded in the Office of the County Recorder of San Diego County. From the date of recordation of this resolution, the easement no longer constitutes an easement.

Appeal Process under the California Code of Civil Procedure (CCP): The time within which judicial review of a City Council decision must be sought is governed by Section 1094.6 of the CCP. A right to appeal a City Council decision is governed by CCP Section 1094.5 and Chapter 1.18 of the Imperial Beach Municipal Code.

PROTEST PROVISION: The 90-day period in which any party may file a protest, pursuant to Government Code Section 66020, of the fees, dedications or exactions imposed on this development project begins on the date of the final decision.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of December, 2015, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

FILE/PAGE NO. **76-127422**
BOOK 1976
RECORDED REQUEST OF

ADDRESSEE
APR 28 2 43 PM '76

OFFICIAL RECORDS
SAN DIEGO COUNTY, CALIF.
HARLEY F. BLOOM
RECORDER

MAY 12 '76

CITY OF IMPERIAL BEACH

RECORDING REQUESTED BY

The City of Imperial Beach

AND WHEN RECORDED MAIL TO

Name | Clifton E. Reed,
Street | City Attorney
City & | 315 Fourth Ave., Suite R
State | Chula Vista, Calif. 92010

SPACE ABOVE THIS LINE FOR RECORDER **NO FEE**

MAIL TAX STATEMENTS TO

Name | Eugene & Mary H. Dipietro
Street | 840 Green Street
City & | San Diego, California 92154
State |

DOCUMENTARY TRANSFER TAX \$ none (gift)
— COMPUTED ON FULL VALUE OF PROPERTY
CONVEYED, — OR COMPUTED ON FULL
VALUE LESS LIENS AND ENCUMBRANCES
REMAINING AT TIME OF SALE.

Signature on file *aty clerk*

Signature of Declarant or Agent
Determining Tax. Firm Name
CLIFTON E. REED, CITY ATTORNEY

GRANT OF EASEMENT

This agreement made this 5th day of November, 1975,
by and between Eugene & Mary H. Dipietro, hereinafter referred to
as "Grantor", and the City of Imperial Beach, a Municipal
Corporation, hereinafter referred to as "Grantee".

RECITALS

WHEREAS, Grantor is the owner of certain real property
commonly known as (no address) Palm Avenue, City of Imperial
Beach, County of San Diego, State of California, hereinafter
referred to as the "Subject Property" and described as follows:

LEGAL

Lots 21, 22, 23, Block 6, Map 1902, Silver Strand Beach Gardens -
Assessor's Parcel No. 625-201-02/03/04

;and

WHEREAS, Grantee desires to acquire certain rights in
the Subject Property:

GRANT OF EASEMENT

1. Grantor hereby grants to Grantee an easement hereinafter described: The northerly 3' of lots 21, 22, 23, Block 6, Map 1902 Silver Strand Beach Gardens.

CHARACTER OF EASEMENT

2. The easement granted herein is an easement in gross.

DESCRIPTION OF EASEMENT

3. The easement granted herein is a right to plant, install and maintain trees, shrubs, lawns, ground cover or other landscape materials.

LOCATION

4. The easement granted herein is located upon that portion of the Subject Property described in Exhibit I, attached hereto and incorporated herein, hereinafter referred to as the "Burdened Property".

USE BY GRANTEE

5. The easement granted herein includes the following uses of the Burdened Property: The right to enter upon the Burdened Property to plant trees, shrubs, lawns, ground cover and other landscape materials; and, the right to enter upon the Burdened Property to maintain or replace such landscape materials; and, the right to enter upon the Burdened Property to install and maintain and an irrigation system for the maintainance of such landscape materials; together with the right to enter upon the Subject Property with such vehicles, equipment, tools and implements customarily used for the installation or maintainance of landscape materials and irrigation systems.

EXCLUSIVENESS OF EASEMENT

6. The easement granted herein is not exclusive and the Grantor may use the Burdened Property in any manner not inconsistent with the easement granted herein,

ENTIRE AGREEMENT

7. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed.

BINDING EFFECT

8. This instrument shall bind and insure to the benefit of the respective heirs, personal representatives and, successors of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written

GRANTOR

Signature on file

Eugene Dipietro

Signature on file

(Name & Address)

Mary H. Dipietro

GRANTEE

Signature on file

Leebert L. Stites, Mayor
City of Imperial Beach

~~WITNESSES:~~

~~A. George Ramos, City Clerk
City of Imperial Beach~~



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER AH
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: COMMUNITY DEVELOPMENT DEPARTMENT ST TF
SUBJECT: CONSENT AGENDA: FINAL MAP (TM 090016) FOR A MIXED-USE PROJECT AT 221-225 PALM AVENUE (APNs 625-201-03-00 AND 625-201-04-00). MF 779.

EXECUTIVE SUMMARY:

This is the consideration of the final map approval for the mixed-use project consisting of two buildings with a total of six residential units above two commercial spaces at 221-225 Palm Avenue.

RECOMMENDATION:

That the City Council approve the final map for the project located at 221-225 Palm Avenue (MF 779) proposed by the applicant.

RATIONALE:

Approval of the final map would allow the applicant to proceed with completion of the project.

OPTIONS:

- Option 1: Approve the final map, which would allow the applicant to proceed with the completion of the project.
- Option 2: Do not approve the final map. Disapproval of the final map would require findings that the final map is not in substantial compliance with the previously approved tentative map.

BACKGROUND:

The application (MF 779) for an Administrative Coastal Permit (ACP 050218), Conditional Use Permit (CUP 050219), Design Review Case (DRC 050220), Site Plan Review (SPR 050221), and Tentative Map (TM 090016) to construct two mixed-use buildings with a total of six



residential units and 2,600 square feet of commercial space at 221 and 225 Palm Avenue (APN 625-201-03-00 and 625-201-04-00) was approved by the City Council on November 6, 2013.

ANALYSIS:

The applicant has constructed the buildings, installed all of the necessary public improvements, and has complied with the conditions of approval for the project as stipulated in Resolution 2013-7411. In addition, the City Engineer has reviewed the final map and determined that it substantially complies with the tentative map for the project, which, pursuant to Subdivision Map Act Section 66474.1, must be approved by the legislative body.

ENVIRONMENTAL DETERMINATION:

This project may be statutorily exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15268 project (Ministerial Projects).

COASTAL JURISDICTION:

An administrative coastal permit was approved as part of the project. The project is located in the Non-Appealable area of the California Coastal Commission, as indicated on the Local Coastal Program Post Certification and Appeal Jurisdiction Map, and, as such, was not appealable to the California Coastal Commission under Section 30603(a) of the California Public Resources Code.

FISCAL ANALYSIS:

The applicant has deposited \$12,500.00 in Project Account Number (050218) to fund the processing of this application.

Attachments:

1. Final Map
2. Tentative Map

MAP NO. _____

221-225 PALM AVENUE

SHEET 1 OF 3 SHEETS

OWNER CERTIFICATE

WE HEREBY CERTIFY THAT WE ARE THE OWNER OF, OR HAVE INTEREST IN THE LAND EMBRACED WITHIN THE SUBDIVISION TO BE KNOWN AS "221-225 PALM AVENUE" AND WE HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS MAP, CONSISTING OF 3 SHEETS AND DESCRIBED IN THE CAPTION THEREOF.

IT IS OUR INTENT TO SUBDIVIDE OUR ENTIRE INTEREST IN THE REAL PROPERTY SHOWN ON THIS MAP, INCLUDING ANY REVERSION RIGHTS THAT MAY EXIST WITHIN THE ADJOINING RIGHTS-OF-WAY. IT IS NOT OUR INTENT TO ALTER OR SEVER THE LEGITIMATE RIGHTS OF OTHERS WHO MAY HAVE A CLAIM ON THOSE REVERSION RIGHTS THROUGH PRIOR CONVEYANCES.

200 PALM BEACH, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____
WESLEY ALLEN, MEMBER

BY: _____
WILLIAM ALLEN, MEMBER

BY: _____
JEANETTE ALLEN, MEMBER

BY: _____
ELMA ALLEN, MEMBER

(SEE NOTARY ACKNOWLEDGEMENTS ON SHEET NO. 2)

CEQA CERTIFICATE

I, STEVEN J. DUSH, COMMUNITY DEVELOPMENT DIRECTOR OF THE CITY OF IMPERIAL BEACH HEREBY CERTIFY THAT THE ENVIRONMENTAL IMPACT OF THIS MINOR SUBDIVISION OF LAND HAS BEEN ASSESSED AND A NOTICE OF EXEMPTION HAS BEEN FILED PURSUANT TO THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1986 AS AMENDED AND DIVISION 5, TITLE 14 OF THE CALIFORNIA ADMINISTRATIVE CODE, AND A NOTICE OF EXEMPTION STATING THAT THIS MINOR SUBDIVISION WILL NOT HAVE SIGNIFICANT ADVERSE EFFECT ON THE ENVIRONMENT HAS BEEN FILED WITH THE COUNTY CLERK.

STEVEN J. DUSH, COMMUNITY DEVELOPMENT DIRECTOR DATE

SUPERINTENDENT OF PUBLIC WORKS STATEMENT

I, HANK LEVIEN, HEREBY STATE THAT THERE IS A SANITARY SEWER CONNECTION AVAILABLE TO LOT 1 AND LOT 2 OF THIS FINAL MAP.

HANK LEVIEN, DIRECTOR OF PUBLIC WORKS DATE

BEING A SUBDIVISION OF LOTS 21 AND 22 IN BLOCK 6 OF SILVERSTRAND BEACH GARDENS ADDITION TO IMPERIAL BEACH, IN THE CITY OF IMPERIAL BEACH, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 1902, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 25, 1926. EXCEPTING THEREFROM ANY PORTION THEREOF HERETOFORE OR NOW LYING BELOW THE ORDINARY HIGH TIDE LINE OF THE PACIFIC OCEAN.

SUBDIVISION GUARANTEE PROVIDED BY: CHICAGO TITLE COMPANY, ORDER NO. 12204001-996-U50

COUNTY TREASURER-TAX COLLECTOR:

STATE OF CALIFORNIA, } ss.
COUNTY OF SAN DIEGO

WE, COUNTY TREASURER-TAX COLLECTOR OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA AND DIRECTOR, DEPARTMENT OF PUBLIC WORKS OF SAID COUNTY, HEREBY CERTIFY THAT THERE ARE NO UNPAID SPECIAL ASSESSMENTS OR BONDS WHICH MAY BE PAID IN FULL SHOWN BY THE BOOKS OF OUR OFFICES AGAINST THE TRACT OR SUBDIVISION, OR ANY PART THEREOF, SHOWN ON THE ANNEXED MAP CONSISTING OF 3 SHEETS AND DESCRIBED IN THE CAPTION THEREOF.

DAN MCALLISTER COUNTY TREASURER-TAX COLLECTOR BY: _____ DATE: _____ DEPUTY

JOHN SNYDER DIRECTOR, DEPARTMENT OF PUBLIC WORKS BY: _____ DATE: _____ FOR DIRECTOR

CITY CLERK'S CERTIFICATE

I, JACQUELINE M. HALD, CITY CLERK OF THE CITY OF IMPERIAL BEACH, STATE OF CALIFORNIA, HEREBY CERTIFY ON _____ THE IMPERIAL BEACH CITY COUNCIL PURSUANT TO THE SUBDIVISION MAP ACT SECTION 66440 AND IMPERIAL BEACH MUNICIPAL CODE SECTION 18-40-020 APPROVED THE FINAL MAP FOR _____ AND ACCEPTED, SUBJECT TO IMPROVEMENTS, OR REJECTED, ON BEHALF OF THE PUBLIC, ANY REAL PROPERTY OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFER OF DEDICATION.

IN WITNESS WHEREOF, SAID COUNCIL HAS CAUSED THESE PRESENTS TO BE EXECUTED BY THE CITY CLERK, THIS _____ DAY OF _____, 20____.

JACQUELINE M. HALD, CITY CLERK DATE

ADMINISTRATIVE SERVICES DIRECTORS CERTIFICATE

I, DOUG BRADLEY, ADMINISTRATIVE SERVICES DIRECTOR OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, HEREBY CERTIFY THAT THERE ARE NO DELINQUENT CITY LIENS OR UNPAID CITY TAXES OR UNPAID BONDS ISSUED UNDER THE IMPROVEMENT ACTS OF THE STATE OF CALIFORNIA AGAINST THE TRACT OR SUBDIVISION OR ANY PART THEREOF SHOWN ON THE ANNEXED MAP CONSISTING OF 3 SHEETS AND DESCRIBED IN THE CAPTION THEREOF.

DOUG BRADLEY, ADMINISTRATIVE SERVICES DIRECTOR DATE

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF 200 PALM LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ON JULY 26, 2014, AND I CERTIFY THAT SAID SURVEY IS TRUE AND COMPLETE AS SHOWN AND THAT ALL MONUMENTS FOUND, TOGETHER WITH THOSE SET, ARE OF CHARACTER INDICATED AND OCCUPY THE POSITIONS SHOWN THEREON AND ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED (SEE LEGEND ON SHEET NO. 3)

I HEREBY STATE THAT THIS MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY.

ALAN F. SCHULER, RCE 33530 DATE
LICENSE EXPIRES JUNE 30, 2016



CITY ENGINEER'S STATEMENT:

I, CARMEN C. KASNER, CITY ENGINEER OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, HEREBY STATE THAT I HAVE EXAMINED THE ANNEXED MAP OF THIS SUBDIVISION KNOWN AS 221-225 PALM AVENUE, CONSISTING OF THREE SHEETS AND DESCRIBED IN THE CAPTION THEREOF, AND HAVE FOUND THAT THE DESIGN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY ALTERATIONS THERETO, THAT ALL OF THE PROVISIONS OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA AS AMENDED HAVE BEEN COMPLIED WITH AND ANY LOCAL ORDINANCES OF SAID CITY APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH, AND I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT. I HEREBY APPROVE SAID MAP.

BY: _____ DATE
KEVIN D. MCHUGH JR., FOR CITY ENGINEER
LS 6310
MY REGISTRATION EXPIRES: 09/30/2016

CLERK OF THE BOARD OF SUPERVISOR'S STATEMENT

I, THOMAS J. PASTUSZKA, CLERK OF THE BOARD OF SUPERVISORS, HEREBY CERTIFY THAT THE PROVISIONS OF THE SUBDIVISION MAP ACT (DIVISION 2 OF TITLE 7 OF THE GOVERNMENT CODE) REGARDING (A) DEPOSITS FOR TAXES AND (B) CERTIFICATION OF THE ABSENCE OF LIENS FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT THOSE NOT YET PAYABLE, HAVE BEEN COMPLIED WITH.

THOMAS J. PASTUSZKA
CLERK OF THE BOARD OF SUPERVISORS

BY: _____ DATE
DEPUTY

COUNTY RECORDER'S STATEMENT

FILE NO.: _____
I, ERNEST J. DRONENBERG JR., COUNTY RECORDER OF THE COUNTY OF SAN DIEGO, CALIFORNIA, HEREBY CERTIFY THAT I HAVE ACCEPTED FOR RECORDATION THIS MAP FILED AT THE REQUEST OF ALAN F. SCHULER, THIS _____ DAY OF _____, 2015, AT _____ O'CLOCK ____M.

ERNEST J. DRONENBERG JR. BY: _____
COUNTY RECORDER DEPUTY

FEE: \$14.00

MAP NO. _____

SHEET 2 OF 3 SHEETS

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

STATE OF CALIFORNIA } s.s.
COUNTY OF SAN DIEGO }

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

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

PRINT NAME _____ SIGNATURE _____

NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE

MY COMMISSION NUMBER _____

MY COMMISSION EXPIRES ON _____

MY PRINCIPAL PLACE OF BUSINESS IS IN _____ COUNTY

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

STATE OF CALIFORNIA } s.s.
COUNTY OF SAN DIEGO }

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

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE
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STATE OF CALIFORNIA } s.s.
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A NOTARY PUBLIC, PERSONALLY APPEARED
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO
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THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(ES), AND THAT BY
HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR
THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED
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PRINT NAME _____ SIGNATURE _____

NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE

MY COMMISSION NUMBER _____

MY COMMISSION EXPIRES ON _____

MY PRINCIPAL PLACE OF BUSINESS IS IN _____ COUNTY

MAP NO. _____

SHEET 3 OF 3 SHEETS

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM ZONE 6, EPOCH 1991.35, NORTH AMERICAN DATUM OF 1983 (NAD83) GRID BEARING BETWEEN GPS STATION 58 AND GPS STATION 59 PER ROS 14492 I.E. N70°23'57"E

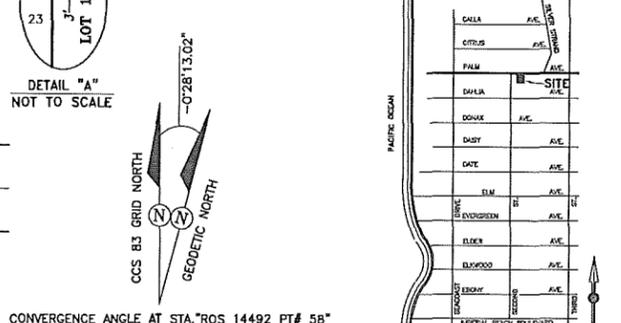
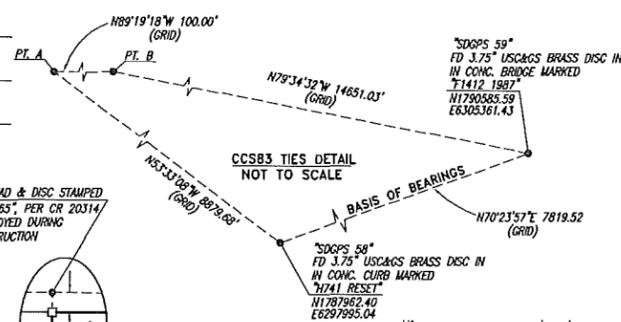
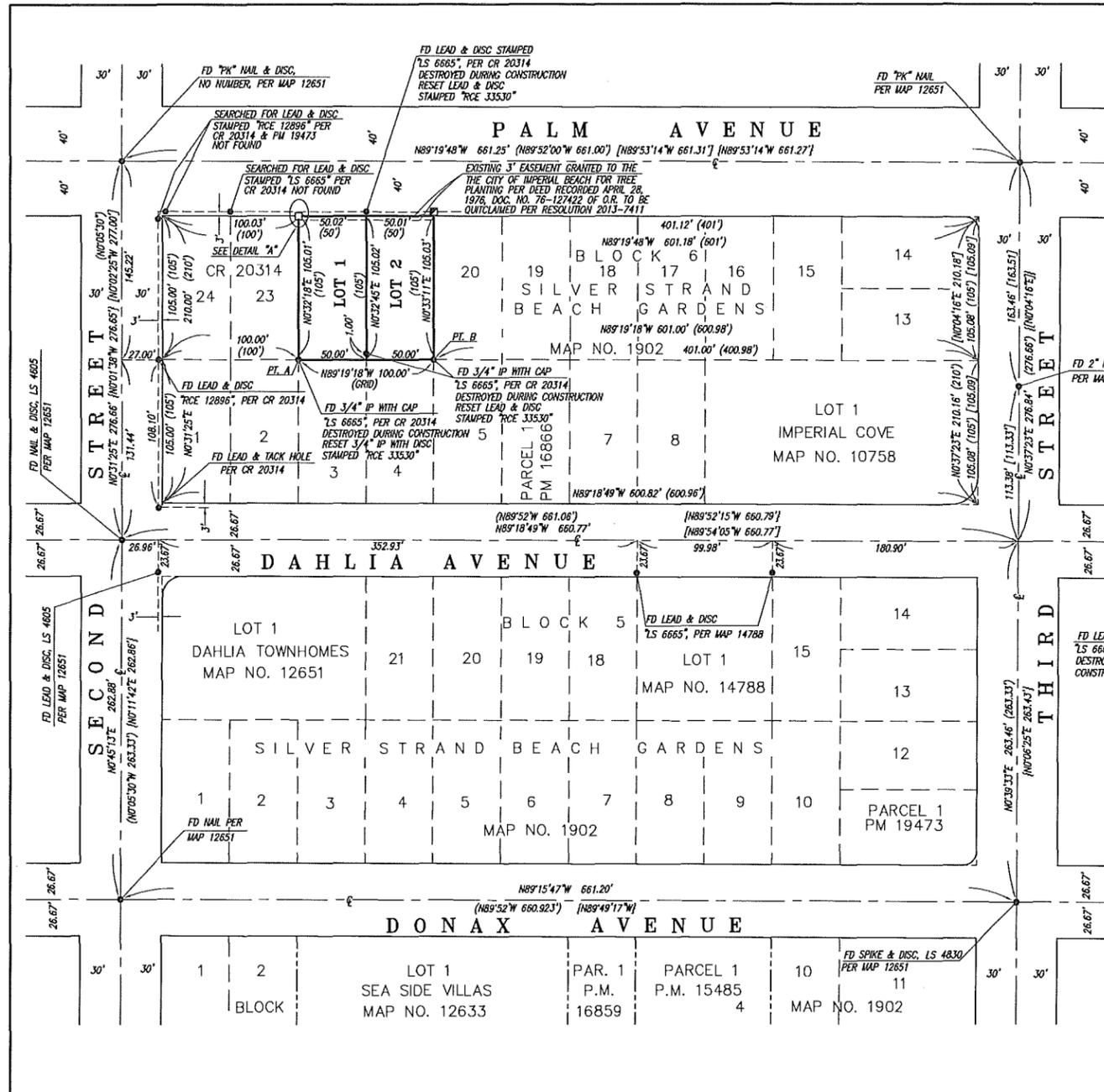
QUOTED BEARINGS FROM REFERENCE MAPS/DEEDS MAY OR MAY NOT BE IN TERMS OF SAID SYSTEM.

THE COMBINED SCALE FACTOR AT GPS STATION 58 IS 1.0000425
GRID DISTANCE=GROUND DISTANCE X COMBINED SCALE FACTOR

LEGEND

- INDICATES PARCEL MAP BOUNDARY
- INDICATES FOUND POINT AS NOTED
- INDICATES SET LEAD & DISC STAMPED "RCE 33530"
- INDICATES FOUND LEAD & DISC STAMPED "RCE 12896" IN CONCRETE ON A 3.00 FOOT OFFSET ALONG THE EXTENSION OF THE LOT LINE PER CR 20314, DESTROYED DURING CONSTRUCTION. RESET WITH LEAD & DISC STAMPED "RCE 33530"
- () INDICATES RECORD PER MAP NO. 1902 UNLESS OTHERWISE NOTED
- [] INDICATES RECORD PER MAP NO. 10758
- { } INDICATES RECORD PER MAP NO. 12651

TOTAL AREA: 10,504 SQ.FT. (GROSS)
NUMBER OF LOTS: 2





AGENDA ITEM NO. 2.8

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL ^{AM}
FROM: ANDY HALL, CITY MANAGER
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: CITY ADMINISTRATION
SUBJECT: ADOPTION OF RESOLUTION NO. 2015-7655 AUTHORIZING
RETENTION STIPENDS FOR NON-DEPARTMENT HEAD
LEVEL EMPLOYEES

EXECUTIVE SUMMARY:

In an effort to retain effective employees, the Department Heads would like to join the City Council in recognition of their efforts through the issuance of a retention stipend for all non-department head employees.

RECOMMENDATION:

Staff recommends approval of Resolution 2015-7655 authorizing a retention stipend for all non-department head level employees.

RATIONALE:

In consideration of the dedication and hard work displayed by the employees of the City of Imperial Beach, the City Council is extending a stipend intended to increase retention and maintain the experience and expertise of the current City employees.

BACKGROUND:

The City Manager is seeking direction and approval to meet and confer with Union representatives to offer a retention stipend to all employees, except Department Heads. This is a requirement in accordance with the adopted Memorandums of Understanding.

ANALYSIS:

Imperial Beach employees are without question some of the most dedicated and professional employees in the County. Labor negotiations have been positive and realistic and have resulted in significant cost savings. These agreements were reached because by enlarge our employees are highly dedicated to the community and recognize that efficiency and a high level of productivity are necessary to maintain fiscal stability. In recognition of the continued high quality work the Department Heads would like to join with the City Council in providing a one-time employee retention stipend. The stipend would be equal to \$250 for full time employees and \$125 for part time employees, exclusive of Department Heads and elected officials.

The funding for the stipend is available from the unassigned fund balance in the General Fund and is anticipated to be approximately \$26,000 in total for the full time and part time employees.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The provision of an employee retention stipend is anticipated to cost approximately \$26,625 that will be funded from the unassigned fund balance of the General Fund.

Attachments:

1. Resolution No. 2015-7655

RESOLUTION NO. 2015-7655

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ASSIGN ONE-TIME RETENTION INCENTIVE STIPENDS TO NON-DEPARTMENT HEAD EMPLOYEES

WHEREAS, City employees are well trained, possess important institutional knowledge, and continue to provide a high level of service to the residents of Imperial Beach City during a season of change including layoffs, and staff vacancies; and

WHEREAS, over the years, City employees agreed to significant employee cost related savings that in most cases far exceeded the concessions in surrounding communities; and

WHEREAS, the City desires to stay competitive with the local employment market, minimize turnover, and retain City employees to provide future services for the City; and

WHEREAS, the City Manager will hereby have the authority to assign retention stipends for non-Department Head employees as an incentive to the employees for their future City service which will benefit the City of Imperial Beach by retaining long-term qualified personnel;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The foregoing recitals are true and correct.
2. The City Council of the City of Imperial Beach hereby authorizes the City Manager to assign retention incentive stipends to non-Department Head employees for their current and future City service. Exclusive of Department Heads and elected officials, each full time employee shall receive a one-time retention incentive stipend in the amount of \$250, and each part-time employee shall receive a retention incentive stipend in the amount of \$125.
3. The City Council hereby authorizes the appropriation and expenditure of approximately \$26,000 for the one-time retention incentive stipend to be distributed to the applicable accounts.
4. This Resolution shall be effective on the date of approval.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of December 2015, by the following vote:

AYES:	COUNCILMEMBERS:	DEDINA, BILBRAY, SPRIGGS, BRAGG, PATTON
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	NONE

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER ^{AH}

MEETING DATE: DECEMBER 2, 2015

ORIGINATING DEPT.: CITY MANAGER, ANDY HALL
ASSISTANT CITY MANAGER, STEVE DUSH ^{SD}
CITY ATTORNEY, JENNIFER LYON

SUBJECT: INTRODUCTION OF ORDINANCE 2015-1154, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING SECTION 4.60.010 OF CHAPTER 4.60 "MEDICAL MARIJUANA DISTRIBUTION FACILITIES" RELATED TO THE CULTIVATION OF MEDICAL MARIJUANA

EXECUTIVE SUMMARY:

Governor Jerry Brown signed three bills into law which are collectively known as the Medical Marijuana Regulation and Safety Act that will go into effect on January 1, 2016. The legislation recognizes local decision making authority related to medical marijuana based on cities zoning and public health/safety powers, and requires additional state licensing for facilities that commercially cultivate and distribute medical marijuana. The City currently does not prohibit three or less qualified patients and primary caregivers from gathering to cultivate medical marijuana. However, in accordance with the new legislation, the City must have explicit regulations related to commercial cultivation before March 1, 2016 or else the State will become the sole licensing authority and regulator of commercial cultivation issues in the City. The proposed ordinance continues to allow primary caregivers and qualified patients to cultivate medical marijuana while prohibiting commercial cultivation locations that would not be a compatible use in the City.

RECOMMENDATION:

Staff recommends that the City Council consider the impacts of the recently passed legislation, introduce the proposed Ordinance by title only waiving the reading of the entire Ordinance.

RATIONALE:

In 2011, the City Council adopted an Ordinance directed at prohibiting large-scale commercial medical marijuana dispensaries in the City. At an election in 2012, the voters did not approve a citizen initiative measure that would have repealed the Ordinance and replaced it with an Ordinance to allow medical marijuana dispensaries in the City. Because commercial cultivation is a matter of local neighborhood compatibility and health/safety issues, staff is recommending adoption of the proposed Ordinance which will protect individual patient rights while protecting neighborhood values and town character.

OPTIONS:

- Introduce Ordinance 2015-1154, by title only and establish a date for a second reading.
- Provide direction to Staff to modify the Ordinance and bring it back to a special meeting.
- Deny the recommendation of staff and allow the licensing and regulation of marijuana cultivation to be governed by State statute.
- Provide direction to the City Manager for appropriate action.

BACKGROUND:

In 1996, California voters passed Proposition 215, commonly known as the Compassionate Use Act or "CUA." That initiative immunized seriously ill persons and their primary caregivers from prosecution for growing, possessing, and using medical marijuana, as long as the seriously ill person had a doctor's recommendation for use of medical marijuana. The initiative left many questions unanswered about its proper implementation. Years later, the State Legislature passed Senate Bill 420 (commonly known as the Medical Marijuana Program or "MMP"), which took effect January 1, 2004. That bill purported to clarify the CUA's rules for medical marijuana in California. The MMP specifies that qualified medical marijuana patients and their primary caregivers are not subject to criminal prosecution solely for associating to collectively or cooperatively grow marijuana for medical purposes. The MMP also required the California Attorney General to develop guidelines governing collective or cooperative medical marijuana activities. The Attorney General created guidelines in 2008, and these guidelines described suggested conditions for the lawful operation of "collective" or "cooperative" activity under the MMP to ensure security and compliance with all state and local laws. The Attorney General's guidelines recognize local governments' authority to regulate cooperatives and collectives, requiring them to be in "compliance with all state and local laws." Case law has also supported a local agency's ability to regulate all aspects of medical marijuana.

Imperial Beach's Municipal Code has never authorized or permitted medical marijuana dispensaries. The City of Imperial Beach adopted a moratorium on dispensaries in 2009 and 2010 to allow the City to study dispensary-related issues in more detail. The City used the study period granted by this moratorium to evaluate various approaches to regulate dispensaries. After numerous Council meetings discussing the issue, in 2011, the City Council adopted the current regulations that prohibit large-scale, commercial dispensaries (4 or more persons), found in the Imperial Beach Municipal Code Chapters 4.60 and 19.61.

Shortly thereafter, a citizen initiative was submitted to the City to repeal the City's adopted regulations related to medical marijuana dispensaries and to adopt regulations to allow dispensaries in the City. The citizen initiative was included on the November 2012 ballot, and the measure failed to obtain a majority vote. Therefore, the City's regulations adopted in 2011 have remained in place, and no large-scale medical marijuana dispensaries have opened in the City of Imperial Beach.

Other local jurisdictions have considered medical marijuana dispensary issues as well. No small local jurisdiction in the San Diego area currently allows medical marijuana dispensaries. The County of San Diego only allows them in industrial zones, and then only if they are at least 1,000 feet from residential zoned properties, schools, parks, playgrounds, churches, recreation centers, youth centers, or other dispensaries.

ANALYSIS:

It needs to be clearly stated that the adoption of Ordinance 2015-1154 is not intended to materially affect the existing regulations for the cultivation of medical marijuana by qualified patients and primary caregivers, but rather addresses large scale cultivation of marijuana. Existing regulations will remain as currently constituted with some minor refinements.

On October 9, 2015, Governor Jerry Brown signed three bills into law (AB 266, AB 243, and SB 643) which are collectively known as the Medical Marijuana Regulation and Safety Act (MMRSA). The MMRSA set up a State licensing scheme for commercial medical marijuana uses (cultivation, manufacture, transportation, storage, distribution, and sale) while protecting local control by requiring all such businesses to have a local license or permit to operate in addition to a State license. The State requires compliance with local regulations before it will consider issuing any licenses to persons/businesses. The new laws will take effect on January 1, 2016. Pursuant to the MMRSA, unless a local jurisdiction has an explicit cultivation ordinance in effect by March 1, 2016, the State will become the sole licensing and regulating authority on commercial and personal cultivation of medical marijuana issues.

I. Proposed Ordinance:

With a desire to remain consistent with the City's current medical marijuana regulations and to maintain local control of neighborhood compatibility, zoning, and health/safety issues, staff has drafted an Ordinance to amend Chapter 4.60 of the Imperial Beach Municipal Code, to: (1) explicitly define "cultivation" as set forth in state law; (2) to provide for the allowance for primary caregivers and qualified patients to continue to cultivate medical marijuana for personal medical use to coincide with the State exceptions for licensing found in the MMRSA; and (3) to clearly prohibit commercial cultivation of medical marijuana in the City. Because the definitions found in IBMC 4.60.010 provide for the implementation of zoning in Chapter 19.61, this Ordinance clearly defines the City's position on this matter in a public/health safety and zoning manner.

II. Timeline

Pursuant to the City's adopted Council meeting schedule, the Council is only having one regular meeting in December (December 2nd) and one regular meeting in January (January 20th). Therefore, in order for the Council to adopt a new ordinance on this topic (without scheduling special meetings or adjourned regular meetings), the introduction of the Ordinance should be held on December 2 and the adoption should occur on January 20, so that the ordinance will take effect by February 20, 2016 in advance of the March 1, 2016 deadline.

ENVIRONMENTAL DETERMINATION:

This discussion is not a project as defined by CEQA. Further, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment

FISCAL IMPACT:

None anticipated.

Attachments:

1. Proposed Ordinance 2015-1154
2. Imperial Beach Municipal Code Chapter 4.60 and 19.61 (proposed changes shown in redline/strikethrough format).

ORDINANCE NO. 2015-1154

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH,
CALIFORNIA AMENDING SECTION 4.60.010 OF CHAPTER 4.60 "MEDICAL
MARIJUANA DISTRIBUTION FACILITIES" RELATED TO THE CULTIVATION OF
MEDICAL MARIJUANA**

WHEREAS, in 1996, the voters of the State of California approved Proposition 215, known as the Compassionate Use Act ("CUA") (codified as Health and Safety ("H&S") Code Section 11362.5 *et seq.*); and

WHEREAS, the CUA created a limited exception from criminal liability for seriously ill persons who are in need of medical marijuana for specified medical purposes and who obtain and use medical marijuana under limited, specified circumstances; and

WHEREAS, on January 1, 2004, the "Medical Marijuana Program" ("MMP"), codified as H&S Code Sections 11362.7 to 11362.83, was enacted by the state Legislature purporting to clarify the scope of the Act and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with the MMP; and

WHEREAS, the CUA expressly anticipates the enactment of additional local legislation; and

WHEREAS, in 2013, two court cases were decided in California which uphold a local entity's right to approve and enforce local regulations related to medical marijuana dispensaries and cultivation (City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc. (2013) 56 Cal. 4th 729; Maral v. City of Live Oak (2013) 221 Cal. App. 4th 975); and

WHEREAS, on October 9, 2015, Governor Brown approved the Medical Marijuana Regulation and Safety Act ("MMRSA") which goes into effect on January 1, 2016, and establishes a comprehensive State licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of medical marijuana through Assembly Bills 243 and 266 and Senate Bill 643; and

WHEREAS, according to the provisions of the MMRSA, unless local agencies have an ordinance in place by March 1, 2016 that expressly regulates or prohibits the cultivation of marijuana within their jurisdictions, these activities will be permitted and regulated by the State under MMRSA; and

WHEREAS, in 2011, the City Council adopted an ordinance prohibiting medical marijuana distribution facilities and prohibiting the issuance of any permits or entitlements for medical marijuana distribution facilities which was and is necessary and appropriate to maintain and protect the public health, safety and welfare of the citizens of Imperial Beach; and

WHEREAS, Imperial Beach Municipal Code (“IBMC”) section 4.60.010 contains the definition of “medical marijuana distribution facility” and any facility that meets the definition as shown in IBMC section 4.60.010 is a prohibited business and a prohibited use in all zones in the City pursuant to IBMC section 4.60.020 and IBMC section 19.61.020;

WHEREAS, the City of Imperial Beach lacks industrial or agricultural zones or any other location in the City that is subject to development which is separated adequately from residential neighborhoods, schools, and other similar sensitive land uses inconsistent with medical marijuana distribution facilities; and

WHEREAS, the City Council is mindful of the needs of medical marijuana patients and has crafted this Ordinance in a manner that does not interfere with a patient's or primary caregiver's ability to produce his or her own medical marijuana as allowed under applicable State law; and

WHEREAS, in light of the MMRSA, the City Council desires to amend the definition of “medical marijuana distribution facility” found in IBMC section 4.60.010 to make it clear that cultivation of medical marijuana is not allowed in the City of Imperial Beach unless the cultivation occurs pursuant to the exceptions for qualified patients and primary caregivers found in this Ordinance; and

WHEREAS, the City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this Ordinance is exempt from the requirements of the California Environmental Quality Act (“CEQA”) in that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; and

NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:

Section 1: Section 4.60.010 of the Imperial Beach Municipal Code is hereby amended to read as follows:

“4.60.010. Definitions.

A. “Medical marijuana distribution facility” is: (1) any facility or location, whether fixed or mobile, where marijuana is made available, sold, transmitted, given or

otherwise provided to four or more persons with identification cards or qualified patients, or primary caregivers, as defined in California Health and Safety Code Section 11362.5 et seq., as amended from time to time; ~~or~~ (2) any facility where four or more qualified patients, persons with identification cards and primary caregivers meet or congregate collectively and cooperatively to cultivate ~~or~~ distribute marijuana for medical purposes under the purported authority of California Health and Safety Code Section 11362.5 et seq.; or (3) any facility, location or place where marijuana is cultivated or where cultivation of marijuana occurs, except as provided in, Section 4.60.010 (C) below. "Cultivate" and "cultivation" are given the same definition as found in Section 19300.5(l) of the Business and Professions Code, as the same may be amended from time to time.

B. "Medical marijuana distribution facility" shall not include any of the following facilities licensed and properly operating pursuant to the provisions of Division 2 of the California Health and Safety Code as long as any such use complies strictly with applicable law including, but not limited to, California Health and Safety Code Section 11362.5 et seq., as amended from time to time:

1. A clinic;
2. A health facility;
3. A residential care facility for persons with chronic, life-threatening illnesses;
4. A licensed residential care facility for the elderly; or
5. A residential hospice or a home health agency. (Ord. 2011-1118 § 2)

C. "Medical marijuana distribution facility" shall not include any of the following:

1. Any location where a qualified patient cultivates marijuana pursuant to Health and Safety Code Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 100 square feet and he or she cultivates marijuana for his or her personal medical-medical use and does not sell, distribute, donate or provide marijuana to any other person or entity.

2. Any location where a primary caregiver cultivates marijuana pursuant to Health and Safety Code Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 500 square feet and he or she cultivates marijuana exclusively for the personal medical use of no more than three specified qualified patients for whom he or she is the primary caregiver within the meaning of Health and Safety Code Section 11362.7 and does not receive remuneration for these activities, except for compensation provided in full compliance with subdivision (c) of Section 11362.765 of

the Health and Safety Code. No more than 100 square feet of the cultivation shall occur outdoors.

3. For purposes of subsections 1 and 2 above, the area used to cultivate marijuana shall be measured by the aggregate area of vegetative growth of live marijuana plants on the premises. Additionally no cultivation shall be conducted in a manner that violates any other provision of the Imperial Beach Municipal Code."

Section 2: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 3: The City Clerk is directed to prepare and have published a summary of this Ordinance no less than five days prior to the consideration of its adoption and again within fifteen (15) days following adoption indicating votes cast.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Imperial Beach, California, on the 2nd day of December 2015;

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Imperial Beach, California, on the 20th day of January 2016, by the following vote:

AYES:
NAYS:
ABSENT:

Serge Dedina, Mayor

ATTEST:

Jacqueline Hald, City Clerk

APPROVED AS TO FORM:

Jennifer M. Lyon, City Attorney

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be an exact copy of Ordinance No. 2015 - 1154, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA AMENDING SECTION 4.60.010 OF CHAPTER 4.60 "MEDICAL MARIJUANA DISTRIBUTION FACILITIES" RELATED TO THE CULTIVATION OF MEDICAL MARIJUANA"

JACQUELINE HALD, CITY CLERK

DATE

Chapter 4.60. MEDICAL MARIJUANA DISTRIBUTION FACILITIES

“4.60.010. Definitions.

A. “Medical marijuana distribution facility” is: (1) any facility or location, whether fixed or mobile, where marijuana is made available, sold, transmitted, given or otherwise provided to four or more persons with identification cards or qualified patients, or primary caregivers, as defined in California Health and Safety Code Section 11362.5 et seq., as amended from time to time; ~~or~~ (2) any facility where four or more qualified patients, persons with identification cards and primary caregivers meet or congregate collectively and cooperatively to cultivate ~~or~~ distribute marijuana for medical purposes under the purported authority of California Health and Safety Code Section 11362.5 et seq.; or (3) any facility, location or place where marijuana is cultivated or where cultivation of marijuana occurs, except as provided in; Section 4.60.010 (C) below. “Cultivate” and “cultivation” are given the same definition as found in Section 19300.5(l) of the Business and Professions Code, as the same may be amended from time to time.

B. “Medical marijuana distribution facility” shall not include any of the following facilities licensed and properly operating pursuant to the provisions of Division 2 of the California Health and Safety Code as long as any such use complies strictly with applicable law including, but not limited to, California Health and Safety Code Section 11362.5 et seq., as amended from time to time:

1. A clinic;
2. A health facility;
3. A residential care facility for persons with chronic, life-threatening illnesses;
4. A licensed residential care facility for the elderly; or
5. A residential hospice or a home health agency. (Ord. 2011-1118 § 2)

C. “Medical marijuana distribution facility” shall not include any of the following:

1. Any location where a qualified patient cultivates marijuana pursuant to Health and Safety Code Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 100 square feet and he or she cultivates marijuana for his or her personal medical ~~medical~~ use and does not sell, distribute, donate or provide marijuana to any other person or entity.

2. Any location where a primary caregiver cultivates marijuana pursuant to Health and Safety Code Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 500 square feet and he or she cultivates marijuana exclusively for the personal medical use of no more than three specified qualified patients for whom he or she is the primary caregiver within the meaning of Health and Safety Code Section 11362.7 and does not receive remuneration for these activities, except for compensation provided in full compliance with subdivision (c) of Section 11362.765 of the Health and Safety Code. No more than 100 square feet of the cultivation shall occur outdoors.

3. For purposes of subsections 1 and 2 above, the area used to cultivate marijuana shall be measured by the aggregate area of vegetative growth of live marijuana plants on the premises. Additionally no cultivation shall be conducted in a manner that violates any other provision of the Imperial Beach Municipal Code."

4.60.020. Prohibition.

A. Medical marijuana distribution facilities are prohibited in the city of Imperial Beach, and no person shall operate or locate a medical marijuana distribution facility in the city of Imperial Beach. The city shall not issue, approve, or grant any permit, license, or other entitlement for the establishment or operation of a medical marijuana distribution facility in the city of Imperial Beach.

B. This chapter does not apply where preempted by state or federal law.

4.60.030. Violations—Penalty.

A. Any use or condition caused or permitted to exist in violation of any provisions of this chapter shall be and is hereby declared a public nuisance and may be abated by the city pursuant to the procedures set forth in this code.

B. Each violation of this chapter and each day a violation of this chapter continues to exist shall be considered a separate and distinct violation.

C. Notwithstanding any other provision in this code, any person found to be in violation of this chapter shall not be subject to criminal enforcement remedies as noted in this code. All other means of enforcement authorized under this code may be used to address violations of this chapter, including, but not limited to: civil penalties, nuisance abatement, civil actions, and administrative citations.

Chapter 19.61. MEDICAL MARIJUANA DISTRIBUTION FACILITIES

19.61.010. Definitions.

“Medical marijuana distribution facility” has the same meaning as in Section 4.60.010 of this code.

19.61.020. Medical marijuana distribution facilities.

A. Medical marijuana distribution facilities are prohibited uses in all zoning districts in the City of Imperial Beach, and no person shall operate or locate a medical marijuana distribution facility in the City of Imperial Beach. The City shall not issue, approve, or grant any permit, license, or other entitlement for the establishment or operation of a medical marijuana distribution facility in the City of Imperial Beach.

B. This chapter does not apply where preempted by State or Federal law.

19.61.030. Violations—Penalty.

A. Any use or condition caused or permitted to exist in violation of any provisions of this chapter shall be and is hereby declared a public nuisance and may be abated by the City pursuant to the procedures set forth in this code.

B. Each violation of this chapter and each day a violation of this chapter continues to exist shall be considered a separate and distinct violation.

C. Notwithstanding any other provision in this code, any person found to be in violation of this chapter shall not be subject to criminal enforcement remedies as noted in this code. All other means of enforcement authorized under this code may be used to address violations of this chapter, including, but not limited to: civil penalties, nuisance abatement, civil actions, and administrative citations.



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: DECEMBER 2, 2015

ORIGINATING DEPT.: CITY ADMINISTRATION

SUBJECT: ADOPTION OF RESOLUTION NO. 2015-7653 APPROVING THE IMPERIAL BEACH BUSINESS IMPROVEMENT DISTRICT ANNUAL REPORT FOR FY15, APPROVING THE BUDGET FOR FY16, AND IDENTIFICATION OF A DATE TO CONDUCT A PUBLIC HEARING TO CONSIDER LEVYING AN ASSESSMENT FOR FY16

EXECUTIVE SUMMARY:

Annually, the Chair of the Business Improvement District provides the City Council with an report containing the activities and accomplishments of the District for review, and a proposed budget for consideration. Additionally, the City Council identifies a date to conduct a public hearing required to levy the assessment for the Business Improvement District. California State statute requires a two-step process to levy the assessment with the first step being the review of the annual report and budget followed by a public hearing at a future meeting. The proposed adoption of Resolution 2015-7653 is will complete the first step in this process and establish a date for the public hearing.

RECOMMENDATION:

Following a review of the proposed budget and the annual report, staff recommends that the City Council adopt Resolution 2015-7653 and direct the City Clerk to take the necessary actions to hold a public hearing on January 20, 2016 to consider adoption of the annual levy for the Business Improvement District.

RATIONALE:

Adoption of Resolution 2015-7653 will satisfy the City of Imperial Beach obligations and provisions of Ordinance 96-907 and all subsequent resolutions pertaining to the Business Improvement District assessment.

OPTIONS:

- Review the annual report and proposed budget of the Business Improvement District and adopt Resolution 2015-7653 establishing a date for a public hearing.
- Review the annual report and proposed budget of the Business Improvement District and

request additional information prior to the adoption of Resolution 2015-7653.

- Review the annual report and proposed budget of the Business Improvement District and provide direction for modification of the budget or a change in the date of the public hearing and adoption of Resolution 2015-7653.
- Review and reject the annual report and proposed budget of the Business Improvement District and provide directions for modification and further review.

BACKGROUND:

Typically, the process of reviewing the annual report and proposed budget, as well as establishing a date for a hearing necessary to levy an assessment in the district boundaries of the Business Improvement District (BID) is a rather routine matter. However, due to some fiscal irregularities associated with the Chamber of Commerce, the consideration of the City Council and the timing of these actions are somewhat different than in years past.

The BID was created in 1997 for very specific purposes included in the Ordinance, including:

1. Acquisition, construction, and/or maintenance of parking facilities;
2. Decoration of any public place;
3. Promotion of public events in public places;
4. Provision of music or entertainment in public places; and
5. Promotion of business activities.

The City is empowered to collect the annual assessments in behalf of the BID and to transmit the funds for the authorized purposes. Several supporting resolutions of Ordinance 96-907 regarding the administration of the BID have been adopted by the City Council and the most current resolution, passed in 2005, indicates that the Chamber of Commerce will administer the funds in behalf of the BID. The resolutions further clarify that the Chamber of Commerce and the BID, for City purposes, are recognized as a single entity referred to as the "Association." In other words, the City recognizes only a single "Association" that receives and administers the assessment funds. Therefore, the role of the City and the City Council is to:

1. Review the Annual Report of BID activities to ensure the activities are consistent with the intended purposes of the funds.
2. Review the proposed budget to ensure that future expenditures will be consistent with the intended purposes of the funds.
3. Conduct a public hearing prior to levying an assessment to the businesses within the BID.
4. Collect the assessments and transmit the funds to the Association.

Because the City collects the assessments and is responsible to review the annual report and proposed budget, when it was discovered that some of the Chamber of Commerce funds may have been improperly withdrawn and used improperly, the City Council directed staff to hold the assessment funds from the Association until there was ample evidence that the funds were being properly administered and used for authorized uses. Staff has conducted the necessary research to determine that the BID funds are placed in an account separate from the compromised account and administration of the BID funds has been consistent with the approved budget. Furthermore, as required by the supporting resolutions of the BID Ordinance, an independent audit has been prepared by the BID and reviewed by staff in which no material weaknesses or material findings were identified. Therefore, the BID is seeking additional direction from the City Council to authorize staff to release the assessment funds that have accrued since staff was directed to withhold the funds.

ANALYSIS:

The Parking and Business Improvement Area Law of 1989 requires the Advisory Board of the BID to submit an Annual Report and proposed budget to the City Council that addresses the following:

1. Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.
2. The improvements and activities that have occurred in the past fiscal year and those that will be provided in the upcoming fiscal year.
3. An estimate of the cost of providing the improvements and activities.
4. The method and basis for levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for the fiscal year.
5. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
6. The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

Upon review, staff has determined that the BID Annual Report is in compliance with the applicable provisions of State and local statute. The assessments for the BID will remain constant and in fact, have not changed since adoption of the District and are as follows:

Zone 1 – Highway 75 / Palm Avenue, Old Palm Avenue, and Seacoast Drive

Zone 2 – 13th Street Business Corridor and around Imperial Beach Boulevard, Boulevard Avenue and Bayside Avenue

<u>Category</u>	<u>Zone 1</u>	<u>Zone 2</u>
1. Financial / Entertainment	\$ 600	\$ 600
2. General Retail	\$ 120	\$ 100
3. Service and Professional	\$ 100	\$ 85
4. Industrial / Manufacturing	\$ 85	\$ 65

Staff has also reviewed the proposed budget and determined that, as proposed, the expenditures and activities are consistent with the purposes of the BID. It is noted that the BID has a significant unexpended balance, but the proposed budget indicates that the funds will be properly expended to reduce the balance. Finally, upon review of the independent audit of the BID financial statements, it appears that in all material aspects, the accounting is acceptable and consistent with standard accounting procedures.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Minimal costs associated with the collection/disbursement of the BID assessments are incurred each year by the City. Ordinance 96-907 indicates that no charges will be assessed to the BID for City activities in the first ten (10) years of the District, but even though that time period has passed, staff is not recommending any assessment for providing City services.

Attachments:

1. Resolution No. 2015-7653
2. Annual Report
3. Proposed Budget
4. Independent Audit

RESOLUTION NO. 2015-7653

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING THE FISCAL YEAR 2014-2015 IMPERIAL BEACH BUSINESS IMPROVEMENT DISTRICT REPORT AND PROPOSED FISCAL YEAR 2015-2016 BUDGET AND DECLARING ITS INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR THE BID PURSUANT TO THE PARKING AND BUSINESS IMPROVEMENT AREA LAW OF 1989

WHEREAS, by Ordinance No. 96-907, adopted by the Imperial beach City Council on January 2, 1997, the "Imperial Beach Business Improvement District" (the "BID") was formed, pursuant to the provisions of the Parking and Business Improvement Law of 1989, codified as California Streets and Highway Code Section 36500 et seq. (the "Law"); and

WHEREAS, the Advisory Board for the BID has caused a report to be prepared for Fiscal Year 2014-2015 and said report is on file with the City Clerk along with the proposed Fiscal Year 2015-2016 budget; and

WHEREAS, the City Council has considered said report and budget from the advisory board;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

Section 1. Pursuant to the Law, the City Council hereby declares its intention to levy and collect assessments within the BID as set forth in **Section 2** for Fiscal Year 2015/2016.

Section 2. The area included in the BID includes the Imperial Beach business community within the following address ranges:

Zone 1

Sub-district #1 / Highway 75 – Palm Avenue

<u>Street</u>	<u>Address Series</u>
1. 7 th Street	600 – 799
2. Delaware Street	600 – 799
3. 8 th Street	600 – 799
4. 9 th Street	600 – 799
5. 10 th Street	600 – 799
6. 11 th Street	500 – 799
7. 12 th Street	500 – 799
8. 13 th Street	500 – 799
9. Emory Street	600 – 799
10. Florence Street	500 – 799
11. Florida Street	500 – 799
12. Highway 75	500 – 1373
13. Palm Avenue	700 – 1373

Zone 1

Sub-district #2 / Old Palm Avenue

<u>Street</u>	<u>Address Series</u>
1. Palm Avenue	200 – 699
2. 3 rd Street	500 – 699

Zone 1

Sub-district #3 / Seacoast Drive

<u>Street</u>	<u>Address Series</u>
1. Seacoast Drive	600 – 1099
2. Palm Avenue	000 – 199
3. Dahlia Avenue	000 – 199
4. Donax Avenue	000 – 199
5. Daisy Avenue	000 – 199
6. Date Avenue	000 – 199
7. Elm Avenue	000 – 199
8. Evergreen Avenue	000 – 199
9. Elder Avenue	000 – 199
10. Elkwood Avenue	000 – 199
11. Ebony Avenue	000 – 199
12. Imperial Beach Boulevard	000 – 199

Zone 2

Sub-district #4 / 13th Street Business Corridor

<u>Street</u>	<u>Address Series</u>
1. Imperial Beach Boulevard	900 – 1489
2. 9 th Street	800 – 1099
3. 13 th Street	800 – 1099
4. Emory Street	800 – 1099

Zone 2

Sub-district #5 / Old Palm Avenue

<u>Street</u>	<u>Address Series</u>
1. Cherry Avenue	700 – 1099
2. Boulevard Avenue	700 – 1300
3. Basswood Avenue	700 – 1000

The assessments for the BID in Fiscal Year 2015-2016 are as follows and remain the same as first established in Ordinance No. 96-907.

Zone 1 – Highway 75 / Palm Avenue, Old Palm Avenue, and Seacoast Drive

Zone 2 – 13th Street Business Corridor and around Imperial Beach Boulevard, Boulevard Avenue and Bayside Avenue

<u>Category</u>	<u>Zone 1</u>	<u>Zone 2</u>
1. Financial / Entertainment	\$ 600	\$ 600
2. General Retail	\$ 120	\$ 100
3. Service and Professional	\$ 100	\$ 85
4. Industrial / Manufacturing	\$ 85	\$ 65

Section 3. The report of the advisory board is on file with the City Clerk. Said report contains a full and detailed description of the improvements and activities provided and those to be provided in Fiscal Year 2015-2016.

Section 4. The purpose of forming the District as a parking and business improvement area under the Law, and continuing to levy and collect assessments, is to provide revenue to defray the costs of services and programs as authorized by Ordinance No. 96-907 establishing the District and which will benefit businesses in the area, including any of the following:

- A. The acquisition, construction, or maintenance of parking facilities for the benefit of the area;
- B. The decoration of any public place in the area;
- C. Promotion of public events which are to take place on or in public places in the area;
- D. Furnishing of music or entertainment in any public place in the area;
- E. The general promotion of business activities in the area.

Section 5. Pursuant to Streets & Highways Code Section 36534, notice is hereby given that **January 20, 2016 at the hour of 6:00 p.m., in the City Council Chambers of the Civic Center, 825 Imperial Beach Boulevard, Imperial Beach, California is fixed as the time and place when the City Council shall conduct a public hearing** where any and all persons having any desire to be heard may appear and state their views on the levy of the proposed assessment. Written and oral protests may be made at the public hearing. The form and manner of protests shall comply with Sections 36524 and 36525 of the California Streets and Highways Code.

Section 6. The City Clerk is hereby directed to give notice of the public hearing by causing this Resolution of Intention to be published once in a newspaper of general circulation in the city not less than seven days before the public hearing.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of December 2015, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK



Imperial Beach Chamber of Commerce Annual BID Association Report For 2014-2015

Annual report for fiscal year July 1, 2014 to June 30, 2015, and activities of the proposed Budget July 1, 2015 to June 30, 2016, for The Imperial Beach Business Improvement District Association (**BID**).

- 1) There are no proposed changes in the boundaries of the Business Improvement District.
- 2) It is proposed to keep the assessment the same for the current fiscal year.
- 3) Summary of activities and improvements for the fiscal year July 1, 2014 to June 30, 2015 accomplished in line with the approved Budget and fundraising activities:
 - 1-Held Monthly BID Members Meetings;
 - 2-Participated in the Chamber's Executive Comm. & Board of Directors representing the BID's Interests;
 - 3-Presented the Taste of IB in March 2015;
 - 4-Host IB's First Ever Wine Garden (Fundraiser) at the SDSU Symphony in the Park;
 - 5-Donated to the Sun & Sea Festival
 - 6-Continued work on Regional Tourist Flyer
 - 7-Continued the Utility Box Painting Program
 - 8-Purchased & Displayed the Christmas Decorations;
 - 9-Purchased & Supervised the Holiday U.S. Flag Display with the assistance of the Imperial Beach Fire Dept;
 - 10- Continued the Sunset Celebration Music Events;
 - 11-Donated to 4th of July Fireworks Music Event;
 - 12 Participated with Chamber in the Sun & Sea Parade;
 - 13-Organized & Compiled a BID Membership List;
 - 14-Developed & Maintained Written, Email, & Phone Communications with BID members concerning BID Activities, Regional Workshops and Opportunities;
 - 15 Worked on Clarifying & Establishing the relationship of the BID within the Chamber organizational structure;
 - 16-Contacted & Consulted with other San Diego County Business Associations to develop relationships & ideas;
 - 17 Attended other Community Organization Meetings and Events to develop relationships, coordinate, and provide support;
 - 18-Worked to build the BID Brand within the BID District;
 - 19-Oversaw the BID Assessment Fees expenditures & conservation for multi-year projects;
 - 20-Raised Funds and made large donation to 4th of July Fireworks.

4) The BID's Plans and Goals for fiscal year July 1, 2015 to June 30, 2016 (See proposed 2015-16 BID Budget);

A) Promote Business Activity by bringing people into the district through :

- 1 "Buy IB" Promotion Program;
- 2 "Meet the Business" Events;
- 3 Hold Sunset Celebrations at Dunes Park Basketball Court (Activation) on Saturday evenings each month and weekly during the Summer;
- 4- Provide Financial & Volunteer support to 3rd Party Events held within the District;
- 5- Complete & Commence Southern California Distribution of Regional Tourist Flyer;
- 6- Promote Small Business Week;
- 7- Advertising in San Diego Visitors Magazine;

B) Beautification of the District by;

- 1- Continued Purchase & Display of U.S. Flags on holidays;
- 2- Continued Purchase & Display of Christmas Holiday Decorations;
- 3- Continuation of the Paint the Box program.

C) Promote Public Events and furnish Music or Entertainment in the District through support of:

- 1- Sun & Sea Festival;
- 2- 4th of July Fireworks
- 3- 4th of July Music Event;
- 3- Easter Egg Hunt;
- 4- Christmas comes to IB;
- 5- BBQ & Blues Festival;
- 6- IB Fun Run, Walk, & Bike;
- 7- Kid's Zone Events;
- 8- Support to 3rd party Event & Business District Promotions

D) Promoting the establishment of new businesses and commercial development with the District.

Respectfully Submitted;

Signature on file

Joanne Barrows,
BID Committee Chairperson
2015-16

APPROVED BID BUDGET 2015 / 2016

Income		
BID Assessment Held	\$9,000	Collected fees currently being held by City
BID Assements	\$27,000	
Bike Rack Sales	\$1,800	
Prior Year Carryover	\$20,512.00	
Total Income	\$58,312.00	
Budgeted Expenses		
	Budget	Itemized Allocation
Adminstration		\$22,450
	BID Program Admin Fees	\$18,000
	Printing	\$500
	Audit	\$2,500
	Supplies/ Office expense	\$500
	Postage	\$800
	Bank/Service Fees	\$150
Beautification/Special Projects		\$5,000
	Paint The Box	\$1,000
	Holiday Decorations	\$3,000
	American Flags	\$1,000
Event/Promotions/Music		\$10,100
	Music Sunset Celebrations	\$4,000
	Music BBQ & Blues	\$1,000
	Music Sun and Sea	\$500
	Event 4th of July	\$2,500
	Music Christmas Comes to IB	\$500
	Event IB Fun Run, Walk & Bike	\$500
	Event Easter Egg Hunt	\$100
	Event Kid's Zone	\$1,000
Business District Programs		\$6,500
	Shop Local/Buy IB Campaign	\$1,500
	Small Business Week/Saturday	\$1,500
	Meet the Business	\$2,500
	Business District Newsletter	
	"Best Of IB Business" Awards	\$1,000
Advertising		\$12,250
	San Diego Vistors Magazine	\$1,700
	Brochure Production/distribution	\$8,000
	San Diego Toursim Membership	\$550
	Event/Business District Promotions	\$2,000
Misc		\$2,012
		\$56,500
Total Expenditures		\$58,312

**Imperial Beach Chamber of Commerce
Business Improvement District**

Agreed Upon Procedures Engagement

For the

Fiscal Period Ended

June 30, 2015

D.R. Watts Accountancy Corporation

1018 Live Oak Boulevard, Suite G

Yuba City, CA 95991

Phone (530) 755-6402 / drwattscpa@aol.com

D.R. Watts Accountancy Corporation

1018 Live Oak Boulevard, Suite G

Yuba City, CA 95991

Phone (530) 755-6402 / drwattscpa@aol.com

Chamber of Commerce

Imperial Beach Business Improvement District Association

702 Seacoast Drive

Imperial Beach, CA 91932

October 30, 2015

We have performed the procedures described below, which were agreed to by the Imperial Beach Business Improvement District Association, a division of the Imperial Beach Chamber of Commerce (the BID) and the city of Imperial Beach (the City), solely to assist you in evaluating compliance with the agreed upon procedures for the fiscal period ended June 30, 2015, in the areas addressed. The BID's Board is responsible for its financial records, internal controls and compliance with the City's Agreement dated July 6, 2005. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Cash Receipts and Revenues

- We inspected all of the recorded receipts to determine if these receipts were properly described and classified in the accounting records in accordance with the BID's policies and procedures and City's requests.
- We inspected all of the recorded receipts to determine if these receipts were recorded in the proper fiscal year.
- We made inquiries and performed substantive procedures to determine if revenue collection and retention or remittances were supported by the budget.
- We investigated changes in the budget and actual funds to ensure that revenues were classified properly in the BID's accounting records.

- We made inquiries of management pertaining to the BID's policies for accountability and security over documents issued for money.
- We found no material exceptions as a result of the procedures; however some items of note are detailed in the Review Report.

2. Disbursements and Expenditures

- We inspected all of the disbursements to determine if these disbursements were properly described and classified in the accounting records in accordance with the BID's policies and procedures and regulations, were bona fide disbursements of the BID, and were paid in conformity with the Agreement dated July 6, 2005 (partial copy of said agreement is included with this report).
- We inspected all of the disbursements to determine if these disbursements were recorded in the proper fiscal year.
- We compared current year expenditures to those of the Budget.
- We verified that all checks written for an amount in excess of \$249 had two signatures.
- We verified that all payees of the checks recorded in the check register agreed with the checks that cleared the bank.
- We found no material exceptions as a result of the procedures; however some items of note are detailed in the Review Report.

3. Reconciliations

- We obtained monthly reconciliations prepared by the BID for the periods ended July 1, 2014 through June 30, 2015 and inspected selected reconciliations of balances in the BID's accounting records to those actual bank statements.
- We found no material exceptions as a result of the procedures.

4. Schedule of City of Imperial Beach Assistance

- We verified the amount of the City's assessments to the BID for the period ended June 30, 2015. These amounts agreed to the receipts deposited into the BID's checking account.
- We found no exceptions as a result of the procedures. However the current accounting procedures are netting the BID's deposits received from the City with the BID's fees paid out. We recommend reporting the gross funds received and adding a related expense account for BID fees paid to Imperial Beach Chamber of Commerce to more accurately align the books and records with the bank statements and the Budget.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Imperial Beach Business Improvement District and the City of Imperial Beach and is not intended to be and should not be used by anyone other than these specified parties.

Signature on file

D.R. Watts Accountancy Corporation

Handwritten signature in black ink, appearing to be 'U' followed by a checkmark.

**Agreed Upon Procedures of the Imperial Beach Business Improvement
District/The Imperial Beach Chamber of Commerce and the City of
Imperial Beach**

*Consistent with the purpose of the Imperial Beach Business Improvement District and with the approved annual budget, the Association shall:

1. Implement the activities as specified in the BID Ordinance, such activities may include:
 - a. The acquisition, construction or maintenance of parking facilities for the benefit of the District.
 - b. Decoration of any public place in the District.
 - c. Promotion of public events, which are to take place on or in public places in the District.
 - d. Furnishing of music in any public place in the District.
 - e. The general promotion of business activities in the District.
2. Stimulate demand for goods and services available within the District.
3. Facilitate the beautification of public places within the District.
4. Facilitate cultural enhancement within the District.
5. Prepare an annual budget for submission to, review and approval by the City as specified in the Agreement.
6. Open an account in a financial establishment to deposit and transact all Association financial business consistent with the implementation of the District. All interest generated on the deposit of such funds shall be expended by the Association for the purposes herein specified.
7. Submit annual activity and progress reports to the City on or before the 1st of August, and provide the City with other information as requested.
8. Consult the City Council concerning changes in assessments, boundaries of the BID Ordinance.
9. Retain the records relative to this agreement for three years. Upon termination of this agreement, said records shall be turned over to the City; copies of the records may be kept by the Association.

*Excerpts from the agreement dated July 6, 2005

Agreed Upon Procedures- City of Imperial Beach "Audit Provisions"
Business Improvement District (BID) Operating Agreement
Period July 1, 2014 through June 30, 2015

1. Review the check register for review period.

All checks listed on the register have cleared the bank statements with the following exceptions:

- a) Checks #3274, 3276, 3281, 3300 and 3307 are noted VOID in the check register. They have not cleared the bank in this reporting period.
- b) Checks #3308, 3309 and 3310 are dated June 30, 2015 in the check register. They have not cleared the bank in this reporting period.

2. Review supporting documentation for all checks written.

Expenditures fall within the *Agreed Upon Procedures* with the following exceptions where more information is needed:

- a) Check #3278, dated September 5, 2014, paid to Bayou Brothers for invoice #080514. The invoice did not have the year printed on it, we recommend paying from invoices with the complete date.
- b) Check #3304 was written to Theiry Henot, instead of the name of the firm, WinesAtYourHome, as directed by the "make checks payable to" notation on the invoice. The payee manually appended "WinesAtYourHome" to the name written on the check and deposited the check to their bank, we recommend confirming the correct "pay to" name when paying invoices.

3. Compare Assessment Fees deposited with the City's record of checks issued.

- a) We compared the fees reported by the City as paid to the BID and the amounts agreed.

4. Scan Reports for anything else that might need clarification.

- a) There is a deposit of \$1,916.93 made on 9/5/2014. It is notated Taste of IB- Other, but it was included in the 2014/2015 Budget as "Carry over from Taste of IB 2013". We included this amount in the carry over section of our Budget Review Report and did not include it in the Income portion of our Report.

5. Compare budget to actual.

The budget period and review period are both 7/1/14 through 6/30/15.

- a) The budget spreadsheet does not have specific dates on the heading. It simply has 2014-2015.
- b) We reviewed the records for credit card sales deposited to the Chamber of Commerce account that need to be transferred to the BID account. As of June 30, 2015 there were \$52 of vendor fees and \$150 of ticket sales due to the BID. We did not accrue these amounts in our Budget Review Report.

6. Review the Meeting Minutes.

Upon review of the BID meeting minutes we discovered the following:

- a) We did not locate minutes of a meeting approving the 2014/2015 Budget.
- b) The minutes of the June 24, 2014 meeting indicate they approved the minutes from the May 27, 2014 and May 28, 2014 meetings but the minutes from those meetings are not in the minute book.

**Budget Review Report
Imperial Beach Business Improvement District
Budget Comparison to Review Period**

Budget Period: 2014 - 2015

Review Period: July 1, 2014 to June 30, 2015

Carry Over from Previous Year

Cash Reserves 17,468.00
Taste of IB 1916.93

INCOME	BUDGET	ACTUAL	DIFFERENCE
BID Fees	28,000.00	22,383.00	(5617.00)
Taste of IB	1,000.00	4,959.44	3959.44
Grants	<u> </u>	<u>1,000.00</u>	<u> </u>
Total Income	29,000.00	28,342.44	(1657.56)

EXPENSE	BUDGET	ACTUAL	DIFFERENCE
Bank Fees		4.00	(4.00)
BID Fees 1/2 to IB COC	14,000.00	11,191.50	2808.50
Paint the Box	3,300.00	3,305.00	(5.00)
Holiday Decorations	1,700.00	1,573.77	126.23
Holiday Flags		594.15	(594.15)
Taste of Imperial Beach	1,500.00	2,972.76	(1472.76)
Taste of IB Advertising		552.63	(552.63)
Parking Improvements	1,500.00		1500.00
Equipment-Bike Racks	8,500.00	1,789.20	6710.80
Event Entertainment		400.00	(400.00)
Event Promotion	1,000.00	750.00	250.00
Brochure Production/Distribution	5,000.00		5000.00
Office		205.18	(205.18)
Postage	200.00		200.00
Printing & Reproduction	1,000.00	150.00	850.00
Advertising		300.00	(300.00)
Sunset Celebration	1,800.00	900.00	900.00
Sun & Sea Festival		50.00	(50.00)
BBQ Beach & Blues	300.00		300.00
Visitor Planning Guide	958.00		958.00
San Diego Tourism	1,700.00		1700.00
July 4th Fireworks		<u>2,477.27</u>	<u>(2477.27)</u>
Total Expenses	42,458.00	27,215.46	

Net Income 1,126.98

APPROVED BID BUDGET 2015 / 2016

Income			
BID Assesment Held		\$9,000	Collected fees currently being held by City
BID Assements		\$27,000	
Bike Rack Sales		\$1,800	
Prior Year Carryover		\$20,512.00	
Total Income		\$58,312.00	
Budgeted Expenses		Budget	Itemized Allocation
Adminstration			\$22,450
	BID Program Admin Fees		\$18,000
	Printing		\$500
	Audit		\$2,500
	Supplies/ Office expense		\$500
	Postage		\$800
	Bank/Service Fees		\$150
Beautification/Special Projects			\$5,000
	Paint The Box		\$1,000
	Holiday Decorations		\$3,000
	American Flags		\$1,000
Event/Promotions/Music			\$10,100
	Music Sunset Celebrations		\$4,000
	Music BBQ & Blues		\$1,000
	Music Sun and Sea		\$500
	Event 4th of July		\$2,500
	Music Christmas Comes to IB		\$500
	Event IB Fun Run, Walk & Bike		\$500
	Event Easter Egg Hunt		\$100
	Event Kid's Zone		\$1,000
Business District Programs			\$6,500
	Shop Local/Buy IB Campaign		\$1,500
	Small Business Week/Saturday		\$1,500
	Meet the Business		\$2,500
	Business District Newsletter		
	"Best Of IB Business" Awards		\$1,000
Advertising			\$12,250
	San Diego Vistors Magazine		\$1,700
	Brochure Production/distribution		\$8,000
	San Diego Toursim Membership		\$550
	Event/Business District Promotions		\$2,000
Misc			\$2,012
			\$56,300
Total Expenditures			\$58,312

**Imperial Beach Chamber of Commerce
Business Improvement District**

**Agreed Upon Procedures Engagement
For the
Fiscal Period Ended
June 30, 2015**

D.R. Watts Accountancy Corporation

1018 Live Oak Boulevard, Suite G

Yuba City, CA 95991

Phone (530) 755-6402 / drwattscpa@aol.com

D.R. Watts Accountancy Corporation

1018 Live Oak Boulevard, Suite G

Yuba City, CA 95991

Phone (530) 755-6402 / drwattscpa@aol.com

Chamber of Commerce

Imperial Beach Business Improvement District Association

702 Seacoast Drive

Imperial Beach, CA 91932

October 30, 2015

We have performed the procedures described below, which were agreed to by the Imperial Beach Business Improvement District Association, a division of the Imperial Beach Chamber of Commerce (the BID) and the city of Imperial Beach (the City), solely to assist you in evaluating compliance with the agreed upon procedures for the fiscal period ended June 30, 2015, in the areas addressed. The BID's Board is responsible for its financial records, internal controls and compliance with the City's Agreement dated July 6, 2005. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Cash Receipts and Revenues

- We inspected all of the recorded receipts to determine if these receipts were properly described and classified in the accounting records in accordance with the BID's policies and procedures and City's requests.
- We inspected all of the recorded receipts to determine if these receipts were recorded in the proper fiscal year.
- We made inquiries and performed substantive procedures to determine if revenue collection and retention or remittances were supported by the budget.
- We investigated changes in the budget and actual funds to ensure that revenues were classified properly in the BID's accounting records.

- We made inquiries of management pertaining to the BID's policies for accountability and security over documents issued for money.
- We found no material exceptions as a result of the procedures; however some items of note are detailed in the Review Report.

2. Disbursements and Expenditures

- We inspected all of the disbursements to determine if these disbursements were properly described and classified in the accounting records in accordance with the BID's policies and procedures and regulations, were bona fide disbursements of the BID, and were paid in conformity with the Agreement dated July 6, 2005 (partial copy of said agreement is included with this report).
- We inspected all of the disbursements to determine if these disbursements were recorded in the proper fiscal year.
- We compared current year expenditures to those of the Budget.
- We verified that all checks written for an amount in excess of \$249 had two signatures.
- We verified that all payees of the checks recorded in the check register agreed with the checks that cleared the bank.
- We found no material exceptions as a result of the procedures; however some items of note are detailed in the Review Report.

3. Reconciliations

- We obtained monthly reconciliations prepared by the BID for the periods ended July 1, 2014 through June 30, 2015 and inspected selected reconciliations of balances in the BID's accounting records to those actual bank statements.
- We found no material exceptions as a result of the procedures.

4. Schedule of City of Imperial Beach Assistance

- We verified the amount of the City's assessments to the BID for the period ended June 30, 2015. These amounts agreed to the receipts deposited into the BID's checking account.
- We found no exceptions as a result of the procedures. However the current accounting procedures are netting the BID's deposits received from the City with the BID's fees paid out. We recommend reporting the gross funds received and adding a related expense account for BID fees paid to Imperial Beach Chamber of Commerce to more accurately align the books and records with the bank statements and the Budget.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Imperial Beach Business Improvement District and the City of Imperial Beach and is not intended to be and should not be used by anyone other than these specified parties.

Signature on file

D.R. Watts Accountancy Corporation

**Agreed Upon Procedures of the Imperial Beach Business Improvement
District/The Imperial Beach Chamber of Commerce and the City of
Imperial Beach**

*Consistent with the purpose of the Imperial Beach Business Improvement District and with the approved annual budget, the Association shall:

1. Implement the activities as specified in the BID Ordinance, such activities may include:
 - a. The acquisition, construction or maintenance of parking facilities for the benefit of the District.
 - b. Decoration of any public place in the District.
 - c. Promotion of public events, which are to take place on or in public places in the District.
 - d. Furnishing of music in any public place in the District.
 - e. The general promotion of business activities in the District.
2. Stimulate demand for goods and services available within the District.
3. Facilitate the beautification of public places within the District.
4. Facilitate cultural enhancement within the District.
5. Prepare an annual budget for submission to, review and approval by the City as specified in the Agreement.
6. Open an account in a financial establishment to deposit and transact all Association financial business consistent with the implementation of the District. All interest generated on the deposit of such funds shall be expended by the Association for the purposes herein specified.
7. Submit annual activity and progress reports to the City on or before the 1st of August, and provide the City with other information as requested.
8. Consult the City Council concerning changes in assessments, boundaries of the BID Ordinance.
9. Retain the records relative to this agreement for three years. Upon termination of this agreement, said records shall be turned over to the City; copies of the records may be kept by the Association.

*Excerpts from the agreement dated July 6, 2005

**Agreed Upon Procedures- City of Imperial Beach "Audit Provisions"
Business Improvement District (BID) Operating Agreement
Period July 1, 2014 through June 30, 2015**

1. Review the check register for review period.

All checks listed on the register have cleared the bank statements with the following exceptions:

- a) Checks #3274, 3276, 3281, 3300 and 3307 are noted VOID in the check register. They have not cleared the bank in this reporting period.
- b) Checks #3308, 3309 and 3310 are dated June 30, 2015 in the check register. They have not cleared the bank in this reporting period.

2. Review supporting documentation for all checks written.

Expenditures fall within the *Agreed Upon Procedures* with the following exceptions where more information is needed:

- a) Check #3278, dated September 5, 2014, paid to Bayou Brothers for invoice #080514. The invoice did not have the year printed on it, we recommend paying from invoices with the complete date.
- b) Check #3304 was written to Theiry Henot, instead of the name of the firm, WinesAtYourHome, as directed by the "make checks payable to" notation on the invoice. The payee manually appended "WinesAtYourHome" to the name written on the check and deposited the check to their bank, we recommend confirming the correct "pay to" name when paying invoices.

3. Compare Assessment Fees deposited with the City's record of checks issued.

- a) We compared the fees reported by the City as paid to the BID and the amounts agreed.

4. Scan Reports for anything else that might need clarification.

- a) There is a deposit of \$1,916.93 made on 9/5/2014. It is notated Taste of IB- Other, but it was included in the 2014/2015 Budget as "Carry over from Taste of IB 2013". We included this amount in the carry over section of our Budget Review Report and did not include it in the Income portion of our Report.

5. Compare budget to actual.

The budget period and review period are both 7/1/14 through 6/30/15.

- a) The budget spreadsheet does not have specific dates on the heading. It simply has 2014-2015.
- b) We reviewed the records for credit card sales deposited to the Chamber of Commerce account that need to be transferred to the BID account. As of June 30, 2015 there were \$52 of vendor fees and \$150 of ticket sales due to the BID. We did not accrue these amounts in our Budget Review Report.

6. Review the Meeting Minutes.

Upon review of the BID meeting minutes we discovered the following:

- a) We did not locate minutes of a meeting approving the 2014/2015 Budget.
- b) The minutes of the June 24, 2014 meeting indicate they approved the minutes from the May 27, 2014 and May 28, 2014 meetings but the minutes from those meetings are not in the minute book.

Budget Review Report
Imperial Beach Business Improvement District
Budget Comparison to Review Period

Budget Period: 2014 - 2015

Review Period: July 1, 2014 to June 30, 2015

Carry Over from Previous Year

Cash Reserves 17,468.00

Taste of IB 1916.93

INCOME	BUDGET	ACTUAL	DIFFERENCE
BID Fees	28,000.00	22,383.00	(5617.00)
Taste of IB	1,000.00	4,959.44	3959.44
Grants	<u> </u>	<u>1,000.00</u>	<u> </u>
Total Income	29,000.00	28,342.44	(1657.56)

EXPENSE	BUDGET	ACTUAL	DIFFERENCE
Bank Fees		4.00	(4.00)
BID Fees 1/2 to IB COC	14,000.00	11,191.50	2808.50
Paint the Box	3,300.00	3,305.00	(5.00)
Holiday Decorations	1,700.00	1,573.77	126.23
Holiday Flags		594.15	(594.15)
Taste of Imperial Beach	1,500.00	2,972.76	(1472.76)
Taste of IB Advertising		552.63	(552.63)
Parking Improvements	1,500.00		1500.00
Equipment-Bike Racks	8,500.00	1,789.20	6710.80
Event Entertainment		400.00	(400.00)
Event Promotion	1,000.00	750.00	250.00
Brochure Production/Distribution	5,000.00		5000.00
Office		205.18	(205.18)
Postage	200.00		200.00
Printing & Reproduction	1,000.00	150.00	850.00
Advertising		300.00	(300.00)
Sunset Celebration	1,800.00	900.00	900.00
Sun & Sea Festival		50.00	(50.00)
BBQ Beach & Blues	300.00		300.00
Visitor Planning Guide	958.00		958.00
San Diego Tourism	1,700.00		1700.00
July 4th Fireworks		<u>2,477.27</u>	<u>(2477.27)</u>
Total Expenses	42,458.00	27,215.46	

Net Income 1,126.98



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: DOUG BRADLEY, ADMINISTRATIVE SERVICES DEPARTMENT *DB*
SUBJECT: FISCAL YEAR 2015 AUDIT

EXECUTIVE SUMMARY:

Staff is providing to the City Council the FY2015 audit. Inclusive in the audit is the Independent Auditors' Report, the Management Discussion and Analysis, and Financial Statements. Staff is requesting the City Council receive and file the audit.

The General Fund Balance increased by \$127,719, excluding a transfer out of \$229,245 to the Housing Authority as required by the Redevelopment Agency dissolution law. The Sewer Fund Unrestricted Balance declined \$855,229, solely due to investment in Capital Projects. The Net Revenue, inclusive of the \$400K in annual CIP as modeled in the Rate Study and excluding a one-time payment of \$145K from the City of San Diego, was negative \$62,960. The results of the other Government Fund Balances are as expected with details in the report.

The Audit is clear of any Internal Control Findings. All past Findings have been resolved.

RECOMMENDATION:

Staff recommends that the City Council review and receive the FY2015 audit.

RATIONALE:

The FY2015 audit has been completed and is being submitted to the City Council for acceptance. The audit includes the Auditors Report, Management Discussion and Analysis, Detailed Financial Statements and other Audit Papers. The financial performance of the City is as expected and budgeted. All internal control findings have been cleared.

OPTIONS:

1. Receive and file the FY2015 audit.
2. Provide input to the staff regarding financial governance of the City.

BACKGROUND:

The City financial governance is to be audited annually as required by law. The City has contracted with Lance, Soll & Lunghard to provide this independent audit. The audit includes a comprehensive review of all financial transactions as well as the internal controls. The following Citywide funds are included in this audit; General Fund, Housing Authority, 2010 Bond, Gas

Tax, Transnet, Parks Maintenance, Sewer, Vehicle Replacement, Technology, Facilities, Risk Management, Successor Agency and Districts.

ANALYSIS:

At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund is **\$15,507,238**. The total of the unassigned component is **\$6,430,692** or approximately 35% of total general fund expenditures. The General Fund net revenue for the fiscal year was (\$101,526), however this includes a \$229,245 transfer to the Housing Authority in conjunction with the Successor Agency loan repayment. Therefore, actual operating net income for the year was positive.

The fund balance of the assigned Economic Uncertainty, Strategic Capital and Public Works remained unchanged for the year at **\$1,800,000, \$3,129,588, and \$1,848,188**, respectively. The Public Safety Fund increased by \$527,689 as directed by council to a year-end balance of **\$800,000**. This was funded from a portion of the former Redevelopment Agency loan repayment. The balance owed from this loan is **\$1,476,661**.

City of Imperial Beach
Fund Balance and Cash Flow (FY2015)

General Fund	Beg Balance	Cash In Flows	Cash Out Flows	End Balance	
Unassigned	\$ 5,930,999	\$ 19,690,706	\$ 19,191,013	\$ 6,430,692	35%
Economic Uncertainty	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	10%
Strategic Capital	\$ 3,129,588	\$ -	\$ -	\$ 3,129,588	
Public Works	\$ 1,848,188	\$ -	\$ -	\$ 1,848,188	
Public Safety Comm	\$ 272,311	\$ 527,689	\$ -	\$ 800,000	(A)
Due from Successor Agency	\$ 2,622,885	\$ -	\$ 1,146,224	\$ 1,476,661	(A)
	\$ 4,793	\$ 17,316		\$ 22,109	
<i>General Fund Net Revenue</i>	\$ 15,608,764	\$ 18,544,482	\$ 18,646,008	\$ 15,507,238	(B)

Notes

(A) The City received a \$1.1M Successor Agency loan repayment, \$520K was assigned to fund the RCS and \$200K was transferred to the Housing Authority per statutes.

(B) Net Revenue is (\$101,526), however this includes a \$229,245 transfer to the Housing Authority required by law as part of the Successor Agency loan repayment.

At the end of the current fiscal year, unrestricted fund balance for the Housing Authority fund is **\$569,481**. This includes the statute mandated 20% portion of the former Redevelopment Agency loan repayment in the amount of \$229,245.

The unrestricted fund balance for the 2010 Bond Fund is **\$5,348,356** which includes the most recent transfer of \$1,274,584 from the Successor Agency Trustee to the City to fund the Alley Project as part of the Capital Improvement Plan.

The unrestricted fund balance for the Gas Tax, Transnet and Park Maintenance funds are **\$1,863,263, \$323,876 and \$267,674**, respectively. These funds are also programmed to support the current Capital Improvement Plan as identified in the FY2016-2017 Budgets.

The unrestricted fund balance for the Sewer enterprise fund is **\$2,327,580**. The fund balance does not include investment in Capital Assets. The Sewer Fund Unrestricted Balance declined \$855,229, solely due to investment in Capital Projects. The Net Revenue, inclusive of the \$400K in annual CIP as modeled in the Rate Study and excluding a one-time payment of \$145K from the City of San Diego, was negative \$62,960.

The unrestricted fund balance for the internal service funds include; the Vehicle Replacement fund which is **\$897,572**, the Technology fund which is **\$444,260** and the Risk Management fund which is **\$1,450,963**. There weren't any significant changes to the internal service fund balances.

For a detailed description of how the balance of the Citywide funds are programmed to support city needs, please refer to the adopted FY2016-FY2017 Budget.

City of Imperial Beach
Fund Balance and Cash Flow (FY2015)

Other Government Funds	Beg Balance	Cash In Flows	Cash Out Flows	End Balance	
Housing Authority	\$ 610,922	\$ 232,681	\$ 274,122	\$ 569,481	
2010 Bond Fund	\$ 4,647,421	\$ 1,305,889	\$ 604,954	\$ 5,348,356	(A)
Gas Tax	\$ 2,153,884	\$ 823,127	\$ 1,113,748	\$ 1,863,263	
Transnet	\$ 264,247	\$ 953,248	\$ 893,619	\$ 323,876	
Parks Maintenance	\$ 267,674	\$ -	\$ -	\$ 267,674	
Sewer	\$ 3,182,809	\$ 4,332,071	\$ 5,187,300	\$ 2,327,580	(B)
Internal Service Funds					
Vehicle Replacement	\$ 839,907	\$ 828,070	\$ 860,405	\$ 807,572	(B)
Technology	\$ 423,774	\$ 477,912	\$ 457,426	\$ 444,260	
Facility Maintenance	\$ 407,166	\$ 141,912	\$ 65,937	\$ 483,141	
Risk Management	\$ 1,647,073	\$ 377,690	\$ 573,800	\$ 1,450,963	

Notes

(A) \$1,274,584 was moved from the Trustee to the City for the Alley Project.

(B) Excludes Investment in Capital Assets.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

No fiscal impact

Attachments:

1. FY2015 Audit Presentation
2. FY2015 Audit

FY2015 Audit

Executive Summary

- ✓ General Fund Net Revenue was \$127,719 (0.7%)¹
- ✓ Sewer Net Revenue was negative \$62,960 (1.2%)²
- ✓ Other Government Fund Balance as budgeted
- ✓ The Audit is clear of any Internal Control Findings

Recommendation

The City Council review and receive the FY2015 audit

Options

1. Receive and file the FY2015 audit
2. Provide input regarding financial governance

(1) Excludes \$229K transfer to Housing Authority.

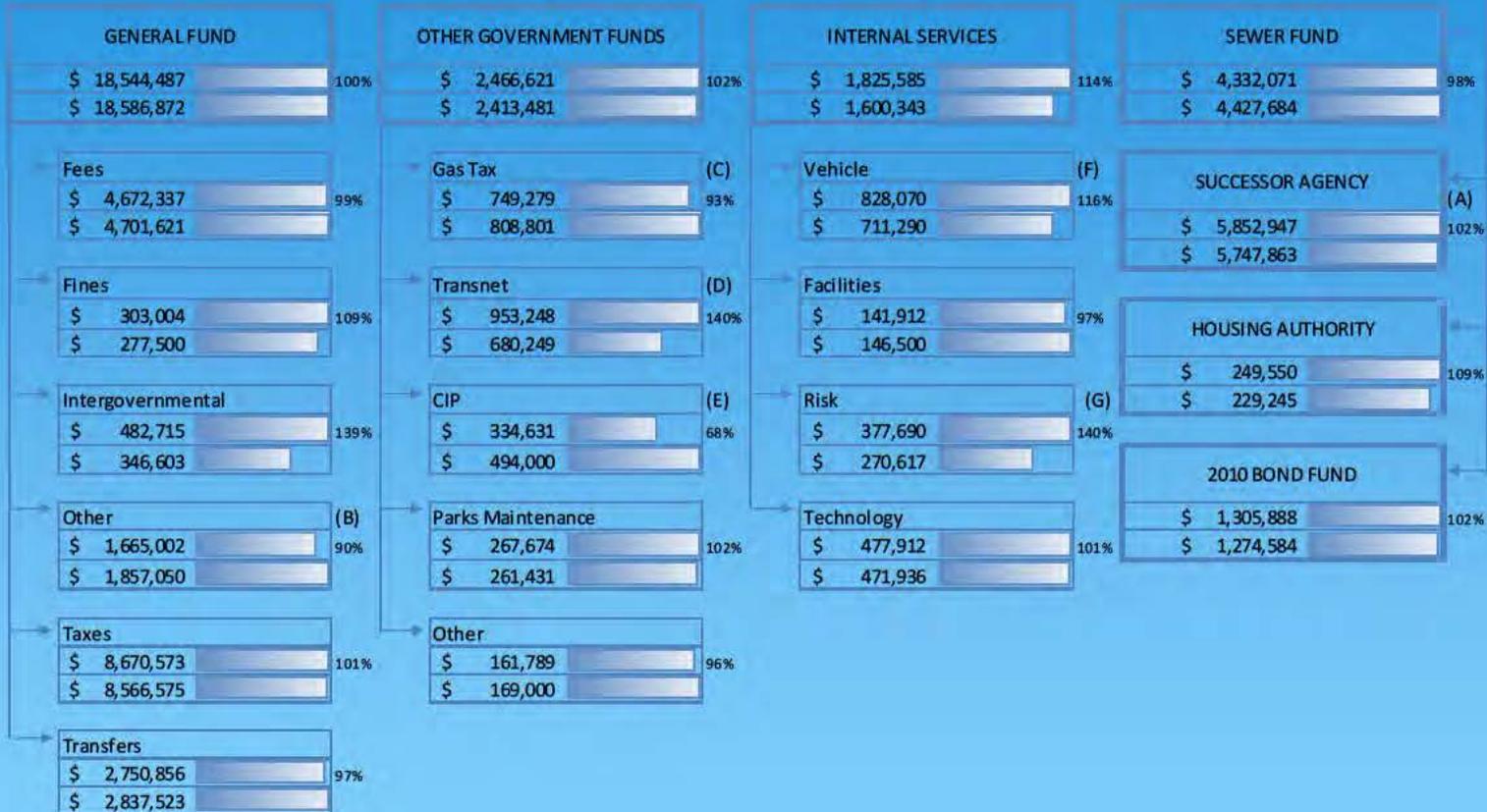
(2) Excludes one-time payment from City of San Diego of \$145K, Includes \$400K Capital expenditures as modeled in the Rate Study.



Citywide Revenue Actual vs Budget

City of Imperial Beach

FY15 Actual \$ 34,577,150 101%
 FY15 Budget \$ 34,280,072



Notes:

- (A) Includes transfers within SA Fund to consolidate funds.
- (B) Ambulance revenue adjusted per actual service level.
- (C) Gas prices lower than expected.
- (D) Based on Street construction projects.

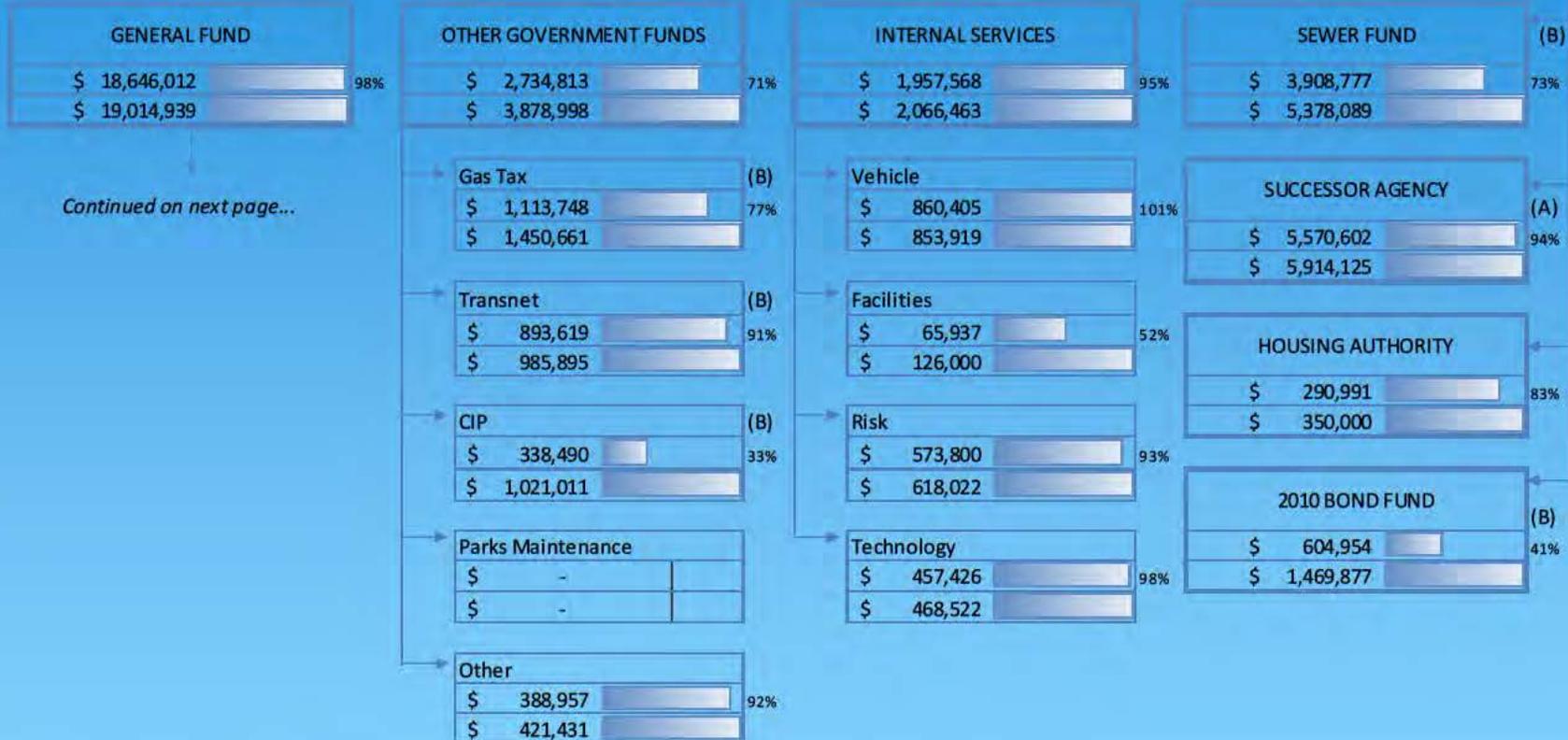
- (E) Timing of Elm Avenue project.
- (F) Vehicle Purchases
- (G) SANDPIPA Dividend



Citywide Expense Actual vs Budget

City of Imperial Beach

FY15 Actual \$ 33,713,716 89%
 FY15 Budget \$ 38,072,491



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Notes:

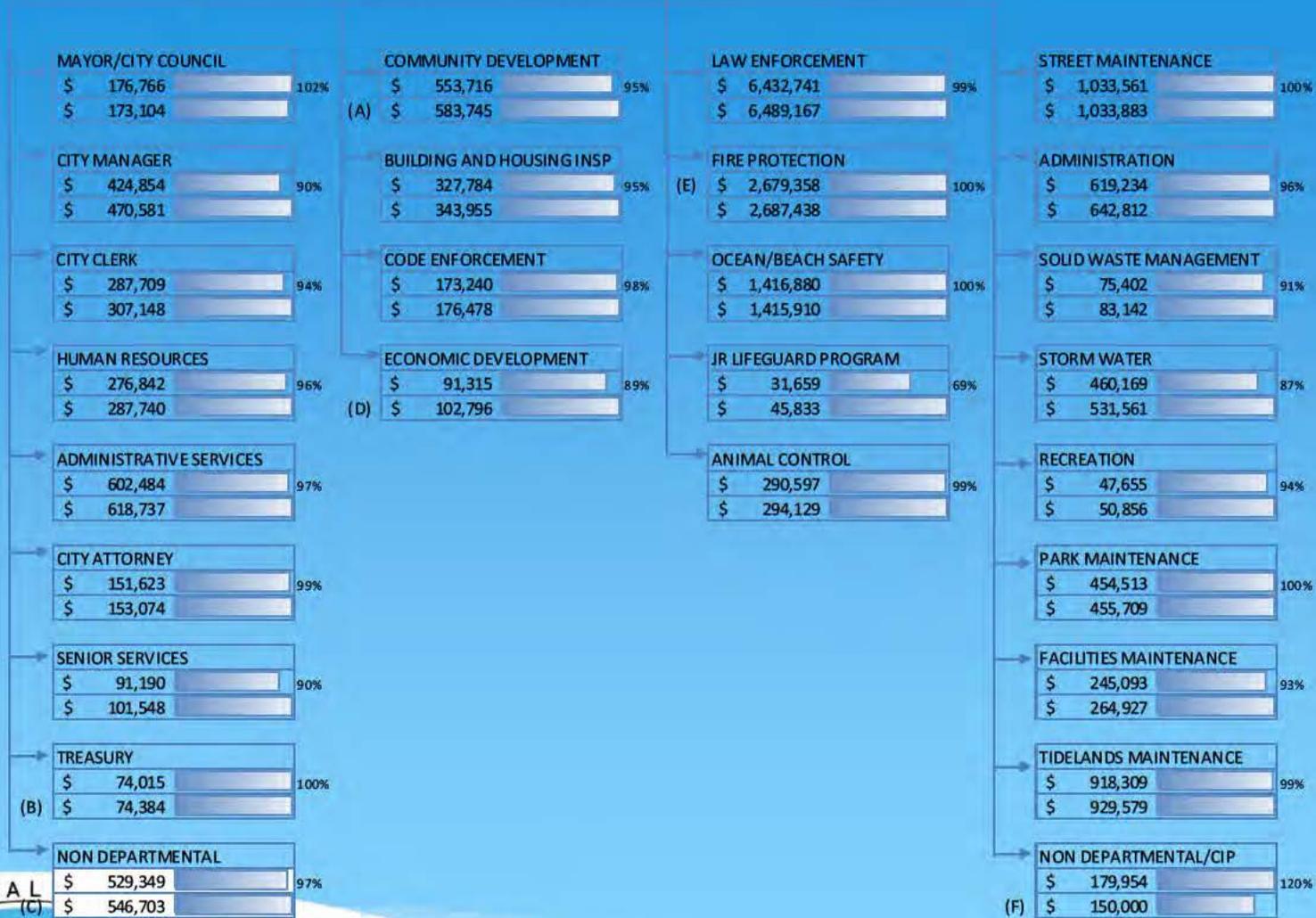
- (A) Excludes transfers within SA Fund to consolidate funds.
- (B) 2 Year CIP front loaded in FY15, corrected in FY16 and FY17.



General Fund Expense actual vs budget

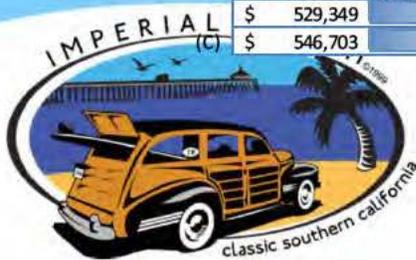
GENERAL FUND

FY15 Actual \$ 18,646,012 98%
 FY15 Budget \$ 19,014,939



Notes:

Within 2% of budget, however actual Net Revenue is on Budget.



General Fund

Fund Balance

General Fund	FY2015			FY2015
	Beg Balance	Cash In Flows	Cash Out Flows	End Balance
Unassigned	\$ 5,930,999	\$ 19,690,706	\$ 19,191,013	\$ 6,430,692 •
Economic Uncertainty	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000
Strategic Capital	\$ 3,129,588	\$ -	\$ -	\$ 3,129,588
Public Works	\$ 1,848,188	\$ -	\$ -	\$ 1,848,188
Public Safety Comm	\$ 272,311	\$ 527,689	\$ -	\$ 800,000 •
Due from Successor Agency	\$ 2,622,885	\$ -	\$ 1,146,224	\$ 1,476,661
	\$ 4,793	\$ 17,316		\$ 22,109
<i>General Fund Net Revenue</i>	\$ 15,608,764	\$ 18,544,482	\$ 18,646,008	\$ 15,507,238 •



Other Gov & Sewer Fund Balance

Other Government Funds	FY2015			FY2015
	Beg Balance	Cash In Flows	Cash Out Flows	End Balance
Housing Authority	\$ 610,922	\$ 232,681	\$ 274,122	\$ 569,481
2010 Bond Fund	\$ 4,647,421	\$ 1,305,889	\$ 604,954	\$ 5,348,356
Gas Tax	\$ 2,153,884	\$ 823,127	\$ 1,113,748	\$ 1,863,263
Transnet	\$ 264,247	\$ 953,248	\$ 893,619	\$ 323,876
Parks Maintenance	\$ 267,674	\$ -	\$ -	\$ 267,674
Sewer	\$ 3,182,809	\$ 4,332,071	\$ 5,187,300	\$ 2,327,580



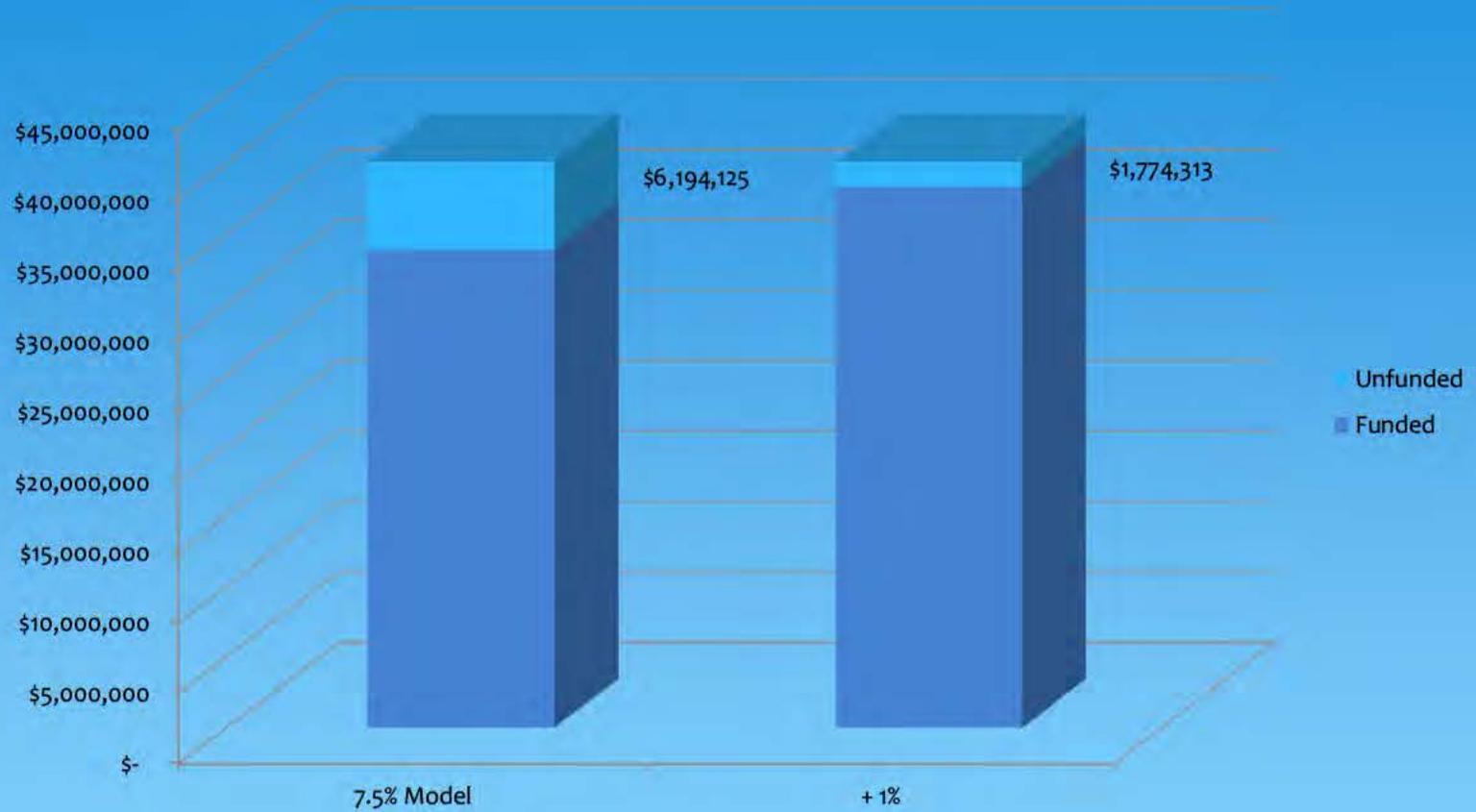
Internal Services

Fund Balance

Internal Service Funds	FY2015			FY2015
	Beg Balance	Cash In Flows	Cash Out Flows	End Balance
Vehicle Replacement	\$ 839,907	\$ 828,070	\$ 860,405	\$ 807,572
Technology	\$ 423,774	\$ 477,912	\$ 457,426	\$ 444,260
Facility Maintenance	\$ 407,166	\$ 141,912	\$ 65,937	\$ 483,141
Risk Management	\$ 1,647,073	\$ 377,690	\$ 573,800	\$ 1,450,963



Net Pension Liability



CITY OF IMPERIAL BEACH, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2015

Prepared By:
FINANCE DEPARTMENT

CITY OF IMPERIAL BEACH, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2015

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CITY OF IMPERIAL BEACH
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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CITY OF IMPERIAL BEACH
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Imperial Beach, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Imperial Beach, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Imperial Beach, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial Beach, California, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and the Housing Authority Fund, the schedules of proportionate share of the net pension liability and the schedules of plan contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Honorable Mayor and Members of the City Council
City of Imperial Beach, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Signature on file

Brea California
November 10, 2015

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City of Imperial Beach, California

ADMINISTRATIVE SERVICES DEPARTMENT

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 628-1365 Fax: (619) 424-3481

Management's Discussion and Analysis

As management of the City of Imperial Beach, California (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with information found throughout the City's financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by **\$79,845,816** (*net position*). Of this amount, **\$21,953,410** represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

At the close of the current fiscal year, the City's Governmental Activities (everything except the Sewer Fund) reported combined net position of **\$71,133,951**, a decrease of **\$6,876,457** in comparison with the prior year. This decrease is primarily due to the new GASB reporting requirement of the Net Pension Liability not previously reported on the financial statements. This is not a new liability; it simply was not reported in prior years. Approximately 28.5% of the net position (**\$20,284,890**) is available for spending at the government's discretion.

City of Imperial Beach
Fund Balance and Cash Flow (FY2015)

General Fund	Beg Balance	Cash In Flows	Cash Out Flows	End Balance	
Unassigned	\$ 5,930,999	\$ 19,690,706	\$ 19,191,013	\$ 6,430,692	35%
Economic Uncertainty	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	10%
Strategic Capital	\$ 3,129,588	\$ -	\$ -	\$ 3,129,588	
Public Works	\$ 1,848,188	\$ -	\$ -	\$ 1,848,188	
Public Safety Comm	\$ 272,311	\$ 527,689	\$ -	\$ 800,000	(A)
Due from Successor Agency	\$ 2,622,885	\$ -	\$ 1,146,224	\$ 1,476,661	(A)
	\$ 4,793	\$ 17,316	\$ -	\$ 22,109	
General Fund Net Revenue	\$ 15,608,764	\$ 18,544,482	\$ 18,646,008	\$ 15,507,238	(B)

Notes

(A) The City received a \$1.1M Successor Agency loan repayment, \$520K was assigned to fund the RCS and \$200K was transferred to the Housing Authority per statutes.

(B) Net Revenue is (\$101,526), however this includes a \$229,245 transfer to the Housing Authority required by law as part of the Successor Agency loan repayment.

At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the general fund is **\$15,507,238**. The total of the *unassigned* component is **\$6,430,692** or approximately 35% of total general fund expenditures. The General Fund net revenue for the fiscal year was (\$101,526), however this includes a \$229,245 transfer to the Housing Authority in conjunction with the Successor Agency loan repayment. Therefore, actual operating net income for the year was positive.

The fund balance of the committed Economic Uncertainty, Strategic Capital and assigned Public Works remained unchanged for the year at **\$1,800,000, \$3,129,588, and \$1,848,188**, respectively. The Regional Communication System increased by \$527,689 as directed by council to a year-end balance of **\$800,000**. This was funded from a portion of the former Redevelopment Agency loan repayment. The balance owed from this loan is **\$1,476,661**.

At the end of the current fiscal year, restricted fund balance for the Housing Authority fund is **\$569,481**. This includes the statute mandated 20% portion of the former Redevelopment Agency loan repayment in the amount of **\$229,245**.

The restricted fund balance for the 2010 Bond Fund is **\$5,348,356** which includes the most recent transfer of **\$1,274,584** from the Successor Agency Trustee to the City to fund the Alley Project as part of the Capital Improvement Plan.

City of Imperial Beach
Fund Balance and Cash Flow (FY2015)

Other Government Funds	FY2015			FY2015
	Beg Balance	Cash In Flows	Cash Out Flows	End Balance
Housing Authority	\$ 610,922	\$ 249,550	\$ 290,991	\$ 569,481
2010 Bond Fund	\$ 4,647,421	\$ 1,305,889	\$ 604,954	\$ 5,348,356 (A)
Gas Tax	\$ 2,153,883	\$ 749,281	\$ 1,113,748	\$ 1,789,416
Transnet	\$ 264,248	\$ 953,249	\$ 893,620	\$ 323,877
Parks Maintenance	\$ (6)	\$ 267,675	\$ -	\$ 267,669
Sewer	\$ 2,759,919	\$ 4,332,071	\$ 4,764,410	\$ 2,327,580 (B)

Internal Service Funds	FY2015			FY2015
	Beg Balance	Cash In Flows	Cash Out Flows	End Balance
Vehicle Replacement	\$ 604,969	\$ 828,069	\$ 842,770	\$ 590,268 (B)
Technology	\$ 283,017	\$ 477,913	\$ 519,209	\$ 241,721
Facility Maintenance	\$ 407,166	\$ 141,912	\$ 65,937	\$ 483,141
Risk Management	\$ 1,600,085	\$ 377,690	\$ 573,270	\$ 1,404,505

Notes

(A) \$1,274,584 was moved from the Trustee to the City for the Alley Project.

(B) Excludes Investment in Capital Assets.

The restricted fund balance for the Gas Tax, Transnet and Park Maintenance funds are **\$1,789,416, \$323,877 and \$267,669**, respectively. These funds are also programmed to support the current Capital Improvement Plan as identified in the FY2016-2017 Budgets.

The unrestricted fund balance for the Sewer enterprise fund is **\$2,327,580**. The Sewer Fund Unrestricted Balance declined \$855,229, solely due to investment in Capital Projects. The Net Revenue, inclusive of the \$400K in annual CIP as modeled in the Rate Study and excluding a one-time payment of \$145K from the City of San Diego, was negative \$62,960.

The unrestricted fund balance for the internal service funds include; the Vehicle Replacement fund which is **\$590,268**, the Technology fund which is **\$241,721** the Risk Management fund which is **\$1,404,505**, and the Facilities Repair & Maintenance fund which is **\$483,141**.

For a detailed description of how the balance of the Citywide funds are programmed to support city needs, please refer to the adopted FY2016-FY2017 Budget.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City include sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate agencies including the Successor Agency of the former RDA. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three major individual governmental funds (General Fund, Housing Authority, and Capital Projects - 2010 Bond Fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, housing authority, capital projects - 2010 bond. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprises funds to account for its Sewer operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer operation and internal services fund which are considered to be major funds of the City.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The *Private-purpose trust fund* is used to report resources held in trust for other entities. The *Agency fund* reports resources held by the City in a custodial capacity for individuals, private organizations and other governments. The City current has one agency fund, and one Private Trust fund (the Successor Agency of the Former RDA).

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by **\$79,845,816** at the close of the most recent fiscal year.

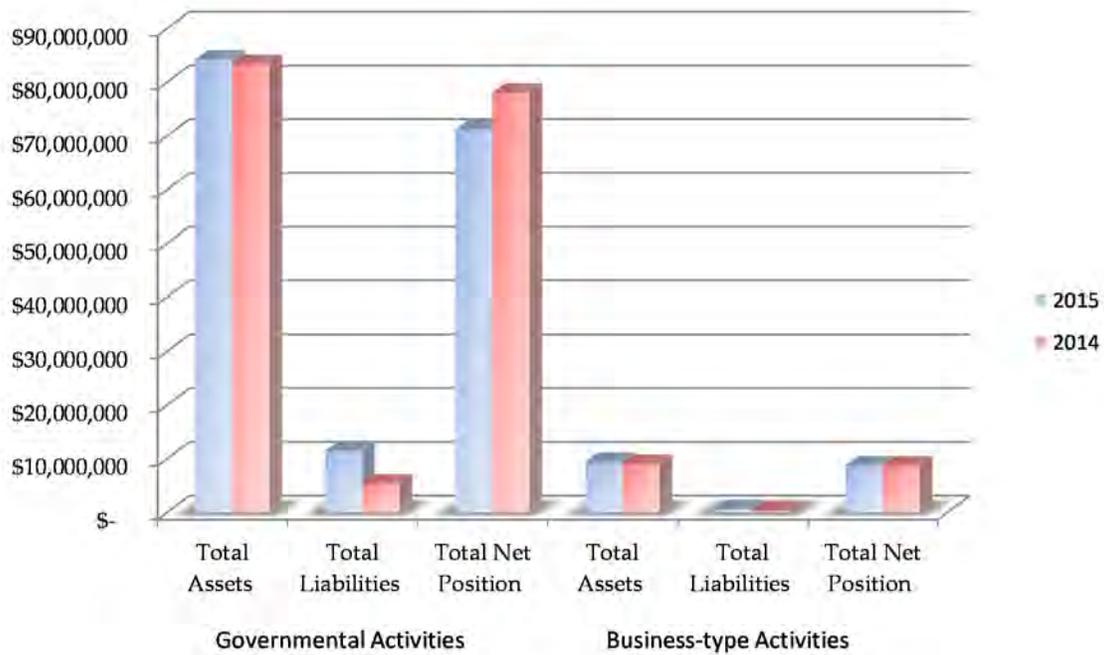
CITY OF IMPERIAL BEACH; Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 41,675,230	\$ 40,851,522	\$ 2,349,924	\$ 2,862,648	\$ 44,025,154	\$ 43,714,170
Capital Assets	42,524,177	42,533,566	7,043,345	6,151,141	49,567,522	48,684,707
Total Assets	84,199,407	83,385,088	9,393,269	9,013,789	93,592,676	92,398,877
Deferred Outflows	859,438	-	40,597	-	900,035	-
Current Liabilities	3,073,523	2,872,710	199,781	259,840	3,273,304	3,132,550
Long-term Liabilities	8,362,703	2,501,970	381,609	62,167	8,744,312	2,564,137
Total Liabilities	11,436,226	5,374,680	581,390	322,007	12,017,616	5,696,687
Deferred Inflows	2,488,668	-	140,611	-	2,629,279	-
Net Position:						
Net Investment in Capital	42,524,177	42,533,566	7,043,345	6,151,141	49,567,522	48,684,707
Restricted	8,324,884	7,952,067	-	-	8,324,884	7,952,067
Unrestricted	20,284,890	27,524,775	1,668,520	2,540,641	21,953,410	30,065,416
Total Net Position	\$ 71,133,951	\$ 78,010,408	\$ 8,711,865	\$ 8,691,782	\$ 79,845,816	\$ 86,702,190

Just over half of the City's net position (62%) reflects investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the City's net position, **\$8,324,884** (10%) represents resources that are subject to external restrictions on how they may be used for example the Housing Authority funds, 2010 Bond Funds, Transnet, Gas Tax and the Parks Maintenance fund. The remaining balance of **\$21,953,410** (27%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The City’s overall net position declined by **\$6,856,374** compared with the prior fiscal year. This decrease is primarily due to the new GASB reporting requirement of the Net Pension Liability not previously reported on the financial statements. This liability is reported at the Citywide level and is not reported to the individual funds. This is not a new liability; it simply was not reported in prior years.

Governmental Activities. During the current fiscal year, net position for governmental activities declined by **\$6,876,457** from the prior fiscal year for with an ending balance of **\$71,133,951**. As stated earlier, this decline is solely due to the new GASB reporting requirement of the Net Pension Liability. After removing the new GASB reporting requirement the net position for government activities increased by **\$805,269**.

CITY OF IMPERIAL BEACH; Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
REVENUE						
Program Revenue						
Charges for Services	\$ 1,974,245	\$ 2,111,942	\$ 4,160,676	\$ 4,129,946	\$ 6,134,921	\$ 6,241,888
Operating and Grants	6,114,525	5,403,493	-	-	6,114,525	5,403,493
Capital and Grants	2,192,390	1,971,701	-	-	2,192,390	1,971,701
General Revenue	-	-	-	-	-	-
Property Tax	4,407,312	4,594,215	-	-	4,407,312	4,594,215
Other tax	7,084,445	6,799,341	-	-	7,084,445	6,799,341
Other	-	-	171,395	32,691	171,395	32,691
Total Revenue	21,772,917	20,880,692	4,332,071	4,162,637	26,104,988	25,043,329
EXPENSE						
General Government	4,045,386	3,680,695	-	-	4,045,386	3,680,695
Public Safety	11,493,533	10,520,799	-	-	11,493,533	10,520,799
Public Works	3,363,698	2,875,724	-	-	3,363,698	2,875,724
Community development	274,122	613,085	-	-	274,122	613,085
Sanitation	-	-	3,889,098	4,053,964	3,889,098	4,053,964
Culture and Recreation	1,790,909	1,821,723	-	-	1,790,909	1,821,723
Interest on Debt	-	-	-	-	-	-
Total Expense	20,967,648	19,512,026	3,889,098	4,053,964	24,856,746	23,565,990
Restatement of Net Position	(7,681,726)	(2,539)	(422,890)	-	(8,104,616)	(2,539)
Increase in net position	(6,876,457)	1,366,127	20,083	108,673	(6,856,374)	1,474,800
Net position beginning	78,010,408	76,644,281	8,691,782	8,583,109	86,702,190	85,227,390
Net position ending	\$ 71,133,951	\$ 78,010,408	\$ 8,711,865	\$ 8,691,782	\$ 79,845,816	\$ 86,702,190

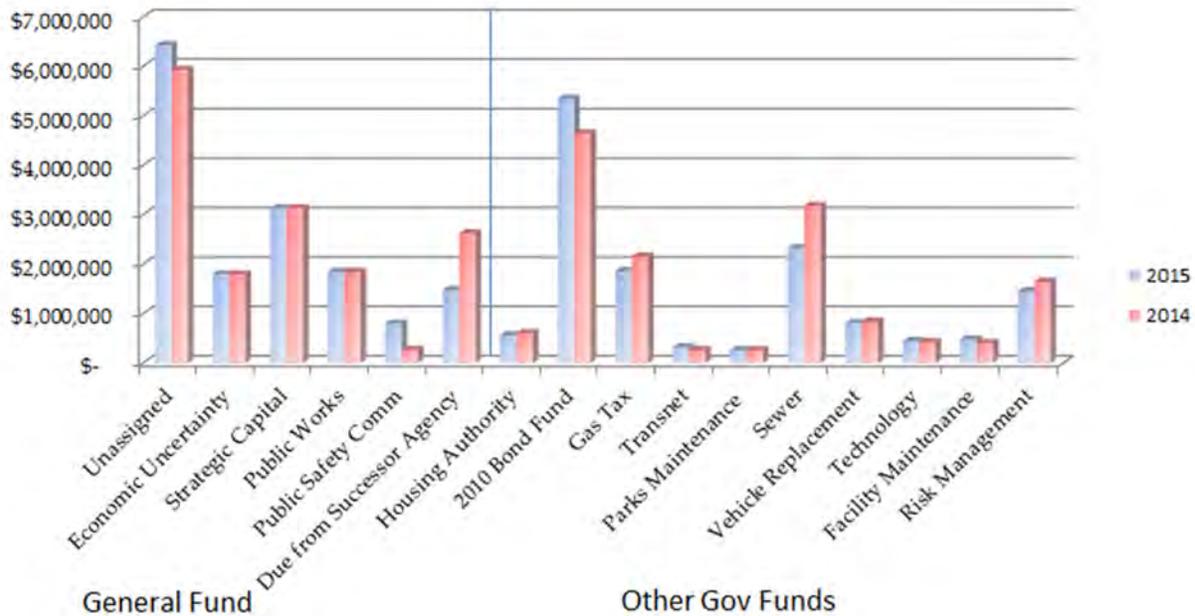
Business-type Activities. For the City's business-type activities, the results for the current fiscal year were positive. The overall net position increased slightly reaching an ending balance of **\$8,711,865**. The total increase in net position for business-type activities (sewer fund) was \$108,673 or 1% from the prior fiscal year.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

The City's governmental funds reported combined fund balances of **\$23,792,421**. Approximately 27% of this amount (\$6,390,991) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$1,495,065), 2) restricted for particular purposes (\$8,324,884), 3) committed for particular purposes (\$5,733,293), or 4) assigned for particular purposes (\$1,848,188).



The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,430,692, an increase of \$499,693. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately thirty-five percent (35%) of total general fund expenditures, while total fund balance represents approximately eighty-four percent (84%) of that same amount.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the Sewer Fund at the end of the year was \$9,370,925. The total increase in net position was \$36,975. The unrestricted fund balance is \$2,327,580 (excluding Net Pension Liability).

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain employee benefits such as pensions and other postemployment benefits. Generally, the movement of the appropriations between departments was *not* significant.

Final budget compared to actual results. The differences between estimated and actual revenues (resources) and expenses (outflows) for the General Fund were as follows:

	Final Budget	Actual Amount	Variance Positive (Negative)
Resources (Inflows)			
Taxes	\$ 8,566,575	\$ 8,670,573	\$ 103,998
Licenses and Permits	536,100	586,600	50,500
Intergovernmental	419,603	544,505	124,902
Charges for Services	7,309,029	7,243,548	(65,481)
Use of Money and Property	457,000	421,139	(35,861)
Fines and Foreitures	149,500	143,437	(6,063)
Miscellaneous	265,000	137,280	(127,720)
Transfers	884,065	797,400	(86,665)
	\$ 18,586,872	\$ 18,544,482	\$ (42,390)
Charges (Outflows)			
General Government	\$ 3,353,694	\$ 3,161,188	\$ 192,506
Public Safety	11,452,127	11,352,256	99,871
Parks and Recreation	1,537,692	1,511,661	26,031
Public Works	2,291,398	2,188,370	103,028
Capital Outlay	150,783	178,286	(27,503)
Transfers Out	229,245	254,247	(25,002)
	\$ 19,014,939	\$ 18,646,008	\$ 368,931

There wasn't any significant variance from budget in Total Revenue. The amount collected in taxes, License and Permits, and Intergovernmental were slightly over budget. The remaining categories came in slightly below budget and offset one-another.

The favorable variance in outflows is primarily due to a conservative spending budget and strict fiscal control. However, it should be noted that the budgeted expenditures exceeded budgeted revenue. Therefore, the positive expenditure variance resulted in a General Fund Net Revenue of (\$101,526). However, this includes a \$229,245 transfer to the Housing Authority required by law as part of the Successor Agency loan repayment.

Capital Assets and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business-type activities amounts to **\$49,567,522** (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the sewer system. The total increase in capital assets for the current fiscal year was \$882,815.

City of Imperial Beach; Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,638,532	\$ 1,638,532	\$ -	\$ -	\$ 1,638,532	\$ 1,638,532
Right of Way	12,406,327	12,406,327	-	-	12,406,327	12,406,327
Construction in Progress	1,704,822	4,213,937	1,176,206	826,591	2,881,028	5,040,528
Structures	4,103,634	4,356,788	-	-	4,103,634	4,356,788
Equipment and Vehicles	1,460,285	1,508,346	-	-	1,460,285	1,508,346
Infrastrucutre	21,210,577	18,409,636	-	-	21,210,577	18,409,636
Sewer System	-	-	5,867,139	5,324,550	5,867,139	5,324,550
	\$ 42,524,177	\$ 42,533,566	\$ 7,043,345	\$ 6,151,141	\$ 49,567,522	\$ 48,684,707

Long-term Debt. At the end of the current fiscal year, City did not have any outstanding debt. The City does recognize other long term liabilities (listed below).

The Successor Agency of the former RDA, which is a legally separate agency had outstanding long term debt totaling \$38,112,735 at the end of the fiscal year. In addition, the Successor Agency has a loan due to the City in the amount of \$1,476,661.

City of Imperial Beach; Long-term liabilities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Other Post Employment Benefits	\$ 142,294	\$ 127,108	\$ -	\$ -	\$ 142,294	\$ 127,108
Net Pension Liability ¹	5,876,009	-	318,116	-	6,194,125	-
Compensated Absences	810,013	777,688	63,493	62,167	873,506	839,855
Claims & Judgments	1,534,387	1,597,174	-	-	1,534,387	1,597,174
	\$ 8,362,703	\$ 2,501,970	\$ 381,609	\$ 62,167	\$ 8,744,312	\$ 2,564,137

Note: (1) Net Pension Liability not reported in 2014. This is a new GASB requirement.

The City's total long-term liabilities increased by \$6,180,175, primarily due to the new GASB reporting requirement of the Net Pension Liability.

Requests for Information

This financial report is designed to provide a general overview of the City's financials for all those with an interest in the government's fiscal health. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Imperial Beach, Office of the Finance Director, 825 Imperial Beach Blvd., Imperial Beach, CA 91932. Or visit www.imperialbeachca.gov

CITY OF IMPERIAL BEACH

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 27,788,520	\$ 2,833,593	\$ 30,622,113
Receivables:			
Accounts	886,869	10,483	897,352
Notes and loans	8,995,159	-	8,995,159
Internal balances	659,060	(659,060)	-
Prepaid costs	17,063	-	17,063
Due from other governments	1,799,861	164,908	1,964,769
Inventories	1,341	-	1,341
Restricted assets:			
Cash and investments	50,696	-	50,696
Due from Successor Agency	1,476,661	-	1,476,661
Capital assets not being depreciated	15,749,681	1,176,206	16,925,887
Capital assets, net of depreciation	26,774,496	5,867,139	32,641,635
Total Assets	84,199,407	9,393,269	93,592,676
Deferred Outflows of Resources:			
Deferred pension related items	859,438	40,597	900,035
Total Deferred Outflows of Resources	859,438	40,597	900,035
Liabilities:			
Accounts payable	1,674,804	177,104	1,851,908
Accrued liabilities	573,038	22,677	595,715
Unearned revenue	480,529	-	480,529
Deposits payable	345,152	-	345,152
Noncurrent liabilities:			
OPEB Obligation	142,294	-	142,294
Net Pension Liability	5,876,009	318,116	6,194,125
Due within one year	957,740	15,803	973,543
Due in more than one year	1,386,660	47,690	1,434,350
Total Liabilities	11,436,226	581,390	12,017,616
Deferred Inflows of Resources:			
Deferred pension related items	2,488,668	140,611	2,629,279
Total Deferred Inflows of Resources	2,488,668	140,611	2,629,279
Net Position:			
Investment in capital assets	42,524,177	7,043,345	49,567,522
Restricted for:			
Community development projects	5,917,837	-	5,917,837
Public safety	25,994	-	25,994
Parks and recreation	267,760	-	267,760
Public works	2,113,293	-	2,113,293
Unrestricted	20,284,890	1,668,520	21,953,410
Total Net Position	\$ 71,133,951	\$ 8,711,865	\$ 79,845,816

CITY OF IMPERIAL BEACH

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 4,045,386	\$ 613,600	\$ 87,890	\$ -
Public safety	11,493,533	625,293	4,515,507	-
Community development	274,122	-	1,274,584	-
Parks, recreation and senior center	1,790,909	51,835	-	-
Public works	3,363,698	683,517	236,544	2,192,390
Total Governmental Activities	20,967,648	1,974,245	6,114,525	2,192,390
Business-Type Activities:				
Sewer	3,889,098	4,160,676	-	-
Total Business-Type Activities	3,889,098	4,160,676	-	-
Total Primary Government	\$ 24,856,746	\$ 6,134,921	\$ 6,114,525	\$ 2,192,390

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users tax
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year, as previously stated

Restatement of Net Position

Net Position at Beginning of Year, as restated

Net Position at End of Year

**Net (Expenses) Revenues and Changes in Net
Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (3,343,896)	\$ -	\$ (3,343,896)
(6,352,733)	-	(6,352,733)
1,000,462	-	1,000,462
(1,739,074)	-	(1,739,074)
(251,247)	-	(251,247)
(10,686,488)	-	(10,686,488)
-	271,578	271,578
-	271,578	271,578
(10,686,488)	271,578	(10,414,910)
4,407,312	-	4,407,312
639,983	-	639,983
1,704,968	-	1,704,968
1,927,792	-	1,927,792
376,104	-	376,104
1,337,508	-	1,337,508
11,753	-	11,753
949,057	16,814	965,871
137,280	154,581	291,861
11,491,757	171,395	11,663,152
805,269	442,973	1,248,242
78,010,408	8,691,782	86,702,190
(7,681,726)	(422,890)	(8,104,616)
70,328,682	8,268,892	78,597,574
\$ 71,133,951	\$ 8,711,865	\$ 79,845,816

CITY OF IMPERIAL BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

		<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
	<u>General</u>	<u>Housing Authority</u>	<u>C.I.P. 2010 Bond</u>
Assets:			
Pooled cash and investments	\$ 14,535,963	\$ 522,369	\$ 5,367,397
Receivables:			
Accounts	886,869	-	-
Notes and loans	-	8,995,159	-
Prepaid costs	17,063	-	-
Due from other governments	1,567,529	-	-
Due from other funds	183,594	-	-
Inventories	1,341	-	-
Restricted assets:			
Cash and investments	-	50,696	-
Due from Successor Agency	1,476,661	-	-
Total Assets	<u>\$ 18,669,020</u>	<u>\$ 9,568,224</u>	<u>\$ 5,367,397</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,443,718	\$ 743	\$ 18,776
Accrued liabilities	517,498	2,841	265
Unearned revenues	480,529	-	-
Deposits payable	345,152	-	-
Due to other funds	-	-	-
Total Liabilities	<u>2,786,897</u>	<u>3,584</u>	<u>19,041</u>
Deferred Inflows of Resources:			
Unavailable revenues	374,885	8,995,159	-
Total Deferred Inflows of Resources	<u>374,885</u>	<u>8,995,159</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Inventory	1,341	-	-
Prepaid costs	17,063	-	-
Due from Successor Agency	1,476,661	-	-
Restricted for:			
Community development projects	-	569,481	5,348,356
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Committed to:			
Community development projects	3,705	-	-
Economic Uncertainty Reserve	1,800,000	-	-
Strategic Capital Reserve	3,129,588	-	-
Regional Communication System	800,000	-	-
Assigned to:			
Public works	1,848,188	-	-
Unassigned	<u>6,430,692</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>15,507,238</u>	<u>569,481</u>	<u>5,348,356</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,669,020</u>	<u>\$ 9,568,224</u>	<u>\$ 5,367,397</u>

CITY OF IMPERIAL BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 2,438,880	\$ 22,864,609
Receivables:		
Accounts	-	886,869
Notes and loans	-	8,995,159
Prepaid costs	-	17,063
Due from other governments	211,431	1,778,960
Due from other funds	-	183,594
Inventories	-	1,341
Restricted assets:		
Cash and investments	-	50,696
Due from Successor Agency	-	1,476,661
Total Assets	\$ 2,650,311	\$ 36,254,952
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 95,396	\$ 1,558,633
Accrued liabilities	3,975	524,579
Unearned revenues	-	480,529
Deposits payable	-	345,152
Due to other funds	183,594	183,594
Total Liabilities	282,965	3,092,487
Deferred Inflows of Resources:		
Unavailable revenues	-	9,370,044
Total Deferred Inflows of Resources	-	9,370,044
Fund Balances:		
Nonspendable:		
Inventory	-	1,341
Prepaid costs	-	17,063
Due from Successor Agency	-	1,476,661
Restricted for:		
Community development projects	-	5,917,837
Public safety	25,994	25,994
Parks and recreation	267,760	267,760
Public works	2,113,293	2,113,293
Committed to:		
Community development projects	-	3,705
Economic Uncertainty Reserve	-	1,800,000
Strategic Capital Reserve	-	3,129,588
Regional Communication System	-	800,000
Assigned to:		
Public works	-	1,848,188
Unassigned	(39,701)	6,390,991
Total Fund Balances	2,367,346	23,792,421
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,650,311	\$ 36,254,952

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CITY OF IMPERIAL BEACH

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Fund balances of governmental funds	\$ 23,792,421
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	41,242,031
Long-term debt, Net Pension Liability, and compensated absences that have not been included in the governmental fund activity:	
Net Pension Liability	(5,522,545)
Compensated Absences	(748,443)
Deferred Outflows of Resources:	
Adjustment due to differences in proportions	134,654
Pension contribution subsequent to measurement date	679,676
Deferred Inflows of Resources:	
Net Difference between projected and actual earnings on pension plan investments	(2,063,933)
Adjustment due to differences in proportions	(34,037)
Unamortized difference between employer contribution and the plans proportionate share of aggregate employer contributions	(234,464)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.	(142,294)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	9,370,044
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	4,660,841
Net Position of governmental activities	\$ 71,133,951

CITY OF IMPERIAL BEACH

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
		<u>Housing Authority</u>	<u>C.I.P. 2010 Bond</u>
Revenues:			
Taxes	\$ 8,670,573	\$ -	\$ -
Assessments	-	-	-
Licenses and permits	586,600	-	-
Intergovernmental	544,505	-	-
Charges for services	7,243,548	-	-
Use of money and property	421,139	3,436	31,305
Fines and forfeitures	143,437	-	-
Contributions from Successor Agency	-	-	1,274,584
Miscellaneous	137,280	-	-
Total Revenues	<u>17,747,082</u>	<u>3,436</u>	<u>1,305,889</u>
Expenditures:			
Current:			
General government	3,161,188	-	62,300
Public safety	11,352,256	-	-
Community development	-	274,122	-
Parks and recreation	1,511,661	-	-
Public works	2,188,370	-	-
Capital outlay	178,286	-	542,654
Total Expenditures	<u>18,391,761</u>	<u>274,122</u>	<u>604,954</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(644,679)</u>	<u>(270,686)</u>	<u>700,935</u>
Other Financing Sources (Uses):			
Transfers in	797,400	246,114	-
Transfers out	<u>(254,247)</u>	<u>(16,869)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>543,153</u>	<u>229,245</u>	<u>-</u>
Net Change in Fund Balances	<u>(101,526)</u>	<u>(41,441)</u>	<u>700,935</u>
Fund Balances, Beginning of Year	<u>15,608,764</u>	<u>610,922</u>	<u>4,647,421</u>
Fund Balances, End of Year	<u>\$ 15,507,238</u>	<u>\$ 569,481</u>	<u>\$ 5,348,356</u>

CITY OF IMPERIAL BEACH

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 8,670,573
Assessments	10,996	10,996
Licenses and permits	-	586,600
Intergovernmental	2,083,662	2,628,167
Charges for services	67,569	7,311,117
Use of money and property	17,965	473,845
Fines and forfeitures	-	143,437
Contributions from Successor Agency	-	1,274,584
Miscellaneous	-	137,280
Total Revenues	2,180,192	21,236,599
Expenditures:		
Current:		
General government	728,669	3,952,157
Public safety	100,020	11,452,276
Community development	-	274,122
Parks and recreation	27,506	1,539,167
Public works	30,262	2,218,632
Capital outlay	789,525	1,510,465
Total Expenditures	1,675,982	20,946,819
Excess (Deficiency) of Revenues Over (Under) Expenditures	504,210	289,780
Other Financing Sources (Uses):		
Transfers in	286,433	1,329,947
Transfers out	(1,058,831)	(1,329,947)
Total Other Financing Sources (Uses)	(772,398)	-
Net Change in Fund Balances	(268,188)	289,780
Fund Balances, Beginning of Year	2,635,534	23,502,641
Fund Balances, End of Year	\$ 2,367,346	\$ 23,792,421

CITY OF IMPERIAL BEACH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net change in fund balances - total governmental funds \$ 289,780

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 1,373,130	
Depreciation	<u>(1,384,235)</u>	(11,105)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (24,332)

Annual required contributions to pension obligations require the use of current financial resources and, therefore, are not reported as expenses in governmental Statement of Activities. However, in the statement of activities only pension expense as a result in the change in the Net Pension Liability is recorded. 171,199

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (15,186)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 504,713

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. (109,800)

Change in net position of governmental activities \$ 805,269

CITY OF IMPERIAL BEACH

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015

	Enterprise Fund	Governmental Activities- Internal Service Funds
	Sewer	
Assets:		
Current:		
Cash and investments	\$ 2,833,593	\$ 4,923,911
Receivables:		
Accounts	10,483	-
Due from other governments	164,908	20,901
Total Current Assets	3,008,984	4,944,812
Noncurrent:		
Capital assets not being depreciated	1,176,206	-
Capital assets - net of accumulated depreciation	5,867,139	1,282,146
Total Noncurrent Assets	7,043,345	1,282,146
Total Assets	10,052,329	6,226,958
Deferred Outflows of Resources:		
Deferred pension related items	40,597	45,108
Total Deferred Outflows of Resources	40,597	45,108
Liabilities:		
Current:		
Accounts payable	177,104	116,171
Accrued liabilities	22,677	48,459
Accrued compensated absences	15,803	28,837
Accrued claims and judgments	-	717,929
Total Current Liabilities	215,584	911,396
Noncurrent:		
Net pension liability	318,116	353,464
Accrued compensated absences	47,690	32,733
Accrued claims and judgments	-	816,458
Total Noncurrent Liabilities	365,806	1,202,655
Total Liabilities	581,390	2,114,051
Deferred Inflows of Resources:		
Deferred pension related items	140,611	156,234
Total Deferred Inflows of Resources	140,611	156,234
Net Position:		
Investment in capital assets	7,043,345	1,282,146
Unrestricted	2,327,580	2,719,635
Total Net Position	\$ 9,370,925	\$ 4,001,781
Reconciliation of Net Position to the Statement of Net Position		
Net Position per Statement of Net Position - Proprietary Funds	\$ 9,370,925	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(642,168)	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(16,892)	
Net Position per Statement of Net Position	\$ 8,711,865	

CITY OF IMPERIAL BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Enterprise Fund	Governmental Activities- Internal Service Funds
	Sewer	
Operating Revenues:		
Sales and service charges	\$ 4,160,676	\$ 1,556,400
Miscellaneous	154,581	237,579
Total Operating Revenues	4,315,257	1,793,979
Operating Expenses:		
Source of supply	3,240,681	1,017,268
Claims expense	-	28,406
Depreciation expense	204,928	241,441
Personnel and Administrative	426,597	654,256
Total Operating Expenses	3,872,206	1,941,371
Operating Gain (Loss)	443,051	(147,392)
Nonoperating Revenues:		
Interest revenue	16,814	31,605
Loss on disposal of capital asset	-	(10,905)
Total Nonoperating Revenues (Expenses)	16,814	20,700
Changes in Net Position	459,865	(126,692)
Net Position:		
Beginning of Year, as previously reported	9,333,950	4,598,351
Restatements	(422,890)	(469,878)
Beginning of Fiscal Year, as restated	8,911,060	4,128,473
End of Fiscal Year	\$ 9,370,925	\$ 4,001,781
Reconciliation of Changes in Net Position to the Statement of Activities:		
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	\$ 459,865	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	(16,892)	
Changes in Net Position of Business-Type Activities per Statement of Activities	\$ 442,973	

CITY OF IMPERIAL BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

	Enterprise Fund	Governmental Activities- Internal Service Funds
	Sewer	
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 4,306,226	\$ -
Cash received from/(paid to) interfund service provided	-	1,798,193
Cash paid to suppliers for goods and services	(3,115,373)	(1,109,278)
Cash paid to employees for services	(428,182)	(549,771)
Net Cash Provided by Operating Activities	762,671	139,144
Cash Flows from Non-Capital Financing Activities:		
Advance from other funds	(187,216)	-
Net Cash Provided by Non-Capital Financing Activities	(187,216)	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(1,097,132)	(254,062)
Net Cash Used in Capital and Related Financing Activities	(1,097,132)	(254,062)
Cash Flows from Investing Activities:		
Interest received	16,814	31,605
Net Cash Provided by Investing Activities	16,814	31,605
Net Increase (Decrease) in Cash and Cash Equivalents	(504,863)	(83,313)
Cash and Cash Equivalents at Beginning of Year	3,338,456	5,007,224
Cash and Cash Equivalents at End of Year	\$ 2,833,593	\$ 4,923,911
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ 443,051	\$ (147,392)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	204,928	241,441
(Increase) decrease in accounts receivable	(9,421)	-
(Increase) decrease in due from other governments	390	4,214
Increase (decrease) in accounts payable	125,308	86,814
Increase (decrease) in accrued liabilities	1,849	-
Increase (decrease) in deposits payable	-	14,149
Increase (decrease) in claims and judgments	-	(62,787)
Increase (decrease) in salaries and benefits payable	(3,434)	2,705
Total Adjustments	319,620	286,536
Net Cash Provided (Used) by Operating Activities	\$ 762,671	\$ 139,144

CITY OF IMPERIAL BEACH

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former RDA</u>
Assets:		
Pooled cash and investments	\$ 390,452	\$ 1,179,341
Land held for resale	-	17,048,281
Restricted assets:		
Cash and investments with fiscal agents	-	2,835,565
Total Assets	<u>\$ 390,452</u>	<u>21,063,187</u>
Liabilities:		
Accounts payable	\$ -	17,103
Accrued liabilities	-	29
Accrued interest	-	152,044
Due to bondholders	390,452	-
Due to City	-	1,476,661
Long-term liabilities:		
Due in one year	-	245,000
Due in more than one year	-	37,858,621
Total Liabilities	<u>\$ 390,452</u>	<u>39,749,458</u>
Net Position:		
Held in trust for other purposes		<u>(18,686,271)</u>
Total Net Position		<u>\$ (18,686,271)</u>

CITY OF IMPERIAL BEACH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2015

	Private- Purpose Trust Fund <u>Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 3,650,680
Interest and change in fair value of investments	13,991
Miscellaneous	<u>8</u>
Total Additions	<u>3,664,679</u>
Deductions:	
Project Costs	139,922
Administrative expenses	161,207
Contractual services	1,381,231
Interest expense	<u>1,821,673</u>
Total Deductions	<u>3,504,033</u>
Changes in Net Position	160,646
Net Position - Beginning of the Year	<u>(18,846,917)</u>
Net Position - End of the Year	<u>\$ (18,686,271)</u>

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Imperial Beach, California (the City), was incorporated July 18, 1956, and operates as a General Law City. The City operates under a Council/Manager form of government and provides the following services: general government, fire, highways and streets, planning and zoning, and public improvements. Police services are contracted through the County of San Diego Sheriff's Department. The City is not subject to federal or state income taxes.

As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City's elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting entity consists of: 1) the City, 2) organizations for which the City is financially accountable, and 3) organizations for which the nature and significance of their relationship with the City are such that exclusions would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component units' balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. A description of these component units and the method of incorporating their financial information in the accompanying financial statements are summarized as follows:

Blended Component Units

Imperial Beach Public Financing Authority

The Imperial Beach Public Financing Authority was established on November 20, 2003, by a joint exercise of powers agreement between the City of Imperial Beach and the former Imperial Beach Redevelopment Agency pursuant to the Community Redevelopment Law (commencing with Section 33000) of the Health and Safety Code of the State of California. Separate financial statements are not prepared for the Authority.

Imperial Beach Housing Authority

The Imperial Beach Housing Authority was established on January 14, 2011, by Council resolution to transact business and exercise powers in the City of Imperial Beach and to accept any appropriate funds from the former Imperial Beach Redevelopment Agency. The Authority also acts as the Housing Successor Agency.

Note 1: Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its blended component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The private-purpose trust funds are reported using the economic resources management focus and the full accrual basis of accounting.

Note 1: Summary of Significant Accounting Policies (Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

All proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable; expenses are recognized when they are incurred. Unbilled service receivables are recorded as accounts receivable and as revenue when earned.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- The Housing Authority Fund accounts for the transactions of the City's Housing Authority which was established to for the development of low and moderate income housing within the City.
- The C.I.P. 2010 Bond Capital Projects Fund accounts for projects funded with the proceeds of the 2010 Tax Allocation Bonds.

The City reports the following major proprietary fund:

- The Sewer Fund is an Enterprise Fund that accounts for the revenues and expenses associated with providing wastewater treatment services to residents of the City.

Additionally, the City reports the following fund types:

- Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
- Capital Projects Funds account for the financial resources to be used for the capital improvement projects of the City.
- Internal Service Funds account for the financing of goods or services related to repair, replacement and maintenance of City-owned equipment, the City's self-insurance programs, the City's general information systems and telecommunications hardware, software and the repair, replacement and maintenance of City-owned facilities. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

Note 1: Summary of Significant Accounting Policies (Continued)

- The Private Purpose Trust Fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.
- Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. They do not involve measurement of results of operations. The City's agency funds account for its special assessment districts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

d. Assets, Liabilities and Net Position or Equity

Cash and Investments

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For cash flow purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Proprietary Funds.

Investments for the City, as well as for its blended component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Note 1: Summary of Significant Accounting Policies (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities that have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities that provide management or support services across more than one functional area.
- Public Safety includes those activities that involve the protection of people and property.
- Parks, Recreation and Senior Center include those activities that involve community park maintenance and recreational activities within the community.
- Public Works includes those activities that involve the maintenance and improvement of City streets, roads and park department development and maintenance.
- Capital outlay includes those activities that account for the purchase of fixed and capital assets.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The General Fund inventory is accounted for on the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the City has reported general infrastructure assets acquired in prior and current years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the assets constructed.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	25 - 50
Improvements Other than Buildings	10 - 50
Sewer lines and Pump Stations	35 - 50
Equipment	3 - 20
Vehicles	5 - 10
<u>Infrastructure</u>	<u>Years</u>
Pavement	33
Curb and Gutter	50
Sidewalk	50

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63 *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,”* and GASB Statement No. 65 *“Items Previously Reported as Assets and Liabilities”* the City recognizes deferred outflows and inflows of resources.

In addition to assets, the statements’ of net position and governmental fund balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item which qualify for reporting in this category; please refer to Note 6 for a detailed listing of the deferred outflows of resources the City has recognized.

In addition to liabilities, the statements’ of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items which qualify for reporting in this category; please refer to Note 6 for a detailed listing of the deferred inflows of resources the City has recognized.

Compensated Absences

All permanent employees of the City are permitted to accumulate a maximum of two times their annual accrual rate (annual leave). Maximum sick leave accrual for miscellaneous employees is 1,000 hours and for safety employees is 1,400 hours. Upon termination of employment, an employee is paid for accumulated annual leave but forfeits accumulated sick leave unless the employee has over five years of service. After five years of service, upon termination, the employee is paid for half the accumulated sick leave. Compensated absences are paid out of the General Fund and are reported there as a liability when they have matured.

Note 1: Summary of Significant Accounting Policies (Continued)

Accumulated vested sick pay and vacation pay for employees of the Proprietary Funds have been accrued. All accumulated compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a City Council resolution.

Assigned includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Resolution No. 2011-7039 authorizes the City Manager to assign amounts to a specific purpose.

Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, and then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. The City uses a modified encumbrance system in which only significant, select encumbrances are carried over at year-end. All other encumbrances lapse at year-end and are re-encumbered in the following fiscal year.

Property Tax Revenue

Property tax revenue is recognized on the basis of NCGA Interpretation No. 3; (adopted by GASB) that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of San Diego collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

Effect of New Accounting Standards

During the fiscal year ended June 30, 2015, the City implemented the following GASB standards:

GASB Statement No. 68 – *Accounting and financial Reporting for Pensions—an Amendment of GASB Statement No. 27* will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information. The requirements of this statement are retroactive and effective for financial statements for periods beginning after June 15, 2014.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

The City has fully implemented this standard, which resulted in restated Net Positions' as of June 30, 2014. Please refer to Note 15 regarding the restatement.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective for financial statements beginning after June 15, 2014.

II. DETAILED NOTES ON ALL FUNDS

Note 2: Cash and Investments

As of June 30, 2015, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 27,839,216
Business-Type activities	2,833,593
Fiduciary funds	<u>4,405,358</u>
Total Cash and Investments	<u>\$ 35,078,167</u>

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest Income from cash and investments with fiscal agents is credited directly to the related fund.

Deposits

At June 30, 2015, the carrying amount of the City's deposits was \$4,128,574 and the bank balance was \$4,146,290. The \$17,716 difference represents outstanding checks and other reconciling items.

Note 2: Cash and Investments (Continued)

The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities with a value of 110% of a city's deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under provisions of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- U.S. Treasury Obligations (bills, notes and bonds)
- Bonds, notes or other evidence of indebtedness issued or guaranteed by agency of the United States government
- Certificates of Deposit or Time Deposits placed with commercial banks and savings and loans
- Medium-term Corporate Notes with an "A" or comparable ratings
- Instruments of other California Government Entities with an "A" or comparable rating
- Banker's Acceptances
- Repurchase Agreements
- Local Agency Investment Fund Demand Deposits (State Pool)
- County of San Diego Treasury (County Pool)
- California Arbitrage Management Program (Bond Pool)
- Passbook Savings Account Demand Deposits
- Money Market funds, which invest solely in securities issued by the U.S. Treasury and agencies of the Federal government, and repurchase agreements collateralized with U.S. Treasury and Federal agency obligations
- Overnight Sweep accounts as managed by the depository bank as part of the checking account packaged contracted by the City, provided the sweep account is collateralized in accordance with state law

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Note 2: Cash and Investments (Continued)

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

GASB Statement No. 31

The City adopted GASB Statement of No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "AA" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2015, the City's investment in Medium-Term Corporate Notes were all rated AA or better by Moody's and S&P. In addition, the City's investments in Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation were rated "AAA" by Moody's and by S&P. All securities were investment grade and were legal under State law. Investments in U.S. Treasuries are not considered to have credit risk; therefore, their credit quality is not disclosed.

The City also invests in LAIF which invests in various underlying securities, including the federal agency securities. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change as well.

As of June 30, 2015, the City's investments in external investment pools, money market mutual funds and investment agreements are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a specific policy addressing custodial credit risk. As of June 30, 2015, none of the City's deposits or investments was exposed to custodial credit risk.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: Cash and Investments (Continued)

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer to 25% of the total investment pool. With respect to concentration risk, as of June 30, 2015, the City has not invested more than 25% of its total investments in any one issuer. In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2015, the City has investments with the following issuers, which exceed 5% of the total investment value:

US Treasury Obligations	\$ 5,448,823	18%
JP Morgan Chase Co Medium Term Note	2,030,560	6%
Federal Home Loan Bank	2,307,423	7%
Federal Home Loan Mortgage Corporation	3,697,558	12%
Federal National Mortgage Association	3,023,817	10%
State Pooled Investment (LAIF)	6,325,343	20%

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that the City's investment portfolio will not directly invest in securities maturing in more than five years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2015, the City had the following investments and original maturities:

Investments	Investment Maturities (in Years)			Fair Value
	1 year or less	1 to 3 years	3 to 5 years	
State Pooled Investment (LAIF)	\$ 6,325,343	\$ -	\$ -	\$ 6,325,343
Federal Farm Credit Bank	874,502	185,788	-	1,060,290
Federal Home Loan Bank	1,320,701	986,722	-	2,307,423
Federal Home Loan Mortgage Corp.	500,355	2,209,188	988,015	3,697,558
Federal National Mortgage Assoc.	325,231	2,198,966	499,620	3,023,817
US Treasury Notes	1,000,550	3,442,413	1,005,860	5,448,823
Medium Term Corporate Notes	1,071,044	7,239,808	775,487	9,086,339
	<u>\$ 11,417,726</u>	<u>\$ 16,262,885</u>	<u>\$ 3,268,982</u>	<u>\$ 30,949,593</u>

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,638,532	\$ -	\$ -	\$ -	\$ 1,638,532
Infrastructure right-of-way	12,406,327	-	-	-	12,406,327
Construction-in-progress	4,213,937	(3,838,502)	1,329,387	-	1,704,822
Total Capital Assets, Not Being Depreciated	18,258,796	(3,838,502)	1,329,387	-	15,749,681
Capital assets, being depreciated:					
Structures and improvements	8,361,661	166,436	-	-	8,528,097
Equipment and vehicles	5,121,192	-	254,062	452,934	4,922,320
Infrastructure	24,263,371	3,672,066	43,743	-	27,979,180
Total Capital Assets, Being Depreciated	37,746,224	3,838,502	297,805	452,934	41,429,597
Less accumulated depreciation:					
Structures and improvements	4,004,873	-	419,590	-	4,424,463
Equipment and vehicles	3,612,846	-	291,218	442,029	3,462,035
Infrastructure	5,853,735	-	914,868	-	6,768,603
Total Accumulated Depreciation	13,471,454	-	1,625,676	442,029	14,655,101
Total Capital Assets, Being Depreciated, Net	24,274,770	3,838,502	(1,327,871)	10,905	26,774,496
Governmental Activities Capital Assets, Net	\$ 42,533,566	\$ -	\$ 1,516	\$ 10,905	\$ 42,524,177

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 73,970
Public Safety	86,532
Public Works	988,652
Parks, Recreation and Senior Center	235,081
Internal Service Funds	241,441
Total Governmental Activities	<u>\$ 1,625,676</u>

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 3: Capital Assets (Continued)

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Construction-in-progress	\$ 826,591	\$ (747,517)	\$ 1,097,132	\$ -	\$ 1,176,206
Total Capital Assets, Not Being Depreciated	826,591	(747,517)	1,097,132	-	1,176,206
Capital assets, being depreciated:					
Sewer Lines and Pump Stations	9,153,665	747,517	-	-	9,901,182
Total Capital Assets, Being Depreciated	9,153,665	747,517	-	-	9,901,182
Less accumulated depreciation:					
Sewer Lines and Pump Stations	3,829,115	-	204,928	-	4,034,043
Total Accumulated Depreciation	3,829,115	-	204,928	-	4,034,043
Total Capital Assets, Being Depreciated, Net	5,324,550	747,517	(204,928)	-	5,867,139
Business-Type Activities Capital Assets, Net	<u>\$ 6,151,141</u>	<u>\$ -</u>	<u>\$ 892,204</u>	<u>\$ -</u>	<u>\$ 7,043,345</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Business-Type Activities:	
Sewer	<u>\$ 204,928</u>

Note 4: Loans Receivable

Loans receivable consist of the following:

South Bay Community Services Loan – Hemlock Ave.

In April 2006, the Agency entered into a loan agreement for an amount not-to-exceed \$540,425 with South Bay Community Services (SBCS) to loan low and moderate income housing set-aside funds to rehabilitate a seven-unit apartment complex located at 1360 Hemlock Avenue. This loan agreement was amended in October 2007, and increased the loan agreement by \$89,183, creating a total not-to-exceed amount of \$629,608. SBCC intends to rent all seven units to families earning 50% or below of the area median income, for a term of fifty-five years.

Beginning May 31, 2006, and continuing through 2061, simple interest accrues at 3% per annum on the principal balance. Monthly principal and interest payments are not required to be paid if the rental and occupancy conditions are met for the property. All principal and accrued interest on the Loan shall be due in full on (i) the date of any transfer not authorized by the Agency; (ii) the date of any Default; or (iii) the expiration of the Loan Term, whichever occurs first. However, upon expiration of the Loan Term, the Loan amount pursuant to the Note and accrued interest shall be forgiven provided all covenants and conditions were met over the Loan Term. Accrued interest at June 30, 2015, amounts to \$159,136 and is offset by unavailable revenue. The loan has not been fully disbursed at June 30, 2015. The outstanding balance at June 30, 2015, is \$788,744, including accrued interest.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 4: Loans Receivable (Continued)

South Bay Community Services Loan – Calla Ave.

In April 2006, the Agency entered into a loan agreement for an amount not-to-exceed \$491,271 with South Bay Community Services (SBCS) to loan low and moderate income housing set-aside funds to rehabilitate an eight-unit apartment complex located at 1260 Calla Avenue. SBCC intends to rent all seven units to families earning 50% or below of the area median income, for a term of fifty-five years. Beginning May 31, 2006, and continuing through 2061, simple interest accrues at 3% per annum on the principal balance. Monthly principal and interest payments are not required to be paid if the rental and occupancy conditions are met for the property. All principal and accrued interest on the Loan shall be due in full on (i) the date of any transfer not authorized by the Agency; (ii) the date of any Default; or (iii) the expiration of the Loan Term, whichever occurs first. However, upon expiration of the Loan Term, the Loan amount pursuant to the Note and accrued interest shall be forgiven provided all covenants and conditions were met over the Loan Term. Accrued interest at June 30, 2015, amounts to \$129,869 and is offset by deferred revenue. The loan has not been fully disbursed at June 30, 2015. The outstanding balance at June 30, 2015, is \$616,324, including accrued interest.

Tax Increment Loan - 12th Street

In August 2008, the Agency entered into a loan agreement for an amount not-to-exceed \$1,945,000 with Beachwind Court, LP to loan low and moderate income housing set-aside funds to rehabilitate a fifteen-unit apartment complex located at 624 12th Street. Beachwind Court, LP intends to rent seven units to families earning 50% or below of the area median income and to rent all seven units to families earning 60% or below of the area median income, for a term of fifty-five years. Beginning on the date of disbursement, simple interest accrues at 3% per annum on the principal balance. Monthly principal and interest payments are required to be paid within 30 days of completion of the annual audit equivalent to 50% of the residual receipts generated by the projects audited records. Accrued interest at June 30, 2015, amounts to \$384,321 and is offset by deferred revenue. The outstanding balance at June 30, 2015, is \$2,329,321, including accrued interest.

American Legion Loan

The Imperial Beach Housing Authority and Hitzke Development Corporation entered into an Affordable Housing Agreement for the development of a mixed-use affordable housing development project and new American Legion Post. The Authority authorized financing for the Project for an amount not to exceed \$4,100,000 to construct thirty (30) units of affordable housing consisting of twenty-nine (29) affordable residential rental units and one manager's unit. Monthly principal and interest payments are required to be paid within 30 days of completion of the annual audit equivalent to 50% of the residual receipts generated by the projects audited records. Accrued interest at June 30, 2015, amounts to \$389,500 and is offset by deferred revenue. The outstanding balance at June 30, 2014, is \$4,489,500, including accrued interest.

Habitat for Humanity, 10th and Donax

The Imperial Beach Housing Authority and the San Diego Habitat for Humanity entered into a note secured by deed of trust agreement, whereas the Housing Authority sold to Habitat for Humanity in exchange for a loan receivable and cash in the amount of \$211,495. The Loan bears 0% and is forgivable upon Habitat's for Humanities timely completion of Affordable Units. Accrued interest at June 30, 2015, amounts to \$16,275. As of June 30, 2015, the loan amount outstanding was \$771,270.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 4: Loans Receivable (Continued)

Total loans receivable at June 30, 2015, amounts to \$8,995,159.

Note 5: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due To/Due From Other Funds

Funds	Due to Other Funds	
	Non-major Governmental Funds	Total
Due From Other Funds:		
General Fund	\$ 183,594	\$ 183,594
Total	<u>\$ 183,594</u>	<u>\$ 183,594</u>

Due from Successor Agency

In previous fiscal years, the City made loans to the former redevelopment agency; now assumed by the Successor Agency (See Note 13 for further discussion). These loans bear interest at rates up to 12% per annum depending upon when the loan was initiated. The City may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands are not anticipated with the next fiscal year. As of June 30, 2015, loans made from the General Fund to the former Redevelopment Agency Capital Projects Fund, including accrued unpaid interest owed on those loans, were \$1,476,661.

Interfund Transfers

	Transfers In			Total
	General Fund	Housing Authority	Non-Major Governmental Fund	
Transfers Out:				
General Fund	\$ -	\$ 246,114	\$ 8,133	\$ 254,247
Housing Authority	-	-	16,869	16,869
Nonmajor Govt Funds	797,400	-	261,431	1,058,831
Total	<u>\$ 797,400</u>	<u>\$ 246,114</u>	<u>\$ 286,433</u>	<u>\$ 1,329,947</u>

The City received \$1,146,224 as payment of the City Loan to the Successor Agency as per the Recognized Obligation Payment Schedule 14-15B. As per California Department of Finance regulations, the General Fund transferred 20% of that amount, or \$229,245, to the Housing Successor. Transfers into the General Fund totaling \$797,400, were made from the Gas Tax Fund and Prop A Tax Fund to support street maintenance and transportation costs. A \$261,431 transfer was made from the Residential Construction Fund to the Parks and Maintenance Fund, due to consolidation. The \$25,002 transfer was made to the CDBG Fund to cover a negative cash balance from the prior year.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 6: Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,”* and GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities,”* the City recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the City that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City has one item that is reportable on the Government-wide Statement of Net Position. It relates to outflows from changes in the net pension liability (Note 10). Deferred outflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position. Governmental activities and Business-Type Activities recorded deferred outflows of resources related to pensions of \$859,438 and \$40,597, respectively.

In addition, the City recognized deferred inflows of resources in the government-wide, governmental fund, and proprietary fund statements. These items are an acquisition of net position by the City that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City has one item that is reportable on the Government-wide Statement of Net Position; inflows from changes in the net pension liability (Note 10). Deferred inflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position. Governmental activities and Business-Type Activities recorded deferred inflows of resources related to pensions of \$2,488,668 and \$140,611, respectively.

Under the modified accrual basis of accounting, it is not enough that revenue is earned; it must also be available to finance expenditures of the current period. Governmental funds will therefore include additional deferred inflows of resources for amounts that have been earned but are not available to finance expenditures in the current period. The City has two items that are reportable on the Governmental Fund Balance Sheet: the first of these items relates to the total housing loan principal and accrued interest receivable amount of \$8,995,159 (Note 4) and the second relates to unavailable DUI revenue of \$16,816, parking ticket revenues of \$210,360, and sales tax \$147,709.

Note 7: Unearned Revenue

General Fund unearned revenue consists of \$460,000 relating to a lease with the Unified Port District of San Diego and \$20,529 of other miscellaneous grant revenues received but not earned. The City entered into an agreement with the Port District in 1993 whereby the Port District leases the Pier Plaza and a parking lot from the city. The District paid the City \$1,800,000 at the beginning of the lease. Each year of the 30-year contract, the City recognizes \$60,000 of income and reduces the unearned revenue. As of June 30, 2015, \$460,000 remains of this unearned lease revenue.

CITY OF IMPERIAL BEACH

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 8: Long-Term Debt

a. Long-Term Debt – Governmental Activities

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2015:

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015	Due Within One Year
Compensated Absences	\$ 777,688	\$ 530,172	\$ 497,847	\$ 810,013	\$ 239,811
Claims & Judgments	1,597,174	361,662	424,449	1,534,387	717,929
	<u>\$ 2,374,862</u>	<u>\$ 891,834</u>	<u>\$ 922,296</u>	<u>\$ 2,344,400</u>	<u>\$ 957,740</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1 of the Notes to Financial Statements.

Claims and Judgments

The City's liability regarding self-insurance is described in Note 11 of the Notes to Financial Statements. The liability will be paid in future years from the Self Insurance Fund.

b. Long-Term Debt – Business-Type Activities

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
Enterprise Fund:					
Compensated absences	<u>\$ 62,167</u>	<u>\$ 30,601</u>	<u>\$ 29,275</u>	<u>\$ 63,493</u>	<u>\$ 15,803</u>

c. Special Assessment Bonds

The City has four assessment districts that issued bonds from 1981 through 2004, that are outstanding with no City obligation. The bonds were issued to finance alley paving within the City. The bonds are secured by the unpaid assessments levied against the private property within the assessment districts. The bonds are not general obligations of the City, and neither the faith and credit, nor the taxing power of the City, is pledged to the payment of the bonds.

The liability of property owners for unpaid principal assessments at June 30, 2015, was \$94,000. This bond liability has not been recorded in the accompanying financial statements in compliance with GASB Statement No. 6.

Note 8: Long-Term Debt (Continued)

d. Limited Obligation Improvement Bonds

On March 21, 2005, the City of Imperial Beach Assessment District No. 71 issued \$70,000 in limited obligation improvement bonds with interest rates varying from 5.00% to 5.50% pursuant to the provisions of the Improvement Bond Act of 1915. The bonds were issued to finance certain public improvements to benefit property within the City's Assessment District No. 71. The issues described above are not reflected in the liabilities on the statement of net position because they are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statement of the issues. Neither faith and credit nor the taxing power of the City, the Redevelopment Agency, the State of California or any political subdivision thereof is pledged for the payment of these bonds.

III. OTHER INFORMATION

Note 9: Pensions

Miscellaneous Plans

Description of Plans

The City of Imperial Beach Miscellaneous "Classic" Plan, PEPRA Miscellaneous Plan and Miscellaneous Second Tier Plan (Miscellaneous Plans) are a cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plans. Benefit provisions under the Miscellaneous Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the Miscellaneous Plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations. Therefore, pursuant to PEPRA, the Miscellaneous "Classic" plan is closed to new entrants as of January 1, 2013.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

The Miscellaneous Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous Plans		
	<u>Classic</u>	<u>Second Tier</u>	<u>PEPRA</u>
		On or after Mar. 9, 2012 but	
Hire date	Prior to Mar. 9, 2012	prior to Jan. 1, 2013	On or after Jan. 1, 2013
Benefit formula	2.7% @ 55	2% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of credited service		
Benefit payments	monthly for life		
Retirement age	50 and up	50 and up	52 and up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.272%	1.0% to 2.0%
Required employee contribution rates	7.947%	6.880%	6.308%
Required employer contribution rates	15.685%	8.049%	6.250%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Miscellaneous Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as a reduction to the Net Pension Liability for each plan were as follows:

	<u>Classic</u>	<u>PEPRA</u>	<u>Second Tier</u>	<u>Total Miscellaneous Plans</u>
Employee Contributions	\$ 214,985	\$ 18,342	\$ 28,354	\$ 261,681
Employer Proportionate Share of Aggregate Employer Contributions	555,061	141	723	555,925

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, The City reported net pension liabilities for its proportionate shares of the net pension liability of each Miscellaneous Plan as follows:

	<u>Classic</u>	<u>PEPRA</u>	<u>Second Tier</u>	<u>Total Miscellaneous Plans</u>
Proportion - June 30, 2013	\$ 5,102,681	\$ 1,457	\$ 7,462	\$ 5,111,600
Proportion - June 30, 2014	3,528,096	1,066	5,461	3,534,623
Change - Increase/(Decrease)	(1,574,585)	(391)	(2,001)	(1,576,977)

The City's net pension liability for each of the Miscellaneous Plans are measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans are measured as of June 30, 2014, and the total pension liability for each Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each of the Miscellaneous Plans as of June 30, 2013 and 2014, was as follows:

	<u>Classic</u>	<u>PEPRA</u>	<u>Second Tier</u>
Proportion - June 30, 2013	0.1557%	0.0000%	0.0002%
Proportion - June 30, 2014	0.1428%	0.0000%	0.0002%
Change - Increase/(Decrease)	-0.0130%	0.0000%	0.0000%

For the year ended June 30, 2015, the City recognized pension expense of \$315,811 for all Miscellaneous Plans. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 406,360	\$ -
Unamortized difference between employer contribution and the plans proportionate share of aggregate employer contributions	-	143,105
Net difference between projected and actual earnings on pension plan investments	-	1,412,105
Adjustment due to differences in proportions	44,724	7,141
Total	<u><u>\$ 451,084</u></u>	<u><u>\$ 1,562,351</u></u>

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

The \$406,360 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2016	\$ (377,264)
2017	(377,264)
2018	(372,416)
2019	(353,024)

Actuarial Assumptions

The total pension liabilities in the June 30, 2013, actuarial valuations were determined using the following actuarial assumptions:

	<u>Classic</u>	<u>PEPRA</u>	<u>Second Tier</u>
Valuation Date	June 30, 2013	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal		
Actuarial Assumptions:			
Discount Rate	7.50%	7.50%	7.50%
Inflation	2.75%	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service		
Investment Rate of Return	7.5%, Net of investment and administrative expenses		
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds*		
Post Retirement Benefit Increase	COLA up to 2.75%	COLA up to 2.75%	COLA up to 2.75%

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this schedule, please refer to the CalPERS 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013, valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each of the Miscellaneous Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the assumed 7.50% discount rate is adequate and the use of the municipal bond rate is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Pensions (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

* An expected inflation of 2.5% used for this period

**An expected inflation of 3.0% used for this period

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Miscellaneous Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Classic Plan Net Pension Liability	\$ 6,719,197	\$ 3,528,096	\$ 879,785
PEPRA Net Pension Liability	1,899	1,066	374
Second Tier Net Pension Liability	<u>9,731</u>	<u>5,461</u>	<u>1,918</u>
Total for All Miscellaneous Plans	<u>\$ 6,730,827</u>	<u>\$ 3,534,623</u>	<u>\$ 882,077</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Allocation of Proportionate Share of Net Pension Liability

The allocation of the proportionate share of the net pension liability, pension expense, deferred outflows and inflows of resources are allocated as follows:

	<u>Allocation Percentage</u>
Governmental Activities	91.00%
Business-Type Activities	9.00%

The governmental activities portion is allocated to the general fund departments as follows:

	<u>Allocation Percentage</u>
General Government	60.00%
Public Works	3.00%
Parks and Recreation	37.00%

Note 9: Pensions (Continued)

Safety Plans

Descriptions of Plans

The City of Imperial Beach Safety Lifeguard Plan, Safety Fire Plan, and Safety Lifeguard Second Tier Plan (Safety Plans) are a cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). All qualified permanent and probationary employees are eligible to participate in the City's Safety Plans. Benefit provisions under the Miscellaneous Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the Miscellaneous Plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013 risk-pool valuations.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

The Safety Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Safety Plans		
	<u>Lifeguard</u>	<u>Lifeguard Second Tier</u>	<u>Lifeguard PEPRA</u>
	Prior to Mar. 9, 2012	On or after Mar. 9, 2012 but prior to Jan. 1, 2013	On or after Jan. 1, 2013
Hire date	9, 2012	Jan. 1, 2013	Jan. 1, 2013
Benefit formula	2.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of credited service		
Benefit payments	monthly for life		
Retirement age	50 and up	50 and up	50 and up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	8.922%	8.922%	N/A
Required employer contribution rates	20.268%	19.900%	N/A
	<u>Fire</u>	<u>Fire Second Tier</u>	<u>Fire PEPRA</u>
	Prior to Mar. 9, 2012	On or after Mar. 9, 2012 but prior to Jan. 1, 2013	On or after Jan. 1, 2013
Hire date	2012	Jan. 1, 2013	2013
Benefit formula	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of credited service		
Benefit payments	monthly for life		
Retirement age	50 and up	50 and up	50 and up
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	8.986%	N/A	N/A
Required employer contribution rates	26.149%	N/A	N/A

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Miscellaneous Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each plan were as follows:

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

	<u>Lifeguard</u>	<u>Lifeguard Second Tier</u>	<u>Fire</u>	<u>Total Safety Plans</u>
Employee Contributions	\$ 24,590	\$ 9,705	\$ 143,022	\$ 177,317
Employer Proportionate Share of Aggregate Employer Contributions	21,377	687	355,979	378,043

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, The City reported net pension liabilities for its proportionate shares of the net pension liability of each Miscellaneous Plan as follows:

	<u>Lifeguard</u>	<u>Lifeguard Second Tier</u>	<u>Fire</u>	<u>Total Safety Plans</u>
Proportion - June 30, 2013	\$ 208,187	\$ 7,329	\$ 3,449,815	\$ 3,665,331
Proportion - June 30, 2014	151,355	5,535	2,502,612	2,659,502
Change - Increase/(Decrease)	(56,832)	(1,794)	(947,203)	(1,005,829)

The City's net pension liability for each of the Safety Plans are measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans are measured as of June 30, 2014, and the total pension liability for each Safety Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each of the Safety Plans as of June 30, 2013 and 2014, was as follows:

	<u>Lifeguard</u>	<u>Lifeguard Second Tier</u>	<u>Fire</u>
Proportion - June 30, 2013	0.0044%	0.0002%	0.0721%
Proportion - June 30, 2014	0.0040%	0.0002%	0.0667%
Change - Increase/(Decrease)	-0.0003%	0.0000%	-0.0054%

For the year ended June 30, 2015, the City recognized pension expense of \$190,970 for all Safety Plans. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 350,524	\$ -
Unamortized difference between employer contribution and the plans proportionate share of aggregate employer contributions	-	118,548
Net difference between projected and actual earnings on pension plan investments	-	920,127
Adjustment due to differences in proportions	<u>98,427</u>	<u>28,253</u>
Total	<u><u>\$ 448,951</u></u>	<u><u>\$ 1,066,928</u></u>

The \$350,524 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows of Resources</u>
2016	\$ (236,167)
2017	(236,167)
2018	(234,939)
2019	(230,031)

CITY OF IMPERIAL BEACH

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 9: Pensions (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2013, actuarial valuations were determined using the following actuarial assumptions:

	<u>Lifeguard</u>	<u>Lifeguard Second Tier</u>	<u>Fire</u>
Valuation Date	June 30, 2013	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial Cost Method		Entry Age Normal	
Actuarial Assumptions:			
Discount Rate	7.50%	7.50%	7.50%
Inflation	2.75%	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service		
Investment Rate of Return	7.5%, Net of investment and administrative expenses		
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds*		
Post Retirement Benefit Increase	COLA up to 2.75%	COLA up to 2.75%	COLA up to 2.75%

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this schedule, please refer to the CalPERS 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used on the June 30, 2013, valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each of the Safety Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the assumed 7.50% discount rate is adequate and the use of the municipal bond rate is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

* An expected inflation of 2.5% used for this period

**An expected inflation of 3.0% used for this period

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Safety Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Lifeguard Plan Net Pension Liability	\$ 272,770	\$ 151,355	\$ 51,314
Lifeguard Second Tier Net Pension Liability	9,525	5,535	2,248
Fire Plan Net Pension Liability	<u>4,522,060</u>	<u>2,502,612</u>	<u>838,674</u>
Total for All Miscellaneous Plans	<u>\$ 4,804,355</u>	<u>\$ 2,659,502</u>	<u>\$ 892,236</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Allocation of Proportionate Share of Net Pension Liability

The allocation of the proportionate share of the net pension liability, pension expense, deferred outflows and inflows of resources are allocated as follows:

Governmental Activities	Allocation Percentage <u>100.00%</u>
-------------------------	--

The governmental activities portion is allocated to the general fund departments as follows:

Public Safety	Allocation Percentage <u>100.00%</u>
---------------	--

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 10: Other Post-Employment Benefits

Plan Description

The City provides other post-employment benefits (OPEB) through a single-employer defined benefit healthcare plan by contributing up to a maximum of \$122.00 per month for of all premiums charged under the health benefit plan for all eligible employees and qualified family members. These benefits are provided per contract between the City and the employee associations. A separate financial report is not available for the plan.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. A contribution of \$15,575 was made during the 2014-2015 fiscal year and was not included in the October 1, 2012, actuarial study. The purpose of the contribution was to pay current year premiums for retirees.

As a result, the City calculated and recorded a Net OPEB Liability, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented below:

Annual required contribution (ARC)	\$ 34,496
Interest on net OPEB obligation	2,393
Adjustments to ARC	<u>(6,128)</u>
Annual OPEB cost	30,761
Contributions made	<u>15,575</u>
(Decrease) increase in Net OPEB obligation	15,186
Net OPEB obligation (asset) - beginning of year	<u>127,108</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ 142,294</u></u>

The City contributed 50.63% or \$15,575 of the Annual OPEB Cost of \$30,761; an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a thirty year period.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014-2015, and the two preceding years were as follows:

<u>End</u>	<u>Cost</u>	<u>Adjustments)</u>	<u>Contributed</u>	<u>(Asset)</u>
6/30/2014	\$ 31,414	\$ 15,332	48.81%	\$ 127,108
6/30/2015	30,761	15,575	50.63%	142,294

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 10: Other Post-Employment Benefits (Continued)

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The table below presents the latest information available.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio	Covered Payroll	UAAL as Percent of Covered Payroll
9/1/2009	\$ -	\$ 238,144	\$ 238,144	0.0%	\$ 4,454,378	5.35%
10/1/2012	116,507	357,437	240,930	32.6%	4,664,039	5.17%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2012, actuarial valuation, the level percentage of payroll actuarial cost method was used. The actuarial assumptions include a 5% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 4%. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level dollar on an open basis. The remaining amortization period at June 30, 2015, was twenty-four years. The number of current employees who are eligible to participate in OPEB once retired is 61, the number of retirees currently receiving benefits are 12, and to be eligible to receive benefits the employee must retire from the City and be taking medical insurance at the time of retirement.

Note 11: Self-Insurance Program

General Liability

On August 8, 1990, the City became one of twelve members of the San Diego Pooled Insurance Program Authority (SANDPIPA) and San Diego County Cities Risk Management Authority (SDCCRMA). These organizations were created by a joint powers authority (JPA) to provide liability, property and casualty coverage to its members. Under the joint powers agreement SANDPIPA provides liability insurance coverage for the City for the difference between \$2,500,000 and the individual self-insured retention of \$125,000 each occurrence, \$15,000,000 annual aggregate for the pool. Commercial excess liability insurance is provided from the \$2,500,000 up to \$44,500,000 per occurrence. The premiums billed by the JPA to member cities are planned to match the expenses of the self-insurance as well as the cost of providing the excess layer coverage and the cost of administering the plan.

In addition to its coverage through the JPA, effective July 1, 1993, the San Diego Unified Port District agreed to fund an Escrow Reserve Account of \$300,000 for the purpose of reimbursing the City for any claim costs not covered by the JPA insurance, provided they are directly related to services provided to the District and arising from incidents actually occurring on tidelands and/or lands leased by the City to the District.

Workers Compensation

The City is a member of CSAC Excess Insurance Authority. The City is self-insured for the first \$250,000 of workers' compensation claims. Claims between \$250,000 and \$5,000,000 are covered through the City's risk sharing membership in CSAC. Claims between \$5,000,000 and \$50,000,000 are covered by excess purchased insurance.

The City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss when it became a member of SANDPIPA, PEPIC and CSAC for liability, property casualty and workers' compensation coverage. All funds of the City participate in the program and make payments to the Self-Insurance Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. The estimated claims liability of \$1,077,000 reported at June 30, 2015, is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The above amount includes an estimate for incurred but not reported claims.

During the last three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Self-Insurance Program (Continued)

Changes in the reported liability for the last two fiscal years are as follows:

	<u>2013-2014</u>	<u>2014-2015</u>
Claims outstanding at beginning of year	\$ 1,618,483	\$ 1,597,174
Claims and changes in estimates	183,571	361,662
Claim payments	<u>(204,880)</u>	<u>(424,449)</u>
Claims outstanding at end of year	<u>\$ 1,597,174</u>	<u>\$ 1,534,387</u>

Note 12: Contingencies

Litigation

The City is involved in various lawsuits of which the outcome was undetermined as of June 30, 2015. No amount has been accrued for these contingent amounts.

Sand Replenishment Claims

Argoud et al. vs. City of Imperial Beach:

In January of 2014, the City was served with a lawsuit from various homeowners and homeowner associations (Plaintiffs) relating to the City's involvement with a SANDAG sand replenishment project, in which SANDAG performed on the beach in Imperial Beach. The Plaintiffs allege that SANDAG, the City of San Diego, the City of Imperial Beach, the State of California, the California Coastal Commission and the Department of Fish and Wildlife control the shoreline, beach and sand below the mean high tide line along South Seacoast Drive. Plaintiffs allege that the governmental agencies negligently reconfigured the beach, sand and shoreline along South Seacoast Drive in and in front of their properties. According to Plaintiffs, the governmental agencies failed to account for and reasonable foresee the known future high tides and accustomed high winter surf and negligently created a dangerous condition of public property in violation of state law.

Additional Sand Claims:

On July 29, 2014, the City received new claims, in relation to the City's involvement in the SANDAG sand replenishment project, from various homeowners and homeowner associations. These claims arise out of alleged water intrusion incidents and damages on January 27, 2014, March 1, 2014, and continuing. These claims are seeking an estimated \$150,000,000 in damages for personal injuries, emotional distress, costs of repairs, and diminution of property value. The jury trial on the plaintiffs' tort claims and damages is set for July 29, 2016. No damages have been estimated as of June 30, 2015.

Navy Billing

It was discovered in 2013 that the Navy no longer discharged sewage into the City's system and instead directly discharged into the San Diego system. Once San Diego discovered this, they wanted to bill the Navy at a higher rate. In 2013, San Diego approached the City and asked the City to reimburse San Diego going back four years for the higher rate that they would have charged the Navy. San Diego sought reimbursement from the City in the amount of \$546,240. In August of 2013, the City rejected that request. In April of 2014, San Diego made a new offer to have the City pay San Diego \$280,416 to settle the Navy billing dispute. The City accepted this offer and responded to San Diego in June of 2014 with a draft settlement agreement. This amount has been accrued by the City as a liability to the City of San Diego as of June 30, 2014.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 12: Contingencies (Continued)

The following material construction commitments existed at June 30, 2015:

Project Name	Contract Amount	Expenditures to date as of June 30, 2015	Remaining Commitments
RTIP FY 13-14 Elm Ave ASP	\$ 309,754	\$ 206,003	\$ 103,751
RTIP FY 14-15	546,318	95,256	451,062
Delaware Street & Sidewalk	266,710	48,768	217,942
PS#10 Rehabilitation	392,440	27,846	364,594

Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Imperial Beach that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On November 1, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011,) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

a. Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 1,179,341
Cash and investments with fiscal agent	<u>2,835,565</u>
	<u>\$ 4,014,906</u>

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

b. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2015, follows:

	Balance July 1, 2014	Additions	Repayments	Balance June 30, 2015	Due Within One Year
Fiduciary Funds:					
2010 Tax Allocation Bonds	\$ 21,235,000	\$ -	\$ 235,000	\$ 21,000,000	\$ 245,000
2013 Tax Allocation Bonds	17,260,000	-	-	17,260,000	-
Total Fiduciary Funds	\$ 38,495,000	\$ -	\$ 235,000	38,260,000	\$ 245,000
			Unamortized Premiums/Discounts	(156,379)	
			Total Long-term Debt	\$ 38,103,621	

Tax Allocation Bonds, 2010

In November 2010, the Imperial Beach Public Financing Authority issued \$21,595,000 Tax Allocation Bonds, 2010. The proceeds of the bonds were loaned to the former Imperial Beach Redevelopment Agency to fund redevelopment activities, to provide for a reserve fund and to provide for the costs of issuance of the bonds.

Although the bonds were issued by the Authority and loaned to the former Redevelopment Agency, the loan transaction has been eliminated from these financial statements, as the Public Financing Authority does not have its own financial statements or fund. The Agency's obligations under the Loan Agreements are secured by a pledge of Tax Revenues, not including Low and Moderate Income Housing set-aside that it receives. Interest on the bonds is payable semiannually and principal payments are due annually. The bonds consist of \$2,135,000 in term bonds due June 1, 2030, with interest at 5.000%; term bonds of \$5,170,000 due June 1, 2035, with interest at 5.000% and term bonds of \$10,715,000 due June 1, 2040, with interest at 5.125%. The balance at June 30, 2015, excluding unamortized original issue discount of \$651,481, is \$21,000,000.

The following is a schedule by years, of future debt service payments as of June 30:

	2010 Tax Allocation Bonds	
	Principal	Interest
2015 - 2016	\$ 245,000	\$ 1,034,056
2016 - 2017	255,000	1,026,706
2017 - 2018	265,000	1,018,419
2018 - 2019	275,000	1,009,144
2019 - 2020	285,000	998,831
2020 - 2025	1,655,000	4,802,481
2025 - 2030	2,135,000	4,370,219
2030 - 2035	5,170,000	3,715,469
2035 - 2040	10,715,000	1,703,806
2040 - 2045	-	-
Totals	\$ 21,000,000	\$ 19,679,131

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

On June 14, 2012, Moody's Investors Service ("Moody's") downgraded all California tax allocation bonds rated 'Baa3' and above. As such, the Bonds' insured rating was downgraded from 'A3' to 'Ba1' and underlying rating was downgraded from 'A3' to 'Ba1'. According to Moody's, all California tax allocation bond ratings remain on review for possible withdrawal.

Tax Allocation Bonds, 2013

In January 2014, the Imperial Beach Public Financing Authority issued \$17,260,000 Tax Allocation Bonds, 2013. The proceeds of the bonds were to defease the 2003 Series A Tax Allocation Bonds. Interest on the bonds is payable semiannually and principal payments are due annually. Debt service payments occur from June 1, 2017, through June 1, 2033. Interest rates on the bonds range from 3.625% to 5% per annum. The balance at June 30, 2015, excluding unamortized original issue premium of \$495,102, is \$17,260,000.

The following is a schedule by years, of future debt service payments as of June 30:

	2013 Tax Allocation Refunding Bonds	
	Principal	Interest
2015 - 2016	\$ -	\$ 790,463
2016 - 2017	145,000	790,463
2017 - 2018	760,000	784,663
2018 - 2019	790,000	754,263
2019 - 2020	825,000	722,663
2020 - 2025	4,720,000	3,011,606
2025 - 2030	5,825,000	1,870,281
2030 - 2035	4,195,000	426,000
Totals	<u>\$ 17,260,000</u>	<u>\$ 9,150,402</u>

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$67,089,533 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$3,650,680 and the debt service obligation on the bonds was \$2,056,673.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

c. Insurance

The Successor Agency is covered under the City of Imperial Beach's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 11.

Note 14: Net Position Restatements

Pursuant to GASB Statement No. 68 "Accounting and Financial Reporting For Pensions – An Amendment of GASB Statement No. 27", the City's Governmental and Proprietary Net Positions were restated as of June 30, 2014, to reflect the City's proportionate share of the net pension liability.

The restatements were reflected as follows:

	Miscellaneous Plans	Safety Plans	Total Restatement	Net Position at July 1, 2014	
				Previously Stated	Restated
Governmental Net Position	\$ 4,275,890	\$ 3,405,836	\$ 7,681,726	\$ 78,010,408	\$ 70,328,682
Proprietary Net Position	422,890	-	422,890	8,691,782	8,268,892
June 30, 2013 (NPL)	<u>\$ 4,698,780</u>	<u>\$ 3,405,836</u>			

Note 15: Restricted Components of Net Position

The restricted component of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. In fiscal year 2015, the City did not have any components of net position restricted by enabling legislation.

The restricted component of net position at June 30, 2015, for governmental activities is as follows:

Restricted for Community Development Projects:	
Housing Authority	\$ 569,481
C.I.P. 2010 Bond	5,348,356
Total	<u>\$ 5,917,837</u>
Restricted for Public Works:	
Gas Tax	1,789,416
Prop A Tax	323,877
Total	<u>2,113,293</u>
Restricted for Public Safety:	
Supplemental Law Enforcement	5,508
Local Law Enforcement Block Grant	20,376
Traffic Safety	110
Total	<u>25,994</u>
Restricted for Parks and Recreation:	
Park Grants	91
Parks Maintenance	267,669
Total	<u>267,760</u>
Total Restricted Component of Net Position - Government Activities	<u>\$ 8,324,884</u>

CITY OF IMPERIAL BEACH

MISCELLANEOUS "CLASSIC" PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2015</u>
Proportion of the Net Pension Liability	0.14275%
Proportionate Share of the Net Pension Liability	\$ 3,528,096
Covered-Employee Payroll	\$ 2,691,089
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	131.10%
Plan Fiduciary Net Position	\$ 20,526,143
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.33%

Notes to Schedule:

Benefit Changes:

These figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

Changes of Assumptions:

None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF IMPERIAL BEACH

PEPRA MISCELLANEOUS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2015</u>
Proportion of the Net Pension Liability	0.00004%
Proportionate Share of the Net Pension Liability	\$ 1,066
Covered-Employee Payroll	\$ 210,443
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	0.51%
Plan Fiduciary Net Position	\$ 5,216
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%

Notes to Schedule:

Benefit Changes:

These figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

Changes of Assumptions:

None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF IMPERIAL BEACH

MISCELLANEOUS SECOND TIER PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2015</u>
Proportion of the Net Pension Liability	0.00004%
Proportionate Share of the Net Pension Liability	\$ 5,461
Covered-Employee Payroll	\$ 175,213
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	3.12%
Plan Fiduciary Net Position	\$ 26,719
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%

Notes to Schedule:

Benefit Changes:

These figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

Changes of Assumptions:

None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF IMPERIAL BEACH

**SAFETY LIFEGUARD PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Proportion of the Net Pension Liability	0.00404%
Proportionate Share of the Net Pension Liability	\$ 151,355
Covered-Employee Payroll	\$ 219,724
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	68.88%
Plan Fiduciary Net Position	\$ 755,085
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.88%

Notes to Schedule:

Benefit Changes:

These figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

Changes of Assumptions:

None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF IMPERIAL BEACH

**SAFETY LIFEGUARD SECOND TIER PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Proportion of the Net Pension Liability	0.14275%
Proportionate Share of the Net Pension Liability	\$ 5,535
Covered-Employee Payroll	\$ 124,525
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	4.44%
Plan Fiduciary Net Position	\$ 24,252
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.42%

Notes to Schedule:

Benefit Changes:

These figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

Changes of Assumptions:

None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF IMPERIAL BEACH

**SAFETY FIRE PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Proportion of the Net Pension Liability	0.06672%
Proportionate Share of the Net Pension Liability	\$ 2,502,612
Covered-Employee Payroll	\$ 866,313
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	288.88%
Plan Fiduciary Net Position	\$ 12,573,801
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	288.88%

Notes to Schedule:

Benefit Changes:

These figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

Changes of Assumptions:

None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

CITY OF IMPERIAL BEACH

**MISCELLANEOUS "CLASSIC" PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 376,864
Contribution in Relation to the Actuarially Determined Contribution	(376,864)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 2,691,089
Contributions as a Percentage of Covered-Employee Payroll	14.00%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Retirement age	50 Years
Mortality	Derived using CalPERS Membership Data for all Funds

CITY OF IMPERIAL BEACH

**PEPRA MISCELLANEOUS PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 18,195
Contribution in Relation to the Actuarially Determined Contribution	(18,195)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 210,443
Contributions as a Percentage of Covered-Employee Payroll	8.65%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Retirement age	52 years
Mortality	Derived using CalPERS Membership Data for all Funds

CITY OF IMPERIAL BEACH

**MISCELLANEOUS SECOND TIER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 17,761
Contribution in Relation to the Actuarially Determined Contribution	(17,761)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 175,213
Contributions as a Percentage of Covered-Employee Payroll	10.14%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Retirement age	50 Years
Mortality	Derived using CalPERS Membership Data for all Funds

CITY OF IMPERIAL BEACH

**SAFETY LIFEGUARD PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 45,251
Contribution in Relation to the Actuarially Determined Contribution	(45,251)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 219,724
Contributions as a Percentage of Covered-Employee Payroll	20.59%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Retirement age	50 Years
Mortality	Derived using CalPERS Membership Data for all Funds

CITY OF IMPERIAL BEACH

**SAFETY LIFEGUARD SECOND TIER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 21,165
Contribution in Relation to the Actuarially Determined Contribution	(21,165)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 124,525
Contributions as a Percentage of Covered-Employee Payroll	17.00%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Retirement age	50 Years
Mortality	Derived using CalPERS Membership Data for all Funds

CITY OF IMPERIAL BEACH

**SAFETY FIRE PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 193,079
Contribution in Relation to the Actuarially Determined Contribution	(193,079)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 866,313
Contributions as a Percentage of Covered-Employee Payroll	22.29%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Retirement age	50 Years
Mortality	Derived using CalPERS Membership Data for all Funds

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
 GENERAL FUND
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,608,764	\$ 15,608,764	\$ 15,608,764	\$ -
Resources (Inflows):				
Taxes	8,316,575	8,566,575	8,670,573	103,998
Licenses and permits	536,100	536,100	586,600	50,500
Intergovernmental	140,000	419,603	544,505	124,902
Charges for services	7,051,579	7,309,029	7,243,548	(65,481)
Use of money and property	457,000	457,000	421,139	(35,861)
Fines and forfeitures	149,500	149,500	143,437	(6,063)
Miscellaneous	515,000	265,000	137,280	(127,720)
Transfers in	884,065	884,065	797,400	(86,665)
Amounts Available for Appropriation	33,658,583	34,195,636	34,153,246	(42,390)
Charges to Appropriation (Outflow):				
General government				
Mayor/City Council	170,004	173,104	176,766	(3,662)
City Clerk's Office	360,148	307,148	287,708	19,440
City Manager	367,219	470,581	424,853	45,728
Economic Development	105,896	102,796	91,315	11,481
Human Resources	185,242	287,740	276,844	10,896
Administrative Services	520,996	618,737	602,483	16,254
City Attorney	205,000	153,074	151,623	1,451
Community Development	519,658	583,745	553,716	30,029
Treasury	119,489	74,384	74,016	368
Facilities Maintenance	283,167	264,927	245,094	19,833
Non-Departmental	291,058	317,458	276,770	40,688
Public safety				
Law Enforcement Contract	6,642,671	6,489,167	6,432,740	56,427
Fire Protection	2,231,268	2,686,655	2,679,358	7,297
Ocean/Beach Safety	1,449,823	1,461,743	1,448,538	13,205
Building and Housing Inspection	354,844	343,955	327,783	16,172
Animal Control	282,029	294,129	290,597	3,532
Code Enforcement	189,497	176,478	173,240	3,238
AVA Program	8,182	-	-	-
Parks and recreation				
Recreation	50,000	50,856	47,655	3,201
Park Maintenance	461,579	455,709	454,512	1,197
Senior Services	101,548	101,548	91,191	10,357
Tideland Maintenance	926,863	929,579	918,303	11,276
Public works				
Street Maintenance	1,036,163	1,033,883	1,033,560	323
Administration	615,493	642,812	619,236	23,576
Solid Waste Management	85,142	267,596	215,407	52,189
Storm Water	343,507	347,107	320,162	26,945
Tidelands Maintenance	-	-	5	(5)
Capital outlay	15,000	150,783	178,286	(27,503)
Transfers out	17,800	229,245	254,247	(25,002)
Total Charges to Appropriations	17,939,286	19,014,939	18,646,008	368,931
Budgetary Fund Balance, June 30	\$ 15,719,297	\$ 15,180,697	\$ 15,507,238	\$ 326,541

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 610,922	\$ 610,922	\$ 610,922	\$ -
Resources (Inflows):				
Use of money and property	-	-	3,436	3,436
Transfers in	-	229,245	246,114	16,869
Amounts Available for Appropriations	610,922	840,167	860,472	20,305
Charges to Appropriation (Outflow):				
Community development	-	333,131	274,122	59,009
Transfers out	-	16,869	16,869	-
Total Charges to Appropriations	-	350,000	290,991	59,009
Budgetary Fund Balance, June 30	\$ 610,922	\$ 490,167	\$ 569,481	\$ 79,314

Note 1: General Budget Policies

The two-year operating budget adopted by the City Council provides for the general operations of the City. It includes proposed expenditures and the means of financing them on a departmental basis. Budgets are legally adopted for the General Fund and the Special Revenue Funds, except for the CDBG Fund, Local Law Enforcement Block Grant Fund, Traffic Safety Fund, and the Parks Grant Fund.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. All amendments made during the year are included in the budgetary amounts reported herein. The "appropriated budget" covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior years, which expenditures constitute the legally authorized "non-appropriated budget." Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control for the Capital Projects Funds. All other funds use the departmental level as the legal level of control.

Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations that are encumbered lapse at year-end and then are added to the following years' budgeted appropriations.

Budgets for the General Fund and Special Revenue Funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. Appropriations for capital projects authorized but not constructed or completed during the year are carried forward as continuing appropriations into the following year's budget.

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2015, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies to be used for any purpose.

Appropriations lapse at the end of the fiscal year except for the Capital Projects Funds, which may be carried over to the next fiscal year if not completed at year-end. Expenditures may not exceed budget appropriations at the department level for the General Fund and at the function level for the Special Revenue Funds.

A project-length budget is adopted for the capital projects funds. The debt service fund is governed by bond covenants; therefore, a formal budget is not adopted. Thus, the City does not show a budget comparison debt service funds. In addition, the Traffic Safety Fund, the Parks Grant Fund, and the Residential Construction Fund did not adopt a budget; therefore, a budget comparison is not shown.

CITY OF IMPERIAL BEACH

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2015

Note 1: General Budget Policies (Continued)

a. Excess of Expenditures Over Appropriations

Excess expenditures over appropriations were as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
General government			
Mayor/City Council	\$ 176,766	\$ 173,104	\$ 3,662
Public Works:			
Tidelands Maintenance	\$ 5	\$ -	\$ 5
Capital Outlay	178,286	150,783	27,503
Transfers out	254,247	229,245	25,002

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CITY OF IMPERIAL BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Gas Tax</u>	<u>Prop A Tax</u>	<u>Residential Construction</u>	<u>CDBG Grant</u>
Assets:				
Pooled cash and investments	\$ 1,803,604	\$ 330,613	\$ -	\$ -
Due from other governments	-	-	-	-
Total Assets	<u>\$ 1,803,604</u>	<u>\$ 330,613</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 12,699	\$ 4,910	\$ -	\$ -
Accrued liabilities	1,489	1,826	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>14,188</u>	<u>6,736</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	1,789,416	323,877	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,789,416</u>	<u>323,877</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,803,604</u>	<u>\$ 330,613</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF IMPERIAL BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	Supplemental Law Enforcement	Local Law Enforcement Block Grant	Lighting District #67	Traffic Safety Fund
Assets:				
Pooled cash and investments	\$ 15,965	\$ 20,376	\$ 446	\$ 110
Due from other governments	25,000	-	951	-
Total Assets	\$ 40,965	\$ 20,376	\$ 1,397	\$ 110
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 35,457	\$ -	\$ 4,670	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	35,457	-	4,670	-
Fund Balances:				
Restricted for:				
Public safety	5,508	20,376	-	110
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Unassigned	-	-	(3,273)	-
Total Fund Balances	5,508	20,376	(3,273)	110
Total Liabilities and Fund Balances	\$ 40,965	\$ 20,376	\$ 1,397	\$ 110

CITY OF IMPERIAL BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special	Capital Projects Fund		Total Governmental Funds
	Revenue Funds			
	Parks Grant Fund	Capital Projects	Parks Maintenance CIP	
Assets:				
Pooled cash and investments	\$ 91	\$ -	\$ 267,675	\$ 2,438,880
Due from other governments	-	185,480	-	211,431
Total Assets	\$ 91	\$ 185,480	\$ 267,675	\$ 2,650,311
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 37,654	\$ 6	\$ 95,396
Accrued liabilities	-	660	-	3,975
Due to other governments	-	-	-	-
Due to other funds	-	183,594	-	183,594
Total Liabilities	-	221,908	6	282,965
Fund Balances:				
Restricted for:				
Public safety	-	-	-	25,994
Parks and recreation	91	-	267,669	267,760
Public works	-	-	-	2,113,293
Unassigned	-	(36,428)	-	(39,701)
Total Fund Balances	91	(36,428)	267,669	2,367,346
Total Liabilities and Fund Balances	\$ 91	\$ 185,480	\$ 267,675	\$ 2,650,311

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CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Gas Tax	Prop A Tax	Residential Construction	CDBG Grant
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	734,774	908,000	-	-
Charges for services	-	43,269	18,300	-
Use of money and property	14,507	1,980	1,225	-
Total Revenues	749,281	953,249	19,525	-
Expenditures:				
Current:				
General government	512,601	-	-	-
Parks and recreation	-	-	-	-
Public works	1,147	29,115	-	-
Capital outlay	-	667,105	-	-
Total Expenditures	513,748	696,220	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,533	257,029	19,525	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	25,002
Transfers out	(600,000)	(197,400)	(261,431)	-
Total Other Financing Sources (Uses)	(600,000)	(197,400)	(261,431)	25,002
Net Change in Fund Balances	(364,467)	59,629	(241,906)	25,002
Fund Balances, Beginning of Year	2,153,883	264,248	241,906	(25,002)
Fund Balances, End of Year	\$ 1,789,416	\$ 323,877	\$ -	\$ -

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Supplemental Law Enforcement	Local Law Enforcement Block Grant	Lighting District #67	Traffic Safety Fund
Revenues:				
Assessments	\$ -	\$ -	\$ 10,996	\$ -
Intergovernmental	106,230	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	36	-
Total Revenues	106,230	-	11,032	-
Expenditures:				
Current:				
General government	-	-	-	-
Parks and recreation	-	-	27,506	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	100,020	-	27,506	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,210	-	(16,474)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	6,210	-	(16,474)	-
Fund Balances, Beginning of Year	(702)	20,376	13,201	110
Fund Balances, End of Year	\$ 5,508	\$ 20,376	\$ (3,273)	\$ 110

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special	Capital Projects Fund		Total Governmental Funds
	Revenue Funds			
	Parks Grant Fund	Capital Projects	Parks Maintenance CIP	
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ 10,996
Intergovernmental	-	334,658	-	2,083,662
Charges for services	-	-	6,000	67,569
Use of money and property	-	(27)	244	17,965
Total Revenues	-	334,631	6,244	2,180,192
Expenditures:				
Current:				
General government	-	216,068	-	728,669
Parks and recreation	-	-	-	27,506
Public works	-	-	-	30,262
Capital outlay	-	122,420	-	789,525
Total Expenditures	-	338,488	-	1,675,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,857)	6,244	504,210
Other Financing Sources (Uses):				
Transfers in	-	-	261,431	286,433
Transfers out	-	-	-	(1,058,831)
Total Other Financing Sources (Uses)	-	-	261,431	(772,398)
Net Change in Fund Balances	-	(3,857)	267,675	(268,188)
Fund Balances, Beginning of Year	91	(32,571)	(6)	2,635,534
Fund Balances, End of Year	\$ 91	\$ (36,428)	\$ 267,669	\$ 2,367,346

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,153,883	\$ 2,153,883	\$ 2,153,883	\$ -
Resources (Inflows):				
Intergovernmental	790,801	790,801	734,774	(56,027)
Use of money and property	18,000	18,000	14,507	(3,493)
Amounts Available for Appropriations	2,962,684	2,962,684	2,903,164	(59,520)
Charges to Appropriation (Outflow):				
General government	37,140	678,600	512,601	165,999
Public works	83,491	83,891	1,147	82,744
Transfers out	688,170	688,170	600,000	88,170
Total Charges to Appropriations	808,801	1,450,661	1,113,748	336,913
Budgetary Fund Balance, June 30	\$ 2,153,883	\$ 1,512,023	\$ 1,789,416	\$ 277,393

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 PROP A TAX
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 264,248	\$ 264,248	\$ 264,248	\$ -
Resources (Inflows):				
Intergovernmental	653,849	653,849	908,000	254,151
Charges for services	12,400	12,400	43,269	30,869
Use of money and property	14,000	14,000	1,980	(12,020)
Amounts Available for Appropriations	944,497	944,497	1,217,497	273,000
Charges to Appropriation (Outflow):				
Public works	26,500	73,145	29,115	44,030
Capital outlay	457,765	715,350	667,105	48,245
Transfers out	195,895	197,400	197,400	-
Total Charges to Appropriations	680,160	985,895	893,620	92,275
Budgetary Fund Balance, June 30	\$ 264,337	\$ (41,398)	\$ 323,877	\$ 365,275

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 RESIDENTIAL CONSTRUCTION
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 241,906	\$ 241,906	\$ 241,906	\$ -
Resources (Inflows):				
Charges for services	7,000	7,000	18,300	11,300
Use of money and property	2,000	2,000	1,225	(775)
Amounts Available for Appropriations	250,906	250,906	261,431	10,525
Charges to Appropriation (Outflow):				
Transfers out	-	261,431	261,431	-
Total Charges to Appropriations	-	261,431	261,431	-
Budgetary Fund Balance, June 30	\$ 250,906	\$ (10,525)	\$ -	\$ 10,525

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 SUPPLEMENTAL LAW ENFORCEMENT
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (702)	\$ (702)	\$ (702)	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	106,230	6,230
Amounts Available for Appropriations	99,298	99,298	105,528	6,230
Charges to Appropriation (Outflow):				
Public safety	100,000	100,000	100,020	(20)
Total Charges to Appropriations	100,000	100,000	100,020	(20)
Budgetary Fund Balance, June 30	\$ (702)	\$ (702)	\$ 5,508	\$ 6,210

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 LIGHTING DISTRICT #67
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 13,201	\$ 13,201	\$ 13,201	\$ -
Resources (Inflows):				
Assessments	12,000	12,000	10,996	(1,004)
Use of money and property	200	200	36	(164)
Transfers in	17,800	17,800	-	(17,800)
Amounts Available for Appropriations	43,201	43,201	24,233	(18,968)
Charges to Appropriation (Outflow):				
Parks and recreation	30,000	30,000	27,506	2,494
Total Charges to Appropriations	30,000	30,000	27,506	2,494
Budgetary Fund Balance, June 30	\$ 13,201	\$ 13,201	\$ (3,273)	\$ (16,474)

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (32,571)	\$ (32,571)	\$ (32,571)	\$ -
Resources (Inflows):				
Intergovernmental	-	469,000	334,658	(134,342)
Use of money and property	-	-	(27)	(27)
Transfers in	-	25,000	-	(25,000)
Amounts Available for Appropriations	(32,571)	461,429	302,060	(159,369)
Charges to Appropriation (Outflow):				
General government	-	483,394	216,068	267,326
Public works	-	11,717	-	11,717
Capital outlay	-	525,900	122,420	403,480
Total Charges to Appropriations	-	1,021,011	338,488	682,523
Budgetary Fund Balance, June 30	\$ (32,571)	\$ (559,582)	\$ (36,428)	\$ 523,154

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
 C.I.P. 2010 BOND
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,647,421	\$ 4,647,421	\$ 4,647,421	\$ -
Resources (Inflows):				
Use of money and property	-	-	31,305	31,305
Contributions from Successor Agency	-	1,274,584	1,274,584	-
Amounts Available for Appropriations	4,647,421	5,922,005	5,953,310	31,305
Charges to Appropriation (Outflow):				
General government	-	178,000	62,300	115,700
Capital outlay	-	1,291,877	542,654	749,223
Total Charges to Appropriations	-	1,469,877	604,954	864,923
Budgetary Fund Balance, June 30	\$ 4,647,421	\$ 4,452,128	\$ 5,348,356	\$ 896,228

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Vehicle Replacement & Maintenance	Self-Insurance	Technology & Communication	Facilities Repair & Maintenance	Totals
Assets:					
Current:					
Cash and investments	\$ 892,258	\$ 3,016,100	\$ 532,412	\$ 483,141	\$ 4,923,911
Due from other governments	20,901	-	-	-	20,901
Total Current Assets	913,159	3,016,100	532,412	483,141	4,944,812
Noncurrent:					
Capital assets - net of accumulated depreciation	1,218,247	-	63,899	-	1,282,146
Total Noncurrent Assets	1,218,247	-	63,899	-	1,282,146
Total Assets	2,131,406	3,016,100	596,311	483,141	6,226,958
Deferred Outflows of Resources:					
Deferred pension related items	22,554	4,511	18,043	-	45,108
Total Deferred Outflows of Resources	22,554	4,511	18,043	-	45,108
Liabilities:					
Current:					
Accounts payable	14,178	15,962	86,031	-	116,171
Accrued liabilities	32,073	4,723	11,663	-	48,459
Accrued compensated absences	14,880	6,796	7,161	-	28,837
Accrued claims and judgments	-	717,929	-	-	717,929
Total Current Liabilities	61,131	745,410	104,855	-	911,396
Noncurrent:					
Net pension liability	176,732	35,347	141,385	-	353,464
Accrued compensated absences	29,465	3,268	-	-	32,733
Accrued claims and judgments	-	816,458	-	-	816,458
Total Noncurrent Liabilities	206,197	855,073	141,385	-	1,202,655
Total Liabilities	267,328	1,600,483	246,240	-	2,114,051
Deferred Inflows of Resources:					
Deferred pension related items	78,117	15,623	62,494	-	156,234
Total Deferred Inflows of Resources	78,117	15,623	62,494	-	156,234
Net Position:					
Investment in capital assets	1,218,247	-	63,899	-	1,282,146
Unrestricted	590,268	1,404,505	241,721	483,141	2,719,635
Total Net Position	\$ 1,808,515	\$ 1,404,505	\$ 305,620	\$ 483,141	\$ 4,001,781

CITY OF IMPERIAL BEACH

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Vehicle Replacement & Maintenance	Self-Insurance	Technology & Communication	Facilities Repair & Maintenance	Totals
Operating Revenues:					
Sales and service charges	\$ 692,292	\$ 257,172	\$ 467,940	\$ 138,996	\$ 1,556,400
Miscellaneous	129,248	101,469	6,862	-	237,579
Total Operating Revenues	821,540	358,641	474,802	138,996	1,793,979
Operating Expenses:					
Services and supplies	269,993	457,233	224,105	65,937	1,017,268
Claims expense	-	28,406	-	-	28,406
Depreciation expense	213,609	-	27,832	-	241,441
Personnel and administrative	363,252	87,631	203,373	-	654,256
Total Operating Expenses	846,854	573,270	455,310	65,937	1,941,371
Operating Loss	(25,314)	(214,629)	19,492	73,059	(147,392)
Nonoperating Revenues (Expenses):					
Interest revenue	6,529	19,049	3,111	2,916	31,605
Loss on disposal	(10,905)	-	-	-	(10,905)
Total Nonoperating Revenues	(4,376)	19,049	3,111	2,916	20,700
Changes in Net Position	(29,690)	(195,580)	22,603	75,975	(126,692)
Net Position:					
Beginning of Year, as originally reported	2,073,144	1,647,073	470,968	407,166	4,598,351
Restatements	(234,939)	(46,988)	(187,951)	-	(469,878)
Beginning of Fiscal Year, as restated	1,838,205	1,600,085	283,017	407,166	4,128,473
End of Fiscal Year	\$ 1,808,515	\$ 1,404,505	\$ 305,620	\$ 483,141	\$ 4,001,781

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CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Vehicle Replacement & Maintenance	Self-Insurance	Technology & Communication	Facilities Repair & Maintenance	Totals
Cash Flows from Operating Activities:					
Cash received from/(paid to) interfund service provided	\$ 825,754	\$ 358,641	\$ 474,802	\$ 138,996	\$ 1,798,193
Cash paid to suppliers for goods and services	(271,241)	(622,819)	(149,281)	(65,937)	(1,109,278)
Cash paid to employees for services	(347,538)	1,585	(203,818)	-	(549,771)
Net Cash Provided (Used) by Operating Activities	206,975	(262,593)	121,703	73,059	139,144
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(209,525)	-	(44,537)	-	(254,062)
Net Cash Used in Capital and Related Financing Activities	(209,525)	-	(44,537)	-	(254,062)
Cash Flows from Investing Activities:					
Interest received	6,529	19,049	3,111	2,916	31,605
Net Cash Provided by Investing Activities	6,529	19,049	3,111	2,916	31,605
Net Increase (Decrease) in Cash and Cash Equivalents	3,979	(243,544)	80,277	75,975	(83,313)
Cash and Cash Equivalents at Beginning of Year	888,279	3,259,644	452,135	407,166	5,007,224
Cash and Cash Equivalents at End of Year	\$ 892,258	\$ 3,016,100	\$ 532,412	\$ 483,141	\$ 4,923,911
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating loss	\$ (25,314)	\$ (214,629)	\$ 19,492	\$ 73,059	\$ (147,392)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	213,609	-	27,832	-	241,441
(Increase) decrease in due from other governments	4,214	-	-	-	4,214
Increase (decrease) in accounts payable	(1,248)	13,238	74,824	-	86,814
Increase (decrease) in accrued liabilities	14,819	373	(1,043)	-	14,149
Increase (decrease) in claims and judgments	-	(62,787)	-	-	(62,787)
Increase (decrease) in salaries and benefits payable	895	1,212	598	-	2,705
Total Adjustments	232,289	(47,964)	102,211	-	286,536
Net Cash Provided (Used) by Operating Activities	\$ 206,975	\$ (262,593)	\$ 121,703	\$ 73,059	\$ 139,144
Non-Cash Investing, Capital, and Financing Activities:					
Increase in Fair Value of Investments	\$ 657	\$ 2,387	\$ 335	\$ 301	\$ 3,680

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2015

	<u>Special Assessment Districts</u>			
	<u>Assessment District # 62</u>	<u>Assessment District # 63</u>	<u>Assessment District # 64</u>	<u>Assessment District # 66</u>
Assets:				
Pooled cash and investments	\$ 5	\$ 91,790	\$ 27,593	\$ 158,707
Total Assets	<u>\$ 5</u>	<u>\$ 91,790</u>	<u>\$ 27,593</u>	<u>\$ 158,707</u>
Liabilities:				
Due to bondholders	\$ 5	\$ 91,790	\$ 27,593	\$ 158,707
Total Liabilities	<u>\$ 5</u>	<u>\$ 91,790</u>	<u>\$ 27,593</u>	<u>\$ 158,707</u>

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2015

	Special Assessment Districts		Agency Funds Totals
	Assessment District # 68	Assessment District # 71	
Assets:			
Pooled cash and investments	\$ 93,570	\$ 18,787	\$ 390,452
Total Assets	\$ 93,570	\$ 18,787	\$ 390,452
Liabilities:			
Due to bondholders	\$ 93,570	\$ 18,787	\$ 390,452
Total Liabilities	\$ 93,570	\$ 18,787	\$ 390,452

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015

	Balance 7/1/2014	Additions	Deductions	Balance 6/30/2015
<u>Assessment District # 62</u>				
Assets:				
Pooled cash and investments	\$ 5	\$ -	\$ -	\$ 5
Total Assets	\$ 5	\$ -	\$ -	\$ 5
Liabilities:				
Due to bondholders	\$ 5	\$ -	\$ -	\$ 5
Total Liabilities	\$ 5	\$ -	\$ -	\$ 5
<u>Assessment District # 63</u>				
Assets:				
Pooled cash and investments	\$ 91,196	\$ 594	\$ -	\$ 91,790
Total Assets	\$ 91,196	\$ 594	\$ -	\$ 91,790
Liabilities:				
Deposits payable	\$ 91,196	\$ 594	\$ -	\$ 91,790
Total Liabilities	\$ 91,196	\$ 594	\$ -	\$ 91,790
<u>Assessment District # 64</u>				
Assets:				
Pooled cash and investments	\$ 27,413	\$ 180	\$ -	\$ 27,593
Total Assets	\$ 27,413	\$ 180	\$ -	\$ 27,593
Liabilities:				
Deposits payable	\$ 27,413	\$ 180	\$ -	\$ 27,593
Total Liabilities	\$ 27,413	\$ 180	\$ -	\$ 27,593
<u>Assessment District # 66</u>				
Assets:				
Pooled cash and investments	\$ 157,678	\$ 1,029	\$ -	\$ 158,707
Total Assets	\$ 157,678	\$ 1,029	\$ -	\$ 158,707
Liabilities:				
Deposits payable	\$ 157,678	\$ 1,029	\$ -	\$ 158,707
Total Liabilities	\$ 157,678	\$ 1,029	\$ -	\$ 158,707

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015

	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2015</u>
<u>Assessment District # 68</u>				
Assets:				
Pooled cash and investments	\$ 92,663	\$ 907	\$ -	\$ 93,570
Total Assets	<u>\$ 92,663</u>	<u>\$ 907</u>	<u>\$ -</u>	<u>\$ 93,570</u>
Liabilities:				
Deposits payable	\$ 92,663	\$ 907	\$ -	\$ 93,570
Total Liabilities	<u>\$ 92,663</u>	<u>\$ 907</u>	<u>\$ -</u>	<u>\$ 93,570</u>
<u>Assessment District # 71</u>				
Assets:				
Pooled cash and investments	\$ 18,638	\$ 149	\$ -	\$ 18,787
Total Assets	<u>\$ 18,638</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 18,787</u>
Liabilities:				
Deposits payable	\$ 18,638	\$ 149	\$ -	\$ 18,787
Total Liabilities	<u>\$ 18,638</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 18,787</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 387,593	\$ 2,859	\$ -	\$ 390,452
Total Assets	<u>\$ 387,593</u>	<u>\$ 2,859</u>	<u>\$ -</u>	<u>\$ 390,452</u>
Liabilities:				
Deposits payable	\$ 387,593	\$ 2,859	\$ -	\$ 390,452
Total Liabilities	<u>\$ 387,593</u>	<u>\$ 2,859</u>	<u>\$ -</u>	<u>\$ 390,452</u>

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: DECEMBER 2, 2015
ORIGINATING DEPT.: CITY CLERK *mtt*
SUBJECT: ANNUAL CITY COUNCIL REPRESENTATION ASSIGNMENTS FOR 2016

EXECUTIVE SUMMARY:

Prior to the start of a new calendar year, the Mayor establishes assignments for individual Councilmembers to represent the City on various intergovernmental and other outside organizations.

RECOMMENDATION:

Review, discuss and approve the Mayor's City Council Representation Assignments List for 2016.

RATIONALE:

By approving the 2016 City Council Representation Assignments List before January 2016, the intergovernmental and outside organizations will have time to prepare for any representation assignment changes before their first meeting of the year.

OPTIONS:

- Review, discuss and approve the Mayor's City Council Representation Assignments List for 2016.
- Request additional information and an additional report

BACKGROUND:

Pursuant to Section 2.08.030.D, the Mayor shall have the power and duty "to represent the City in all regional public agencies which require an elected City Official, unless otherwise determined by the City Council."

ANALYSIS:

With the start of a new calendar year approaching, the Mayor needs to establish assignments for individual Councilmembers to represent the City on various intergovernmental and other outside organizations.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

None.

Attachments:

1. 2016 City of Imperial Beach City Council Representation Assignments - DRAFT

**2016 CITY OF IMPERIAL BEACH
CITY COUNCIL REPRESENTATION ASSIGNMENTS**

ATTACHMENT 1

<p>SOUTH BAY MAYORS AND CITY MANAGERS COMMITTEE: National City, Chula Vista, Coronado, and San Diego meet to discuss mutual concerns relating to South Bay.</p> <p>Primary - Mayor Dedina 1st Alternate – Mayor Pro Tem Spriggs</p>	<p>Contact: Yolie Garcia, Executive Secretary for the City Manager's Office City of Chula Vista 276 Fourth Avenue Chula Vista, CA 91910 (619) 691-5031 ygarcia@chulavistaca.gov</p> <p>Location: Location rotates between the four cities.</p> <p>Meetings: Usually 4th Monday of each month by the host city at 12:00 p.m.</p>
<p>SD DIVISION, LEAGUE OF CALIFORNIA CITIES: A coalition of California cities meeting on issues of statewide concern.</p> <p>Primary – Mayor Pro Tem Spriggs 1st Alternate – Mayor Dedina</p>	<p>Contact: City of San Marcos Phill Scollick, City Clerk (760) 744-1050 Ext. 3105 pscollick@san-marcos.net</p> <p>Location: Four Points Sheraton 8110 Aero Drive San Diego, CA 92123</p> <p>Meetings: 2nd Monday of each month - 11:30 a.m.-1:00 p.m.</p>
<p>SD DIVISION, LEAGUE OF CALIFORNIA CITIES – LEGISLATIVE SUB-COMMITTEE: A coalition of San Diego County cities that reviews and provides direction to the San Diego Division membership on bills pending before the Legislature.</p> <p>Primary – Councilmember Bilbray 1st Alternate – Councilmember Spriggs</p>	<p>Contact: Catherine Hill, Regional Public Affairs Manager San Diego Imperial Division League of California Cities PO Box 82081 San Diego, CA 92138-2081 (619) 295-8282 chill@cacities.org</p> <p>Location: Four Points Sheraton 8110 Aero Drive San Diego, CA 92123</p> <p>Meetings: Not meeting regularly but on call of the Division President periodically.</p>
<p>LEAGUE OF CALIFORNIA CITIES - COASTAL CITIES INTEREST GROUP A coalition of California cities meeting on statewide coastal issues</p> <p>Primary – Mayor Pro Tem Spriggs 1st Alternate – Mayor Dedina</p>	<p>Contact: Sara Rounds, Associate Regional Public Affairs Manager League of California Cities 1400 K Street, 4th Floor Sacramento, CA 95814 srounds@cacities.org (916) 658-8243</p> <p>Location: TBD - Conference calls; Periodic in person meetings at conferences.</p> <p>Meetings: TBD</p>
<p>METROPOLITAN TRANSIT SYSTEMS BOARD: Public transportation issues.</p> <p>Primary – Councilmember Bragg 1st Alternate – Mayor Pro Tem Spriggs</p>	<p>Contact: Julia Tuer, Executive Assistant to CEO Paul Jablonski and Clerk of the Board (619) 557-4515 julia.tuer@sdmnts.com</p> <p>Location: 1255 Imperial Ave., Ste. 1000 San Diego, CA 92101-7490 (619) 231-1466</p> <p>FAX: (619) 234-3407</p> <p>Meetings: 2nd Thursday of each month at 9:00 a.m. except for March which will be the 3rd Thursday \$150/meeting</p>
<p>SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) BOARD: The regional council of governments, which fosters cooperation on solving regional issues, such as transportation.</p> <p>Primary – Mayor Dedina 1st Alternate – Mayor Pro Tem Spriggs 2nd Alternate – Councilmember Patton</p>	<p>Contact: Tessa Lero, Clerk of the Board (619) 699-1991 tessa.lero@sandag.org</p> <p>Location: 401 B Street, Ste. 800 San Diego, CA 92101</p> <p>FAX: (619) 699-1995</p> <p>Meetings: Executive Committee: 2nd Friday of each month at 9:00 a.m. Board Policy/Business: 2nd Friday of each month at 10:00 a.m. Board Business: 4th Friday of each month at 9:00 a.m.</p> <p>\$150 Board meeting/\$100 Regional Transportation Commission – held simultaneously with the SANDAG Board. \$100 Policy Advisory Committee (Appointments made by each sub-region)</p>

**2016 CITY OF IMPERIAL BEACH
CITY COUNCIL REPRESENTATION ASSIGNMENTS**

<p>SANDAG – SHORELINE PRESERVATION WORKING GROUP: To advise SANDAG on issues related to the adopted Shoreline Preservation Strategy and opportunities for beach replenishment.</p> <p>Primary – Mayor Pro Tem Spriggs 1st Alternate – Councilmember Patton</p>	<p>Contact: Keith Greer, Senior Regional Planner (619) 699-7390 keith.greer@sandag.org</p> <p>Location: 401 B Street, Ste. 800 San Diego, CA 92101</p> <p>FAX: (619) 699-1905</p> <p>Meetings: Generally meets quarterly at 11:30 a.m. on the first Thursday of the month.</p>
<p>SANDAG – BAYSHORE BIKEWAY WORKING GROUP: Purpose is to promote improvements to the 26-mile bikeway around San Diego Bay.</p> <p>Primary – Councilmember Patton Alternate – Mayor Pro Tem Spriggs</p>	<p>Contact: Stephan Vance, SANDAG (619) 699-1924 stephan.vance@sandag.org</p> <p>Location: 401 B Street, Ste. 800 San Diego, CA 92101</p> <p>Meetings: TBD – Meets on an as needed basis</p>
<p>CHAMBER OF COMMERCE LIAISON:</p> <p>Primary – Councilmember Bragg 1st Alternate – Mayor Dedina</p>	<p>Contact: Sara Moore and Candy Unger, Executive Assistants (619) 424-3151</p> <p>Location: Pier South Hotel 800 Seacoast Drive</p> <p>Meetings: 2nd Wednesday of each month BID at 3:00 p.m. Chamber at 5:00 p.m.</p>
<p>METRO WASTEWATER COMMISSION/JPA: Oversees the sewage system for the San Diego area and makes decisions regarding financial expenditures relating to the sewage system.</p> <p>Primary – Councilmember Bilbray Alternate – Councilmember Bragg</p>	<p>Contact: Lori Anne Peoples, Secretary to Metro JPA City of Chula Vista (619) 548-2934 (cell) LPeoples@ci.chula-vista.ca.us</p> <p>Location: 9192 Topaz Way, MOC II Auditorium San Diego, CA 92123</p> <p>Meetings: 1st Thursday of each month 12:00 p.m. - 1:30 p.m. (\$150/meeting)</p>
<p>JOB CORPS LIAISON: Community Relations Council</p> <p>Primary – Mayor Dedina Alternate – Councilmember Bilbray</p>	<p>Contact: Bobby Brown, Center Director (619) 429-8500</p> <p>Location: 1325 Iris Ave., Building 60 Imperial Beach, CA 91932</p> <p>Meetings: Once every quarter (notified in advance) at 11:30 a.m.</p>
<p>SOUTH COUNTY ECONOMIC DEVELOPMENT COUNCIL (SCEDC): To encourage private investment in the South San Diego County region as well as to promote the cultural, educational, social, and geographic opportunities of the area.</p> <p>Primary – Councilmember Patton 1st Alternate – Mayor Dedina</p>	<p>Contact: Cindy Gomper Graves, President & CEO (619) 424-5143 cindy@southcountyedc.com South County Economic Development Council 1111 Bay Blvd., Ste. E Chula Vista, CA 91911</p> <p>Location: South County Regional Education Center 800 National City Blvd., National City</p> <p>Meetings: 1st Tuesday of each month Networking - 7:30 a.m., Meeting – 8:00 a.m.</p>

City's 60th Anniversary Ad Hoc Committee
Mayor Dedina
Councilmember Bragg