



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

MARCH 6, 2013

**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 LEGAL COUNSEL- EXISTING LITIGATION

(Paragraph (1) of Subdivision (d) of Govt. Code Section 54956.9)

Name of Case: The Affordable Housing Coalition of the County of San Diego v. Tracy Sandoval
Case No. 34-2012-80001158-CU-WM-GDS

2. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Initiation of Litigation pursuant to Paragraph (4) of Subdivision (d) of GC Section 54956.9

No. of Potential Cases: 1

3. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Govt. Code section 54956.9(d)(2) (1 case)

4. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6:

Agency Negotiator: City Manager

Employee Organizations: Imperial Beach Firefighters' Association (IBFA)

Service Employees International Union (SEIU), Local 221

Unrepresented Employees

RECONVENE AND ANNOUNCE ACTION (IF APPROPRIATE)

REGULAR MEETING CALL TO ORDER

ROLL CALL BY CITY CLERK

PLEDGE OF ALLEGIANCE

AGENDA CHANGES

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.

**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.

PRESENTATIONS (1)

None.

CONSENT CALENDAR (2.1-2.3) - 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 RATIFICATION OF WARRANT REGISTER. (0300-25)

City Manager's Recommendation: Ratify the following registers: Accounts Payable Numbers 82012 through 82083 for a subtotal amount of \$150,720.18 and Payroll Checks/Direct Deposit 45103 through 45124 for a subtotal of \$123,590.23 for a total amount of \$274,310.23.

2.2 ADMINISTRATIVE COASTAL PERMIT (ACP 060474) AND FINAL MAP (TM 060475) FOR A THIRTY-SIX (36) UNIT CONDOMINIUM CONVERSION LOCATED AT 740-798 FLORIDA STREET AND 1100-1114 DONAX AVENUE, IN THE R-1500/MU-1 (HIGH DENSITY RESIDENTIAL WITH A MIXED-USE OVERLAY) ZONE. MF 902. (0600-20)

City Manager's Recommendation: Approve the Final Map for recordation along with the recordation of any required documents as security for the required improvements.

2.3 MINUTES.

City Manager's Recommendation: Approve the minutes of the Special Meeting of February 6, 2013.

ORDINANCES – INTRODUCTION/FIRST READING (3)

None.

ORDINANCES – SECOND READING/ADOPTION (4)

None.

PUBLIC HEARINGS (5)

None.

REPORTS (6.1-6.3)

6.1 GENERAL FUND BUDGET OVERVIEW – MID-YEAR REVIEW AND FISCAL YEAR 2013-2015 BUDGET REVIEW. (0330-30)

City Manager's Recommendation: That the City Council review staff estimates for a balanced FY 2013-2015 Operating Budget and provide policy direction for the preparation of a budget document for consideration at the May 15, 2013 City Council meeting.

6.2 APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY AND CYNTHIA TITGEN FOR SPECIALIZED CONSULTING SERVICES. (0530-60)

City Manager's Recommendation: Adopt resolution.

Continued on Next Page

REPORTS (Continued)

6.3 RESOLUTION NO. 2013-7307 AMENDING WESTERN RIM CONSTRUCTORS, INC. CONTRACT FOR THE ECO BIKEWAY 7TH & SEACOAST (S05-104) PROJECT BY AWARDING ADDITIVE BID NO. 1. (0680-20)

City Manager's Recommendation:

1. Receive report;
2. Consider adding the signal light at the intersection of Palm Avenue and Rainbow Drive; and
3. Adopt Resolution 2013-7307 amending the PROJECT contract and awarding Additive Bid No. 1 to Western Rim Constructors, Inc. at a bid price of \$120,227.25.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (7.1)

7.1 USE OF HOUSING BOND PROCEEDS FOR CLEAN & GREEN PROGRAM AND HABITAT FOR HUMANITY PROJECT. (0412-50)

City Manager's Recommendation: That the Imperial Beach Housing Authority (acting as the Successor Housing Entity) and the Imperial Beach Redevelopment Agency Successor Agency provide direction to staff on the use of the remaining 2003 Affordable Housing Tax Exempt Bond Proceeds.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

ADJOURNMENT

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.cityofib.com.

/s/
Jacqueline M. Hald, MMC
City Clerk



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: GARY BROWN, CITY MANAGER *[Signature]*
MEETING DATE: MARCH 6, 2013
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES DEPARTMENT *[Initials]*
SUBJECT: RATIFICATION OF WARRANT REGISTER

BACKGROUND:

None

DISCUSSION:

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:

No warrants above \$100,000 were issued.

The following registers are submitted for Council ratification.

<u>WARRANT #</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Accounts Payable</u>		
82012-82041	2/14/2013	\$48,217.02
82042-82079	2/20/2013	\$81,119.68
82080-82083	2/21/2013	\$21,383.48
	Sub-total	<u>\$150,720.18</u>

Note:

Check numbers 82022 and 82081 were voided automatically by the system; they are part of check 82083 and are not included in the attached report. Check number 82077 was voided due to a change in the City's vision plan provider.

Payroll Checks/Direct Deposit

45103-45124	P.P.E. 2/07/2013	\$123,590.05
	Sub-total	<u>\$123,590.05</u>
	TOTAL	<u>\$274,310.23</u>

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Warrants are issued from budgeted funds.

DEPARTMENT RECOMMENDATION:

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

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. Warrant Registers

PREPARED 02/25/2013, 15:43:46
 PROGRAM: GM350L
 CITY OF IMPERIAL BEACH

A/P CHECKS BY PERIOD AND YEAR
 FROM 02/08/2013 TO 02/25/2013

BANK CODE *ALL*

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION					TRN AMOUNT
02/14/2013 101-1210-413.21-01	82012 02/05/2013	ACCOMTEMP BAKER, M FINANCE TEMP	70	37274852	130516	08/2013	1,836.00 1,836.00
02/14/2013 101-1010-411.30-02	82013 01/23/2013	ARROWHEAD MOUNTAIN SPRING WATE WATER SYST RENT	1340	03A0031149578	130073	07/2013	37.70 37.70
02/14/2013 101-3020-422.29-04	82014 01/31/2013	AUNT ELLENS WATER AUNT ELLEN'S WATER	307	776288	F13042	07/2013	55.00 55.00
02/14/2013 101-5010-431.21-04	82015 01/31/2013	AZTEC LANDSCAPING INC LANDSCAPE MAIT JAN 2013	310	0024405-IN	130091	07/2013	1,540.00 1,540.00
02/14/2013 101-1910-419.21-04	82016 12/30/2012	BAY CITY ELECTRIC WORKS PREVENT MAIT	369	W106119	130095	06/2013	456.25 456.25
02/14/2013 101-5010-431.21-23	82017 01/10/2013	CALIF ELECTRIC SUPPLY CONNECTOR	609	1069-651480	130027	07/2013	41.03 41.03
02/14/2013 215-6026-452.27-02	82018 02/08/2013	CALIFORNIA AMERICAN WATER 01/03-02/05	612	02-27-2013		08/2013	719.08 36.64
101-5010-431.27-02	02/06/2013	01/02-02/01		02-25-2013		08/2013	27.31
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	18.32
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	22.81
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	22.81
101-6040-454.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	144.02
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	117.05
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	166.61
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	18.32
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	27.31
101-5010-431.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	45.28
101-3030-423.27-02	02/06/2013	JAN 2013		02-25-2013		08/2013	72.60
02/14/2013 101-1110-412.30-02	82019 01/04/2013	CDW GOVERNMENT INC AVL ACROBAT PRO	725	W033691	130528	07/2013	612.95 364.00
101-1110-412.30-02	01/07/2013	COREL ROXIO		W055680	130528	07/2013	91.81
503-1923-419.30-02	01/29/2013	I.T. HARDWARE		X049265	130120	07/2013	157.14
02/14/2013 101-6010-451.21-04	82020 02/01/2013	CVA SECURITY MTHLY ALARM MONITORING	797	24431	130100	08/2013	70.00 30.00
101-1910-419.20-23	02/01/2013	MTHLY ALARM MONITORING		24541	130100	08/2013	40.00
02/14/2013 101-5040-434.21-04	82021 01/31/2013	CLEAN HARBORS JAN 2013	913	6Y1365043	130029	07/2013	705.00 705.00
02/14/2013 503-1923-419.29-04	82022 02/01/2013	COX COMMUNICATIONS 2/1/13-2/28/13 CABLE SVC	1073	02-01-2013	130126	08/2013	189.93 10.93
601-5050-436.21-04	02/05/2013	950 OCEAN LN SVCS		02-05-2013	130126	08/2013	179.00
02/14/2013 101-3050-425.20-06	82023 02/01/2013	D.A.R. CONTRACTORS JAN 2013	1122	011301229	130211	08/2013	347.00 347.00

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02/14/2013	82024	DATAQUICK	1134			161.50	
101-1210-413.21-04	02/01/2013	PROEPRTY SEARCH SVCS	B1-2119531	130207	08/2013	32.00	
101-3020-422.21-04	02/01/2013	PROEPRTY SEARCH SVCS	B1-2119531	130207	08/2013	27.50	
101-3070-427.21-04	02/01/2013	PROEPRTY SEARCH SVCS	B1-2119531	130207	08/2013	102.00	
02/14/2013	82025	DEPARTMENT OF CORRECTIONS AND	169			3,219.93	
101-6020-452.21-04	01/16/2013	WK CREW SUPV DEC 2012	1800175938	130217	07/2013	2,683.27	
101-6040-454.21-04	01/16/2013	WK CREW SUPV DEC 2012	1800175938	130217	07/2013	536.66	
02/14/2013	82026	EAGLE NEWSPAPER	1204			332.00	
245-1240-513.20-06	01/10/2013	HOUSING ELEMNT DISPLAY AD	74950	130022	07/2013	227.00	
101-1020-411.28-07	01/31/2013	PUBLIC NOTICE	75256	130208	07/2013	105.00	
02/14/2013	82027	FRAZEE PAINT	970			273.89	
101-6040-454.30-02	01/16/2013	PAINT	014233824	130060	07/2013	273.89	
02/14/2013	82028	HINDERLITER DELLAMAS & ASSOCIA	111			2,025.00	
101-1920-419.20-06	02/01/2013	JAN-MAR 2013 PROPERTY TAX	0018877-IN	130195	08/2013	2,025.00	
02/14/2013	82029	JANI-KING OF CALIFORNIA, INC.	2042			4,013.02	
101-1910-419.21-04	02/01/2013	FEB CUSTODIAN SVCS	SDO02130656	130119	08/2013	4,013.02	
02/14/2013	82030	MCDUGAL LOVE ECKIS &	962			16,662.30	
101-1220-413.20-01	11/30/2012	NOV 2012	82883		05/2013	270.66	
502-1922-419.20-01	11/30/2012	NOV 2012	82886		05/2013	4,719.60	
101-1220-413.20-01	11/30/2012	NOV 2012	82887		05/2013	534.66	
303-1250-413.20-01	11/30/2012	NOV 2012	82888		05/2013	606.91	
303-1250-413.20-01	11/30/2012	NOV 2012 - SUDBERRY	82888		05/2013	1,069.32	
101-1220-413.20-01	11/30/2012	NOV 2012	82916		05/2013	726.78	
101-1220-413.20-01	11/30/2012	NOV 2012	82917		05/2013	7,231.55	
101-1220-413.20-01	11/30/2012	NOV 2012	82918		05/2013	867.01	
303-1250-413.20-01	11/30/2012	NOV 2012	82919		05/2013	512.98	
502-1922-419.20-01	11/30/2012	NOV 2012	82920		05/2013	65.03	
502-1922-419.20-01	11/30/2012	NOV 2012	82885		05/2013	57.80	
02/14/2013	82031	ONE SOURCE DISTRIBUTORS	1071			3,812.15	
101-6040-454.30-02	01/21/2013	100W LAMPS	S3940257.001	130014	07/2013	43.35	
101-6020-452.28-01	01/24/2013	VET PK BOLLARDS	S3916606.001	130014	07/2013	3,768.80	
02/14/2013	82032	PADRE JANITORIAL SUPPLIES	1430			72.87	
101-6040-454.30-02	01/21/2013	URETHANE FINISH	338566	130025	07/2013	72.87	
02/14/2013	82033	PARS	2425			400.00	
101-1920-419.20-06	01/09/2013	PARS ARS	24777	130076	07/2013	80.00	
101-3020-422.20-06	01/09/2013	PARS ARS	24777	130076	07/2013	80.00	
101-3030-423.20-06	01/09/2013	PARS ARS	24777	130076	07/2013	80.00	
101-6010-451.20-06	01/09/2013	PARS ARS	24777	130076	07/2013	80.00	
101-6040-454.20-06	01/09/2013	PARS ARS	24777	130076	07/2013	80.00	
02/14/2013	82034	PRAXAIR DISTRIBUTION INC	1652			174.09	
101-3020-422.30-02	01/30/2013	BREATHING AIR	45240990		07/2013	174.09	

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02/14/2013 601-5060-436.20-23	82035 01/21/2013	PROTECTION ONE ALARM MONITORIN SEWER PUMP ALARM SVCS	69	91509099	130087 07/2013		291.25 291.25
02/14/2013 101-5040-434.21-04	82036 02/01/2013	RELIABLE TIRES COMPANY USED TIRE PICKUP	136	83589	07/2013		151.50 151.50
02/14/2013 101-1110-412.28-01 101-1210-413.28-01 101-1230-413.28-01 101-3020-422.28-01 101-3030-423.28-01 101-5020-432.28-01 101-6010-451.28-01	82037 02/01/2013 02/01/2013 02/01/2013 02/01/2013 02/01/2013 02/01/2013 02/01/2013	RICOH USA, INC. FEB 2013 FEB 2013 FEB 2013 FEB 2013 FEB 2013 FEB 2013 FEB 2013	2392	88458373 88458373 88458373 88458373 88458373 88458373 88458373	130133 08/2013 130133 08/2013 130133 08/2013 130133 08/2013 130133 08/2013 130133 08/2013 130133 08/2013		1,935.40 276.49 276.46 276.49 276.49 276.49 276.49 276.49
02/14/2013 501-1921-419.28-15	82038 01/31/2013	SKS INC. 1136.10 GAL REG FUEL	412	1253407-IN	130049 07/2013		4,454.22 4,454.22
02/14/2013 101-3030-423.28-04 101-3020-422.28-04	82039 01/30/2013 01/30/2013	TARGETSAFETY.COM, INC. ANNUAL LICENSE ANNUAL LICENSE	2319	10671 10671	07/2013 07/2013		2,645.00 1,679.50 965.50
02/14/2013 101-1910-419.21-04 101-0000-323.71-03 101-0000-344.76-03	82040 01/31/2013 01/31/2013 01/31/2013	TRANSWORLD SYSTEMS INC. JAN 2013 COLLECTION FEES JAN 2013 COLLECTION FEES JAN 2013 COLLECTION FEES	2160	638930 638930 638930	07/2013 07/2013 07/2013		81.97 155.53 43.56- 30.00-
02/14/2013 101-6040-454.30-02	82041 01/31/2013	WAXIE SANITARY SUPPLY ROLLMASTER, LINERS	802	73743170	130016 07/2013		900.99 900.99
02/20/2013 101-1910-419.28-13	82042 02/08/2013	AMERICAN EXPRESS LATE FEES/FINANCE CHARGES	1895	03-06-2013	F13047 08/2013		43.08 43.08
02/20/2013 101-6010-451.28-09	82043 02/01/2013	AMERICAN MESSAGING SHIPPING FOR REPLACEMENT	1759	L1252241NB	F13041 08/2013		14.95 14.95
02/20/2013 101-1910-419.21-04 101-1910-419.21-04	82044 01/31/2013 01/31/2013	SOUTHCOAST HEATING & A/C MTHLY MAIT JAN 2013 HVAC REPAIR SHERIFF OFFIC	1554	C50376 288532	130099 07/2013 130099 07/2013		663.00 470.00 193.00
02/20/2013 601-5060-436.21-04 101-0000-221.01-02 101-0000-221.01-02	82045 01/16/2013 01/17/2013 01/17/2013	ATKINS NORTH AMERICA, INC. SEWER STUDY DEC 2012 DEVELOPMENT REVIEW DEVELOPMENT REVIEW	2455	1159114 1159177 1159177	130353 07/2013 07/2013 07/2013		3,363.26 1,932.56 435.35 995.35
02/20/2013 601-5060-436.28-01	82046 02/12/2013	BARRETT ENGINEERED PUMPS REBUILD SUPER T-6	356	084170	130065 08/2013		565.04 565.04
02/20/2013 101-3020-422.28-04	82047 12/14/2012	BAUER COMPRESSOR, INC. STARTUP/TRNG NEW COMPRESS	2468	0000164082	08/2013		1,100.00 1,100.00

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02/20/2013 601-5060-436.28-01	82048 01/31/2013	CALIFORNIA ENV CONTROLS INC FLAPPERS/O RINGS/COVER GA	642	2826	130058	07/2013	1,867.00 1,867.00	
02/20/2013 503-1923-419.20-06	82049 01/31/2013	CORODATA MEDIA STORAGE, INC. JAN 2012	2334	DS1255360	130102	07/2013	136.57 136.57	
02/20/2013 101-6020-452.21-04 101-6020-452.21-04	82050 02/02/2013 01/01/2013	G & G BACKFLOW AND PLUMBING BACKFLOW REPLACEMENT BACKFLOW TESTING/REPAIR/R	1486	6719 6714	130653 130653	08/2013 07/2013	3,544.25 748.33 2,795.92	
02/20/2013 503-1923-419.20-06	82051 02/05/2013	GOOGLE, INC. JAN/FEB 2013	2009	4907787	130104	08/2013	76.30 76.30	
02/20/2013 101-1910-419.30-02 101-6040-454.30-02 101-1910-419.30-02 101-6040-454.30-02	82052 02/01/2013 02/01/2013 02/06/2013 01/31/2013	GRAINGER LAMPS/BALLASTS PADLOCK/GLOVES CFL BALLAST PADLOCKS/PAINT/SOAP	1051	9056753156 9057137078 9060708709 9056076855	130011 130011 130011 130011	08/2013 08/2013 08/2013 07/2013	1,346.01 236.59 415.54 253.81 440.07	
02/20/2013 101-5010-431.21-23	82053 02/07/2013	HUDSON SAFE-T LITE RENTALS TRAFFIC PAINT/GLASS BEADS	2382	00014527	130071	08/2013	2,450.32 2,450.32	
02/20/2013 101-0000-209.01-08	82054 02/14/2013	I B FIREFIGHTERS ASSOCIATION PR AP PPE 02/07/2013	214	20130214		08/2013	300.00 300.00	
02/20/2013 101-0000-209.01-10	82055 02/14/2013	ICMA RETIREMENT TRUST 457 PR AP PPE 02/07/2013	242	20130214		08/2013	6,496.68 6,496.68	
02/20/2013 101-6020-452.30-02 101-6020-452.30-02 101-6020-452.30-02	82056 10/23/2012 10/24/2012 10/24/2012	JOHN DEERE LANDSCAPES IRRIGATION PARTS IRRIGATIN PARTS IRRIGATION PARTS	1986	63077029 63096670 63096721	130031 130031 130031	04/2013 04/2013 04/2013	221.35 78.96 128.41 13.98	
02/20/2013 101-0000-221.01-02 101-5000-532.20-06 405-1260-413.20-06 405-1260-413.20-06	82057 02/06/2013 02/06/2013 02/06/2013 02/06/2013	KANE, BALLMER & BERKMAN JAN 2013 SEACOAST INN OPA JAN 2013 9TH & PALM DDA JAN 2013-AFFORDABLE HOUSI JAN 2013-SUCCESSOR AGNCY	1828	18813 18810 18811 18812		08/2013 08/2013 08/2013 08/2013	19,642.15 200.00 4,578.10 1,550.00 13,314.05	
02/20/2013 101-5010-431.20-06 401-5020-432.20-06	82058 12/31/2012 12/31/2012	KOA CORPORATION 13TH ST RESTRIPE/ECO BIKE 13TH ST RESTRIPE/ECO BIKE	611	JB14106X11 JB14106X11	130364 130364	06/2013 06/2013	2,295.00 87.50 2,207.50	
02/20/2013 101-6040-454.30-02	82059 01/31/2013	LIGHTHOUSE, INC WARNING ALARM/SWITCH	787	0835215	130043	07/2013	120.53 120.53	
02/20/2013 101-1910-419.21-04 101-1910-419.21-04	82060 01/10/2013 01/10/2013	LLOYD PEST CONTROL 825 IB BLVD MTHLY MAIT 865 IB BLVD MTHLY MAIT	814	3688649 3688650	130097 130097	07/2013 07/2013	108.00 36.00 36.00	

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT		
101-1910-419.21-04	01/10/2013	845 IB BLVD MTHLY MAIT	3688830	130097	07/2013	36.00		
02/20/2013	82061	MCDUGAL LOVE ECKIS &	962			8,413.75		
101-1220-413.20-01	12/31/2012	DEC 2012	83044		06/2013	779.45		
502-1922-419.20-01	12/31/2012	DEC 2012	83046		06/2013	4,265.42		
101-1220-413.20-01	12/31/2012	DEC 2012	83047		06/2013	61.60		
303-1250-413.20-01	12/31/2012	DEC 2012	83048		06/2013	520.21		
101-1220-413.20-01	12/31/2012	DEC 2012	83086		06/2013	1,446.34		
101-1220-413.20-01	12/31/2012	DEC 2012	83087		06/2013	1,290.15		
101-1220-413.20-01	12/31/2012	DEC 2012	83088		06/2013	50.58		
02/20/2013	82062	NASLAND ENGINEERING	1656			1,085.00		
405-1260-513.20-06	01/31/2013	JAN 2013-DATE ST END	92847	090544	07/2013	1,085.00		
02/20/2013	82063	NBS GOVERNMENT FINANCE GROUP	2299			125.00		
405-1260-413.20-06	02/07/2013	DISCLOSURE REPORTING SVCS	2130007	F13048	08/2013	125.00		
02/20/2013	82064	OFFICE DEPOT, INC	1262			183.86		
101-1130-412.30-01	01/04/2013	RETURN BINDERS	638492888001	130002	07/2013	46.45-		
101-1110-412.30-02	01/31/2013	SURGE, HOME	643352694001	130002	07/2013	11.29		
101-1210-413.28-11	01/29/2013	FINANCE ENVELOPES	642684360001	130002	07/2013	148.88		
101-5020-432.30-01	01/30/2013	MISC OFFICE SUPPLIES	642242211001	130002	07/2013	70.14		
02/20/2013	82065	PARTNERSHIP WITH INDUSTRY	1302			1,265.20		
101-6040-454.21-04	02/02/2013	GROUNDSKEEPING JAN 2013	GS04591	130108	08/2013	759.12		
101-6040-454.21-04	02/02/2013	GROUNDSKEEPING JAN 2013	GS04591	130108	08/2013	506.08		
02/20/2013	82066	PITNEY BOWES	1369			306.49		
101-1920-419.28-09	02/06/2013	POSTAGE FEES	03-05-2013	F13046	08/2013	306.49		
02/20/2013	82067	PMI	23			1,296.50		
601-5060-436.30-02	01/29/2013	LATEX GLOVES	0394384	130015	07/2013	1,296.50		
02/20/2013	82068	QUALITY CODE PUBLISHING, LLC	1955			1,875.15		
101-1020-411.21-04	01/15/2013	MUNI CODE SUPPLEMENT	2013-10	130658	07/2013	1,875.15		
02/20/2013	82069	SAN DIEGO GAS & ELECTRIC	1399			15,350.70		
601-5060-436.27-01	02/06/2013	85417701270	02-22-2013		08/2013	3,812.85		
101-5020-432.27-01	02/06/2013	91692992261	02-22-2013		08/2013	916.00		
101-6020-452.27-01	02/06/2013	85075178464	02-22-2013		08/2013	1,142.95		
101-5010-431.27-01	02/06/2013	56497714749	02-22-2013		08/2013	6,410.33		
101-3020-422.27-01	02/06/2013	10087869371	02-22-2013		08/2013	525.29		
101-5010-431.27-01	02/06/2013	10088604389	02-22-2013		08/2013	440.74		
101-3020-422.27-01	02/06/2013	19807697764	02-22-2013		08/2013	2,092.54		
601-5060-436.27-01	02/06/2013	52635219238	02-22-2013		08/2013	10.00		
02/20/2013	82070	SEIU LOCAL 221	1821			1,197.06		
101-0000-209.01-08	02/14/2013	PR AP PPE 02/07/2013	20130214		08/2013	1,197.06		
02/20/2013	82071	SHARP REES-STEALY MEDICAL	CNTR 390			549.00		
101-1130-412.21-04	01/16/2013	NEW EMPLOYEE SCREENING	256	130086	07/2013	236.00		

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION					TRN AMOUNT
101-6040-454.21-04	01/16/2013	NEW EMPLOYEE SCREENING		256	130086	07/2013	313.00
02/20/2013	82072	SOUTH WEST SIGNAL	488				1,660.00
101-5010-431.21-04	01/31/2013	JAN 2013 MAINT		51028	130038	07/2013	160.00
101-5010-431.21-23	01/31/2013	3 TRAFFIC LOOPS REPLACE		51032	130038	07/2013	1,500.00
02/20/2013	82073	STANDARD ELECTRONICS	504				30.00
101-1910-419.20-23	02/04/2013	JAN 2013		18049	130094	08/2013	30.00
02/20/2013	82074	THYSSENKRUPP ELEVATOR	663				935.00
101-3030-423.20-06	01/10/2013	ELEVATOR INSPECITON/TESTS		1037076884	130125	07/2013	935.00
02/20/2013	82075	TRAFFIC SAFETY MATERIALS, LLC.	2369				145.80
101-5010-431.21-23	02/12/2013	GLASS BEADS-TRAFFIC PAINT		2575	130068	08/2013	145.80
02/20/2013	82076	US BANK	2458				1,236.58
101-0000-209.01-20	02/14/2013	PR AP PPE 02/07/2013		20130214		08/2013	1,236.58
02/20/2013	82077	VISION PLAN OF AMERICA	785				.00
101-0000-209.01-18	11/21/2012	PR AP PE 11/15/2012		20121121		05/2013	90.17
101-0000-209.01-18	12/06/2012	PR AP PE 11/29/2012		20121206		06/2013	90.17
101-0000-209.01-18	12/20/2012	PR AP PE 12/13/12		20121220		06/2013	90.17
02/20/2013	82078	VORTEX INDUSTRIES, INC.	786				1,084.00
101-1910-419.28-01	01/26/2013	DOOR REPAIRS		11-719850-1	130096	07/2013	1,084.00
02/20/2013	82079	ZEE MEDICAL, INC.	872				27.10
101-1920-419.30-01	01/16/2013	MEDICAL CABINET REFILL		0140377826	F13043	07/2013	27.10
02/21/2013	82080	PRINCIPAL FINANCIAL GROUP	2428				578.51
101-0000-209.01-13	02/21/2013	MARCH 2013 VOL LIFE ADJ		033113		08/2013	114.43
101-0000-209.01-12	02/21/2013	MARCH 2013 DENTAL ADJ		033113		08/2013	692.94
02/21/2013	82083	U.S. BANK	1873				20,804.97
101-1020-411.28-12	01/03/2013	ARMA MEMBERSHIP DUES		313170	130594	07/2013	220.00
101-1920-419.21-04	01/07/2013	ASCAP MEMBERSHIP		100003466636	130594	07/2013	2.75
101-1920-419.21-04	01/05/2013	SHIPPING CHG		1Z1865T40399948	130604	07/2013	5.91
101-1920-419.21-04	01/07/2013	SHIPPING CHGS		1Z1865T40399948	130604	07/2013	14.71
101-1130-412.28-09	01/10/2013	HR POSTAGE CHGS		077966	130604	07/2013	5.75
101-1110-412.28-14	01/12/2013	EMAIL MARKETING		1357989539895	130604	07/2013	30.00
101-1920-419.21-04	01/16/2013	CHAMBER MICROPHONE REPAIR		185047181	130604	07/2013	61.27
101-1010-411.28-04	01/15/2013	SHUTTLE SVCS		8815503	130612	07/2013	15.00
101-1010-411.28-04	01/17/2013	SHUTTLE SVC TO CONF		8865847	130618	07/2013	17.00
101-1010-411.28-04	01/18/2013	HOTEL STAY FOR CONF		1415941301	130618	07/2013	569.70
101-1110-412.28-04	01/18/2013	PARKING FOR CONF		18	130618	07/2013	33.00
503-1923-419.28-04	01/05/2013	LUNCH MGT W/ CONSULT		01-05-2013	130645	07/2013	24.73
503-1923-419.28-04	01/16/2013	LUNCH MGT W/ INTERN		047119	130645	07/2013	26.37
101-3020-422.21-04	12/23/2012	CORDLESS DRILL REPLACMNT		011082095359	130631	07/2013	64.64
101-3020-422.21-04	01/03/2013	OFFICE PENS		110-5440633-387	130626	07/2013	39.01
101-3020-422.21-04	01/04/2013	EXTENSION CORD		004587/0572670	130631	07/2013	22.30

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
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101-1130-412.28-12	09/26/2012	EMP BENF MEMBERSHIP	209966-K6C5N4	130607	07/2013	295.00	
101-1130-412.21-04	12/27/2012	LIVE SCAN NEW EMP	B362SEL650	130607	07/2013	74.00	
101-1130-412.29-02	01/02/2013	SERVICE PINS	0113009	130607	07/2013	162.50	
101-1130-412.21-04	01/04/2013	LIVE SCAN NEW EMP	01-04-2013	130607	07/2013	68.00	
101-1920-419.30-02	01/04/2013	CITY HALL AUTO ATTEND	31135	130607	07/2013	300.00	
101-1130-412.28-04	01/11/2013	LCW EMP LAW CONF	01-11-2013	130607	07/2013	445.00	
101-1130-412.30-02	01/15/2013	TABLE FOR OFFICE	10475729	130607	07/2013	164.49	
503-1923-419.28-04	01/15/2013	INTERVIEW REFRESHMENTS	786690	130607	07/2013	21.00	
101-1010-411.30-02	02/06/2013	E VERSION OF UNION TRIBUN	02-06-2013	130607	07/2013	7.92	
101-3020-422.21-04	01/11/2013	MECHANIC TRAINING	1357920391413	130624	07/2013	500.00	
101-0000-209.01-03	01/16/2013	COMPUTER LOAN	936309101		07/2013	118.79	
101-0000-209.01-03	01/16/2013	COMPUTER LOAN	550094002649		07/2013	127.19	
101-0000-209.01-03	01/15/2013	COMPUTER LOAN	4443406		07/2013	217.92	
101-0000-209.01-03	01/12/2013	COMPUTER LOAN	9412233		07/2013	653.76	
101-0000-209.01-03	01/12/2013	COMPUTER LOAN	W295901621		07/2013	433.92	
101-0000-209.01-03	01/12/2013	COMPUTER LOAN	9571621421		07/2013	539.99	
101-0000-209.01-03	01/12/2013	COMPUTER LOAN	639952085-001		07/2013	431.99	
101-0000-209.01-03	01/12/2013	COMPUTER LOAN	539777006573		07/2013	1,024.91	
101-0000-209.01-03	12/26/2012	COMPUTER LOAN	264154376		07/2013	250.36	
101-0000-209.01-03	01/16/2013	COMPUTER LOAN	923618-4438A		07/2013	140.39	
101-0000-209.01-03	01/16/2013	COMPUTER LOAN	W270175186		07/2013	433.92	
101-0000-209.01-03	01/16/2013	COMPUTER LOAN	923618-4438V		07/2013	161.99	
101-0000-209.01-03	01/16/2013	COMPUTER LOAN	923619-8167V		07/2013	97.19	
101-0000-209.01-03	01/18/2013	COMPUTER LOAN	01-18-2013		07/2013	1,907.98	
101-1230-413.28-04	01/10/2013	PARKING TRAINING	01-10-2013	130597	07/2013	8.00	
101-1230-413.30-01	01/07/2013	CD OFFICE SUPPLIES	639315892	130599	07/2013	102.62	
101-1020-411.28-11	01/17/2013	816 OCEAN RECORDS REQUEST	35617	130599	07/2013	29.09	
101-3070-427.30-01	01/17/2013	PRINTER INK	641398966	130599	07/2013	55.66	
101-6010-451.30-02	01/02/2013	CALENDERS 2012	7841	130616	07/2013	72.94	
101-6010-451.30-02	01/08/2013	CAFE SUPPLIES	255316113	130616	07/2013	364.34	
101-6010-451.30-02	01/10/2013	RETURN PAPERTOWELS	111779264624	130616	07/2013	24.83	
101-3030-423.28-01	12/27/2012	WINCH PWC TRAILER	1108	130639	07/2013	43.63	
101-3030-423.30-02	12/31/2012	BATTERIES	250912023661477	130639	07/2013	7.32	
101-3030-423.30-02	01/18/2013	TRAILER HITCH & BALL	2222	130635	07/2013	104.47	
101-3030-423.30-02	01/18/2013	WATERCRAFT STAND	40743	130635	07/2013	243.00	
101-3030-423.30-02	01/03/2013	RACKS/ HQ GARAGE	23221	130639	07/2013	579.00	
101-3030-423.30-02	01/15/2013	PHONES HQ PIER	50078	130639	07/2013	297.00	
101-3030-423.28-01	01/17/2013	BINOCULAR REPAIR	65259	130641	07/2013	1,115.80	
101-3030-423.28-04	01/21/2013	FULL FACE MASK COURSE	13IN-1245975	130641	07/2013	925.00	
101-1910-419.21-04	12/27/2012	845 IB BLVD CARPET CLEAN	1196851	130606	07/2013	274.00	
101-1910-419.21-04	12/27/2012	865 IB BLVD CARPET CLEAN	1196853	130606	07/2013	402.00	
101-6040-454.21-04	12/28/2012	POWDER COATING LIGHTS	110999	130606	07/2013	396.00	
601-5060-436.21-04	01/03/2013	DRILL HOLES, STORM DRAIN	31871	130601	07/2013	200.00	
101-6040-454.30-02	01/07/2013	PAINT/DUNES RESTRM	014233133	130606	07/2013	344.71	
101-1910-419.30-02	01/08/2013	JANITORIAL SUPPLIES	001684/6595149	130606	07/2013	69.52	
101-6020-452.30-02	01/08/2013	PAINT-VET PLAYGROUND	01-08-2013	130606	07/2013	56.50	
101-6040-454.30-02	01/09/2013	HOSES	030650/5295995	130606	07/2013	145.70	
101-6040-454.30-02	01/10/2013	RUBBER HOSE	007078/4562955	130606	07/2013	93.86	
101-6040-454.30-02	01/10/2013	RETURN HOSES	4240264	130606	07/2013	97.13	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
101-6040-454.30-02	01/18/2013	PAINT/TRASH CAN LIDS	018001/6124795	130606	07/2013	25.08	
101-6020-452.30-02	01/18/2013	USA FLAGS	56248	130606	07/2013	157.25	
101-6020-452.30-02	01/20/2013	REFUND VET PLAYGROUND PAI	01-10-2013	130606	07/2013	56.50-	
101-5010-431.30-02	01/10/2013	FRAMES/BRUSHES	041317/4010157	130605	07/2013	86.16	
101-6020-452.30-02	01/02/2013	ELECTRICAL SUPL/PAINT	013229/2594469	130611	07/2013	13.90	
501-1921-419.30-02	01/02/2013	ELECTRICAL SUPL/PAINT	013229/2594469	130611	07/2013	12.62	
101-1910-419.30-02	01/07/2013	PAINT SUPPLIES	014035/7580058	130611	07/2013	71.40	
101-1910-419.30-02	01/08/2013	BLINDS/CITY HALL	066520/6016340	130611	07/2013	110.07	
101-1910-419.30-02	01/14/2013	PAINT	073979/0563514	130611	07/2013	67.50	
101-1910-419.30-02	01/16/2013	FAUCET REPAIR	033990/8563705	130611	07/2013	13.22	
101-1910-419.30-02	01/16/2013	LIGHT BULBS/SHERIFFS	082583/8581174	130611	07/2013	19.40	
101-1910-419.30-02	01/17/2013	WIRE NUT STOCK	046545/7590803	130611	07/2013	7.29	
101-6040-454.30-02	01/06/2013	PLASTIC SHEETING/GLOVES	097476/8585066	130625	07/2013	18.30	
101-6040-454.30-02	01/10/2013	COPY KEYS	026847	130625	07/2013	8.91	
101-6040-454.30-02	01/10/2013	PRESSURE WASHER COVERS	047345/4240300	130625	07/2013	38.62	
502-1922-419.28-04	01/07/2013	CONCRETE	060709/7562545	130632	07/2013	5.38	
601-5050-436.30-02	12/19/2012	GREASE SAMPLING EQU	37865	130613	07/2013	147.24	
601-5050-436.30-02	01/04/2013	CASE OF SPILL DIKE	4573361-00	130613	07/2013	172.07	
501-1921-419.29-04	01/09/2013	BOOM INSPECTION	010913IB109	130636	07/2013	500.00	
101-5010-431.28-01	01/10/2013	REPLACEMENT WINDOW #115	WCV030817	130636	07/2013	435.60	
501-1921-419.28-01	01/17/2013	FIRE TRUCK REPAIRS E-39	C27659	130640	07/2013	2,351.33	
101-6020-452.30-02	01/14/2013	DRILL SINK AUGER	047753/0580913	130644	07/2013	26.98	
101-1210-413.28-04	01/16/2013	LUNCH/TRAINING	096642	130646	07/2013	68.02	
101-1210-413.28-04	01/17/2013	LUNCH/TRAINING	058077	130646	07/2013	46.00	
101-1210-413.28-04	01/17/2013	FUEL/TRAINING	773770	130646	07/2013	36.71	
101-1210-413.28-04	01/18/2013	LUNCH/TRAINING	009753	130646	07/2013	36.70	
101-1210-413.28-04	01/19/2013	HOTEL/TRAINING	1542513201	130646	07/2013	361.51	
101-1210-413.28-04	01/19/2013	HOTEL/TRAINING	1542513202	130646	07/2013	332.75	

DATE RANGE TOTAL *

150,720.18 *



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GARY BROWN, CITY MANAGER *GB*

MEETING DATE: MARCH 6, 2013

ORIGINATING DEPT.: COMMUNITY DEVELOPMENT DEPARTMENT
GREG WADE, ASSISTANT CITY MANAGER/COMMUNITY DEVELOPMENT DIRECTOR *GW*
JIM NAKAGAWA, AICP, CITY PLANNER
TYLER FOLTZ, ASSOCIATE PLANNER *TF*

SUBJECT: *[Signature]* CONSENT AGENDA: ADMINISTRATIVE COASTAL PERMIT (ACP 060474) AND FINAL MAP (TM 060475) FOR A THIRTY-SIX (36) UNIT CONDOMINIUM CONVERSION LOCATED AT 740-798 FLORIDA STREET AND 1100-1114 DONAX AVENUE, IN THE R-1500/MU-1 (HIGH DENSITY RESIDENTIAL WITH A MIXED-USE OVERLAY) ZONE. MF 902.

PROJECT DESCRIPTION/BACKGROUND:

The tentative map (TM) for this project consisting of thirty-six units located at 740-798 Florida Street and 1100-1114 Donax Avenue (APN 626-301-35-00) was approved by the City Council on June 6, 2007 (Resolution 2007-6491).



PROJECT EVALUATION/DISCUSSION:

The applicant previously received approval for the Final Map on February 20, 2008 when a lien contract/agreement for the value of all private and public improvements stipulated by Resolution 2007-6491 was executed with the City of Imperial Beach, with the condition that the agreement be recorded prior to the Final Map. However, the project was placed on hold by the applicant immediately following approval of the Final Map and the agreement was not finalized or recorded. Therefore, the Final Map was not completed following the 2008 approval as anticipated. The applicant has since completed the required private improvements, but has not yet completed the public improvements. The applicant has provided the required bond for all public improvements and is requesting a new approval for the Final Map. A Final Map may be approved if the value of the public improvements has been bonded for prior to recordation of the map.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

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

FISCAL IMPACT:

The applicant has deposited \$14,500.00 in Project Account Number 060474 to fund the processing of this application. The applicant has also provided a secured bond for the required improvements stipulated in the Tentative Map resolution.

DEPARTMENT RECOMMENDATION:

Approve the Final Map for recordation along with the recordation of any required documents as security for the required improvements.

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. Final Map

c: file MF 902
Maggie Roland, 3814 Park Blvd., San Diego, CA. 92103

**CITY OF IMPERIAL BEACH
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

FEBRUARY 6, 2013

Marina Vista Center

1075 8th Street

Imperial Beach, CA 91932

(Location changed due to emergency situation)

SPECIAL CLOSED SESSION MEETING – 5:00 P.M.

SPECIAL MEETING – 6:00 P.M.

SPECIAL CLOSED SESSION MEETING CALL TO ORDER

VICE CHAIRPERSON BRAGG called the Special Closed Session Meeting to order at 5:05 p.m.

ROLL CALL BY CITY CLERK

Board members present:	Spriggs, Bilbray, Patton
Board members absent:	None
Chairperson absent:	Janney
Vice Chairperson present:	Bragg
Staff present:	Executive Director Brown; Assistant Executive Director Wade, City Attorney Lyon; Special Counsel Berkey, Administrative Services Director VonAchen, Secretary Hald

CLOSED SESSION

MOTION BY BILBRAY, SECOND BY SPRIGGS, TO ADJOURN TO CLOSED SESSION UNDER:

1. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

(Paragraph (1) of Subdivision (d) of Govt. Code Section 54956.9)

Name of Case: The Affordable Housing Coalition of the County of San Diego v. Tracy Sandoval
Case No. 34-2012-80001158-CU-WM-GDS

2. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Initiation of Litigation pursuant to Paragraph (4) of Subdivision (d) of GC Section 54956.9

No. of Potential Cases: 1

MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS: SPRIGGS, BILBRAY, PATTON, BRAGG

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: JANNEY

VICE CHAIRPERSON BRAGG adjourned the meeting to Closed Session at 5:06 p.m. and she reconvened the meeting to Open Session at 6:00 p.m.

Reporting out of Closed Session, CITY ATTORNEY LYON announced the Imperial Beach Redevelopment Agency Successor Agency discussed Item Nos. 1 and 2, direction was given and no reportable action was taken.

SPECIAL MEETING CALL TO ORDER

VICE CHAIRPERSON BRAGG called the Special Meeting to order at 6:01 p.m.

ROLL CALL BY CITY CLERK

Board members present: Spriggs, Bilbray, Patton
Board members absent: None
Chairperson absent: Janney
Vice Chairperson present: Bragg
Staff present: Executive Director Brown; Assistant Executive Director Wade, City Attorney Lyon; Special Counsel Berkey, Administrative Services Director VonAchen, Secretary Hald

AGENDA CHANGES

None.

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

None.

COMMUNICATIONS FROM CITY STAFF

CITY MANAGER BROWN announced that the Port of San Diego is seeking an event manager to help resurrect a Sandcastle-type event.

CITY ATTORNEY LYON announced that tonight's meeting location was changed due to an emergency situation at City Hall. The California Government Code allows the presiding officer, Vice Chairperson Bragg, to change the location. In consultation with the Vice Chairperson, the meeting location was changed. A change of location was posted at City Hall and sent to the media within the hour before the start of the meeting.

PUBLIC COMMENT

None.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (1-3)

- 1. ADOPTION OF RESOLUTION NO. SA-13-21 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2013 THROUGH DECEMBER 31, 2013 AND RELATED ACTIONS. (0418-50)**

Exhibit A to Resolution No. SA-13-21 was provided as Last Minute Agenda Information.

CITY MANAGER BROWN introduced the item.

DEPUTY EXECUTIVE DIRECTOR WADE gave a report on the item.

MOTION BY BILBRAY, SECOND BY PATTON, TO ADOPT RESOLUTION NO. SA-13-21 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2013 THROUGH DECEMBER 31, 2013 AND RELATED ACTIONS. MOTION CARRIED BY THE FOLLOWING VOTE:

MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS: SPRIGGS, BILBRAY, PATTON, BRAGG

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: JANNEY

- 2. ADOPTION OF RESOLUTION NO. SA-13-20 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2013 THROUGH DECEMBER 31, 2013 (ROPS 13-14A). (0418-50)**

Exhibit A to Resolution No. SA-13-20 was provided as Last Minute Agenda Information.

CITY MANAGER BROWN introduced the item.

DEPUTY EXECUTIVE DIRECTOR WADE gave a report on the item.

MOTION BY BILBRAY, SECOND BY SPRIGGS, TO ADOPT RESOLUTION NO. SA-13-20 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2013 THROUGH DECEMBER 31, 2013 (ROPS 13-14A). MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS: SPRIGGS, BILBRAY, PATTON, BRAGG

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: JANNEY

- 3. ADOPTION OF RESOLUTION NO. SA-13-22 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5. (0418-50)**

The Long-range Property Management Plan was provided as Last Minute Agenda Information.

CITY MANAGER BROWN introduced the item.

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item and gave a detailed overview of the Long-range Property Management Plan.

BOARD MEMBER SPRIGGS questioned if an exemption would be granted when a project has a well-established history that predates the effective date of AB 26 and if a well-established history and use of common sense would be factors in the State's decision-making process.

DEPUTY EXECUTIVE DIRECTOR WADE reviewed the Department of Finance's procedures and review process. He stressed that staff is taking all steps necessary to get a positive review and approval of the Long-range Property Management Plan. He noted that there was success at a meet and confer where common sense prevailed over the letter of the law. He noted that there are other agencies in similar situations that are up against the same issue.

SPECIAL COUNSEL BERKEY responded to the Board's questions regarding some redevelopment projects in the City of San Diego. She said that sometimes it takes a meet and confer with the Department of Finance to get projects approved.

DEPUTY EXECUTIVE DIRECTOR WADE explained the use of developer proceeds.

VICE CHAIRPERSON BRAGG thanked Estean Lenyoun and Sudberry Properties for being committed partners with the City of Imperial Beach.

MOTION BY BILBRAY, SECOND BY SPRIGGS, TO ADOPT RESOLUTION NO. SA-13-22 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5. MOTION CARRIED BY THE FOLLOWING VOTE:

MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS: SPRIGGS, BILBRAY, PATTON, BRAGG

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: JANNEY

VICE CHAIRPERSON BRAGG noted for the record that there was only one member of the public present at the meeting and no comment cards or requests to speak were submitted.

ADJOURNMENT

VICE CHAIR PERSON BRAGG adjourned the meeting at 6:49 p.m.

James C. Janney, Mayor

Jacqueline M. Hald, MMC
City Clerk



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: GARY BROWN, CITY MANAGER *GB FOR G.B.*
MEETING DATE: MARCH 6, 2013
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES DEPARTMENT *ASD*
SUBJECT: GENERAL FUND BUDGET OVERVIEW – MID-YEAR REVIEW
AND FISCAL YEAR 2013-2015 BUDGET REVIEW

BACKGROUND:

On June 15, 2011, the City Council adopted the two-year budget for Fiscal Year (FY) 2011-12 and 2012-13. As a result of the State of California's dissolution of redevelopment agencies which took effect on February 1, 2012, on June 15, 2012, the City Council adopted Resolution No. 2012-7213 amending the budget for FY 2012-13. Since that time, the City Council has made a number of necessary, routine adjustments to the budget for revenue and expense issues that the City was unaware of at the time the original budget was adopted. A mid-year review of the current fiscal year budget is being presented to Council and is attached to this staff report (see Attachment 1 – General Fund 2nd Quarter Financial Report), which includes the revised budget and year-to-date revenues and expenses through December 2012.

In December 2012, the Administrative Services Department staff issued budget instructions for the two-year budget beginning July 1, 2013 and ending June 30, 2015 to each City Department. The current year budget review process initiated by staff (mentioned above) is a critical element in preparing the base budgets for FY 2013-14 and FY 2014-15.

DISCUSSION:

General Fund Budget

The General Fund is the primary operating fund of the City and is used to account for most day-to-day activities. The following table summarizes the preliminary fiscal condition of the General Fund, illustrating that the current and budgeted years are balanced with increases to the fund balance reserve of \$175,000 at the end of FY 2012-13, \$462,000 preliminarily estimated for FY 2013-14, and \$357,000 estimated at the end of FY 2014-15. The presentation to be made at the meeting on March 6, 2013 will discuss the Council's options for funding additional identified needs.

The following table is an overview of the current, revised FY 2012-13 budget and the preliminary Two-Year Budget estimates for FY 2013-14 and 2014-15:

GENERAL FUND	FY 2012-13	FY 2013-14	FY 2014-15
<i>numbers in 000's</i>	Revised Budget	Prelim Budget	Prelim Budget
Revenues	\$ 15,426	\$ 14,943	\$ 15,098
Expenditures*	14,904	14,856	15,117
Net Alloc & Transfers	(346)	375	376
Net Change	175	462	357
Reserves, Start of Year	9,726	9,901	10,363
Reserves, End of Year	\$ 9,901	\$ 10,363	\$ 10,720

Revenue sources of the General Fund include (but are not limited to) Port District revenue, property tax, sales tax, franchise fees, vehicle in lieu fees, transient occupancy tax, charges for services, and business licenses. These revenues are used to provide law enforcement, fire, ocean safety, and to fund community development, public works, parks, and general governmental services.

The tables below compare the current FY 2012-13 budget and projections to the FY 2013-14 and FY 2014-15 budgets for both General Fund revenues and expenditures (Fund 101). In developing the base budgets for FY 2013-2015, a number of revenue and expenditure assumptions were made by City staff. All of these assumptions were based on the projections and economic conditions known to staff between December 2012 and February 2013. In general, the same assumptions noted below were applied to both FY 2013-14 and FY 2014-15.

General Fund revenues:

The following table contains projected/base budget revenues for FY 2012-13 and FY 2013-14:

General Fund Revenue Categories	FY 2013 Projected Revenues	FY 2014 Base Budget Revenues	% Change from FY 2013 Revised	FY 2014 Estimated Revenues	Variance Above the Base
Business Licenses	360,000	360,000	0%	360,000	0
Charges for Services	330,300	298,790	-10%	298,790	0
Fines & Forfeitures	261,500	261,500	0%	261,500	0
Franchise Taxes	1,866,000	1,866,000	0%	1,866,000	0
From Other Agencies	317,565	27,000	-91%	27,000	0
Investment & Rental Income	430,000	437,000	2%	437,000	0
Licenses & Permits	427,000	423,100	-1%	423,100	0
Other Revenues	961,963	574,500	-40%	574,500	0
Port District Revenues	4,381,000	4,381,000	0%	4,455,477	74,477
Property Tax	2,929,500	2,929,500	0%	2,929,500	0
Sales Tax	860,000	860,000	0%	860,000	0
Transient Occupancy Tax	231,000	231,000	0%	380,000	149,000
Vehicle in Lieu	2,070,000	2,070,000	0%	2,070,000	0
TOTAL REVENUES	\$15,425,828	\$14,719,390	-5%	\$14,942,867	\$ 223,477

FY 2014 Base Revenue Assumptions, and FY 2014 and FY 2015 Revenue Estimates:

- Total General Fund base budget revenue of \$14,719,390 is a decrease of 5% from the FY 2012-13 revised budgeted revenue of \$15,425,828.
- “Charges for Services” decrease of \$31,210 or 10% is primarily based on a \$30,000 reduction to building plan checks to be consistent with prior year collection levels, reductions of \$10,000 in Sports Park revenues, offset by increases in various fees to be consistent with prior year collections.
- “From Other Agencies” decreases by \$290,565 or 91%. The majority of these revenues are federal, state and regional grants. City staff remains committed to pursuing grant opportunities, but only budgets grant revenues at the time the grant is awarded.
- “Other Revenues” decrease of \$387,463 or 40% is due to a change in the accounting treatment for the storm water program. This decrease in revenues is offset by a corresponding decrease in the General Fund transfer-out to the Sewer Fund.
- “Port District Revenues” FY 2013-14 base budget revenue estimate is based on the proposed new Municipal Service Agreements. Both the FY 2013-14 and FY 2014-15 recommended revenue estimate include a 1.7% increase for inflation based on the December 2012 Bureau of Labor Statistics’ CPI for Urban Wage Earners/Clerical Workers.
- “Property Tax” revenue is projected to remain flat for both FY 2013-14 and FY 2014-15 based on analysis from the City’s tax revenue advisor.
- Although “Sales Tax” receipts are projected to be 5% higher in the current year, they also are estimated to be flat in FY 2013-14 and FY 2014-15.
- “Transient Occupancy Tax” (TOT) base revenues exclude the current year’s collections of TOT in-lieu payments from the former Seacoast Inn. The projected FY 2013-14 revenue is based upon the 10% TOT rate and a projected increase of \$149,000 based on 60% occupancy of the new 78-room Pier South Hotel and an average daily rate (ADR) of \$175, reduced by one-half in order to be conservative. The FY 2014-15 revenue estimates use the same assumptions but with the one-half adjustment reduced to one-third.

General Fund expenditures:

The following table contains revised and estimated budget expenditures for FY 2012-13 through FY 2014-15:

General Fund Expense Categories	FY 2013 Revised Expenditures	FY 2014 Base Budget Expenditures	\$ Change from FY 2013	FY 2014 Estimated Expenditures	\$ Change from FY 2014 Base	FY 2015 Estimated Expenditures	\$ Change from FY 2014 Estimate
Salaries & Benefits	6,267,873	6,186,472	(81,401)	6,425,472	239,000	6,470,334	44,862
Operating Expenditures	8,203,555	8,186,427	(17,128)	8,415,427	229,000	8,621,703	206,276
Capital Outlay	102,739	15,000	(87,739)	15,000	-	25,000	10,000
One-time Costs	330,000	-	(330,000)	-	-	-	-
TOTAL EXPENDITURES	\$ 14,904,167	\$ 14,387,899	\$ (516,268)	\$ 14,855,899	\$ 468,000	\$ 15,117,037	\$ 261,138

FY 2014 Base Expenditure Assumptions, and FY 2014 and FY 2015 Estimates:

- Total General Fund base budget expenditures of \$14,387,899 reflect a decrease of 3.8% from the FY 2012-13 revised budget expenditures of \$14,904,167.
- Base operating expenses and professional services were budgeted based on known contract arrangements. Operating expenditures are estimated higher in FY 2013-14 due to a \$150,000 increase to the Law Enforcement contract, which reflects a modest 2.65% increase over the current year. In addition, other increases are estimated for operating expenses for Port District revenue-supported programs, which are offset by increased revenues.
- Salary and Benefit projections have been funded at 100% based on all current known MOU provisions. No increases to employee compensation have been added to the estimated level at this time. Options regarding potential compensation increases are being reviewed.
- FY 2013-14 projected salaries include a \$162,000 increase in Ocean Safety/Lifeguard funding, which is offset by increases in Port District revenue.
- CalPERS pension and health rate adjustments contribute to increased FY 2013-14 salary and benefits costs. Health benefits costs for FY 2013-14 are estimated to be \$68,000 higher than the current year revised budget. Pension rates also increased salary and benefit costs, as detailed in the following tables:

<i>Employer Contribution Rates; Percent of "PERSable" earnings</i>					
Pension Plans	FY 2013 rate	FY 2014 rate	% Increase	FY 2015 est. rate*	% Increase
Miscellaneous	15.178%	15.685%	3.340%	16.6%	5.834%
Fire	24.706%	26.149%	5.841%	28.0%	7.079%
Lifeguards	20.084%	20.742%	3.276%	22.0%	6.065%
<i>* FY 2015 estimate rate provided by CalPERS.</i>					

Estimated Pension Costs:

Pension Plans	FY 2013 Projected	FY 2014 Base	Variance - without CalPERS Increase	FY 2014 Estimated Budget	Variance - CalPERS Increase	FY 2015 Estimated Budget	Variance - CalPERS Increase
Miscellaneous	313,903	320,104	6,201	331,165	11,061	350,473	19,308
Fire	210,000	240,281	30,281	255,186	14,905	273,253	18,067
Lifeguards	68,320	89,544	21,224	92,577	3,033	98,187	5,610
Total Pension Costs	\$592,223	\$ 649,929	\$ 57,706	\$ 678,928	\$ 28,999	\$ 721,913	\$ 42,985

Total General Fund pension cost increases over the current year total \$86,705, \$28,999 of which results from rate increases and \$57,706 from the addition of lifeguards and fire services personnel. As previously noted, a significant portion of the additional personnel costs are offset by increased Port District revenue.

Significant Changes from FY 2012-13 Budget:

In developing the base budget for FY 2013-14 and FY 2014-15, there were a few additional changes not previously noted. These changes include the following:

- Creation of an Economic Development Division in Community Development which includes recommended funding of \$50,000 for a City marketing program. As has been discussed over the past year, economic development was previously funded through the former Redevelopment Agency. Since economic development and eco-tourism is part of the City's strategic direction, a budget was created to support these objectives. The total Economic Development Division budget is \$104,670 and includes 25% of the Assistant City Manager salary and benefit costs, \$50,000 in professional services costs for a marketing/public relations services, and other office administrative costs that are offset by the \$250,000 in administrative allocations from the Successor Agency.
- Changes in the accounting method for the Storm Water program are included in the recommended budget. Currently accounted for in the Sewer Fund yet funded through various allocations-in and transfers-out, the recommended change clarifies the funding of the Storm Water program placing it in the General Fund. The accounting change has no net fiscal impact to the General Fund's bottom line.
- Reduction in Risk Management funding. Over the past few years, due to the City's prudent oversight and monitoring of workers' compensation and general liability claims, the City has been able to keep the claims/risk losses low. Based upon a review of the Risk Management Fund, establishing industry recommended self-insurance reserves, and an analysis of this fund's existing fund balance, it is possible to reduce the annual General Fund expense for self-insurance by at least \$100,000 for both FY 2013-14 and FY 2014-15.

The Operating Budget Process:

Each City Department Director was provided a budget revenue and expenditure template containing prior year financial information to assist in their analysis for the up-coming two-year budget. No specific targets or parameters were provided other than general direction that revenue increases were expected to be modest and the final budget recommendation would not utilize fund balance reserves.

The City Manager's budgeting process required all Departments consider the following:

1. Additional Resource Requests
2. Revenue Enhancement Programs
3. Expenditure Reductions

The City Manager, Assistant City Manager and the Administrative Services Director then met with each Department individually, and as a group, to discuss and finalize the estimated budget and to identify funding options. In the future months, staff will also be focusing on an update of the City's Master Fee Schedule by conducting an update to the user fee study in order to identify additional revenue sources. In addition, an update to the capital improvement program budget is being developed for presentation to Council in April or May.

The philosophy which has been employed in creating these budget estimates has been to focus the City's efforts to ensure that we may continue to provide quality "core" municipal services by reducing programs and services that, while important to the City and the community, are not vital to the future operation of the City and its "core" services. Utilizing the policy direction of Council, a City Manager recommended budget and budget document will be presented for Council consideration on May 15, 2013.

General Fund Five-Year Revenue & Expenditure Forecast:

The five-year revenue and expenditure forecast will be presented to the City Council at the meeting on March 6, 2013 as part of the General Fund Budget Overview. Beginning with a balanced FY 2012-13 budget, the overview will illustrate that, even after the elimination of the Redevelopment Agency, and after several successive years of budget reductions and reorganizations, the City appears to be on its way to financial recovery and sustainability. Nevertheless, the organization will always have needs that exceed available resources.

The City employs a consulting firm that assists City staff in reviewing and preparing the revenue and expenditure data necessary to generate the forecast model. This consultant, HdL Companies Inc., monitors the City sales tax and property tax data and provides quarterly updates on sales tax revenue trends and projections. This consulting firm, which provides their services cities throughout California, also provides bi-annual updates on property tax revenue trends and projections. In addition, staff researches economic data specific to Imperial Beach as well as the general economic climate facing cities throughout San Diego County, the surrounding region and throughout the State.

The revenue and expenditure forecast model is based on the most current information available to the City and its consultants from the City's financial system, the State and the

County. The model includes five-year forecasting for all of the General Fund's major revenue categories, salary and benefit projections, operating budget projections, General Fund transfers and General Fund balances. The model also footnotes many of the key assumptions used to generate the model.

Potential Budget Threats/Impacts:

There are still a number of significant issues that will continue to threaten the City's budget and the potential for its future financial sustainability.

The following is a list of several key issues facing the City:

1. Uncertainties with the CalPERS retirement investment assumptions which may drive our CalPERS rates higher each year, including future changes to the discount rate, mortality assumption changes, and the unwinding of the current "smoothing" method;
2. Unknown future Port District revenues' inflationary increases which are tied to the lesser of San Diego Area CPI and Port District revenue performance;
3. The possibility of a continued stagnant economy due to Federal budget uncertainty, just as we are beginning to see improvements in revenues;
4. Federal sequestration reductions resulting in a reduction of the \$300,000 in CDBG funding, currently budgeted to partially fund a new fire engine;
5. Future increases to the Law Enforcement contract with the San Diego County Sherriff's Department as a result of upcoming labor negotiations;
6. Energy and healthcare cost increases; and
7. State Budget situation and the threat to local City revenues.

FISCAL IMPACT:

Estimates in this report represent a balanced FY 2013-2015 Operating General Fund Budget.

DEPARTMENT RECOMMENDATION:

That the City Council review staff estimates for a balanced FY 2013-2015 Operating Budget and provide policy direction for the preparation of a budget document for consideration at the May 15, 2013 City Council meeting.

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. General Fund 2nd Quarter Financial Report



**CITY OF
IMPERIAL BEACH**

Quarterly Financial Report

Second Quarter of 2012-2013

The City has completed the second quarter of the 2012-2013 Fiscal Year. This report summarizes the activities of the City's General Fund and is not meant to be inclusive of all finance and accounting transactions. The intent is to provide the City Council and the public with an overview of the state of the City's general fiscal condition. The General Fund is the primary operating fund of the City and is used to account for most operating activities.

GENERAL FUND FINANCIAL POSITION:

The General Fund is comprised of projected Operating Revenues of \$15,425,828 and Operating Expenditures* of \$14,904,167 for the fiscal year 2012-2013. Expenditures contained in the General Fund account for direct services provided to the citizens of Imperial Beach, including General Government, Law Enforcement, Fire Protection, Recreation, Community Development, Parks and Public Works.

GENERAL FUND <i>numbers in 000's</i>	FY 2011-2012			FY 2012-2013		
	Revised Budget	2nd Qtr YTD Actual	% of budget	Revised Budget	2nd Qtr YTD Actual	% of budget
Revenues	\$ 14,853	\$ 4,690	31.6%	\$ 15,426	\$ 3,898	25.3%
Expenditures*	15,203	5,965	39.2%	14,904	5,100	34.2%
Net Alloc & Transfers	33	418	1250.9%	(346)	(173)	50.0%
Net Change	(317)	(857)	270.8%	175	(1,375)	-784.6%
Reserve, Start of Year	10,320	10,320	100.0%	9,726	9,726	100.0%
Reserve Year-to-Date	\$ 10,003	\$ 9,462	94.6%	\$ 9,901	\$ 8,350	84.3%

* Note: FY 2011-12 Expenditures include one-time costs of \$1,090,000-Budget, \$505,000-YTD Actuals. FY 2012-13 Expenditures include one-time costs of \$330,000-Budget, \$31,000-YTD Actuals.

TOP SIX GENERAL FUND REVENUES:

The City's top six revenue sources account for nearly 84% of the total FY 2012-13 General Fund revenue budget. The top revenue sources are as follows:

REV BY SOURCE <i>numbers in 000's</i>	FY 2011-2012			FY 2012-2013		
	Revised Budget	2nd Qtr YTD Actual	% of budget	Revised Budget	2nd Qtr YTD Actual	% of budget
Port District Revenue	\$ 3,923	\$ 1,791	45.6%	\$ 4,381	\$ 1,030	23.5%
Property Tax	2,298	703	30.6%	2,929	697	23.8%
Vehicle in Lieu	2,185	14	0.6%	2,070	15	0.7%
Franchise Fees	1,603	402	25.1%	1,866	394	21.1%
Sales Tax	695	262	37.7%	860	352	40.9%
Investments & Rents	915	165	18.0%	430	164	38.2%
Other Revenue	3,244	1,354	41.7%	2,890	1,246	43.1%
Total Revenues	\$ 14,863	\$ 4,690	31.6%	\$ 15,426	\$ 3,898	25.3%

Overall, these key revenues performed at the second quarter of the fiscal year as was anticipated. Several significant variances are noted as follows:

- Port District Revenues – Revised budget reflects increased revenues included in the new contract agreements. YTD collections are low compared to the same period last year, due to delays in receipts from the Port District.
- Property Tax – Mid-year analysis by our third-party consultant, HdL Companies, projected that property tax collections would be consistent with budgeted estimates. Collections through 2nd quarter FY 2012-13 are consistent with collections during the same period in FY 2011-12. The largest collections come in January and December from the County.
- Vehicle in Lieu – Collections from the State are far below the budgeted estimate due to the State not releasing these funds until the end of the fiscal year.
- Sales tax – At mid-year, the City’s sales tax advisor, HdL Companies, projected receipts to be 5% higher than budgeted due to consistent economic activity in the City’s business community. Actual collections are below 50% year-to-date due to a lag in reporting and receipts, then estimated to be flat in FY 2013-14 and FY 204-15.
- Investment & Rental Income – This year’s collections are consistent with the same period in FY 2011-12. The FY 2012-13 revised estimates reflect a 53% reduction compared to FY 2011-12 due to the loss of interest payments previously made by the RDA on the \$3.79 million loan from the General Fund.

GENERAL FUND EXPENDITURES:

As shown in the table below, expenditures are 34% of the budget with 50% of the fiscal year lapsed. The current year spending level is lower than the prior year level for the same period. Significant variances are noted below:

EXP BY DEPT	FY 2011-2012			FY 2012-2013		
	Revised Budget	2nd Qtr YTD Actual	% of budget	Revised Budget	2nd Qtr YTD Actual	% of budget
<i>numbers in 000's</i>						
General Government	\$ 1,656	\$ 774	46.7%	\$ 1,995	\$ 852	42.7%
Community Development	594	264	44.4%	878	368	41.9%
Fire Protection	1,869	719	38.5%	1,757	746	42.5%
Law Enforcement	5,816	1,933	33.2%	5,892	1,432	24.3%
Ocean Safety	1,136	515	45.4%	1,076	483	44.9%
Animal Control/Other	241	46	19.1%	279	56	20.1%
Sports Park/Seniors	234	111	47.5%	155	82	53.1%
Public Works	2,567	1,098	42.8%	2,542	1,050	41.3%
sub-total	14,113	5,460	38.7%	14,574	5,069	34.8%
One-time costs	1,090	505	0.0%	330	31	9.4%
Total Expenses	\$ 15,203	\$ 5,965	39.2%	\$ 14,904	\$ 5,100	34.2%

- Community Development budget is higher than the prior year due to assuming various operating costs requiring General Funds as a result of the dissolution of the redevelopment agency.
- Law Enforcement services expenditures provided by the San Diego County Sheriff are below the expected spending levels through 2nd quarter due to a delay in City contract payments, subsequently made by the City in January.
- Sports Park/Senior Services budget for FY 2012-13 was reduced compared to the prior year. On a percentage basis, expenses through the 2nd quarter are consistent with prior year program costs.

FOR MORE INFORMATION:

This summary is based on detailed information produced by the City’s Administrative Services Department. If you would like additional information or have any questions about this report, please call 619-628-1361.



AGENDA ITEM NO. 6.2

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GARY BROWN, CITY MANAGER *GB FOR GB*

MEETING DATE: MARCH 6, 2013

ORIGINATING DEPT.: CITY MANAGER

SUBJECT: ADOPTION OF RESOLUTION NO. 2013-7306 APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY AND CYNTHIA TITGEN FOR SPECIALIZED CONSULTING SERVICES

BACKGROUND:

Ms. Titgen has been a consultant with the City since April 2011 providing a series of services such as the completion and implementation of an Employee Benefit Study, and assisting with employee benefits and family leave/disability employee claims while the Human Resources Technician was on maternity leave. Additionally, she serves as an advisor to the City's Health Insurance Committee, reviews applicable employment and benefits law and regulations compliance, and assists with employee communication and education.

On December 5, 2012, City Council adopted Resolution No. 2012-7275 approving and authorizing the City Manager to execute a Second Amendment to the Professional Services Agreement between the City and Cynthia Titgen for Human Resources Consulting Service. Although the Professional Services Agreement was approved, the recent Public Employees Pension Reform Act (PEPRA) regulating the California Public Employers' Retirement System (CalPERS) did not allow continued consulting services.

In December 2012, Cynthia Titgen retired from the City of Escondido, which is an agency that contracts with CalPERS for retirement benefits. Under PEPRA law, Ms. Titgen's services to the City of Imperial Beach are subject to the new retirement law restrictions for retired annuitant employment. Furthermore, Ms. Titgen retired under the normal service retirement age which sets a bona fide separation requirement where temporary employment as a retired annuitant with a CalPERS employer is not allowed if you are younger than the normal service retirement age at the time of retirement, unless there is a termination of employment (break in service) for sixty (60) days between the retirement date and the date the temporary employment as a retired annuitant begins. A CalPERS retiree can work for an agency that contracts under the same retirement system without reinstatement from retirement as a retired annuitant with certain restrictions. State law allows a public agency's governing board to present to CalPERS a Resolution passed in a public meeting approving the specialized consulting appointment for Ms. Titgen indicating the necessity of her services to the City Manager, Assistant City Manager and Human Resources staff.

Imperial Beach contacted Ms. Titgen to determine her availability for specialized services beginning in March 2013. Ms. Titgen is available, however she cannot work until a Resolution is approved by

Council. Accordingly, by the date Resolution No. 2013-7306 is adopted, Ms. Titgen will have completed the required 60-day break in service.

DISCUSSION:

The City has found that Ms. Titgen's specialized skills as a consultant to the City have been highly valuable and necessary as she will be assisting the City Manager, Assistant City Manager and Human Resources staff with high level City-wide special projects, analysis, policy and procedure development, employee benefits, classification and compensation, training, employee and employer labor relations and pertinent law and regulation compliance.

Under no circumstances may Ms. Titgen work more than 960 hours in a fiscal year. In addition, recent state law changes require that the compensation for the retired annuitant cannot exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule for the vacant position divided by 173.33 to equal an hourly rate. In addition, the retired annuitant may not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to this hourly rate. The hourly rate for comparable duties that closely matches Ms. Titgen's specialized skills will not exceed the top step of Assistant City Manager.

Ms. Titgen has the unique knowledge of policy and procedure development, employee benefits, classification and compensation, training, employee and employer labor relations and pertinent law and regulation compliance experience and skills necessary to continue providing specialized consulting services for the City. Ms. Titgen's services will be on a temporary limited duration while the specific projects and programs are underway. The attached Resolution 2013-7306 Amends the Professional Services Agreement between the City and Ms. Titgen for specialized consulting services and authorizes the City Manager to execute such agreement that complies with the CalPERS requirements.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

On December 5, 2012, City Council adopted Resolution No. 2012-7275 authorizing a Professional Services Agreement in the amount not to exceed \$30,000. The City Manager desires to keep the same authorized amount, however, under new State law compensation equation, Ms. Titgen's compensation may not exceed \$72.00 an hour (instead of \$80.00 an hour) for her specialized consulting services. Such hourly rate may increase if Council authorizes an updated publicly available pay scale and such increase is authorized by City Manager.

CITY MANAGER'S RECOMMENDATION:

Adopt Resolution No. 2013-7306 approving and authorizing the City Manager to execute a Third Amendment to the Professional Services Agreement between the City and Cynthia Titgen for Specialized Consulting Services.

Attachments:

1. Resolution No. 2013-7306
2. Third Professional Services Agreement for Cynthia Titgen

RESOLUTION NO. 2013-7306

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY AND CYNTHIA TITGEN CONSULTING, INC. FOR SPECIALIZED CONSULTING SERVICES

WHEREAS, on December 5, 2012, the City executed a second amendment to Cynthia Titgen's professional services agreement to provide a series of services requiring specialized knowledge and skill such as assisting with employee benefits, family leave/disability employee claims, advising the City's Health Insurance Committee, reviewing applicable law and regulations compliance, and employee communication and education; and

WHEREAS, the City desires to continue to contract with Ms. Tigen for these professional services because of her unique knowledge, skill and experience; and

WHEREAS, Ms. Tigen is qualified to perform the these specialized services, work deemed to be of limited duration; and

WHEREAS, in December 2012, Ms. Tigen retired from the City of Escondido, an agency that contracts with CalPERS for retirement benefits; and

WHEREAS, Ms. Tigen retired under the normal service retirement age which sets a bona fide separation requirement where temporary employment as a retired annuitant with a CalPERS employer is not allowed if you are younger than the normal service retirement age at the time of retirement unless there is a termination of employment (break in service) of sixty (60) days; by March 2013, Ms. Tigen will have completed the required 60 day break in service; and

WHEREAS, the recent Public Employees' Pension Reform Act (PEPRA) regulating the California Public Employers' Retirement System (CalPERS) applies to Ms. Tigen's consulting services to the City; and

WHEREAS, a CalPERS retiree can work as a retired annuitant without reinstatement from retirement under certain circumstances and with certain restrictions; and.

WHEREAS, the hourly rate for comparable duties that closely matches Ms. Tigen's specialized skills is the top step of Assistant City Manager.

WHEREAS, Ms. Tigen has certified in writing to the City that she has not received any unemployment insurance compensation arising out of prior employment with a public agency within the last 12 months; and

WHEREAS, the City Council finds that the hiring of Cynthia Tigen is necessary to fill a critically needed position, and it is necessary that the appointment take place before 180 days has passed since Ms. Tigen's retirement from the City of Escondido.

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. The City Manager is authorized to execute a Third Amendment to the Professional Services Agreement with Cynthia Tigen Consulting, Inc. in an amount not to exceed \$30,000 to provide high level specialized skills as consultant to the City.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 6 day of March 2013, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

**THIRD AMENDMENT - PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF IMPERIAL BEACH AND CYNTHIA TITGEN
CONSULTING, INC. FOR SPECIALIZED CONSULTING SERVICES**

This THIRD AMENDED PROFESSIONAL SERVICES AGREEMENT is made this 6th day of March 2013, by and between the CITY OF IMPERIAL BEACH, hereinafter referred to as "CITY" and "Cynthia Titgen Consulting, Inc.," hereinafter referred to as "CONSULTANT" both of whom understand as follows:

WHEREAS, CITY and CONSULTANT wish for this Third Amended Professional Services Agreement to amend the terms of the Original Agreement dated April 1, 2011, First Amended Professional Services Agreement dated May 2, 2012 and Second Amended Professional Services Agreement dated December 5, 2012, regarding this subject matter, and for the new terms to be effective as of March 6, 2013; and

WHEREAS, CITY and CONSULTANT wish for all terms of the Original Agreement, and the First and Second Amendments referenced above to remain effective to the extent they are not amended by this Third Amended Professional Services Agreement; and

WHEREAS, CITY desires CONSULTANT to furnish high level specialized professional services related to management and human resources consulting for the CITY; and

WHEREAS, CITY has determined that CONSULTANT is qualified by experience and ability to perform the services desired by CITY, and CONSULTANT is willing to perform such services, and

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

Section 1. EMPLOYMENT OF CONSULTANT

CITY hereby agrees to engage CONSULTANT and CONSULTANT hereby agrees to perform the services hereinafter set forth, in accordance with all terms and conditions contained herein. CONSULTANT represents that all professional services required hereunder will be performed directly by CONSULTANT and CONSULTANT will not employ any persons for the purposes of performing work under this Contract.

CONSULTANT shall certify in writing to the CITY that CONSULTANT has not received any unemployment insurance compensation arising out of prior employment with a public agency within the last 12 months.

Section 2. SPECIALIZED SCOPE OF SERVICES

CITY retains CONSULTANT to assist and advise the City Manager, Assistant City Manager and Human Resources staff with City-wide special projects, analysis, policy and procedure development, employee benefits, classification and compensation, training, employee

and employer relations, pertinent law and regulation compliance, and other special projects and analysis comparable to the Assistant City Manager level work.

CONSULTANT's recommendations and assistant shall be to improve the efficiency of service delivery, increase the effectiveness of service delivery, and high-level management support

CONSULTANT shall be considered a member of the CITY's Human Resources Department within the CITY "solely" for purposes of determining CONSULTANT's right to access information in the Department's possession, and CONSULTANT shall be under the same obligations imposed on City personnel in a similar situation to maintain the confidentiality of information.

CONSULTANT shall, in a professional manner, personally furnish all of the labor necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement. CONSULTANT shall perform the obligations and tasks, in compliance with all applicable federal, state, and local laws and regulations and with the standard of care applicable to CONSULTANT's profession. CONSULTANT agrees and warrants that she has and will maintain all licenses, permits, and credentials necessary to perform the work required by this Agreement.

Section 3. PROJECT COORDINATION AND SUPERVISION

The CITY MANAGER or designee is hereby designated as the PROJECT COORDINATOR for CITY and will monitor the progress and execution of this Agreement. CONSULTANT shall have overall responsibility for the progress and execution of this Agreement for CONSULTANT.

Section 4. TOTAL COST COMPENSATION

The cost for all work described above shall be charged at a rate of seventy-two dollars (\$72.00) per hour. The hourly rate may increase if Council authorizes an updated publicly available pay scale and such increase is authorized by City Manager. Pay is for work provided and CONSULTANT shall present an itemized written request for such payment on a bi-weekly or monthly basis. Total compensation shall not exceed \$30,000 for work done on or after March 6, 2013. The CONSULTANT will work hours as mutually agreed by the PARTIES, not to exceed a total of 960 hours in a fiscal year, and CITY will process CONSULTANT'S statement and make payment within thirty (15) days of receipt by CITY of CONSULTANT'S statement.

Section 5. LENGTH OF CONTRACT

The term of this Agreement shall be deemed to have commenced on March 6, 2013, and shall continue on an as-needed basis for a period to be determined by CITY, unless otherwise terminated in accordance with Section 7 ("Termination") of this Agreement or as applicable under CalPERS regulations.

Section 6. OWNERSHIP OF DOCUMENTS

All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement shall be considered the property of CITY. CONSULTANT may retain such copies of said documents and materials as desired, but shall deliver all original materials to CITY.**Section 7: TERMINATION**

This AGREEMENT shall commence on March 6, 2013 with services not exceeding a total of 960 hours in a fiscal year or until terminated by CITY or CONSULTANT with fifteen (15) days written notice. Specific work hours and site of work will be mutually agreed upon by the CONSULTANT and CITY MANAGER. If the Agreement is terminated by CITY as provided herein, CONSULTANT shall be paid for all effort and material expended on behalf of CITY under the terms of this Agreement, up to the effective date of termination.

Section 8. HOLD HARMLESS

CONSULTANT agrees to indemnify, defend, save and hold harmless CITY, its elected officials, officers, agents and employees harmless from any and all liability, claims, damages, or injuries to any person, and all expenses of investigating and defending against same which arise from or are connected with CONSULTANT's performance of or failure to perform the work or other obligations of this Agreement, or are caused or claimed to be caused by the negligent acts of CONSULTANT.

Section 9. ASSIGNABILITY

This Agreement shall not be assigned by either party without prior written approval of the other.

Section 10: INDEPENDENT CONTRACTOR

CONSULTANT shall be an independent contractor and not an agent of CITY hereunder. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT shall follow the direction of the CITY as to end results of the work only.

Section 11. AUDIT OF RECORDS

At any time during normal business hours and as often as may be deemed necessary the CONSULTANT shall make available to a representative of CITY for examination all of its records with respect to all matters covered by this Agreement and will permit CITY to audit, examine and/or reproduce such records.

Section 12. ATTORNEY'S FEES

In the event of litigation over the performance of the Agreement, the prevailing party shall be entitled to attorney's fees and costs incurred during the course of litigation.

Section 13. NOTICES

All communications to either party by the other party shall be deemed made when received by such party at its respective name and address, as follows:

Gary Brown
City Manager
City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

Cynthia Titgen Consulting, Inc.
12818 Carriage Heights Way
Poway, CA 92064

Any such written communications by mail shall be conclusively deemed to have been received by the addressee five days after the deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above.

Section 14. WORK PRODUCT AND CONFIDENTIAL COMMUNICATIONS

A. CONSULTANT acknowledges and agrees that all written and oral communications between CITY (including any and all of its personnel) and CONSULTANT, and all work and services performed by CONSULTANT pursuant to this Agreement, are intended to be within the course and scope of the confidential review and analysis as provided in this Agreement. CONSULTANT shall not disclose any written or oral communications between CITY and CONSULTANT, without the prior written consent of CITY, or in accordance with a duly-issued court order.

B. CONSULTANT shall not make any statements to the news media regarding any information related to the services provided under this Agreement.

Section 15. INSURANCE

A. During the term of this Agreement, CONSULTANT shall maintain automobile liability insurance for any vehicle used in connection with the performance of services, which insurance will have coverage limits of not less than \$100,000 per claimant and \$300,000 per incident.

B. CONSULTANT shall maintain during the term of this Agreement workers' compensation insurance in accordance with the provisions of Section 3700 of the California Labor Code, if applicable. This provision shall not apply if CONSULTANT has no employees performing work under this Agreement. If the CONSULTANT has no employees for the

purposes of this Agreement, CONSULTANT shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit A.

Section 16. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 17. ENTIRE AGREEMENT

This Agreement sets forth the entire understanding of the parties with respect to the subject matters herein. There are no other understandings, terms or other agreements expressed or implied, oral or written, except as set forth herein.

This THIRD AMENDED PROFESSIONAL SERVICES AGREEMENT FOR SPECIALIZED CONSULTING SERVICES supersedes all prior offers, negotiations and agreements, including, but not limited to, the September 22, 2010 Letter Agreement for A Study of Employee Benefits and the corresponding October 21, 2010 Letter Agreement for Additional Consulting Services – Implementation of Benefits Study, and the February 27, 2012 Side Letter Agreement to Proceed, and May 2, 2012 First Amended Professional Services Agreement, and December 5, 2012 Second Amended Professional Services Agreement. Any ongoing obligations of Consultant under these or other agreements, including, but not limited to, indemnity obligations, shall remain in full force and effect.

The terms of the Original Agreement dated April 1, 2011 and First Amended Professional Services Agreement dated May 2, 2012, and Second Amended Professional Services Agreement dated December 5, 2013 shall remain effective to the extent they are not amended by this Third Amended Professional Services Agreement.

IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF IMPERIAL BEACH, a
municipal corporation

CONSULTANT

Gary Brown, City Manager

Cynthia Titgen



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GARY BROWN, CITY MANAGER *GB*

MEETING DATE: MARCH 6, 2013

ORIGINATING DEPT.: PUBLIC WORKS *Hob*

SUBJECT: RESOLUTION NO. 2013-7307 AMENDING WESTERN RIM CONSTRUCTORS, INC. CONTRACT FOR THE ECO BIKEWAY 7TH & SEACOAST (S05-104) PROJECT BY AWARDDING ADDITIVE BID NO. 1

BACKGROUND:

On December 12, 2012, City Council adopted Resolution No. 2012-7281 awarding the Eco Bikeway 7th and Seacoast CIP project (S05-104) (PROJECT) to Western Rim Constructors, Inc. at a bid price of \$1,415,498.35. The PROJECT was funded \$1,500,000 from a SANDAG Active Transportation Grant and a City of Imperial Beach \$600,000 TRANSNET match. The total funds available for the PROJECT were \$2,100,000.

The PROJECT was advertised for a base bid to construct the Eco Bikeway 7th and Seacoast plus a bid for additive item No. 1. The contract was to be awarded based on the lowest responsive and responsible bidder for the base bid. At the City's option, the Additive bid item could be added to the contract. The Additive Bid item was for the installation of a signal light at the intersection of Palm Avenue and Rainbow Drive. The base bid included the installation of the signal light underground conduits, but with no signal light installation. The purpose of this was to provide for a future signal light installation without requiring the street to be torn up for that later installation. The bid price for Western Rim Constructors, Inc. Additive Bid Item No. 1 was \$120,227.25. Western Rim Constructors, Inc. would still have been the lowest responsible and responsive bidder at the time of the contract award with the addition of Additive Bid Item No. 1

In Resolution 2012-7281, Western Rim Constructors, Inc. was awarded the contract to construct the PROJECT base bid only. PROJECT construction commenced on or about January 22, 2013 and remains under construction with an estimated completion date of May 21, 2013.

DISCUSSION:

Recently staff inquired with SANDAG about the eligibility of the Active Transportation Grant to pay for the proportionate share of the installation of the signal light – Additive Item No. 1 – as part of the ongoing construction of the PROJECT. SANDAG staff has responded that the Active Transportation Grant funds can be used to pay for the proportionate share of the signal light installation at the intersection of Palm Avenue and Rainbow Drive. Proportionate share means that 71% of the additive cost would be paid from the Active Transportation Grant and 29% from TRANSNET.

Staff is presenting the addition of Additive Bid No. 1 as an option that City Council may want to consider awarding to Western Rim Constructors, Inc. as part of this current PROJECT. The installation of the new signal light at Palm Avenue and Rainbow Drive intersection coincident with the PROJECT may provide for a more orderly traffic flow through Palm Avenue and adjacent street intersections. Installing the signal light under this contract with 71% of the cost funded through a grant is probably the least costly installation option available to the City.

ENVIRONMENTAL DETERMINATION:

Project is exempt from CEQA pursuant to CEQA Guidelines Section 15302(c): Replace or Reconstruction of Existing Utility Systems and Facilities.

FISCAL IMPACT:

Revenue:	TRANSNET	\$ 600,000.00
	Active Transportation Account Grant	\$1,500,000.00
	TOTAL FUNDS AVAILABLE	\$2,100,000
Expenditure:	Construction Support Consultant	\$ 22,000.00
	Public Works Admin	\$ 30,000.00
	Construction Contract (base bid)	\$1,415,498.35
	Construction Contract (Additive Bid)	\$ 120,227.25
	TOTAL EXPENDITURES	\$1,587,725.60

Note: Active Transportation cost = \$1,127,285.18
 City of Imperial Beach TRANSNET = \$ 460,440.42

DEPARTMENT RECOMMENDATION:

1. Receive this report.
2. Consider adding the signal light at the intersection of Palm Avenue and Rainbow Drive.
3. Adopt Resolution 2013-7307 amending the PROJECT contract and awarding Additive Bid No. 1 to Western Rim Constructors, Inc. at a bid price of \$120,227.25.

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. Resolution No. 2013-7307

RESOLUTION NO. 2011-7307

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AMENDING WESTERN RIM CONSTRUCTORS, INC. CONTRACT FOR THE ECO BIKEWAY 7TH & SEACOAST (S05-104) PROJECT BY AWARDING ADDITIVE BID NO. 1

WHEREAS, on December 12, 2012, City Council adopted Resolution No. 2012-7281 awarding the Eco Bikeway 7th and Seacoast CIP project (S05-104) (PROJECT) to Western Rim Constructors, Inc. at a bid price of \$1,415,498.35; and

WHEREAS, the PROJECT was funded \$1,500,000 from a SANDAG Active Transportation Grant and a City of Imperial Beach \$600,000 TRANSNET match with total funds available for the PROJECT of \$2,100,000; and

WHEREAS, the PROJECT was advertised for a base bid to construct the Eco Bikeway 7th and Seacoast plus a bid for additive item No. 1; and

WHEREAS, the Additive Bid item was for the installation of a signal light at the intersection of Palm Avenue and Rainbow Drive; and

WHEREAS, in Resolution 2012-7281, Western Rim Constructors, Inc. was awarded the contract to construct the PROJECT base bid only; and

WHEREAS, at the City's option, the Additive bid item could be added to the contract; and

WHEREAS, the bid price for Western Rim Constructors, Inc. Additive Bid Item No. 1 was \$120,227.25; and

WHEREAS, Western Rim Constructors, Inc. would still have been the lowest responsible and responsive bidder at the time of the contract award with the addition of Additive Bid Item No. 1; and

WHEREAS, recently staff inquired with SANDAG about the eligibility of the Active Transportation Grant to pay for the proportionate share of the installation of the signal light – Additive Item No. 1 – as part of the ongoing construction of the PROJECT; and

WHEREAS, SANDAG staff has responded that the Active Transportation Grant funds can be used to pay for the proportionate share of the signal light installation at the intersection of Palm Avenue and Rainbow Drive; and

WHEREAS, proportionate share means that 71% of the additive cost would be paid from the Active Transportation Grant and 29% from TRANSNET; and

WHEREAS, the addition of Additive Bid No. 1 is an option that City Council may want to consider awarding to Western Rim Constructors, Inc. as part of this current PROJECT; and

WHEREAS, the installation of the new signal light at Palm Avenue and Rainbow Drive intersection coincident with the PROJECT may provide for a more orderly traffic flow through Palm Avenue and adjacent street intersections; and

WHEREAS, installing the signal light under this contract with 71% of the cost funded through a grant is probably the least costly installation option available to the City.

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. Approve adding Additive Bid No. 1 to the PROJECT contract with Western Rim Constructors, Inc.
3. Authorize the City Manager to amend the PROJECT contract with Western Rim Constructors, Inc. by adding Additive Bid No. 1 – Signal light at the intersection of Palm Avenue and Rainbow Drive.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 6th day of March 2013, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK



**STAFF REPORT
CITY OF IMPERIAL BEACH
HOUSING AUTHORITY AND
REDEVELOPMENT AGENCY
SUCCESSOR AGENCY**

TO: CHAIR AND MEMBERS OF THE HOUSING AUTHORITY
(SUCCESSOR HOUSING ENTITY) AND CHAIR AND
MEMBERS OF THE SUCCESSOR AGENCY

FROM: GARY BROWN, EXECUTIVE DIRECTOR/CITY MANAGER *GB FOR GB.*

MEETING DATE: MARCH 6, 2013

ORIGINATING DEPT.: SUCCESSOR AGENCY STAFF
GREG WADE, DEPUTY DIRECTOR/ASSISTANT CITY *GB*
MANAGER

SUBJECT: USE OF HOUSING BOND PROCEEDS FOR CLEAN & GREEN
PROGRAM AND HABITAT FOR HUMANITY PROJECT

BACKGROUND:

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the state and established the procedures by which this was to be accomplished. On December 29, 2011, AB 26 was largely upheld by the California Supreme Court with some of the dates by which certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies.

On June 27, 2012, the State Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012) as a trailer bill for the Fiscal Year 2012-2013 State budget package. Although the primary purpose of AB 1484 was to make technical and substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 also imposes additional statutory provisions relating to the activities and obligations of successor agencies and successor housing entities and to the wind-down process of former redevelopment agencies, including the use and commitment of excess housing bond proceeds.

On January 5, 2012, pursuant to Section 34176(b)(3) of AB 26 as amended by AB 1484 (collectively the "Dissolution Act"), the City Council adopted Resolution No. 2012-7137 designating the Imperial Beach Housing Authority (the "Authority") as the Successor Housing Entity to receive the transfer of all housing assets, rights, powers, duties, and obligations and to perform the functions previously performed by the Imperial Beach Redevelopment Agency (the "Former RDA"). Also on January 5, 2012, the Authority adopted Resolution No. HA-12-06

accepting the transfer of housing assets and functions of the Former RDA upon the dissolution of the Former RDA.

Pursuant to Section 34176(a)(2) of the Dissolution Act, on July 31, 2012, Authority staff provided to the State Department of Finance (the "DOF") for review a list of housing asset transfers (the "HAT List") that identified Former RDA assets that were transferred to the Housing Authority serving as the Successor Housing Entity pursuant to Section 34176(b) of the Dissolution Act. For Imperial Beach, the HAT List consisted of the following specific housing assets, among others:

- Real property at 776 10th Street (the 10th & Donax site)
- 2003 Affordable Housing Tax Exempt Bond Proceeds in the amount of \$913,000

On August 30, 2012, after reviewing the HAT List, the DOF sent a letter to the Successor Agency/Authority in which it objected to the transfer of the above-listed Affordable Housing Tax Exempt Bond Proceeds but did not object to the remaining items on the HAT List. The transfer of the property at 776 10th Street, therefore, was not objected to by the DOF within the statutory review period and is currently being held by the Authority for the development of affordable housing in accordance with the California Community Redevelopment Law, as required by the Dissolution Act. That property is the subject of a proposed affordable housing project by Habitat for Humanity. Additionally, a portion of the Affordable Housing Tax Exempt Bond Proceeds (\$533,000) has been allocated to assist with the development of this Project. The remaining Affordable Housing Tax Exempt Bond Proceeds (\$380,000) have been allocated to the Clean and Green Program for use according to the Clean and Green Program Guidelines.

After receipt of the August 30, 2012 letter from the DOF, and pursuant to Section 34176(a)(2) of the Dissolution Act, Authority staff requested a Meet and Confer to discuss the DOF's objection to the transfer of the Affordable Housing Tax Exempt Bond Proceeds. This request was initially made to the DOF on August 31, 2012, however, based on a request made by the DOF in an email on September 14, 2012, the Meet and Request was resubmitted by staff on a newly-created DOF form on September 19, 2012.

Included in the Meet and Confer request submitted on September 19, 2012, was supporting documentation that the Successor Agency and the Authority were taking necessary steps specifically established under AB 1484 of the Dissolution Act to allow for these remaining Affordable Housing Tax Exempt Bond Proceeds to be used for their designated purposes pursuant to the bond indenture and related bond documents. Specifically, Section 34176(g) of the Dissolution Act outlines a process by which the Authority (acting as the Successor Housing Entity) may designate the use of and commit indebtedness obligation proceeds (such as bond proceeds) that:

- a) Remain after the satisfaction of enforceable obligations that have been approved on a Recognized Obligation Payment Schedule and are consistent with the indebtedness obligation covenants (such as bond covenants).
- b) Were derived from indebtedness obligations that were issued for the purposes of affordable housing prior to January 1, 2011, and were backed by the Low and Moderate Income Housing Fund.

Further, pursuant to Section 34176(g)(1)(B) of the Dissolution Act, Authority and Successor Agency staff also did the following:

- a) Provided notice to the Successor Agency of the Authority's intention to designate, use and commit these Affordable Housing Tax Exempt Bond Proceeds to the Habitat for Humanity Project and the Clean and Green Program at least 20 days before the deadline of submission of the Recognized Obligation Payment Schedule to the Oversight Board.
- b) Included the commitments and designations on the Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013 (the "Third ROPS").
- c) Obtained adoption of Successor Agency Resolution No. SA-12-11 and Oversight Board Resolution No. OB-12-08 determining that the designations and commitments of the Affordable Housing Tax Exempt Bond Proceeds are consistent with the bond covenants and that there are sufficient funds available for the designated purposes.

On August 22, 2012, the Oversight Board approved the Third ROPS which was then forwarded to the DOF and the San Diego County Auditor-Controller (the "County Auditor-Controller") for their review. As mentioned above, both the Habitat for Humanity Project and the Clean and Green Program were included as obligations on the Third ROPS with funding of \$533,000 and \$380,000, respectively, designated from the remaining Affordable Housing Tax Exempt Bond Proceeds.

After submitting the Meet and Confer request on the new form prepared by the DOF on September 19, 2012, staff received an email from the DOF on October 9, 2012, advising us that, due to the more stringent statutory timeframes required for review of the Third ROPS, the DOF would first be reviewing and scheduling meet and confers on the Third ROPS before meeting with us on the HAT List. On October 1, 2012, staff received a copy of the Third ROPS review letter from the County Auditor-Controller to the DOF identifying issues specific to the reconciliation of the ROPS for the period of January 1, 2012 through June 30, 2012 (the "First ROPS") and recommending adjustments (decreases) to the Successor Agency's January 2, 2013 Redevelopment Property Tax Trust Fund (RPTTF) distribution. On October 6, 2012, staff received the review letter from the DOF questioning items included on our Third ROPS and alluding to the County Auditor-Controller's recommended adjustments to our RPTTF distribution. Included in their comments, the DOF questioned the items relating to the Clean and Green Program and the Habitat for Humanity Project and their funding. On October 11, 2012, the Oversight Board adopted Resolution No. OB-12-12 disputing the findings made by the County Auditor-Controller in its review of the Third ROPS (which included the Reconciliation of the First ROPS items) and forwarded the matter to the DOF for its review. On October 12, 2012, staff submitted a request to the DOF to Meet and Confer on the determinations made by both the DOF and the County Auditor-Controller on their respective reviews of the Third ROPS.

On November 16, 2012, Successor Agency staff met with the DOF in Sacramento for the requested Meet and Confer on the Third ROPS and the First ROPS Reconciliation. Successor Agency staff discussed all the issues raised by both the DOF and the County Auditor-Controller and requested that the DOF alter both its previous findings as well as those of the County Auditor-Controller. Had the determinations made by the DOF and County Auditor-Controller been upheld, the Successor Agency would have had insufficient funds with which to pay its enforceable obligations, including its bond debt service payments. Additionally, based upon the "adjustments" recommended by the County Auditor-Controller, of the expected \$2.3 million of RPTTF to be available for distribution, the Successor Agency would have received only \$244,780 in the January 2, 2013 distribution of RPTTF.

On December 18, 2012, however, staff received a letter from the DOF advising of its determinations based upon the Meet and Confer with staff. Generally speaking, the DOF's determinations were quite favorable for the Successor Agency and, although not all items

requested were approved, the DOF determined that the Successor Agency should receive \$3.5 million of the \$5.7 million requested for the Third ROPS period. On December 17, 2012 (and in a revised letter dated December 19, 2012), the DOF also sent a letter to the County Auditor-Controller directing them not to make any adjustments to the January 2, 2013 RPTTF distribution for Imperial Beach. Therefore, on January 2, 2013, the Successor Agency received all available RPTTF for distribution with which to pay its enforceable obligations. The total amount of RPTTF paid to the Successor Agency was \$2,557,217.

Two of the items included on the Third ROPS for which favorable determinations by the DOF were made, were the Clean and Green Program up to a total amount of \$380,000 and the Habitat for Humanity Project up to a total amount of \$533,000, to be funded with the remaining 2003 Affordable Housing Tax Exempt Bond Proceeds. Based upon the steps taken by the Successor Agency and Authority under Section 34176(g) of the Dissolution Act, described above, to allow for the use and commitment of these bond proceeds, the DOF ruled that such statutory process was correctly followed by the Successor Agency and Authority and that both of these items were considered enforceable obligations (see Attachment 1).

DISCUSSION:

On January 2, 2013, staff received an email from the DOF advising us that our requested Meet and Confer on the HAT List had been scheduled for February 11, 2013. The DOF determined that the bond proceeds are not deemed a "Housing Asset" under Section 34176(e) of the Dissolution Act for purposes of being transferred to the Authority as the Successor Housing Entity as a "Housing Asset". However, based in part on the DOF's favorable ruling on the Clean and Green Program and the Habitat for Humanity Project in the DOF's determinations on the Third ROPS, the HAT List Meet and Confer similarly resulted in the DOF's acknowledgement that the Successor Agency and the Authority as the Successor Housing Entity could proceed with the use of the remaining 2003 Affordable Housing Tax Exempt Bond Proceeds to fund the Clean and Green Program and the Habitat for Humanity Project in the amounts specified on the Third ROPS. This Meet and Confer determination was provided to staff in a letter from the DOF dated February 25, 2013 (see Attachment 2).

It should be noted that both of these projects – Clean and Green and Habitat for Humanity – were included and have now been approved on the Third ROPS which covers the current 6-month period from January 1, 2013 through June 30, 2013. It is expected, therefore, that the funds for these projects should be expended during this time period. As such, staff is seeking direction from the Authority (acting as the Successor Housing Entity) and the Successor Agency on whether to proceed immediately with the Habitat for Humanity Project and the Clean and Green Program and the expenditure of the funds necessary for their completion up to \$533,000 and \$380,000, respectively. Some things that should be considered in making this determination are the following:

- If the funds are not expended during this Third ROPS period, they would need to be included on a future ROPS; however, the ROPS for the next period of July 1, 2013 through December 31, 2013 (the ROPS 13-14A) has already been approved by the Oversight Board and submitted to the DOF for review and does not currently include the Clean and Green Program or the Habitat for Humanity Project.
- The Non-Housing Due Diligence Review is currently being reviewed by the DOF and may result in a determination that could require payments to affected taxing entities; therefore, preserving any and all funds available with which to make any required payments may be prudent until that determination by the DOF is made, which is statutorily required to be provided to the Successor Agency no later than April 1, 2013.

It should also be noted that the amount of Affordable Housing Tax Exempt Bond Proceeds allocated to each of the afore-mentioned projects includes direct project costs as well as administrative support and project management costs incurred by staff. In the case of the Habitat for Humanity Project, the current agreement would provide up to \$500,000 to Habitat for Humanity for the development of 6, for-sale homes. The additional \$33,000 has been allocated to the administrative and project management costs. The Affordable Housing Agreement for this project previously approved by the Authority in March of 2012 has not yet been executed by Habitat for Humanity. Therefore, depending on the current negotiations with Habitat for Humanity, there may be a need to revise certain deal points in the Affordable Housing Agreement. Should revisions to the Affordable Housing Agreement indeed be necessary, such Agreement will be brought forward to the Authority for its review and consideration.

Furthermore, in a letter dated September 6, 2012, Habitat for Humanity requested that, of the \$500,000 of funding allocated to the project at 10th and Donax, the Successor Agency and Authority consider allocating \$200,000 of that amount to the four single family homes under construction by Habitat for Humanity on Florida Avenue as down payment (mortgage) assistance to the homebuyers. Staff is currently evaluating the practical and legal issues involving this new proposal and is requesting Successor Agency and Authority input on this possibility. If the Successor Agency and Authority are interested in this possibility, an important consideration is that such a proposal, to be implemented, would require a new agreement to be prepared between the Authority and Habitat for Humanity thereby necessitating approval of the Authority. Additionally, the use of a portion of the 2003 Affordable Housing Tax Exempt Bond Proceeds for this new project would require the Successor Agency, the Authority, and the Oversight Board to take the necessary actions required by Section 34176(g) of the Dissolution Act (as discussed above) for the commitment, use and expenditure of said proceeds, and for the new project and expenditure amount of said proceeds to be included on a future ROPS to be approved by the Successor Agency, the Oversight Board and the DOF.

ENVIRONMENTAL DETERMINATION:

The discussion of the use and commitment of the 2003 Affordable Housing Bond Proceeds toward the Clean and Green Program and the Habitat for Humanity Project is not a project as defined by the California Environmental Quality Act ("CEQA"). The Habitat for Humanity Project involving the 10th and Donax site has previously been determined by the Authority as categorically exempt pursuant to CEQA Guidelines 15332 as a Class 32 (Infill Development) Project. Further, projects carried out under the Clean and Green Program are categorically exempt pursuant to CEQA Guidelines 15301 as Class 1 (Existing Facilities) minor alterations to existing single family structures.

FISCAL IMPACT:

There is approximately \$913,000 of remaining 2003 Affordable Housing Tax Exempt Bond Proceeds designated for affordable housing projects and programs. Of these funds, \$533,000 has been allocated to the Habitat for Humanity Project, a 6-unit, for-sale affordable housing project proposed for the Authority-owned property at 10th Street and Donax Avenue. The remaining \$380,000 has been allocated to fund the Clean and Green Program which provides grants of up to \$30,000 each for moderate-, low- and very-low income single-family homeowners to fund energy efficient improvements to their owner-occupied homes.

DEPARTMENT RECOMMENDATION:

Staff recommends that the Imperial Beach Housing Authority (acting as the Successor Housing Entity) and the Imperial Beach Redevelopment Agency Successor Agency provide direction to staff on the use of the remaining 2003 Affordable Housing Tax Exempt Bond Proceeds.

EXECUTIVE DIRECTOR/CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. DOF Third ROPS Meet and Confer Determination Letter – December 18, 2012
2. DOF Housing Asset Transfer List Meet and Confer Determination Letter – February 25, 2013



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

December 18, 2012

Mr. Gregory Wade, Deputy Director
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, CA 91932

Dear Mr. Wade:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated October 6, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Imperial Beach Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 22, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on October 6, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on November 16, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific item being disputed.

- Item 3 and 4 – Tax Allocation Bond reserves in the amount of \$1.04 million. Finance no longer object to the items. The Agency is requesting enough Redevelopment Property Tax Trust Fund (RPTTF) funding to ensure they have sufficient resources to pay their debt service obligations. The Agency incurs semi-annual debt service payments made 5 days before June 1 and 5 days before December 1 of each year. The December payment is interest only and the June payment is principal and interest. This request would fully fund the debt service payment for the entire calendar year utilizing the January distribution period. To the extent, the Agency does not receive a sufficient RPTTF distribution in January they may list the difference on the subsequent ROPS. However, the Agency will have to fully demonstrate any actual shortage.
- Item 5 through 7 – "Housing Loan/Advance..." in the amount of \$2.1 million. Finance continues to deny the items. The Agency could not provide documents to support these items as enforceable obligations. Therefore, these items are not enforceable obligations and not eligible for RPTTF funding. Furthermore, obligations associated with the former RDA's previous statutory housing obligations are not enforceable obligations. Upon the transfer of the former RDA's housing functions to the new housing entity, HSC section 34176 requires that "all rights, powers, duties, obligations and housing assets...shall be transferred" to the new housing entity. This transfer of "duties and obligations" necessarily includes the transfer of statutory obligations; to the extent any continue to be

applicable. To conclude that such costs should be on-going enforceable obligations of the successor agency could require a transfer of tax increment for life – directly contrary to the wind down directive in ABx1-26/AB1484.

- Item 8 – “Housing Agreement” in the amount of \$90,000. Finance continues to deny this item. This agreement is a contract with Imperial Beach Housing Authority and the City of Imperial Beach. Since the Agency is not a party to this agreement, the item is not an enforceable obligation eligible for RPTTF funding. Additionally, maintenance and/or administrative costs associated with the former RDA’s previous housing functions are not enforceable obligations. Upon the transfer of the former RDA’s housing functions to the new housing entity, Health & Safety Code section 34176 requires that, “all rights, powers, duties, obligations and housing assets,shall be transferred” to the new housing entity. This transfer of “duties and obligations” necessarily includes the transfer of any on-going maintenance and administrative costs. To conclude that such costs should be on-going enforceable obligations of the successor agency would require a transfer of tax increment for life – directly contrary to the wind down directive in ABx1-26/AB1484.
- Item 9 and 10 – “Clean & Green Program” and “Habitat Project” in the amount of \$913,000 requested to be funded with bond proceeds. The Agency contends that they have followed the requirements outlined in HSC 34176 (g) (1) (A), which allows the housing successor to the former RDA to designate the use and commitment of excess housing bond proceeds that remain after the satisfaction of enforceable obligations that have been approved in a ROPS and that are consistent with the bond covenants. HSC section 34176 (g) (1) (A) also requires that the proceeds requested for use shall be derived from indebtedness obligations that were issued for the purposes of affordable housing prior to January 1, 2011, and were backed by the Low and Moderate Income Housing Fund. On July 24, 2012, the successor housing entity notified the Agency of designations and commitments of 2003 housing bond proceeds and requested the item be listed on the ROPS III. The following required conditions are met; therefore, this item is considered an enforceable obligation:
 - The housing entity’s bond counsel provided written confirmations that the use of the bond proceeds is consistent with the bond covenants. Based on review of the confirmations and other documents provided by the housing entity, it appears that the use of bond proceeds is consistent with the bond covenants.
 - The Agency’s financial records indicate that there are sufficient funds available.
- Item 12 – “City Service Agreement” in the amount of \$240,000 is a loan between the Agency and its creator. Finance continues to deny the item. HSC section 34171 (d) (2) states that agreements between the city that created the redevelopment agency (RDA) and the Agency are not enforceable. This item is not an enforceable obligation and not eligible for RPTTF funding. Upon receiving a Finding of Completion from Finance, HSC section 34191.4 (b) may cause these items to be enforceable in future ROPS periods.
- Item 17 – Insufficient RPTTF totaling \$533,092. It is our understanding that this amount represents the amount of funding that the Agency used from their restricted bond proceeds in order to make required debt service payments. This is a request to replenish those bond proceeds. The need to dip into bond proceeds resulted from an insufficient RPTTF distribution. We note that during the ROPS I and II period all items

reported by the Agency were approved for expenditure. According to information provided by the County Auditor-Controller for the ROPS II period, the Agency received a RPTTF distribution totaling \$1,388,689. The Agency had approved ROPS II expenditures totaling \$2,015,215. The Agency may list the difference between the approved expenditures amounts, which must first be reconciled for estimated payments versus actual bills received/payment needs as compared to the authorized expenditure level, and the distributed RPTTF amount on their subsequent ROPS. Therefore, this item is approved. Additionally, Finance is revising this item upward to \$626,526 to reflect the full shortfall in RPTTF from the ROPS II period. This will allow the Agency to pay the approved obligations that went unfunded during the ROPS II period, including replenishing their previous use of restricted bond proceeds.

- Administrative costs funded by RPTTF exceed the allowance by \$201,458. HSC section 34171(b) limits administrative costs to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater for the fiscal year. As a result, the Agency's administrative cost allowance is capped at \$250,000 for the fiscal year. In the period July through December of 2012, \$100,948 of administrative allowance was used, leaving \$149,052 available for the January through June 2012 period. Therefore, \$201,458 of the claimed \$350,510 is denied. Item 13 continues to be reclassified as an administrative cost and used to arrive at the denied allowance. This item does not fit into one of the areas specifically carved out from the administrative cost cap. Therefore it continues to be reclassified.

HSC section 34171 (b) allows litigation expenses related to assets or obligations to be funded with property tax outside the administrative cap. However since Item 13 relates to general legal representation and not specifically to bringing or contesting a legal action in court, it is considered an administrative expense.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$3,541,913 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 5,774,108
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item 5	369,607
Item 6	872,273
Item 7	822,801
Item 8	90,000
Item 12	240,000
Item 13*	80,000
Item 17	(93,434)
Total approved RPTTF for enforceable obligations	\$ 3,392,861
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	149,052
Total RPTTF approved:	\$ 3,541,913
*Reclassified as an Administrative Cost.	

Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 1,388,690
Total RPTTF for the period January through June 2013	1,723,454
Total RPTTF for fiscal year 2012-13:	\$ 3,112,144
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	250,000
Administrative allowance for the period of July through December 2012	100,948
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ 149,052

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Gary Brown, Executive Director, City of Imperial Beach
Mr. Juan Perez, Senior Auditor and Controller Manager, County of San Diego
Ms. Nenita DeJesus, Senior Auditor and Controller Accountant, County of San Diego
California State Controller's Office



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

February 25, 2013

Mr. Gregory Wade, Deputy Director
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, CA 91932

Dear Mr. Wade:

Subject: Housing Assets Transfer Form

This letter supersedes the California Department of Finance's (Finance) Housing Asset Transfer Form letter dated August 30, 2012. Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Imperial Beach as Housing Successor Agency (Agency) submitted a Housing Assets Transfer Form (Form) to Finance on July 31, 2012, for the period February 1, 2012 through July 31, 2012. Finance issued its determination related to those transferred assets on August 30, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more items that was objected to by Finance. The Meet and Confer session was held on February 11, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of those specific items being disputed.

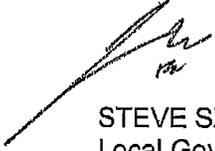
Exhibit C, Items 1 and 2 for the Tax Exempt Bonds – The items being transferred are unspent bond proceeds. Finance continues to object to the transfer of these items in accordance with HSC Section 34176 (e) (2) which allows for funds that are encumbered by an enforceable obligation to build or acquire low and moderate income housing. These items were not enforceable obligations prior to June 27, 2011 and are therefore, not encumbered. However, Finance notes that the Agency has met the requirements of HSC 34176 (g) and has been approved to expend housing bond proceeds through the Recognized Obligation Payment Schedule (ROPS) process. Finance's determination related to the use of housing bonds is referenced in our ROPS letter dated December 18, 2012.

This is Finance's final determination related to the assets reported on your Form. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Assets transferred deemed not to be a housing asset shall be returned to the successor agency.

Mr. Wade
February 25, 2013
Page 2

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Danielle Brandon Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long, sweeping underline that extends to the left.

STEVE SZALAY
Local Government Consultant

cc: Mr. Gary Brown, Executive Director, City of Imperial Beach
Ms. Jacqueline Hald, City Clerk, City of Imperial Beach
Mr. Juan Perez, Senior Auditor and Controller Manager, County of San Diego
Ms. Nenita DeJesus, Senior Auditor and Controller Accountant, County of San Diego
California State Controller's Office