



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**

AUGUST 21, 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 CALL TO ORDER BY MAYOR

ROLL CALL BY CITY CLERK

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)
(1 case)

Facts and Circumstances pursuant to Government Code Section 54956.9(e)(1)

RECONVENE AND ANNOUNCE ACTION (IF APPROPRIATE)

ADJOURN CLOSED SESSION

REGULAR MEETING CALL TO ORDER

ROLL CALL BY CITY CLERK

PLEDGE OF ALLEGIANCE

AGENDA CHANGES

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

COMMUNICATIONS FROM CITY STAFF

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

PRESENTATIONS (1)

None.

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.

CONSENT CALENDAR (2.1-2.4) - All matters listed under Consent Calendar are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember or member of the public requests that particular item(s) be removed from the Consent Calendar and considered separately. Those items removed from the Consent Calendar will be discussed at the end of the Agenda.

2.1 MINUTES.

City Manager's Recommendation: Approve the minutes of the Regular City Council Meeting of August 7, 2013.

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

City Manager's Recommendation: Ratify the following registers: Accounts Payable Numbers 82888 through 82953 for a subtotal amount of \$587,924.59 and Payroll Checks/Direct Deposit 45392 through 45423 for a subtotal of \$157,193.19 for a total amount of \$745,117.78.

2.3 RESOLUTION 2013-7374 IN SUPPORT OF HOUSE RESOLUTION 241 RECOGNIZING THE IMPORTANCE OF THE EFFORTS OF THE UNITED STATES INTERNATIONAL BOUNDARY WATER COMMISSION (USIBWC) AND ITS RECENT EFFORTS TO ADDRESS TRASH, SEDIMENT, AND WATER QUALITY ISSUES WITH THEIR MEXICAN COUNTERPARTS, COMISION INTERNACIONAL DE LIMITES Y AGUAS (CILA) THROUGH A PROPOSED MINUTE. (0230-70 & 0620-75)

City Manager's Recommendation:

1. Approve Resolution of support and
2. Direct the City Manager to send the Resolution of support to Congressman Juan Vargas in support of House Resolution 241.

2.4 ADOPTION OF RESOLUTION NUMBER 2013-7378 AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST OF TWO EXTENSIONS OF THE MOU WITH THE SOUTH BAY UNION SCHOOL DISTRICT FOR SCHOOL RESOURCE OFFICER SERVICES IN THE ELEMENTARY SCHOOLS. (0260-45)

City Manager's Recommendation: Adopt resolution.

ORDINANCES – INTRODUCTION/FIRST READING/PUBLIC HEARING (3)

None.

ORDINANCES – SECOND READING/ADOPTION (4)

None.

PUBLIC HEARINGS (5)

None.

REPORTS (6.1-6.4)

6.1 ADOPTION OF RESOLUTION NO. 2013-7375 APPROVING THE CITY'S RESPONSE TO THE MAY 28, 2013 GRAND JURY REPORT ENTITLED "IMPERIAL BEACH FINANCES – A CITY UNDER STRESS". (0440-25)

City Manager's Recommendation: Adopt resolution.

6.2 CONSIDERATION OF AND AUTHORIZATION TO ISSUE A REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR SPECIALIZED SERVICES TO OPERATE AND MANAGE THE IMPERIAL BEACH SPORTS PARK. (0920-40)

City Manager's Recommendation: That the City Council receive report and, if the Draft RFQ/P has been forwarded by the Sports Park Ad Hoc Committee to the City Council, provide input on and/or direct staff to issue the Draft RFQ/P.

Continued on Next Page

REPORTS (Continued)

6.3 RESOLUTION NO. 2013-7377 FORMALLY ACCEPTING AND APPROPRIATING THE 2012-2013 BICYCLE TRANSPORTATION ACCOUNT (BTA) GRANT FUNDS AND AUTHORIZING AN AMENDMENT TO THE CITY'S FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) FOR THE 13TH STREET BIKEWAY PROJECT. (0330-35 & 0680-20)

City Manager's Recommendation:

1. Approve resolution;
2. Accept the BTA grant funds and appropriate those funds for the design and construction of the "13th Street Bikeway" project;
3. Appropriate \$7,500 from Gas Tax reserve to the "13th Street Bikeway" project; and
4. Direct staff to amend the five-year CIP budget to include the "13th Street Bikeway" project.

6.4 AUTHORIZATION TO PREPARE AND ISSUE A REQUEST FOR QUALIFICATIONS/PROPOSALS (RFQ/P) TO PREPARE CIVIL ENGINEERING DRAWINGS, CONDUCT ENVIRONMENTAL REVIEW AND PREPARE AN ENVIRONMENTAL REVIEW DOCUMENT FOR THE PALM AVENUE MIXED USE AND COMMERCIAL CORRIDOR MASTER PLAN. (0620-20 & 0720-55)

City Manager's Recommendation: Authorize the preparation and issuance of a Request for Qualifications and Proposals to select professional consultant services necessary to carry out the Scope of Work for the Palm Avenue Mixed Use and Commercial Corridor Master Plan.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (7)

None.

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.ImperialBeachCA.gov.

/s/
Jacqueline M. Hald, MMC
City Clerk

MINUTES

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

AUGUST 7, 2013

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

**CLOSED SESSION MEETING – 5:00 P.M.
REGULAR MEETING – 6:00 P.M.**

CLOSED SESSION CALL TO ORDER BY MAYOR

MAYOR JANNEY called the Closed Session Meeting to order at 5:00 p.m.

ROLL CALL BY CITY CLERK

Councilmembers present:	Patton, Bilbray (arrived at 5:02 p.m.), Spriggs (arrived at 5:10 p.m.)
Councilmembers absent:	None
Mayor present:	Janney
Mayor Pro Tem present:	Bragg
Staff present:	Interim City Manager Wade; City Attorney Lyon; City Clerk Hald

CLOSED SESSION

MOTION BY BRAGG, SECOND BY PATTON, TO ADJOURN TO CLOSED SESSION UNDER:

1. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6:
 Agency Designated Representative: City Manager
 Employee Organizations: Imperial Beach Firefighters' Association (IBFA), Local 4692
 Service Employees International Union (SEIU), Local 221
 Unrepresented Employees: Confidential, Mid-management, Management

2. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Government Code Section 54956.9 (d)(1) (1 case)
 Case Number 34-2012-80001158-CU-WM-GD: The Affordable Housing Coalition of San Diego Co. v. Sandoval, et al.

3. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Initiation of Litigation pursuant to Government Code Section 54956.9(d)(4)
 No. of Potential Cases: 2

MOTION CARRIED BY THE FOLLOWING VOTE:

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

ADJOURN CLOSED SESSION

MAYOR JANNEY adjourned the meeting to Closed Session at 5:01 p.m. and he reconvened the meeting to Open Session at 6:03 p.m.

Reporting out of Closed Session, CITY ATTORNEY LYON announced City Council discussed Item Nos. 1 through 3. For Item Nos. 1 and 3, City Council gave direction and no reportable action was taken. For Item No. 2, City Council directed staff to defend on the lawsuit.

MAYOR JANNEY adjourned the Closed Session meeting at 6:03 p.m.

REGULAR MEETING CALL TO ORDER

MAYOR JANNEY called the Regular Meeting to order at 6:04 p.m.

ROLL CALL BY CITY CLERK

Councilmembers present:	Patton, Bilbray, Spriggs
Councilmembers absent:	None
Mayor present:	Janney
Mayor Pro Tem present:	Bragg
Staff present:	Interim City Manager Wade; City Attorney Lyon; City Clerk Hald

PLEDGE OF ALLEGIANCE

MAYOR JANNEY led everyone in the Pledge of Allegiance.

AGENDA CHANGES

MAYOR JANNEY announced there was a request to discuss Item No. 2.3 and recommended pulling the item from the Consent Calendar for discussion after Item No. 6.3.

MOTION BY SPRIGGS, SECOND BY BILBRAY, TO PULL ITEM NO. 2.3 FROM THE CONSENT CALENDAR FOR DISCUSSION AFTER ITEM NO. 6.3. MOTION CARRIED UNANIMOUSLY.

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

COUNCILMEMBER PATTON spoke about attending the Chili competition held at the IB Branch Library.

COMMUNICATIONS FROM CITY STAFF

None.

PUBLIC COMMENT

None.

PRESENTATIONS (1.1-1.3)

1.1 RECOGNITION OF MARIA RAMIREZ, ADMINISTRATIVE SECRETARY I, SAN DIEGO COUNTY SHERIFF'S DEPT. (0410-30)

MAYOR JANNEY recognized Maria Ramirez for her service to the IB Police Department and the San Diego County Sheriff's Department IB Substation by presenting her with a proclamation.

1.2 RECOGNITION OF LT. MARCO GARMO, SAN DIEGO COUNTY SHERIFF'S DEPT. (0410-30)

MAYOR JANNEY presented a Proclamation to Lt. Marco Garmo in recognition of his service to the community while assigned to the San Diego County Sheriff's Department IB Substation. He declared August 7, 2013 as Marco Garmo Day in the City of Imperial Beach.

1.3 PRESENTATION ON WATER REUSE AS A STRATEGY TO SECURE SECONDARY EQUIVALENCY AT POINT LOMA WASTEWATER TREATMENT PLANT. (0620-75)

SCOTT TULLOCH, representing the Metro Wastewater JPA, gave a PowerPoint presentation on the item. He noted two major issues in the region:

1. the need to create a new, local and diversified water supply; and
2. to avoid an upgrade of Point Loma Wastewater Treatment Plant (PLWTP) to secondary, saving billions of dollars.

Possible solutions include: diverting substantial wastewater flows from the PLWTP through implementation of a regional water reuse program focused on potable reuse and to permit smaller secondary equivalent at PLWTP that reduces wastewater flows to the ocean. He gave a general overview of the Clean Water Act of 1972, reported on the history of the PLWTP permit and said that the City of San Diego must apply for a new permit or modified permit every 5 years. He emphasized the urgency in addressing this issue now because the modified permit that the PLWTP currently has will expire in July 2015. The new application has to be submitted prior to the deadline and it takes 1 year to put together the application. He continued with a review of the City of San Diego's Recycled Water Study which outlines alternatives to divert almost 100 MGD from the PLWTP. He concluded by saying the recommendation of the Metro Wastewater JPA is to:

1. create a long range (approximately 20 years) regional water reuse program focused on potable water reuse that provides a new, local, sustainable water supply and reduces the capacity of the PLWTP to 143 MGD and
2. obtain Federal legislation to permit lower capacity of the PLWTP at advanced primary that avoids billions of dollars in capital, financing, energy and operating costs and continues to protect the ocean environment.

He asked City Council to consider a resolution supporting the Metro Wastewater JPA's recommendation at a future City Council meeting.

COUNCILMEMBER SPRIGGS, IB's representative on the Metro Wastewater JPA, spoke in support for addressing the two major issues at the same time. He expressed concern about the long term problem of rising costs for water treatment and the rising costs for water as the supply of water decreases. He stressed that arid regions need to face the question about using recycled potable water as a source for drinking water. He supported the recommendations of the Metro Wastewater JPA in concept, stressing that although more information is needed regarding costs and the impacts to Imperial Beach and to the Southbay (e.g. increased flows to the Southbay treatment plant and outflow), such information will be developed during the early planning phase of this complex multi-year project.

MAYOR JANNEY suggested that the resolution proposed by the Metro Wastewater JPA be considered at the first City Council meeting in September. He encouraged City staff to work with Metro Wastewater staff to address issues that directly impact Imperial Beach and the Southbay. He asked Mr. Tulloch to bring back information on where the Navy stands on the issue.

COUNCILMEMBER SPRIGGS questioned the total cost benefit of indirect potable reuse. He spoke about the complexity of the issue and the difficulties in determining the costs associated with the different strategies. He was hopeful that defensible assumptions, along with cost comparisons based on sufficient examples from other areas such as Orange County, will be developed in the future.

SCOTT TULLOCH stated that cities are not expected to commit money at this time. Metro Wastewater JPA is seeking support to move forward.

CONSENT CALENDAR (2.1-2.2)

The following were submitted as Last Minute Agenda Information for Item No. 2.1:

- Revised Minutes for June 19, 2013, page 6 and
- Revised Minutes for June 26, 2013, page 3

MOTION BY BILBRAY, SECOND BY SPRIGGS, TO APPROVE CONSENT CALENDAR ITEM NOS. 2.1 AND 2.2. MOTION CARRIED UNANIMOUSLY.

2.1 MINUTES.

Approved the revised minutes of the June 19, 2013 City Council Meeting, the minutes of the July 17, 2013 City Council Meeting and the revised minutes of the June 26, 2013 Special City Council Meeting.

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

Ratified the following registers: Accounts Payable Numbers 82797 through 82887 for a subtotal amount of \$932,583.75 and Payroll Checks/Direct Deposit 45358 through 45391 for a subtotal of \$162,683.05 for a total amount of \$1,095,266.80.

ORDINANCES – INTRODUCTION/FIRST READING/PUBLIC HEARING (3)

None.

ORDINANCES – SECOND READING/ADOPTION (4)

None.

PUBLIC HEARINGS (5.1)

5.1 RESOLUTION NO. 2013-7370 ADMINISTRATIVE SIGN PERMIT (ASP 130036) TO CONSTRUCT TWO FREESTANDING MONUMENT SIGNS FOR THE PIER SOUTH HOTEL LOCATED AT 800 SEACOAST DRIVE (APN 625-262-02-00) IN THE C-2 (SEACOAST COMMERCIAL) ZONE. MF 661. (0660-43)

MAYOR JANNEY declared the public hearing open.

SENIOR PLANNER FOLTZ gave a PowerPoint presentation on the item. He reported that the drawing approved by the Design Review Board (DRB) is no longer being proposed because there is a third logo that will appear on the sign. He noted that the DRB agreed to some modifications so the modified designs are consistent with the DRB's recommendation to City Council. He reviewed the modified proposals and recommended the following revisions to Resolution No. 2013-7370:

- Finding #1: "The face of each sign would provide the title of the hotel in brushed stainless steel, and title of the hotel's tenants restaurant in 3/16" thick aluminum cutouts painted to match logo colors (teal, blue, gray)."
- Condition #1: To change date of approved plan. The date for Design 3 would be August 1, 2013 and the date for Design 4 would be August 7, 2013.

COUNCILMEMBER PATTON spoke in support for Design 3.

MOTION BY PATTON, SECOND BY JANNEY, TO ADOPT RESOLUTION NO. 2013-7370 APPROVING THE ADMINISTRATIVE SIGN PERMIT (ASP 130036), WHICH MAKES THE NECESSARY FINDINGS AND PROVIDES CONDITIONS OF APPROVAL IN COMPLIANCE WITH LOCAL AND STATE REQUIREMENTS WITH REVISIONS TO FINDING #1 AS PROPOSED BY STAFF AND REVISIONS TO CONDITION #1 BY CHANGING THE APPROVED PLANS TO DESIGN 3, DATED AUGUST 1, 2013.

City Council discussion ensued.

In response to Councilmember Bragg's question about how graffiti and vandalism will be addressed, SENIOR PLANNER FOLTZ stated that the DRB had similar concerns and added a condition for the applicant to consider graffiti resistant materials and materials resistant to rusting.

CAREY ALGAZE, Planning Manager for Pacifica Companies, stated that these type of concerns are being addressed by the sign company and she spoke about the type of graffiti resistant materials being considered.

COUNCILMEMBER SPRIGGS commented that the sign looks very classy but expressed disappointment that a nighttime simulation showing the effects of the LED perimeter lighting was not presented.

No public speaker slips were submitted.

VOTES WERE NOW CAST ON MOTION BY PATTON, SECOND BY JANNEY, TO ADOPT RESOLUTION NO. 2013-7370 APPROVING THE ADMINISTRATIVE SIGN PERMIT (ASP 130036), WHICH MAKES THE NECESSARY FINDINGS AND PROVIDES CONDITIONS OF APPROVAL IN COMPLIANCE WITH LOCAL AND STATE REQUIREMENTS WITH REVISIONS TO FINDING #1 AS PROPOSED BY STAFF AND REVISIONS TO CONDITION #1 BY CHANGING THE APPROVED PLAN TO DESIGN 3, DATED AUGUST 1, 2013. MOTION CARRIED UNANIMOUSLY.

MAYOR JANNEY closed the public hearing.

REPORTS (6.1-6.4)

6.1 UPDATE REPORT ON CONSTRUCTION OF THE PIER SOUTH HOTEL. (0660-43)

INTERIM CITY MANAGER WADE introduced the item.

ALLISON ROLFE, Project Manager for Pacifica Companies, gave a PowerPoint presentation on the item. She reported the completion schedule is as follows:

- Guest Rooms – September 1
- Lobby and Function Room – October 15
- Spa, Fitness Room, Sundeck and Rooftop Paving, Outdoor Furniture – October 15
- Hotel Grand Opening – November 1
- Restaurant – Before Grand Opening

She displayed photos of a model guestroom and photos of the guestrooms, lobby, spa, restaurant and rooftop deck as they look today. She announced that the upcoming South County Economic and Development Council's Elected Officials Reception will be held at the hotel.

CAREY ALGAZE showed a simulation of the outdoor canopy that will be located outside the hotel restaurant.

6.2 RESOLUTION NO. 2013-7369 STATE COASTAL CONSERVANCY CLIMATE READY SEA LEVEL RISE GRANT APPLICATION. MF 1025. (0620-77)

INTERIM CITY MANAGER WADE introduced the item. He announced Emily Young, Vice President of the San Diego Foundation, submitted a letter of support. Copies of the letter were provided as Last Minute Agenda Information.

CITY PLANNER NAKAGAWA gave a PowerPoint presentation on the item. He noted that this grant does not require an LCP amendment and he responded to questions of City Council.

MOTION BY PATTON, SECOND BY SPRIGGS, TO ADOPT RESOLUTION NO. 2013-7369 APPROVING THE SUBMITTAL OF THE CLIMATE READY SEA LEVEL RISE GRANT APPLICATION TO THE STATE COASTAL CONSERVANCY. MOTION CARRIED UNANIMOUSLY.

6.3 RESOLUTION 2013-7371 AUTHORIZING INTERIM CITY MANAGER TO SIGN CHANGE ORDER NO. 9 TO PROFESSIONAL SERVICES AGREEMENT WITH RBF CONSULTING (FORMERLY HIRSCH AND COMPANY; CONTRACT NO. 2085) FOR THE STORM WATER POLLUTION PREVENTION PLAN (SWPPP) PREPARATION AND MONITORING FOR THE BAYSHORE BIKEWAY ACCESS (S12-101) AND PUBLIC WORKS YARD RENOVATIONS (F05-101) CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT. (0760-95)

INTERIM CITY MANAGER WADE stated that since the bid for the project came in substantially lower than the Engineer's estimate, the change order will not have a negative impact on the budget. He noted that the SWPPP is a requirement of our Storm Water Permit.

ENVIRONMENTAL PROGRAM MANAGER HELMER gave background information on the project. He explained that as a result of changes to regulations since the initiation of this project, a SWPPP is now required.

MOTION BY BRAGG, SECOND BY BILBRAY, TO ADOPT RESOLUTION NO. 2013-7371 AUTHORIZING INTERIM CITY MANAGER TO SIGN CHANGE ORDER NO. 9 TO PROFESSIONAL SERVICES AGREEMENT WITH RBF CONSULTING (FORMERLY HIRSCH AND COMPANY; CONTRACT NO. 2085) FOR THE STORM WATER POLLUTION PREVENTION PLAN (SWPPP) PREPARATION AND MONITORING FOR THE BAYSHORE BIKEWAY ACCESS (S12-101) AND PUBLIC WORKS YARD RENOVATIONS (F05-101) CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT. MOTION CARRIED UNANIMOUSLY.

2.3 RESOLUTION 2013-7372 AUTHORIZING INTERIM CITY MANAGER TO SIGN A PROFESSIONAL SERVICES AGREEMENT WITH URBAN CORPS FOR LANDSCAPE SERVICES FOR THE BAYSHORE BIKEWAY ACCESS (S12-101) AND PUBLIC WORKS YARD RENOVATIONS (F05-101) CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT. (0680-20 & 0910-30)

INTERIM CITY MANAGER WADE reported that a requirement of the Regional Trails Program Grant is to utilize the Urban Corp. to perform services on the project.

In response to questions of City Council, ENVIRONMENTAL PROGRAM MANAGER HELMER stated that the Urban Corp. is a career development organization for youth and young adults that provides services to government agencies. He reiterated that a requirement of the Regional Trails Program Grant is to utilize the Urban Corp. or the Conservation Corp.

MOTION BY BILBRAY, SECOND BY PATTON, TO ADOPT RESOLUTION 2013-7372 AUTHORIZING INTERIM CITY MANAGER TO SIGN A PROFESSIONAL SERVICES AGREEMENT WITH URBAN CORPS FOR LANDSCAPE SERVICES FOR THE BAYSHORE BIKEWAY ACCESS (\$12-101) AND PUBLIC WORKS YARD RENOVATIONS (F05-101) CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT. MOTION CARRIED UNANIMOUSLY.

6.4 RESOLUTION NO. 2013-7373 APPROVING AND ADOPTING A LETTER OF INTENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE MEMBERS OF THE CITY'S MISCELLANEOUS CLASSIFIED SERVICE/SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 221, CTW, CLC. (0540-020)

INTERIM CITY MANAGER WADE introduced the item and announced that tentative agreements were submitted as Last Minute Agenda Information.

DAVID GARCIAS, President of SEIU 221, thanked Interim City Manager Wade, the Mayor and City Council for working with the employees and reaching an agreement that was fair to both the employees and the City.

MOTION BY BILBRAY, SECOND BY BRAGG, TO ADOPT RESOLUTION NO. 2013-7373 APPROVING AND ADOPTING A LETTER OF INTENT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE MEMBERS OF THE CITY'S MISCELLANEOUS CLASSIFIED SERVICE/SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 221, CTW, CLC. MOTION CARRIED UNANIMOUSLY.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (7)

None.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

Consent Calendar Item No. 2.3 was discussed after Item No. 6.3.

ADJOURNMENT

Mayor Janney adjourned the meeting at 7:20 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: ANDY HALL, City Manager *AW FOR*
MEETING DATE: August 21, 2013
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES DEPARTMENT *(JH)*
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.

<u>Vendor:</u>	<u>Check:</u>	<u>Amount:</u>	<u>Description:</u>
SANDPIPA	82888	\$ 145,359.00	FY 13/14 Liability & Property Ins Premium

The following registers are submitted for Council ratification.

<u>WARRANT #</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Accounts Payable</u>		
82888	07/29/13	\$ 145,359.00
82889-82901	08/02/13	\$ 54,270.16
82902-82953	08/08/13	\$ 388,295.43
	Sub-total	\$ 587,924.59

Note:

<u>Payroll Checks/Direct Deposit</u>		
45392-45423	P.P.E. 7/25/13	\$ 157,193.19
	Sub-total	\$ 157,193.19
	<u>TOTAL</u>	<u>\$ 745,117.78</u>

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

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

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 08/08/2013, 12:08:00
 PROGRAM: GM350L
 CITY OF IMPERIAL BEACH

A/P CHECKS BY PERIOD AND YEAR
 FROM 07/26/2013 TO 08/08/2013

PAGE 1

BANK CODE 00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
07/29/2013	82888	SANDPIPA	321			145,359.00	
502-1922-419.28-02	06/25/2013	FY 13/14 PROPERTY INS	IBPINS13		01/2014	22,172.00	
502-1922-419.28-02	06/25/2013	FY 13/14 LIABILITY INS	IBLIAB13		01/2014	123,187.00	
08/02/2013	82889	ARROWHEAD MOUNTAIN SPRING WATE	1340			41.03	
101-1010-411.30-02	06/22/2013	JUN 2013	03F0031149578	130073	12/2013	41.03	
08/02/2013	82890	CALIFORNIA AMERICAN WATER	612			9,227.70	
101-5010-431.27-02	07/18/2013	05-0110529-0 06/12-07/15	08-06-2013		12/2013	87.02	
101-6020-452.27-02	07/18/2013	05-0111454-0 06/12-07/15	08-06-2013		12/2013	49.52	
101-1910-419.27-02	07/18/2013	05-0111478-9 06/12-07/15	08-06-2013		12/2013	77.38	
101-6020-452.27-02	07/18/2013	05-0111479-7 06/12-07/15	08-06-2013		12/2013	4,050.64	
101-5010-431.27-02	07/18/2013	05-0111480-5 06/12-07/15	08-06-2013		12/2013	86.75	
101-5020-432.27-02	07/19/2013	05-0424056-5 06/13-07/16	08-07-2013		12/2013	55.83	
101-6020-452.27-02	07/19/2013	05-0477133-8 06/13-07/16	08-07-2013		12/2013	350.74	
101-6020-452.27-02	07/22/2013	05-0114612-0 06/17-07/17	08-12-2013		12/2013	176.11	
101-5010-431.27-02	07/19/2013	05-0114717-7 06/13-07/16	08-07-2013		12/2013	7.33	
101-5010-431.27-02	07/19/2013	05-0115202-9 06/13-07/16	08-07-2013		12/2013	16.71	
101-6020-452.27-02	07/19/2013	05-0115205-2 06/13-07/16	08-07-2013		12/2013	3,192.72	
101-1910-419.27-02	07/19/2013	05-0115206-0 06/13-07/16	08-07-2013		12/2013	691.53	
101-1910-419.27-02	07/19/2013	05-0115208-6 06/13-07/16	08-07-2013		12/2013	133.64	
101-1910-419.27-02	07/19/2013	05-0115210-2 06/13-07/16	08-07-2013		12/2013	23.01	
101-3020-422.27-02	07/19/2013	05-0115211-0 06/13-07/16	08-07-2013		12/2013	114.89	
101-5010-431.27-02	07/19/2013	05-0115214-4 06/13-07/16	08-07-2013		12/2013	12.02	
601-5060-436.27-02	07/19/2013	05-0115249-0 06/13-07/16	08-07-2013		12/2013	7.33	
101-5010-431.27-02	07/22/2013	05-0115949-5 06/17-07/17	08-12-2013		12/2013	12.02	
101-5010-431.27-02	07/22/2013	05-0115950-3 06/17-07/17	08-12-2013		12/2013	16.71	
101-5010-431.27-02	07/22/2013	05-0116368-7 06/17-07/17	08-12-2013		12/2013	40.15	
101-6020-452.27-02	07/22/2013	05-0117419-7 06/17-07/17	08-12-2013		12/2013	7.33	
303-1264-413.27-02	07/23/2013	05-0546597-1 06/18-07/18	08-12-2013		12/2013	18.32	
08/02/2013	82891	CALIFORNIA DENTAL	2480			605.44	
101-0000-209.01-12	07/03/2013	PAYROLL AP PPE 6/27/13	20130703		01/2014	302.72	
101-0000-209.01-12	07/18/2013	PAYROLL AP PPE 7/11/13	20130718		01/2014	302.72	
08/02/2013	82892	CORODATA MEDIA STORAGE, INC.	2334			135.51	
503-1923-419.20-06	06/30/2013	JUN 2013 MEDIA STORAGE	DS1258252	130102	12/2013	135.51	
08/02/2013	82893	COUNTY OF SAN DIEGO	1046			1,600.00	
501-1921-419.28-13	07/08/2013	DEH2002-HUPFP-120490	1245737		01/2014	1,600.00	
08/02/2013	82894	DATAQUICK	1134			92.00	
101-1210-413.21-04	07/01/2013	JUN 2013 PROP DATA SEARCH	B1-2177168	130207	12/2013	14.50	
101-3020-422.21-04	07/01/2013	JUN 2013 PROP DATA SEARCH	B1-2177168	130207	12/2013	6.50	
101-3070-427.21-04	07/01/2013	JUN 2013 PROP DATA SEARCH	B1-2177168	130207	12/2013	71.00	
08/02/2013	82895	FIDELITY SECURITY LIFE INSURAN	2476			190.22	
101-0000-209.01-18	07/18/2013	PAYROLL AP PPE 7/11/13	20130718		01/2014	94.95	
101-0000-209.01-18	08/01/2013	PAYROLL AP PPE 7/25/13	20130801		02/2014	86.53	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	CHECK AMOUNT
	101-0000-209.01-18				08/01/2013	AUG 2013 VISION COVERAGE	07-29-2013		02/2014		8.58
	101-0000-209.01-18				08/01/2013	AUG 2013 VISION COVERAGE	07-29-2013		02/2014		8.58
	101-0000-209.01-18				08/01/2013	AUG 2013 VISION COVERAGE	07-29-2013		02/2014		8.42-
08/02/2013	82896	JIM SULLIVAN	2004								182.37
	101-3035-423.30-02	07/18/2013	2013 JRLG PHOTO PRINTS			046987010084			01/2014		182.37
08/02/2013	82897	KATHLEEN VONACHEN	2466								34,099.65
	101-0000-209.01-11	08/01/2013	FINAL PAYCHECK			08-01-2013			02/2014		1,100.06
	101-0000-209.01-12	08/01/2013	FINAL PAYCHECK			08-01-2013			02/2014		75.76
	101-1210-413.10-01	08/01/2013	FINAL PAYCHECK			08-01-2013			02/2014		16,461.91
	101-1211-413.10-01	08/01/2013	FINAL PAYCHECK			08-01-2013			02/2014		3,292.38
	502-1922-419.10-01	08/01/2013	FINAL PAYCHECK			08-01-2013			02/2014		6,584.77
	503-1923-419.10-01	08/01/2013	FINAL PAYCHECK			08-01-2013			02/2014		6,584.77
08/02/2013	82898	PRINCIPAL FINANCIAL GROUP	2414								1,641.27
	101-0000-209.01-12	07/03/2013	PAYROLL AP PPE 6/27/13			20130703			01/2014		748.40
	101-0000-209.01-12	07/18/2013	PAYROLL AP PPE 7/11/13			20130718			01/2014		786.28
	101-0000-209.01-12	08/01/2013	AUG 2013 DENTAL PREMIUM			07-29-2013			02/2014		106.59
08/02/2013	82899	PRINCIPAL FINANCIAL GROUP	2414								3,477.94
	101-0000-209.01-14	07/18/2013	PAYROLL AP PPE 7/11/13			20130718			01/2014		555.58
	101-0000-209.01-16	07/18/2013	PAYROLL AP PPE 7/11/13			20130718			01/2014		537.98
	101-0000-209.01-21	07/18/2013	PAYROLL AP PPE 7/11/13			20130718			01/2014		689.38
	101-0000-209.01-14	08/01/2013	PAYROLL AP PPE 7/25/13			20130801			02/2014		551.08
	101-0000-209.01-16	08/01/2013	PAYROLL AP PPE 7/25/13			20130801			02/2014		527.38
	101-0000-209.01-21	08/01/2013	PAYROLL AP PPE 7/25/13			20130801			02/2014		683.80
	101-0000-209.01-14	08/01/2013	AUG 2013 LIFE/BASIC AD&D,			07-29-2013			02/2014		19.12-
	101-0000-209.01-16	08/01/2013	AUG 2013 LIFE/BASIC AD&D,			07-29-2013			02/2014		26.42-
	101-0000-209.01-21	08/01/2013	AUG 2013 LIFE/BASIC AD&D,			07-29-2013			02/2014		21.72-
08/02/2013	82900	SAN DIEGO COUNTY SHERIFF	882								2,102.03
	101-3020-422.21-04	07/16/2013	APR-JUN 2013 JAG GRANT			07-16-2013			12/2013		2,102.03
08/02/2013	82901	SLOAN ELECTRIC COMPANY	417								875.00
	601-5060-436.21-04	07/08/2013	LABOR STATION 9, PUMP 3			0062314		130064	12/2013		875.00
08/08/2013	82902	AFLAC	120								714.30
	101-0000-209.01-13	07/18/2013	PAYROLL AP PPE 7/11/13			20130718			01/2014		357.15
	101-0000-209.01-13	08/01/2013	PAYROLL AP PPE 7/25/13			718377			02/2014		357.15
08/08/2013	82903	AMERICAN MESSAGING	1759								132.84
	101-3020-422.27-05	07/01/2013	JUL 2013			L1074045NG		140093	01/2014		132.84
08/08/2013	82904	ARROWHEAD MOUNTAIN SPRING WATE	1340								41.03
	101-1010-411.30-02	07/23/2013	JUL 2013			03G0031149578		140078	01/2014		41.03
08/08/2013	82905	AT&T	2430								2,949.17
	503-1923-419.27-04	07/20/2013	3372571583448			4546457			01/2014		358.67
	503-1923-419.27-04	07/20/2013	3393431504727			4544849			01/2014		179.34

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN	AMOUNT
503-1923-419.27-04	07/20/2013	3393439371447	4547546		01/2014		179.34
503-1923-419.27-04	07/20/2013	3393442323406	4547854		01/2014		179.34
101-1210-413.27-04	07/17/2013	6194235034	4537008		01/2014		16.43
101-3020-422.27-04	07/17/2013	6194237246664	4536228		01/2014		.71
101-5020-432.27-04	07/15/2013	6194238311966	4532841		01/2014		5.89
101-3030-423.27-04	07/15/2013	6194238322966	4532842		01/2014		4.73
503-1923-419.27-04	07/11/2013	6194243481712	4511647		01/2014		15.98
101-1230-413.27-04	07/17/2013	6196281356950	4536231		01/2014		8.87
101-1920-419.27-04	07/17/2013	6196282018442	4536237		01/2014		.10
601-5060-436.27-04	07/15/2013	C602221236777	4532833		01/2014		17.27
101-1920-419.27-04	07/15/2013	C602224829777	4533900		01/2014		102.40
101-1110-412.27-04	07/15/2013	C602224831777	4533902		01/2014		132.66
101-1020-411.27-04	07/15/2013	C602224832777	4533903		01/2014		60.58
101-1230-413.27-04	07/15/2013	C602224833777	4533904		01/2014		305.83
101-1130-412.27-04	07/15/2013	C602224834777	4533905		01/2014		42.92
101-1210-413.27-04	07/15/2013	C602224835777	4533906		01/2014		222.96
101-6030-453.27-04	07/15/2013	C602224836777	4533907		01/2014		78.30
101-6010-451.27-04	07/15/2013	C602224837777	4533908		01/2014		85.91
101-3020-422.27-04	07/15/2013	C602224838777	4533909		01/2014		300.12
101-3030-423.27-04	07/15/2013	C602224839777	4533910		01/2014		209.38
101-5020-432.27-04	07/15/2013	C602224840777	4533911		01/2014		290.16
601-5060-436.27-04	07/15/2013	C602224841777	4533912		01/2014		151.28
08/08/2013	82906	ATKINS NORTH AMERICA, INC.	2455				59,327.07
202-5016-531.20-06	07/14/2013	MAY/JUN 2013 RTI PROG/ADA	1172255	130820	12/2013		59,327.07
08/08/2013	82907	CALIFORNIA COMMERCIAL ASPHALT	590				1,282.92
101-5010-431.30-02	07/08/2013	EMULSION	129562	140034	01/2014		56.16
101-5010-431.30-02	07/08/2013	ASPHALT 11TH/FERN	129563	140034	01/2014		821.24
101-5010-431.30-02	07/09/2013	ASPHALT 11TH/FERN	129604	140034	01/2014		405.52
08/08/2013	82908	CALIFORNIA ENV CONTROLS INC	642				8,177.76
601-5060-436.28-01	07/12/2013	GORMAN RUPP PUMP	2920	140083	01/2014		8,177.76
08/08/2013	82909	CDW GOVERNMENT INC	725				5,275.86
503-1923-419.20-06	07/09/2013	LAPTOP	DK13792	140085	01/2014		777.90
503-1923-419.20-06	07/24/2013	CISCO CAT 3750X	DR36978	140085	01/2014		4,497.96
08/08/2013	82910	CVA SECURITY	797				310.00
101-1910-419.20-23	08/01/2013	AUG 2013	26186	140109	02/2014		30.00
101-1910-419.20-23	08/01/2013	AUG 2013 PW REAR BLDG	26226	140109	02/2014		55.00
101-1910-419.20-23	08/01/2013	AUG 2013 CITY HALL	26278	140109	02/2014		30.00
101-1910-419.20-23	08/01/2013	AUG 2013 PW	26288	140109	02/2014		40.00
101-1910-419.20-23	07/01/2013	JUL 2013 EOC	25886	140109	02/2014		30.00
101-1910-419.20-23	07/01/2013	JUL 2013 PW REAR BLDG	25937	140109	02/2014		55.00
101-1910-419.20-23	07/01/2013	JUL 2013 PW	25995	140109	02/2014		40.00
101-1910-419.20-23	07/01/2013	JUL 2013 CITY HALL	35984	140109	02/2014		30.00
08/08/2013	82911	CITY OF CHULA VISTA	823				18,160.00
101-3050-425.20-06	07/10/2013	JUN 2013 A/C	AR134068	130130	12/2013		18,160.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION					TRN AMOUNT
08/08/2013	82912	COLONIAL LIFE & ACCIDENT	941				236.28
101-0000-209.01-13	07/18/2013	PAYROLL AP PPE 7/11/13		20130718		01/2014	118.14
101-0000-209.01-13	08/01/2013	PAYROLL AP PPE 7/25/13		9498114-0702251		02/2014	118.14
08/08/2013	82913	CONNECTIVITY LLC DBA MAKAI SUR	2504				2,692.00
101-3030-423.30-02	07/15/2013	RESCUE HARD RAIL		119	140095	01/2014	2,692.00
08/08/2013	82914	COX COMMUNICATIONS	1073				1,559.47
503-1923-419.21-04	06/25/2013	06/25-07/24 3110039780701		07-15-2013	140162	01/2014	600.00
503-1923-419.29-04	07/02/2013	07/01-07/31 3110015533201		07-22-2013	140162	01/2014	37.60
601-5050-436.21-04	07/06/2013	07/04-08/03 3110091187001		07-25-2013	140162	01/2014	179.00
101-6010-451.29-04	07/14/2013	07/13-08/12 3110015531401		08-02-2013	140162	01/2014	142.87
503-1923-419.21-04	07/26/2013	07/25-08/24 3110039780701		08-15-2013	140162	01/2014	600.00
08/08/2013	82915	CSAC EXCESS INSURANCE AUTHORITY	406				54,746.00
502-1922-419.28-02	07/01/2013	FY 13/14 EXCESS WORKERS C		14100075	140153	01/2014	54,746.00
08/08/2013	82916	CYNTHIA TITGEN CONSULTING, INC	2340				2,538.00
101-1130-412.20-06	07/09/2013	07/02 & 07/08 CONSULTING		201309	140082	01/2014	1,116.00
101-1130-412.20-06	07/23/2013	07/17, 07/19 & 07/23		201310	140082	01/2014	1,422.00
08/08/2013	82917	FEDERAL EXPRESS CORP.	911				42.76
101-1210-413.28-09	07/19/2013	JUL 2013 OVERNIGHT PSTGE		2-341-89845	140113	01/2014	42.76
08/08/2013	82918	FERGUSON ENTERPRISES INC.	#108 915				175.24
601-5060-436.30-02	07/25/2013	RUBBER SADDLES		0444579	140051	01/2014	175.24
08/08/2013	82919	GO-STAFF, INC.	2031				5,197.96
101-1210-413.21-01	07/16/2013	FERGUSON,N W/E 07/14/13		110576	140089	01/2014	800.28
101-1210-413.21-01	07/23/2013	W/E 07/21/13 FERGUSON,N		110882	140089	01/2014	978.12
601-5060-436.21-01	07/09/2013	W/E 07/07/13 JERMYN, C		110277	140116	01/2014	871.15
101-3020-422.21-01	07/09/2013	W/E 07/07/2013 MEDLEY, A		110276	140164	01/2014	485.04
101-3020-422.21-01	07/16/2013	W/E 07/14/13 MEDLEY, A		110575	140164	01/2014	485.04
101-1210-413.21-01	07/30/2013	W/E 07/28/13 FERGUSON,N		111191	140089	01/2014	800.28
101-1210-413.21-01	07/09/2013	FERGUSON,N W/E 07/07/13		110278	140089	01/2014	778.05
08/08/2013	82920	GOOGLE, INC.	2009				194.60
503-1923-419.20-06	07/05/2013	JUL 2013		6628773	140166	02/2014	194.60
08/08/2013	82921	GRAINGER	1051				449.39
101-6020-452.30-02	07/01/2013	ELECTRONIC BALLASTS		9181518441	140008	02/2014	305.26
101-6040-454.30-02	07/23/2013	5 AMP FUSES		9199125726	140008	02/2014	87.02
601-5060-436.30-02	07/29/2013	PAIN STOPPER		9202761632	140008	01/2014	57.11
08/08/2013	82922	HUDSON SAFE-T LITE RENTALS	2382				54.50
101-5010-431.21-23	07/03/2013	STREET SIGN		00017036	140069	01/2014	54.50
08/08/2013	82923	I B FIREFIGHTERS ASSOCIATION	214				300.00
101-0000-209.01-08	08/01/2013	PAYROLL AP PPE 7/25/13		20130801		02/2014	300.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #					CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT		
08/08/2013	82924	ICMA RETIREMENT TRUST 457	242					5,942.96
101-0000-209.01-10	08/01/2013	PAYROLL AP PPE 7/25/13	20130801		02/2014	5,942.96		
08/08/2013	82925	INTERNATIONAL CODE COUNCIL INC	613					1,190.20
101-3040-424.28-14	07/25/2013	2013 CA BUILDING CODE	INV0307400	140170	01/2014	1,190.20		
08/08/2013	82926	IPMA/ SAN DIEGO CHAPTER	402					55.00
101-1130-412.28-12	07/05/2013	FY 13/14 MEMBERSHIP CORTE	IPMAFY2014	F14001	01/2014	55.00		
08/08/2013	82927	KOA CORPORATION	611					1,122.00
101-3020-422.20-06	06/30/2013	JUN 2013 AS NEEDED TRAFFI	JB14106X14	130364	12/2013	254.75		
101-5010-431.20-06	06/30/2013	JUN 2013 AS NEEDED TRAFFI	JB14106X14	130364	12/2013	254.75		
201-5000-532.20-06	06/30/2013	JUN 2013-13TH ST RD DIET	JB32017X2	130874	12/2013	612.50		
08/08/2013	82928	MANAGED HEALTH NETWORK	2432					792.40
101-1130-412.20-06	07/01/2013	JUL 2013	3200048903	140077	01/2014	394.80		
101-1130-412.20-06	07/17/2013	AUG 2013	3200049765	140077	02/2014	397.60		
08/08/2013	82929	MCDUGAL LOVE ECKIS &	962					24,431.72
101-1220-413.20-01	06/30/2013	JUN 2013	84069		12/2013	1,652.08		
502-1922-419.20-01	06/30/2013	JUN 2013	84071		12/2013	10,116.66		
101-1220-413.20-01	06/30/2013	JUN 2013	84073		12/2013	8,519.11		
303-1250-413.20-01	06/30/2013	JUN 2013	84074		12/2013	390.16		
101-1220-413.20-01	06/30/2013	JUN 2013	84097		12/2013	587.84		
101-1220-413.20-01	06/30/2013	JUN 2013	84075		12/2013	604.51		
101-1220-413.20-01	06/30/2013	JUN 2013	84072		12/2013	72.25		
101-1220-413.20-01	06/30/2013	JUN 2013	84098		12/2013	809.21		
101-1220-413.20-01	06/30/2013	JUN 2013	84096		12/2013	1,679.90		
08/08/2013	82930	MOBILE HOME ACCEPTANCE CORPORA	1533					594.00
101-5020-432.25-01	06/23/2013	07/07-08/06/2013	172454	140158	01/2014	297.00		
101-5020-432.25-01	07/24/2013	08/07-09/06/2013	173024	140158	01/2014	297.00		
08/08/2013	82931	PADRE JANITORIAL SUPPLIES	1430					1,111.61
101-3030-423.30-02	03/25/2013	JANITORIAL SUPPLIES	340981	130025	12/2013	188.35		
101-3030-423.30-02	03/29/2013	JANITORIAL SUPPLIES	340981-1	130025	12/2013	217.21		
101-3030-423.30-02	05/28/2013	JANITORIAL SUPPLIES	343446	130025	11/2013	277.97		
101-3030-423.30-02	05/31/2013	JANITORIAL SUPPLIES	343588	130025	11/2013	103.87		
101-3030-423.30-02	04/08/2013	JANITORIAL SUPPLIES	340981-2	130025	10/2013	41.77		
101-1910-419.30-02	07/11/2013	JANITORIAL SUPPLIES	345182	140022	01/2014	282.44		
08/08/2013	82932	PAL GENERAL ENGINEERING INC.	2411					44,819.38
210-1235-513.20-06	06/30/2013	IB BLVD PED IMPRVMENTS	10117-1	130871	12/2013	44,819.38		
08/08/2013	82933	POWERLAND EQUIPMENT, INC.	2510					1,204.84
501-1921-419.28-16	07/18/2013	#696 BEACH TRACTOR REPAIR	92079		01/2014	1,204.84		
08/08/2013	82934	PRO LINE PAINT COMPANY	52					962.07
101-6040-454.30-02	07/08/2013	RUST CONVRSN CTG GALLON	4782-6	140018	01/2014	120.09		

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION					TRN AMOUNT
101-6040-454.30-02	07/15/2013	PRIMER/STRIPPER		4993-9	140018	01/2014	181.32
101-6040-454.30-02	08/08/2013	PLAZA GREY PAINT		3117-6		02/2014	660.66
08/08/2013	82935	PROTECTION ONE ALARM MONITORIN	69				289.30
601-5060-436.20-23	07/18/2013	AUG 2013		93772309	140073	02/2014	289.30
08/08/2013	82936	PRUDENTIAL OVERALL SUPPLY	72				644.91
101-5020-432.25-03	07/24/2013	07/24/13 PW UNIFORMS		30355409	140094	01/2014	127.11
101-5020-432.25-03	07/31/2013	07/31/13 PW UNIFORMS		30356919	140094	01/2014	123.68
101-5020-432.25-03	07/03/2013	07/03/13 PW UNIFORMS		30350905	140094	01/2014	122.49
101-5020-432.25-03	07/10/2013	07/10/13 PW UNIFORMS		30352397	140094	01/2014	149.14
101-5020-432.25-03	07/17/2013	07/17/13 PW UNIFORMS		30353906	140094	01/2014	122.49
08/08/2013	82937	QWIK PRINTS	1622				120.00
101-1130-412.21-04	08/01/2013	JUL 2013 FINGERPRINTS		132131124	140079	02/2014	120.00
08/08/2013	82938	RANCHO AUTO & TRUCK PARTS	1685				520.04
501-1921-419.28-16	06/26/2013	MOTOR OIL		7693-161917	130019	12/2013	38.75
501-1921-419.28-16	06/26/2013	OIL FILTERS		7693-161961	130019	12/2013	37.65
501-1921-419.28-16	07/08/2013	CREDIT RETURN CALIPER COR		7693-163030	130019	12/2013	130.68-
501-1921-419.28-16	07/10/2013	RETURNED CR-OIL FILTER		7693-163302	130019	12/2013	7.58-
501-1921-419.28-16	07/17/2013	STOCK OIL FILTERS		7693-164005	140016	01/2014	42.03
501-1921-419.28-16	07/25/2013	SPRK PLG/FILTER		7693-164792	140016	01/2014	55.98
501-1921-419.28-16	07/10/2013	OIL FILTER		7693-163256	140016	01/2014	17.55
501-1921-419.28-16	07/10/2013	#147 DORMAN HARDWARE		7693-163257	140016	01/2014	44.77
501-1921-419.28-16	07/01/2013	#604 DRUMS/ROTOR/STOP PAD		7693-162369	140016	01/2014	103.73
501-1921-419.28-16	07/02/2013	#604 BRAKE CALIPERS		7693-162480	140016	01/2014	265.81
501-1921-419.28-16	07/03/2013	OIL/AIR FILTERS		7693-162661	140016	01/2014	17.06
501-1921-419.28-16	07/16/2013	#601 STOP PAD/PMC SUSPENS		7693-163823	140016	01/2014	34.97
08/08/2013	82939	ROBERT HALF TECHNOLOGY	1826				2,562.50
503-1923-419.10-02	07/10/2013	07/05/13 WASHINGTON,E		38310782	140098	01/2014	512.50
503-1923-419.10-02	07/24/2013	07/19/13 WASHINGTON,E		38401411	140098	02/2014	700.00
503-1923-419.10-02	07/31/2013	07/26/13 WASHINGTON,E		38448077	140098	01/2014	650.00
503-1923-419.10-02	07/18/2013	07/12/13 WASHINGTON,E		38361426	140098	01/2014	700.00
08/08/2013	82940	SAN DIEGO ASSOCIATION OF GOVER	254				9,292.00
101-1920-419.29-04	07/01/2013	FY 13/14 AGENCY ASMENTS		AR168502	140154	01/2014	9,292.00
08/08/2013	82941	SEIU LOCAL 221	1821				1,512.69
101-0000-209.01-08	08/01/2013	PAYROLL AP PPE 7/25/13		20130801		02/2014	1,512.69
08/08/2013	82942	SKS INC.	412				24,293.73
501-1921-419.28-15	07/18/2013	1076.2 G REG/399.7 GAL D		1256636-IN	140046	01/2014	5,604.60
501-1921-419.28-15	07/24/2013	1400.3 GAL REG FUEL		1256742-IN	140046	02/2014	5,217.89
501-1921-419.28-15	07/31/2013	1400.6 G REG FUEL		1256848-IN	140046	01/2014	5,077.83
501-1921-419.28-15	07/03/2013	1119.1 GAL REG FUEL		1256383-IN	140046	01/2014	4,086.45
501-1921-419.28-15	07/11/2013	1129 GAL REG FUEL		1256495-IN	140046	01/2014	4,306.96
08/08/2013	82943	SUNGARD PUBLIC SECTOR INC.	1370				67,959.88
503-1923-419.20-25	05/31/2013	13/14 NAVI MAINT SERVICES		65851	140114	02/2014	62,411.20

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION					TRN AMOUNT
503-1923-419.20-25	05/31/2013	13/14 LOOKING GLASS		66086	140115	02/2014	5,548.68
08/08/2013	82944	SWRCB	2397				466.00
101-5000-532.20-06	08/07/2013	APPLICATION FEE-PERMIT		440262		02/2014	466.00
08/08/2013	82945	THYSSENKRUPP ELEVATOR	663				777.74
101-3030-423.20-06	07/01/2013	JUL-SEP 2013 MAINTENANCE		1037081605	140159	01/2014	777.74
08/08/2013	82950	U.S. BANK	1873				26,914.31
101-1020-411.30-01	05/21/2013	TRANSCRIBING PROGRAM		12312382144	130891	12/2013	237.54
101-1020-411.28-04	05/23/2013	CC MEETING W/RECORDS CONS		0190	130891	12/2013	16.27
101-1230-413.28-04	05/28/2013	FOLTZ,T-SEMINAR REGISTER		454742974618874	130895	12/2013	195.00
503-1923-419.28-04	05/22/2013	LOPEZ,H-LNCH BUISNESS MTG		090778	130916	12/2013	22.98
101-1020-411.28-04	06/10/2013	HALD,J SEMINAR REGISTRATN		626611	130891	12/2013	329.00
101-1230-413.28-04	06/07/2013	WADE,G SANDAG PARKING		097709	130893	12/2013	2.00
101-1230-413.28-04	06/12/2013	NAKAGAWA, J-PRKG FEE, CC		06-12-2013	130894	12/2013	7.00
101-1230-413.28-04	06/12/2013	NAKAGAWA,J-COSTAL COMMISS		30160	130894	12/2013	68.56
101-3040-424.28-11	06/03/2013	BULIDING COUNTER STAMP		660795737001	130895	12/2013	71.27
101-3040-424.30-01	06/11/2013	OFFICE SUPPLIES		3368	130895	12/2013	12.70
101-1230-413.30-01	06/19/2013	MISC OFFICE SUPPLIES		662436870-001	130895	12/2013	57.41
503-1923-419.21-04	06/17/2013	RENEWAL WEBSITE DOMAIN		1668547	130916	12/2013	60.00
101-0000-221.01-02	06/11/2013	MAILING FEES MF 1100		014265		12/2013	10.35
101-0000-221.01-02	06/21/2013	MAILING FEES MF 1100		005289		12/2013	5.60
101-1130-412.28-07	05/23/2013	EMPLOYMENT LISTING		3824017848	130899	12/2013	25.00
101-1130-412.28-07	05/23/2013	EMPLOYMENT LISTING		3824030601	130899	12/2013	25.00
101-1110-412.30-02	05/24/2013	ICE FOR RETIREMENT LUNCH		05-24-2013	130899	12/2013	12.94
101-1110-412.30-02	05/24/2013	RETIREMENT CAKE & FLOWERS		05-24-2013	130899	12/2013	60.98
101-1130-412.28-07	05/29/2013	JOB LISTING		R7104980	130899	12/2013	150.00
101-1130-412.28-07	05/29/2013	EMPLOYMENT LISTINGS		13-00250	130899	12/2013	297.50
101-1130-412.28-07	05/29/2013	EMPLOYMENT LISTING		3837675666	130899	12/2013	25.00
101-1130-412.28-07	05/30/2013	CREDIT-EMPLOYMENT LISTING		13-12012	130899	12/2013	17.50
101-1210-413.28-11	05/21/2013	BUDGET BOOK PRINTING		057574	130918	12/2013	1,550.99
101-1210-413.28-11	05/21/2013	BUDGET BOOK PRINTING		101663256518980	130918	12/2013	1,045.65
101-1920-419.30-02	06/05/2013	JUN/JUL 2013 AUTO ATTNDT		33070	130899	12/2013	300.00
101-1210-413.29-04	06/12/2013	VONACHEN,K		06-12-2013	130918	12/2013	30.10
502-1922-419.28-04	06/19/2013	VONACHEN,K TRAINING-LABOR		0599-1969-5944-	130918	12/2013	210.00
502-1922-419.28-12	06/21/2013	VONACHEN,K-PRIMA MEMBERSH		004920	130918	12/2013	385.00
502-1922-419.28-04	06/21/2013	VONACHEN, K-PRIMA REG		004930	130918	12/2013	530.00
502-1922-419.28-04	06/21/2013	VONACHEN,K TRAVEL		631727384900	130918	12/2013	411.55
101-1210-413.28-11	05/28/2013	BUDGET BOOK PRINTING		AD008005667	130918	11/2013	449.00
101-6020-452.30-02	05/28/2013	SPRINKLER NOZZLES		05-28-2013	130942	12/2013	64.82
501-1921-419.29-04	06/18/2013	CITY VEHICLE CAR WASH		054416	130927	12/2013	10.99
101-6020-452.30-02	06/10/2013	IRRIGATION VALVE		020115/3564372	130942	12/2013	9.57
101-5010-431.30-02	05/21/2013	WOODEN STAKES		050960/3023433	130935	12/2013	197.18
101-5010-431.30-02	05/28/2013	CONCRETE MIX/BOLTS/CHISEL		054660/6021163	130935	12/2013	94.23
101-5010-431.30-02	05/24/2013	SUNBLOCK		3698	130940	12/2013	21.58
101-5000-532.20-06	05/30/2013	DOZER RENTAL		27601501	130940	12/2013	3,603.66
101-6040-454.30-02	06/02/2013	SANDING DISKS/BELTS		066745/1574059	130930	12/2013	53.84
101-6040-454.30-02	06/03/2013	TRELLIS PAINTING SUPPLIES		087332/0593580	130930	12/2013	87.47
101-6040-454.30-02	06/07/2013	FOAM ROLLERS		046663/6564033	130930	12/2013	59.46

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT		
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT
101-6040-454.30-02	06/09/2013	SEALANT	094700/4013637	130930	12/2013	93.31
101-6040-454.30-02	06/15/2013	COUPLERS	050245/8122409	130930	12/2013	18.01
101-6040-454.30-02	06/16/2013	COUPLERS	015617/7020215	130930	12/2013	18.67
101-5010-431.30-02	06/03/2013	FLAGS-NOLF ENTRANCE	2453	130935	12/2013	590.98
101-5010-431.30-02	06/10/2013	SUNSCREEN	6770	130935	12/2013	25.47
101-6020-452.28-01	06/19/2013	PROTECTIVE BARRIER	010211	130935	12/2013	642.60
101-6020-452.28-01	05/22/2013	MONUMENT LIGHT	92495	130925	12/2013	20.60
101-1910-419.28-01	05/23/2013	SHERIFF EVIDENCE DOOR	088105/1274515	130925	12/2013	91.22
101-1910-419.28-01	05/24/2013	WINDOW BLINDS/TILE	068973/0562192	130925	12/2013	17.02
101-1910-419.28-01	05/30/2013	DOOR CLOSURE/GLOVES	063195/4585443	130925	12/2013	70.05
101-6020-452.30-02	06/03/2013	ELECTRICAL SUPPLIES	061755/0586008	130925	12/2013	6.61
101-1910-419.28-01	06/04/2013	PLUMBING SUPPLIES	170131	130925	12/2013	52.18
101-6020-452.30-02	06/04/2013	PLUMBING SUPPLIES	170131	130925	12/2013	51.07
101-1910-419.30-02	06/05/2013	PAINT SUPPLIES	091228/8593843	130925	12/2013	53.00
101-6020-452.30-02	06/05/2013	PLUMBING SUPPLIES	170167	130925	12/2013	78.93
101-1910-419.30-02	06/10/2013	PAINT SUPPLIES	006336/3580467	130925	12/2013	46.04
101-1910-419.28-01	06/18/2013	CRACK FILLER/SPLASHBLOCK	068511/5020636	130925	12/2013	27.72
101-1910-419.30-02	06/21/2013	CARPET ADHESIVE	091275/2595761	130925	12/2013	10.81
501-1921-419.30-22	06/07/2013	TIRE BEAD SEATER	81496	130938	12/2013	184.64
101-3030-423.30-02	05/22/2013	COPY PAPER/SUPPLIES	658918859-001	130914	12/2013	167.18
101-3030-423.30-02	05/29/2013	MASKS FOR CODEX BAGS	065500	130914	12/2013	32.38
101-3030-423.30-02	05/29/2013	TRUCKS/TOWER HARDWARE	077361/5010762	130914	12/2013	92.37
101-3030-423.25-03	05/30/2013	JG UNIFORMS	8031	130914	12/2013	709.55
101-5010-431.30-02	05/29/2013	FAST SET CONCRETE BAGS	020322/5021376	130936	12/2013	17.19
101-5010-431.30-02	05/30/2013	DRILLER TOGGLE/WASHERS	004953/4585445	130936	12/2013	14.54
101-5010-431.30-02	05/30/2013	DRILLER TOGGLE	015073/4121732	130936	12/2013	9.70
101-3030-423.28-01	06/02/2013	PLUMBING HARDWARE	098438/1563379	130914	12/2013	4.57
101-3030-423.28-01	06/03/2013	LOCKER HARDWARE	025378/0022701	130914	12/2013	16.14
101-3030-423.30-02	06/12/2013	HAND SOAP/OFFICE SUPPLIES	9340	130914	12/2013	26.73
101-3030-423.30-02	06/17/2013	SPARE KEYS-PIER TOWER	038084	130914	12/2013	16.09
101-3030-423.28-01	06/19/2013	EQUIPMENT SERVICE	6368	130914	12/2013	369.90
101-3030-423.30-02	06/26/2013	BEACH RESCUE CANS	28786	130914	12/2013	833.31
101-1910-419.30-02	06/17/2013	GFCT OUTLETS	044333/6570576	130929	12/2013	34.52
101-6040-454.30-02	06/20/2013	HPS BALLASTS	42627	130929	12/2013	125.82
101-6040-454.30-02	06/21/2013	HPS LAMP	S4042026.005	130929	12/2013	65.02
101-5010-431.30-02	06/20/2013	MARKING PAINT	067676/3571020	130936	12/2013	12.05
101-1910-419.21-04	09/24/2012	SEP 2012 LABOR-DOOR ISSUE	9204333	130922	12/2013	250.00
101-1910-419.30-02	05/21/2013	JANITORIAL SUPPLIES	060753/3584297	130922	12/2013	86.56
101-6040-454.30-02	05/26/2013	LUMBER/CABINET/TAPE MEASU	077490/8010118	130937	12/2013	158.52
101-6040-454.30-02	05/30/2013	WELDING ROD	58065101637	130937	12/2013	66.36
101-1910-419.30-02	06/03/2013	FLAGS	58002	130922	12/2013	60.95
101-6040-454.30-02	06/03/2013	FLAGS	58002	130922	12/2013	159.96
101-6040-454.30-02	06/12/2013	TEE-SHIRTS	63625	130922	12/2013	343.44
101-6040-454.30-02	06/14/2013	CAPS	63652	130922	12/2013	154.60
101-6020-452.30-02	06/17/2013	PLAYGROUNDS PAINT	093265/6595209	130922	12/2013	37.09
101-5020-432.28-04	06/12/2013	HELMER,C-CALTRANS TRAININ	182625	130923	12/2013	360.00
101-6040-454.30-02	06/08/2013	PAINTERS RAGS/STEEL DEMON	002957/5024214	130937	12/2013	181.69
101-6040-454.30-02	06/09/2013	LUMBER/HARDWARE	057302/4013747	130937	12/2013	81.93
101-6040-454.30-02	06/15/2013	BENCH WOOD FILLER	027773/8581175	130937	12/2013	54.99
101-6040-454.30-02	06/22/2013	LANDSCAPE LIGHTS	095718/1017534	130937	12/2013	69.55

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR TRN AMOUNT
101-1010-411.29-04	05/24/2013	FLORAL-WALLY'S	038370	130898 12/2013 21.58
101-3030-423.28-04	05/23/2013	CPR CARDS	3330	130911 12/2013 56.00
101-6040-454.30-02	05/21/2013	RESPIRATORS	064491/3572576	130931 12/2013 21.46
101-6040-454.30-02	05/22/2013	TRELLIS END CAPS	2042080	130931 12/2013 316.34
101-6040-454.30-02	05/30/2013	CASTER WHEELS/GLOVES/ROLL	071629/4585536	130931 12/2013 81.50
101-1910-419.30-02	05/30/2013	WOOD FLOOR CLEANER	089132/4593212	130931 12/2013 54.98
101-1010-411.28-04	06/02/2013	COUNCIL SOFT DRINKS	00004328	130898 12/2013 12.73
101-1010-411.28-04	06/05/2013	06/05/13 COUNCIL DINNER	1033	130898 12/2013 43.19
101-1010-411.30-02	06/10/2013	CONFERENCE TABLE BASE	107-0079197-617	130898 12/2013 214.86
101-1010-411.30-02	06/10/2013	BOAT SHAPED TABLE TOP	107-6539073-866	130898 12/2013 430.73
101-1110-412.28-14	06/12/2013	EMAIL MARKETING	1371033748623	130898 12/2013 30.00
101-1110-412.29-02	06/18/2013	BROWN,G-RETIREMENT CAKE	085795	130898 12/2013 42.25
101-1010-411.28-04	06/21/2013	06/21/13 COUNCIL DINNER	874467	130898 12/2013 75.20
101-3020-422.30-01	06/20/2013	COFFEE BREWER/WARMER	7832861	130908 12/2013 246.82
101-6040-454.30-02	06/19/2013	CARBIDE PLANER KNIFE	106-1064795-415	130931 12/2013 172.90
101-3030-423.30-02	05/28/2013	BEACH FLAGS REPLACEMENT	64044	130915 12/2013 846.08
101-3030-423.28-01	05/30/2013	#604 BODY REPAIR	219	130915 12/2013 978.74
101-3030-423.30-02	05/31/2013	BROOMS	044413/3573876	130915 12/2013 43.61
101-3030-423.30-02	05/31/2013	SHOVELS/LASER THERMOMETER	097290	130915 12/2013 91.29
101-3030-423.30-02	05/31/2013	MARINE MISC SUPPLIES	9708	130915 12/2013 207.26
101-3030-423.30-02	06/06/2013	TOWER SUPPLIES	079858/7574614	130912 12/2013 13.45
101-3030-423.25-03	06/06/2013	WOMEN'S LIFEGUARD SUITS	2524-7122-9064-	130912 12/2013 274.16
101-3030-423.25-03	06/12/2013	LG UNIFORM PATCHES	222335	130912 12/2013 167.60
101-3030-423.30-02	06/03/2013	HOSE NOZZELS/BASIN LID	69746943	130915 12/2013 172.07
101-3030-423.30-02	06/12/2013	BIKE RACKS	PB1005370	130915 12/2013 1,277.88
101-3030-423.30-02	06/13/2013	SUNSCREEN	012601	130915 12/2013 64.64
101-3030-423.30-02	06/19/2013	MISC OFFICE SUPPLIES	5444	130915 12/2013 34.12
101-3030-423.28-01	06/20/2013	PA MICS	INV107215	130915 12/2013 333.99
101-3030-423.28-01	06/20/2013	LOCK-TITE LOCK	3980-179002	130915 12/2013 10.25
101-3035-423.25-03	05/30/2013	JG SWIM TRUNKS	8032	130913 12/2013 835.65
601-5060-436.30-02	05/21/2013	VHS TAPES-SEWER CAMERA	7816	130919 12/2013 7.58
101-6010-451.30-02	06/17/2013	SPORTS PARK CAFE REFRESHM	256242913	130903 12/2013 554.77
101-6010-451.30-02	06/18/2013	CREDIT FOR CAFE ITEMS	77532	130903 12/2013 13.04
101-6010-451.30-02	06/23/2013	GURILIA GLUE/SUPER GLUE	06-23-2013	130903 12/2013 10.41
101-3035-423.30-02	06/12/2013	JG SUPPLIES-HANDOUTS	3737	130913 12/2013 28.57
101-3035-423.30-02	06/16/2013	JG RECREATION EQUIPMENT	017341	130913 12/2013 322.84
101-3035-423.30-02	06/17/2013	REPLACEMENT CANOPY CHG	087141	130913 12/2013 16.20
101-5020-432.28-04	06/03/2013	AGUIRRE,J-SEMINAR REGIST	06-03-2013	130919 12/2013 95.00
101-5020-432.28-04	06/03/2013	MOELLER,A SEMINAR REGIS	06-03-2013	130919 12/2013 95.00
601-5060-436.30-22	06/04/2013	MISC HAND TOOLS	013580604647	130919 12/2013 389.77
601-5060-436.28-13	06/11/2013	MOELLER,A CWEA RENEWAL	19177	130919 12/2013 92.00
601-5060-436.28-13	06/11/2013	RAMOS,J-CWEA RENEWAL	36952	130919 12/2013 77.00
601-5060-436.28-13	06/11/2013	AGUIRRE,J CWEA RENEWAL	41229	130919 12/2013 77.00
101-5010-431.30-02	06/05/2013	1.5 YARDS CONCRETE	111600209-001	130921 12/2013 267.30
101-5010-431.30-02	06/12/2013	CARBIDE COREBIT/STARTER	10629376	130921 12/2013 221.26
08/08/2013	82951	US BANK	2458	
101-0000-209.01-20	08/01/2013	PAYROLL AP PPE 7/25/13	20130801	02/2014 3,399.24
08/08/2013	82952	WAXIE SANITARY SUPPLY	802	
101-6040-454.30-02	07/24/2013	JANITORIAL SUPPLIES	74062279	140013 02/2014 2,417.93
				940.71

PREPARED 08/08/2013, 12:08:00
 PROGRAM: GM350L
 CITY OF IMPERIAL BEACH

A/P CHECKS BY PERIOD AND YEAR
 FROM 07/26/2013 TO 08/08/2013

BANK CODE 00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION					TRN AMOUNT
101-6040-454.30-02	07/05/2013	JANITORIAL SUPPLIES		74029179	140013	01/2014	567.27
101-6040-454.30-02	07/15/2013	JANITORIAL SUPPLIES		74044084	140013	01/2014	909.95
08/08/2013	82953	WHITE CAP CONSTRUCTION SUPPLY	1434				341.83
101-5010-431.30-02	07/23/2013	SPLINE CORE BIT		50000317716	140015	02/2014	341.83
DATE RANGE TOTAL *							587,924.59 *



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: AUGUST 21, 2013

ORIGINATING DEPT.: PUBLIC WORKS *AH*

SUBJECT: RESOLUTION NO. 2013-7374 IN SUPPORT OF HOUSE RESOLUTION 241 RECOGNIZING THE IMPORTANCE OF THE EFFORTS OF THE UNITED STATES INTERNATIONAL BOUNDARY WATER COMMISSION (USIBWC) AND ITS RECENT EFFORTS TO ADDRESS TRASH, SEDIMENT, AND WATER QUALITY ISSUES WITH THEIR MEXICAN COUNTERPARTS, COMISION INTERNACIONAL DE LIMITES Y AGUAS (CILA) THROUGH A PROPOSED MINUTE

BACKGROUND:

The U.S. and Mexican governments originally established the International Boundary and Water Commission (USIBWC) and the Comisión Internacional de Limites y Aguas (CILA) in 1889 to administer the many boundary and water-rights treaties and agreements between the two nations. These organizations were given their current structure and directives under the 1944 U.S.-Mexico Water Treaty. The USIBWC and CILA are familiar agencies in the Tijuana River Valley because they jointly operate the international wastewater treatment plant. A new effort is currently underway between these two agencies to more effectively address the water quality problems in the Tijuana River watershed through an amendment to the existing 1944 U.S.-Mexico Water Treaty.

DISCUSSION:

On June 5, 2013 City Council passed Resolution 2013-7341 supporting the United States International Boundary and Water Commission and the Comisión Internacional de Limites y Aguas for their efforts to develop a bi-national Treaty Minute to address trash, sediment, and water quality issues in the Tijuana River Watershed. A letter to the Commissioners was mailed on June 17, 2013 (Attachment 2). A similar supporting resolution was also introduced recently by local Congressional Representatives to recognize the importance of the USIBWC/CILA Treaty Minute through House Resolution 241 (Attachment 3). The proposed House Resolution 241 provides another level of recognition to the important bi-national efforts that are underway to address the issues in the Tijuana River.

The current resolution for Council to consider is in support of the proposed House Resolution 241.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

None

DEPARTMENT RECOMMENDATION:

1. Approve Resolution of support
2. Direct the City Manager to send the Resolution of support to Congressman Juan Vargas in support of House Resolution 241

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. Resolution No. 2013-7374
2. Letter of support from Imperial Beach to USIBWC and CILA
3. House Resolution 241

RESOLUTION NO. 2013-7374

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, IN SUPPORT OF HOUSE RESOLUTION 241 RECOGNIZING THE IMPORTANCE OF THE EFFORTS OF THE UNITED STATES INTERNATIONAL BOUNDARY WATER COMMISSION (USIBWC) AND ITS RECENT EFFORTS TO ADDRESS TRASH, SEDIMENT, AND WATER QUALITY ISSUES WITH THEIR MEXICAN COUNTERPARTS, COMISION INTERNACIONAL DE LIMITES Y AGUAS (CILA) THROUGH A PROPOSED MINUTE

WHEREAS, the United States International Boundary and Water Commission and Comisión Internacional de Limites y Aguas (USIBWC and CILA) have proposed the development of a Treaty Minute to the 1944 U.S.-Mexico Water Treaty to allow both the U.S. and Mexico to bi-nationally address the issues of trash, sediment, and water quality in the Tijuana River Watershed; and

WHEREAS, local Congressional Representative have drafted House Resolution 241 that recognizes the importance of the current efforts by the USIBWC and CILA to develop a proposed Treaty Minute; and

WHEREAS, the Imperial Beach City Council also recently passed Resolution 2013-7341 to support the efforts by the USIBWC and CILA to develop a Treaty Minute for the Tijuana River Watershed; and

WHEREAS, bi-national collaboration and leadership at a Federal level is necessary to more effectively manage trash, sediment, and water quality issues in the Tijuana River Valley.

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 supports the proposed House Resolution 241 that recognizes the importance of the efforts to development a Treaty Minute to address issues in the Tijuana River Watershed related to trash, sediment, and water quality.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 21st day of August 2013, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, CMC
CITY CLERK



City of Imperial Beach, California

OFFICE OF THE MAYOR

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

June 17, 2013

Edward Drusina
United States International Boundary Water
Commission
4171 N Mesa St #100
El Paso, TX 79902

Roberto Fernando Salmon Castelo
Comision Internacional de Limites y Aguas
Av. Universidad #2180
Zona Chamizal
C.P. 32310
Ciudad Juárez, Chih.

Dear Commissioners Drusina & Castelo:

The City of Imperial Beach would like to express our support for the ongoing work to develop the proposed bi-national Treaty Minute to address trash, sediment, and water quality issues in the Tijuana River Watershed. Not only do we support the work being done to accomplish the proposed minute between Mexico and the United States by the International Boundary and Water Commission, but we also appreciate that trash and sediment will be managed and disposed of in a manner that is agreed upon by Mexico and the United States through the Bi-National process which will be incorporated in the minute.

We appreciate the strong working relationship established with the IBWC, CILA, and the stakeholders in the Tijuana River Watershed to address wastewater flows in the Tijuana River Valley. We also applaud the current efforts for stakeholder involvement in the development of the proposed Treaty Minute. We hope that the relationships established through this new Treaty Minute will continue to strengthen bi-national partnerships and lead to the implementation of new policy tools and resources to address the remaining water quality issues in the watershed.

In this letter I have included a supporting resolution from the Imperial Beach City Council for the development of an international Treaty Minute between IBWC and CILA to reduce the trans-border flow of trash, sediment, and wastewater. The City of Imperial Beach looks forward to working with the IBWC and CILA as an important stakeholder in the development of this Treaty Minute.

Sincerely,

A handwritten signature in black ink, appearing to read 'James C. Janney', is written over a horizontal line.

James C. Janney
Mayor

Encl: Resolution No. 2013-7341 which was approved at the June 5, 2013 City Council Meeting

113TH CONGRESS
1ST SESSION

H. RES. 241

Recognizing the importance of the United States International Boundary Water Commission (USIBWC) and its recent efforts to address trash, sediment, and water quality issues with their Mexican counterparts, Comisión Internacional de Límites y Aguas (CILA), through a proposed minute.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2013

Mr. VARGAS (for himself, Mr. PETERS of California, Mrs. DAVIS of California, Mr. CÁRDENAS, and Mr. GRIJALVA) submitted the following resolution; which was referred to the Committee on Foreign Affairs

RESOLUTION

Recognizing the importance of the United States International Boundary Water Commission (USIBWC) and its recent efforts to address trash, sediment, and water quality issues with their Mexican counterparts, Comisión Internacional de Límites y Aguas (CILA), through a proposed minute.

Whereas the United States International Boundary Water Commission (USIBWC) traces its roots to the 1848 Treaty of Guadalupe Hidalgo and was institutionalized through the Water Treaty of 1944;

Whereas the USIBWC's mission is to provide binational solutions to issues that arise during the application of United

States–Mexico treaties regarding boundary demarcation, national ownership of waters, sanitation, water quality, and flood control in the border region;

Whereas the USIBWC has authority provided by Article 3 of the 1944 Water Treaty to have “preferential attention to the solution of all border sanitation problems”;

Whereas the USIBWC continues to work productively with their Mexican counterparts, the Comisión Internacional de Límites y Aguas (CILA);

Whereas the USIBWC has the ability to implement the Water Treaty of 1944 through a minute to address current development on the border;

Whereas stormwater flows continue to bring substantial amounts of sediment, trash, and other contaminants into the Tijuana Valley from sources in both the United States and Mexico causing water quality impairments, threatening life and property from flooding, degrading valuable riparian and estuarine habitats, and negatively impacting people on both sides of the international boundary;

Whereas the San Diego field office of the USIBWC has been an active participant of the Tijuana River Valley Recovery Team which was formed in an effort to develop local solutions to sediment and trash depositions issues for the Tijuana River;

Whereas sediment, trash, and other pollutants carried in stormwater runoff currently threaten the valley’s valuable ecological, recreational, and economic resources;

Whereas on June 19, 2012, the USIBWC convened a binational meeting among stakeholders to hear presentations regarding trash, sediment, and water quality issues;

Whereas USIBWC Commissioner Edward Drusina and CILA Commissioner Roberto Fernando Salmón Castelo proposed developing a principal engineers joint report and subsequent minute to address trash, sediment, and water quality;

Whereas both the United States and Mexico have developed a schematics for binational coordination, including a working group to analyze data and formulate recommendations;

Whereas trash, sediment, and water quality solutions will be key to the sustainability of the Tijuana River, the Rio Grande, and Colorado River watersheds;

Whereas support for the mission of the USIBWC is crucial to maintaining the valuable ecological, recreational, and economic resources along the United States border with Mexico;

Whereas the USIBWC has jurisdiction over key watersheds along the border in California, Arizona, New Mexico, and Texas;

Whereas the USIBWC works directly with local communities to conserve transboundary rivers in San Diego, California, Calexico, California, Nogales, Arizona, Douglas, Arizona, El Paso, Texas, and Laredo, Texas;

Whereas the USIBWC is a key component of the United States strategy to partner with Mexico to provide a binational forum to administer the water-rights between the two nations;

Whereas the United States and Mexico have the common goal of reducing pollutants at the source on both sides of the border; and

Whereas the United States will continue to utilize existing mechanisms, such as the United States Environmental Protection Agency Border 2020 program, the Border Environmental Cooperation Commission and local public and private entities to address environmental concerns on the border: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) expresses its support for the proposed
3 minute to address trash, sediment, and water quality
4 between the United States and Mexico's respective
5 sections of the International Boundary and Water
6 Commission;

7 (2) commends the USIBWC, the Tijuana River
8 Valley Recovery Team, and local environmental or-
9 ganizations for their leadership in addressing these
10 issues; and

11 (3) reaffirms its commitment to continue its
12 partnerships with Mexico on protecting the
13 transnational watersheds.

○



AGENDA ITEM NO. 2.4

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AW FOR*
MEETING DATE: AUGUST 21, 2013
ORIGINATING DEPT.: PUBLIC SAFETY *dc*
SUBJECT: ADOPTION OF RESOLUTION NUMBER 2013-7378
AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST
OF TWO EXTENSIONS OF THE MOU WITH THE SOUTH BAY
UNION SCHOOL DISTRICT FOR SCHOOL RESOURCE
OFFICER SERVICES IN THE ELEMENTARY SCHOOLS

BACKGROUND:

Since 1995 the City of Imperial Beach has partnered with the Sweetwater Union High School District (SUHSD) to provide a School Resource Officer at Mar Vista High School during the school year. The City and SUHSD are currently in the second year of a three year MOU. In 2012, the South Bay Union School District (SBUSD) joined the partnership to provide limited School Resource Officer Services to the elementary schools as well. They entered into a one-year MOU with the City, with two (2) one-year options to extend.

DISCUSSION:

The South Bay Union School District has requested execution of the first of the two extensions, for the 2013 school year. All parties agree this position is vital to maintaining a safe environment in the schools, including considerable preventative policing and investigative services. Therefore, Public Safety is requesting approval for the first of two extensions to the MOU with SBUSD for School Resource Officer services.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The reimbursement amount of \$16,250 is included in the Fiscal Year 2013/14 budget, therefore there is no fiscal impact with this action.

DEPARTMENT RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 2013-7378 authorizing the City Manager to execute the first of two options to extend the MOU with South Bay Union School District for provision of School Resource Services on the elementary school campuses.

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. Resolution No. 2013-7378
2. Memorandum of Understanding Between the South Bay Union School District and the City of Imperial Beach

RESOLUTION NO. 2013-7378

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST OF TWO EXTENSIONS TO THE MOU WITH THE SOUTH BAY UNION SCHOOL DISTRICT SCHOOL RESOURCE OFFICER SERVICES.

WHEREAS, The parties agree that the safety of the children and staff members of Imperial Beach elementary schools in the South Bay Union School District are of highest importance; and

WHEREAS, The parties have agreed in principle to work cooperatively with the Sweetwater Union High School District, via the City of Imperial Beach contract with the San Diego Sheriff's Office, to share the services of a Sheriff's Deputy in the role of the School Resource Officer; and

WHEREAS, Both the City of Imperial Beach and the South Bay Union School District desire to continue the School Resource Officer services program at the elementary schools; and

WHEREAS, the South Bay Union School District has agreed to pay \$16,250 for said services during the 2013/14 school year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows hereby authorizes the City Manager to execute the first extension of the MOU with the South Bay Union School District to continue provision of School Resource Officer services to the elementary schools.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 21st day of September 2013, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

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

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE SOUTH BAY UNION SCHOOL DISTRICT
AND
THE CITY OF IMPERIAL BEACH**

MISSION STATEMENT: It is the mission of the South Bay Union School District (the DISTRICT) in concert with the City of Imperial Beach (the CITY) to provide a safe, secure, orderly teaching and learning environment for all students and staff at South Bay Union School District schools by protecting life and property.

Law Enforcement in the CITY is provided via contract between the CITY and the San Diego County Sheriff's Office (the DEPARTMENT), and provides the ability for the CITY to staff School Resource Officer (SRO) positions. Adoption of this Memorandum of Understanding (MOU) will result in campus security being increased by the presence of a Sheriff's Deputy, deployed as the SRO, who will interact with the students in both a positive and proactive manner. The SRO will also help improve relations between the DEPARTMENT and the youth of the community. As a result, the DISTRICT and the CITY, via the DEPARTMENT, agree to undertake the following responsibilities and expectations to achieve these mutual objectives:

A. THE DISTRICT'S ROLE AND RESPONSIBILITY:

1. Ensure student welfare portal to portal;
2. Develop procedures to handle campus safety issues;
3. Establish and follow procedures for referring SRO involvement; and
4. Cooperate with and support in a proactive manner the SRO's efforts to work with students, school personnel, parents and the community

B. SCHOOL RESOURCE OFFICER'S ROLE AND RESPONSIBILITY:

1. To provide prevention/intervention by:
 - a. Providing a uniformed SRO for negotiated times and as needed on DISTRICT campuses.
 - b. Developing classroom and faculty presentations related to the youth and the law.
 - c. Attending parent conferences/meetings when requested.
 - d. Attending Student Attendance Review Board (S.A.R.B.) meetings.
 - e. Scheduling security activities as needed.
 - f. Take reasonable measures to make the first response in all law enforcement related matters as they occur while on duty during regular school hours.
 - g. Attending various school events and activities during the regular school day as needed for proactive enforcement and interaction.
 - h. Documenting all incidents of crime as per the DEPARTMENT regulations.
2. To continue to work with:
 - a. Community agencies; and
 - b. Parent/teacher groups as needed throughout the affected schools.

3. To assist investigative personnel of the DEPARTMENT assigned to cases intersecting with individuals associated with schools within the DISTRICT by conducting continued and ongoing investigations and preliminary investigations of criminal activity.
4. To work with personnel of the DISTRICT and its schools in matters of mutual concern such as:
 - a. Education.
 - b. Prevention and intervention regarding alcohol and drug use on campus.
 - c. Safety of students and staff on campus.
 - d. Gang-related violence and crime.
 - e. Campus intrusion, and loss and/or damage to property.

C. TIME FRAME

This is the first of two possible extensions to the Memorandum of Understanding, and shall remain in effect for one year, commencing July 1, 2013 and ending June 30, 2014. This agreement may be extended for one (1) additional period of one (1) year upon the approval of both parties.

Either party shall have the right to cancel this MOU with or without cause upon 90 days advance written notice during the term of this agreement. The DISTRICT shall be responsible for to make all payments to the CITY for services rendered through the date of termination or expiration of this MOU.

D. SPAN OF CONTROL/JURISDICTION

Prevention, education, training, and proactive activities will take place at campuses within the DISTRICT and public meeting places within the respective community as it relates to the DISTRICT activities. The SRO will remain under the direction and control of the DEPARTMENT.

E. RESOURCE

Resource and local management will be coordinated at:

South Bay Union School District
Attn: Abby Saadat, Assistant Superintendent, Business Services
601 Elm Street
Imperial Beach, CA 91932
(619) 628-1605

City of Imperial Beach – Public Safety Department
Attn: Tom Clark, Public Safety Director/Fire Chief
865 Imperial Beach Blvd.
Imperial Beach, CA 91932
(619) 423-8223

F. COST

One Sheriff's Deputy will be funded jointly by the CITY and the DISTRICT.

The DISTRICT will pay \$16,250 in quarterly installments of \$4,062.50 during Fiscal Year 2012/2013, and for any extensions executed.

This MOU will be effective July 1, 2012, after which, the District, upon receipt of invoices, will pay the CITY equal quarterly installments as indicated in the preceding table. If the MOU is canceled as herein permitted, the CITY shall return forthwith to the DISTRICT the portion of such payment allocable to the period of the term subsequent to the effective date of cancellation.

The DISTRICT will receive the services of one SRO during the school year, while school is in session, barring major emergencies or other duties related to the SRO's position, including services to the Sweetwater Union High School District at Mar Vista High School as negotiated, training, approved time off, or other related duties, causing the DEPARTMENT to temporarily reallocate the deputy.

This MOU does not include any events outside of the regular school day, or outside of the SRO's regular work schedule, where additional costs are incurred by the CITY. All costs for additional SRO or Sheriff's Deputy staffing is the exclusive responsibility of the DISTRICT and will be charged, either directly by the DEPARTMENT, or by the CITY, according to the DEPARTMENT's contract costs as specified in the contract for services between the DEPARTMENT and the CITY.

G. NO INDEPENDENT BASIS FOR LIABILITY

Nothing herein shall create, by this or other understanding between the parties, an independent basis for liability of the CITY or the DEPARTMENT, and their respective officers, officials, employees and agents to either the DISTRICT or to a third party for any matter, including, but not limited to, failing to respond or for responding to a call for sheriff's services in a dilatory or negligent manner. Any liability of the CITY, or the DEPARTMENT, shall be limited to that as determined by law without regard to the existence of this Agreement.

H. AUTHORITY TO EXECUTE

The signatories below warrant that they have the legal authority to enter into this MOU and bind their respective parties to the rights and obligations herein.

SOUTH BAY UNION
SCHOOL DISTRICT

CITY OF IMPERIAL BEACH

By: _____
Katie McNamara, Superintendent

By: _____
Andy Hall, City Manager

Date: _____

Date: _____



AGENDA ITEM NO. 6.1

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *ON FOR*

ORIGINATING
DEPT.: GREG WADE, ASSISTANT CITY MANAGER *GW*
SUZANNE WELLCOME, INTERIM ADMINISTRATIVE SERVICES
DIRECTOR

MEETING DATE: AUGUST 21, 2013

SUBJECT: ADOPTION OF RESOLUTION NO. 2013-7375 APPROVING THE
CITY'S RESPONSE TO THE MAY 28, 2013 GRAND JURY REPORT
ENTITLED "IMPERIAL BEACH FINANCES – A CITY UNDER STRESS"

BACKGROUND

On May 28, 2013, the San Diego County Civil Grand Jury issued a report entitled "Imperial Beach Finances – A City Under Stress." The report describes the Grand Jury's opinion of the state of the City's finances and the challenges faced by the City as a result of the state-mandated dissolution of the Former Redevelopment Agency ("Former RDA"). The Grand Jury conducted an initial investigation which included discussion with relevant officials and an informal audit. Following the initial investigation, the Grand Jury requested a formal audit by the San Diego County Office of Audits & Advisory Services ("OAAS").

The Grand Jury did not discover any fraud in its investigation of the City's finances, but has made various findings and recommendations regarding the City's accounting and administrative procedures. Pursuant to State law, the Grand Jury is requiring a response from the Mayor, City Council and City Manager to those findings and recommendations by August 26, 2013.

In response to the Grand Jury report, the City must perform two functions. First, as to those findings that may apply to it, the City has to either agree with the finding or disagree with it. If the City disagrees, it has to offer an explanation for this disagreement.

The second obligation is to respond to each recommendation. The City has to respond to each recommendation in one of four ways: (1) that the recommendation has already been implemented; (2) that the recommendation will be implemented, along with a timeline; (3) that the recommendation needs more study, which has to be completed in six months from the report's publication; or (4) that the recommendation will not be implemented because it is unwarranted or unreasonable, with an explanation.

The Grand Jury has the authority to compel the City to respond to its report, but it has no authority to make the City follow its policy recommendations. The City's sole responsibility is to file a timely response meeting the criteria listed above.

DISCUSSION

The Grand Jury's report includes significant inaccuracies and misleading statements that should be and are clarified and corrected in the City's response. Although the Grand Jury states that the purpose of its audit was to examine potential financial irregularities in the areas of outsourced attorney charges and employee time allocations related to RDA activities, the OAAS audit and Grand Jury report go far beyond those subjects. The report characterizes the City as "struggling" with the RDA dissolution process, without acknowledging relevant facts that demonstrate the Successor Agency's success with the dissolution process, such as the timely submission of all Recognized Obligation Payment Schedule (ROPS) submittals. The report also fails to recognize that most of the Successor Agency's enforceable obligations and all of the Redevelopment Property Tax Trust Fund ("RPTTF") monies have been approved by the state Department of Finance ("DOF") for distribution to the Successor Agency. The report does not discuss the fact that all successor agencies in the state have experienced equal challenges with the dissolution process, and that few other agencies have received the high rate of approval that Imperial Beach has received from the DOF for its submittals.

The Grand Jury's specific findings and recommendations, and the proposed responses to each finding and recommendation, are summarized below.

A. The Grand Jury's Findings

The Grand Jury made nine findings, as follows:

1. Finding 1 says that the City "continues to be dependent on tax increment redevelopment funds for a substantial amount of its operation budget."

It is recommended that the City **disagree** with this finding, because several facts which are inaccurate are offered to support the finding. The City and Successor Agency received its "Finding of Completion" for redevelopment dissolution from the DOF prior to the Grand Jury conducting its audit or issuing its report. All former assets of the Former RDA have been transferred to the Successor Agency, and there is no longer any tax increment funding available. A very small amount of the City's operating budget (approximately 1.4%) is funded by the RPTTF that is administered by the County. City operations are funded directly from the City's General Fund, while Successor Agency operations are funded by a separate fund. The City's approved Fiscal Year 2013-2015 budget is balanced with fund surplus in both fiscal years.

2. Finding 2 by the Grand Jury is that the City "often records legal services costs incorrectly to the RDA, the Successor Agency, and/or City accounts."

It is recommended that the City **disagree** with this finding, because it is inaccurate. Legal invoices provided to OAAS clearly identify the purposes of the legal services and were recorded to the appropriate account. Additionally, although the report states that the City does not record legal services consistently with the ROPS reporting requirements, the Dissolution Act does not contain any requirements with regard to

recording legal costs. The Act was recently amended to allow for reimbursement of legal litigation costs from the RPTTF, but this occurred only after the submittal of ROPS I and II. The DOF has approved the payment of the Successor Agency's litigation expenses in the most recent ROPS submittal, and has also indicated that the Successor Agency can seek reimbursement for litigation services during the ROPS II period. This demonstrates that the Successor Agency is fully compliant with ROPS reporting requirements for legal expenses.

3. Finding 3 is that the RDA's administrative costs for shared labor are inaccurate.

It is recommended that the City **disagree** with this finding. Prior to the RDA dissolution, the City allocated Former RDA labor costs based on a percentage of actual time spent by individual staff members. This allocation was efficient and appropriate because it was based on an historic analysis of actual time spent. Since dissolution, the City has established a number of project codes, and labor costs are charged to specific projects based on employee time sheets.

4. Finding 4 is that the City's ROPS I and ROPS II submittals were inaccurate.

It is recommended that the City **disagree** with this finding because it is based on facts that are incorrect. Aside from incorrectly identifying this as a City responsibility (it is actually a Successor Agency responsibility), the DOF approved both the ROPS I and ROPS II in their entirety without qualification. Additionally, although the DOF did deny some items on the ROPS III submittal that had previously been approved in the ROPS I and II submittals, it either approved or reclassified, but did not deny, most of the ROPS III items.

5. Finding 5 from the Grand Jury is that "inaccurate accounting, and especially incorrect reporting of shared labor costs, prevented the City from preparing accurate and timely ROPS submissions."

It is recommended that the City **disagree** with this finding because it is completely incorrect. The Successor Agency's ROPS I and ROPS II submittals were approved in their entirety by DOF and all ROPS submittals have been made in a timely manner. Additionally, all ROPS submittals made thus far have resulted in all available RPTTF funding being approved by DOF to be paid to the Successor Agency to fund enforceable obligations.

6. Finding 6 is that "the City timekeeping system and procedures are flawed and they are open to altered entries."

It is recommended that the City **disagree** with this finding because the facts offered to support this finding are incorrect. The Grand Jury made a finding that City employee timesheets cannot be electronically approved by a supervisor, however, the City's payroll system allows for both electronic timesheet entry and electronic supervisor approval. Additionally, the Grand Jury found that employees have the ability to make unauthorized adjustments to timesheets after approval, but in fact employees do not have access to the time sheet entry module after the supervisor has given approval. Time sheets are also compared to time entered and leave and overtime approved before

processing. The Grand Jury's finding that the time sheets are subject to altered entries is wholly inaccurate.

7. Finding 7 is that "the City's accounting procedures regarding RDA were flawed."

It is recommended that the City **agree in part** with this finding, while objecting to the use of the word "flawed." It is appropriate to agree in part with this finding because there is always room for improving financial practices as a result of an audit recommendation. However, the use of the term "flawed" is not appropriate, given that the City, Former RDA and Successor Agency have always received an unqualified audit opinion for their annual financial audits. With regard to the specific fund balance adjustment that was referred to in the audit for the period ending January 31, 2012, the auditors stated that "None of the misstatements detected as a result of audit procedures and corrected by management were material."

8. Finding 8 is that "there is no guarantee that RPTTF funds will be sufficient to repay the Successor Agency's debt."

It is recommended that the City **disagree** with this finding because the facts offered to support this finding are incorrect and misleading. The Grand Jury report asserts that the RDA's Tax Allocation Bonds were downgraded from A3 to Ba1, however, neither the RDA's 2003 or 2010 Tax Allocation Bonds have ever been downgraded, and the 2010 Bonds currently retain an A rating. The Grand Jury report also asserts that DOF has denied RPTTF funding for "many" items claimed by the Successor Agency in its ROPS, which is a misleading statement. In fact, DOF has approved the majority of items submitted for RPTTF funding and has approved all available RPTTF funding for the Successor Agency's approved enforceable obligations. Additionally, most of the items denied for RPTTF funding were not denied outright but reclassified as administrative costs. There is no reason to doubt that distributions from RPTTF will be sufficient to pay all outstanding debt service. DOF has continued to approve the use of RPTTF to fund bond debt service, and also to fund bond debt reserves. Additionally, the servicing of bond debt receives the highest priority for payment from RPTTF of all enforceable obligations of the Successor Agency.

9. Finding 9 is that "the City's redevelopment deficits, shown in the ROPS submissions and audited financial statements, are evidence of the City's growing fiscal stress."

It is recommended that the City **disagree** with this finding because the facts offered to support the finding are incorrect and misleading. In support of this finding, the Grand Jury report points out a payment that the Successor Agency made under protest to the County Auditor and Controller, but fails to acknowledge that DOF later admitted that the item had been questioned improperly, and allowed the use of RPTTF funds to cover the payment. The Grand Jury report also misstates that Successor Agency debt related to the ROPS III submittal as \$111 million, with a payment deficit of \$2.6 million. The ROPS III Successor Agency debt is actually \$78.5 million, with \$77 million of that amount being outstanding bond debt, which has the highest priority for RPTTF funding. Additionally, the "deficit" of \$2.6 million in this finding is based on the Grand Jury's misunderstanding of the information in the ROPS III submittal. The Grand Jury makes similar inaccurate assertions about the "deficit" in the ROPS 13-14A submission. Contrary to the Grand Jury's finding, the City's fiscal condition is sound, and the General Fund is not

responsible for the Successor Agency's obligations, including its bond debt. It is anticipated that there will be sufficient RPTTF funding generated every six months to pay all bond debt and enforceable obligations of the Successor Agency.

B. The Grand Jury's Recommendations

The Grand Jury made nine recommendations to the City of Imperial Beach, and the City is obligated to respond. The following are a summary of the responses that are being recommended to the City Council:

1. The first recommendation (13-83) is that the City "update its timekeeping system and approval procedure to allow required segregation of labor costs to the Successor Agency."

This recommendation has been implemented. A new project code was created in February 2012 to segregate Successor Agency administrative costs, including labor, which was fully implemented after the enactment of AB 1484, which clarified the ROPS reporting requirements. Additionally, the Successor Agency has created other project-related codes to more accurately account for costs incurred by the Successor Agency.

2. The Grand Jury's second recommendation (13-84) is that the City "Immediately implement accounting procedures that accurately segregate all costs types (notably labor and outsourced legal expenses) between the General Fund, Successor Agency and other City funds."

This recommendation has been implemented. As noted above under the first recommendation, a number of project codes segregating Successor Agency costs have been created and utilized, before and after the Grand Jury audit. These include project codes segregating costs associated with litigation costs, property management, Pier South Hotel, Bikeway Village, and the 2003 Tax Allocation Bond refinancing, among others.

3. The Grand Jury's third recommendation (13-85) is that "by the end of Calendar Year (CY) 2013, institute a time study that should be performed on a periodic basis to allocate time spent on RDA activities."

This recommendation will not be implemented. A time study is not warranted because Imperial Beach staff already record the actual hours spent on Successor Agency activity using specific project codes. Legal services are also recorded according to specific project codes and billed separately under specific project titles. The support documentation for the staff hours dedicated to Successor Agency activities has been reviewed and approved by DOF; therefore a time study is not needed and would constitute a waste of taxpayer resources.

4. The Grand Jury's fourth recommendation (13-86) is "by the end of CY 2013, improve the City accounting system for legal expenses."

This recommendation has been implemented. The accounting for legal services has been reclassified to the Legal Services account from the Professional services account,

with journals created to correct previous entries. All legal services are coded to project sub-accounts for litigation and operations.

5. The Grand Jury's fifth recommendation (13-87) is "by the end of CY 2013, restate financial statements for FY 2010-2011."

This recommendation will not be implemented. The basis for this recommendation is not clear, but if it is the issue of the \$1.7 million transfer to the General Fund to fund Former RDA costs and expenses, that issue was resolved with the DOF approval of the transfer and finding that it was authorized. Both the City and Former RDA received an unqualified audit report for FY 2010-2011.

6. The Grand Jury's sixth recommendation (13-88) is, "by end of CY 2013, identify labor costs related to RDA activities for the period of February 1 through June 30, 2012 and make an adjusting journal entry to transfer this cost from the City's General Fund to the Successor Agency fund."

This recommendation will not be implemented. There were no RDA costs incurred during the stated period because the RDA was dissolved February 1, 2012. Additionally, the Dissolution Act allows for payment of labor costs related to Successor Agency activities. Adjustments are done only when the adjustment would change the balance sheet, however, this recommendation would have no net effect. Finally, it would be inappropriate to change the accounting for a period which has already been reviewed and approved by DOF.

7. The Grand Jury's seventh recommendation (13-89) is "develop a timekeeping system or work with the current vendor's system support to automate the timesheet approval process and to implement automated controls that prevent employees from adjusting time sheets after supervisor's approval."

This recommendation has been implemented. The City's current electronic time keeping system is automated and protects against employee alteration of time sheets after submittal. The Administrative Services/Finance Department follows an additional control procedure by auditing the submitted approved timesheets against the timekeeping hours in the system.

8. The Grand Jury's eighth recommendation (13-90) is "begin immediately to increase the accuracy of their ROPS submission procedures to comply with DOF requirements."

This recommendation has been implemented. The Successor Agency is constantly pursuing procedures to improve its accuracy and compliance with the Dissolution Act, reflected by the consistent approval rate by DOF of its enforceable obligations and RPTTF funding for all ROPS submittals to date.

9. The Grand Jury's final recommendation (13-91) is to "consider getting help from the State representatives or County resources in the ROPS submission and settlement process."

This recommendation has been implemented. Imperial Beach has sought and received assistance from state representatives and County resources in the preparation

and submission of its ROPS. However, it should be noted that the recommendation is unwarranted, because Successor Agency staff are highly skilled and experienced and have been successful in managing the redevelopment dissolution process and compliance with the Dissolution Act. This is reflected in the timely submittal of all ROPS and approval by DOF of most of the enforceable obligations; payment of all available RPTTF funds for Successor Agency enforceable obligations; issuance of the Finding of Completion; and consistent receipt of unqualified audit reports.

ENVIRONMENTAL DETERMINATION:

This project is exempt from the California Environmental Quality Act (CEQA) because it is not a project as defined in Section 15378.

FISCAL IMPACT:

N/A

CITY MANAGER'S RECOMMENDATION:

Staff Recommends the Mayor and City Council adopt Resolution No. 2013-7375, adopting the attached response to the Grand Jury, that the Mayor sign the response, and that the City Clerk forward the response to the Presiding Judge of the Superior Court.

Attachments:

1. Grand Jury Report
2. Resolution No. 2013-7375
3. Draft Response Letter to Presiding Judge

**IMPERIAL BEACH FINANCES—
A CITY UNDER STRESS**



**A Report by the
2012/2013 San Diego County Grand Jury
Filed May 28, 2013**

IMPERIAL BEACH FINANCES

A CITY UNDER STRESS

SUMMARY

Imperial Beach is a city of 26,000 people that bills itself as the “Most southwesterly city in the continental US.” To quote their website: “one of the last untouched beach towns in Southern California, we are known as Classic Southern California.”¹ It is also a city whose finances have been under stress for many years. It has been the subject of criticism by pundits and citizens, as well as San Diego County officials.

The City of Imperial Beach (City) has also become dependent upon its Redevelopment Agency (RDA) funds. The RDA’s tax increment funding² has provided over 10% of City employees’ salaries and has had a budget fully 50% as large as the City’s General Fund. As of February 1, 2012, State law dissolved the Imperial Beach RDA, along with all RDAs in California. The City became the Successor Agency, charged with winding down all of the affairs of the RDA. This placed additional stress on the City’s finances.

The 2012-2013 San Diego County Grand Jury (Grand Jury) received a citizen’s complaint that included a broad indictment of the City’s finances. The Grand Jury’s initial investigation included discussions with relevant officials and an informal audit of the City’s financial records. As a result of this preliminary investigation, the Grand Jury requested the San Diego County’s Office of Audits & Advisory Services (OAAS) conduct a formal audit. The purpose of the audit was to examine potential financial irregularities in the specific areas of outsourced attorney charges and employee time allocations related to RDA activities. The OAAS Audit is titled *Grand Jury Audit of the City of Imperial Beach’s Financial Records for Redevelopment Activities*³ (OAAS Audit).

The results of our investigations did not uncover any fraud. However, the investigation did uncover problems with accounting and administrative procedures. The time charging procedure has the potential for altered entries. There must be a segregation of charges of City administrative employee time and outsourced legal charges within and between various general fund accounts and RDA accounts. The Grand Jury’s recommendations include the findings and recommendations of the OAAS Audit. In addition, the Grand Jury found that the demise of redevelopment has hit Imperial Beach hard economically and we recommend and encourage the City take strong action to get their financial house in order.

INTRODUCTION AND BACKGROUND

The Grand Jury received a citizen’s complaint alleging City officials’ financial misbehavior. The complaint cited news articles, firsthand observations, and financial records that were obtained from the City’s website or data requested from City officials. The complaint charged

¹ City of Imperial Beach Website, <http://www.imperialbeachca.gov/>.

² Tax Increment Funding is a method of funding RDAs defined in CA statute (constitutional amendment resulting from Proposition 18) that is the amount of property tax revenue over and above the baseline figure that the area would normally generate before redevelopment in the area began.

³ Grand Jury Audit of the City of Imperial Beach’s Financial Records for Redevelopment Activities, Report No. A13-011 dated April 2013.

that, by using nontransparent and ethically suspect payments, City officials were not acting in the best interests of the citizens, and that they were manipulating the system for personal gain. The complainant's specific charges were too numerous and haphazard to efficiently address. The Grand Jury decided to concentrate on two aspects of the complaint: alleged excessive and unauthorized attorney fees and alleged misallocation of redevelopment expenses.

Ethics and Audit Standards

Charges of ethically suspect payments contained in the complaint were of concern to the Grand Jury. Ethics in government, audit standards, and transparency have long been of interest to the Grand Jury. The 2009-2010 San Diego County Grand Jury wrote a report⁴ reiterating this interest to all of the smaller cities of the County. The report included recommendations that they:

- Adopt a code-of-ethics defining and prohibiting fraud, waste, abuse and conflict-of-interest
- Adopt and apply Generally Accepted Government Audit Standards and/or Generally Accepted Accounting Principles (GAAP) internal controls and standards
- Adopt and implement fraud, waste, abuse and conflict-of-interest hotlines.

Imperial Beach responded to the report indicating that they did not have a formal code-of-ethics but City managers and officials (including the Mayor, City Council and City Manager) were required to take two hours of ethics training every two years. Moreover, they follow GAAP accounting principles and have an annual independent audit of their accounts as required by State law. Finally, they have an open-door management policy but currently have no hotlines. The City Council said they would consider the costs and benefits of implementing hotlines in the future.

Redevelopment Agency Background

The City formed the RDA in 1995 pursuant to the California Health and Safety Code as a separate legal entity. The RDA was responsible for the administration of redevelopment activities within the City. City staff prepared financial statements for the RDA and managed all the RDA's activities. The City Council members designated themselves as the RDA's Board of Directors.

As of February 1, 2012, the State dissolved the RDA and the City chose to become the Successor Agency. The Successor Agency is responsible for paying, performing, and enforcing existing obligations. They are also responsible for expeditiously winding down the affairs of the former RDA. As part of the winding down process, the Successor Agency is required to prepare Recognized Obligation Payment Schedule (ROPS) for each six-month period of the fiscal year. ROPS discloses estimated payment obligations by amount and funding source. In addition, ROPS includes an administrative budget with estimated costs to manage the Successor Agency. The Successor Agency must submit each ROPS to the County Auditor and Controller (CAC), the State Controller's Office, and State Department of Finance (DOF) for review and approval.

⁴ Ethics in Government – Codes of Ethics, Internal Controls, Fraud Hotlines, 2009-2010 San Diego County Grand Jury Report.

The California Health and Safety Code outlines laws and regulations relating to the Agency's dissolution process and the Successor Agency's operations.

PROCEDURE

Following a review of the complaint materials and an interview with the complainant, the Grand Jury undertook an investigation that included:

- Review of relevant news articles
- Examination and categorization of complainant supplied financial data
- Examination of the City's website materials
- Budget materials and cost projections from the City's website
- Redevelopment Agency budgets and Successor Agency ROPS submissions
- Interview with the City Manager
- Examination of financial data provided by the City Manager in response to follow-up questions
- Independent financial statement and audit for Imperial Beach and Successor Agency.

As a result of the preliminary investigation, the Grand Jury decided that some aspects of the complaint had merit; i.e., involving nontransparent and/or administrative or ethically suspect dealings in certain budget areas. The Grand Jury then conducted a more thorough investigation. The Grand Jury asked OAAS to conduct a formal audit to investigate the accounting procedures for the City's General Fund and RDA. The audit focused on the City's finances in the "Non-departmental category" of general fund expenses involving redevelopment labor and professional service charges. The object of the audit was to determine if the RDA's labor and legal expenses were adequately supported and properly budgeted, recorded, and allocated. The scope of the audit included a review of the RDA's and City's labor and legal financial records for Fiscal Year (FY) 2010-11 and FY 2012-13 to date.

OAAS conducted the audit in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236. They performed the audit using the following methods:

- Evaluated City controls over processing labor expenses
- Reviewed and analyzed the process of allocating City shared labor cost to the RDA and Successor Agency
- Examined financial records for labor
- Investigated significant variances through inquiries to key City personnel, and review of supporting documentation
- Selected and reviewed supporting documentation for a judgmental sample of recorded labor and legal transactions to determine whether transactions were properly supported, approved, and recorded.

DISCUSSION

Summary of Results

Based on witness testimony, the Grand Jury became aware that allegations similar to those presented in the complaint have been considered by other agencies. Conclusions reached by the

agencies indicate that the City may have “non standard” accounting systems and approval procedures but they are not fraudulent. As a result of the audit, the Grand Jury concluded that the City did not properly record and allocate, RDA labor and legal expenses. Our additional investigations, though limited to published budgets and audited financial reports, point to a city that must get its financial house in order to survive the transition away from its redevelopment-funding crutch.

Redevelopment in Imperial Beach

The City is, and has been, a city under economic stress. It is a small city with limited undeveloped land, limited commercial/tourism tax base, and static property tax rolls. The ongoing economic downturn and, more recently, last year’s State mandated dissolution of redevelopment agencies has adversely affected the City.

One reason given by the State for dissolution was that some RDAs were using the tax-increment funds, intended to fund development in blighted areas, to fund other city purposes. The City funded graffiti removal programs as well as other projects more correctly considered city maintenance or capital improvement projects with RDA funds. In recent years, the City had become dependent on the tax increment funds of its RDA for just over 10% of City employee salaries. Moreover, the RDA has a budget fully 50% as large as the City’s General Fund—the General Fund has been static for the last few years at about \$17M, as has the RDA’s budget at \$9M. Other City funds (sewer, storm water, capital improvement, etc.) total \$7.4M (see budgets and audited financial results available on the City’s website).¹

Since RDA dissolution, the City has been struggling with a ROPS process that involved arbitrary deadlines, changing submission requirements, and evolving definitions of Enforceable Obligations.⁵ Navigating the process has required the City to contract legal services in the field of redevelopment law. Their expenses in this area have tripled during the ROPS process. Likewise, City staff time devoted to redevelopment has increased significantly. For example, the City Manager time budgeted to RDA activities has increased from 50% to 70%; the Finance Director has doubled from 45% to 90%. Costs of this type are not completely reimbursable under ROPS as RDA activities. The law restricts the maximum allowable administrative costs to be 3% of anticipated funding from RPTTF⁶ or \$250,000, whichever is greater. Any costs above that amount must be borne by the City’s General Fund.

The Grand Jury has found evidence of the City’s financial stress caused by dissolution in recent Successor Agency resolutions and ROPS submissions, including:

- Resolution No. SA-12-09: As part of the clawback⁷ procedure for requiring the City to repay unenforceable obligations from ROPS I, the City, under protest, made a payment to the CAC on July 12, 2012, of \$372,115. The payment will be the subject of future negotiations with the DOF.
- Resolution No. HA-12-12: The City Housing Authority, as successor to the RDA’s housing element, passed a resolution to use bond proceeds to pay debt service for

⁵ Enforceable Obligations are valid and justifiable redevelopment charges that were contractually obligated by the RDA before dissolution, i.e. February 1, 2012.

⁶ Redevelopment Property Tax Trust Fund (RPTTF).

⁷ Clawback is a provision in a law or contract that limits or reverses a payment or distribution for specified reasons.

\$533,092 that was due in November 2012. This payment was included in the City's ROPS II submission. DOF initially denied but later, in a letter⁸ describing results of a meet-and-confer reconciliation meeting, the DOF approved payment and actually "revised the item upward to \$626,526, to reflect the full shortfall in RPTTF from the ROPS II period." In the same letter, the DOF continued to deny RPTTF funding for \$2.1M for a housing loan as well as other amounts claimed by the Successor Agency in the original ROPS II submission.

- ROPS III for the period January 1 to June 30, 2013 shows an outstanding debt from redevelopment activities of \$111M and a deficit of \$2.6M in RDA expenses and debt service. The City issued a notice of insufficient funds to the CAC.
- ROPS 13-14A⁹ for the period July 1 to December 31, 2013 shows an outstanding debt of \$40M and a running deficit of an additional \$1.5M.

The total outstanding debt in ROPS 13-14A is \$40M. The Grand Jury concluded that the City may have to absorb some of the outstanding debt. The running deficit in the redevelopment accounts, \$4.1M in CY 2013 alone, however, has to be paid by some means.

The Grand Jury examined the following most recent independent audits:¹⁰

- *City of Imperial Beach and Imperial Beach Redevelopment Successor Agency Financial Statements* for the year ended June 30, 2012
- *Imperial Beach Redevelopment Agency Financial Statement* for the seven months ending at the date of dissolution, January 31, 2012.

The most salient independent auditor comments, notes, and results pertaining to this study are quoted in the items below:

- "Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill (*AB1X26, the Dissolution Act*). The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City."
- "As a result of our audit procedures, we noted one item that required a fund balance restatement. In the Project Fund (*an RDA Fund*), a fund balance restatement was made to adjust prior year expenditures."
- "During the audit, we noted that the current format of the bank reconciliation makes reconciliation with the general ledger difficult and it lacked the proper approval. We

⁸ Letter from CA DOF to the City of Imperial Beach dated December 18, 2012. The letter reconciled the City's initial ROPS III submission, by approving RPTTF distribution for ROPS III totaling \$3,541,913.

⁹ For the fourth six-month ROPS period after dissolution, the ROPS numbering system was changed to include the applicable fiscal year.

¹⁰ Imperial Beach City Council Agenda, May 1, 2013 Item No.6.2 "Annual Financial Report of the City of Imperial Beach and Imperial Beach Redevelopment Successor Agency for the Year Ended June 30, 2012; and the Former Imperial Beach Redevelopment Agency for the Year Ended January 31, 2012. (0310-10)"

recommend that the bank reconciliation format be changed to make reconciliation of these items easier and that they are reconciled to the general ledger for all funds. We also recommend that a proper system of checks and balances be followed of which approval would be required. A proper system would ensure that the bank statement is agreed to the general ledger on a monthly basis and approved in a timely manner.”

- “On June 14, 2012, Moody’s Investor Service (Moody’s) downgraded all California tax allocation bonds rated ‘Baa3’ and above. As such, the **Bonds’ (Imperial Beach Tax Allocation Bonds) insured rating was downgraded from ‘A3’ to ‘Ba1’** (*emphasis added*) and underlying rating was downgraded from ‘A3’ to ‘Ba1’. According to Moody’s, all California tax allocation bond ratings remain on review for possible withdrawal.”
- As of June 30, 2012, the Successor Agency’s **total assets are \$25.2M compared to \$44.7M in liabilities**, for a total net assets deficit of (\$19.5M).
- Successor Agency Long Term Debt, as of June 30, 2012 is \$39.1M.

The Grand Jury concluded that the facts illustrated above identify problems that the City should correct in their accounting procedures. The results also indicate that the City is clearly struggling with the “wind-down” of redevelopment and will have to redirect funds from its General Fund to pay Successor Agency obligations.

OAAS Audit Findings

OAAS identified the facts, contained in Tables 1 through 3 below, related to the RDA’s and Successor Agency’s financial records reviewed during the audit:

Table 1. The RDA FY 2010-11 Records

Expense Description	Actual Amounts	Budget Amounts
Labor	\$331,311	\$1,137,109
Legal	\$71,094 ¹¹	\$75,000

Table 2. The RDA and Successor Agency FY 2011-12 Records

Expense Description	Actual Amounts (07/11-01/12)	Actual Amounts (02/12-06/12)	Total Actual Amounts	Budget Amounts (07/11-01/12)	ROPS ¹² Amount (01/12-06/12)	Total Budget Amounts
Labor	\$700,377	\$88,172	\$788,549	\$619,488	\$1,314,578	\$1,934,066
Legal	\$58,026 ¹¹	\$65,872 ¹¹	\$123,898	\$43,750	\$140,000	\$183,750

¹¹ Amount represents legal services coded to the attorney services account.

¹² ROPS estimated amounts were used in lieu of budget amounts.

Table 3. The Successor Agency FY 2012-13 Records

Expense Description	Actual Amounts (07/12-12/12)	ROPS II ¹² Amounts (07/12-12/12)	ROPS III ¹² Amounts (01/13-06/13)	Total Budget Amounts
Labor	\$217,510	\$665,637	\$600,510	\$1,266,147
Legal	\$37,631 ¹¹	\$140,000	\$80,000	\$220,000

The City allocated the labor cost of administrative employees to the RDA based on the budgeted allocation percentages. It charged labor costs of program employees directly to the RDA based on the actual time program employees spent on RDA activities.

The City started to track the actual time administrative employees spent on RDA activities and charged the time directly to the Successor Agency. However, for preparation of administrative budgets, the City continued to use budgeted allocation percentages. Table 4, below, presents the RDA's and the Successor Agency's budgeted labor allocation percentages for City employees working on both redevelopment and other City business.

Table 4. Budgeted Labor Allocation Percentages

Position Description	FY 2010-11	FY 2011-12		FY 2012-13	
		07/11-01/12	02/12-06/12	07/12-12/12	01/13-06/13
Admin Intern	50%	50%	0%	0%	0%
Admin Secretary II	95%	75%	30%	20%	13%
Admin Secretary II	0%	40%	50%	25%	13%
Associate Planner	50%	50%	0%	0%	0%
Assistant City Manager	25%	0%	0%	0%	0%
Assistant Project Manager	100%	100%	0%	0%	0%
Building Compliance Specialist	30%	0%	0%	0%	0%
CIP Manager	100%	100%	20%	20%	20%
City Clerk	25%	25%	50%	50%	40%
City Manager	50%	50%	70%	70%	70%
City Planner	50%	50%	0%	0%	0%
Clerk Typist	0%	0%	50%	50%	15%
Code Compliance Officer	100%	0%	0%	0%	0%
Code Compliance Officer PT	10%	10%	0%	0%	0%
Community Development Director	50%	65%	75%	75%	75%
Council Members	200%	200%	0%	0%	0%
Deputy City Clerk	25%	25%	0%	0%	0%
Finance Director	45%	40%	90%	90%	90%
Finance Supervisor	30%	30%	50%	50%	10%
Graffiti Coordinator	100%	100%	0%	0%	0%
Facilities Supervisor	15%	15%	0%	0%	0%
Maintenance Worker I	100%	100%	0%	0%	0%
Mayor	50%	50%	0%	0%	0%
PW Inspector	100%	100%	0%	0%	0%
RDA Coordinator	100%	100%	75%	25%	0%
Sr. Accountant/Clerk Tech	30%	30%	20%	20%	0%

The City uses two law firms to provide legal services: Law Firm 1 for general litigation and Law Firm 2 for support on redevelopment law. Table 5 below shows payments made to these firms:

Table 5. Legal Payments

Fiscal Year	Reporting Period	Firm 1	Firm 2	Total Amount
FY 2010-11	Jul 1, 2010 – Jun, 2011	\$113,998	\$25,249	\$139,247
FY 2011-12	Jul 1, 2011 – Jan 31, 2012	\$89,671	\$47,432	\$137,103
FY 2011-12	Feb 1, 2012 – Jun 30, 2012	\$15,673	\$76,267	\$91,940
FY 2012-13	Jul 1, 2012 – Dec 31, 2012	\$3,546	\$74,274	\$77,820
		\$222,888	\$223,222	\$446,110

Reporting of Legal Expenses

The OAAS audit identified the following issues related to the recording of legal expenses:

Inconsistent Recording of Legal Services

Legal services related to the RDA dissolution and the Successor Agency operations are inconsistently recorded between the Attorney Services Account and the Professional Services Account. Specifically, OAAS tested 25 payments to outsourced legal counsel and RDA special counsel for \$240,896 (54% of total payments), 13 payments were related to the RDA dissolution and the Successor Agency operations. Seven of these 13 payments amounting to \$60,900 were coded to the Professional Services Account and six payments for \$63,071 were coded to the Attorney Services Account. According to City management, it is City practice to code legal services related to the RDA dissolution and Successor Agency operations to the Professional Services Account. However, after funding for the Professional Services Account was exhausted, services noted above were coded to the Attorney Services Account.

In the opinion of the Grand Jury, the City should implement a stronger accounting system. It should ensure that legal services, including legal assistance in the RDA dissolution and the Successor Agency operations, are consistently coded to the Attorney Services Account and professional services are coded to the Professional Services Account.

Since the Professional Services Account includes costs unrelated to contracted legal services, the current reporting system does not allow identifying total legal costs to the RDA and the Successor Agency.

Legal Services are Not Coded according to ROPS Reporting Requirements

The City's accounting system is not set up to separate legal services related to litigation actions and legal services related to general legal representation as required for ROPS reporting. HSC section 34171(b) classifies legal costs related to general legal representation as an administrative cost and requires reporting it as part of the administrative budget, which has a cost allowance. HSC allows litigation expenses to be funded with tax increment funds outside the administrative budget allowance. Inadequate set up of City accounting system, and as a result, reporting of legal services, prevents the City from preparing accurate ROPS submissions in a timely manner.

Legal Services Were Incorrectly Coded to RDA Accounts

Of the 25 payments to City legal counsel and RDA special counsel tested by OAAS, two payments related to City operations for \$12,641 were incorrectly coded to RDA accounts. As a result, the RDA and Successor Agency expenses were overstated.

Specifically, the first payment was for legal assistance in establishing the Housing Authority (Authority). According to City management, it was proper for the RDA to pay for these services since a primary purpose for the Authority's establishment was to assist the RDA to implement its housing obligations under the California Community Redevelopment Law. Although the Authority was formed before the RDA's dissolution, the intent of its formation was to assume the RDA's housing assets, rights, and obligations after the dissolution. The City made the choice to establish the Authority and assume its responsibilities. Thus, the cost related to the Authority's formation should be coded to and paid by the City.

The second payment was for legal assistance in preparing RDA capital projects documentation rendered in February 2012. Since the City assumed management responsibilities over the former RDA's capital projects, costs related to these capital projects should be coded to, and paid by, the City. Further, OAAS noted that subsequent payments to the RDA special counsel regarding the matter noted above were coded to and paid by the City.

To improve their reporting processes for legal expenses, the Grand Jury recommends that the City:

- Make an adjusting journal entry to reclassify legal costs related to the RDA dissolution and the Successor Agency operations from the Professional Services Account to the Attorney Services Account
- Make an adjusting journal entry to reclassify legal costs related to City operations from the RDA and Successor Agency's accounts to City accounts
- Develop a process to ensure that legal services are recorded consistently and correctly
- Implement two accounts for recording legal services, one for legal services related to litigation and another for legal services related to general legal representation.

Transfer of RDA Expenses in FY 2010-11

In FY 2010-11, the City transferred a total of \$1.7 million of RDA expenses, including \$916,518 in labor cost, and \$20,234 in miscellaneous cost, from the RDA non-housing funds to the City's General Fund. According to City management, the transfer of expenses was done in accordance with the City Services Reimbursement Agreement (CSRA). The CSRA is a loan agreement between the City and the Agency and does not justify the transfer of expenses from the RDA to the City. As a result, the City understated the RDA's expenses in FY 2010-11 by \$1.7 million.

In March 2013, the DOF questioned the \$1.7 million transfer in its review of the RDA's cash balances available for distribution to the taxing entities. The DOF concluded that the City did not provide sufficient documentation to validate the transfer and the RDA's cash balances should be adjusted by \$1.7 million. However, after the "Meet and Confer"¹³ process, the DOF reversed its determination. The DOF indicated that the date of the transfer was not within the scope of the DOF review. Further, the DOF stated that the California State Controller's Office has the authority to clawback assets that were inappropriately transferred to the City. Since these transfers are still in question, the City should consider restating its financial statements for FY 2010-11.

City Shared Labor Cost Was Not Allocated to the Successor Agency

OAAS found that the City did not allocate shared labor costs of the administrative employees to the Successor Agency for the period of February 1 through June 30, 2012. The City comingled labor costs related to the redevelopment activities with City records. As a result, the Successor Agency's labor expenses reported in FY 2011-12 were understated. According to City management, the legislation was not clear on how expenses should be reported after the RDA's dissolution.

¹³ "Meet and Confer" refers to the administrative procedure for adjudicating disputes between the RDA and the DOF.

Based on the audit results, the Grand Jury concluded:

- In order to properly track costs, City expenses related to the redevelopment activities should be allocated to the Successor Agency.
- The City should identify labor costs related to the redevelopment activities for the period of February 1 through June 30, 2012 and make an adjusting journal entry to transfer this cost from the City's General Fund to the Successor Agency fund.

Lack of Controls Over the Time Sheet Approval Process

City employees complete electronic time sheets in a commercial time accounting system. Supervisors approve time sheets by sending an approval email to the payroll administrator. OAAS noted that employees might make unauthorized adjustments to time, after supervisors have approved, but prior to payroll processing the approved time sheets. As a result, an employee's labor expenses may be in error. The current application cannot electronically approve time sheets.

Electronic approval of time sheet records and automated controls that prevent time adjustments after supervisor's approval is an integral part of a strong system of internal controls. The City should implement an employee timekeeping system that provides for electronic approval of time sheets.

Other Audit Findings

City Shared Labor Cost Was Allocated Based on the Estimated Records

Prior to July 1, 2012, the City based the allocation of shared labor cost of administrative employees to the RDA and Successor Agency on the budgeted allocation percentages for each position. Every year, City management determined budgeted allocation percentages based on estimating the prior year's time spent by the administrative employees on RDA activities. As a result, actual time spent on RDA activities could vary from the estimated time. The City shared labor cost would be incorrectly allocated to the RDA or the Successor Agency. Based on the audit, the Grand Jury believes that the City should instead allocate actual time spent on RDA activities and conduct a periodic study of time allocated for shared cost employees. The Grand Jury believes that use of estimated labor costs rather than actual time allocated labor costs for shared labor is not a proper accounting procedure. The City should update its time charging system and approval procedure to allow required segregation of labor costs to the Successor Agency.

ROPS I and ROPS II Include Unqualified Enforceable Obligations

The OAAS audit found that ROPS I and ROPS II include unqualified Enforceable Obligations related to labor cost. Specifically, ROPS I includes \$75,000 in the Housing Agreement and \$200,000 in the CSRA. ROPS II includes \$90,000 in the Housing Agreement and \$240,000 in the CSRA.

The Housing Agreement is a contract between the Imperial Beach Housing Authority and the City. Since the Successor Agency is not a party to this agreement, the claimed amount does not constitute an Enforceable Obligation. Further, the CSRA is a loan agreement between the Successor Agency and the City. Therefore, the claimed amount does not constitute an Enforceable Obligation.

The DOF mistakenly approved some Enforceable Obligations in ROPS I and ROPS II. They were subsequently funded by the County Auditor and Controller. The DOF later denied these obligations in ROPS III.

Inaccurate Data Were Reported on the ROPS I and ROPS II Reconciliation Schedules

After each ROPS reporting period, the Successor Agency is required to reconcile actually paid obligations with the estimated obligations reported on a previous ROPS. As listed in Table 6 below, the audit found that actual payments reported on ROPS I and ROPS II reconciliation schedules do not agree with the actual financial records.

Table 6. Reconciliation of Enforceable Obligations

Expense Description	Financial Records (02/12-06/12)	ROPS I Reconciliation (01/12-06/12)	Financial Records (07/12-12/12)	ROPS II Reconciliation (07/12-12/12)
Labor	\$88,172 ¹⁴	\$1,337,496	\$217,510	\$436,826
Litigation	\$26,016 ¹⁵	\$76,510	\$354,612 ¹⁵	\$70,343

According to City management, the Successor Agency reported obligations that were approved by DOF and funded by the CAC as actual payments on ROPS I and ROPS II reconciliation schedules. City management stated that it was their understanding that legislation at that time did not require reporting actual amounts from their financial records on the reconciliation schedule.

FACTS AND FINDINGS

Fact: The City pays just over 10% of its personnel labor costs from redevelopment funds.

Fact: The City’s redevelopment budget is equivalent to slightly more than 50% of its General Fund.

Finding 01: The City continues to be dependent on tax increment redevelopment funds for a substantial amount of its operating budget.

Fact: The City inconsistently recorded its outsourced legal-service costs related to RDA dissolution and Successor Agency operations between the Attorney Services Account and the Professional Services Account.

Fact: The City does not record outsourced legal services costs in a manner required by ROPS reporting requirements.

Finding 02: The City often records legal services costs incorrectly to the RDA, the Successor Agency and/or City accounts.

Fact: The City based shared labor costs on estimated time records.

¹⁴ Amount is misstated.

¹⁵ Amount is an estimate determined by OAAS through review of payments made to the City Legal Counsel and RDA Special Counsel.

Finding 03: The RDA's administrative costs for shared labor are inaccurate.

Fact: The DOF mistakenly approved some Enforceable Obligations in ROPS I and ROPS II that were subsequently funded by the CAC. The DOF later denied these obligations in ROPS III.

Fact: The City has understated its RDA expenses in FY2010-11 by \$1.7M.

Fact: The City comingled shared labor costs related to redevelopment activities with the City's General Fund.

Fact: Actual payments reported on the City's ROPS I and ROPS II reconciliation schedules did not agree with actual financial records.

Finding 04: The City's ROPS I and ROPS II submissions were inaccurate.

Finding 05: Inadequate accounting, and especially incorrect reporting of shared labor costs, prevented the City from preparing accurate and timely ROPS submissions.

Fact: The City's timekeeping system does not currently allow employee time sheets to be electronically approved by a supervisor.

Fact: Employees may make unauthorized adjustments to time sheets after supervisor's approval, but prior to payroll processing.

Finding 06: The City timekeeping system and procedures are flawed and they are open to altered entries.

Fact: An independent audit for the period ending Jan 31, 2012 noted that "the current format of the bank reconciliation makes reconciliation with the general ledger difficult and it lacked the proper approval."

Fact: An independent audit for the period ending Jan 31, 2012, stated the City made an RDA fund balance restatement to adjust prior year's expenditures.

Finding 07: The City's accounting procedures regarding RDA funds were flawed.

Fact: On June 14, 2012, the Tax Allocation Bonds insured rating was downgraded from 'A3' to 'Ba1'.

Fact: As of June 30, 2012, the Successor Agency's Long Term Debt, was \$39.1M.

Fact: The DOF has continued to deny RPTTF funding for many items claimed by the Successor Agency on its ROPS submissions.

Finding 08: There is no guarantee that RPTTF funds will be sufficient to repay the Successor Agency's debt.

Fact: As of June 30, 2012, the Successor Agency's total assets were \$25.2M compared to \$44.7M in liabilities, for a total net assets deficit of (\$19.5M)

Fact: The City, under protest, made a payment in July 2012 of \$372,115 to the CAC as part of the clawback of unqualified Enforceable Obligations in ROPS I.

Fact: The City, using bond proceeds, made a Housing Authority debt service payment in November 2012 of \$533,092.

Fact: The City's ROPS III submission shows an outstanding debt for redevelopment activities of \$111M and a payment deficit of \$2.6M.

Fact: The City's ROPS 13-14A submission shows an outstanding debt for redevelopment activities of \$40M and a payment deficit of \$1.5M.

Finding 09: The City's redevelopment deficits, shown in the ROPS submissions and audited financial statements, are evidence of the City's growing fiscal stress.

RECOMMENDATIONS

The 2012-2013 San Diego County Grand Jury recommends that the Imperial Beach Mayor, City Council, and City Manager should:

- 13-83: Update the City's timekeeping system and approval procedure to allow required segregation of labor costs to the Successor Agency.
- 13-84: Immediately implement accounting procedures that accurately segregate all cost types (notably labor and outsourced legal expenses) between the General Fund, Successor Agency funds, and other City funds.
- 13-85: By the end of Calendar Year (CY) 2013, institute a time study that should be performed on a periodic basis, to allocate time spent on RDA activities.
- 13-86: By the end of CY 2013, improve the City accounting system for legal expenses as follows:
- Make an adjusting journal entry to reclassify legal cost related to the RDA dissolution and the Successor Agency operations from the Professional Services Account to the Attorney Services Account.
 - Make an adjusting journal entry to reclassify legal costs related to City operations from the RDA and Successor Agency's accounts to City accounts.
 - Implement two accounts for recording legal services, one for legal services related to litigation and another for legal services related to general legal representation.
 - Develop a process to ensure that legal services are recorded correctly.
- 13-87: By the end of CY 2013, restate financial statements for FY 2010-11.
- 13-88: By the end of CY 2013, identify labor costs related to RDA activities for the period of February 1 through June 30, 2012 and make an adjusting journal

entry to transfer this cost from the City's General Fund to the Successor Agency fund.

- 13-89: Develop a timekeeping system or work with their current vendor's system support to automate the time sheet approval process and to implement automated controls that prevent employees from adjusting time sheets after supervisor's approval.
- 13-90: Begin immediately to increase the accuracy of their ROPS submission procedures to comply with DOF requirements.
- 13-91: Consider getting help from their State representatives or County resources in the ROPS submission and settlement process.

REQUIREMENTS AND INSTRUCTIONS

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
- (1) The respondent agrees with the finding
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

<u>Responding Agency</u>	<u>Recommendations</u>	<u>Date</u>
Mayor, City of Imperial Beach	13-83 through 13-91	8/26/13
City Manager, City of Imperial Beach	13-83 through 13-91	8/26/13
City Council, City of Imperial Beach	13-83 through 13-91	8/26/13

RESOLUTION NO. 2013-7375

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH APPROVING A RESPONSE TO A REPORT BY THE SAN DIEGO COUNTY GRAND JURY FILED MAY 28, 2013 ENTITLED "IMPERIAL BEACH FINANCES – A CITY UNDER STRESS"

WHEREAS, on May 28, 2013, the San Diego County Grand Jury issued a report entitled "Imperial Beach Finances," which made various findings and recommendations pertaining to the City of Imperial Beach; and

WHEREAS, the City Council is obligated per Penal Code section 933(c) to respond to these recommendations in accordance with Penal Code section 933.05(a) and (b).

NOW, THEREFORE, be it resolved by the City Council of the City of Imperial Beach as follows:

Section 1. That the City Council adopts the response to the Grand Jury's report accompanying this resolution, and the Mayor is authorized to sign such response.

Section 2. That the City Clerk is authorized to send a signed copy of the response to the Presiding Judge of the San Diego County Superior Court as required by Penal Code section 933(c).

PASSED, APPROVED AND ADOPTED by the City Council of the City of Imperial Beach at its regular meeting held on the 21st day of August, 2013, by the following roll call vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD
CITY CLERK



City of Imperial Beach, California

OFFICE OF THE MAYOR

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

August 21, 2013

The Honorable Robert J. Trentacosta
 Presiding Judge
 San Diego County Superior Court
 220 W. Broadway
 San Diego, CA 92101

SUBJECT: RESPONSE TO MAY 28, 2013 GRAND JURY REPORT ENTITLED "IMPERIAL BEACH FINANCES – A CITY UNDER STRESS"

Dear Judge Trentacosta:

This letter constitutes the response to the above-referenced Grand Jury report (the "Grand Jury Report") on behalf of the Mayor, City Council, and City Manager for the City of Imperial Beach (referred to collectively as the "City"). Pursuant to California Penal Code (the "Penal Code") Section 933(c) and in compliance with Penal Code Section 933.05(a) and (b), the response discusses each of the Findings and Recommendations set forth in the Grand Jury Report.

As part of the Grand Jury Report, the Grand Jury requested that the San Diego County Office of Audits & Advisory Services (OAAS) conduct a formal audit (the "OAAS Audit") of the City's financial records. Although the stated purpose of the audit "was to examine potential financial irregularities in the specific areas of outsourced attorney charges and employee time allocations related to RDA activities," the OAAS Audit and Grand Jury Report extend well beyond this stated purpose. Despite this fact, the City appreciates and concurs with the determination of the Grand Jury that there has been no fraud on behalf of the City or the Imperial Beach Redevelopment Agency Successor Agency (the "Successor Agency"). Further, although the Grand Jury Report accurately points out that City and Successor Agency staff has had to navigate "a ROPS process that involved arbitrary deadlines, changing submission requirements, and evolving definitions of Enforceable Obligations," it incorrectly suggests that the City and Successor Agency have been "struggling" with this process. Rather, to date, every Recognized Obligation Payment Schedule (the "ROPS") has been submitted on time by the statutory deadlines and as directed by the California Department of Finance (the "DOF"), with most of the listed enforceable obligations approved by the DOF and all available Redevelopment Property Tax Trust Fund (the "RPTTF") monies approved by the DOF for distribution to the Successor Agency to pay such approved enforceable obligations. It should also be noted that the challenges presented by the redevelopment dissolution process have been experienced by virtually every successor agency throughout the state and that the Successor Agency has experienced a very high DOF approval rate of all required submittals made pursuant to the Dissolution Act.

Although the City and Successor Agency strongly believe that each entity has successfully carried out their responsibilities as required by Assembly Bill X1 26, Assembly Bill No. 1484, and Assembly Bill No. 1585 (collectively, the "Dissolution Act") for dissolution of the former Imperial Beach Redevelopment Agency (the "Former RDA"), the City and Successor Agency nevertheless take very seriously the Grand Jury Report and, therefore, the City offers the following responses to the Findings and Recommendations as required under Penal Code Section 933(c). In connection with each Finding, the City discusses inaccuracies in connection with certain Facts stated to support such Finding.

SUMMARY OF FACTS AND FINDINGS:

Fact: The City pays just over 10% of its personnel labor costs from redevelopment funds.

This "fact" is incorrect. First, both the OAAS Audit and the Grand Jury Report neglect to acknowledge that their period of reviews cover a span of time during which the Former RDA operated and redevelopment existed pursuant to the California Community Redevelopment Law (California Health and Safety Code Section 33000 et seq.) and then was later suspended and subsequently dissolved pursuant to the Dissolution Act. It is incorrect, therefore, to state this "fact" in the present tense as 1) redevelopment and redevelopment funds no longer exist and 2) the Successor Agency (not the City) is now responsible for payment of labor costs associated with redevelopment activities funded with former redevelopment tax increment funds (now called the Redevelopment Agency Property Tax Trust Fund or "RPTTF", which receives and holds property tax funds for distribution by the County of San Diego in accordance with the Dissolution Act). However, as with the Former RDA, the Successor Agency does not directly employ its own staff to perform its operations and functions. Rather, the Successor Agency relies on City staff to perform its operations and functions and lawfully compensates the City for such actions. Although, prior to dissolution, the Former RDA funded much of its labor costs through project-related tax allocation bond proceeds and tax increment funds, as discussed in detail below, since redevelopment dissolution, the labor costs performed by City staff on behalf of the Successor Agency are capped at \$250,000 per year pursuant to the Dissolution Act which equates to only 4% of the City's labor costs in the recently approved operating budget.

Fact: The City's redevelopment budget is equivalent to slightly more than 50% of its General Fund.

This "fact" is incorrect. This statement seems to apply to pre-redevelopment dissolution and, therefore, is misleading to state it in the present tense. There is no longer a redevelopment budget and the Successor Agency's "budget" is far less than 50% of that of the General Fund as further discussed below.

FINDING 01: THE CITY CONTINUES TO BE DEPENDENT ON TAX INCREMENT REDEVELOPMENT FUNDS FOR A SUBSTANTIAL AMOUNT OF ITS OPERATING BUDGET.

Response

The City **does not agree** with this Finding as the "facts" offered to support such Finding are incorrect.

The City and the Successor Agency have successfully completed the primary part of the redevelopment wind-down process in compliance with the requirements of the Dissolution Act. In this regard, on April 12, 2013, the Successor Agency received its Finding of Completion (the "FOC") from the DOF – which is one of the first FOC's issued by the DOF in the County of San Diego. This FOC was issued well in advance of both the OAAS Audit and the issuance of the Grand Jury Report. Issuance of the FOC means that the Successor Agency has satisfactorily performed certain of its obligations required by the Dissolution Act and is a sign of approval by the DOF that the Successor Agency is properly winding down the affairs of the Former RDA consistent with the Dissolution Act. Additionally, as of February 1, 2012, all assets and outstanding obligations of the Former RDA were transferred by operation of law to the Successor Agency pursuant to the Dissolution Act for the wind-down process. Upon the enactment of the Dissolution Act on June 28, 2011, there is no longer any "tax increment" provided to the Former RDA or the Successor Agency. Rather, a limited amount of property tax is allocated to the Successor Agency from the RPTTF administered by the San Diego County Auditor and Controller (the "CAC") to pay DOF approved "enforceable obligations" of the Former RDA and Successor Agency. Further, as noted above, the Former RDA did not have separate employees performing solely redevelopment operations and functions and,

instead, relied on City staff to perform all such actions. Therefore, the City staff currently performs all operations and functions of the Successor Agency for the redevelopment wind-down process. Pursuant to the Dissolution Act, other than pass-through payments to taxing entities (which include the City and the County of San Diego among other taxing entities), as mandated by State law, the only portion of RPTTF that benefits the City's operating budget is the Administrative Cost Allowance which is capped at \$250,000 per year pursuant to the Dissolution Act and paid to the Successor Agency from the RPTTF to fund the administrative costs of the Successor Agency for its operations and functions. This amount represents only 1.4% of the City's current operating budget making it impossible for the City to depend upon RPTTF for its on-going operational needs. As the wind-down of redevelopment progresses and the Former RDA's and Successor Agency's enforceable obligations are reduced, the City, like every other affected taxing entity including the County of San Diego, will also receive a portion of the "residual" balance of RPTTF, if available, for each six-month period which is the balance of funds in the RPTTF after the payment of the County's administrative costs, pass-through payments to the taxing entities, enforceable obligations of the Former RDA and Successor Agency, and the Administrative Cost Allowance. To date, however, there has been no residual balance of RPTTF for distribution to any taxing entities including the City.

Successor Agency activities related to redevelopment dissolution are handled in a fund separate from the City's operational fund. The City's operations are funded directly from the City's General Fund. While significant time was previously spent by the City Manager and other City staff on redevelopment activities prior to redevelopment dissolution, and significant time has also been spent by the same staff since dissolution, City activities unrelated to redevelopment are paid from the City's General Fund. The City's Fiscal Year 2013-2015 General Fund budget was approved by the City Council on May 15, 2013. This two-year budget is balanced and shows fund surplus in both fiscal years. In addition, the City has strong unrestricted reserves of approximately 30% of General Fund expenditures, and an economic uncertainty reserve of 10% of General Fund expenditures. These reserves well exceed the minimum standards (Government Finance Officers' Association ("GFOA")) of 10% of General Fund expenditures recommended by the GFOA. The Successor Agency's use of RPTTF funds is correctly and solely for payment of debt service for tax allocation bonds issued by the Former RDA and used for public and private projects within the Redevelopment Project Area, and for payment of other enforceable obligations of the Former RDA and the Successor Agency approved by the DOF. With the dissolution of the Former RDA, City staff has been reduced by nine (9) positions previously required to support the Former RDA's redevelopment activities. City staffing is very lean and, in spite of the additional responsibilities resulting from redevelopment dissolution and obligations of the Successor Agency by the Dissolution Act, City staff continues to carry out the responsibilities of the City and also those of the Successor Agency including the several important projects funded through tax allocation bonds issued by the Former RDA as required by the Dissolution Act. Overall, the City is on stable financial footing without the use of Former RDA tax increment funds.

Fact: The City does not record outsourced legal services costs in a manner required by ROPS reporting requirements.

This "fact" is incorrect, as discussed in great detail below under Finding 02. The Dissolution Act does not contain requirements as to how a Successor Agency (and certainly not a City) independently records its legal costs. Rather, the Dissolution Act simply provides that legal costs associated with litigation may be considered and separately listed as an enforceable obligation payable from RPTTF and distinguishes such costs from other legal services paid from the Administrative Cost Allowance.

FINDING 02: THE CITY OFTEN RECORDS LEGAL SERVICES COSTS INCORRECTLY TO THE RDA, THE SUCCESSOR AGENCY, AND/OR CITY ACCOUNTS.

Response

The City **does not agree** with this Finding and one of the "facts" offered to support such Finding is incorrect.

The City had been recording some legal costs, as noted in the Grand Jury Report, to professional services and some to legal services accounts (which is neither improper nor illegal); however, the City has not charged the funds incorrectly. All legal costs have been and are recorded to the specific fund for which the services are provided. The legal invoices provided to the OAAS auditors clearly identify the purposes for which the legal services were rendered and were recorded to the appropriate account accordingly. Although there is no statutory requirement to do so, subsequent to the OAAS Audit, staff has segregated and retitled four accounts that had been charged to professional services and is now charging the legal expenditures to the legal services account and not the professional services account. Finally, it is inaccurate to state that the City does not record legal services costs "in a manner required by ROPS reporting requirements." First, the Dissolution Act does not contain requirements as to how a Successor Agency (and certainly not a City) independently records its legal costs. Rather, the Dissolution Act simply provides that legal costs associated with litigation may be considered and separately listed as an enforceable obligation payable from RPTTF and distinguishes such costs from the legal services paid from the Administrative Cost Allowance. In order to obtain RPPTF, separate from the Administrative Cost Allowance, with which to pay legal litigation costs, such legal litigation costs must be separately reported on a ROPS. However, this distinction was only adopted with AB 1484 on June 27, 2012 **after** the preparation and submittal of ROPS I and II. Therefore, in connection with certain legal litigation costs invoiced to the Successor Agency in July 2012, the Successor Agency was forced to seek payment from RPTTF through the ROPS II prior period reconciliation process since costs for litigation were incurred during the ROPS II period, but after the ROPS II had been prepared by the Successor Agency and approved by the DOF. In the Successor Agency's most recent ROPS 13-14A approval letter from the DOF, the DOF not only approved the payment of other litigation expenses from RPTTF as reported and requested on the ROPS 13-14A, but the DOF also indicated that the Successor Agency can seek reimbursement from RPTTF for the subject legal litigation costs incurred during ROPS II on a future ROPS. This clearly indicates that the Successor Agency is fully complying with ROPS reporting requirements and appropriately receiving funds to pay its legal costs.

FINDING 03: THE RDA'S ADMINISTRATIVE COSTS FOR SHARED LABOR ARE INACCURATE.

Response

The City **does not agree** with this Finding.

Although the Former RDA no longer exists, prior to its dissolution, the City acknowledges that the manner in which costs were allocated was based on a percentage of actual time spent by individual staff members. Understanding that the entire City is located within the Redevelopment Project Area and, therefore, that almost every employee of the City performed work on behalf of the Former RDA, this was the most effective and efficient way to account for administrative costs of the Former RDA. Regardless of this fact, it is entirely incorrect to conclude that the administrative costs for shared labor are inaccurate because the percentage of time spent on Former RDA costs allocated to each employee was based on an historic analysis of actual time spent.

Since dissolution of the Former RDA, the City has established project codes for each project, including all of those related to the Successor Agency. All labor costs related to projects are charged directly to the correct

project in order to segregate labor costs between the City and the Successor Agency. In the payroll process, the labor is charged accordingly based on the electronic timesheet approvals by each department head. As an additional payroll control, the payroll clerk validates the approved departmental payroll against employee time sheets. The Administrative Services Director has final review and approval of each payroll. This system of checks and balances ensures that Successor Agency costs continue to be accurately recorded.

Fact: The DOF mistakenly approved some Enforceable Obligations in ROPS I and ROPS II that were subsequently funded by the CAC. The DOF later denied these obligations in ROPS III.

This "fact" is incorrect. The DOF approved both the ROPS I and ROPS II in their entirety without qualification as indicated in the DOF's approval letter dated May 29, 2012, as well as in subsequent court filings submitted on behalf of the DOF. Although the CAC and the OAAS may disagree with the DOF's approval of ROPS I and II in their entirety, it is the DOF that has the ultimate authority for approval or denial of obligations listed on a ROPS and for their funding from RPTTF. Additionally, as with many other ROPS submitted by other successor agencies, the DOF did deny some obligations listed on ROPS III that were approved on ROPS I and II; however, the DOF also either approved or "reclassified" as administrative costs other obligations listed on ROPS III – and thus the DOF did not deny most of the obligations listed on ROPS III.

Fact: The City has understated its RDA expenses in FY2010-11 by \$1.7M.

This "fact" is incorrect. This amount was reviewed and subsequently approved by the DOF as an authorized transfer of Former RDA tax increment to the City for services performed by the City on behalf of the Former RDA subject to a valid and approved reimbursement agreement between the Former RDA and the City dated July 1, 2007.

FINDING 04: THE CITY'S ROPS I AND ROPS II SUBMISSIONS WERE INACCURATE.

Response

The City **does not agree** with this Finding and some of the "facts" offered to support such Finding are incorrect.

The DOF is the ultimate authority for and approval of the Successor Agency's ROPS' submissions and for funding of obligations from RPTTF. Under the Dissolution Act, ROPS submittals are estimates of Successor Agency expenditures of an up-coming six-month period. The statement that the DOF "mistakenly approved" and then denied some enforceable obligations is simply not accurate. In fact, the DOF approved both the ROPS I and ROPS II in their entirety as indicated in DOF's ROPS I and II approval letter dated May 29, 2012, as well as in subsequent court filings submitted on behalf of the DOF. While the CAC subsequently disagreed with the payment of RPTTF for some of the items approved on both ROPS I and II in connection with their reconciliations on ROPS III and ROPS 13-14A respectfully, the DOF ultimately disagreed with the CAC and specifically approved the use of RPTTF for each and every item requested on both ROPS I and ROPS II per the DOF's approval letter issued on December 18, 2012. Although the CAC had disagreed and formally recommended to the DOF reductions in RPTTF to be distributed to the Successor Agency for payment of enforceable obligations on ROPS III based on the payment of obligations approved by the DOF on ROPS I, which reduction would have withheld more than \$2.3 million of RPTTF requested for ROPS III obligations, the DOF specifically directed the CAC not to make any such reduction to RPTTF and, rather, to distribute all available RPTTF to the Successor Agency for payment of DOF approved enforceable obligations. In doing so, the DOF also increased the amount of RPTTF requested by the Successor Agency to make up for the deficit of RPTTF received by the Successor

Agency for the ROPS II period. Since the Successor Agency has received all available RPTTF since dissolution of the Former RDA, it is clear that all ROPS prepared and submitted to the CAC and DOF have not only been accurate but have also been substantially approved by the DOF (including approval of ROPS I and ROPS II in their entirety). Although the DOF did deny some items on ROPS III that were approved on both ROPS I and II, the DOF's approval of these items on ROPS I and II and the subsequent approval by the DOF and payment of RPTTF to the Successor Agency for these items speaks for itself.

Finally, a transfer from the Former RDA of \$1.7 million to the City, which was made in a timely manner to reimburse the General Fund for costs incurred on behalf of the Former RDA and reimbursed as part of a properly executed reimbursement agreement, was initially denied by the DOF during its review of the Successor Agency's Non-Housing Due Diligence Review Audit. However, after meeting and conferring with the DOF on this matter, the DOF reversed its initial determination and this transfer was subsequently approved by the DOF per the DOF's approval letter issued on April 8, 2013.

FINDING 05: INADEQUATE ACCOUNTING, AND ESPECIALLY INCORRECT REPORTING OF SHARED LABOR COSTS, PREVENTED THE CITY FROM PREPARING ACCURATE AND TIMELY ROPS SUBMISSIONS.

Response

The City **does not agree** with this Finding.

As stated above, the Successor Agency's (not the City's) ROPS I and ROPS II submissions were approved in their entirety by the DOF. Additionally, for both ROPS III and ROPS 13-14A, all available RPTTF was approved by the DOF and paid to the Successor Agency to fund enforceable obligations approved by the DOF on each respective ROPS. The statement that the "incorrect reporting of shared labor costs prevented the City [sic] from preparing accurate and timely ROPS submissions," therefore, is absolutely incorrect given that all of the Successor Agency's ROPS have been prepared and submitted in a timely manner and prior to every statutory deadline in the Dissolution Act and further that all available RPTTF for the enforceable obligations approved by the DOF on every ROPS has been paid to the Successor Agency. The City does not understand on what basis the OAAS auditors and the Grand Jury could make such an inaccurate Finding in light of the real facts.

Fact: The City's timekeeping system does not currently allow employee time sheets to be electronically approved by a supervisor.

This "fact" is incorrect. The City's payroll system does, in fact, provide for electronic timesheet entry *and* electronic supervisor approval.

Fact: Employees may make unauthorized adjustments to time sheets after supervisor's approval, but prior to payroll processing.

This "fact" is incorrect. Employees do not have access to the time sheet entry module after the supervisor has given approval.

FINDING 06: THE CITY TIMEKEEPING SYSTEM AND PROCEDURES ARE FLAWED AND THEY ARE OPEN TO ALTERED ENTRIES.

Response

The City **does not agree** with this Finding as the "facts" offered to support such Finding are incorrect.

Contrary to the above stated "Facts," the City's payroll system provides both for electronic timesheet entry and electronic supervisor approval. Although the system did allow for a two-hour time frame providing sufficient time for the supervisor to review the time sheet before approval, that window has since been narrowed and employees do not have access to the time sheet entry module after the supervisor has given approval. Additionally, as noted above, time sheets are compared to time entered and against approved leave and overtime slips before processing the pay by the payroll technician. A supervisor and the Administrative Services Director then approve the final payroll schedule before any checks/check stubs are created. As such, timesheets are not open to altered entries.

Finding 07: The City's accounting procedures regarding RDA funds were flawed.

Response

The City **partially agrees** with this Finding, although the City objects to the use of the word 'flawed' which may have an unnecessarily harsh connotation not applicable to immaterial misstatements.

The City has always received an unqualified audit opinion for its annual financial audits. The City agrees that there is always room for improvement and, as a result of an audit recommendation, reconciliation of the City's bank accounts has been adjusted to agree to the actual cash in the funds and not to the pooled cash account. All bank reconciliations must be reviewed and approved by the Administrative Services Director.

The fund balance adjustment to the Project Fund referred to in the independent audit for the period ending January 31, 2012, was in fact accurate. The amount of the adjustment was \$8,118. In their January 31, 2012 report, the auditors stated, "None of the misstatements detected as a result of audit procedures and corrected by management were material." It is unclear, therefore, why this "fact" would be included in the OAAS Audit, let alone a Grand Jury Report.

Fact: On June 14, 2012, the Tax Allocation Bonds insured rating was downgraded from A3 to Ba1.

This "fact" is incorrect. Neither the 2003 Tax Allocation Bonds nor the 2010 Tax Allocation Bonds issued by the Former RDA have ever been downgraded, and the 2010 Bonds retain their A rating today.

Fact: The DOF has continued to deny RPTTF funding for many items claimed by the Successor Agency on its ROPS.

This fact, though somewhat true, is misleading and primarily inaccurate. Not only has the DOF approved the majority of items included on all ROPS submitted thus far, but the DOF has also approved **all available RPTTF** with which to fund the DOF approved enforceable obligations. Although, on occasion, the DOF has denied some items listed on a ROPS seeking RPTTF funding, this is not unique to the Successor Agency and, in fact, is commonly experienced by most successor agencies throughout the State in the redevelopment wind down process. Additionally, most of the items denied for funding from RPTTF were not denied outright but were reclassified as administrative costs payable with the Administrative Cost Allowance.

FINDING 08: THERE IS NO GUARANTEE THAT RPTTF FUNDS WILL BE SUFFICIENT TO REPAY THE SUCCESSOR AGENCY'S DEBT.

Response

The City **does not agree** with this Finding as the "facts" offered to support such Finding are both incorrect and misleading.

Specifically, the proposed "fact" that on June 14, 2012, the Tax Allocation Bonds insured rating was downgraded from A3 to Ba1 is plainly inaccurate and an untrue statement. There is no record that the bond rating has been changed at all. Indeed, in the Successor Agency's review of the 2010 Continuing Bond Disclosure completed at the end of 2012, there was no bond rating change which would have been disclosed as a 'Significant Event' in the Bond Disclosure. Going forward, the Former RDA's and now the Successor Agency's obligation to make bond debt service payments for the two bonds issued to complete redevelopment projects remains a continuing obligation of the Successor Agency. Pursuant to the Dissolution Act, the servicing and/or repayment of this bond debt receives the highest priority of all Successor Agency enforceable obligations. Given the history of tax increment generation in the Redevelopment Project Area, even during the recent economic recession, there is no reason whatsoever to doubt that continued generation of and required distributions from the RPTTF will be more than sufficient to pay all outstanding debt service. Additionally, the Successor Agency is currently proceeding with a proposed refunding/refinancing of the 2003 bonds that will reduce the interest component thereby freeing additional property tax in the RPTTF for payment to the taxing entities (including the County of San Diego) as residual payments – a primary goal of the Dissolution Act. The Successor Agency's Financial Advisor indicates that the Successor Agency's 2010 bonds have retained their A rating and preliminary analysis of the City's property tax generation indicates that tax revenues will be more than sufficient to service the debt on the 2003 refunding/refinancing bonds, including continued debt service on the 2010 bonds, and that the new refunding bonds would also have an A rating.

Additionally, while every successor agency in the State, including the Successor Agency, continues to have some enforceable obligations included on a ROPS denied by the DOF and a corresponding denial of RPTTF funding for such obligations, this only means that more RPTTF will be available to service the Successor Agency's bond debt obligations. Additionally, the DOF has continued to approve RPTTF for bond debt service and, in fact, has been approving the use of RPTTF to fund bond debt reserves, thereby making any default on these bonds all the more unlikely. Likewise, most other enforceable obligations listed on the ROPS' by the Successor Agency have been approved by the DOF for funding from the RPTTF. Therefore, while there is no guarantee that the law will not substantially change again with respect to the redevelopment wind down process and RPTTF distribution to successor agencies throughout the State, a default on any of the Successor Agency's enforceable obligations is highly unlikely.

Fact: The City, under protest, made a payment in July 2012 of \$372,115 to the CAC as part of the clawback of unqualified Enforceable Obligations in ROPS I.

This "fact" is inaccurate and misleading. It is true that this payment was made and was made under protest by the Successor Agency (not the City). However, the reason for the protest was that, in June 2012, the CAC and DOF improperly questioned certain items included on the ROPS I which had already been approved by the DOF in its entirety on May 29, 2012. This subsequent questioning and "disapproval" of already-DOF-approved enforceable obligations (not "unqualified") on the ROPS I resulted in the \$372,115 "true-up" payment demand and the Successor Agency's subsequent payment of such amount. As further discussed below, this payment was made under protest due to the threat of significant penalties provided in the Dissolution Act to both the Successor Agency and the City if payment was not made by July 12, 2012. The DOF subsequently acknowledged the improper questioning of items on both the ROPS I and ROPS II

and allowed the Successor Agency's use of RPTTF distributed on June 1, 2012 to pay the improperly imposed \$372,115 true-up payment.

Fact: The City, using bond proceeds, made a Housing Authority debt service payment in November 2012 of \$533,092.

This "fact" is incorrect and misleading. Although the Successor Agency (not the City) was forced to use housing bond proceeds to make a 2003 bond debt service payment, it was not a "Housing Authority" debt service payment as the Housing Authority is not obligated to service debt on either the 2003 or 2010 tax allocation bonds. The true facts regarding this payment are discussed below.

Fact: The City's ROPS III submission shows an outstanding debt for redevelopment activities of \$111M and a payment deficit of \$2.6M.

This "fact" is misleading. Though it is true that \$111 million of outstanding Successor Agency debt was indicated in the Successor Agency's ROPS III, it was actually a clear error in which the outstanding 2003 Tax Allocation Bond Debt of \$32.5 million was entered and automatically counted twice by the DOF's ROPS spreadsheet under line item 1 (2003 Bond Debt) and line item 17 (the aforementioned \$533,092 2003 Bond debt payment from the above-referenced bond proceeds). The actual outstanding debt for the ROPS III submittal, therefore, was \$78.5 million. Of that amount, \$77 million was for the outstanding bond debt for both the 2003 and 2010 tax allocation bonds. As mentioned above, under the Dissolution Act, this outstanding bond debt has the highest priority for RPTTF funding of all Successor Agency enforceable obligations.

Stating that the Successor Agency has a "payment deficit" of \$2.6 million is both incorrect and misleading as this amount is simply an estimate on the ROPS Summary page, being the difference between the anticipated or estimated amount of RPTTF to be received by the Successor Agency and the amount of requested RPTTF to fund enforceable obligations for the applicable six-month period. Given this expected deficiency, and pursuant to applicable procedures of the Dissolution Act, the Successor Agency did notify the CAC that it would have insufficient RPTTF for the ROPS III period with which to pay all of its enforceable obligations. In a letter dated January 29, 2013, the CAC concurred with the Successor Agency and identified insufficient RPTTF in the amount of \$964,696 for the ROPS III period. However, the Successor Agency simply decreased the DOF-approved 2003 and 2010 bond debt reserve amounts to account for this deficit. These bond reserves were simply a protective measure sought by the Successor Agency and approved by the DOF and were still partially funded during the ROPS III period. Notwithstanding this deficit, and along with the reclassification and denial of some items on the ROPS III, the amount of RPTTF provided to the Successor Agency was sufficient to pay all bond debt service and certain other enforceable obligations during the ROPS III period.

Fact: The City's ROPS 13-14A submission shows an outstanding debt for redevelopment activities of \$40M and a payment deficit of \$1.5M.

This "fact" is incorrect and misleading. Though it is true that the ROPS 13-14A shows an outstanding debt of \$40 million, stating that the Successor Agency has a "payment deficit" of \$1.5 million is incorrect and misleading as this amount is simply an estimate on the ROPS Summary page, being the difference between the anticipated or estimated amount of RPTTF to be received by the Successor Agency and the amount of requested RPTTF to fund enforceable obligations for the applicable six-month period. Additionally, the actual amount of RPTTF distributed on June 1, 2013, was \$3,265,673, which was \$1,529,810 more than the estimate of RPTTF, which estimate was based on the June 1, 2012 RPTTF distribution. The DOF approved all \$3,265,673 of RPTTF available to fund the Successor Agency's enforceable obligations, which,

combined with the reclassification of some items on the ROPS III to administrative costs, should be sufficient to pay all enforceable obligations approved on the ROPS 13-14A for this six-month period.

FINDING 09: THE CITY'S REDEVELOPMENT DEFICITS, SHOWN IN THE ROPS SUBMISSIONS AND AUDITED FINANCIAL STATEMENTS, ARE EVIDENCE OF THE CITY'S GROWING FISCAL STRESS.

Response

The City **disagrees with** this Finding and the "facts" offered to support such Finding are both incorrect and misleading.

Not only is the City's fiscal condition quite sound, the City's General Fund is, in fact, not responsible for the obligations of the Successor Agency, including its bond debt. Notwithstanding these facts, and as noted above, there is absolutely no reason at this time to doubt that there will be sufficient RPTTF every six months with which to pay all outstanding bond debt and other enforceable obligations of the Successor Agency. As for the statement that "the City, under protest, made a payment in July 2012 of \$372,115 to the CAC as part of the clawback of unqualified Enforceable Obligations in ROPS I," this is only partially true. This "true-up" payment (imposed under the Dissolution Act on many successor agencies and intended to represent unused or improperly used tax increment funds paid to the Former RDA for ROPS I obligations) was, in fact, made under protest by the Successor Agency because this "true-up" payment of \$372,115 was the result of the CAC and DOF making unauthorized and improper adjustments to the DOF-approved enforceable obligations listed on the ROPS I after the DOF had already approved all obligations listed on the ROPS I by its letter dated May 29, 2012. Further, because the Successor Agency had no available funds with which to make this payment, it was forced to use RPTTF distributed on June 1, 2013, which was intended for the ROPS II period. This statutorily unauthorized adjustment to the ROPS I was included as part of the ROPS II reconciliation included in ROPS 13-14A and discussed with the DOF during the ROPS 13-14A "Meet and Confer" meeting on April 30, 2013. Given the facts presented by the Successor Agency, the use of RPTTF to make the improper "true-up" payment was approved by the DOF as stated in its approval letter dated May 17, 2013. As such, the Successor Agency was reimbursed \$372,115 from RPTTF for having to make the improper "true-up" payment demand. The DOF's determinations outlined in its letter dated May 17, 2013 rejected the CAC's recommended reductions in RPTTF to be paid to the Successor Agency on June 1, 2013 that would have reduced the payment of RPTTF to the Successor Agency on June 1, 2013 by \$747,238. If the OAAS and Grand Jury are truly concerned about the ability of the Successor Agency to adequately fund its bond debt service and other debt obligations, it is both perplexing and contradictory that the CAC has consistently sought to significantly reduce and/or minimize the amount of RPTTF due to the Successor Agency, which efforts have been rejected by the DOF.

The Successor Agency's (not the City's) use of \$533,092 of affordable housing bond proceeds to make a bond debt service payment was necessary as there was no available RPTTF with which to make this payment and pursuant to the Dissolution Act and other laws and contractual obligations, the Successor Agency was required to avoid a default on these bonds. The lack of funding was due to the improper "true-up" payment required by the CAC as discussed above, along with the prior depletion of all Former RDA assets by prior Supplemental Education Revenue Augmentation Fund ("SERAF") payments imposed by the State, and an on-going cash-flow deficiency of the Former RDA. This bond debt service payment, an approved enforceable obligation on all ROPS submitted thus far, was subsequently approved by the DOF for reimbursement from RPTTF received by the Successor Agency on January 2, 2013. Finally, having successfully navigated the first four ROPS submittals and having been approved for all available RPTTF with which to fund the DOF-approved enforceable obligations of the Successor Agency, it appears that, as expected, the number of Successor Agency enforceable obligations on ROPS 13-14B for which RPTTF will be needed has decreased to the point that, for the January 2, 2014 RPTTF distribution, residual RPTTF will

be available for distribution to the other affected taxing entities including the City. This, therefore, will actually serve to improve the City's fiscal stability and will continue to do so as the wind down process continues and the number of enforceable obligations is reduced.

SUMMARY OF RECOMMENDATIONS AND RESPONSES:

13-83: Update the City's timekeeping system and approval procedure to allow required segregation of labor costs to the Successor Agency.

Response

The City **has already implemented** this recommendation. The City agrees that it is a recommended practice that labor costs relative to work performed on behalf of the Successor Agency be segregated from the labor costs of the City, although we note that the Dissolution Act does not specifically require such segregation in the accounting system. In support of this recommended practice, however, a project code (SP1306) within the Successor Agency's financial system's general ledger was created with a start date of February 1, 2012 (the creation date of the Successor Agency), to segregate Successor Agency administrative costs, including labor costs. General use of this project code was not fully utilized during the ROPS I period because AB 1484, which imposed new tasks on county auditor-controllers and reporting requirements on successor agencies had not yet been enacted into law. As a result, uncertainty existed regarding the ROPS reporting among all former redevelopment agencies and their successor agencies across the State during the ROPS 1 period. Additionally, the Successor Agency has also created other project-related codes to more accurately account for costs incurred by the Successor Agency, as opposed to costs incurred by the City.

13-84: Immediately implement accounting procedures that accurately segregate all cost types (notably labor and outsourced legal expenses) between the General Fund, Successor Agency funds, and other City funds.

Response

The City **has already implemented** this recommendation. The City **agrees** it is a recommended practice that labor costs relative to work performed on behalf of the Successor Agency be segregated from the costs of the City. In support of this recommended practice, not only was the project code referenced above (SP1306) created within the Successor Agency's financial system's general ledger, but several other project codes segregating other Successor Agency costs from City costs have also been created and utilized during the OAAS audited period and the current period. Further, enforceable obligation expenses incurred during ROPS I and ROPS II period by the Successor Agency were specifically reviewed and approved by the DOF during the ROPS I and ROPS II reconciliation process. The support documentation of enforceable obligation transactions submitted by the Successor Agency adequately met the DOF's standards, to the extent that a significant majority of the listed obligations were approved by the DOF with all available RPTTF paid to the Successor Agency for every ROPS period thus far.

A significant number of project codes exist in each of the City and Successor Agency general ledgers that specifically segregate costs associated with legal work on projects and other activities. Such information was provided to the OAAS auditors but was apparently overlooked during the auditors' review. Indeed, the legal invoices provided to the OAAS auditors are quite detailed regarding the specific projects and cases for which the work was provided.

Since the OAAS auditors' visit to the City of Imperial Beach, several more project codes have been created in the general ledger for the Successor Agency including R13102 (Oversight Board Costs), R13103 (SA Litigation Costs), RDA Property Management (R13104), the Pier South Hotel (R13105), Bikeway Village (S11106) and the 2003 Tax Allocation Bond Refunding/Refinancing (SP1311). Additionally, the Successor Agency is continually pursuing procedures to improve the ROPS reporting and reconciliation process.

13-85: By the end of the Calendar Year (CY) 2013, institute a time study that should be performed on a periodic basis, to allocate time spent on RDA activities.

Response

The City **does not intend to implement** this Recommendation as it is not warranted. To accurately allocate time spent on Successor Agency (not Former RDA) activities, the City has been and will continue to record actual time spent by each staff member through its payroll timesheets, rather than implement this recommendation.

City and Successor Agency staff had already implemented the practice of recording the actual hours worked on Successor Agency activities on the payroll time sheets and by the use of the specific Successor Agency's Administrative Allowance Cost project code (SP1306) at the time of the OAAS Audit and have also begun using the other project codes discussed above. The City believes that this will be a more cost effective and efficient way to accurately allocate time than a time study. Additionally, legal services are also specifically recorded to specific project codes as the invoices provided are very specific as to the projects for which the services have been performed and billed separately under specific project titles. These hours are journalized throughout the pay period by referencing notes of the employee, meeting appointments, and correspondence regarding Successor Agency activities and projects. Further, the support documentation of staff hours dedicated to Successor Agency activities were reviewed and approved by the DOF. A time study not only fails to achieve the OAAS auditors' goal, but would be a needless use of taxpayer resources.

13-86: By the end of CY 2013, improve the City accounting system for legal expenses as follows:

- **Make an adjusting journal entry to reclassify legal cost related to the RDA dissolution and the Successor Agency operations from the Professional Services Account to the Attorney Services account.**

Response: This Recommendation **has been implemented**. Staff has reclassified the attorney services to the Legal Services account from the Professional Services account, and journals have been created to correct previous entries.

- **Make an adjusting journal entry to reclassify legal costs related to City operations from the RDA and Successor Agency's accounts to City accounts.**

Response: The City **does not intend to implement** this Recommendation as it is unwarranted. As specifically detailed in all legal invoices provided to the OAAS auditors and subsequently provided to the Grand Jury, legal costs were and are correctly classified according to the appropriate fund for which the services were and are provided. In the case of one particular invoice specified by the OAAS auditors relating to legal services performed on behalf of the Housing Authority, these services were appropriately paid for by Former RDA tax increment pursuant to the CRL as the Former RDA was, at

that time, legally authorized to pay for Housing Authority costs relating to the Housing Authority's aid and cooperation to the Former RDA in implementation of the Former RDA's affordable housing obligations. After redevelopment dissolution, certain legal services relating to projects provided on behalf of the Housing Authority acting its capacity as the "Successor Housing Entity" of the Former RDA were funded in part by RPTTF as specifically approved by the DOF. Additionally, as noted in the foregoing responses, the City and Successor Agency have taken additional measures to ensure that all legal costs are appropriately recorded and funded. The City and the Successor Agency intend to continue to specifically classify and correctly record all legal services to their appropriate funding sources.

- **Implement two accounts for recording legal services, one for legal services related to litigation and another for legal services related to general legal representation.**

Response: This Recommendation **had already been implemented** and in practice at the time of the OAAS Audit was conducted. In addition to the legal services account, all legal services are coded to sub account project accounts: one for litigation and a second one for operations. For example, all legal services are coded to their own account and, in addition, legal services related to litigation are also coded to a separate project code. This process segregates legal services between those for operations and those for litigation and provides the means to properly report information on a submitted ROPS.

- **Develop a process to ensure that legal services are recorded correctly.**

Response: This Recommendation **has been implemented**. Although legal services have always been correctly recorded under previous procedures, all legal services are now recorded to a Legal Services account and all purchase orders have been changed to reflect the correct coding.

13-87: By the end of CY 2013, restate financial statements for FY 2010-11.

Response

The City **does not intend to implement** this Recommendation as it is not warranted. Although it is unclear to the City on what basis this Recommendation is provided, the issue with regard to the \$1.7 million transfer to the General Fund was successfully resolved with the DOF which found that the transfer was not an unauthorized transfer and, therefore, was approved. If the \$1.7 million transfer is the basis for this Recommendation, it is important to note that actions of the Former RDA were governed by the California Community Redevelopment Law during the period in question and which allowed for the aid and cooperation among cities and redevelopment agencies toward redevelopment activities and permitted the transfer of funds and other arrangements among the Former RDA and the City for redevelopment purposes. Additionally, both the City and the Former RDA received an unqualified audit report for FY 2010-11.

13-88: By the end of CY 2013, identify labor costs related to RDA activities for the period of February 1 through June 30, 2012 and make an adjusting journal entry to transfer this cost from the City's General Fund to the Successor Agency fund.

Response

The City **does not intend to implement** this Recommendation as it is neither reasonable nor warranted. First, there were no RDA costs incurred during the period mentioned as the Former RDA was dissolved on February 1, 2012. Secondly, the Dissolution Act allows for payment of labor costs related to Successor Agency activities. As previously noted above, the Successor Agency does not have independent staff or employees separate and apart from the City and, therefore, the Successor Agency fully relies upon City staff to perform all operations and functions of the Successor Agency. Additionally, once audited financial statements have been published, changes in the categorization of expenses on the income statement are not allowed. A restatement of financial statements for prior period adjustments is only done if the adjustments change the balance sheet. The implementation of this Recommendation would have no net effect to the balance sheets of the respective funds. Finally, the Due Diligence Reviews conducted pursuant to the Dissolution Act were a thorough audit of the Successor Agency's assets and accounts inclusive of the period identified which have been reviewed and approved by the DOF. Therefore, we cannot simply change or modify the assets and accounts of the Successor Agency at this time.

13-89: Develop a timekeeping system or work with the current vendor's system support to automate the timesheet approval process and to implement automated controls that prevent employees from adjusting time sheets after supervisor's approval.

Response

This Recommendation **had already been implemented** at the time of the OAAS Audit and it bears noting that there have been no instances of breaches of the City's internal control. The City's current electronic time keeping process is automated and payroll processing procedures are in place and strictly followed to protect against employees adjusting time sheets after submittal. The OAAS auditors noted that there exists a two-hour window when employees still have access to the time keeping system while department managers and directors are reviewing and approving submitted timesheets. This window is in place in order to give department directors access to make adjustments to submitted hours made in error. Once access to the payroll time keeping system is closed for the pay period, the Finance Department follows an additional internal control procedure of auditing the submitted approved timesheets against the timekeeping hours existing in the system. The report used for this internal control procedure is the "Hours Entry Report". This additional internal control procedure was discussed and demonstrated to the OAAS auditors but apparently was not recognized or acknowledged by the OAAS auditors in presenting their findings to the Grand Jury.

13-90: Begin immediately to increase the accuracy of their ROPS submission procedures to comply with DOF requirements.

Response

This Recommendation **has been implemented and will continue to be implemented**. Although all past ROPS submittals have been accurate inasmuch as estimate of funding needs for enforceable obligations can be, the Successor Agency is constantly pursuing procedures to improve the accuracy and compliance with the Dissolution Act. Although this Recommendation implies that past ROPS submittals have been inaccurate, as noted above, the Successor Agency's consistent approval rate by the DOF of the enforceable obligations and requested RPTTF funding for every ROPS submitted thus far clearly demonstrates both the accuracy and the appropriateness of the Successor Agency's ROPS submittals. Therefore, although this

Recommendation appears unwarranted based on the true facts, the Successor Agency will continue to provide accurate information on all ROPS submittals and the City will take steps to ensure this.

13-91: Consider getting help from the State representatives or County resources in the ROPS submission and settlement process.

Response

Although the Successor Agency **has implemented this Recommendation and will continue to implement** this Recommendation, as demonstrated by the foregoing responses, this Recommendation is not warranted based on the true facts. The Successor Agency has highly skilled and experienced staff who have successfully negotiated the challenges of redevelopment dissolution and compliance with the Dissolution Act including, without limitation, compliance with all applicable requirements, submittals, deadlines and procedures imposed to date on the Successor Agency, the City and successor housing entity (the Imperial Beach Housing Authority). The timely submittal of all ROPS, the approval by the DOF of most of the enforceable obligations included on each ROPS, the approval by the DOF and payment of all available RPTTF to the Successor Agency to fund approved enforceable obligations, the successful approval by the DOF of the Successor Agency's Due Diligence Review Audits (both Housing and Non-Housing funds and assets) with zero dollars owed, the approval of the State Controller's Asset Transfer Review, and the issuance of the Successor Agency's Finding of Completion on April 12, 2013 by the DOF, are absolute and irrefutable evidence of the Successor Agency staff's knowledge and understanding of the redevelopment dissolution process and the Dissolution Act, and the adequacy of the Successor Agency's ROPS preparation, submission, and review process. Beyond that, the City's, the Former RDA's and the Successor Agency's audit reports have always been unqualified and, while there is always room for improvement, staff continues to improve and refine its audit procedures. Finally, in connection with the myriad ambiguities and inconsistencies contained in the Dissolution Act (as acknowledged by both the OAS auditors and the Grand Jury), the Successor Agency has sought and received assistance from State representatives and/or County resources in the preparation, submission and review process of submitted ROPS.

On behalf of the City, thank you for the opportunity to respond to the Findings and Recommendations set forth in the Grand Jury Report. The City takes the grand jury investigative and reporting process very seriously and we hope that the above responses provide additional helpful information in connection with each of the Findings and Recommendations discussed.

Sincerely,

James C. Janney,
Mayor

cc: City Council



AGENDA ITEM NO. 6.2

**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *BW FOR*

ORIGINATION DEPT.: CITY MANAGER
GREGORY WADE, ASSISTANT CITY MANAGER *BW*

MEETING DATE: AUGUST 21, 2013

SUBJECT: CONSIDERATION OF AND AUTHORIZATION TO ISSUE A REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR SPECIALIZED SERVICES TO OPERATE AND MANAGE THE IMPERIAL BEACH SPORTS PARK

BACKGROUND:

At the meeting on June 5, 2013, City Council asked Councilmembers Bilbray and Patton to meet with people from the Sports Park Collaborative (the "Collaborative") to formulate a process by which Council might decide what organization should manage Sports Park. Council also decided to meet on June 26, 2013 to discuss the decision-making process recommended as a result of the meeting with representatives of the Collaborative.

On June 18th Councilmembers Patton and Bilbray met with five people from the Sports Park Collaborative and members of City staff. At the meeting, options were discussed for future operation of Sports Park. It was the consensus of the group to recommend that Council solicit proposals from only the YMCA and the BGC to manage Sports Park based upon specifications developed by a Sports Park Task Force.

In addition to issuing a Request for Proposals (RFP) to the BGC and YMCA, people at the June 18th meeting discussed the creation of a Recreation Commission and the roles it could play. Councilmember Bilbray suggested a review of the City's records to see what role a previous recreation and parks commission played. It was generally agreed, however, that the immediate task was to concentrate on selecting the management of the Sports Park before addressing the creation of a Recreation Commission, keeping in mind that the Recreation Commission question might be addressed before completing the selection of Sports Park management.

At the June 26, 2013 Council meeting, staff presented the following outline for the RFP process:

1. June 26th City Council meeting – Council directed staff to prepare a RFP and requested that Councilmembers Bilbray and Patton to work with a Sports Park Task Force (SPTF) of approximately five members. Council also decided the RFP specifications would be brought back to Council for discussion and possible modification prior to issuance.
2. July / August – The Sports Park Ad Hoc Committee and SPTF will develop specifications for the RFP and return to Council with recommended specifications or issues to address in the RFP.

3. September – The RFP is issued to the YMCA and BGC with a specified response date.
4. October / November – The Ad Hoc Committee and SPTF reviews the proposals and may request individual meetings and/or additional information from the YMCA and BGC to discuss and clarify their proposals and/or to receive a presentation from each.
5. November – The Ad Hoc Committee and SPTF makes a recommendation to City Council for the selection of an operator/manager of Sports Park. The recommendation will clearly state, but not be limited to, the rationale for the recommendation and why one proposal is superior to the other.
6. November / December – The City Attorney and staff draft and negotiate a contract with the selected Sports Park operator and the contract is reviewed by the Ad Hoc Committee and SPTF for consistency with main deal points previously recommended to Council. The contract is then presented to City Council for approval.

Also at the June 26th meeting, the City Council took action to create a Sports Park Ad Hoc Committee consisting of Council Members Bilbray and Patton to review the Draft the RFP prepared by staff and to seek input from the members of the Sports Park Task Force with whom they had previously met.

DISCUSSION:

Staff has prepared a Draft Request for Qualifications/Proposals (RFQ/P) and has scheduled a meeting with the Ad Hoc Committee and Sports Park Task Force on Friday, August 16, 2013, to discuss the Draft RFQ/P. If there is consensus among the group regarding the specifications, requested services and operational parameters as described in the Draft RFQ/P, a copy of the Draft RFQ/P will be forwarded to the City Council prior to August 21st and it will be presented to the City Council on August 21, 2013 for consideration. If it is felt that more time and input are needed, this item will be moved to the City Council meeting of September 4, 2013 for consideration.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

It is expected that a contract with one of the above-discussed organizations for the operation of Sports Park would result in potential savings to the City. Such savings, however, would depend on the proposals received and/or selected.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council receive this report and, if the Draft RFQ/P has been forwarded by the Sports Park Ad Hoc Committee to the City Council, provide input on and/or direct staff to issue the Draft RFQ/P.

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *OW FOR*

MEETING DATE: AUGUST 21, 2013

ORIGINATING DEPT.: PUBLIC WORKS *HAL*

SUBJECT: RESOLUTION NO. 2013-7377 FORMALLY ACCEPTING AND APPROPRIATING THE 2012-2013 BICYCLE TRANSPORTATION ACCOUNT (BTA) GRANT FUNDS AND AUTHORIZING AN AMENDMENT TO THE CITY'S FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) FOR THE 13TH STREET BIKEWAY PROJECT

BACKGROUND:

The City's Bicycle Transportation Plan (BTP) adopted in 2008 shows 13th Street as a Class 2 bike lane from Iris Ave to the Bayshore Bikeway. At the April 4, 2012 City Council meeting, staff reported that CALTRANS had announced a call for projects for the "2012-2013 Bicycle Transportation Account" (BTA) grant and discussed the merits of a possible project for converting 13th Street from a four lane road to a three vehicle lane street with an accompanying Class 2 bikeway. At the April 18, 2012 City Council meeting, direction was given through Resolution 2012-7186 to submit a grant application and to authorize the Public Works Director to sign and execute all documents related to the BTA grant for the design and construction of a Class 2 bike lane on 13th Street. The City Council also authorized a 10% match up to \$7,500 from the Gas Tax account towards the project.

The City received notification from CALTRANS on October 18, 2012 that the "13th Street Bikeway" project was approved for funding in the requested amount of \$67,500. An agreement with CALTRANS for the expenditure of the BTA grant funds was subsequently signed by the Public Works Director on November 8, 2012 (Attachment 2) as previously authorized by Resolution 2012-7186. On April 8, 2013, the City received an executed contract from the State (see Attachment 2). On July 11, 2013 the City published a notice for a public hearing on the proposed amendment to the City's Circulation Element of the General Plan by redesignating the segment of 13th Street from Palm Avenue to Iris Avenue from a 4 lanes collector to a 3 lane collector. The Public Review Period was July 11, 2013, through August 26, 2013

DISCUSSION:

Staff is now ready to move forward with the design and construction of the "13th Street Bikeway" project. To start work on the project City Council needs to formally accept the BTA grant funds and to appropriate the grant funds and City gas tax match toward the project. Additionally staff recommends City Council add the "13th Street Bikeway" project to the Five-Year Capital Improvement Program (CIP) projects budget for Fiscal Years 2009/2010 through 2013/2014. The public hearing for the above described amendment to the City's Circulation Element is scheduled for the September 4, 2013 City Council meeting.

ENVIRONMENTAL DETERMINATION:

The BTP and associated CEQA environmental review document adopted in 2008 analyzed and accepted the installation of a Class 2 bikeway on 13th Street. Thus there is no further environmental review necessary.

FISCAL IMPACT:

Appropriation of BTA grant funds to the 13 th Street Bikeway project	\$67,500
Appropriation of Gas Tax Reserve to the 13 th Street Bikeway project	<u>\$ 7,500</u>
TOTAL REVENUE OBLIGATED	\$75,000

DEPARTMENT RECOMMENDATION:

1. Approve the attached resolution.
2. Accept the BTA grant funds and appropriate those funds for the design and construction of the "13th Street Bikeway" project.
3. Appropriate \$7,500 from Gas Tax reserve to the "13th Street Bikeway" project.
4. Direct staff to amend the five-year CIP budget to include the "13th Street Bikeway" project.

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. Resolution No. 2013-7377
2. BTA Grant Agreement

RESOLUTION NO. 2013-7377

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, FORMALLY ACCEPTING AND APPROPRIATING THE 2012-2013 BICYCLE TRANSPORTATION ACCOUNT (BTA) GRANT FUNDS AND AUTHORIZING AN AMENDMENT TO THE CITY'S FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) FOR THE 13TH STREET BIKEWAY PROJECT

WHEREAS, the City's Bicycle Transportation Plan adopted in 2008 shows 13th Street as a Class 2 bike lane from Iris Ave to the Bayshore Bikeway; and

WHEREAS, direction was given through Resolution 2012-7186 to submit a grant application and authorize the Public Works Director to sign and execute all documents related to the Bicycle Transportation Account (BTA) grant for the design and construction of a Class 2 bike lane on 13th Street; and

WHEREAS, the City received notification from CALTRANS on October 18, 2012 that the "13th Street Bikeway" project was approved for funding in the requested amount of \$67,500; and

WHEREAS, the Public Works Director signed an agreement with CALTRANS on November 8, 2012 to design and build the "13th Street Bikeway" project; and

WHEREAS, the City Council authorized the required 10% match for the BTA grant in the amount of \$7,500 from the Gas Tax account; and

WHEREAS, City Council needs to formally accept the BTA grant funds and to appropriate the grant funds and City gas tax match to the project; and

WHEREAS, City Council needs to add the "13th Street Bikeway" project to the Five-Year Capital Improvement Program (CIP) projects budget for Fiscal Years 2009/2010 through 2013/2014.

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 BTA grant funds awarded to the City for the design and construction of the 13th Street Bikeway project are formally accepted and appropriated to the 13th Street Bikeway Project.
3. City Gas Tax funds are appropriated as the match for the BTA grant.
4. City staff are authorized to amend the five-year CIP budget to include the 13th Street Bikeway project

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 21st day of August 2013, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

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

**LOCAL AGENCY - STATE AGREEMENT
For
BICYCLE TRANSPORTATION ACCOUNT PROJECT**

11 City of Imperial Beach Agreement No. BTA 12/13-11-SD-04
District Local Agency

THIS AGREEMENT, made in duplicate entered into effect as of this 1st day of July 2012, by and between the political entity identified above, a political subdivision of the State of California, hereinafter referred to as "LOCAL AGENCY", and the State of California, acting by and through the Department of Transportation, hereinafter referred to as "STATE" and together referred to as "PARTIES" or individually as a "PARTY".

WITNESSETH:

WHEREAS, under the provisions of Streets and Highways Code Section 2106 (b) and Sections 890 through 894.2, as implemented by regulations in Title 21, Division 2, Chapter 10, of the California Code of Regulations, Bicycle Transportation Account funds (herein referred to as STATE FUNDS) have been allocated to LOCAL AGENCY for the Bicycle Transportation Account project defined in "EXHIBIT A" attached hereto and hereafter referred to as "PROJECT"; and

Whereas, before STATE FUNDS will be made available for PROJECT, LOCAL AGENCY and STATE are required to enter into an agreement to establish terms and conditions applicable to the LOCAL AGENCY when receiving STATE FUNDS for a designated PROJECT facility and to the subsequent operation and maintenance of that completed facility.

NOW THEREFORE, the PARTIES agree as follows:

ARTICLE I - Project Administration

1. This AGREEMENT shall have no force or effect with respect to PROJECT unless and until it has been fully executed by both STATE and LOCAL AGENCY,
2. EXHIBIT A designates the party responsible for implementing PROJECT, type of work, and location of PROJECT.
3. LOCAL AGENCY agrees to execute and return AGREEMENT within ninety (90) days of receipt. The PARTIES agree that STATE may void AGREEMENT if not returned within the ninety (90) day period unless otherwise agreed by STATE in writing.
4. LOCAL AGENCY further agrees, as a condition to the release and payment of STATE FUNDS encumbered for the PROJECT described in EXHIBIT A, to comply with the terms and conditions of this AGREEMENT.

5. STATE FUNDS will not participate in any portion of PROJECT work performed in advance of the effective date of the executed AGREEMENT.
6. Projects allocated with STATE FUNDS from the Bicycle Transportation Account (BTA) will be administered in accordance with the current Bicycle Transportation Account (BTA) Guidelines, as adopted or amended, and in accordance with Chapter 21, "Bicycle Transportation Account (BTA)" of the Local Assistance Program Guidelines (LAPG) published by STATE.
7. LOCAL AGENCY shall provide or arrange for adequate supervision and inspection of PROJECT. While consultants may perform supervision and inspection work for PROJECT with a fully qualified and licensed engineer, LOCAL AGENCY shall provide a full-time employee to be in responsible charge of PROJECT.
8. LOCAL AGENCY shall advertise, award, and administer the PROJECT construction contract or contracts.
9. The cost of maintenance, security, or protection performed by LOCAL AGENCY or contractor forces during any temporary suspension of PROJECT or at any other time may not be charged to the PROJECT.
10. LOCAL AGENCY shall design and construct PROJECT in accordance with Chapter 1000, Bikeway Planning and Design of the Highway Design Manual that describes minimum statewide design standards for bikeways and roads where bicycle travel is permitted and the California Manual on Uniform Traffic Control Devices that describes the uniform standards and specifications for all official traffic control devices.
11. LOCAL AGENCY shall comply with the Americans with Disabilities Act (ADA) of 1990 that prohibits discrimination on the basis of disability and all applicable regulations and guidelines issued pursuant to the ADA.
12. The Governor and the Legislature of the State of California, each within their respective jurisdictions, have prescribed certain nondiscrimination requirements with respect to contract and other work financed with public funds. LOCAL AGENCY agrees to comply with the requirements of the FAIR EMPLOYMENT PRACTICES ADDENDUM attached hereto as Exhibit B and further agrees that any agreement entered into by LOCAL AGENCY with a third party for performance of work connected with PROJECT shall incorporate Exhibit B (with third party's name replacing LOCAL AGENCY) as parts of such agreement.
13. LOCAL AGENCY shall include in all subcontracts awarded when applicable, a clause that requires each subcontractor to comply with California Labor Code requirement that all workers employed on public works aspects of any project (as defined in California Labor Code §1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective at the date of contract award by the LOCAL AGENCY.

ARTICLE II - Rights of Way

1. No contract for the construction of PROJECT shall be awarded until all necessary rights of way have been secured. Prior to the advertising for construction of PROJECT, LOCAL AGENCY shall certify and, upon request, shall furnish STATE with evidence that all necessary rights of way are available for construction purposes or will be available by the time of award of the construction contract.
2. The furnishing of right of way by LOCAL AGENCY as provided for herein includes, and is limited to, the following:
 - a) Expenditures to purchase all real property required for PROJECT free and clear of liens, conflicting easements, obstructions and encumbrances, after crediting PROJECT with the fair market value of any excess property retained and not disposed of by LOCAL AGENCY.
 - b) The cost of furnishing of right of way as provided for herein includes, in addition to real property required for the PROJECT, title free and clear of obstructions and encumbrances affecting PROJECT and the payment, as required by applicable law, of damages to owners or remainder real property not actually taken but injuriously affected by PROJECT.
 - c) The cost of relocation payments and services provided to owners and occupants pursuant to Government Code Sections 7260-7277 when PROJECT displaces an individual, family, business, farm operation or nonprofit organization.
 - d) The cost of demolition and/or the sale of all improvements on the right of way after credit are recorded for sale proceeds used to offset PROJECT costs.
 - e) The cost of unavoidable utility relocation, protection, or removal.
 - f) The cost of all necessary hazardous material and hazardous waste treatment, encapsulation or removal and protective storage for which LOCAL AGENCY accepts responsibility and where the actual generator cannot be identified and recovery made.
3. LOCAL AGENCY agrees to indemnify and hold STATE harmless from any liability that may result in the event the right of way for PROJECT, including, but not limited to, being clear as certified, or if said right of way is found to contain hazardous materials requiring treatment or removal to remediate in accordance with federal and state laws. LOCAL AGENCY shall pay from its own non-matching funds, any costs which arise out of delays to the construction of PROJECT because utility facilities have not been timely removed or relocated, or because rights of way were not available to LOCAL AGENCY for the orderly prosecution of PROJECT work.

4. If PROJECT is not on STATE-owned right of way, PROJECT shall be designed and constructed in accordance with Chapter 1000, Bikeway Planning and Design of the Highway Design Manual that describes minimum statewide design standards for bikeways and roads where bicycle travel is permitted and the California Manual on Uniform Traffic Control Devices that describes the uniform standards and specifications for all official traffic control devices.

5. If PROJECT involves work within or partially within STATE-owned right of way, that PROJECT shall also be subject to compliance with the policies, procedures and standards of the STATE Project Development Procedures Manual, Highway Design Manual, and California Manual on Uniform Traffic Control Devices and where appropriate, an executed cooperative agreement between STATE and LOCAL AGENCY that outlines the PROJECT responsibilities and respective obligations of the PARTIES. LOCAL AGENCY and its contractors shall each obtain an encroachment permit through STATE prior to commencing any work within STATE right of way or work which affects STATE facilities.

ARTICLE III - Engineering

1. LOCAL AGENCY eligible costs for preliminary engineering work includes all preliminary work directly related to PROJECT up to contract award for construction, including, but not limited to, preliminary surveys and reports, laboratory work, soil investigations, the preparation of plans, specifications and estimates (PS&E), advertising for bids, awarding of a contract and project development contract administration.

2. LOCAL AGENCY eligible costs for construction engineering includes actual inspection and supervision of PROJECT construction work; construction staking; laboratory and field testing; and the preparation and processing of field reports, records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities.

3. Preliminary and construction engineering costs included in the estimate contained in Exhibit A are eligible project costs. STATE reimbursement to LOCAL AGENCY will be on the basis of the actual cost thereof to LOCAL AGENCY including compensation and expense of personnel working on PROJECT, required materials, and automotive expense provided, however, LOCAL AGENCY shall contribute its general administrative and overhead expense.

4. LOCAL AGENCY employees or its subcontractor engineering consultant shall be responsible for all PROJECT engineering work.

5. LOCAL AGENCY shall not proceed with final design of PROJECT until final environmental approval of PROJECT. Final design entails the design work necessary to complete the PS&E and other work necessary for a construction contract but not required earlier for environmental clearance of that PROJECT.

6. LOCAL AGENCY shall certify compliance or documentation of Categorical Exemption determination with the applicable provisions of the California Environmental Quality Act (CEQA) as defined in Title 14, California Code of Regulations, Chapter 3, Guidelines for Implementation of the California Environmental Quality Act.

ARTICLE IV - Maintenance and Management

1. LOCAL AGENCY will maintain and operate the property acquired, developed, constructed, rehabilitated, or restored by PROJECT for its intended public use until such time as the parties might amend this AGREEMENT to otherwise provide. With the approval of STATE, LOCAL AGENCY or its successors in interest in the PROJECT property may transfer this obligation and responsibility to maintain and operate PROJECT property for that intended public purpose to another public entity.

2. Upon LOCAL AGENCY acceptance of the completed construction contract, or upon the contractor(s) being relieved of the responsibility for maintaining and protecting PROJECT, LOCAL AGENCY will be responsible for the maintenance, ownership, liability, and expense thereof for PROJECT in a manner satisfactory to the authorized representative of STATE, and if PROJECT falls within the jurisdictional limits of another Agency or Agencies, it is the duty of LOCAL AGENCY to facilitate a separate maintenance agreement(s) between itself and the other jurisdictional Agency or Agencies providing for the operation, maintenance, ownership and liability of PROJECT. Until those agreements are executed, LOCAL AGENCY will be responsible for all PROJECT operations, maintenance, ownership and liability in a manner satisfactory to the authorized representative of the STATE.

3. PROJECT and its facilities shall be maintained by an adequate and well-trained staff of engineers and/or such other professionals and technicians, as PROJECT reasonably requires. Said operations and maintenance staff may be employees of LOCAL AGENCY, another unit of government, or contractor under agreement with LOCAL AGENCY. All maintenance will be performed at regular intervals or as required for efficient operation of the completed PROJECT improvements.

ARTICLE V - Fiscal Provisions

1. STATE'S financial commitment of STATE FUNDS will occur only upon the execution of this AGREEMENT.

2. STATE shall have the right to terminate this AGREEMENT if a contract for construction of PROJECT has not been awarded by LOCAL AGENCY within the first fiscal year in which STATE FUNDS are allocated.

3. STATE shall have the right to terminate this AGREEMENT if PROJECT costs have not been invoiced by LOCAL AGENCY within the first fiscal year in which STATE FUNDS are allocated, and as a minimum, to submit invoices at least once every six (6) months thereafter.

4. LOCAL AGENCY may submit signed invoices in arrears for reimbursement of allowable PROJECT costs on a monthly or quarterly progress basis once the AGREEMENT has been executed by STATE.
5. LOCAL AGENCY agrees to submit a status report within thirty (30) days upon STATE'S request for the report. The PARTIES agree that STATE may void AGREEMENT if the status report is not returned within the thirty (30) day period unless otherwise agreed by STATE in writing.
6. LOCAL AGENCY agrees to complete PROJECT and submit a final invoice by April 1, 2018. STATE shall pay to LOCAL AGENCY the STATE FUNDS share of the actual cost of the PROJECT prior to June 30, 2018, the expiration date of STATE FUNDS included in this PROJECT.
7. Invoices shall be submitted on LOCAL AGENCY letterhead that includes the address of LOCAL AGENCY and shall be formatted in accordance with the current Bicycle Transportation Account (BTA) Guidelines, as adopted or amended, and in accordance with Chapter 21, "Bicycle Transportation Account (BTA)" of the Local Assistance Program Guidelines (LAPG) published by STATE.
8. Invoices must have at least one copy of supporting backup documentation for allowable costs incurred and claimed for reimbursement by LOCAL AGENCY. All costs charged to this AGREEMENT by LOCAL AGENCY shall be costs allowable under the California Bicycle Transportation Act. Acceptable backup documentation includes, but is not limited to, agency's progress payment to the contractors, copies of canceled checks showing amounts made payable to vendors and contractors, and/or a computerized summary of PROJECT costs.
9. Payments to LOCAL AGENCY can only be released by STATE as reimbursements of actual allowable PROJECT costs already incurred and paid for by LOCAL AGENCY.
10. State will withhold ten (10) percent of the total of all STATE FUNDS for each progress invoice until LOCAL AGENCY submits the final invoice.
11. The estimated total cost of PROJECT, the amount of STATE FUNDS obligated, the required matching funds, and the ratio of STATE FUNDS to LOCAL AGENCY funds may not be adjusted to cover PROJECT cost increases. LOCAL AGENCY agrees that any increases in PROJECT cost must be defrayed with LOCAL AGENCY'S own funds.
12. LOCAL AGENCY shall use its own non-STATE FUNDS to finance the local share of eligible costs and all PROJECT expenditures or contract items ruled ineligible for financing with STATE FUNDS. STATE shall make a final determination of LOCAL AGENCY cost eligibility for STATE FUNDED financing with respect to claimed PROJECT costs.

13. STATE FUNDS encumbered for PROJECT are available for liquidation only for three (3) years from the beginning of the State Fiscal Year in which the funds were appropriated in the State Budget. STATE FUNDS not liquidated within this period will be reverted unless a Cooperative Work Agreement (CWA) is submitted by LOCAL AGENCY and approved by the California Department of Finance in accordance with Government Code Section 16304.
14. The estimated costs of PROJECT are shown in EXHIBIT A. LOCAL AGENCY may, at its option, award contracts for amounts in excess of said estimates, and final project expenditures may exceed said estimates if sufficient local funds are available to finance the excess. It is understood that the allocation of STATE FUNDS shall not exceed that shown in EXHIBIT A.
15. In the event LOCAL AGENCY'S final costs of PROJECT are less than said estimate by reason of low bid or otherwise, the allocation of STATE FUNDS will be decreased in relationship to the percent funded by STATE as shown in EXHIBIT A.
16. Exhibit C defined as the "Certification of State Funding" template, shall be made a part of, and completed by STATE, prior to execution of this agreement.
17. Upon written demand by STATE, any overpayment to LOCAL AGENCY of amounts invoiced to STATE shall be returned to STATE.

ARTICLE VI - Audits, Third Party Contracting, Records Retention and Reports

1. STATE reserves the right to conduct technical and financial audits of PROJECT work and records when determined to be necessary or appropriate and LOCAL AGENCY agrees, and shall require its contractors and subcontractors to agree, to cooperate with STATE by making all appropriate and relevant PROJECT records available for audit and copying as required by paragraph three (3) of Article VI.
2. LOCAL AGENCY, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred PROJECT costs and matching funds by line item for the PROJECT. The accounting system of LOCAL AGENCY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles; enable the determination of incurred costs at interim points of completion; and provide support for reimbursement payment vouchers or invoices sent to or paid by STATE.
3. For the purpose of determining compliance with Title 21, California Code of Regulations, Chapter 21, section 2500 et seq., when applicable, and other matters connected with the performance and costs of LOCAL AGENCY'S contracts with third parties pursuant to Government Code Section 8546.7, LOCAL AGENCY, LOCAL AGENCY'S contractors and subcontractors, and STATE shall each maintain and make available for inspection and audit all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited

to, the costs of administering those various contracts. All of the above-referenced parties shall make such AGREEMENT materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of final payment to LOCAL AGENCY. STATE, the California State Auditor, or any duly authorized representative of STATE or the United States, shall each have access to any books, records, and documents that are pertinent to a PROJECT for audits, examinations, excerpts, and transactions and LOCAL AGENCY shall furnish copies thereof if requested.

4. Any subcontract entered into by LOCAL AGENCY as a result of this AGREEMENT shall contain all of the provisions of Article V, FISCAL PROVISIONS, and this ARTICLE VI, AUDITS, THIRD-PARTY CONTRACTING, RECORDS RETENTION AND REPORTS and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.

5. To be eligible for local match credit, LOCAL AGENCY must ensure that local match funds used for a PROJECT meet the fiscal provisions requirements outlined in ARTICLE V in the same manner that is required of all other PROJECT expenditures.

6. In addition to the above, the pre-award requirements of third-party contractor/consultants with LOCAL AGENCY should be consistent with LOCAL ASSISTANCE PROCEDURES.

ARTICLE VII - Miscellaneous Provisions

1. LOCAL AGENCY agrees to use all PROJECT funds reimbursed hereunder only for Bicycle Transportation Account purposes that are in conformance with Streets and Highways Code Sections 890 through 894.2 and other applicable California laws.

2. LOCAL AGENCY shall conform to all applicable state and federal statutes and Local Assistance Program Guidelines (LPGL) and Local Assistance Procedures Manual (LAPM) as published by STATE and incorporated herein, including all subsequent approved revisions thereto applicable to PROJECT.

3. This AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the State Legislature that may affect the provisions, terms, or funding of this AGREEMENT in any manner.

4. Minor changes may be made in the PROJECT as described in Exhibit A upon notice to STATE. No major change, however, may be made to said PROJECT except pursuant to an amendment to this agreement duly executed by STATE and LOCAL AGENCY.

5. LOCAL AGENCY and the officers and employees of LOCAL AGENCY, when engaged in the performance of this AGREEMENT, shall act in an independent capacity and not as officers, employees, or agents of STATE.
6. LOCAL AGENCY certifies that neither LOCAL AGENCY nor its principals are suspended or debarred at the time of the execution of this AGREEMENT, and LOCAL AGENCY agrees that it will notify STATE immediately in the event a suspension or a debarment occurs after the execution of this AGREEMENT.
7. LOCAL AGENCY warrants, by execution of this AGREEMENT, that no person or selling agency has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by LOCAL AGENCY for the purpose of securing business. For breach or violation of this warranty, STATE has the right to annul this AGREEMENT without liability, pay only for the value of the PROJECT work actually performed, or in STATE'S discretion, to deduct from the price of PROJECT, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.
8. In accordance with Public Contract Code, section 10296, LOCAL AGENCY hereby certifies under penalty of perjury that no more than one final unacceptable finding of contempt of court by a federal court has been issued against LOCAL AGENCY within the immediate preceding two (2) year period because of LOCAL AGENCY'S failure to comply with an order of a federal court that orders LOCAL AGENCY to comply with an order of the National Labor Relations Board.
9. LOCAL AGENCY shall disclose any financial, business or other relationship with STATE that may have an impact upon the outcome of this AGREEMENT. LOCAL AGENCY shall also list current contractors who may have a financial interest in the outcome of PROJECT undertaken pursuant to this AGREEMENT.
10. LOCAL AGENCY hereby certifies that it does not now have nor shall it acquire any financial or business interest that would conflict with the performance of PROJECT initiated under this AGREEMENT.
11. LOCAL AGENCY warrants that this AGREEMENT was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any STATE employee. For breach or violation of this warranty, STATE shall have the right, in its sole discretion; to terminate this AGREEMENT without liability; to pay only for PROJECT work actually performed; or to deduct from PROJECT price or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.
12. Any dispute concerning a question of fact arising under this AGREEMENT that is not disposed of by agreement shall be decided by the STATE'S Contract Officer, who may consider any written or verbal evidence submitted by LOCAL AGENCY. The

decision of the Contract Officer, issued in writing, shall be conclusive and binding on the PARTIES on all questions of fact considered and determined by the Contract Officer.

13. Neither the pending of a dispute nor its consideration by Contract Officer will excuse the LOCAL AGENCY from full and timely performance in accordance with the terms of this AGREEMENT.

14. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by LOCAL AGENCY under, or in connection with any work, authority or jurisdiction of LOCAL AGENCY arising under this AGREEMENT. It is understood and agreed that LOCAL AGENCY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims and suits or actions of every name, kind and description brought forth under, including but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by LOCAL AGENCY under this AGREEMENT.

15. Neither LOCAL AGENCY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE under, or in connection with any work, authority or jurisdiction of STATE arising under this AGREEMENT. It is understood and agreed that STATE shall fully defend, indemnify and save harmless the LOCAL AGENCY and all of its officers and employees from all claims and suits or actions of every name, kind and description brought forth under, including but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this AGREEMENT.

16. In the event of (a) LOCAL AGENCY failing to timely proceed with effective PROJECT work in accordance with this AGREEMENT; (b) failing to maintain any applicable bonding requirements; and (c) otherwise materially violating the terms and conditions of this AGREEMENT, STATE reserves the right to terminate funding for PROJECT upon thirty (30) days written notice to LOCAL AGENCY.

17. No termination notice shall become effective if within thirty (30) days after receipt of a Notice of Termination, LOCAL AGENCY either cures the default involved, or if the default is not reasonably susceptible of cure within said thirty (30) day period the LOCAL AGENCY proceeds thereafter to complete that cure in a manner and timeline acceptable to STATE.

18. Any such termination shall be accomplished by delivery to LOCAL AGENCY of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt; specifying the reason for the termination; the extent to which funding of work under this AGREEMENT is terminated, and the date upon which such termination becomes effective if beyond thirty (30) days after receipt. During the period before the effective termination date, LOCAL AGENCY and STATE shall meet to attempt to resolve any dispute. If STATE terminates funding for PROJECT with

LOCAL AGENCY for the reasons stated in paragraph sixteen (16) of ARTICLE VI, STATE shall pay LOCAL AGENCY the sum due LOCAL AGENCY under this AGREEMENT prior to termination, provided; however, LOCAL AGENCY is not in default of the terms and conditions of this AGREEMENT and that the cost of any PROJECT completion to STATE shall first be deducted from any sum due LOCAL AGENCY.

19. The "PROJECT" shall be constructed as provided in this AGREEMENT and in accordance with those laws applicable to LOCAL AGENCY. In the case of inconsistency or conflicts, the terms of this agreement shall prevail.

20. Without the written consent of STATE, this AGREEMENT is not assignable by LOCAL AGENCY either in whole or in part.

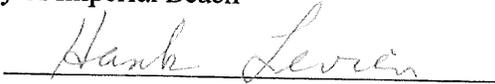
21. No alteration or variation of the terms of this AGREEMENT shall be valid unless made in writing and signed by the PARTIES, and no oral understanding or agreement not incorporated herein shall be binding on any of the PARTIES.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officers.

STATE OF CALIFORNIA
Department of Transportation

LOCAL AGENCY
City of Imperial Beach

By 

By 

DEBORAH LYNCH, BTA Coordinator
Bicycle Facilities Unit
Division of Local Assistance

Name: HANK LEVIEN

Title: PUBLIC WORKS DIRECTOR

Date: 11/20/2012

Date: NOVEMBER 8, 2012

EXHIBIT A

PROJECT DESCRIPTION AND COSTS						
Local Agency: City of Imperial Beach				Agreement No. BTA 1213-11-SD-04		
Project Location: Thirteenth Street in the City of Imperial Beach from San Diego Bayshore Bikeway to the Naval Outlying Landing Field to the South at Iris Avenue						
Type of Work: Design and construction of a Class II bikeway along Thirteenth Street and use a road diet approach to accommodate the new bike lane						
Length: 1.25 miles						
Funding Source	Preliminary Engineering	Construction Engineering	Right of Way Acquisition	Construction Contract	Total Cost	Percent
BTA	\$0	\$12,750	\$0	\$54,750	\$67,500	90%
Local	\$0	\$2,250	\$0	\$5,250	\$7,500	10%
Other	\$0	\$0	\$0	\$0		
Total	\$0	\$15,000	\$0	\$60,000	\$75,000	100%

EXHIBIT B

FAIR EMPLOYMENT AND HOUSING ACT ADDENDUM

1. In the performance of this AGREEMENT, LOCAL AGENCY will not discriminate against any employee for employment because of race, sex, sexual orientation, religion, age, ancestry, national origin, pregnancy leave, or disability leave. LOCAL AGENCY will take affirmative action to ensure that employees are treated during employment, without regard to their race, sex, sexual orientation, color, religion, ancestry, or national origin, physical disability, medical or disability leave. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. LOCAL AGENCY shall post in conspicuous places, available to employees for employment, notices to be provided STATE setting forth the provisions of this Fair Employment section.
2. LOCAL AGENCY, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code § 1290-0 et seq.), and the applicable regulations promulgated thereunder (Cal. Code Regs. Title 2, §7285.0, et seq.) The applicable regulations of the Fair Employment and Housing Commission Implementing Government Code, section 12900(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of the LOCAL AGENCY'S contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.
3. LOCAL AGENCY shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.
4. The Contractor will permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by STATE, the State Fair Employment and Housing Commission, or any other agency of the State of California designated by STATE, for purposes of investigation to ascertain compliance with the Fair Employment section of this AGREEMENT.
5. Remedies for Willful Violations:
 - (a) STATE may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which LOCAL AGENCY was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that LOCAL AGENCY has violated the Fair Employment Practices Act and has issued an order under Labor Code, section

1426 which has become final or has obtained an injunction under Labor Code, section 1429.

(b) For willful violation of this Fair Employment Provision, STATE shall have the right to terminate this AGREEMENT either in whole or in part, and any loss or damage sustained by STATE in securing the goods or services hereunder shall be borne and paid for by LOCAL AGENCY and by the surety under the performance bond, if any, STATE may deduct from any moneys due or thereafter may become due to LOCAL AGENCY, the difference between the price named in the AGREEMENT and the actual cost thereof to STATE to cure LOCAL AGENCY'S breach of this AGREEMENT.

EXHIBIT C

CERTIFICATION OF STATE FUNDING								
BTA 12/13-11-SD-04, City of Imperial Beach								
I hereby certify upon my own knowledge that budgeted funds are available for this encumbrance.								
Accounting Officer				Date		Funding		
<u>Jan. C. Yu</u>				<u>3/12/2013</u>		<u>\$ 67,500.00</u>		
Chapter	Statues	Item	Fiscal Year	PEC	PECT	Task	Fund Code	BTA Funds
21/29	2012	2660-101-0045	2012-2013	2030010	660	2200	0045	\$67,500.00



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *SW FOR*

MEETING DATE: AUGUST 21, 2013

ORIGINATING DEPT.: COMMUNITY DEVELOPMENT
GREGORY WADE, ASSISTANT CITY MANAGER/COMMUNITY DEVELOPMENT DIRECTOR *GW*

SUBJECT: AUTHORIZATION TO PREPARE AND ISSUE A REQUEST FOR QUALIFICATIONS/PROPOSALS (RFQ/P) TO PREPARE CIVIL ENGINEERING DRAWINGS, CONDUCT ENVIRONMENTAL REVIEW AND PREPARE AN ENVIRONMENTAL REVIEW DOCUMENT FOR THE PALM AVENUE MIXED USE AND COMMERCIAL CORRIDOR MASTER PLAN

BACKGROUND:

In April 2004, the City Council directed staff to proceed with the development of the Palm Avenue Commercial Corridor Master Plan ("Master Plan"). In October 2005, staff submitted an application for a California Department of Transportation ("Caltrans") Community-Based Transportation Planning Grant and in May 2006, the City of Imperial Beach was notified that Caltrans approved the application and also awarded \$50,000 towards preparation of the Master Plan. In May 2007, a Request for Qualifications ("RFQ") was issued for a consultant team for the preparation of the Palm Avenue Commercial Corridor Master Plan (the "Master Plan") and in September 2007, the City entered into an Agreement with Moore Iacofano Goltsman Inc. ("MIG") for the project.

The project study area encompassed the "core" of the corridor and is defined as one block area north and south of Palm Avenue. The purpose of the Master Plan was to propose streetscape improvements and urban design strategies that support the common goal of creating a vibrant, safe and pedestrian and bicycle-friendly commercial hub along Palm Avenue. Priorities include transformation of the six-lane highway to a "Main Street" environment based on Caltrans' Main Street Design Guidelines, creation of a new desirable context that promotes new mixed-use and transit oriented developments that provide amenities and services to the community, connections to surrounding residential neighborhoods and alternative transit modes while reinforcing the small-scale beach-town feel of the area. The Master Plan is intended to directly address the streetscape issues along Palm Avenue to help revitalize the primary commercial corridor of Imperial Beach. To accomplish this, modifications are proposed to existing motor vehicle travel lanes, parking areas, medians, landscaping, sidewalks, crosswalks, curbs and gutters, and traffic signalization.

On February 18, 2009, the City Council approved final draft of the Master Plan. The final draft included suggested revisions in response to comments and recommendations from the City Council and Design Review Board at a prior meeting held on October 8, 2008. The final draft of

the Master Plan also included a Traffic Impact Analysis of the Imperial Beach SR-75 Corridor.

DISCUSSION:

Since approval of the Master Plan, staff has continued to seek grant funding with which to pursue further development of the Master Plan concepts into civil engineering drawings sufficient to develop an environmental review document for implementation of the proposed Master Plan. On January 18, 2013, staff submitted an application to the San Diego Association of Governments (SANDAG) for Fiscal Year 2013 Smart Growth Incentive Program (SGIP) funding. The SGIP provides funding for local transportation-related infrastructure and planning efforts that support smart growth development in the region. Applicants may submit requests for funding for two types of projects: capital and planning. All funding is awarded through a competitive process. With the assistance of Project Design Consultants, City staff prepared and submitted a planning grant application.

Although the application was submitted on January 18, 2013, on January 23, 2013, the City Council adopted Resolution Number 2013-7294, retroactively authorizing and supporting the submittal of the SGIP planning grant application in the amount of \$400,000. The City Council also authorized City matching funds in the amount of \$50,000 and up to \$45,000 in in-kind contributions (staff expenses).

On June 28, 2013, the SANDAG Board of Directors approved the SGIP Fiscal Year 2013 projects for funding. Among the projects awarded full funding was Imperial Beach's Palm Avenue Mixed Use and Commercial Corridor Master Plan. On July 15, 2013, the City received a Notice of Award from SANDAG for \$400,000 of SGIP planning grant funding (see Attachment 1).

The purpose of the grant will be to develop the prior Master Plan concepts into engineering drawings sufficient to also prepare and process the corresponding environmental review document. In order to carry out this Scope of Work (see Attachment 2), City staff is recommending the issuance of a Request for Qualifications and Proposals (RFQ/P) to select a consultant team with the required expertise to prepare the drawings and environmental review document. A key component of this effort will include public outreach and engagement to ensure that community input continues to be included in the project. It is anticipated that the services requested in the RFQ/P will include civil engineering, landscape architecture, urban design and environmental planning services. Staff intends to utilize its on-call traffic engineering consultant, KOA Corporation, for this effort as well. Staff is seeking City Council authorization to prepare and issue this RFQ/P.

ENVIRONMENTAL DETERMINATION:

The prior phase of the Master Plan was exempt from CEQA pursuant to CEQA Guidelines Section 15262 and pursuant to CEQA Guidelines Section 15306. This phase of the Palm Avenue Mixed Use and Commercial Corridor Master Plan will include the preparation of the required environmental documents to analyze the proposed project. This may result in an amendment to the City's General Plan/Local Coastal Plan along with a coastal development permit, site plan review, and design review for the proposed capital improvements.

FISCAL IMPACT:

The City has been awarded \$400,000 in Smart Growth Incentive Program planning grant

funding. The City has authorized a City match of \$50,000 and up to \$45,000 in in-kind City services. It is expected that the City's \$50,000 matching funds will come from one-time general fund reserves. However, 2010 Tax Allocation Bond Proceeds may also be available for this purpose pursuant to the issuance of a Finding of Completion from the State Department of Finance.

DEPARTMENT RECOMMENDATION:

Staff recommends the City Council authorize the preparation and issuance of a Request for Qualifications and Proposals to select professional consultant services necessary to carry out the Scope of Work for the Palm Avenue Mixed Use and Commercial Corridor Master Plan.

CITY MANAGER'S RECOMMENDATION:

Approve Department recommendation.

Attachments:

1. SANDAG Notification of Award
2. Scope of Work, Budget & Schedule

RECEIVED

JUL 15 2013



401 B Street, Suite 800
San Diego, CA 92101-4231
(619) 699-1900
Fax (619) 699-1905
www.sandag.org

July 1, 2013

File Number 3300100

Mr. Greg Wade
Assistant City Manager/Community Development Director
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, CA 91932

Dear Mr. Wade:

SUBJECT: Notice of Award: The San Diego Association of Governments (SANDAG) *TransNet* Smart Growth Incentive Program Planning Grant

Congratulations! The project, Palm Avenue Mixed-use and Commercial Corridor Master Plan, has been approved for a total of \$400,000.00 through the SANDAG FY 2013 Smart Growth Incentive Grant Program (SGIP) funding cycle. **Project funding for this grant is being provided through *TransNet*.** SANDAG staff greatly appreciates your support and interest in the SGIP, and looks forward to working with you throughout the grant process.

If you have any questions, please contact me at (619) 699-1943 or susan.baldwin@sandag.org or Suchi Mukherjee at (619) 699-7315 or suchitra.mukherjee@sandag.org.

Sincerely,

SUSAN BALDWIN
Senior Regional Planner

SBA/dsn

Enclosure: 1. SGIP Final Project Ranking Summary

MEMBER AGENCIES

- Cities of
- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista
- and
- County of San Diego

ADVISORY MEMBERS

- Imperial County
- California Department of Transportation
- Metropolitan Transit System
- North County Transit District
- United States Department of Defense
- San Diego Unified Port District
- San Diego County Water Authority
- Southern California Tribal Chairmen's Association
- Mexico

SGIP CAPITAL GRANTS PROJECT RANKING SUMMARY

Attachment 1

Capital SGIP Grant Proposals

Agency	Project	Sum of Ranks	Overall Rank	SGIP Funds Requested	Cumulative Funds Requested	Recommended Project Funding
San Marcos	Armorlite Complete Street Corridor	14	1	\$1,000,000	\$1,000,000	\$1,000,000
National City	Downtown-Westside Community Connections Project	15	2	\$2,000,000	\$3,000,000	\$2,000,000
La Mesa	Downtown Village Streetscape Improvement Project	26	3	\$2,000,000	\$5,000,000	\$2,000,000
San Diego	Island Avenue Green Street Mobility Improvements	35	4	\$1,000,000	\$6,000,000	\$1,000,000
San Diego	Wayfinding Signage	40	5	\$500,000	\$6,500,000	\$335,329
Chula Vista	Third Avenue Streetscape Implementation Project, Phase 2	40	5	\$2,005,000	\$8,505,000	\$1,344,671
Oceanside	Mission Avenue Improvement Project, Phase 2	51	7	\$1,930,000	\$10,435,000	\$0
Vista	Paseo Santa Fe Streetscape & Infrastructure Project Catalyst, Section A	53	8	\$1,000,000	\$11,435,000	\$0
National City	Highland Avenue Smart Growth Corridor	60	9	\$1,300,000	\$12,735,000	\$0
San Diego	Five Points Neighborhood/ Washington Street Pedestrian & Median Improvements	61	10	\$360,000	\$13,095,000	\$0
Lemon Grove	Lemon Grove Avenue Realignment	63	11	\$950,000	\$14,045,000	\$0
Carlsbad	Connect the Village: Wayfinding & Traffic Calming	87	12	\$470,000	\$14,515,000	\$0
Escondido	Bicycle Path - Missing Link	93	13	\$340,500	\$14,855,500	\$0
San Marcos	Creekside Drive Multi-Modal Corridor Enrichment Project	95	14	\$1,000,000	\$15,855,500	\$0
San Diego	University Avenue & 54th Street Roadway Improvements	98	15	\$1,440,000	\$17,295,500	\$0
Total Available Funding					\$7,680,000	Total Recommended Funding
Total Funding Requested					\$17,295,500	\$7,680,000
Total Requested Funding Over Available					(\$9,615,500)	

FULLY FUNDED
PARTIALLY FUNDED
NOT FUNDED

SGIP PLANNING GRANTS PROJECT RANKING SUMMARY

Planning SGIP Grant Proposals

Agency	Project	Sum of Ranks	Overall Rank	SGIP Funds Requested	Cumulative Funds Requested	Recommended Project Funding
San Diego	East Village Green/ 14th Street Promenade Master Plan	17	1	\$300,000	\$300,000	\$300,000
San Diego	Morena Boulevard Station Area Study Phase 2	18	2	\$400,000	\$700,000	\$400,000
Vista	Vista Downtown Specific Plan Update	36	3	\$148,383	\$848,383	\$148,383
Lemon Grove	Main Street Promenade Extension Planning Project	40	4	\$400,000	\$1,248,383	\$400,000
Chula Vista	Healthy Communities Program	43	5	\$100,000	\$1,348,383	\$100,000
Imperial Beach	Palm Avenue Mixed-use & Commercial Corridor Master Plan	44	6	\$400,000	\$1,748,383	\$400,000
San Diego	The Complete Boulevard Planning Study	45	7	\$400,000	\$2,148,383	\$171,617
Carlsbad	Plan the Village: A New Master Plan for Carlsbad Village	47	8	\$230,000	\$2,378,383	\$0
San Diego	Sixth Avenue Bridge Promenade Feasibility Study	54	9	\$175,000	\$2,553,383	\$0
San Diego	Pacific Beach Boardwalk & Parks Neighborhood District	56	10	\$400,000	\$2,953,383	\$0
Escondido	Grape Day Park Master Plan	59	11	\$80,000	\$3,033,383	\$0
Oceanside	Oceanside Mixed-use Public Parking Structure	81	12	\$400,000	\$3,433,383	\$0
San Lee	Town Center Pedestrian Connection Feasibility Study	89	13	\$35,000	\$3,468,383	\$0
Del Mar	Parking Management Plan	96	14	\$45,000	\$3,513,383	\$0
Total Available Funding					\$1,920,000	Total Recommended Funding
Total Funding Requested					\$3,513,383	\$1,920,000
Total Requested Funding Over Available					(\$1,593,383)	

FULLY FUNDED
PARTIALLY FUNDED
NOT FUNDED

TransNet SMART GROWTH INCENTIVE GRANT PROGRAM SCOPE OF WORK, BUDGET, & SCHEDULE (FY 2013 Cycle)

Project Title: Palm Avenue Mixed-use and Commercial Corridor
Project Type: Planning (Revitalization of Palm Avenue into a pedestrian and bicycle-friendly "Main Street")

Project Location/Limits:

Palm Avenue/ Highway 75 Imperial Beach

Project Description:

Preparation of an environmental document to provide CEQA clearance for the entire Palm Avenue Corridor improvement project and preparation of streetscape improvement plans at 30% completion. Streetscape improvements would transform the existing six-lane auto-oriented street into a vibrant and active multi-modal "Main Street" per the goals and objectives of the completed Palm Avenue Master Plan.

Contract No.: SANDAG Use Only
Project (TNet) No.: SANDAG Use Only

Task No.	Task Description	Deliverables	Start Date*	Completion Date*	Duration	SANDAG Funds	Matching Funds	TOTAL
1	RFP Issuance & Consultant Team Selection	RFP Preparation, Issuance & Review, Interviews & Consultant Team Selection	3 Months prior to NTP	NTP	3 Months			\$0
2	Project Management/Planning/Public Outreach and Participation	Advertisements and promotional materials, PowerPoint presentations, summaries of public input, meeting notes, schedule/budget/issue tracking	NTP Date	18 Months	18 Months	\$24,500	\$25,500	\$50,000
3	Research and data collection, mapping, preparation of civil engineering streetscape improvement plans	Improvement plans at 30% completion	2 Months	7 Months	5 Months	\$88,000	\$17,000	\$105,000
4	Preparation of technical studies	Various Studies	3 Months	8 Months	5 Months			
4.1	Preparation of technical studies	Soils Report	3 Months	4 Months	1 Month	\$18,000	\$4,000	\$22,000
4.2	Preparation of technical studies	Phase I ESA	3 Months	4 Months	1 Month	\$45,000	\$7,000	\$52,000
4.3	Preparation of technical studies	Drainage Study	3 Months	4 Months	1 Month	\$18,000	\$4,000	\$22,000
4.4	Preparation of technical studies	Traffic Study	7 Months	8 Months	1 Month	\$27,000	\$5,000	\$32,000
4.5	Preparation of technical studies	Electrical Plans	4 Months	5 Months	1 Month	\$4,500	\$2,500	\$7,000
5	Preparation of initial study and MND or EIR, if EIR, includes distribution of the NOP and a	Environmental document for CEQA clearance	8 Months	18 Months	10 Months	\$135,000	\$20,000	\$155,000
6	Coordination with Caltrans	Meeting notes, issue tracking and resolutions	NTP Date	18 Months	18 Months	\$31,500	\$6,000	\$37,500
7	Coordination with SANDAG	Meeting notes, issue tracking and resolutions	NTP Date	18 Months	18 Months	\$8,500	\$4,000	\$12,500
	Project Completion		NTP Date	18 Months	18 Months			
TOTALS						\$400,000	\$95,000	\$495,000

*Start Date and Completion Date are both tracked from NTP Date.

PROJECT REVENUES

Source	FY 2014	FY 2015	FY 2016	TOTAL
SGIP/ TransNet	\$200,000	\$200,000	\$0	\$400,000
City	\$25,000	\$25,000	\$0	\$50,000
Local In-Kind	\$22,500	\$22,500	\$0	\$45,000
TOTALS	\$247,500	\$247,500	\$0	\$495,000