



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

APRIL 2, 2014

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

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) 628-2347, as far in advance of the meeting as possible.

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.

CONSENT CALENDAR (2.1-2.5) - *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.

Recommendation: Approve the minutes of the February 19, 2014 and March 5, 2014 Regular City Council Meetings.

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 (Continued)

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

Recommendation: Ratify the following registers: Accounts Payable Numbers 84215 through 84295 with a subtotal amount of \$736,916.57 and Payroll Checks/Direct Deposits 45799 through 45825 for a subtotal amount of \$124,975.72 for a total amount of \$861,892.29.

2.3 RESOLUTION NO. 2014-7466 FOR THE SALE OF CERTAIN SURPLUS CITY PROPERTY. (0380-45)

Recommendation: Approve resolution.

2.4 RESOLUTION NO. 2014-7467 DECLARING APRIL AS "ENVIRONMENTAL AWARENESS MONTH" IN THE CITY OF IMPERIAL BEACH. (0230-40)

Recommendation: Approve declaration and resolution.

2.5 FISCAL YEAR 2013 AUDIT UPDATE. (0310-10)

Recommendation: Receive the Fiscal Year 2013 Financial Audit and related documents.

ORDINANCES – INTRODUCTION/FIRST READING(3)

None.

PUBLIC HEARINGS (4)

None.

REPORTS (5.1-5.4)

5.1 NO ITEM.

5.2 RESOLUTION NO. 2014-7468 AFFIRMING THE FISCAL YEAR 2014/2015 SEWER SERVICE CHARGE RATES FOR SANITARY SEWER SERVICE AS APPROVED AND ADOPTED BY ORDINANCE 2013-1138 ON MAY 15, 2013. (0830-95)

Recommendation:

1. Receive report and
2. Adopt resolution.

5.3 CONSIDERATION OF RESOLUTION NO. 2014-7469 AUTHORIZING THE ACCEPTANCE OF CALTRANS RELINQUISHMENT OF A PORTION OF STATE ROUTE 75 TO FURTHER FACILITATE THE REALIGNMENT OF THE PALM AVENUE/STATE ROUTE (SR) 75 INTERSECTION AND RIGHT-OF-WAY ADJACENT TO THE PROPOSED BREAKWATER PROJECT. (0150-30, 0480-80 & 0600-20)

Recommendation:

1. Adopt Resolution No. 2014-7469 and
2. Provide input, comment and direction on the possibility of accepting a total relinquishment of Palm Avenue/State Route 75 from Caltrans to the City.

5.4 POLICY DISCUSSION OF PROPOSED REVISIONS TO THE IMPERIAL BEACH SIGN CODE RELATED TO DIGITAL SIGNS (MF 1046). (0670-95)

Recommendation:

1. Receive report;
2. Entertain any public testimony including consideration for additional time for the Chamber of Commerce to provide input; and
3. Provide direction to staff regarding digital signs on private and public properties.

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

None.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

ADJOURN REGULAR MEETING

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

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

/s/
Jacqueline M. Hald, MMC
City Clerk

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

FEBRUARY 19, 2014

**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

MAYOR JANNEY called the Closed Session meeting to order at 5:01 p.m.

ROLL CALL BY CITY CLERK

Councilmembers present: Bilbray, Spriggs (arrived at 5:20 p.m.), Bragg
Councilmembers absent: None
Mayor Present: Janney
Mayor Pro Tem Present: Patton
Staff Present: City Manager Hall, City Attorney Lyon, City Clerk Hald

CLOSED SESSION (1-2)

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

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code section 54956.9(d)(1)
Case No. 37-2013-00081555-CU-EI-CTL

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8:

Property: APN 625-271-02-00
Agency Negotiator: City Manager and City Attorney
Negotiating Parties: S.D. County
Under Negotiation: Instruction to Negotiators will concern price and terms of payment

Property: APN 626-291-05-00
Agency Negotiator: City Manager and City Attorney
Negotiating Parties: S.D. County
Under Negotiation: Instruction to Negotiators will concern price and terms of payment

Property: APN 626-291-12-00
Agency Negotiator: City Manager and City Attorney
Negotiating Parties: S.D. County
Under Negotiation: Instruction to Negotiators will concern price and terms of payment

Property: APN 626-291-13-00
Agency Negotiator: City Manager and City Attorney
Negotiating Parties: S.D. County
Under Negotiation: Instruction to Negotiators will concern price and terms of payment

CLOSED SESSION (Continued)

Property: APN 626-291-14-00
Agency Negotiator: City Manager and City Attorney
Negotiating Parties: S.D. County
Under Negotiation: Instruction to Negotiators will concern price and terms of payment

MOTION CARRIED BY THE FOLLOWING VOTE:

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

ADJOURN CLOSED SESSION

MAYOR JANNEY adjourned the meeting to Closed Session at 5:02 p.m. and he reconvened the meeting to Open Session at 6:00 p.m.

Reporting out of Closed Session, CITY ATTORNEY LYON announced the following:

- With regard to Item No. 1, Councilmember Spriggs recused himself from discussion on the item due to the location of his residence. The remainder of City Council discussed the item, gave direction and no reportable action was taken.
- With regard to Item No. 2, City Council gave direction and no reportable action was taken.

The Closed Session meeting was adjourned at 6:00 p.m.

REGULAR MEETING CALL TO ORDER

MAYOR JANNEY called the regular meeting to order at 6:01 p.m.

ROLL CALL BY CITY CLERK

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

PLEDGE OF ALLEGIANCE

MAYOR JANNEY led the Pledge of Allegiance.

AGENDA CHANGES

None.

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

MAYOR JANNEY announced that on March 5, 2014 City Council will consider certain streets of Imperial Beach to be included in the SANDAG Regional Transportation Improvement Program.

COMMUNICATIONS FROM CITY STAFF

CITY MANAGER HALL announced that Administrative Services Director Bradley is excused from tonight's meeting as he is attending a meeting of all Administrative Services Directors of the State to discuss the dissolution of Redevelopment Agencies.

PUBLIC COMMENT

MARCUS BOYD claimed that people are being stopped by the Sheriff's Dept. based on their race and if the people have medical marijuana and a doctor's recommendation in possession, they are being extended the maximum penalties of the law as if it were illegal. He showed a vaporizer and an O-open and spoke about a person being arrested for possessing an empty O-open. He asked City Council to look into the matter.

PRESENTATIONS (1.1)

1.1* PRESENTATION ON CLIMATE UNDERSTANDING AND RESILIENCE IN THE RIVER VALLEY BY DANIELLE BOUDREAU OF THE TIJUANA RIVER NATIONAL ESTUARINE RESEARCH RESERVE. (0150-40)

DANIELLE BOUDREAU gave a PowerPoint presentation on the item.

MAYOR JANNEY suggested that Ms. Boudreau return in the fall with an update on the matter.

CONSENT CALENDAR (2.1-2.3)

MOTION BY PATTON, SECOND BY BILBRAY, TO APPROVE CONSENT CALENDAR ITEM NOS. 2.1 THRU 2.3. MOTION CARRIED UNANIMOUSLY.

2.1 MINUTES.

Approved the minutes of the November 20, 2013 Regular City Council Meeting.

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

Ratified the following registers: Accounts Payable Numbers 83936 through 84053 with a subtotal amount of \$126,950.46 and Payroll Checks/Direct Deposits 45736 through 45756 for a subtotal amount of \$125,918.66 for a total amount of \$252,869.12.

2.3 ADOPT RESOLUTION NO. 2014-7452 APPROVING AND ADOPTING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY AND THE MEMBERS OF THE IMPERIAL BEACH FIREFIGHTERS' ASSOCIATION LOCAL 4692. (0540-20)

Adopted resolution.

ORDINANCES – INTRODUCTION/FIRST READING (3)

None.

PUBLIC HEARINGS (4)

None.

REPORTS (5.1-5.2)

5.1 SPORTS PARK TASK FORCE. (0920-40)

CITY MANAGER HALL reported that the role of the Sports Park Task Force was to review the proposals that were submitted in response to a request for proposals. Since only one proposal was submitted (by the Boys and Girls Club), the role of the Task Force changed from review of proposals to an assessment of what should happen with the Recreation Program.

The Task Force came up with four options:

1. Do nothing (this option was dismissed);
2. Implement the Boys and Girls Club proposal as submitted;
3. Separate the Sports Park Complex into two sections:
 - a. the fields (where the Little League and Girls Softball operate their games) and
 - b. the other facilities (Recreation Center, Skate Park, tot lot, parking lots and some of the landscaping).Have an agreement with the Boys and Girls Club to operate the non-field space at the Sports Park and have a separate agreement with the Little League to operate the Little League and Girl's Softball fields; and
4. Enhance and grow the City's professional staff and have the City continue to provide the Recreation Program.

He noted that after review of the current circumstances, the Task Force came to a consensus that within the next 18 months and before the City prepares for the next budget cycle, have the Boys and Girls Club operate the non-field space and have the Little League maintain and program the field space. The \$50,000 provided by the City would be used to first pay for the electricity and water for the entire facility. Any money leftover would be used to maintain the site. He added that both the Little League and the Boys and Girls Club are comfortable with moving in this direction.

MAYOR PRO TEM PATTON stated that all parties acted in good faith and that all parties involved are fully capable of handling the challenge.

COUNCILMEMBER BILBRAY commended City staff and the Task Force for their efforts.

COUNCILMEMBER SPRIGGS commented that he was glad the situation is working out satisfactorily for everyone involved and that everyone came together around a solution.

In response to questions of Councilmember Spriggs, CITY MANAGER HALL stated that the item before City Council tonight is to give an overview before Staff works out the details of the agreements. In the future, Staff will present to City Council agreements for consideration, a comprehensive list of the expanded programs and a detailed description of the use of the \$50,000. He also stated that the agreements will be consistent with the 2-year budget cycle.

COUNCILMEMBER BRAGG thanked Mayor Pro Tem Patton, Councilmember Bilbray and members of the community for serving on the Task Force. She requested a list of programs, the fee schedule and the scope of the programs. She noted that we serve the youth, teenagers and also the senior population. She was hopeful that there is an opportunity to collaborate with the school district on joint use of a pool.

MAYOR JANNEY said he was hopeful that the use of the fields will work out well with the Little League and that the Boys and Girls Club will reach out to people of the next generation.

5.2 CAPITAL IMPROVEMENTS PROGRAM PROJECT DETAIL AND ENABLING RESOLUTIONS 2014-7451, 2014-7453, 2014-7454, 2014-7455.

CITY MANAGER HALL gave a PowerPoint presentation on the item.

Consensus of City Council to make the following changes:

- Subpolicy No. 616(A) – Establishment of Priorities for Alley Paving
 - Remove Item No. 7 – A paved alley that is in severe disrepair and
 - Remove Item No. 8 – A paved alley in need of repair.
(because alleys that fall under either of these two conditions would be repaired through the regular maintenance program)

- Subpolicy 616(B) – Establishment of Priorities for Citywide Street Lighting Project
 - Modify Item 2 by adding the following to the end of the sentence “or other indications of safety conditions such as accidents.”
 - Remove Item 3 – Locations where it is determined that additional lighting can significantly improve safety and security of the area and
 - Item Nos. 4 and 5 will be renumbered to 3 and 4.

- Subpolicy No. 616(C) – Establishment of Priorities for Installation of Sidewalks
 - Remove Item No. 7. – Locations where sidewalks are in disrepair and need to be replaced.

CITY MANAGER HALL reported that “Big Picture” Planning Document will be reviewed and updated.

COUNCILMEMBER SPRIGGS suggested that the City encourage community involvement in discussions of the future vision for Imperial Beach.

MOTION BY PATTON, SECOND BY BRAGG, TO ADOPT RESOLUTION NO. 2014-7453 ADOPTING COUNCIL SUBPOLICY – 616 (A) WHICH ESTABLISHES PRIORITIES FOR ALLEY PAVING WITHIN THE CAPITAL IMPROVEMENTS PROGRAM WITH MODIFICATION TO THE SELECTION CRITERIA BY REMOVING NOS. 7 AND 8. MOTION CARRIED UNANIMOUSLY.

MOTION BY BILBRAY, SECOND BY SPRIGGS, TO ADOPT RESOLUTION NO. 2014-7454 ADOPTING COUNCIL SUBPOLICY – 616 (B) WHICH ESTABLISHES PRIORITIES FOR CITYWIDE STREET LIGHTING WITHIN THE CAPITAL IMPROVEMENTS PROGRAM WITH MODIFICATIONS TO THE SELECTION CRITERIA AS FOLLOWS: AT THE END OF NO. 2 ADD TO THE END OF THE SENTENCE “OR OTHER INDICATIONS OF SAFETY CONDITIONS SUCH AS ACCIDENTS,” DELETE NO. 3 IN ITS ENTIRETY AND ITEM NOS. 4 AND 5 WILL BE RENUMBERED TO 3 AND 4. MOTION CARRIED UNANIMOUSLY.

MOTION BY BILBRAY, SECOND BY PATTON, TO ADOPT RESOLUTION NO. 2014-7455 ADOPTING COUNCIL SUBPOLICY – 616 (C) WHICH ESTABLISHES PRIORITIES FOR INSTALLATION OF SIDEWALKS WITHIN THE CAPITAL IMPROVEMENTS PROGRAM WITH MODIFICATION TO THE SELECTION CRITERIA BY REMOVING NO. 7. MOTION CARRIED UNANIMOUSLY.

MOTION BY BILBRAY, SECOND BY PATTON, TO ADOPT RESOLUTION NOS. 2014-7451 APPROVING CITY OF IMPERIAL BEACH FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP) AND THE INITIAL FUNDING NECESSARY TO IMPLEMENT THE TWO YEAR IMPLEMENTATION SCHEDULE.

Discussion ensued.

JEAN VILLARD expressed concern about lighting as a public safety matter.

CITY MANAGER HALL stated that the Sheriff's Lieutenant has said that lighting in neighborhoods improve safety. He reported that the \$50,000 allocated for the alleyways will come from Gas Tax Funds rather than the Capital Projects Reserve and the \$5,000 to develop the concept for the park will come from the Park Fund rather than the Capital Project Reserves.

VOTES WERE NOW CAST ON ORIGINAL MOTION BY BILBRAY, SECOND BY PATTON, TO ADOPT RESOLUTION NOS. 2014-7451 APPROVING CITY OF IMPERIAL BEACH FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP) AND THE INITIAL FUNDING NECESSARY TO IMPLEMENT THE TWO YEAR IMPLEMENTATION SCHEDULE. MOTION CARRIED UNANIMOUSLY.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (6.1-6.4)

6.1 ADOPTION OF RESOLUTION NO. SA-14-38 APPROVING AND RECOMMENDING THAT THE OVERSIGHT BOARD APPROVES THE REALLOCATION AND USE OF FUNDS RECEIVED FROM THE REDEVELOPMENT PROPERTY TAX TRUST FUND IN THE AMOUNT OF \$756,916 TO BE EXPENDED ON ENFORCEABLE OBLIGATIONS APPROVED ON RECOGNIZED OBLIGATION PAYMENT SCHEDULES. (0418-50)

CITY MANAGER HALL introduced the item.

ASSISTANT CITY MANAGER WADE gave a PowerPoint presentation on the item.

MOTION BY BILBRAY, SECOND BY PATTON, TO ADOPT RESOLUTION NO. SA-14-38 APPROVING, AND RECOMMENDING TO ITS OVERSIGHT BOARD THAT THE OVERSIGHT BOARD APPROVES, A REALLOCATION AND USE OF FUNDS RECEIVED FROM THE REDEVELOPMENT PROPERTY TAX TRUST FUND IN THE AMOUNT OF \$756,916 TO BE EXPENDED ON ENFORCEABLE OBLIGATIONS APPROVED ON RECOGNIZED OBLIGATION PAYMENT SCHEDULES. MOTION CARRIED UNANIMOUSLY.

6.2 ADOPTION OF RESOLUTION NO. SA-14-39 FINDING AND RECOMMENDING THAT THE OVERSIGHT BOARD FINDS THAT THE LOAN TOTALING \$3,738,100 MADE BY THE CITY OF IMPERIAL BEACH TO THE FORMER IMPERIAL BEACH REDEVELOPMENT AGENCY WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND OTHER RELATED ACTIONS TAKEN IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b). (0418-50)

ASSISTANT CITY MANAGER WADE reported on the item and announced that a revised Executive Summary was submitted as Last Minute Agenda Information.

MOTION BY SPRIGGS, SECOND BY BRAGG, TO ADOPT RESOLUTION NO. SA-14-39 FINDING, AND RECOMMENDING TO ITS OVERSIGHT BOARD THAT THE OVERSIGHT BOARD FINDS, THAT THE LOAN TOTALING \$3,738,100 MADE BY THE CITY OF IMPERIAL BEACH TO THE FORMER IMPERIAL BEACH REDEVELOPMENT AGENCY WAS FOR LEGITIMATE REDEVELOPMENT PURPOSES, AND APPROVING THE LOAN AS AN ENFORCEABLE OBLIGATION AND THE SCHEDULE FOR REPAYMENT OF SAID LOAN BY THE SUCCESSOR AGENCY TO THE CITY OF IMPERIAL BEACH, IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 34191.4(b). MOTION CARRIED UNANIMOUSLY.

MAYOR JANNEY commended staff and special counsel for their efforts on the item.

6.3 ADOPTION OF RESOLUTION NO. SA-14-40 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014 AND RELATED ACTIONS. (0418-50)

ASSISTANT CITY MANAGER WADE reported on the item and announced that a revised Exhibit A was submitted as Last Minute Agenda Information.

MOTION BY PATTON, SECOND BY SPRIGGS, TO ADOPT RESOLUTION NO. SA-14-40 APPROVING THE ADMINISTRATIVE BUDGET FOR THE SIX-MONTH PERIOD FROM JULY 1, 2014 THROUGH DECEMBER 31, 2014 AND APPROVING RELATED ACTIONS. MOTION CARRIED UNANIMOUSLY.

6.4 ADOPTION OF RESOLUTION NO. SA-14-41 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014 (ROPS 14-15A). (0418-50)

ASSISTANT CITY MANAGER WADE reported on the item.

MOTION BY BILBRAY, SECOND BY PATTON, TO ADOPT RESOLUTION NO. SA-14-41 APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE 6-MONTH PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014 AND APPROVING RELATED ACTIONS AND TO DIRECT STAFF TO INCLUDE ON THE ROPS TO THE OVERSIGHT BOARD THE HOUSING AUTHORITY (SUCCESSOR HOUSING ENTITY) ADMINISTRATIVE COSTS. MOTION CARRIED UNANIMOUSLY.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

None.

ADJOURNMENT

MAYOR JANNEY adjourned the meeting at 7:53 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 *AH*
MEETING DATE: APRIL 2, 2014
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES *ASD*
SUBJECT: RATIFICATION OF WARRANT REGISTER

EXECUTIVE SUMMARY:

Approval of the warrant register in the amount of \$ 736,916.57 and the payroll checks in the amount of \$124,975.72.

BACKGROUND:

None

ANALYSIS:

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

Vendor:	Check:	Amount:	Description:
San Diego Sheriff	84260	\$490,373.97	Jan 2014 Law Enf Services

The following registers are submitted for Council ratification:

<u>WARRANT #</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Accounts Payable</u>		
84215-84272	03/13/2014	\$ 672,060.31
84273-84295	03/20/2014	\$ 64,856.26
	Sub-Total	\$ 736,916.57
<u>Payroll Checks/Direct Deposit</u>		
45799-45825	P.P.E. 3/06/14	\$ 124,975.72
	Sub-Total	\$ 124,975.72
	<u>TOTAL</u>	<u>\$ 861,892.29</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.

RECOMMENDATION:

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

Attachments:

1. Warrant Register

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #			BANK CODE	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
03/13/2014 101-6020-452.21-04	84215 03/03/2014	ACACIA LANDSCAPE, CO.	1942 FEB 2014 PARKS LANDSCAPE	4944	140585 08/2014		2,975.00 2,975.00
03/13/2014 501-1921-419.28-13 601-5060-436.28-13 601-5060-436.28-13	84216 01/06/2014 01/06/2014 01/06/2014	APCD COUNTY OF SAN DIEGO	248 MAR 2014-MAR 2015 DISTRCT MAR 2014-MAR 2015 DISTRCT MAR 2014-MAR 2015 DISTRCT	20140106-01373 20140106-01373 20140106-04890	07/2014 07/2014 07/2014		1,012.00 100.00 603.00 309.00
03/13/2014 101-5020-432.30-02 101-1010-411.30-02	84217 02/22/2014 02/22/2014	ARROWHEAD MOUNTAIN SPRING WATE	1340 1/21-2/20 DRINKING WATER FEB RENT DRINKING WATER	04B0026726646 04B0031149578	140171 08/2014 140078 08/2014		140.53 99.50 41.03
03/13/2014 101-1920-419.30-02 101-1920-419.30-02	84218 03/01/2014 02/04/2014	A TEL COMMUNICATIONS, INC.	2355 3/13-4/12 AUTO ATTEND AUTO ATTEND 2/13-3/12	36166 35893	140638 09/2014 140638 08/2014		600.00 300.00 300.00
03/13/2014 601-5060-436.28-01	84219 02/24/2014	BARRETT ENGINEERED PUMPS	356 PACO PUMP GLAND KIT	088921	140336 08/2014		622.08 622.08
03/13/2014 101-1920-419.21-04	84220 02/26/2014	BOB HOFFMAN VIDEO PRODUCTION	457 STREAMING/DVD RECRD CNSLT	SQ737024	130879 08/2014		127.50 127.50
03/13/2014 601-5060-436.21-04	84221 02/27/2014	CHICK'S ELECTRIC MOTOR SV	783 TEST/INSPECT/MEASURE	18299	140636 08/2014		2,488.52 2,488.52
03/13/2014 101-3050-425.20-06 101-3050-425.20-06	84222 02/19/2014 03/04/2014	CITY OF CHULA VISTA	823 JAN 2014 A/C FEB 2014 AC SVCS	AR135180 AR135201	140249 07/2014 140249 09/2014		35,116.50 17,605.75 17,510.75
03/13/2014 601-5060-436.21-04	84223 01/02/2014	CITY OF SAN DIEGO	896 FY10/11 WASTEWATER CONTROL	1000095077	07/2014		242.00 242.00
03/13/2014 601-5060-436.21-04	84224 01/13/2014	CITY OF SAN DIEGO	896 FY 2012 WASTEWATER	1000095582	07/2014		2,224.00 2,224.00
03/13/2014 601-5060-436.40-01 601-5060-436.40-02	84225 02/12/2014 02/12/2014	CITY OF SAN DIEGO	896 PALM CITY TRUNK SEWER PALM CITY TRUNK SEWER	1000097732 1000097732	08/2014 08/2014		62,405.49 61,413.16 992.33
03/13/2014 101-5040-434.21-04	84226 03/06/2014	CLEAN HARBORS	913 FEB PER CAR/ADD LOAD	1000356807	140026 09/2014		833.00 833.00
03/13/2014 101-3010-421.21-25 101-3020-422.21-25 101-3030-423.21-25	84227 03/01/2014 03/01/2014 03/01/2014	COUNTY OF SAN DIEGO RCS	1065 FEB 2014 FEB 2014 FEB 2014	14CTOFIBN08 14CTOFIBN08 14CTOFIBN08	140165 09/2014 140165 09/2014 140165 09/2014		3,253.00 2,272.50 371.00 609.50
03/13/2014 503-1923-419.29-04	84228 03/01/2014	COX COMMUNICATIONS	1073 03/01-03/31 3110015533201	03-22-2014	140162 09/2014		216.63 37.63

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #					CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN	AMOUNT	
101-5050-435.21-04	03/04/2014	3/4-4/3 INTERNET SVCS	03-25-2014	140162	09/2014		179.00	
03/13/2014 402-5000-532.20-06	84229 03/04/2014	CTE INC, CLARK TELECOM & ELECT DATE/SEACOAST ST LIGHT	2316 1817		140675 09/2014		2,650.00 2,650.00	
03/13/2014 101-3050-425.20-06	84230 03/01/2014	D.A.R. CONTRACTORS FEB SERVICES	1122 021401229		140103 09/2014		347.00 347.00	
03/13/2014 101-1210-413.21-04 101-3020-422.21-04 101-3040-424.21-04 101-3070-427.21-04	84231 03/03/2014 03/03/2014 03/03/2014 03/03/2014	DATAQUICK FEB DATA SVCS FEB DATA SVCS FEB DATA SVCS FEB DATA SVCS	1134 B1-2262529 B1-2262529 B1-2262529 B1-2262529		140197 09/2014 140197 09/2014 140197 09/2014 140197 09/2014		167.00 51.00 2.00 72.00 42.00	
03/13/2014 101-1130-412.21-04	84232 03/05/2014	DEPARTMENT OF JUSTICE FEB BACKGROUND CKS	1154 021532		140080 09/2014		588.00 588.00	
03/13/2014 101-1210-413.28-11	84233 02/19/2014	DLA PRINTING & PROMO'S 1099 MISC FORMS (2013)	1178 7832		F14048 08/2014		99.56 99.56	
03/13/2014 217-5000-532.20-06 101-0000-221.01-02 101-1020-411.28-07 101-1020-411.28-07	84234 01/02/2014 01/02/2014 02/05/2014 02/12/2014	EAGLE NEWSPAPER JAN 2014 LEGAL ADVERTISNG JAN 2014 LEGAL ADVERTISIN FEB 2014 LEGAL ADS FEB 2014 LEGAL ADS	1204 80402 80402 80943 81201		140019 07/2014 07/2014 140186 08/2014 140186 08/2014		331.00 95.00 70.00 96.00 70.00	
03/13/2014 101-6040-454.30-02 601-5060-436.28-01 101-6040-454.30-02	84235 02/20/2014 02/25/2014 02/28/2014	FASTENAL CAULKING GUN THREADED ROD ASSORTED S/S FASTENERS	909 CACHU34786 CACHU34861 CACHU34914		140007 08/2014 140007 08/2014 140007 08/2014		107.77 19.31 32.00 56.46	
03/13/2014 101-0000-209.01-18 101-0000-209.01-18 101-0000-209.01-18 101-0000-209.01-18	84236 07/03/2013 12/05/2013 01/08/2014 01/08/2014	FIDELITY SECURITY LIFE INSURAN PAYROLL AP PPE 6/27/13 PAYROLL AP PPE 11/28/13 APRIL 2014 VISION COVERAG APRIL 2014 VISION COVERAG	2476 20130703 20131205 7309639 7309639			01/2014 06/2014 09/2014 09/2014	221.75 90.74 86.53 8.41 36.07	
03/13/2014 101-6020-452.21-04 101-6020-452.28-01	84237 03/08/2014 03/08/2014	G & G BACKFLOW AND PLUMBING BKFLOW TESTING/REPAIR BKFLOW TESTING/REPAIR	1486 7200 7200		140637 09/2014 140637 09/2014		5,207.69 3,800.00 1,407.69	
03/13/2014 601-5060-436.21-01 101-3020-422.21-01 101-3020-422.21-01 101-3020-422.21-01 101-3020-422.21-01 101-1210-413.21-01 601-5060-436.21-01	84238 02/25/2014 02/01/2014 02/18/2014 02/25/2014 03/04/2014 03/04/2014	GO-STAFF, INC. WE 2/20 GONZALEZ, S WE 2/6 MEDLEY, A WE 2/14 MEDLEY & ORESTO WE 2/20 MEDLEY & KAM, S WE 2/28 FERGUSON, N WE 2/27 GONZALEZ, S	2031 120646 120064 120358 120645 120923 120922		140116 08/2014 140164 08/2014 140164 08/2014 140164 08/2014 140089 09/2014 140116 09/2014		5,048.96 692.28 495.15 1,071.13 889.24 978.12 923.04	
03/13/2014 601-5060-436.30-02	84239 02/13/2014	GRAINGER DISPOSABLE RESPIRATORS	1051 9364929068		140008 08/2014		433.69 37.06	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT		
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT
601-5060-436.30-02	02/13/2014	GREASE FOR VACTOR	9364929076	140008	08/2014	47.56
501-1921-419.28-16	02/13/2014	CASTER WHEEL	9364987710	140008	08/2014	20.01
101-1910-419.28-01	02/13/2014	SODIUM LAMPS/BALLASTS/BAT	9364588047	140008	08/2014	174.17
101-6040-454.30-02	02/21/2014	FUSE	9371861031	140008	08/2014	35.07
101-6020-452.30-02	02/26/2014	GLOVES/KNEE BOOTS	9375777142	140008	08/2014	119.82
03/13/2014	84240	HUDSON SAFE-T LITE RENTALS	2382			354.25
101-5010-431.21-23	02/25/2014	BUNDY PAD/U BOLT	00021532	140069	08/2014	354.25
03/13/2014	84241	INTERSTATE BATTERY OF SAN DIEG	388			108.15
501-1921-419.28-16	03/05/2014	MTP-24 BATTERY	770024447	140009	09/2014	108.15
03/13/2014	84242	JANI-KING OF CALIFORNIA, INC.	2042			3,470.64
101-1910-419.21-04	03/01/2014	MAR 2014	SDO03140533	140104	09/2014	3,470.64
03/13/2014	84243	JEFFREY C. KEMPH	2571			36.08
101-0000-209.01-04	03/02/2014	REFUND FICA EMP PORTION	03-13-2014		09/2014	36.08
03/13/2014	84244	K&A PACIFIC PROPERTIES	2			2,667.00
601-0000-346.70-05	01/07/2014	REFUND CREDIT EDU REVISIN	3766		07/2014	2,667.00
03/13/2014	84245	LLOYD PEST CONTROL	814			212.00
101-1910-419.20-22	02/10/2014	FEB 2014 SPORTS PARK	4135536	140088	08/2014	51.00
101-1910-419.20-22	02/10/2014	FEB 2014 PUBLIC WORKS	4137269	140088	08/2014	53.00
101-1910-419.20-22	02/13/2014	FEB 2014 CITY HALL	4149915	140088	08/2014	36.00
101-1910-419.20-22	02/13/2014	FEB 2014 FIRE DEPT	4149916	140088	08/2014	36.00
101-1910-419.20-22	02/13/2014	FEB 2014 SHERIFF DEPT	4150083	140088	08/2014	36.00
03/13/2014	84246	MANAGED HEALTH NETWORK	2432			397.60
101-1130-412.20-06	02/14/2014	MAR 2014	3200055556	140077	09/2014	397.60
03/13/2014	84247	OFFICE DEPOT, INC	1262			360.92
101-1210-413.30-01	02/27/2014	TONER/STORAGE BOXES	693792117001	140001	08/2014	196.27
101-3030-423.30-02	02/03/2014	PAMPHLET RACK	693163144001	140001	08/2014	50.37
101-3030-423.30-02	02/04/2014	USB DRIVE	693163172001	140001	08/2014	70.19
101-3030-423.30-02	02/14/2014	BUSINESS CARDS, AYALA	692496011001	140001	08/2014	44.09
03/13/2014	84248	OFFICETEAM	1266			1,108.00
101-1020-411.21-01	03/03/2014	WE 2/28 CARBALLO, S	39883669	140421	09/2014	1,108.00
03/13/2014	84249	ONE SOURCE DISTRIBUTORS	1071			626.24
101-6040-454.30-02	02/14/2014	DAYBRITE LENS	S4201907.001	140011	08/2014	542.06
601-5060-436.28-01	02/13/2014	PS#11 HEATERS	S4240465.001	140011	08/2014	84.18
03/13/2014	84250	PARS	2425			400.00
101-1920-419.20-06	03/07/2014	ADMIN SVCS AS OF 1/31/14	28189	140271	09/2014	400.00
03/13/2014	84251	PARTNERSHIP WITH INDUSTRY	1302			1,037.77
101-6040-454.21-04	02/15/2014	P/E 02/15/2014	GS05239	140516	08/2014	311.33
101-6040-454.21-04	02/15/2014	P/E 02/15/2014	GS05239	140516	08/2014	311.33

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	DESCRIPTION	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE							TRN AMOUNT
101-6040-454	21-04			P/E 02/15/2014	GS05239	140516	08/2014	415.11
03/13/2014	84252	PITNEY BOWES INC	271					207.36
101-1920-419	25-02			APR-JUN 2014 POSTAGE MTR	788299	140156	09/2014	207.36
03/13/2014	84253	PRO LINE PAINT COMPANY	52					360.29
101-5010-431	30-02			STREET PAINT	0670-7	140018	08/2014	78.79
601-5060-436	30-02			RUST CONVERSION/RED PAINT	0985-9	140018	08/2014	281.50
03/13/2014	84254	PROTECTION ONE ALARM MONITORIN	69					293.50
601-5060-436	20-23			MARCH ALARM MONITORING	96699422	140073	08/2014	293.50
03/13/2014	84255	PRUDENTIAL OVERALL SUPPLY	72					243.16
101-5020-432	25-03			03/05/14 PW UNIFORMS	30403237	140094	09/2014	126.44
101-5020-432	25-03			02/26/14 PW UNIFORMS	30401776	140094	08/2014	116.72
03/13/2014	84256	QWIK PRINTS	1622					220.00
101-1130-412	21-04			FEB LIVE SCANS	14601829	140079	09/2014	220.00
03/13/2014	84257	RANCHO AUTO & TRUCK PARTS	1685					278.22
501-1921-419	28-16			MIRROR	7693-186569	140016	09/2014	44.77
501-1921-419	28-16			SPK PLUGS/ANTIFREEZE/FILT	7693-186958	140016	09/2014	214.47
501-1921-419	28-16			RAD HOSE	7693-186997	140016	09/2014	18.98
03/13/2014	84258	ROBERT HALF TECHNOLOGY	1826					6,997.47
503-1923-419	10-02			W/E 02/07/14 BORSOTTI, F	39727910	140098	08/2014	185.00
503-1923-419	10-02			W/E 02/07/14 HANSEN, R	39728205	140098	08/2014	495.80
503-1923-419	10-02			W/E 02/07/14 WASHINGTON, E	39752019	140098	08/2014	1,102.50
503-1923-419	10-02			W/E 02/07/14 BORSOTTI, F	39752020	140098	08/2014	647.50
503-1923-419	10-02			W/E 02/14/14 BORSOTTI, F	39775812	140098	08/2014	774.70
503-1923-419	10-02			W/E 02/14/14 WASHINGTON, E	39808918	140098	08/2014	1,929.38
503-1923-419	10-02			W/E 02/14/14 HANSEN, R	39808919	140098	08/2014	606.80
503-1923-419	10-02			W/E 02/21/14 WASHINGTON, E	39846627	140098	08/2014	1,015.88
503-1923-419	10-02			W/E 02/21/14 HANSEN, R	39846628	140098	08/2014	239.91
03/13/2014	84259	SAFEMART SIGN COMPANY	2309					6,187.83
101-5010-431	21-23			STREET SIGNS	97330	140068	08/2014	5,865.45
101-5010-431	21-23			10 FED R2-1 SIGNS	97398	140068	08/2014	322.38
03/13/2014	84260	SAN DIEGO COUNTY SHERIFF	882					490,373.97
101-3010-421	20-06			JAN 2014 LAW ENF SVCS	02-28-2014		09/2014	493,167.60
101-0000-338	60-03			JAN 2014 LAW ENF SVCS	02-28-2014		09/2014	2,793.63
03/13/2014	84261	SDGE	289					5,950.11
101-5010-431	27-01			0646 753 1938 1/29-2/28	03-19-2014		08/2014	10.09
101-5010-431	27-01			1694 230 1484 1/29-2/28	03-19-2014		08/2014	16.14
101-5010-431	27-01			1912 409 2723 1/27-2/26	03-15-2014		08/2014	10.27
101-6010-451	27-01			2081 689 7619 1/30-3/3	03-20-2014		08/2014	286.81
101-5010-431	27-01			2741 969 9359 1/31-2/28	03-18-2014		08/2014	158.95
215-6026-452	27-01			2819 871 6315 1/31-2/28	03-18-2014		08/2014	1,977.45

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT		
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT
101-5010-431.27-01	03/04/2014	3062 843 3719	1/29-2/28	03-19-2014	08/2014	12.40
101-5010-431.27-01	02/28/2014	5280 340 6641	1/27-2/26	03-15-2014	08/2014	74.93
101-5010-431.27-01	02/28/2014	5576 188 0541	1/27-2/26	03-15-2014	08/2014	10.09
601-5060-436.27-01	03/03/2014	8773 823 6424	1/28-2/27	03-18-2014	08/2014	681.74
101-5010-431.27-01	03/04/2014	9476 001 6989	1/29-3/2	03-19-2014	08/2014	503.30
101-6020-452.27-01	03/05/2014	0175 275 3776	1/30-3/3	03-20-2014	08/2014	537.25
101-5010-431.27-01	03/05/2014	0824 329 2041	01/30-3/3	03-20-2014	08/2014	233.49
101-6020-452.27-01	03/05/2014	2081 689 1273	01/30-03/03	03-20-2014	08/2014	298.18
101-6010-451.27-01	03/05/2014	2081 692 3399	01/30-03/03	03-20-2014	08/2014	31.30
101-6020-452.27-01	03/05/2014	2083 847 9032	01/30-03/03	03-20-2014	08/2014	74.08
101-6010-451.27-01	03/05/2014	3206 700 9265	01/30-03/03	03-20-2014	08/2014	123.31
101-5010-431.27-01	03/04/2014	3448 930 9646	01/29-02/28	03-19-2014	08/2014	9.91
101-5010-431.27-01	03/04/2014	5153 272 6717	01/29-02/28	03-19-2014	08/2014	14.12
101-6020-452.27-01	03/05/2014	5456 692 8951	01/30-03/03	03-20-2014	08/2014	28.92
101-6020-452.27-01	03/05/2014	6921 003 2109	01/30-03/03	03-20-2014	08/2014	458.32
101-5010-431.27-01	03/05/2014	7706 795 7872	01/30-03/03	03-20-2014	08/2014	12.39
101-6020-452.27-01	03/05/2014	9327 898 1346	01/30-03/03	03-20-2014	08/2014	319.53
101-6010-451.27-01	03/05/2014	9956 693 6272	01/30-03/03	03-20-2014	08/2014	67.14
03/13/2014	84262	SHARP REES-STEALY MEDICAL	CNTR 390			273.00
101-3030-423.20-06	02/10/2014	AYALA, A	PHYSICAL	269	140076 08/2014	273.00
03/13/2014	84263	SKS INC.	412			9,583.56
501-1921-419.28-15	02/27/2014	1020 G REG/500.1 G DIESEL		1260681-IN	140046 08/2014	5,590.72
501-1921-419.28-15	03/06/2014	1091 GAL REG FUEL		1260794-IN	140046 09/2014	3,992.84
03/13/2014	84264	SOUTH WEST SIGNAL	488			160.00
101-5010-431.21-04	02/28/2014	FEB MAINT		51458	140035 08/2014	160.00
03/13/2014	84265	SPRINT	2040			149.97
101-3020-422.27-05	03/01/2014	01/26/2014-02/25/2014		594768811-075	140184 09/2014	149.97
03/13/2014	84266	SUNGARD PUBLIC SECTOR INC.	1370			2,214.90
503-1923-419.20-25	02/19/2014	ONSITE UPGRADE INSTALL		78065	140586 08/2014	1,414.90
503-1923-419.20-25	02/26/2014	SYSTEM MOD 50%		78460	140586 08/2014	800.00
03/13/2014	84267	TARGETSAFETY.COM, INC.	2319			3,323.00
101-3020-422.29-01	02/24/2014	ONLINE TRAINING LICENSE		15750	08/2014	3,323.00
03/13/2014	84268	TRANSWORLD SYSTEMS INC.	2160			144.87
101-1210-413.20-27	03/01/2014	FEB 2014 COLLECTION FEES		863147	09/2014	144.87
03/13/2014	84269	UNDERGROUND SERVICE ALERT	OF 731			45.00
601-5060-436.21-04	03/01/2014	FEB 2014 -30 TICKETS		220140320	140074 09/2014	45.00
03/13/2014	84270	VERDUGO TESTING INC, CO	2548			5,308.40
501-1921-419.21-04	03/05/2014	PREP/PERMIT AIR POLLUTION		18845	140570 09/2014	5,308.40
03/13/2014	84271	WAXIE SANITARY SUPPLY	802			792.02
101-6040-454.30-02	02/21/2014	JANITORIAL SUPPLIES		74444415	140013 08/2014	792.02

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
03/13/2014 601-5060-436.28-01	84272 03/10/2014	WESTERN HOSE & GASKET	836 LEADER/TIGER/ALUMN HOSES	290136	140056 09/2014	716.36 716.36	
03/20/2014 217-1240-413.20-06	84273 03/14/2014	AFFORDABLE RAINGUTTERS	2232 C&G-837 HICKERY COURT	30262	140688 09/2014	550.00 550.00	
03/20/2014 101-1920-419.27-04 101-1920-419.27-04 101-1920-419.27-04 101-1920-419.27-04 101-1920-419.27-04 101-1920-419.27-04	84274 09/15/2013 10/15/2013 11/15/2013 01/15/2014 02/15/2014 12/15/2013	AT&T	2430 AUG/SEP 2013 SEP/OCT 2013 OCT/NOV 2013 DEC/JAN 2014 JAN/FEB 2014 NOV/DEC 2013	4704735 4790616 4876759 5051579 5138999 4963831	08/2014 08/2014 08/2014 08/2014 08/2014 08/2014	620.81 103.79 103.64 102.79 103.28 104.06 103.25	
03/20/2014 101-1210-413.28-11	84275 02/11/2014	JET GRAPHICS, INC.	2022 SECURITY PAPER	117149-C	140674 08/2014	578.36 578.36	
03/20/2014 402-5000-532.20-01	84276 03/07/2014	KEYSER MARSTON ASSOC INC	620 FEB 2014 BIKEWAY VILLAGE	0027034	140686 09/2014	2,249.38 2,249.38	
03/20/2014 101-1910-419.20-22 101-1910-419.20-22	84277 02/14/2014 02/20/2014	LLOYD PEST CONTROL	814 FEB 2014 MARINA VISTA CTR FEB 2014 DEMPSEY CTR	4150144 4137565	140088 08/2014 140088 08/2014	113.00 53.00 60.00	
03/20/2014 101-1020-411.21-01	84278 03/10/2014	OFFICETEAM	1266 W/E 03/07/14 CARBALLO,S	39931975	140421 09/2014	1,094.15 1,094.15	
03/20/2014 217-1240-413.20-06 217-1240-413.20-06 217-1240-413.20-06	84279 03/06/2014 03/06/2014 03/10/2014	SEACOAST LANDSCAPING	2557 C&G-474 CITRUS AVE C&G-DEPOSIT 1152 9TH ST C&G-DEPOSIT 425 8TH ST	1031 1032 1033	140683 09/2014 140684 09/2014 140685 09/2014	5,220.00 3,220.00 1,000.00 1,000.00	
03/20/2014 101-6040-454.30-02	84280 02/24/2014	PADRE JANITORIAL SUPPLIES	1430 JANITORIAL SUPPLIES	353830	140022 08/2014	238.70 238.70	
03/20/2014 101-1130-412.28-05 101-1210-413.28-04 101-1210-413.28-07 101-1020-411.28-04 101-1210-413.29-02 101-1020-411.29-04 101-1210-413.28-05 101-1210-413.28-05 101-1210-413.28-05 101-3020-422.28-09 101-3020-422.30-02 101-3020-422.30-02 101-3020-422.30-02	84281 03/19/2014	PERLITA SHOUSE	1296 POSTAGE DUE-PERSONNEL LSL 2012 GOV'T ACNTG/AUDT MCGRANE,M-PARKING FEES AT RECORDS WORKSHOP EMPL APPRECIATION BDAY DOCUMENT DUPLICATION OF POSTAGE DUE-PARKING TICKT POSTAGE DUE-PARKING TICKT POSTAGE DUE-PARKING TICKT OVERNIGHT MAILING/SUPPLIE CHAIN FOR DISCHG CAP E39 FD OPEN HOUSE SUPPLIES FD OPEN HOUSE DECORATION	03-28-2013 07-19-2012 097377 12-10-2012 121120134850 345509220120921 60144 60994 61098 05600B 06711249762 2 23383800039894	09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014 09/2014	227.44 1.15 20.00 13.00 40.00 19.99 4.00 .45 .45 .45 38.28 2.33 4.31 5.38	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION					TRN AMOUNT
101-3020-422.28-09	03/19/2014	PRIORITY MAILING W/CONF		617044		09/2014	11.65
101-3020-422.30-02	03/19/2014	MCKAY,C-CLASS B RENEWAL		821819		09/2014	66.00
03/20/2014	84282	RICOH USA, INC.	2392				3,960.39
101-1110-412.20-17	03/04/2014	MAR 2014		91940639	140182	09/2014	289.25
101-1210-413.20-17	03/04/2014	MAR 2014		91940639	140182	09/2014	289.29
101-1230-413.20-17	03/04/2014	MAR 2014		91940639	140182	09/2014	289.29
101-3020-422.20-17	03/04/2014	MAR 2014		91940639	140182	09/2014	289.29
101-3030-423.20-17	03/04/2014	MAR 2014		91940639	140182	09/2014	289.29
101-5020-432.20-17	03/04/2014	MAR 2014		91940639	140182	09/2014	289.29
101-6010-451.20-17	03/04/2014	MAR 2014		91940639	140182	09/2014	289.29
101-1110-412.20-17	02/03/2014	FEB 2014		91738888	140182	08/2014	276.46
101-1210-413.20-17	02/03/2014	FEB 2014		91738888	140182	08/2014	276.49
101-1230-413.20-17	02/03/2014	FEB 2014		91738888	140182	08/2014	276.49
101-3020-422.20-17	02/03/2014	FEB 2014		91738888	140182	08/2014	276.49
101-3030-423.20-17	02/03/2014	FEB 2014		91738888	140182	08/2014	276.49
101-5020-432.20-17	02/03/2014	FEB 2014		91738888	140182	08/2014	276.49
101-6010-451.20-17	02/03/2014	FEB 2014		91738888	140182	08/2014	276.49
03/20/2014	84283	SAN DIEGO GAS & ELECTRIC	1399				16,082.50
101-3020-422.27-01	03/10/2014	1008 786 9371 01/29-02/28		03-26-2014		08/2014	73.26
101-1910-419.27-01	03/10/2014	1008 786 9371 01/29-02/28		03-26-2014		08/2014	250.69
101-5010-431.27-01	03/10/2014	1008 860 4389 01/27-02/26		03-26-2014		08/2014	454.32
101-3020-422.27-01	03/10/2014	1980 769 7764 01/28-02/27		03-26-2014		08/2014	2,136.76
601-5060-436.27-01	03/10/2014	5263 521 9238 01/27-02/26		03-26-2014		08/2014	10.00
101-6020-452.27-01	03/10/2014	5649 771 4749 01/30-03/03		03-26-2014		08/2014	10.09
101-5010-431.27-01	03/10/2014	5649 771 4749 01/30-03/01		03-26-2014		08/2014	7,068.43
101-5010-431.27-01	03/10/2014	8507 517 8464 01/30-02/28		03-26-2014		08/2014	128.78
601-5060-436.27-01	03/10/2014	8507 517 8464 01/30-03/03		03-26-2014		08/2014	69.44
101-6020-452.27-01	03/10/2014	8507 517 8464 01/30-03/01		03-26-2014		08/2014	985.34
601-5060-436.27-01	03/10/2014	8541 770 1270 01/30-03/01		03-26-2014		08/2014	3,919.58
101-5020-432.27-01	03/10/2014	9169 299 2261 01/26-02/25		03-26-2014		08/2014	975.81
03/20/2014	84284	SKS INC.	412				5,140.59
501-1921-419.28-15	03/13/2014	1401 GAL REG FUEL		1260923-IN	140046	09/2014	5,140.59
03/20/2014	84285	SPARKLETTS	2341				50.02
101-1210-413.30-01	03/08/2014	FEB/MAR 2014		10552239 030814	140199	09/2014	50.02
03/20/2014	84290	U.S. BANK	1873				17,156.54
101-3030-423.28-01	01/21/2014	HARDWARE FOR LG HQ		007914/8560188	140656	08/2014	16.05
101-3030-423.30-02	01/22/2014	BEACH FLAGS		68102	140656	08/2014	193.28
101-3030-423.28-04	01/28/2014	LUNCH INTERVIEW PANEL		4	140657	08/2014	72.47
101-3030-423.28-04	02/13/2014	BLS 2 INSTRUCTORS		19920	140655	08/2014	80.00
101-3030-423.28-01	02/08/2014	LG HG PAINT		086326/0580434	140656	08/2014	8.12
101-3030-423.28-01	02/08/2014	ANCHOR SYST HARDWARE		5313	140656	08/2014	7.16
101-3030-423.30-02	02/10/2014	ANCHOR CHAIN		5442	140656	08/2014	69.92
101-3030-423.30-02	02/04/2014	DIVE WEIGHTS		7448	140657	08/2014	244.69
101-3030-423.30-02	02/05/2014	GLUE & EPOXY		864550	140657	08/2014	15.10
101-3030-423.28-01	02/05/2014	VECH WIRING REPAIR		9224	140657	08/2014	159.84

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR TRN AMOUNT
101-3030-423.28-01	02/19/2014	COMMAND VECH CAR WASH	70253	140657 08/2014 9.99
101-3030-423.30-02	02/20/2014	LG TEAM PHOTO	002866	140657 08/2014 3.07
503-1923-419.29-04	12/18/2013	TEC SUPPORT MICROSOFT	4003343072	140658 08/2014 259.00
503-1923-419.30-22	01/22/2014	POWERSURGE	091041/7583608	140658 08/2014 56.66
503-1923-419.30-01	01/27/2014	CELLPH BAG/INSPECTOR	110-5376599-969	140658 08/2014 45.18
503-1923-419.28-01	01/27/2014	HP COLOR 2ND TRAY	334708	140658 08/2014 106.47
503-1923-419.30-02	01/30/2014	PRINTER STACKER	22934	140658 08/2014 55.95
101-6030-453.30-02	02/10/2014	COFFEE	4041-0203-0082	140652 08/2014 17.27
503-1923-419.30-22	02/05/2014	EOC LAPTOP CHGS	110-8532620-544	140658 08/2014 26.70
101-1210-413.28-04	02/18/2014	TRAINING DINNER	426056	140658 08/2014 14.25
503-1923-419.28-13	02/18/2014	DOMAIN RENEWAL	893647	140658 08/2014 125.00
101-1210-413.28-04	02/19/2014	TRAINING DINNER	29	140658 08/2014 20.60
101-1210-413.28-04	02/19/2014	TRAINING HOTEL	4386	140658 08/2014 220.55
101-1210-413.28-04	02/19/2014	HOTEL/TRAINING	863445	140658 08/2014 192.51
101-1210-413.28-04	02/20/2014	TRAINING HOTEL CREDIT	863445	140658 08/2014 30.61
101-3020-422.28-04	10/21/2013	TRAINING/CTR SYMPOSIUM	TCFOE26115	140654 08/2014 105.00
101-3040-424.30-01	01/31/2014	FIELD SUPPLIES/BUILDING	091138/8026579	140645 08/2014 53.60
101-3020-422.28-04	01/29/2014	TRAINING HOTEL 2/25-3/1	115413339623	140653 08/2014 169.72
101-1020-411.29-02	02/03/2014	EMP APPR DECOR	013147	140633 08/2014 27.68
101-1020-411.28-12	02/05/2014	HALD, J MEMBER DUES	7195891	140633 08/2014 130.00
101-1020-411.21-06	02/06/2014	ELECTION BINDER SUPPLIES	9835	140633 08/2014 124.42
101-1020-411.28-04	02/25/2014	HALD, J TRAINING CONF	7196858	140633 08/2014 395.00
101-3020-422.30-01	02/11/2014	FLASH DRIVES	107-7100815-611	140653 08/2014 175.67
101-3020-422.30-01	02/12/2014	CAT TRAP/PENS	115-6821610-127	140653 08/2014 102.96
101-3020-422.30-01	02/13/2014	STETHOSCOPES	290100	140653 08/2014 26.10
101-3020-422.30-02	02/04/2014	FD STATION SUPPLIES	87	140654 08/2014 118.83
101-3020-422.30-01	02/06/2014	PENS/TONER	9705143736	140654 08/2014 106.90
101-1230-413.30-01	01/28/2014	RECEIVED STAMP	K1160271	140647 08/2014 37.83
101-1230-413.28-09	01/30/2014	BERNARDO SHORES POSTAGE	043314	140647 08/2014 19.80
101-6010-451.30-02	01/30/2014	DESK PAD/USB DRIVE/STAPLE	7948	140651 08/2014 16.09
101-1230-413.28-04	02/04/2014	PARKING/MEETING	7622	140634 08/2014 15.00
101-1230-413.28-04	02/13/2014	PARKING MEETING	625756	140634 08/2014 8.00
101-1230-413.28-04	02/18/2014	APA NATIONAL CONF	APA36175.CART	140646 08/2014 695.00
101-1230-413.28-04	02/19/2014	PARKING/TRAINING	010838	140646 08/2014 24.00
101-1230-413.30-01	02/04/2014	RUBBER BANDS/FOLDERS	697516800-001	140647 08/2014 55.71
101-1230-413.30-01	02/18/2014	FOLDERS/PAPER	698711462-001	140647 08/2014 133.25
101-6010-451.30-02	02/10/2014	CAFE STOCK	257681372	140651 08/2014 445.86
101-6010-451.30-02	02/11/2014	COSTCO MEMBERSHIP RENEW	02-11-2014	140651 08/2014 55.00
101-6010-451.30-02	02/19/2014	PLATES/FILE BOXES	245	140651 08/2014 23.24
101-1910-419.30-02	01/22/2014	PW REMODEL SUPPLIES	041017/7010591	140662 08/2014 113.22
101-1910-419.30-02	01/28/2014	PW REMODEL SUPPLIES/SNAKE	067108/1025782	140662 08/2014 43.28
101-1910-419.30-02	01/28/2014	PW REMODEL SUPPLIES/SNAKE	067108/1025782	140662 08/2014 66.50
101-5020-432.30-01	01/24/2014	STAMP REPLACEMENT PAD	861912	140671 08/2014 8.55
101-1910-419.30-02	02/03/2014	DRYWALL MUD	063282/5013837	140662 08/2014 5.95
501-1921-419.30-22	02/05/2014	HOLE SAW/WHEELBARROW TIRE	091013/3591861	140662 08/2014 36.03
101-1910-419.30-02	02/11/2014	COLUMN SUPPLIES	023773/7028891	140662 08/2014 41.85
101-1910-419.30-02	02/11/2014	DADO BLADES-SPRTS PARK	054549	140662 08/2014 194.37
101-1910-419.30-02	02/11/2014	TABLE SAW PARTS	112-3849537-923	140662 08/2014 44.46
101-1910-419.30-02	02/12/2014	PW COLUMN SUPPLIES	072631/6029202	140662 08/2014 93.27
101-1910-419.30-02	02/13/2014	TOILET SUPPLIES	202777	140662 08/2014 90.81

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR TRN AMOUNT
101-5010-431.30-02	02/10/2014	GLAVANIZED PIPE PLUG	010861/8574348	140671 08/2014 9.53
101-5020-432.30-01	02/19/2014	PLOTTER PAPER	H128939457	140671 08/2014 112.31
101-5020-432.30-01	02/19/2014	MASKING TAPE	9705598143	140671 08/2014 16.42
101-1910-419.30-02	01/21/2014	PW REMODEL SUPPLIES	005024/8560157	140662 07/2014 62.02
101-6040-454.30-02	01/27/2014	IRRIGATION PARTS	9008928-A-1	140665 08/2014 463.60
601-5060-436.30-02	01/29/2014	SAFETY VESTS/LIGHT BULBS	002950/0572921	140667 08/2014 79.47
101-6020-452.30-02	01/29/2014	SMALL TOOLS/SAFETY GEAR	051615/0591032	140672 08/2014 47.57
101-6020-452.30-22	01/29/2014	SMALL TOOLS/SAFETY GEAR	051615/0591032	140672 08/2014 58.63
101-6040-454.30-02	02/07/2014	COUNTER TOP FOR GREEN RM	030357/1028181	140665 08/2014 121.13
101-6040-454.30-02	02/08/2014	PAINTING/SAFETY SUPPLIES	015930/0574090	140665 08/2014 118.11
101-6040-454.30-02	02/08/2014	TIDELANDS SUPPLIES	034054/0562535	140665 08/2014 67.48
101-6040-454.30-02	02/10/2014	SEALER	30099497	140665 08/2014 345.60
101-6040-454.30-02	02/14/2014	LG TOWER PATCH	040416/4563230	140665 08/2014 16.85
101-6040-454.30-02	02/15/2014	PIER TOWER ROOFING MATERI	044973/3042041	140665 08/2014 272.73
101-6040-454.30-02	02/16/2014	ROOF ROLL	073234/2011254	140665 08/2014 100.57
101-6040-454.30-02	02/21/2014	KEMPH,J-WORK BOOTS	091346	140665 08/2014 150.00
101-6040-454.30-02	02/22/2014	ROOF CEMENT	056883/6012793	140665 08/2014 18.58
101-6040-454.30-02	02/22/2014	RETURN ROOFING MATERIAL	6232899	140665 08/2014 69.46
101-6020-452.30-02	02/06/2014	IRRIGATION SUPPLIES	064023/2014591	140672 08/2014 58.51
101-6020-452.30-02	02/20/2014	LANDSCAPE MULCH	040650/8290265	140672 08/2014 80.70
101-1910-419.30-02	01/21/2014	CLEANING SUPPLIES	021494/8571880	140666 08/2014 55.25
101-6040-454.30-02	01/21/2014	TAPE/ROLLERS/TRAYS	066813/8571878	140666 08/2014 51.43
101-6040-454.30-02	01/28/2014	VENT PIECE/FRAME	01-28-2014	140666 08/2014 50.00
101-6040-454.30-02	01/31/2014	RAT TRAP	064630/8293409	140666 08/2014 3.84
501-1921-419.30-02	01/22/2014	POWER STEERING FLUID	3980-215091	140670 08/2014 16.07
101-3020-422.28-04	01/28/2014	MURPHY,M-MAINT TRNG REGST	2014LV12	140670 08/2014 300.00
501-1921-419.28-16	01/29/2014	INVENTORY CASTERS	062035	140670 08/2014 73.40
501-1921-419.30-02	01/29/2014	METAL SUPPLY	361170	140670 08/2014 182.24
501-1921-419.28-16	01/29/2014	FORKLIFT SEAT CUSHIONS	39972	140670 08/2014 328.54
101-6040-454.30-02	02/04/2014	PAINT/LEAK SEAL	068092/4591699	140666 08/2014 245.48
101-6040-454.30-02	02/05/2014	ROLLERS/CEMENT/FLAPPERKIT	013254/3562168	140666 08/2014 59.76
501-1921-419.28-15	02/05/2014	FUEL FILL TEST #143	009750	140670 08/2014 30.00
501-1921-419.28-16	02/11/2014	MACHINE PARTS	0043189	140670 08/2014 18.40
501-1921-419.30-02	02/11/2014	SHOP SUPPLIES	092353/7562875	140670 08/2014 10.52
501-1921-419.28-16	02/14/2014	STREETS EQUIP #136	INV128476	140670 08/2014 184.83
501-1921-419.28-16	02/14/2014	RADIATOR #110	23584290	140670 08/2014 135.00
101-6040-454.30-02	02/18/2014	PAVER SEALER	10096522	140660 08/2014 345.60
101-1910-419.30-02	01/13/2014	CITY HALL VINYL LETTERS	111749	140660 08/2014 200.00
101-1910-419.28-01	01/22/2014	CITY HALL LOCK SERVICE	10862	140660 08/2014 113.20
101-1910-419.30-02	01/23/2014	VINYL LETTERING INSTALLAT	14004	140660 08/2014 120.00
101-6040-454.30-02	01/23/2014	SAFETY CENTER FLAGS	61507	140660 08/2014 306.50
101-5050-435.30-02	01/28/2014	PUBLIC WRKSHR REFRESHMNTS	733127	140661 08/2014 41.85
101-1910-419.28-01	01/31/2014	CH WATER LEAK REPAIR	10665836	140663 08/2014 1,720.00
101-6040-454.30-02	02/06/2014	PAVER SEALER/SPRAYER	30096804	140660 08/2014 448.15
101-6040-454.30-02	02/14/2014	NON SKID PAINT	0345-1	140660 08/2014 173.80
101-6020-452.30-02	02/19/2014	PLASTIC DIP COATING	023661/9563766	140660 08/2014 23.11
101-6020-452.30-02	02/19/2014	PAINT/SIGN UNDERCOATING	059379/9575397	140660 08/2014 16.69
101-6020-452.30-02	02/20/2014	PAINT SUPPLIES/CONCRETE P	050311/8563942	140660 08/2014 14.40
101-5020-432.28-04	02/06/2014	LEVIEN,H-MTG TRAVEL FARE	11601	140663 08/2014 1.25
101-5020-432.28-04	02/06/2014	LEVIEN,H-MTG TRAVEL FARE	12801	140663 08/2014 1.25

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR TRN AMOUNT
101-1910-419.30-02	01/27/2014	CORD/FILTER	003528/2292793	140664 08/2014 15.60
101-1910-419.30-02	01/28/2014	ACETONE/SPRAY PAINT	050522/1572857	140664 08/2014 30.84
101-1910-419.30-02	01/29/2014	S/S PIPE	61928	140664 08/2014 6.48
101-1910-419.30-02	01/30/2014	CONTACT CLEANER	057767/9561364	140664 08/2014 8.62
101-1910-419.30-02	01/30/2014	TOGGLE SWITCH	3980-216465	140664 08/2014 4.85
101-6040-454.30-02	02/18/2014	PAINT CANS	080968/0020419	140659 08/2014 18.66
101-1910-419.30-02	02/04/2014	SANDPAPER/PROPANE GAS	053906/4573621	140664 08/2014 20.83
101-6040-454.30-02	02/06/2014	HALOGEN LAMPS	076150/2573929	140664 08/2014 41.73
101-6040-454.30-02	02/10/2014	WHEELCHAIR FRAME/BRACKETS	116352	140664 08/2014 140.00
101-6040-454.30-02	02/10/2014	DOOR KICK PLATE	18957	140664 08/2014 62.64
101-6040-454.30-02	02/12/2014	UTILITY KNIFE	055139/6120047	140664 08/2014 8.62
101-1910-419.30-02	02/12/2014	EXPANDABLE SLEEVING/TIE M	1-234533	140664 08/2014 27.73
101-6040-454.30-02	02/13/2014	PAINT ROLLERS/BRUSHES/TOW	033202/5574741	140664 08/2014 53.64
101-6040-454.30-02	02/18/2014	CHIPPING HAMMER	036324/0020474	140664 08/2014 6.45
101-6040-454.30-02	02/20/2014	BLACK SPRAY PAINT	063286/8593462	140664 08/2014 17.07
101-5000-532.20-06	01/22/2014	CONCRETE	009760/7010609	140668 08/2014 32.27
101-5000-532.20-06	01/22/2014	BIKEPATH SHRINK TUBE	9345522594	140668 08/2014 207.45
101-1910-419.30-02	02/04/2014	WHEEL STOPS	S143155	140668 08/2014 64.80
101-5010-431.30-02	02/05/2014	PROPANE TANKS	037393/3027789	140668 08/2014 75.50
101-5010-431.30-02	02/05/2014	PROPANE TNAK PURCHASE	040124/3273730	140668 08/2014 95.21
101-5010-431.30-02	02/05/2014	PROPANE TANK RETURNS	3273729	140668 08/2014 75.50
101-5010-431.28-01	02/06/2014	BOBCAT BLADE	55650	140668 08/2014 281.92
101-5010-431.30-02	02/10/2014	POST CAPS	030180/8015634	140668 08/2014 22.68
101-5010-431.30-02	02/10/2014	PIPE TIES/LAG SCREWS/WASH	083688/8028665	140668 08/2014 83.33
101-5010-431.28-01	02/12/2014	BOBCAT FLAT BAR	361867	140668 08/2014 48.89
101-5010-431.30-02	02/14/2014	TREAD STRIPS/PAINTER TAPE	094301/4010857	140668 08/2014 23.21
101-5010-431.21-23	02/18/2014	REFLECTIVE TAPE	2102	140668 08/2014 119.94
101-5050-435.28-01	02/20/2014	TRK HOSE & FITTINGS #152	58345	140668 08/2014 63.72
101-1110-412.28-04	01/23/2014	VEA/HALL LUNCH MTG	19796	140649 08/2014 28.38
101-1010-411.30-01	01/28/2014	LAMINATE STRIPS	2219388	140649 08/2014 38.83
101-1020-411.30-01	01/28/2014	LAMINATE STRIPS	2219388	140649 08/2014 38.83
101-1110-412.30-01	01/28/2014	LAMINATE STRIPS	2219388	140649 08/2014 38.83
101-1130-412.30-02	01/28/2014	LAMINATE STRIPS	2219388	140649 08/2014 38.83
101-1010-411.28-04	02/05/2014	02/05/14 COUNCIL DINNER	2000	140649 08/2014 43.19
101-1920-419.30-02	02/10/2014	VIDEO CAPTURE DEVICE	23393305	140649 08/2014 41.03
101-1920-419.30-02	02/12/2014	VODEO CAPTURE DEVICE	103-4216577-310	140649 08/2014 32.39
101-1110-412.28-14	02/12/2014	FEB 2014 NEWSLETTER	1392195553345	140649 08/2014 30.00
101-1010-411.28-04	02/18/2014	COUNCIL SOFT DRINKS	00046665	140649 08/2014 15.53
101-1920-419.30-02	02/18/2014	CM AUDIO SOFTWARE	1453	140649 08/2014 99.00
101-1010-411.28-04	02/19/2014	02/19/14 COUNCIL DINNER	027114	140649 08/2014 43.15
101-1020-411.30-01	02/19/2014	REALPLAYER SOFTWARE	4005878617	140649 08/2014 59.98
501-1921-419.28-16	01/27/2014	#120 STREET ROLLER PART	48723	140669 08/2014 76.59
501-1921-419.28-01	02/11/2014	FUEL PUMP REPAIRS	18724	140669 08/2014 202.50
101-1110-412.28-04	01/24/2014	HALL BFAST MEETING	0097736	140648 08/2014 21.67
101-1010-411.28-04	02/06/2014	HALL/BRAGG BFAST MTG	008592	140648 08/2014 42.58
101-1110-412.28-04	02/07/2014	HALL, LODGING LEAGUE MTG	543567	140648 08/2014 201.38
101-1110-412.28-04	02/11/2014	HALL/ENGL E LUNCH MTG	049995	140648 08/2014 49.79
101-1110-412.28-12	02/18/2014	HALL, AICP MEMBERSHIP	APA36004.CART	140648 08/2014 660.00
101-1110-412.28-04	02/18/2014	HALL, CONF REGISTRATION	APA36171.CART	140648 08/2014 695.00
101-1130-412.28-04	02/03/2014	CREDIT - SDRTC	5902972318	140650 08/2014 187.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
101-1130-412.28-07	02/12/2014	FF/PARAMEDIC JOB AD	02-12-2014	140650	08/2014	80.00	
101-1130-412.30-02	02/19/2014	EMPLY DEGREE VERIFICATION	111091734	140650	08/2014	14.95	
101-1130-412.30-02	02/19/2014	EMPLY DEGREE VERIFICATION	111091811	140650	08/2014	27.90	
101-1130-412.30-02	02/20/2014	EMPLY DEGREE VERIFICATION	111091171	140650	08/2014	22.95	
03/20/2014	84291	VERIZON WIRELESS	2317			1,300.28	
101-5020-432.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	592.80	
101-3040-424.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	48.81	
101-3020-422.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	136.89	
101-3030-423.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	148.00	
101-3070-427.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	50.08	
101-1230-413.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	118.03	
503-1923-419.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	193.35	
503-1923-419.27-05	03/08/2014	02/09/2014-03/08/2014	9721430928		08/2014	12.32	
03/20/2014	84292	WAGE WORKS INC.	2210			107.75	
101-1920-419.29-04	03/17/2014	MAR 2013	125AI0303572	140161	09/2014	107.75	
03/20/2014	84293	WAXIE SANITARY SUPPLY	802			877.04	
101-6040-454.30-02	03/12/2014	JANITORIAL SUPPLIES	74477689	140013	09/2014	877.04	
03/20/2014	84294	WEST COAST ERGONOMIC DESIGN	2303			9,084.80	
101-3030-423.50-04	03/13/2014	LG OFFICE WORK SPACES	1877	140631	09/2014	5,950.62	
101-3030-423.30-02	03/13/2014	LG OFFICE STORAGE CABINET	1878	140631	09/2014	3,134.18	
03/20/2014	84295	ZUMAR INDUSTRIES INC.	875			204.51	
101-6040-454.30-02	02/28/2014	"REGULATIONS" SIGN	0151059	140014	08/2014	204.51	
DATE RANGE TOTAL *						736,916.57 *	



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: APRIL 2, 2014
ORIGINATING DEPT.: PUBLIC WORKS DEPARTMENT *AH*
SUBJECT: RESOLUTION NO. 2014-7466 FOR THE SALE OF CERTAIN SURPLUS CITY PROPERTY

EXECUTIVE SUMMARY:

The City of Imperial Beach has accumulated a number of equipment items and supplies that are recommended for transfer to a surplus or unused supplies and equipment category. These designated items are available to be sold at a San Diego County Auction.

BACKGROUND:

From time to time, Staff determines the need to dispose of obsolete and surplus property. I.B.M.C. Chapter 3.04.050 states:

"The purchasing officer shall have the following powers and duties:
...J. To recommend to the city manager the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for city use;"

ANALYSIS:

City of Imperial Beach Resolution 89-3828 authorized the Administrative Services Director to participate in periodic sales of surplus property by the San Diego County Division of Purchasing and Contracting.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Salvage Value of Auctioned Equipment

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the sale / transfer of surplus property as listed in Exhibit A, Equipment Inventory List for County Auction

Attachments:

1. Resolution No. 2014-7466
2. Exhibit A – Equipment Inventory List for County Auction

RESOLUTION NO. 2014-7466

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING THE SALE OF CERTAIN SURPLUS CITY PROPERTY

The City Council of the City of Imperial Beach does hereby resolve as follows:

WHEREAS, I.B.M.C. Chapter 3.04.050 states: "The purchasing officer shall have the following powers and duties:

...J. To recommend to the city manager the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for city use;" and

WHEREAS, the City Council of the City of Imperial Beach on October 3, 1989, adopted Resolution No. 89-3828 authorizing its Finance Director to participate in periodic sales of surplus property by the San Diego County Division of Purchasing and Contracting; and

WHEREAS, the City Council of the City of Imperial Beach now desires to declare the items of equipment shown on Exhibit "A" attached hereto as surplus or unsuitable for City use.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Imperial Beach that:

1. The above recitals are true and correct.
2. The City Council of the City of Imperial Beach declares the items of equipment shown on Exhibit "A" (attached hereto), surplus and/or unused and hereby directs the Finance Director to dispose of same through the San Diego County Division of Purchasing and Contracting or as otherwise authorized by the City Manager.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of April 2014, by the following roll call vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

**IMPERIAL BEACH
EQUIPMENT INVENTORY LIST
FOR COUNTY AUCTION**

ITEM	QTY	DESCRIPTION	PROPERTY TAG #
1.	1ea	1994 Ford Ranger	1FTCR10A7RUE15159
2.	1ea	Pallet misc items	N/A
3.	1ea	Door, Metal	N/A
4.	1ea	Toilet	N/A
5.	1ea	Pressure Washer	N/A
6.	1ea	Ford truck bed	N/A
7.	1ea	Breathing air gas booster	1236
8.	1ea	Cabinet for computers	N/A
9.	1ea	Gorman Rupp Diaphragm Pump	1263
10.	1ea	Compaq Presario PC	N/A
11.	1ea	HP Laserjet 4050TN Printer	N/A
12.	1ea	HP Compaq dx 2400 PC	A0146
13.	1ea	HP Compaq dx 5700 PC	1645
14.	1ea	HP Color Laserjet Printer	N/A
15.			
16.			
17.			
18.			
19.			
20.			
21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.			
30.			
31.			
32.			
33.			
34.			
35.			
36.			
37.			
38.			
39.			
40.			

RECEIVED BY _____
PRINT NAME

RECEIVED BY _____
SIGNATURE

DATE _____



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: APRIL 2, 2014
ORIGINATING DEPT.: PUBLIC WORKS *HZ*
SUBJECT: RESOLUTION NO. 2014-7467 DECLARING APRIL AS
"ENVIRONMENTAL AWARENESS MONTH" IN THE CITY OF
IMPERIAL BEACH

EXECUTIVE SUMMARY:

This resolution recognizes the importance of environmental awareness in this community by declaring April as "Environmental Awareness Month" and recognizes a number of activities planned in the City around the month of April.

BACKGROUND:

The first Earth Day was celebrated in the United States on April 22, 1970. Since then, through the efforts of government, grassroots organizations, and concerned citizens alike, Earth Day has evolved into a day of environmental recognition celebrated around the globe. An important focus of many Earth Day events is the promotion of responsible waste management practices, energy conservation, and the protection of local water quality.

The State of California requires all cities to implement proactive programs that reduce the amount of waste sent to landfills, protect water quality of local waterways, and implement energy conservation measures. Furthermore, the beachfront, Tijuana Estuary, and San Diego Bayfront are important environmental resources to the region and enhance the quality of life for residents and visitors to the City. The month of April presents an appropriate opportunity in the spirit of Earth Day to recognize a number of education activities and special events during the month that increases knowledge and awareness of key environmental issues.

ANALYSIS:

The City plans to take advantage of the general atmosphere of environmental awareness around the month of April to more effectively engage the community on the City's integrated waste management and storm water programs. In recognition of Earth Day, staff is recommending adoption of a resolution from City Council that would declare April as "Environmental Awareness Month". Several activities are planned around the month of April to encourage community involvement. These activities include:

- Recycling Awareness Outreach: The EDCO Environmental Times newsletter for April will focus on opportunities for Imperial Beach residents and businesses to "Reduce, Reuse, and Recycle".
- Green Business Outreach Initiative: The City in partnership with South Bay Energy

Action Collaborative and the IB Chamber of Commerce are planning an outreach effort to local businesses in the City to provide free education and opportunities for energy efficiency enhancements that will take place in June. This initiative includes a business energy efficiency “Lunch & Learn” workshops for municipal and chamber staff followed by a weeklong energy-savings blitz for businesses to receive no cost energy audits and improvements through SDG&E’s Direct Install Program. Participating businesses will receive recognition through the South Bay Energy Leadership Awards.

- Tijuana River WQIP Consultation Panel: April 24th the City is hosting the first Consultation Panel meeting for the development of the Tijuana River Water Quality Improvement Plan at the Tijuana Estuary from 1:00 p.m. – 3:00 p.m.
- Annual Citywide Garage Sale: April 26th the City will hold its annual Citywide Garage Sale for residents to sell and exchange used items. The City provides an online map and free advertisement for residents who participate in this one day event.
- ILACSD Annual Creek to Bay Cleanup: April 26th the City sponsors the annual I Love a Clean San Diego Creek to Bay Cleanup as a collaborative watershed activity for the San Diego Bay WURMP. Cleanup sites will be held all around San Diego including at YMCA Camp Surf, Otay Valley Regional Park, Imperial Beach Pond 20, and Silver Strand State Beach.
- Annual Home Front Cleanup: May 3rd the City and EDCO will hold its annual Home Front Cleanup event at Mar Vista High School from 7:00 a.m. – 2:00 p.m. Residents can drop off any item - except hazardous materials - free of charge. EDCO will provide recycling for green waste, scrap metals, cardboard, mixed recyclables, and electronics.
- Energy Roadshow South Bay Tour: May 9th the City and the South Bay Energy Action Collaborative will host an energy conservation educational trailer during the farmers market to provide information to residents on home energy conservation and rebate programs.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

None

RECOMMENDATION:

Approve declaration and attached Resolution

Attachments:

1. Resolution No. 2014-7467

RESOLUTION NO. 2014-7467

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, DECLARING APRIL AS "ENVIRONMENTAL AWARENESS MONTH" IN IMPERIAL BEACH

WHEREAS, April 22nd is internationally recognized as Earth Day; and

WHEREAS, Earth Day was initiated in 1970 to inspire awareness of and appreciation for the Earth's environment; and

WHEREAS, the beachfront, Tijuana Estuary, and San Diego Bayfront are important environmental resources to the region and enhance the quality of life for residents and visitors to the City; and

WHEREAS, residents, businesses, government entities, and others can care for the environment by reducing the generation of waste, recycling, minimizing water consumption, lowering energy use, and preventing urban runoff; and

WHEREAS, the City of Imperial beach is required by the State of California to implement proactive programs that reduce the amount of waste sent to landfills, protect water quality of local waterways, and implement energy conservation measures.

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 month of April is declared "Environmental Awareness Month" in the City of Imperial Beach.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of April 2014, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, CMC
CITY CLERK



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER
MEETING DATE: APRIL 02, 2014
ORIGINATING DEPT.: CITY ADMINISTRATION
SUBJECT: FISCAL YEAR 2013 AUDIT UPDATE

EXECUTIVE SUMMARY:

Staff is providing to the City Council the FY2013 audit. Inclusive in the audit is the Independent Auditors' Report, the Management Discussion and Analysis and Basic Financials. In addition, staff is providing the Independent Auditors' Report on Internal Controls as well as the Audit Communication Letter.

BACKGROUND:

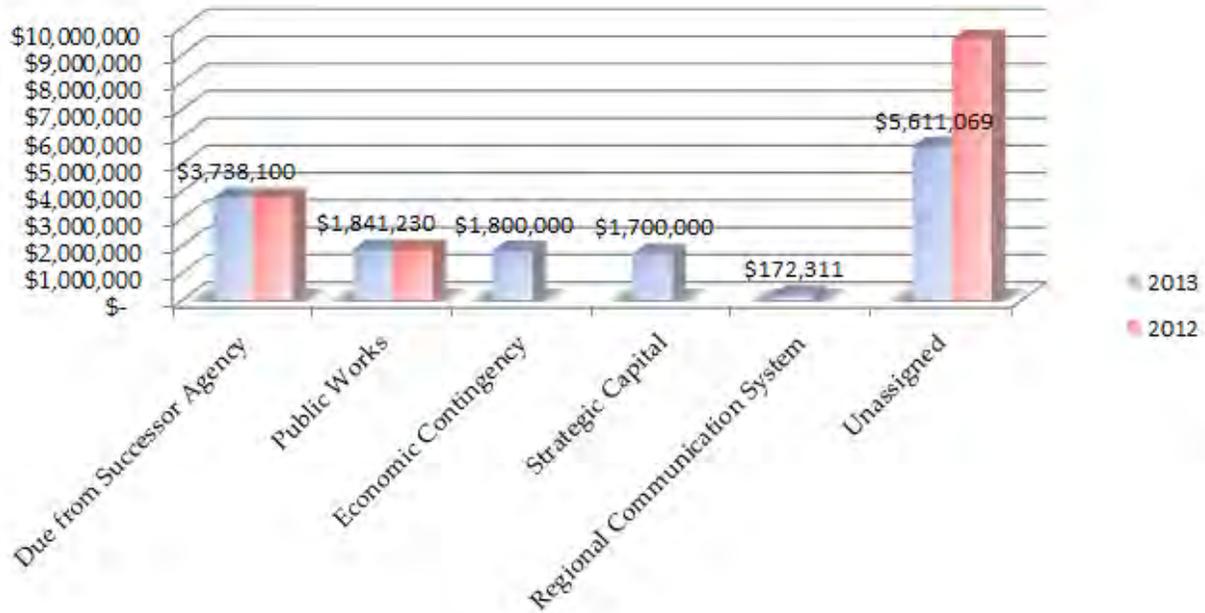
The FY2013 audit has been completed and is being submitted to the City Council for acceptance. The audit includes the Auditors Report, Management Discussion and Analysis, Detailed Financial Statements and other Audit Papers. In addition, the Independent Auditors' Report on Internal Controls and the City's response letter is provided.

ANALYSIS:

The FY2013 Audit (the "Audit") (see attachment 1) has been completed and is available for review. A hard copy of the Audit is provided as backup. In addition, the Audit will be published on the City website. For a comprehensive analysis of the financial performance of the City, please refer to the Management Discussion and Analysis contained in the Audit. Below are the highlights from that analysis:

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$85,227,390 (net position). Of this amount, \$22,040,712 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$30,202,918, a decrease of \$4,845,291 in comparison with the prior year. Capital projects funded by 2010 tax allocation bonds are the primary reason the City's fund balance declined. Approximately 17.5% of this amount (\$5,292,383) is available for spending at the government's discretion (unassigned fund balance).

- At the end of FY2013, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$11,124,610, or approximately 66% of total general fund expenditures. The total of the unassigned component is \$5,611,069 or approximately 33% of total general fund expenditures.



The Auditors' also provided an exhaustive analysis of the City's internal controls. The report titled Independent Auditors' Report on Internal Controls is dated January 29, 2014 (see attachment 2). Within this report the auditors have identified areas needing improvement. In general, the City agrees with the auditors' comments and identified actions that will be taken to improve financial governance. The final report is the Audit Communication letter from the Auditors to the Mayor and Council (see attachment 3).

ENVIRONMENTAL DETERMINATION:

The information presented and the actions recommended are not a project as defined by CEQA.

RECOMMENDATION:

That the City Council:

1. Receive the Fiscal Year 2013 Financial Audit and related documents

Attachments:

1. Fiscal Year 2013 Financial Audit
2. Fiscal Year 2013 Independent Auditors' Report on Internal Controls
3. Fiscal Year 2013 Audit Communication Letter

CITY OF IMPERIAL BEACH, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

Prepared By:
FINANCE DEPARTMENT

CITY OF IMPERIAL BEACH, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2013

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF IMPERIAL BEACH
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Budgetary Comparison Statement	
General Fund	25
Housing Authority.....	26
Statement of Net Position - Proprietary Funds	27
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	28
Statement of Cash Flows - Proprietary Funds	29
Statement of Fiduciary Net Position - Fiduciary Funds.....	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	31
Notes to Financial Statements.....	33

CITY OF IMPERIAL BEACH
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page Number</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet - Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	66
Budgetary Comparison Schedules - Special Revenue Funds	
Gas Tax.....	69
Prop A Tax	70
Lighting District # 67.....	71
Budgetary Comparison Schedules – Capital Project Funds	
Capital Projects	72
C.I.P. 2010 Bond.....	73
Combining Statement of Net Position - Internal Service Funds	74
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	75
Combining Statement of Cash Flows - Internal Service Funds.....	76
Combining Statement of Net Position – All Agency Funds	77
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	78

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Imperial Beach, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial Beach, California, as of June 30, 2013, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Housing Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other



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

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Signature on file



Brea, California
January 29, 2014

THIS PAGE INTENTIONALLY LEFT BLANK



City of Imperial Beach, California

ADMINISTRATIVE SERVICES DEPARTMENT

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

Management's Discussion and Analysis

As management of the City of Imperial Beach, California (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with information found throughout the City's financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$85,227,390 (*net position*). Of this amount, \$22,040,712 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$30,202,918, a decrease of \$4,845,291 in comparison with the prior year. The reduction is primarily due to progress made during the year on capital projects related to the 2010 bond funds. Approximately 17.5% of this amount (\$5,292,383) is available for spending at the government's discretion (*unassigned fund balance*).

At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$11,124,610, or approximately 66% of total general fund expenditures. The total of the *unassigned* component is \$5,611,069 or approximately 33% of total general fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$85,227,390 at the close of the most recent fiscal year.

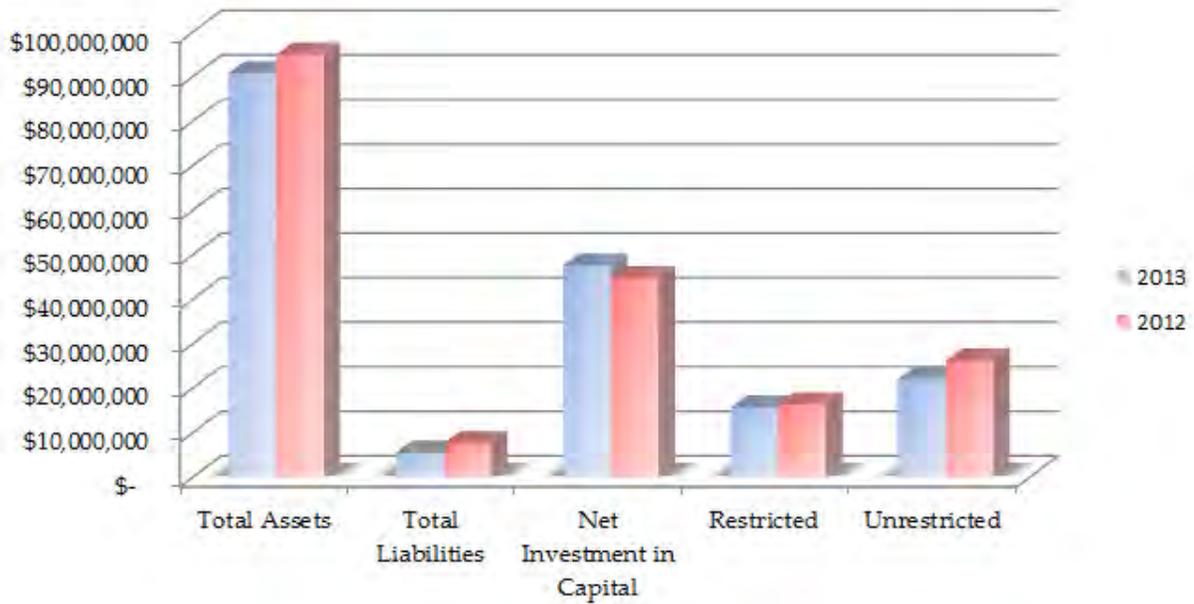
CITY OF IMPERIAL BEACH; Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 40,564,090	\$ 47,252,816	\$ 2,657,759	\$ 2,923,827	\$ 43,221,849	\$ 50,176,643
Capital Assets	41,453,331	38,732,720	6,078,158	5,974,890	47,531,489	44,707,610
Total Assets	82,017,421	85,985,536	8,735,917	8,898,717	90,753,338	94,884,253
Current Liabilities	2,846,158	5,197,224	89,876	152,131	2,936,034	5,349,355
Long-term Liabilities	2,526,982	2,220,775	62,932	55,152	2,589,914	2,275,927
Total Liabilities	5,373,140	7,417,999	152,808	207,283	5,525,948	7,625,282
Net Position:						
Net Investment in Capital	41,453,331	38,732,720	6,078,158	5,974,890	47,531,489	44,707,610
Restricted	15,655,189	16,362,636	-	-	15,655,189	16,362,636
Unrestricted	19,535,761	23,472,181	2,504,951	2,716,544	22,040,712	26,188,725
Total Net Position	\$ 76,644,281	\$ 78,567,537	\$ 8,583,109	\$ 8,691,434	\$ 85,227,390	\$ 87,258,971

Just over half of the City's net position (56%) reflects investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the City's net position, \$15,655,189 (18%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$22,040,712 (26%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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



However, the City's overall net position decreased \$2,117,088 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$1,923,256 from the prior fiscal year for an ending balance of \$76,644,281. This is caused by revenue that is expected but not yet received (deferred). While the current recession certainly had an impact on the City, management was able to take various actions that neutralized its effect on governmental activities.

CITY OF IMPERIAL BEACH; Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
REVENUE						
Program Revenue						
Charges for Services	\$ 6,648,285	\$ 2,838,563	\$ 3,988,249	\$ 3,833,190	\$ 10,636,534	\$ 6,671,753
Operating Grants	4,687,393	5,052,426	-	-	4,687,393	5,052,426
Capital Grants	2,548,551	1,428,762	-	-	2,548,551	1,428,762
General Revenue	-	-	-	-	-	-
Property Tax	4,050,421	7,919,069	-	-	4,050,421	7,919,069
Other tax	5,843,150	5,571,863	-	-	5,843,150	5,571,863
Other	-	19,489,395	52,761	913,213	52,761	20,402,608
Total Revenue	23,777,800	42,300,078	4,041,010	4,746,403	27,818,810	47,046,481
EXPENSE						
General Government	10,975,086	6,920,361	-	-	10,975,086	6,920,361
Public Safety	10,742,085	10,225,563	-	-	10,742,085	10,225,563
Pulic Works	2,278,148	3,106,391	-	-	2,278,148	3,106,391
Sanitation	-	-	4,149,335	4,613,291	4,149,335	4,613,291
Culture and Recreation	1,791,244	1,801,908	-	-	1,791,244	1,801,908
Interest on Debt	-	929,416	-	-	-	929,416
Total Expense	25,786,563	22,983,639	4,149,335	4,613,291	29,935,898	27,596,930
Restatement of Net Position	85,507	8,118	-	-	85,507	8,118
Increase in net position	(1,923,256)	19,324,557	(108,325)	133,112	(2,031,581)	19,457,669
Net positioni beginning	78,567,537	59,242,980	8,691,434	8,558,322	87,258,971	67,801,302
Net position ending	\$ 76,644,281	\$ 78,567,537	\$ 8,583,109	\$ 8,691,434	\$ 85,227,390	\$ 87,258,971

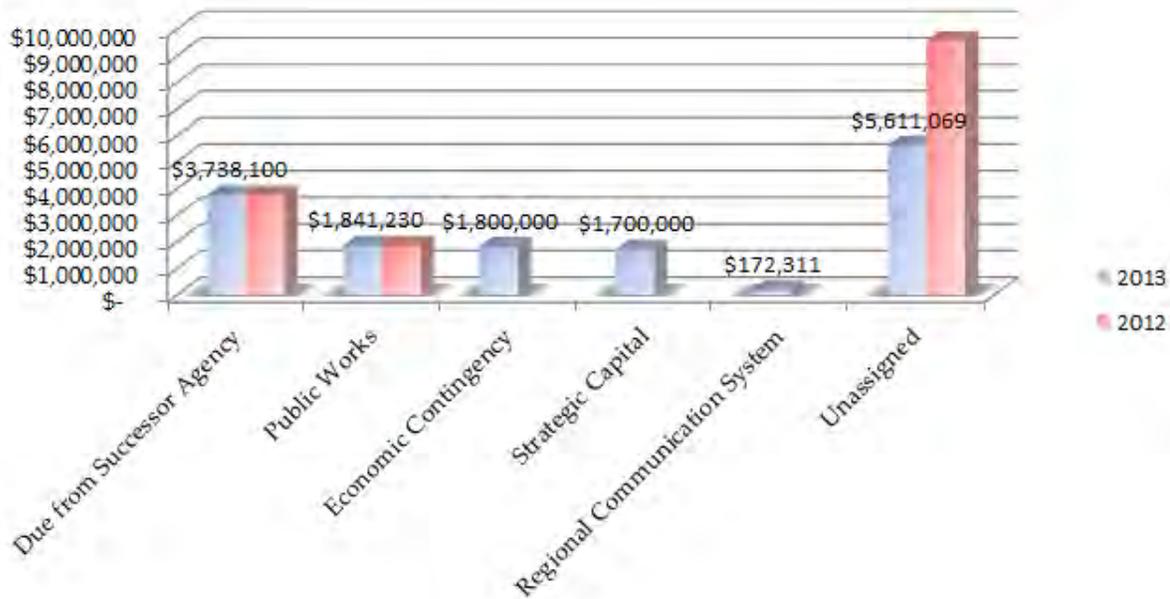
Business-type Activities. For the City's business-type activities, the results for the current fiscal year were positive even though the overall net position declined slightly reaching an ending balance of \$8,583,109. The total decrease in net position for business-type activities (sewer fund) was \$108,325 or 1% from the prior fiscal year.

Financial Analysis of Governmental Funds

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

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

At June 30, 2013, the City's governmental funds reported combined fund balances of \$30,202,918, a decrease of \$4,845,291 in comparison with the prior year. The reduction is primarily due to progress made during the year on capital projects related to the 2010 bond funds. Approximately 17.5% of this amount (\$5,292,383) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$3,741,805), 2) restricted for particular purposes (\$15,655,189), 3) committed for particular purposes (\$3,672,311), or 4) assigned for particular purposes (\$1,841,230).



The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,611,069, while total fund balance decreased by \$250,294 to \$14,866,415. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately thirty-three percent (33%) of total general fund expenditures, while total fund balance represents approximately eighty-eight percent (88%) of that same amount.

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

Total net position of the Sewer Fund at the end of the year was \$8,583,109. The total decline in net position was \$108,325. The decrease for the Sewer Fund resulted primarily from asset depreciation, not operational losses. The unrestricted fund balance is \$2,504,951.

General Fund Budgetary Highlights

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

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

	Final Budget	Actual Amount	Variance Positive (Negative)
Resources (Inflows)			
Taxes	\$ 7,910,500	\$ 7,077,480	\$ (833,020)
Licenses and Permits	524,000	501,843	(22,157)
Intergovernmental	749,047	408,750	(340,297)
Charges for Services	7,287,674	6,693,619	(594,055)
Other	772,000	1,183,022	411,022
Transfers	701,000	701,000	-
			<u>\$ (1,378,507)</u>
Charges (Outflows)			
General Government	\$ 3,456,688	\$ 3,123,679	\$ 333,009
Public Safety	10,792,967	10,373,688	419,279
Parks and Recreation	1,524,149	1,562,487	(38,338)
Public Works	1,875,519	1,612,891	262,628
Capital Outlay	98,520	133,263	(34,743)
Transfers Out	837,000	10,000	827,000
			<u>\$ 1,768,835</u>

The negative variance in resources include; (Taxes) \$676,000 RDA Residual budgeted but not received, (Intergovernmental) \$257,711 in Recreational Trail grant budgeted in FY13 but received in FY14, and (Charges) \$104,927 over budget in Port Revenue. The Other revenue experienced a positive variance. All categories will be evaluated during next budget cycle.

The favorable variance in outflows is primarily due to a conservative spending budget and strict fiscal control. The \$837,000 transfer out was budgeted to fund storm-water activity. However, these costs remained in the General Fund and the transfer was not necessary.

Capital Assets and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$47,531,489 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the sewer system. The total increase in capital assets for the current fiscal year was \$2,823,879 (6%).

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,638,532	\$ 1,638,532	\$ -	\$ -	\$ 1,638,532	\$ 1,638,532
Right of Way	12,406,327	12,406,327	589,341	1,198,690	12,995,668	13,605,017
Construction in Progress	9,487,275	6,313,986	-	-	9,487,275	6,313,986
Structures	3,985,396	4,268,899	-	-	3,985,396	4,268,899
Equipment and Vehicles	694,659	913,929	-	-	694,659	913,929
Infrastructre	13,241,142	13,191,047	-	-	13,241,142	13,191,047
Sewer System	-	-	5,488,817	4,776,200	5,488,817	4,776,200
	<u>\$ 41,453,331</u>	<u>\$ 38,732,720</u>	<u>\$ 6,078,158</u>	<u>\$ 5,974,890</u>	<u>\$ 47,531,489</u>	<u>\$ 44,707,610</u>

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

The Successor Agency of the former RDA, which is a legally separate agency had outstanding long term debt totaling \$38,520,435 at the end of the fiscal year. In addition, the Successor Agency has a loan due to the City in the amount of \$3,738,100.

City of Imperial Beach; Long-term liabilities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
Other Post Employment Benefits	\$ 111,026	\$ 89,058	\$ -	\$ -	\$ 111,026	\$ 89,058
Compensated Absences	797,473	853,932	62,932	55,152	860,405	909,084
Claims & Judgments	1,618,483	1,277,785	-	-	1,618,483	1,277,785
	<u>\$ 2,526,982</u>	<u>\$ 2,220,775</u>	<u>\$ 62,932</u>	<u>\$ 55,152</u>	<u>\$ 2,589,914</u>	<u>\$ 2,275,927</u>

The City's total long-term liabilities increased by \$313,987 (14%). The increase is to reserve for potential (unknown or future) claim loss.

Requests for Information

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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF IMPERIAL BEACH

STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 23,698,823	\$ 3,104,956	\$ 26,803,779
Receivables:			
Accounts	871,887	804	872,691
Notes and loans	7,794,224	-	7,794,224
Accrued interest	11,411	-	11,411
Internal balances	659,024	(659,024)	-
Due from other governments	2,584,182	211,023	2,795,205
Inventories	3,705	-	3,705
Land held for resale	330,691	-	330,691
Restricted assets:			
Cash and investments	872,043	-	872,043
Due from Successor Agency	3,738,100	-	3,738,100
Capital assets not being depreciated	23,532,134	589,341	24,121,475
Capital assets, net of depreciation	17,921,197	5,488,817	23,410,014
Total Assets	82,017,421	8,735,917	90,753,338
Liabilities:			
Accounts payable	1,635,760	66,857	1,702,617
Accrued liabilities	307,212	23,019	330,231
Unearned revenue	633,372	-	633,372
Deposits payable	269,814	-	269,814
Noncurrent liabilities:			
Due within one year	696,809	16,949	713,758
Due in more than one year	1,830,173	45,983	1,876,156
Total Liabilities	5,373,140	152,808	5,525,948
Net Position:			
Net investment in capital assets	41,453,331	6,078,158	47,531,489
Restricted for:			
Community development projects	13,318,937	-	13,318,937
Public safety	20,486	-	20,486
Parks and recreation	26,258	-	26,258
Public works	2,289,508	-	2,289,508
Unrestricted	19,535,761	2,504,951	22,040,712
Total Net Position	\$ 76,644,281	\$ 8,583,109	\$ 85,227,390

CITY OF IMPERIAL BEACH

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General Government	\$ 10,975,086	\$ 5,611,016	\$ 114,697	\$ -
Public Safety	10,742,085	556,733	4,434,883	-
Parks, recreation and senior center	1,791,244	48,027	-	-
Public Works	2,278,148	432,509	137,813	2,548,551
Total Governmental Activities	25,786,563	6,648,285	4,687,393	2,548,551
Business-Type Activities:				
Sewer	4,149,335	3,988,249	-	-
Total Business-Type Activities	4,149,335	3,988,249	-	-
Total Primary Government	\$ 29,935,898	\$ 10,636,534	\$ 4,687,393	\$ 2,548,551

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Utility users tax

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Extraordinary gain/(loss)**Total General Revenues and Extraordinary Items**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (5,249,373)	\$ -	\$ (5,249,373)
(5,750,469)	-	(5,750,469)
(1,743,217)	-	(1,743,217)
840,725	-	840,725
(11,902,334)	-	(11,902,334)
-	(161,086)	(161,086)
-	(161,086)	(161,086)
(11,902,334)	(161,086)	(12,063,420)
4,050,421	-	4,050,421
223,612	-	223,612
1,198,662	-	1,198,662
1,836,650	-	1,836,650
353,901	-	353,901
1,306,297	-	1,306,297
14,702	-	14,702
1,129,620	35,590	1,165,210
1,243,485	17,171	1,260,656
(1,463,779)	-	(1,463,779)
9,893,571	52,761	9,946,332
(2,008,763)	(108,325)	(2,117,088)
78,567,537	8,691,434	87,258,971
85,507	-	85,507
\$ 76,644,281	\$ 8,583,109	\$ 85,227,390

CITY OF IMPERIAL BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General	Special	Capital Projects Fund	
		Revenue Fund	Capital Projects	C.I.P. 2010 Bond
		Housing Authority		
Assets:				
Pooled cash and investments	\$ 10,698,942	\$ 67,681	\$ -	\$ 5,023,640
Receivables:				
Accounts	871,887	-	-	-
Contract and notes	-	7,794,224	-	-
Accrued interest	11,411	-	-	-
Due from other governments	1,681,931	-	739,184	-
Due from other funds	1,025,142	-	-	-
Inventories	3,705	-	-	-
Land held for resale	-	330,691	-	-
Restricted assets:				
Cash and investments	-	872,043	-	-
Due from Successor Agency	3,738,100	-	-	-
Total Assets	\$ 18,031,118	\$ 9,064,639	\$ 739,184	\$ 5,023,640
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,294,818	\$ 19,832	\$ 59,109	\$ 115,458
Accrued liabilities	277,367	-	1,741	890
Unearned revenues	629,040	-	-	-
Deposits payable	269,814	-	-	-
Due to other funds	-	-	970,685	-
Total Liabilities	2,471,039	19,832	1,031,535	116,348
Deferred Inflows of Resources:				
Unavailable revenues	693,664	633,162	-	-
Total Deferred Inflows of Resources	693,664	633,162	-	-
Fund Balances:				
Nonspendable:				
Inventory	3,705	-	-	-
Due from Successor Agency	3,738,100	-	-	-
Restricted for:				
Community development projects	-	8,411,645	-	4,907,292
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Committed to:				
Economic Uncertainty Reserve	1,800,000	-	-	-
Strategic Capital Reserve	1,700,000	-	-	-
Regional Communication System	172,311	-	-	-
Assigned to:				
Public works	1,841,230	-	-	-
Unassigned	5,611,069	-	(292,351)	-
Total Fund Balances	14,866,415	8,411,645	(292,351)	4,907,292
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,031,118	\$ 9,064,639	\$ 739,184	\$ 5,023,640

CITY OF IMPERIAL BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 2,346,517	\$ 18,136,780
Receivables:		
Accounts	-	871,887
Contract and notes	-	7,794,224
Accrued interest	-	11,411
Due from other governments	136,464	2,557,579
Due from other funds	-	1,025,142
Inventories	-	3,705
Land held for resale	-	330,691
Restricted assets:		
Cash and investments	-	872,043
Due from Successor Agency	-	3,738,100
Total Assets	\$ 2,482,981	\$ 35,341,562
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 112,521	\$ 1,601,738
Accrued liabilities	1,754	281,752
Unearned revenues	4,332	633,372
Deposits payable	-	269,814
Due to other funds	54,457	1,025,142
Total Liabilities	173,064	3,811,818
Deferred Inflows of Resources:		
Unavailable revenues	-	1,326,826
Total Deferred Inflows of Resources	-	1,326,826
Fund Balances:		
Nonspendable:		
Inventory	-	3,705
Due from Successor Agency	-	3,738,100
Restricted for:		
Community development projects	-	13,318,937
Public safety	20,486	20,486
Parks and recreation	26,258	26,258
Public works	2,289,508	2,289,508
Committed to:		
Economic Uncertainty Reserve	-	1,800,000
Strategic Capital Reserve	-	1,700,000
Regional Communication System	-	172,311
Assigned to:		
Public works	-	1,841,230
Unassigned	(26,335)	5,292,383
Total Fund Balances	2,309,917	30,202,918
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,482,981	\$ 35,341,562

CITY OF IMPERIAL BEACH

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Fund balances of governmental funds	\$ 30,202,918
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	40,901,807
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Compensated Absences	(740,883)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.	(111,026)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	1,326,826
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	<u>5,064,639</u>
Net Position of governmental activities	<u>\$ 76,644,281</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF IMPERIAL BEACH

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	General	Special Revenue Fund	Capital Projects Fund	
		Housing Authority	Capital Projects	C.I.P. 2010 Bond
Revenues:				
Taxes	\$ 7,077,480	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	501,843	-	-	-
Intergovernmental	408,750	90,000	1,073,785	-
Charges for services	6,693,619	-	-	5,200,000
Use of money and property	707,769	2,447	(483)	99,692
Fines and forfeitures	138,874	-	-	-
Miscellaneous	336,379	907,106	-	-
Total Revenues	15,864,714	999,553	1,073,302	5,299,692
Expenditures:				
Current:				
General government	3,123,679	76,622	-	7,395,417
Public safety	10,373,688	-	-	-
Parks and recreation	1,562,487	-	-	-
Public works	1,612,891	-	-	-
Capital outlay	133,263	-	1,517,586	1,412,384
Total Expenditures	16,806,008	76,622	1,517,586	8,807,801
Excess (Deficiency) of Revenues Over (Under) Expenditures	(941,294)	922,931	(444,284)	(3,508,109)
Other Financing Sources (Uses):				
Transfers in	701,000	-	151,933	310,000
Transfers out	(10,000)	-	-	-
Total Other Financing Sources (Uses)	691,000	-	151,933	310,000
Extraordinary gain/(loss)	-	(1,463,779)	-	-
Net Change in Fund Balances	(250,294)	(540,848)	(292,351)	(3,198,109)
Fund Balances, Beginning of Year, as previously reported	15,116,709	8,952,493	-	8,105,401
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	15,116,709	8,952,493	-	8,105,401
Fund Balances, End of Year	\$ 14,866,415	\$ 8,411,645	\$ (292,351)	\$ 4,907,292

CITY OF IMPERIAL BEACH

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 7,077,480
Assessments	10,310	10,310
Licenses and permits	-	501,843
Intergovernmental	1,470,228	3,042,763
Charges for services	16,895	11,910,514
Use of money and property	31,991	841,416
Fines and forfeitures	-	138,874
Miscellaneous	-	1,243,485
Total Revenues	1,529,424	24,766,685
Expenditures:		
Current:		
General government	83,725	10,679,443
Public safety	135,227	10,508,915
Parks and recreation	24,138	1,586,625
Public works	15,219	1,628,110
Capital outlay	671,871	3,735,104
Total Expenditures	930,180	28,138,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	599,244	(3,371,512)
Other Financing Sources (Uses):		
Transfers in	-	1,162,933
Transfers out	(1,162,933)	(1,172,933)
Total Other Financing Sources (Uses)	(1,162,933)	(10,000)
Extraordinary gain/(loss)	-	(1,463,779)
Net Change in Fund Balances	(563,689)	(4,845,291)
Fund Balances, Beginning of Year, as previously reported	2,788,099	34,962,702
Restatements	85,507	85,507
Fund Balances, Beginning of Year, as restated	2,873,606	35,048,209
Fund Balances, End of Year	\$ 2,309,917	\$ 30,202,918

CITY OF IMPERIAL BEACH

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

Net change in fund balances - total governmental funds \$ (4,845,291)

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

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

Capital outlay	\$ 3,802,452	
Depreciation	<u>(972,276)</u>	2,830,176

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

52,030

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

(21,968)

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

401,522

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

(425,232)

Change in net position of governmental activities

\$ (2,008,763)

CITY OF IMPERIAL BEACH

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
 GENERAL FUND
 YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,116,709	\$ 15,116,709	\$ 15,116,709	\$ -
Resources (Inflows):				
Taxes	6,956,000	7,910,500	7,077,480	(833,020)
Licenses and permits	526,000	524,000	501,843	(22,157)
Intergovernmental	173,000	749,047	408,750	(340,297)
Charges for services	7,220,379	7,287,674	6,693,619	(594,055)
Use of money and property	915,000	430,000	707,769	277,769
Fines and forfeitures	196,500	158,500	138,874	(19,626)
Miscellaneous	183,000	183,500	336,379	152,879
Transfers in	927,115	701,000	701,000	-
Amounts Available for Appropriation	32,213,703	33,060,930	31,682,423	(1,378,507)
Charges to Appropriation (Outflow):				
General government				
Mayor/City Council	96,566	112,979	114,238	(1,259)
City Clerk's Office	253,118	310,940	297,965	12,975
City Manager	272,039	395,622	379,702	15,920
Economic Development	-	-	454	(454)
Personnel	218,206	251,878	256,889	(5,011)
Administrative Services	608,464	497,177	244,977	252,200
City Attorney	205,000	205,000	273,260	(68,260)
Community Development	316,001	590,336	608,748	(18,412)
Facilities Maintenance	276,023	277,284	208,594	68,690
Non-Departmental	139,591	815,472	738,852	76,620
Public safety				
Law Enforcement Contract	6,310,139	6,247,194	6,010,059	237,135
Fire Protection Rescue	2,206,088	2,383,835	2,391,928	(8,093)
Ocean Beach Safety	1,370,477	1,380,445	1,276,568	103,877
Building Inspection	337,458	313,844	293,323	20,521
Animal Control	282,356	260,356	252,229	8,127
Disaster Preparedness	51,706	60,881	44,578	16,303
Code Enforcement	96,692	112,663	84,676	27,987
AVA Program	35,152	33,749	20,327	13,422
Parks and recreation				
Recreation Svcs. & Skatepark	267,258	177,994	202,742	(24,748)
Park Maintenance	411,440	394,729	402,856	(8,127)
Senior Services	27,988	28,982	28,705	277
Tideland Maintenance	888,723	922,444	928,184	(5,740)
Public works				
Street Maintenance	927,115	983,291	840,480	142,811
Public Works Admin.	541,683	641,825	578,888	62,937
Graffiti Removal	-	-	31	(31)
Solid Waste Management	97,050	250,403	191,786	58,617
Treasury	-	-	550	(550)
Facilities - Sewer/Stormwater	-	-	1,156	(1,156)
Capital outlay	27,695	98,520	133,263	(34,743)
Transfers out	860,000	837,000	10,000	827,000
Total Charges to Appropriations	17,124,028	18,584,843	16,816,008	1,768,835
Budgetary Fund Balance, June 30	\$ 15,089,675	\$ 14,476,087	\$ 14,866,415	\$ 390,328

CITY OF IMPERIAL BEACH

**BUDGETARY COMPARISON STATEMENT
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,952,493	\$ 8,952,493	\$ 8,952,493	\$ -
Resources (Inflows):				
Intergovernmental	-	90,000	90,000	-
Use of money and property	-	-	2,447	2,447
Miscellaneous	-	907,106	907,106	-
Amounts Available for Appropriation	8,952,493	9,949,599	9,952,046	2,447
Charges to Appropriation (Outflow):				
General government	-	1,003,000	76,622	926,378
Extraordinary gain/(loss)	-	-	1,463,779	(1,463,779)
Total Charges to Appropriations	-	1,003,000	1,540,401	(537,401)
Budgetary Fund Balance, June 30	\$ 8,952,493	\$ 8,946,599	\$ 8,411,645	\$ (534,954)

CITY OF IMPERIAL BEACH

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	<u>Enterprise Fund Sewer</u>	<u>Governmental Activities- Internal Service Funds</u>
Assets:		
Current:		
Cash and investments	\$ 3,104,956	\$ 5,562,043
Receivables:		
Accounts	804	-
Due from other governments	211,023	26,603
Total Current Assets	<u>3,316,783</u>	<u>5,588,646</u>
Noncurrent:		
Capital assets - net of accumulated depreciation	6,078,158	551,524
Total Noncurrent Assets	<u>6,078,158</u>	<u>551,524</u>
Total Assets	<u>\$ 9,394,941</u>	<u>\$ 6,140,170</u>
Liabilities and Net Position:		
Liabilities:		
Current:		
Accounts payable	66,857	34,022
Accrued liabilities	23,019	25,460
Accrued compensated absences	16,949	2,068
Accrued claims and judgments	-	477,483
Total Current Liabilities	<u>106,825</u>	<u>539,033</u>
Noncurrent:		
Accrued compensated absences	45,983	54,522
Accrued claims and judgments	-	1,141,000
Total Noncurrent Liabilities	<u>45,983</u>	<u>1,195,522</u>
Total Liabilities	<u>152,808</u>	<u>1,734,555</u>
Net Position:		
Net investment in capital assets	6,078,158	551,524
Unrestricted	3,163,975	3,854,091
Total Net Position	<u>9,242,133</u>	<u>4,405,615</u>
Total Liabilities and Net Position	<u>\$ 9,394,941</u>	<u>\$ 6,140,170</u>
Reconciliation of Net Position to the Statement of Net Position		
Net Position per Statement of Net Position - Proprietary Funds	\$ 9,242,133	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(614,596)	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(44,428)	
Net Position per Statement of Net Position	<u>\$ 8,583,109</u>	

CITY OF IMPERIAL BEACH

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
	<u>Sewer</u>	
Operating Revenues:		
Sales and service charges	\$ 3,988,249	\$ 1,079,740
Miscellaneous	17,171	240,541
Total Operating Revenues	<u>4,005,420</u>	<u>1,320,281</u>
Operating Expenses:		
Source of supply	3,159,166	579,441
Claims expense	-	535,032
Depreciation expense	193,959	122,884
Personnel and Administrative	751,782	635,956
Total Operating Expenses	<u>4,104,907</u>	<u>1,873,313</u>
Operating Loss	<u>(99,487)</u>	<u>(553,032)</u>
Nonoperating Revenues:		
Interest revenue	<u>35,590</u>	<u>73,372</u>
Total Nonoperating Revenues (Expenses)	<u>35,590</u>	<u>73,372</u>
Loss Before Transfers	(63,897)	(479,660)
Transfers in	<u>-</u>	<u>10,000</u>
Changes in Net Position	<u>(63,897)</u>	<u>(469,660)</u>
Net Position:		
Beginning of Year	<u>9,306,030</u>	<u>4,875,275</u>
End of Fiscal Year	<u>\$ 9,242,133</u>	<u>\$ 4,405,615</u>
Reconciliation of Changes in Net Position to the Statement of Activities:		
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	\$ (63,897)	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	<u>(44,428)</u>	
Changes in Net Position of Business-Type Activities per Statement of Activities	<u>\$ (108,325)</u>	

CITY OF IMPERIAL BEACH

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
	<u>Sewer</u>	
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 4,168,132	\$ -
Cash received from/(paid to) interfund service provided	-	1,415,691
Cash paid to suppliers for goods and services	(3,206,850)	(1,000,829)
Cash paid to employees for services	(758,573)	(388,262)
Net Cash Provided (Used) by Operating Activities	<u>202,709</u>	<u>26,600</u>
Cash Flows from Non-Capital Financing Activities:		
Cash transfers in	-	10,000
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>10,000</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(297,227)	(13,319)
Net Cash Used in Capital and Related Financing Activities	<u>(297,227)</u>	<u>(13,319)</u>
Cash Flows from Investing Activities:		
Interest received	35,590	73,372
Net Cash Provided by Investing Activities	<u>35,590</u>	<u>73,372</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(58,928)</u>	<u>96,653</u>
Cash and Cash Equivalents at Beginning of Year	3,163,884	5,465,390
Cash and Cash Equivalents at End of Year	<u>\$ 3,104,956</u>	<u>\$ 5,562,043</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ (99,487)	\$ (553,032)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	193,959	122,884
(Increase) decrease in accounts receivable	59,402	-
(Increase) decrease in due from other governments	103,310	95,410
Increase (decrease) in accounts payable	(47,684)	16,324
Increase (decrease) in accrued liabilities	(14,571)	-
Increase (decrease) in deposits payable	-	13,080
Increase (decrease) in claims and judgments	-	340,698
Increase (decrease) in compensated absences	7,780	(8,764)
Total Adjustments	<u>302,196</u>	<u>579,632</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 202,709</u>	<u>\$ 26,600</u>

CITY OF IMPERIAL BEACH

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former RDA</u>
Assets:		
Pooled cash and investments	\$ 383,374	\$ 3,082,576
Receivables:		
Deferred loans	-	2,500
Land held for resale	-	17,048,281
Restricted assets:		
Cash and investments with fiscal agents	-	4,747,998
Total Assets	<u>\$ 383,374</u>	<u>24,881,355</u>
Liabilities:		
Accounts payable	\$ -	29,346
Due to bondholders	383,374	-
Due to City	-	3,738,100
Long-term liabilities:		
Due in one year	-	740,000
Due in more than one year	-	37,780,435
Total Liabilities	<u>\$ 383,374</u>	<u>42,287,881</u>
Net Position:		
Held in trust for other purposes		<u>(17,406,526)</u>
Total Net Position		<u>\$ (17,406,526)</u>

CITY OF IMPERIAL BEACH

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013**

	Private- Purpose Trust Fund Successor Agency of the Former RDA
Additions:	
Taxes	\$ 5,842,890
Interest and change in fair value of investments	14,578
Total Additions	5,857,468
Deductions:	
Housing projects	907,106
Administrative expenses	247,302
Contractual services	1,033,060
Interest expense	2,366,962
Total Deductions	4,554,430
Extraordinary gain/(loss)	1,463,779
Changes in Net Position	2,766,817
Net Position - Beginning of the Year	(19,510,903)
Restatements	(662,440)
Net Position - Beginning of Year, as Restated	(20,173,343)
Net Position - End of the Year	\$ (17,406,526)

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of the Reporting Entity

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

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

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

Blended Component Units

Imperial Beach Public Financing Authority

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

Imperial Beach Housing Authority

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)**b. Government-Wide and Fund Financial Statements**

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The private-purpose trust funds are reported using the economic resources management focus and the full accrual basis of accounting.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

d. Assets, Liabilities and Net Position or Equity**Cash and Investments**

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

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

Receivables and Payables

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

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

Functional Classifications

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

- General Government includes legislative activities that have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities that provide management or support services across more than one functional area.
- Public Safety includes those activities that involve the protection of people and property.
- Parks, Recreation and Senior Center include those activities that involve community park maintenance and recreational activities within the community.
- Public Works includes those activities that involve the maintenance and improvement of City streets, roads and park department development and maintenance.
- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

Inventories and Prepaid Items

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

Capital Assets

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

In accordance with GASB Statement No. 34, the City has reported general infrastructure assets acquired in prior and current years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

business-type activities is included as part of the capitalized value of the assets constructed.

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

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

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

Long-Term Obligations

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

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

Fund Equity

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

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

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

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

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

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

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

unrestricted fund balance is available and committed, assigned, and then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net position flow assumption

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

Fund balance flow assumptions

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

New Accounting Pronouncement

The City implemented GASB Statement 65, Items Previously Reported as Assets and Liabilities. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactive and therefore the City has reported a restatement of beginning net position for any unamortized debt issuance costs (deferred charges) previously reported on the statement of net position to conform.

Encumbrances

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Revenue

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

II. STEWARDSHIP**Note 2: Stewardship, Compliance and Accountability****General Budget Policies**

The two-year operating budget adopted by the City Council provides for the general operations of the City. It includes proposed expenditures and the means of financing them on a departmental basis. Budgets are legally adopted for the General Fund and the Special Revenue Funds, except for the Traffic Safety Fund, the Parks Grant Fund, Residential Construction Fund, CDBG Grant Fund, Supplemental Law Enforcement Fund, and Local Law Enforcement Block Grant Fund.

The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. All amendments made during the year are included in the budgetary amounts reported herein. The "appropriated budget" covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior years, which expenditures constitute the legally authorized "non-appropriated budget." Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control for the Capital Projects Funds. All other funds use the departmental level as the legal level of control.

Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations that are encumbered lapse at year-end and then are added to the following years' budgeted appropriations.

Budgets for the General Fund and Special Revenue Funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. Appropriations for capital projects authorized but not constructed or completed during the year are carried forward as continuing appropriations into the following year's budget.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 2: Stewardship, Compliance and Accountability (Continued)**

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2013, based on calculations by City staff, proceeds of taxes did not exceed appropriations. Further, Section 5 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies to be used for any purpose.

Appropriations lapse at the end of the fiscal year except for the Capital Projects Funds, which may be carried over to the next fiscal year if not completed at year-end. Expenditures may not exceed budget appropriations at the department level for the General Fund and at the function level for the Special Revenue Funds.

A project-length budget is adopted for the capital projects funds. The debt service fund is governed by bond covenants; therefore, a formal budget is not adopted. Thus, the City does not show a budget comparison debt service funds. In addition, the Traffic Safety Fund, the Parks Grant Fund, Residential Construction Fund, CDBG Grant Fund, Supplemental Law Enforcement Fund, and Local Law Enforcement Block Grant Fund did not adopt a budget; therefore, a budget comparison is not shown.

III. DETAILED NOTES ON ALL FUNDS**Note 3: Cash and Investments**

As of June 30, 2013, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 24,570,866
Business-Type activities	3,104,956
Fiduciary funds	8,213,948
Total Cash and Investments	<u>\$ 35,889,770</u>

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

Deposits

At June 30, 2013, the carrying amount of the City's deposits was \$349,071 and the bank balance was \$1,445,789. The \$1,096,718 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities with a value of 110% of a city's deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The City Treasurer may waive the collateral requirement for deposits that

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 3: Cash and Investments (Continued)

are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

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

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 3: Cash and Investments (Continued)

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

GASB Statement No. 31

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

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "AA" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2013, the City had no investments in medium-term notes. In addition, the City's investments in Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation were rated "AAA" by Moody's and by S&P. All securities were investment grade and were legal under State law. Investments in U.S. Treasuries are not considered to have credit risk; therefore, their credit quality is not disclosed.

On August 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on August 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. In addition, the ratings on 126 Federal Deposit Insurance Corp.-guaranteed debt issues from 30 financial institutions under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) have also been downgraded to AA+ from AAA. The City also invests in LAIF which invests in various underlying securities, including the federal agency securities. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change as well.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 3: Cash and Investments (Continued)**

As of June 30, 2013, the City's investments in external investment pools, money market mutual funds and investment agreements are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a specific policy addressing custodial credit risk. As of June 30, 2013, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer to 25% of the total investment pool. With respect to concentration risk, as of June 30, 2013, the City has not invested more than 25% of its total investments in any one issuer. In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2013, the City has investments with the following issuers, which exceed 5% of the total investment value:

Federal Home Loan Bank	\$ 2,007,640	6%
Corporate Bonds	5,023,460	14%

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

Interest Rate Risk

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

As of June 30, 2013, the City had the following investments and original maturities:

Investments	Investment Maturities (in Years)			Fair Value
	1 year or less	1 to 3 years	5 and more years	
California Local Agency Investment Fund	\$ 23,761,601	\$ -	\$ -	\$ 23,761,601
Federal Home Loan Bank Corporate Bonds	2,007,640	-	-	2,007,640
Money Market Mutual Funds - held by fiscal agent	-	1,004,410	4,019,050	5,023,460
	4,747,998	-	-	4,747,998
	<u>\$ 30,517,239</u>	<u>\$ 1,004,410</u>	<u>\$ 4,019,050</u>	<u>\$ 35,540,699</u>

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 4: Capital Assets**

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,638,532	\$ -	\$ -	\$ -	\$ 1,638,532
Infrastructure right-of-way	12,406,327	-	-	-	12,406,327
Construction-in-progress	6,313,986	(629,163)	3,802,452	-	9,487,275
Total Capital Assets, Not Being Depreciated	20,358,845	(629,163)	3,802,452	-	23,532,134
Capital assets, being depreciated:					
Structures and improvements	7,710,709	-	-	-	7,710,709
Equipment and vehicles	4,190,378	-	13,319	98,234	4,105,463
Infrastructure	17,824,232	629,163	-	-	18,453,395
Total Capital Assets, Being Depreciated	29,725,319	629,163	13,319	98,234	30,269,567
Less accumulated depreciation:					
Structures and improvements	3,441,810	-	283,503	-	3,725,313
Equipment and vehicles	3,276,449	-	232,589	98,234	3,410,804
Infrastructure	4,633,185	-	579,068	-	5,212,253
Total Accumulated Depreciation	11,351,444	-	1,095,160	98,234	12,348,370
Total Capital Assets, Being Depreciated, Net	18,373,875	629,163	(1,081,841)	-	17,921,197
Governmental Activities Capital Assets, Net	\$ 38,732,720	\$ -	\$ 2,720,611	\$ -	\$ 41,453,331

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

Governmental Activities:	
General Government	\$ 145,350
Public Safety	47,896
Public Works	586,836
Parks, Recreation and Senior Center	192,194
Internal Service Funds	122,884
Total Governmental Activities	\$ 1,095,160

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 4: Capital Assets (Continued)**

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Construction-in-progress	\$ 1,198,690	\$ (906,576)	\$ 297,227	\$ -	\$ 589,341
Total Capital Assets, Not Being Depreciated	1,198,690	(906,576)	297,227	-	589,341
Capital assets, being depreciated:					
Sewer Lines and Pump Stations	8,286,289	906,576	-	-	9,192,865
Total Capital Assets, Being Depreciated	8,286,289	906,576	-	-	9,192,865
Less accumulated depreciation:					
Sewer Lines and Pump Stations	3,510,089	-	193,959	-	3,704,048
Total Accumulated Depreciation	3,510,089	-	193,959	-	3,704,048
Total Capital Assets, Being Depreciated, Net	4,776,200	906,576	(193,959)	-	5,488,817
Business-Type Activities Capital Assets, Net	\$ 5,974,890	\$ -	\$ 103,268	\$ -	\$ 6,078,158

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

Business-Type Activities:	
Sewer	<u>\$ 193,959</u>

Note 5: Loans Receivable

Loans receivable consist of the following:

South Bay Community Services Loan – Hemlock Ave.

In April 2006, the Agency entered into a loan agreement for an amount not-to-exceed \$540,425 with South Bay Community Services (SBCS) to loan low and moderate income housing set-aside funds to rehabilitate a seven-unit apartment complex located at 1360 Hemlock Avenue. This loan agreement was amended in October 2007 and increased the loan agreement by \$89,183, creating a total not-to-exceed amount of \$629,608. SBCC intends to rent all seven units to families earning 50% or below of the area median income, for a term of fifty-five years. Beginning May 31, 2006, and continuing through 2061, simple interest accrues at 3% per annum on the principal balance. Monthly principal and interest payments are not required to be paid if the rental and occupancy conditions are met for the property. All principal and accrued interest on the Loan shall be due in full on (i) the date of any transfer not authorized by the Agency; (ii) the date of any Default; or (iii) the expiration of the Loan Term, whichever occurs first. However, upon expiration of the Loan Term, the Loan amount pursuant to the Note and accrued interest shall be forgiven provided all covenants and conditions were met over the Loan Term. Accrued interest at June 30, 2013, amounts to \$121,359 and is offset by

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 5: Loans Receivable (Continued)

unavailable revenue. The loan has not been fully disbursed at June 30, 2013. The outstanding balance at June 30, 2013, is \$750,967, including accrued interest.

South Bay Community Services Loan – Calla Ave.

In April 2006, the Agency entered into a loan agreement for an amount not-to-exceed \$491,271 with South Bay Community Services (SBCS) to loan low and moderate income housing set-aside funds to rehabilitate an eight-unit apartment complex located at 1260 Calla Avenue. SBCC intends to rent all seven units to families earning 50% or below of the area median income, for a term of fifty-five years. Beginning May 31, 2006, and continuing through 2061, simple interest accrues at 3% per annum on the principal balance. Monthly principal and interest payments are not required to be paid if the rental and occupancy conditions are met for the property. All principal and accrued interest on the Loan shall be due in full on (i) the date of any transfer not authorized by the Agency; (ii) the date of any Default; or (iii) the expiration of the Loan Term, whichever occurs first. However, upon expiration of the Loan Term, the Loan amount pursuant to the Note and accrued interest shall be forgiven provided all covenants and conditions were met over the Loan Term. Accrued interest at June 30, 2013, amounts to \$100,682 and is offset by deferred revenue. The loan has not been fully disbursed at June 30, 2013. The outstanding balance at June 30, 2013, is \$587,137, including accrued interest.

Tax Increment Loan - 12th Street

In August 2008, the Agency entered into a loan agreement for an amount not-to-exceed \$1,945,000 with Beachwind Court, LP to loan low and moderate income housing set-aside funds to rehabilitate a fifteen-unit apartment complex located at 624 12th Street. Beachwind Court, LP intends to rent seven units to families earning 50% or below of the area median income and to rent all seven units to families earning 60% or below of the area median income, for a term of fifty-five years. Beginning on the date of disbursement, simple interest accrues at 3% per annum on the principal balance. Monthly principal and interest payments are required to be paid within 30 days of completion of the annual audit equivalent to 50% of the residual receipts generated by the projects audited records. Accrued interest at June 30, 2013, amounts to \$267,621 and is offset by deferred revenue. The outstanding balance at June 30, 2013, is \$2,212,621, including accrued interest.

American Legion Loan

The Imperial Beach Housing Authority and Hitzke Development Corporation entered into an Affordable Housing Agreement for the development of a mixed-use affordable housing development project and new American Legion Post. The Authority authorized financing for the Project for an amount not to exceed \$4,100,000 to construct thirty (30) units of affordable housing consisting of twenty-nine (29) affordable residential rental units and one manager's unit. Monthly principal and interest payments are required to be paid within 30 days of completion of the annual audit equivalent to 50% of the residual receipts generated by the projects audited records. Accrued interest at June 30, 2013, amounts to \$143,500 and is offset by deferred revenue. The outstanding balance at June 30, 2013, is \$4,243,500, including accrued interest.

Total loans receivable at June 30, 2013, amounts to \$7,794,224.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 6: Interfund Receivable, Payable and Transfers**

The composition of interfund balances as of June 30, 2013, is as follows:

Due To/Due From Other Funds

Funds	Due to Other Funds		
	Capital Projects	Non-major Governmental Funds	Total
Due From Other Funds:			
General Fund	\$ 970,685	\$ 54,457	\$ 1,025,142
Total	\$ 970,685	\$ 54,457	\$ 1,025,142

Due from Successor Agency

In previous fiscal years, the City made loans to the former redevelopment agency; now assumed by the Successor Agency (See Note 13 for further discussion). These loans bear interest at rates up to 12% per annum depending upon when the loan was initiated. The City may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands are not anticipated with the next fiscal year. As of June 30, 2013, loans made from the General Fund to the former Redevelopment Agency Capital Projects Fund, including accrued unpaid interest owed on those loans, were \$3,738,100.

Interfund Transfers

	Transfers In				Total
	General Fund	Capital Projects Fund	C.I.P. 2010 Bond	Internal Service Funds	
Transfers Out:					
General Fund	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Nonmajor Govt Funds	701,000	151,933	310,000	-	1,162,933
Total	\$ 701,000	\$ 151,933	\$ 310,000	\$ 10,000	\$ 1,172,933

Transfers were made from the General Fund to reimburse the Facility Maintenance/Replacement Fund for the General Fund portion of Internal Service Fund costs. Transfers into the General Fund were made from the Gas Tax Fund and Prop A Tax Fund to support street maintenance and transportation costs. Transfers were made from the Gas Tax Fund to the C.I.P. 2010 Bond Fund for street projects. Transfers between the Transnet Prop A Fund and the CIP ECO Bikeway Fund to meet TDA Grant match requirements.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 7: Unavailable Revenue and Unearned Revenue**

The General Fund recorded unavailable revenue of \$361,392 related to sales tax revenue and DUI revenue. Additionally, the General Fund recorded unavailable revenue of \$332,272 related to parking ticket revenue. The total, \$693,644, represent revenue that has been accrued but not yet received within the recognition periods.

General Fund unearned revenue consists of \$580,000 relating to a lease with the Unified Port District of San Diego and \$49,040 of other miscellaneous grant revenues received but not earned. The City entered into an agreement with the Port District in 1993 whereby the Port District leases the Pier Plaza and a parking lot from the city. The District paid the City \$1,800,000 at the beginning of the lease. Each year of the 30-year contract, the City recognizes \$60,000 of income and reduces the unearned revenue. As of June 30, 2013, \$580,000 remains of this unearned lease revenue.

Note 8: Long-Term Debt**a. Long-Term Debt – Governmental Activities**

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2013:

	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013	Due Within One Year
Other Post-Employment Benefits Obligation	\$ 89,058	\$ 32,000	\$ 10,032	\$ 111,026	\$ -
Compensated Absences	853,932	487,620	544,079	797,473	219,326
Claims & Judgments	1,277,785	567,274	226,576	1,618,483	477,483
	<u>\$ 2,220,775</u>	<u>\$ 1,086,894</u>	<u>\$ 780,687</u>	<u>2,526,982</u>	<u>\$ 696,809</u>

Other Post-Employment Benefits Obligation

The City's policies relating to other post-employment benefits are described in Note 10 of the Notes to Financial Statements.

Compensated Absences

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

Claims and Judgments

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 8: Long-Term Debt (Continued)****b. Long-Term Debt – Business-Type Activities**

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
Enterprise Fund:					
Compensated absences	\$ 55,152	\$ 34,055	\$ 26,275	\$ 62,932	\$ 16,949

c. Special Assessment Bonds

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

The liability of property owners for unpaid principal assessments at June 30, 2013, was \$94,000. This bond liability has not been recorded in the accompanying financial statements in compliance with GASB Statement No. 6.

d. Limited Obligation Improvement Bonds

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

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

IV. OTHER INFORMATION

Note 9: City Employees Retirement Plan

Plan Description

The City of Imperial Beach contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. CalPERS act as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 15.178% for miscellaneous employees, 24.706% for fire employees and 20.084% for ocean lifeguards, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Required Contribution

For 2013, the City's required contribution of \$843,952 for CalPERS was equal to the City's actuarial required contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial costs method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.55% to 14.45% depending on age, service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. CalPERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payrolls on a closed basis over 19, 18 and 16 years.

Three-Year Trend Information for PERS		
Fiscal Year Ending	Actual & Required Contribution	Percentage Contributed
<u>Miscellaneous Members</u>		
6/30/2011	\$ 1,795,553	100%
6/30/2012	497,428	100%
6/30/2013	557,282	100%
<u>Safety Members</u>		
6/30/2011	\$ 388,266	100%
6/30/2012	267,811	100%
6/30/2013	286,670	100%

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 9: City Employees Retirement Plan (Continued)**

For fiscal year 2012-2013, the City participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date, starting with the June 30, 2003 valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

Note 10: Other Post-Employment Benefits

Plan Description

The City provides other post-employment benefits (OPEB) through a single-employer defined benefit healthcare plan by contributing up to a maximum of \$75.75 per month for of all premiums charged under the health benefit plan for all eligible employees and qualified family members. These benefits are provided per contract between the City and the employee associations. A separate financial report is not available for the plan.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. Currently, contributions are not required from plan members. A contribution of \$10,032 was made during the 2012-2013 fiscal year and was not included in the October 1, 2012 actuarial study. The purpose of the contribution was to pay current year premiums for retirees.

As a result, the City calculated and recorded a Net OPEB Liability, representing the difference between the Annual Required Contribution (ARC) and actual contributions, as presented below:

Annual required contribution (ARC)	\$ 34,496
Interest on net OPEB obligation	1,764
Adjustments to ARC	<u>(4,260)</u>
Annual OPEB cost	32,000
Contributions made	<u>10,032</u>
(Decrease) increase in Net OPEB obligation	21,968
Net OPEB obligation (asset) - beginning of year	<u>89,058</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ 111,026</u></u>

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 10: Other Post-Employment Benefits (Continued)**

The City contributed 31.35% or \$10,032 of the ARC of \$34,496; an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (or funding excess) over a thirty year period.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012-2013, and the two preceding years were as follows:

Fiscal Year End	Annual OPEB Cost	Contribution (Net of Adjustments)	of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2011	\$ 23,101	\$ 7,384	31.96%	\$ 64,366
6/30/2012	32,781	8,089	24.68%	89,058
6/30/2013	32,000	10,032	31.35%	111,026

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Only one year is presented as this is the first year of the plan.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio	Covered Payroll	UAAL as Percent of Covered Payroll
9/1/2009	\$ -	\$ 238,144	\$ 238,144	0.0%	\$ 4,454,378	5.35%
10/1/2012	116,507	357,437	240,930	32.6%	4,664,039	5.17%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 10: Other Post-Employment Benefits (Continued)

In the October 1, 2012, actuarial valuation, the level percentage of payroll actuarial cost method was used. The actuarial assumptions include a 5% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 4%. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level dollar on an open basis. The remaining amortization period at June 30, 2013, was twenty-six years. The number of current employees who are eligible to participate in OPEB once retired is 72, the number of retirees currently receiving benefits are 9, and to be eligible to receive benefits the employee must retire from the City and be taking medical insurance at the time of retirement.

Note 11: Self-Insurance Program

General Liability

On August 8, 1990, the City became one of twelve members of the San Diego Pooled Insurance Program Authority (SANDPIPA) and San Diego County Cities Risk Management Authority (SDCCRMA). These organizations were created by a joint powers authority (JPA) to provide liability, property and casualty coverage to its members. Under the joint powers agreement SANDPIPA provides liability insurance coverage for the City for the difference between \$2,500,000 and the individual self-insured retention of \$125,000 each occurrence, \$15,000,000 annual aggregate for the pool. Commercial excess liability insurance is provided from the \$2,500,000 up to \$44,500,000 per occurrence. The premiums billed by the JPA to member cities are planned to match the expenses of the self-insurance as well as the cost of providing the excess layer coverage and the cost of administering the plan.

In addition to its coverage through the JPA, effective July 1, 1993, the San Diego Unified Port District agreed to fund an Escrow Reserve Account of \$300,000 for the purpose of reimbursing the City for any claim costs not covered by the JPA insurance, provided they are directly related to services provided to the District and arising from incidents actually occurring on tidelands and/or lands leased by the City to the District.

Workers Compensation

The City is a member of CSAC Excess Insurance Authority. The City is self-insured for the first \$250,000 of workers' compensation claims. Claims between \$250,000 and \$5,000,000 are covered through the City's risk sharing membership in CSAC. Claims between \$5,000,000 and \$50,000,000 are covered by excess purchased insurance.

The City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss when it became a member of SANDPIPA, PEPIC and CSAC for liability, property casualty and workers compensation coverage. All funds of the City participate in the program and make payments to the Self-Insurance Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. The estimated claims liability of \$1,618,483 reported at June 30, 2013, is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The above amount includes an estimate for incurred but not reported claims.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 11: Self-Insurance Program (Continued)**

During the last three fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

Changes in the reported liability for the last two fiscal years are as follows:

	<u>2011-2012</u>	<u>2012-2013</u>
Claims outstanding at beginning of year	\$ 682,845	\$ 1,277,785
Claims and changes in estimates	783,495	567,274
Claim payments	<u>(188,555)</u>	<u>(226,576)</u>
Claims outstanding at end of year	<u>\$ 1,277,785</u>	<u>\$ 1,618,483</u>

Note 12: Contingencies

Litigation

The City is involved in various lawsuits of which the outcome was undetermined as of June 30, 2013. No amount has been accrued for these contingent amounts.

The following material construction commitments existed at June 30, 2013:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2013</u>	<u>Remaining Commitments</u>
Annual Sewer Main Line Repairs	\$ 328,500	\$ 304,213	\$ 24,287
RTIP FY 2010-11	602,000	601,807	193
Street Improvements Phase 3B	2,040,000	1,862,078	177,922

Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Imperial Beach that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On November 1, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)****a. Cash and investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 3,082,576
Cash and investments with fiscal agent	<u>4,747,998</u>
	<u>\$ 7,830,574</u>

b. Loans Receivable

Loans receivable consist of the following:

Capital Project Funds

In November 2002, the Agency loaned \$25,000 to the Imperial Beach Community Clinic (IBCC) to be repaid on or before January 1, 2013. IBCC may receive credit toward the repayment of the Note in accordance with an Owner Participation Agreement (OPA) by and between the Agency and IBCC. The Agency will forgive \$2,500 of the loan for each year that IBCC complies with the OPA and operates the facility as a health clinic in substantially the same manner as on the date the OPA was executed (November 13, 2002). During fiscal year 2012-2013, \$1,250 of the debt was forgiven and \$0 was added, leaving a balance of \$2,500.

c. Long-Term Debt

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2013, follows:

	Balance July 1, 2012	Additions	Repayments	Balance June 30, 2013	Due Within One Year
Fiduciary Funds:					
2003 Tax Allocation, Series A	\$ 18,455,000	\$ -	\$ 490,000	\$ 17,965,000	\$ 510,000
2010 Tax Allocation Bonds	21,595,000	-	130,000	21,465,000	230,000
Total Fiduciary Funds	<u>\$ 40,050,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	39,430,000	<u>\$ 740,000</u>
			Unamortized Premiums/Discounts	<u>(909,565)</u>	
			Total Long-term Debt	<u>\$ 38,520,435</u>	

Tax Allocation Bonds, 2003 Series A

In December 2003, the Imperial Beach Public Financing Authority issued \$22,765,000 Tax Allocation Revenue Bonds, 2003 Series A. The proceeds of the bonds were loaned to the Imperial Beach Redevelopment Agency to fund redevelopment activities, to provide for a reserve fund and to provide for the costs of issuance of the bonds. Although the bonds were issued by the Authority and loaned to the Redevelopment Agency, the loan transaction has been eliminated from these

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

financial statements, as the Public Financing Authority does not have its own financial statements or fund, and certain revenues of the Redevelopment Agency are pledged for repayment of the debt. Interest on the bonds is payable semiannually and principal payments are due annually. Debt service payments occur from June 1, 2004 through June 1, 2033. Interest rates on the bonds range from 1.75% to 6.10% per annum. The balance at June 30, 2013, excluding unamortized original issue discount of \$221,300, is \$17,965,000.

The following is a schedule by years, of future debt service payments as of June 30:

	2003 Tax Allocation Bonds, Series A	
	Principal	Interest
2013 - 2014	\$ 510,000	\$ 1,037,574
2014 - 2015	540,000	1,012,074
2015 - 2016	570,000	985,074
2016 - 2017	595,000	955,719
2017 - 2018	625,000	924,481
2018 - 2023	3,705,000	4,052,513
2023 - 2028	4,900,000	2,848,418
2028 - 2033	6,520,000	1,219,200
Totals	\$ 17,965,000	\$ 13,035,053

Tax Allocation Bonds, 2010

In November 2010, the Imperial Beach Public Financing Authority issued \$21,595,000 Tax Allocation Bonds, 2010. The proceeds of the bonds were loaned to the former Imperial Beach Redevelopment Agency to fund redevelopment activities, to provide for a reserve fund and to provide for the costs of issuance of the bonds. Although the bonds were issued by the Authority and loaned to the former Redevelopment Agency, the loan transaction has been eliminated from these financial statements, as the Public Financing Authority does not have its own financial statements or fund. The Agency's obligations under the Loan Agreements are secured by a pledge of Tax Revenues, not including Low and Moderate Income Housing set-aside that it receives. Interest on the bonds is payable semiannually and principal payments are due annually. The bonds consist of \$2,135,000 in term bonds due June 1, 2030, with interest at 5.000%; term bonds of \$5,170,000 due June 1, 2035, with interest at 5.000% and term bonds of \$10,715,000 due June 1, 2040, with interest at 5.125%. The balance at June 30, 2013, excluding unamortized original issue discount of \$688,265, is \$21,465,000.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

The following is a schedule by years, of future debt service payments as of June 30:

	2010 Tax Allocation Bonds	
	Principal	Interest
2013 - 2014	\$ 230,000	\$ 1,048,006
2014 - 2015	235,000	1,041,106
2015 - 2016	245,000	1,034,056
2016 - 2017	255,000	1,026,706
2017 - 2018	265,000	1,018,419
2018 - 2023	1,505,000	4,931,719
2023 - 2028	1,920,000	4,563,669
2028 - 2033	2,515,000	4,031,719
2033 - 2038	9,675,000	2,714,606
2038 - 2043	4,620,000	358,238
Totals	<u>\$ 21,465,000</u>	<u>\$ 21,768,244</u>

On June 14, 2012, Moody's Investors Service ("Moody's") downgraded all California tax allocation bonds rated 'Baa3' and above. As such, the Bonds' insured rating was downgraded from 'A3' to 'Ba1' and underlying rating was downgraded from 'A3' to 'Ba1'. According to Moody's, all California tax allocation bond ratings remain on review for possible withdrawal.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$74,233,297 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$5,842,890 and the debt service obligation on the bonds was \$2,733,490.

d. Insurance

The Successor Agency is covered under the City of Imperial Beach's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 11.

CITY OF IMPERIAL BEACH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 13: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)****e. Commitments and Contingencies**

At June 30, 2013, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

f. Subsequent EventsIssuance of Successor Agency Tax Allocation Refunding Bonds

On December 4, 2013, the Successor Agency issued \$17,260,000 in Tax Allocation Refunding Bonds. The bonds were issued to advance refund the former Redevelopment Agency's 2003 Tax Allocation Bonds.

g. Extraordinary Gain/Loss

The City recognized an extraordinary loss in the amount of \$1,463,779 and the Successor Agency recognized an extraordinary gain for \$1,463,779 for items disallowed on the Successor Agency's Redevelopment Obligation Payment Schedule, as determined by the California Department of Finance.

Note 14: Fund Balance and Net Position Restatements

Governmental Funds:

CDBG Grant Fund	
To properly account for prior year revenue	\$ 85,507
Total governmental fund balance restatements	<u>\$ 85,507</u>
Fiduciary Funds	
Successor Agency	
Write-off of unamortized cost of issuance pursuant to GASB 65.	\$ (662,440)
Total fiduciary net position restatements	<u>\$ (662,440)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF IMPERIAL BEACH

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Special Revenue Funds			
	Gas Tax	Prop A Tax	Residential Construction	CDBG Grant
Assets:				
Pooled cash and investments	\$ 1,609,180	\$ 470,798	\$ 215,856	\$ -
Due from other governments	59,782	-	-	51,682
Total Assets	\$ 1,668,962	\$ 470,798	\$ 215,856	\$ 51,682
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,075	\$ 59,327	\$ -	\$ 46,271
Accrued liabilities	-	465	-	1,289
Unearned revenues	-	4,332	-	-
Due to other funds	-	-	-	29,755
Total Liabilities	2,075	64,124	-	77,315
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	1,666,887	406,674	215,856	-
Unassigned	-	-	-	(25,633)
Total Fund Balances	1,666,887	406,674	215,856	(25,633)
Total Liabilities and Fund Balances	\$ 1,668,962	\$ 470,798	\$ 215,856	\$ 51,682

CITY OF IMPERIAL BEACH

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Special Revenue Funds			
	Supplemental Law Enforcement	Local Law Enforcement Block Grant	Lighting District #67	Traffic Safety Fund
Assets:				
Pooled cash and investments	\$ -	\$ 20,376	\$ 30,106	\$ 110
Due from other governments	25,000	-	-	-
Total Assets	\$ 25,000	\$ 20,376	\$ 30,106	\$ 110
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,000	\$ -	\$ 3,848	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	24,702	-	-	-
Total Liabilities	25,702	-	3,848	-
Fund Balances:				
Restricted for:				
Public safety	-	20,376	-	110
Parks and recreation	-	-	26,258	-
Public works	-	-	-	-
Unassigned	(702)	-	-	-
Total Fund Balances	(702)	20,376	26,258	110
Total Liabilities and Fund Balances	\$ 25,000	\$ 20,376	\$ 30,106	\$ 110

CITY OF IMPERIAL BEACH

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Special Revenue Funds	
	Parks Grant Fund	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 91	\$ 2,346,517
Due from other governments	-	136,464
Total Assets	\$ 91	\$ 2,482,981
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 112,521
Accrued liabilities	-	1,754
Unearned revenues	-	4,332
Due to other funds	-	54,457
Total Liabilities	-	173,064
Fund Balances:		
Restricted for:		
Public safety	-	20,486
Parks and recreation	-	26,258
Public works	91	2,289,508
Unassigned	-	(26,335)
Total Fund Balances	91	2,309,917
Total Liabilities and Fund Balances	\$ 91	\$ 2,482,981

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF IMPERIAL BEACH

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds			
	Gas Tax	Prop A Tax	Residential Construction	CDBG Grant
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	660,781	549,000	-	118,954
Charges for services	-	6,495	10,400	-
Use of money and property	24,210	6,434	2,810	-
Total Revenues	684,991	561,929	13,210	118,954
Expenditures:				
Current:				
General government	5,026	-	-	78,699
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	15,219	-	-
Capital outlay	-	624,640	-	47,231
Total Expenditures	5,026	639,859	-	125,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	679,965	(77,930)	13,210	(6,976)
Other Financing Sources (Uses):				
Transfers out	(838,000)	(324,933)	-	-
Total Other Financing Sources (Uses)	(838,000)	(324,933)	-	-
Net Change in Fund Balances	(158,035)	(402,863)	13,210	(6,976)
Fund Balances, Beginning of Year	1,824,922	809,537	202,646	(104,164)
Restatements	-	-	-	85,507
Fund Balances, Beginning of Year, as Restated	1,824,922	809,537	202,646	(18,657)
Fund Balances, End of Year	\$ 1,666,887	\$ 406,674	\$ 215,856	\$ (25,633)

CITY OF IMPERIAL BEACH

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds			
	Supplemental Law Enforcement	Local Law Enforcement Block Grant	Lighting District #67	Traffic Safety Fund
Revenues:				
Assessments	\$ -	\$ -	\$ 10,310	\$ -
Intergovernmental	100,000	41,493	-	-
Charges for services	-	-	-	-
Use of money and property	-	(2,003)	540	-
Total Revenues	100,000	39,490	10,850	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	100,000	35,227	-	-
Parks and recreation	-	-	24,138	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	100,000	35,227	24,138	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,263	(13,288)	-
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	4,263	(13,288)	-
Fund Balances, Beginning of Year	(702)	16,113	39,546	110
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(702)	16,113	39,546	110
Fund Balances, End of Year	\$ (702)	\$ 20,376	\$ 26,258	\$ 110

CITY OF IMPERIAL BEACH

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds	
	Parks Grant Fund	Total Governmental Funds
Revenues:		
Assessments	\$ -	\$ 10,310
Intergovernmental	-	1,470,228
Charges for services	-	16,895
Use of money and property	-	31,991
Total Revenues	-	1,529,424
Expenditures:		
Current:		
General government	-	83,725
Public safety	-	135,227
Parks and recreation	-	24,138
Public works	-	15,219
Capital outlay	-	671,871
Total Expenditures	-	930,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	599,244
Other Financing Sources (Uses):		
Transfers out	-	(1,162,933)
Total Other Financing Sources (Uses)	-	(1,162,933)
Net Change in Fund Balances	-	(563,689)
Fund Balances, Beginning of Year	91	2,788,099
Restatements	-	85,507
Fund Balances, Beginning of Year, as Restated	91	2,873,606
Fund Balances, End of Year	\$ 91	\$ 2,309,917

CITY OF IMPERIAL BEACH

**BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,824,922	\$ 1,824,922	\$ 1,824,922	\$ -
Resources (Inflows):				
Intergovernmental	521,000	675,054	660,781	(14,273)
Use of money and property	7,000	7,000	24,210	17,210
Amounts Available for Appropriation	<u>2,352,922</u>	<u>2,506,976</u>	<u>2,509,913</u>	<u>2,937</u>
Charges to Appropriation (Outflow):				
General government	-	-	5,026	(5,026)
Transfers out	729,115	838,000	838,000	-
Total Charges to Appropriations	<u>729,115</u>	<u>838,000</u>	<u>843,026</u>	<u>(5,026)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,623,807</u>	<u>\$ 1,668,976</u>	<u>\$ 1,666,887</u>	<u>\$ (2,089)</u>

CITY OF IMPERIAL BEACH

**BUDGETARY COMPARISON SCHEDULE
 PROP A TAX
 YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 809,537	\$ 809,537	\$ 809,537	\$ -
Resources (Inflows):				
Intergovernmental	690,000	550,000	549,000	(1,000)
Charges for services	-	7,000	6,495	(505)
Use of money and property	10,000	10,000	6,434	(3,566)
Amounts Available for Appropriation	1,509,537	1,376,537	1,371,466	(5,071)
Charges to Appropriation (Outflow):				
Public works	-	-	15,219	(15,219)
Capital outlay	-	-	624,640	(624,640)
Transfers out	173,000	773,000	324,933	448,067
Total Charges to Appropriations	173,000	773,000	964,792	(191,792)
Budgetary Fund Balance, June 30	\$ 1,336,537	\$ 603,537	\$ 406,674	\$ (196,863)

CITY OF IMPERIAL BEACH

BUDGETARY COMPARISON SCHEDULE
LIGHTING DISTRICT #67
YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 39,546	\$ 39,546	\$ 39,546	\$ -
Resources (Inflows):				
Assessments	12,000	12,000	10,310	(1,690)
Use of money and property	-	-	540	540
Transfers in	18,000	23,000	-	(23,000)
Amounts Available for Appropriation	69,546	74,546	50,396	(24,150)
Charges to Appropriation (Outflow):				
Parks and recreation	30,000	35,000	24,138	10,862
Total Charges to Appropriations	30,000	35,000	24,138	10,862
Budgetary Fund Balance, June 30	\$ 39,546	\$ 39,546	\$ 26,258	\$ (13,288)

CITY OF IMPERIAL BEACH

**BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	1,500,000	1,073,785	(426,215)
Use of money and property	-	-	(483)	(483)
Transfers in	-	600,000	151,933	(448,067)
Amounts Available for Appropriation	-	2,100,000	1,225,235	(874,765)
Charges to Appropriation (Outflow):				
Capital outlay	-	2,100,000	1,517,586	582,414
Total Charges to Appropriations	-	2,100,000	1,517,586	582,414
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ (292,351)	\$ (292,351)

CITY OF IMPERIAL BEACH

**BUDGETARY COMPARISON SCHEDULE
 C.I.P. 2010 BOND
 YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$8,105,401	\$ 8,105,401	\$ 8,105,401	\$ -
Resources (Inflows):				
Charges for services	-	4,200,000	5,200,000	1,000,000
Use of money and property	-	20,000	99,692	79,692
Transfers in	-	310,000	310,000	-
Amounts Available for Appropriation	8,105,401	12,635,401	13,715,093	1,079,692
Charges to Appropriation (Outflow):				
General government	-	310,000	7,395,417	(7,085,417)
Capital outlay	-	-	1,412,384	(1,412,384)
Total Charges to Appropriations	-	310,000	8,807,801	(8,497,801)
Budgetary Fund Balance, June 30	\$8,105,401	\$ 12,325,401	\$ 4,907,292	\$ (7,418,109)

CITY OF IMPERIAL BEACH

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013**

	Vehicle Replacement & Maintenance	Self-Insurance	Technology & Communication	Facilities Repair & Maintenance	Totals
Assets:					
Current:					
Cash and investments	\$ 1,313,908	\$ 3,441,988	\$ 510,582	\$ 295,565	\$ 5,562,043
Due from other governments	23,911	2,692	-	-	26,603
Total Current Assets	1,337,819	3,444,680	510,582	295,565	5,588,646
Noncurrent:					
Capital assets - net of accumulated depreciation	526,053	-	25,471	-	551,524
Total Noncurrent Assets	526,053	-	25,471	-	551,524
Total Assets	1,863,872	3,444,680	536,053	295,565	6,140,170
Liabilities and Net Position:					
Liabilities:					
Current:					
Accounts payable	7,556	16,790	6,493	3,183	34,022
Accrued liabilities	16,538	-	8,922	-	25,460
Accrued compensated absences	-	2,068	-	-	2,068
Accrued claims and judgments	-	477,483	-	-	477,483
Total Current Liabilities	24,094	496,341	15,415	3,183	539,033
Noncurrent:					
Accrued compensated absences	40,689	-	13,833	-	54,522
Accrued claims and judgments	-	1,141,000	-	-	1,141,000
Total Noncurrent Liabilities	40,689	1,141,000	13,833	-	1,195,522
Total Liabilities	64,783	1,637,341	29,248	3,183	1,734,555
Net Position:					
Net investment in capital assets	526,053	-	25,471	-	551,524
Unrestricted	1,273,036	1,807,339	481,334	292,382	3,854,091
Total Net Position	\$ 1,799,089	\$ 1,807,339	\$ 506,805	\$ 292,382	\$ 4,405,615

CITY OF IMPERIAL BEACH

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013**

	Vehicle Replacement & Maintenance	Self-Insurance	Technology & Communication	Facilities Repair & Maintenance	Totals
Operating Revenues:					
Sales and service charges	\$ 351,005	\$ 437,127	\$ 291,608	\$ -	\$ 1,079,740
Miscellaneous	139,534	100,329	678	-	240,541
Total Operating Revenues	490,539	537,456	292,286	-	1,320,281
Operating Expenses:					
Services and supplies	281,185	62,246	216,338	19,672	579,441
Claims expense	-	535,032	-	-	535,032
Depreciation expense	112,688	-	10,196	-	122,884
Personnel and administrative	253,247	243,378	139,331	-	635,956
Total Operating Expenses	647,120	840,656	365,865	19,672	1,873,313
Operating Loss	(156,581)	(303,200)	(73,579)	(19,672)	(553,032)
Nonoperating Revenues (Expenses):					
Interest revenue	17,900	44,684	6,778	4,010	73,372
Total Nonoperating Revenues	17,900	44,684	6,778	4,010	73,372
Loss Before Transfers	(138,681)	(258,516)	(66,801)	(15,662)	(479,660)
Transfers in	-	-	-	10,000	10,000
Changes in Net Position	(138,681)	(258,516)	(66,801)	(5,662)	(469,660)
Net Position:					
Beginning of Year	1,937,770	2,065,855	573,606	298,044	4,875,275
End of Fiscal Year	\$ 1,799,089	\$ 1,807,339	\$ 506,805	\$ 292,382	\$ 4,405,615

CITY OF IMPERIAL BEACH

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013**

	Vehicle Replacement & Maintenance	Self-Insurance	Technology & Communication	Facilities Repair & Maintenance	Totals
Cash Flows from Operating Activities:					
Cash received from/(paid to) interfund service provided	\$ 487,835	\$ 635,570	\$ 292,286	\$ -	\$ 1,415,691
Cash paid to suppliers for goods and services	(287,196)	(483,751)	(211,849)	(18,033)	(1,000,829)
Cash paid to employees for services	(242,121)	(16,338)	(129,803)	-	(388,262)
Net Cash Provided (Used) by Operating Activities	(41,482)	135,481	(49,366)	(18,033)	26,600
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	-	-	-	10,000	10,000
Net Cash Provided by Non-Capital Financing Activities	-	-	-	10,000	10,000
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	-	-	(13,319)	-	(13,319)
Net Cash Used in Capital and Related Financing Activities	-	-	(13,319)	-	(13,319)
Cash Flows from Investing Activities:					
Interest received	17,900	44,684	6,778	4,010	73,372
Net Cash Provided by Investing Activities	17,900	44,684	6,778	4,010	73,372
Net Increase (Decrease) in Cash and Cash Equivalents	(23,582)	180,165	(55,907)	(4,023)	96,653
Cash and Cash Equivalents at Beginning of Year	1,337,490	3,261,823	566,489	299,588	5,465,390
Cash and Cash Equivalents at End of Year	\$ 1,313,908	\$ 3,441,988	\$ 510,582	\$ 295,565	\$ 5,562,043
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating loss	\$ (156,581)	\$ (303,200)	\$ (73,579)	\$ (19,672)	\$ (553,032)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	112,688	-	10,196	-	122,884
(Increase) decrease in due from other governments	(2,704)	98,114	-	-	95,410
Increase (decrease) in accounts payable	(6,011)	16,207	4,489	1,639	16,324
Increase (decrease) in accrued liabilities	9,127	-	3,953	-	13,080
Increase (decrease) in claims and judgments	-	340,698	-	-	340,698
Increase (decrease) in compensated absences	1,999	(16,338)	5,575	-	(8,764)
Total Adjustments	115,099	438,681	24,213	1,639	579,632
Net Cash Provided (Used) by Operating Activities	\$ (41,482)	\$ 135,481	\$ (49,366)	\$ (18,033)	\$ 26,600

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2013

	<u>Special Assessment Districts</u>
Assets:	
Pooled cash and investments	<u>\$ 383,374</u>
Total Assets	<u><u>\$ 383,374</u></u>
Liabilities:	
Due to bondholders	<u>\$ 383,374</u>
Total Liabilities	<u><u>\$ 383,374</u></u>

CITY OF IMPERIAL BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Balance 7/1/2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2013</u>
<u>Special Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 462,707	\$ 14,165	\$ 93,498	\$ 383,374
Total Assets	<u>\$ 462,707</u>	<u>\$ 14,165</u>	<u>\$ 93,498</u>	<u>\$ 383,374</u>
Liabilities:				
Due to bondholders	\$ 462,707	\$ 14,165	\$ 93,498	\$ 383,374
Total Liabilities	<u>\$ 462,707</u>	<u>\$ 14,165</u>	<u>\$ 93,498</u>	<u>\$ 383,374</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial Beach, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies to be material weaknesses:

Journal Entries

During our review of internal controls, we noted that there was a lack of segregation of duties regarding the preparation and approval of journal entries. We noted that the same person was documented as preparing and approving entries. In other cases there was a lack of documentation and proper approval of journal entries. We recommend that formal procedures are documented and followed regarding the journal entry process.



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

Bank Reconciliations

During the audit, we noted that bank statements for various accounts were not reconciled to the general ledger. Most of the problems encountered can be avoided if the bank statements are reconciled to the general ledger and not the pooled cash account. We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all suspicious reconciling items be promptly investigated and adjusted with adequate explanations.

Revenue and Accounts Receivable

During our audit procedures, we noted that two receivable items were not recognized related to the proper accrual of sales-tax revenue and the Highway Users Tax revenue resulting in an \$84,459 variance. Additionally, unearned revenue and revenue was not properly recognized for rent collected during the prior year resulting in a journal entry in the amount of \$60,000. We recommend that the City implement procedures to ensure the proper maintenance of the City's revenue and receivable accounts receivable balances.

Grants reconciliation

During our audit procedures of the federal grants, we noted that grants had not been reconciled to the general ledger at the end of the fiscal year resulting in audit adjusting entries to accrue grants receivables for expenditures incurred and eligible for reimbursement, and to transfer matching funds to the grant fund under the grant agreements. We recommend that grant activities be reconciled shortly after fiscal year end to record grants receivable and transfer matching fund when applicable.

Fund Balance Restatements

As a result of our audit procedures, we noted one item that required a fund balance restatement. In the CDBG Fund, a fund balance restatement was made to recognize CDBG revenue into the prior year. Furthermore, the City failed to properly close out the prior fiscal year's financial records resulting in material fund balance restatements that were later corrected.

General Ledger

Based on our review of the trial balance and transactions posted to the general ledger, it appears that the City did not have finance personnel with sufficient knowledge and expertise to be responsible for the financial statements and to ensure that the general ledger was adequately maintained for the fiscal year 2012-2013. We recommend that the City address these critical needs by having personnel with sufficient education and governmental experience necessary to maintain a complete and accurate general ledger.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency:



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

Maintain Claims and Judgment Liability Records

At the present time, the City's claims and judgment liability records are not maintained by the City. We recommend that the City maintained detailed claims and judgment liability records and reconcile these records to the general ledger on a timely basis to ensure accurate accounting for these liabilities.

Management's Response to Findings

In general, we agree with the auditors' comments, and the following actions will be taken to improve financial governance. For each finding a cause of the problem is identified, action taken or planned for correction is laid out, and a timetable for resolution is specified.

In addition to the actions listed below, the City is developing formal accounting procedures to assist in resolving these concerns. We will have each unit supervisor document the policies and procedures for their respective business processes by the beginning of fiscal year 2015. We will consolidate these documents into one user manual that will be available to all staff members via our website. Revisions to the user manual will be made as needed to ensure the manual is current at all times.

Journal Entries

The cause of the deficiency was due to several instances in which the former Finance Director prepared and approved journal entries; in addition, City accounting staff, on occasion, prepared a journal entry without attaching supporting documentation. The City has taken action to ensure that all journal entries are prepared by accounting staff and then reviewed by a Senior Accountant with final review and approval performed by the Finance Director; ensuring that all supporting documentation is attached to the journal entries. The Finance Director will then update the journal entry in the general ledger.

Bank Reconciliations

The cause of the deficiency was due to bank statements being reconciled to a pooled cash balance in a City pooled memo fund rather than to the general ledger pooled cash balances of all governmental, proprietary and fiduciary funds. The City is in the process of analyzing the bank reconciliation process and developing procedures to ensure that all pooled bank statements are reconciled appropriately to general ledger pooled cash accounts. The City will identify any past entries that have been made to the pooled memo fund cash account and determine the purpose of the entries. Under the guidance of the Finance Director, the City anticipates this deficiency to be corrected prior to June 30, 2014.

Revenue and Accounts Receivable

The cause of the deficiency was due to past management in the finance department not clearly delegating responsibilities to accounting staff for managing receivables. Going forward, the accounting department will review all outstanding sources of revenue with a special focus on grants, contracts and other known receivables. Accounting staff will monitor all revenue sources closely identifying those that will require an accrual at year-end. The Finance Director will assign each accounting clerk an area of responsibility. The accounting clerks, along with assistance from the Senior Accountants, will monitor outstanding revenues and make appropriate accrual entries.

Grant Reconciliation

The cause of the deficiency was due to past management in the finance department not clearly delegating responsibilities to accounting staff for grant management. The City has currently implemented procedures to record and track all grants in the accounts receivable system under a customer number and project number; that matches to a specific fund receivable account. All grants are monitored and

reconciled quarterly for invoice and audit. All grant expenses utilize a purchase order in which is ties to the proper project number and general ledger account. This also includes grants with City matching requirements.

Fund Balance Restatements

The cause of the deficiency was due to the past management changes in the finance department and lack of oversight in accounting staff in following procedures to properly close all twelve (12) accounting periods for the fiscal year. The City's finance department has implemented a process to ensure that all 12 accounting periods are properly closed in a sufficient timeframe after all necessary closing entries are made to accounting records. All subsequent entries will be provided and proposed to Lance, Soll & Lunghard, and recorded in an accounting period subsequent of the closed fiscal year-end period (period 13 entries). Upon audit completion, Lance, Soll & Lunghard will provide the City's finance department with all adjusting audit entries, in which, the finance department shall record in an accounting period subsequent of the accounting period in which the City made proposed entries to the closed fiscal year-end period (period 14 entries).

General Ledger

The cause of the deficiency was due to the fact that during the fiscal year, the primary accounting staff person responsible for fiscal management left employment with the City. In addition, both the Finance Director and Finance Supervisor left the City, leaving a large knowledge and managerial gap; in which the City hired a professional to temporary fill the Finance Director position. As of December 2013, the City hired a Finance Director with over 20 plus years of finance experience. The finance department has also restructured creating two (2) Senior Accountant positions. The finance department hierarchy has been flattened proving much greater interaction between the new Finance Director and accounting staff. In addition, there is a renewed culture for continuing accounting education. The Finance Director encourages accounting staff to seek professional training. Annual employee reviews will be tied to professional development goals obtained.

Maintain Claims and Judgment Liability Records

The cause of the deficiency was a result of management changes in the finance department incurred by the City during the year, in which, the responsibility of this assignment was not managed or delegated to accounting staff during the year. The City has developed and implemented the policy that the Finance Director assigns the task of maintaining claims and judgment liability records to a Senior Accountant. The Senior Accountant is responsible for maintaining and updating the claims log on a continuous basis. In addition, the City is performing an internal audit of this process, in which, any recommendations from the internal audit will also be fully implemented.

The City of Imperial Beach appreciates the constructive criticism provided by Lance, Soll & Lunghard in this report. We intend to make every effort to remedy all deficiencies in a timely manner.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

The City's response to findings identified in our audit is previously described above in this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Signature on file



Brea, California
January 29, 2014

January 29, 2014

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial Beach (the City) for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 2, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. As described in Note 1 to the financial statements, the City changed its accounting policies related to debt issuance cost by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 65, Items Previously Reported as Assets and Liabilities, in the fiscal year ended June 30, 2013. Accordingly, the cumulative effect of the accounting change as of the beginning of the fiscal year is reported in the Statement of Activities and the Statement of Changes in Net Position. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.



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

These differences are described below. In addition, we detected misstatements as a result of audit procedures, which were material, and were subsequently corrected by management. The details of these misstatements are described in a separate letter dated January 29, 2014.

Unadjusted Audit Differences	Current Year Over (Under) Revenues and Expenditures/Expenses and Changes in Fund Balance/Equity
GASB 31 Adjustment	\$ (9,000)
Cumulative effect (before effect of prior year differences)	(9,000)
Effect of unadjusted audit difference - prior year	-
Cumulative effect (after effect of prior year differences)	\$ (9,000)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the



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

United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2012-2013 audit:

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The City was not affected by this pronouncement at this time.

GASB Statement No. 61, The Financial Reporting Entity: Omnibus-an amendment of GASB Statement 14 and 34. The City properly implemented this pronouncement.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The City properly implemented this pronouncement.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The City properly implemented this pronouncement.

The City elected to early implement GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in your next fiscal year 2013-2014 audit and should be reviewed for proper implementation by management:

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees.

This information is intended solely for the use of the members of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Signature on file

Brea, California

Item 5.1

No Item



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: APRIL 2, 2014

ORIGINATING DEPT.: PUBLIC WORKS *AH I*

SUBJECT: RESOLUTION NO. 2014-7468 AFFIRMING THE FISCAL YEAR 2014/2015 SEWER SERVICE CHARGE RATES FOR SANITARY SEWER SERVICE AS APPROVED AND ADOPTED BY ORDINANCE 2013-1138 ON MAY 15, 2013

EXECUTIVE SUMMARY:

Resolution 2014-7468 is prepared to affirm the sanitary sewer service charge rates for Fiscal Year 2014/2015 as adopted in Ordinance 2013-1138. Ordinance 2013-1138 provided for an increase in the sewer service charge rates on average by 1.6% in FY 2014/2015. The rate was based on the Sewer Service Charge and Capacity Fee Study [STUDY] dated February 20, 2013 prepared by Atkins. Staff's review of the Sewer Enterprise Fund revenue and expenditures for FY 2014/2015 show them to be consistent with the STUDY. Thus the 1.6% increase is necessary to meet the revenue needs of the Sewer Enterprise Fund.

BACKGROUND:

The City operates and maintains a City sewer system that collects and transports sewer waste water from properties within the City to the San Diego Metropolitan Sewer System for treatment and disposal. The City must generate funds in an amount sufficient to cover the City's ongoing cost of providing sewer services. The sewer services are funded through a separate Sewer System Enterprise Fund. Chapter 13.06 of the Imperial Beach Municipal Code prescribes a sewer service charge to be billed to all residential and non-residential customers in the city limits of the City of Imperial Beach that discharge sewage into the sewer lines maintained by the city, or is considered by the San Diego Metropolitan Sewer System to be within the city jurisdiction. In Fiscal Year 2012/2013, the City hired Atkins North America, a nationally recognized expert in sewer rates, to conduct the STUDY on the revenue needs for the Sewer Enterprise System to ensure that the City was objectively collecting sufficient revenue to safely and properly operate the enterprise sewer system, including collection, transportation and treatment.

In accordance with Proposition 218, the STUDY provided a five year schedule of sewer rate increases that was adopted by the City Council on May 15, 2013. Although Proposition 218 does not require the City Council to revisit the adopted rate increase for FY 2014/2015, City staff was asked to provide an update on the finances related to the sewer service fee and increase for this coming fiscal year. In order to meet the revenue needs, the STUDY recommended the Fiscal Year 2014/2015 Sewer Service Charges be increased on average for all customer classes by 1.6%. The STUDY estimated the revenue requirement for FY 2014/2015 to be \$4,255,184.

ANALYSIS:

The operating and maintenance (O&M) budget for FY 2014/2015 is \$4,320,809. The customer billed sewer service charges for FY 2013/2014 was \$4,039,028. The FY13 year-end Sewer Fund Balance was \$3,163,975. The adopted STUDY established an operating reserve of \$2,000,000 and established an annual minimum capital improvements program budget of \$400,000 (adjusted annually by the construction cost index). The Sewer Fund Reserve available for capital projects is \$1,163,975 as of July 1, 2013 (beginning of FY 2013/2014). The capital projects budgets for FY 2014 and FY 2015 is \$400,000 and \$412,000, respectively. Thus the total estimated capital reserve through FY 2014/2015 is \$1,975,975 (\$1,163,975 plus \$812,000). The FY 2014 and FY 2015 capital projects constructed or in various stages of design or construction are as follows:

- FY 11/12 Annual Mainline Repairs S11-201 \$250,000
- Sewer Main Hardening Project S14-101 \$ 50,000
- FY 11/12 Annual Mainline Repairs W12-201 \$450,000
- Pump Station # 10 Rehabilitation W13-101 \$400,000
- Pier South Sewer Manhole Installation \$ 50,000
- FY 12/13 Annual Mainline Repairs W14-201 \$400,000
- Pump Station # 4 Rehabilitation \$ 75,000
- Pump Station # 6 Rehabilitation \$ 75,000
- Televiser Sewer Mainlines \$160,000
- **TOTAL Planned expenses through FY 14/15 \$1,910,000**

Thus:

- The estimated Capital reserve through FY 14/15 is \$1,975,975.
- The estimated Capital projects to be designed and/or constructed through FY 14/15 is \$1,910,000

Once City Council affirms the sewer service charge rate increase staff intends to mail out a letter to each customer within the Sewer Enterprise Fund billing area to advise them of the intent to adjust the average billing rate by approximately 1.6% per billing class. This letter must be mailed a minimum of 30 days prior to the billing period commencing July 1, 2014.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The above analysis shows that the 1.6% average sewer service charge increase for FY 2014/2015 adopted by the City Council in May 2013 is consistent with the current need to generate funds in an amount sufficient to cover the City's ongoing cost of providing sewer services.

RECOMMENDATION:

1. Receive this report.
2. Adopt resolution no. 2014-7468 affirming the 1.6 % average increase in sewer rates for all customer classes.

Attachments:

1. Resolution No. 2014-7468

RESOLUTION NO. 2014-7468

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AFFIRMING THE FISCAL YEAR 2014/2015 SEWER SERVICE CHARGE RATES FOR SANITARY SEWER SERVICE AS APPROVED AND ADOPTED BY ORDINANCE 2013-1138 ON MAY 15, 2013

WHEREAS, the City of Imperial Beach ("City") operates and maintains a City sewer system that collects and transports sewer waste water from properties within the City to the San Diego Metropolitan Sewer System for treatment and disposal; and

WHEREAS, the City must generate funds in an amount sufficient to cover the City's ongoing cost of providing sewer services; and

WHEREAS, in Fiscal Year 2012/2013, the City hired Atkins North America, a nationally recognized expert in sewer rates, to conduct a study on the revenue needs for the Sewer Enterprise System to ensure that the City was objectively collecting sufficient revenue to safely and properly operate the sewer enterprise system, including collection, transportation and treatment ("STUDY"); and

WHEREAS, in accordance with Proposition 218, the STUDY provided a five year schedule of sewer rate increases that was adopted by the City Council on May 15, 2013 by Ordinance No. 2013-1138; and

WHEREAS, although Proposition 218 does not require the City Council to revisit the adopted rate increase for FY 2014/2015, City staff has provided an update on the finances related to the sewer service fee and increase for this coming fiscal year; and

WHEREAS, the STUDY estimated the revenue requirement for FY 2014/2015 to be \$4,255,184; and

WHEREAS, the STUDY recommended the Fiscal Year 2014/2015 Sewer Service Charges be increased on average for all customer classes by 1.6% to meet the revenue needs of the sewer enterprise system; and

WHEREAS, the operating and maintenance (O&M) budget for FY 2014/2015 is \$4,320,809 which is within 1% of the estimated STUDY revenue requirement; and

WHEREAS, the estimated Capital reserve through FY 14/15 is \$1,975,975; and

WHEREAS, the estimated Capital projects to be designed and/or constructed through FY 14/15 is \$1,860,000; and

WHEREAS, the City's analysis shows that the 1.6% average sewer service charge increase for FY 2014/2015 adopted pursuant to Ordinance No. 2013-1138 is consistent with the current need to generate funds in an amount sufficient to cover the City's ongoing cost of providing sewer services; and

WHEREAS, a letter must be mailed to all sewer service system customers noticing the intended increase a minimum of 30 days prior to the billing period commencing July 1, 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. This legislative body affirms the 1.6% average customer rate classification increase for Fiscal Year 2014/2015 adopted by Ordinance No. 2013-1138.
3. The City Manager is directed to mail letters to all sewer service system customers advising them of the intended rate increase.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 2nd day of April 2014, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: APRIL 2, 2014

ORIGINATING DEPT.: CITY MANAGER/COMMUNITY DEVELOPMENT *SW*

SUBJECT: CONSIDERATION OF RESOLUTION NO. 2014-7469 AUTHORIZING THE ACCEPTANCE OF CALTRANS RELINQUISHMENT OF A PORTION OF STATE ROUTE 75 TO FURTHER FACILITATE THE REALIGNMENT OF THE PALM AVENUE/STATE ROUTE (SR) 75 INTERSECTION AND RIGHT-OF-WAY ADJACENT TO THE PROPOSED BREAKWATER PROJECT

EXECUTIVE SUMMARY:

Staff is seeking approval of Resolution No. 2014-7469 that would accept a second partial relinquishment of Palm Avenue/State Route 75 that would allow for the reconfiguration and construction of public improvements associated with Sudberry's Breakwater project at 9th Street and Palm Avenue. This area of relinquishment was considered during approval of the original project but deferred pending preparation and submittal of the encroachment permit for these improvements to Caltrans. Staff is also seeking City Council input on the possibility of considering acceptance of complete relinquishment of Palm Avenue/State Route 75 from Caltrans to assume all planning, permitting and maintenance responsibilities of this roadway within the City's boundaries.

BACKGROUND:

On February 19, 2009, the City Council approved the Palm Avenue Commercial Corridor Master Plan ("Master Plan"). This plan proposed right-of-way improvements for the Palm Avenue/State Route ("SR") 75 corridor focused on improving pedestrian safety and walkability, enhancing the corridor's overall aesthetics and appearance, and improving functionality of the vehicular corridor while maintaining acceptable traffic levels of service all in an effort to create a "main street" environment. The Master Plan divided the corridor into four sectors, each of which had similar yet unique design proposals and recommendations. In response to input from both the community and City Council, one of the sectors, known as the "Park Sector" recommended the realignment of the Palm Avenue/SR 75 transition/intersection to provide a more easily-traveled and pronounced roadway on which west-bound Palm Avenue/SR 75 traffic could access Imperial Beach.

On December 14, 2011, the Breakwater project proposed for the property at 9th Street and Palm Avenue/SR-75 by Sudberry-Palm Avenue, LLC ("Sudberry") was approved by the City Council. As a condition of approval for the project, during early discussion of the project, Sudberry was asked to develop a site plan that would allow for the future implementation of the Master Plan's

Park Sector. During these discussions as well as meetings with the California State Department of Transportation ("Caltrans"), it was apparent that the Park Sector configuration would address Caltrans' requirements as well as the needs of the tenants of the proposed development at 9th and Palm. Staff worked with Sudberry, therefore, to implement the Park Sector, in the review and approval of their project. In order to implement the Palm Avenue/SR-75 reconfiguration, however, it was determined that a relinquishment to the City of a portion of the Caltrans right-of-way would be required.

To initiate the relinquishment process, on April 7, 2010, the City Council authorized the City Manager to send a letter to Caltrans officially requesting the proposed relinquishment (see Attachment 1). On October 6, 2010, the City Council adopted Resolution No. 2010-6948 accepting a partial relinquishment which was subsequently approved by Caltrans and recorded on June 22, 2011 (see Attachment 2).

After the dissolution of the former Redevelopment Agency, the Breakwater project was essentially put on hold pending approval of the Successor Agency's Long Range Property Management Plan which would provide for the sale of the subject property. On January 21, 2014, the California State Department of Finance ("DOF") approved both the Long Range Property Management Plan ("LRPMP") and a Purchase and Sale Agreement ("PSA") between the Successor Agency and Sudberry to sell the subject property for development of the Breakwater project. Since that time, both staff and Sudberry have actively initiated discussions with Caltrans to facilitate the issuance of an encroachment permit for the proposed public improvements adjacent to the property within the Caltrans right-of-way.

ANALYSIS:

During the processing of the initial Caltrans relinquishment associated with this project, a second partial relinquishment was also discussed. This second area of relinquishment was identified on the Tentative Map approved by the City Council (see Attachment 3). However, because this area of relinquishment involved the construction of a new curb, gutter and sidewalk within Caltrans right-of-way, was still need for Caltrans operations on SR-75 and would only be relinquished as part of Caltrans review and approval of the project Caltrans encroachment permit, this partial relinquishment was deferred. With the DOF's approval of the LRPMP and PSA for the project, Sudberry is now actively moving forward with the encroachment permit necessitating the processing of this second partial relinquishment. Staff, therefore, is seeking the City Council's authorization to accept this relinquished right-of-way from Caltrans as described in Resolution Number 2014-7469.

Potential Relinquishment of Entire Palm Avenue/SR-75 Caltrans Right-of-Way

Over the years, the possibility of a total relinquishment of the SR-75 from Caltrans to the City has been discussed. This concept was discussed and is referenced in the City's vision plan, "Imperial Beach: The Big Picture." This relinquishment was also discussed at length during development of the Palm Avenue Commercial Corridor Master Plan Study. As noted above, a consultant team is now moving forward with the next phase of the Palm Avenue Mixed Use and Commercial Corridor Master Plan which includes the development of project drawings and preparation of the environmental review document. As such, the topic of a full SR-75 relinquishment is again being discussed.

Caltrans continues to express an interest in such a relinquishment. On February 5, 2014, staff met with Caltrans representatives including District 11 Director Laurie Berman, District Chief of

Operations Joe Hull and Deputy District Director of Planning Bill Figge. At this meeting, Caltrans again expressed an interest in relinquishing the SR-75 right-of-way to the City. Subsequent to this meeting, staff sent a letter to Laurie Berman requesting that Caltrans initiate an assessment of Palm Avenue/SR-75 for possible relinquishment and to prepare a Transportation Systems Analysis State Highway Relinquishment Evaluation Report ("TSAE") (see Attachment 4). It is important to note that requesting this analysis did not commit the City to the acceptance of any relinquishment but simply allows Caltrans to carry out the requested analysis at no cost to the City. On March 5, 2014, staff received a letter from Caltrans agreeing to initiate the TSAE.

As discussed with Caltrans, relinquishment of Palm Avenue/SR-75 would offer a number of potential benefits to the City. Were the City to accept the relinquished right-of-way, City staff and the City Council could be more responsive to community interests for Palm Avenue as we would have more flexibility to add design features currently limited by State requirements. The City would be responsible for setting speed limits, signal timing, and the installation of signage and parking. A relinquished Palm Avenue/SR-75 would, for the most part, eliminate Caltrans involvement in the roadway as well as the Caltrans encroachment permit process. Such a relinquishment would provide for a more expeditious and flexible approval for all projects located along Palm Avenue/SR-75, including approval and implementation of the Palm Avenue Mixed Use & Commercial Corridor Master Plan.

Acceptance of such a relinquishment, however, would also mean that the transfer of all rights, title and interests in the right-of-way to the City. This would necessarily include the transfer of all maintenance responsibilities to the City. As part of the TSAE, however, Caltrans will assess the need for all necessary improvements to bring the roadway into compliance with current standards and prepare a Project Scope Summary Report ("PSSR"), which would include "Costs to Relinquish" options for the roadway. One of several options for providing the needed improvements and/or costs would then be negotiated, one of which includes a Financial Contribution Only ("FCO") option in which a mutually agreed upon amount of funding would be provided to the City to implement the necessary improvements in the future.

Given that staff is seeking acceptance of another partial relinquishment and that the Palm Avenue Mixed Use and Commercial Corridor Master Plan is moving forward into a next, important stage, it is important to assess the potential of a complete relinquishment of Palm Avenue/SR-75 to the City. Staff, therefore, is seeking input from the City Council on this matter.

ENVIRONMENTAL DETERMINATION:

The requested partial relinquishment of Caltrans' right-of-way is not, in itself, a project as defined by the California Environmental Quality Act ("CEQA"). However, the proposed Palm Avenue/SR-75 realignment as well as the development proposal by Sudberry was subject to CEQA review and complies with the requirements of CEQA as a Mitigated Negative Declaration (MND) was prepared for the project and routed for public review from November 7, 2011 to December 7, 2011 and submitted to the State Clearinghouse (SCH #2011111018) for agency review. The MND was approved by the City Council on December 14, 2011.

FISCAL IMPACT:

On-going maintenance costs of the relinquished and accepted right-of-way would be incurred by the City but would not be substantial as Sudberry will also provide maintenance of portions of the relinquished Caltrans' right-of-way as a condition of approval for the Breakwater project.

Pursuant to the Purchase and Sale Agreement between the Successor Agency and Sudberry for development of the Breakwater project, \$2.2 million of tax allocation bond funds will be contributed for the construction of the proposed reconfigured/realigned right-of-way and other public improvements adjacent to the property.

Should the City Council decide at some point to accept a complete relinquishment of Palm Avenue/SR-75 from Caltrans, on-going and potentially significant maintenance costs and responsibilities would be assumed by the City. This cost would be offset to some extent by an as yet undetermined and one-time financial contribution by Caltrans for identified improvements needed in the roadway. An estimate provided by Caltrans determined a four-year annual average maintenance cost of \$31,535 for SR-75.

RECOMMENDATION:

That the City Council:

1. Adopt Resolution No. 2014-7469 authorizing the acceptance of Caltrans relinquishment of a portion of State Route 75 to further facilitate the realignment of the Palm Avenue/State Route 75 intersection and right-of-way adjacent to the proposed Breakwater project; and
2. Provide input, comment and direction on the possibility of accepting a total relinquishment Palm Avenue/State Route 75 from Caltrans to the City.

Attachments:

1. Resolution No. 2014-7469
2. Partial Relinquishment – June 22, 2011
3. Proposed Partial Relinquishment
4. Letter of Inquiry – Relinquishment of SR-75
5. Letter of Response – Relinquishment of SR-75

RESOLUTION NO 2014-7469

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING THE ACCEPTANCE OF CALTRANS RELINQUISHMENT OF PROPERTY LOCATED ADJACENT TO STATE ROUTE 75 AT PALM AVENUE BETWEEN 7TH STREET AND 9TH STREET IN THE CITY OF IMPERIAL BEACH

WHEREAS, the City of Imperial Beach (City) desires to take over control and maintenance of portions of 7th Street and Palm Avenue rights-of-way, their appurtenant facilities and landscaping ("roadway") for the public benefit and enjoyment; and

WHEREAS, the areas of said roadway are currently within the State of California Department of Transportation's ("State") Route 75 rights-of-way; and

WHEREAS, said portions of 7th Street and Palm Avenue rights-of-way are within the main traveled way of said State Route 75; and

WHEREAS, the City has requested that State relinquish portions of said roadway in order to enable City to reconfigure, realign and improve traffic circulation and vehicular movement; and

WHEREAS, the City agrees to prohibit new ingress and egress from areas within said relinquished roadway, in and to the remaining State right-of-way; except as agreed to by the State in writing; and

WHEREAS, the State has determined that this area is not needed as part of its operating right-of-way; and

WHEREAS, the State is authorized to relinquish certain areas of right-of-way under Section 73 of the Streets and Highways Code with the consent of the City and the approval of the California Transportation Commission; and

WHEREAS, the State has offered to relinquish to City, at no charge, the area depicted on "Exhibit A" attached hereto, subject to said California Transportation Commission approval, consisting of portions of existing public right-of-way and appurtenant roadway facilities; and

WHEREAS, the City agrees that relinquished roadway areas and facilities may be reincorporated into State right-of-way for future transportation projects and City agrees to reconvey property, at no cost to the State, which is still functioning as public right-of-way, when requested to do so by the State; and

WHEREAS, the City agrees to accept roadway "as is" for the purposes of compliance with the requirements of Section 73 of the Streets and Highways Code.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Imperial Beach, that the City agrees to accept maintenance, control and ownership, including all of State's current obligations, rights, title and interest in the described segment of roadway area and appurtenant facilities upon recordation of the California Transportation Commission's Resolution of Relinquishment in the San Diego County Recorder's Office, and to thereafter operate, maintain, and be liable for roadway areas and facilities at no additional cost to the State.

BE IT FURTHER RESOLVED that the City waives the State's obligation to provide ninety (90) days prior notice of the State's "Intention to Relinquish" as set forth in Section 73 of the Streets and Highways Code because this relinquishment is at the request of the City.

BE IT FURTHER RESOLVED that the City agrees there shall be no California Transportation Commission allocation of funds for a betterment or improvement of requested relinquishment areas.

BE IT FURTHER RESOLVED that the City agrees that the State reserves the right to enter relinquished collateral facilities, including sidewalks and other areas adjacent to the traveled way, to modify or add signage, drainage, and other improvements necessary for State highway operations, at no additional cost to the State for the right to perform said activities and at no additional cost incurred to the City.

BE IT FURTHER RESOLVED that the City reserves the right to retract the acceptance of the relinquishment of the property at any time prior to the California Transportation Commission's formal Resolution to relinquish the property.

BE IT FURTHER RESOLVED that this activity is not a "project" and is therefore exempt from CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

PASSED, APPROVED AND ADOPTED by the City Council of the City of Imperial Beach at its regular meeting held on the 2nd day of April 2014, by the following vote:

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

JAMES C. JANNEY, MAYOR

ATTEST:

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

ATTACHMENT 2

TRANSPORTATION COMMISSION
RESOLUTION No. R-3805

THE ORIGINAL OF THIS DOCUMENT
WAS RECORDED ON JUL 06, 2011
DOCUMENT NUMBER 2011-0340696
Ernest J. Dronenburg, Jr., COUNTY RECORDER
SAN DIEGO COUNTY RECORDER'S OFFICE
TIME: 10:24 AM



RELINQUISHMENT OF HIGHWAY RIGHT OF WAY IN THE
CITY OF IMPERIAL BEACH, ROAD 11-SD-75-PM 10.6/10.8
Request No. R31154

WHEREAS, by Resolution No. 2010-6948, dated
October 6, 2010, the City of Imperial Beach waived the 90-day
notice requirement and agreed to accept title to State Right of
Way, upon relinquishment thereof to said City by the State of
California; and

WHEREAS, the State of California has acquired right of
way for the above-mentioned collateral facilities in the City of
Imperial Beach, adjacent to Route 75, on and along Palm Avenue
between 7th and 9th Streets; and

WHEREAS, this Commission has found and determined, and
does hereby find and determine, that it is desirable and in the
public interest that said collateral facilities be relinquished
to the City of Imperial Beach for use as city streets.

4

NOW, THEREFORE, IT IS VOTED by the California Transportation Commission that it relinquish, and it does hereby relinquish, to the City of Imperial Beach, effective upon the recordation of a certified copy hereof with the Recorder of San Diego County, all of the State of California's right, title and interest in and to said collateral facilities in said City, together with the right of way and appurtenances thereof, described as follows:

All that portion of collateral facilities of State Route 11-SD-75 contiguous and adjacent thereto, designated as "Relinquishment No. R31154", within SEGMENT 1, on that certain relinquishment map, consisting of two sheets, filed as Document Number 2011-0259619, on May 19, 2011, in the State Highway Map Book, as State Highway Map No. 330, sheets 1 and 2, in the Office of the County Recorder of San Diego County.

STATE HIGHWAY MAP NO.: 330

K. M. ...
 DISTRICT 11 RIGHT OF WAY ENGINEER
 DATE 05/19/2011

LICENSED LAND SURVEYOR
 KONNIETH J. MCGOWAN
 No. LS 8089
 Exp. 03-31-2012
 STATE OF CALIFORNIA

BASIS OF BEARINGS:
 THE BASIS OF BEARINGS FOR THIS PLAT IS
 THE CALIFORNIA COORDINATE SYSTEM OF
 1983, ZONE 6, EPOCH 1991.35 GRID BEARING
 BETWEEN G.P.S. STATION 1372 AND G.P.S.
 STATION 1369 PER ROS 14492.

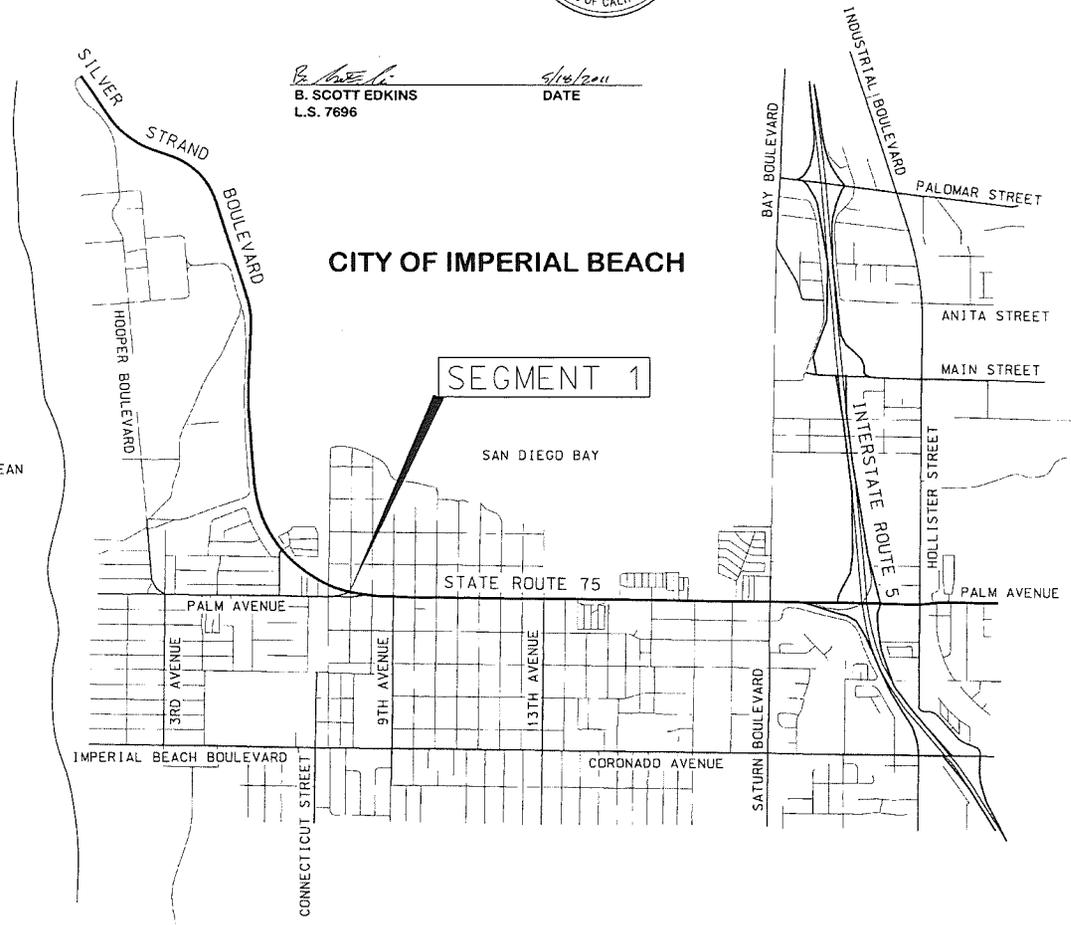


I.E., SOUTH 67°12'39" WEST

B. Scott Edkins
 B. SCOTT EDKINS
 L.S. 7696
 DATE 5/19/2011



PACIFIC OCEAN



NOTE:
 STATE'S RIGHTS ARE NOT EXTINGUISHED UNTIL
 RECORDATION OF RELATED CTC RESOLUTION.

CALIFORNIA TRANSPORTATION COMMISSION
 RESOLUTION DATE: _ _ _

CTC NO.: _____

CTC RESOLUTION RECORDING DATA

REC. DATE: _ _ _
 FILE NO.: _____

THE ORIGINAL OF THIS DOCUMENT
 WAS RECORDED ON MAY 17, 2011
 BY ERNEST J. DRONENBURG, COUNTY RECORDER
 COUNTY OF IMPERIAL, RECORDERS OFFICE
 T.M.E. 1014-000

STATE HIGHWAY MAP RECORDING DATA

FILE NO.: _____
 FILE AT THE REQUEST OF THE STATE OF CALIFORNIA,
 BUSINESS AND TRANSPORTATION AGENCY,
 DEPARTMENT OF TRANSPORTATION, DISTRICT 11,

THIS ____ DAY OF _____ 20__, AT ____: ____M.

COUNTY RECORDER FEE: 0

ERNEST J. DRONENBURG, JR, COUNTY RECORDER

BY: _____
 DEPUTY COUNTY RECORDER

STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION
 DISTRICT 11

**RELINQUISHMENT
 MAP**

Relinquishment No. **R31154**
 RIGHT OF WAY MAP NO. **POR. LO 34506**

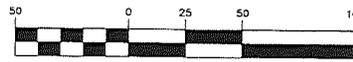
COUNTY ROUTE	MILE POST	SCALE
SD 75	10.6 TO 10.8	NONE

SHEET 1 OF 2

LEGEND & NOTES	
	AREA TO BE RELINQUISHED
	ACCESS RELINQUISHED
	ACCESS DENIED

CITY OF IMPERIAL BEACH

GRAPHIC SCALE



Kenneth J. McPherson
 DISTRICT 11 RIGHT OF WAY ENGINEER
 DATE 05/19/2011

LICENSED LAND SURVEYOR
 KENNETH J. MCPHERSON
 No. LS 8089
 Exp. 03-31-2012
 STATE OF CALIFORNIA

SOUTH SAN DIEGO COMPANY'S ADDITION
 MAP NO. 497

SEGMENT 1

AREA=1.105 ACRES

WEST LINE OF EASTERLY
 550.5' OF N.W.¼ OF
 N.W.¼ OF SECTION 29

FD NAIL & WASHER. NO
 RECORD. ACCEPTED AS
 MARKING THE SOUTHERLY
 RIGHT OF WAY OF PALM
 AVE PER CALTRANS L.O.
 MAP NO. 34506.

STATE ROUTE 75

7TH STREET

FD 6' X 6' CONC MONUMENT
 MARKING THE S.W. CORNER
 BLOCK 54, MAP 497 PER
 CALTRANS L.O. MAP NO.
 34506. HELD 40.6' NORTH
 OF THE NORTH LINE OF
 SECTION 29.

PORTION OF PALM AVENUE
 RELINQUISHED BACK TO
 COUNTY OF SAN DIEGO PER
 BOOK 1668, PAGE 328, O.R.
 RECORDED MAY 4, 1944

PORTION OF THE

PORTION OF MAP 1145
 VACATED

DELAWARE STREET

FD 3/4" IRON PIPE W/ TAG STAMPED
 "R.C.E. 19073" PER ROS 8740.
 ACCEPTED AS E'LY R/W DELAWARE ST.

N.W. 1/4 OF SECTION 29

PORTION OF MAP 1145
 VACATED

8TH STREET

LEGEND & NOTES

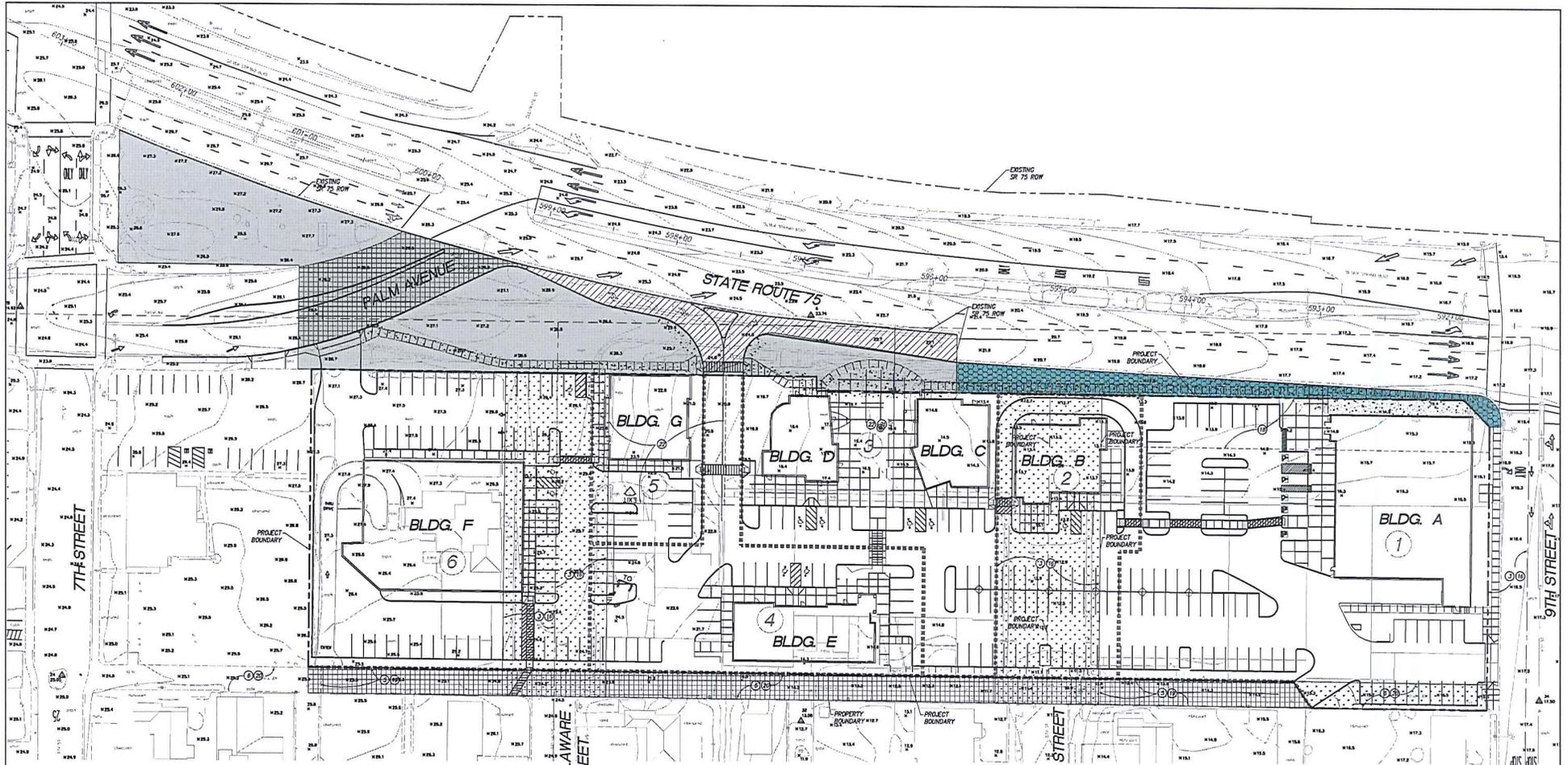
Coordinates, bearings and
 distances are based on
 the California Coordinate
 System of 1983, zone 6,
 Epoch 1991.35.
 DISTANCES ARE IN FEET
 unless otherwise noted.
 Multiply distances
 by 1/1,000,0445
 to obtain ground level
 distances.

- IMPROVEMENTS EDGE
 OF PAVEMENT
- AREA TO BE RELINQUISHED
 - ACCESS RELINQUISHED
 - ACCESS DENIED
 - ACCESS OPENING
 - PREVIOUS RECORD DATA

STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION
 DISTRICT 11

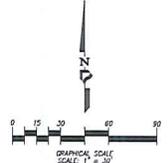
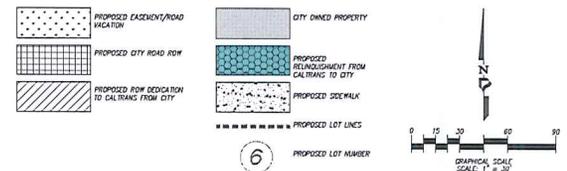
RELINQUISHMENT MAP

Relinquishment No. R31154		
RIGHT OF WAY MAP NO. POR. LO 34506		
COUNTY/ROUTE	MILE POST	SCALE
SD 75	10.6	



EASEMENTS/ENCUMBRANCES

- 1) RIGHT OF THE PUBLIC TO USE THE STREETS AS DEDICATED ON MAP NO. 1145, OF A WOODBURN-COMES ADDITION TO SOUTH SAN DIEGO.
- 2) AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL HERETO AS SET FORTH IN A DOCUMENT.
 GRANTED TO: IMPERIAL BEACH SANITARY DISTRICT
 PURPOSE: SENIOR PIPE LINE AND INCIDENTAL
 RECORDED: MARCH 11, 1951 IN BOOK 4955, PAGE 353 OF OFFICIAL RECORDS.
 AFFECTS: THE PORTION THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.
- 3) AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL HERETO AS SET FORTH IN A DOCUMENT.
 GRANTED TO: COUNTY OF SAN DIEGO
 PURPOSE: PUBLIC ROAD PURPOSES
 RECORDED: AUGUST 11, 1951 IN BOOK 4185, PAGE 174 OF OFFICIAL RECORDS.
 AFFECTS: THE SOUTH 20 FEET OF SAID LAND
 SAID INSTRUMENT ADDITIONALLY CONTAINS THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND DRAINAGE SLOPES BEYOND THE LIMITS OF THE ABOVE DESCRIBED RIGHT OF WAY WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE THEREOF.
- 4) COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW AS SET FORTH IN THE DOCUMENT.
 RECORDED: MAY 5, 1952 IN BOOK 4452, PAGE 294 AS FILE NO. 51854 OF OFFICIAL RECORDS.
- 5) AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL HERETO AS SET FORTH IN A DOCUMENT.
 GRANTED TO: DAVES MOTORS, INC., A CORPORATION
 PURPOSE: ROAD PURPOSES
 RECORDED: JANUARY 27, 1948 IN BOOK 3081, PAGE 189 OF OFFICIAL RECORDS.
 AFFECTS: THE NORTHWEST 40 FEET OF THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 18 SOUTH, RANGE 2 WEST, SAN BERNARDINO MOUNTAIN.
- 6) COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW AS SET FORTH IN THE DOCUMENT.
 RECORDED: MAY 5, 1952 IN BOOK 4452, PAGE 417 OF OFFICIAL RECORDS.
- 7) AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL HERETO AS SET FORTH IN A DOCUMENT.
 GRANTED TO: INGRESS AND EGRESS FOR ROAD PURPOSES
 PURPOSE: RECORDED: JULY 25, 1953 IN BOOK 4936, PAGE 189 OF OFFICIAL RECORDS.
 AFFECTS: THE PORTION THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.



**PROPOSED AND EXISTING
EASEMENTS AND
ENCUMBRANCES**

Breakwater
Imperial Beach, California



COPIES 2	DATE REGISTERED	DESIGNED BY	IN REVIEW	DATE REVIEW

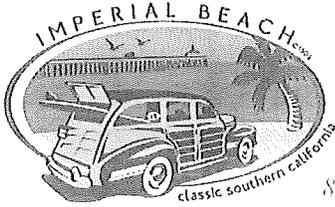
DEC. 05, 2011
NOV. 14, 2011
OCT. 17, 2011
AUG. 1, 2011

C-4

Andrew Hull Stevenson Architects
5405 Avenida de la Playa, Suite 200
San Diego, California 92121
T 619 220 7245 F 619 542 3191

PROJECT DESIGN CONSULTANTS
Planning | Engineering | Survey

1111 West Broadway
San Diego, CA 92101
PH: 619 594 1111



City of Imperial Beach, California

OFFICE OF THE CITY MANAGER

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

February 14, 2014

Laurie Berman
District 11 Director
California Department of Transportation, District 11
4050 Taylor Street
San Diego, CA 92110

SUBJECT: WRITTEN INQUIRY – RELINQUISHMENT OF STATE ROUTE 75 IN THE CITY OF IMPERIAL BEACH, CA

Dear Ms. Berman:

Consistent with the provisions outlined in Streets and Highways (S&H) Code Section 73 and Chapter 25 of the California Department of Transportation (Caltrans) Project Development Procedures Manual, the City of Imperial Beach (City) hereby submits its inquiry to consider the relinquishment of part State Highway 75 (SR-75) to the City. The City further requests that Caltrans initiate an assessment of the segment of SR-75 within the City's boundaries for the purposes of such a relinquishment of. Please note that this letter constitutes the City's required written inquiry and does not, at this point, constitute any commitment to acceptance of a relinquishment of SR-75. The City does desire, however, to work with Caltrans to assess the possibility of relinquishment of SR-75 under the provisions of the S&H Code.

The City respectfully requests, therefore, that Caltrans include develop a Systems Analysis State Highway Relinquishment Evaluation Report as a part of its current work plan to assess the possible relinquishment of the part of SR-75 within the City's boundaries to the City.

If you have any questions regarding this request and the City's letter of inquiry, please do not hesitate to contact me.

Sincerely,

Signature on file

Andy Hall, AICP
City Manager

CC: Jim Janney, Mayor
Greg Wade, Assistant City Manager/Community Development Director
Hank Levien, Public Works Director
Joe Hull, District Chief, Traffic Operations
Bill Figge, Deputy District Director, Planning

DEPARTMENT OF TRANSPORTATION

DISTRICT 11

4050 TAYLOR STREET, M.S. 120

SAN DIEGO, CA 92110

PHONE (619) 688-6668

FAX (619) 688-3122

TTY 711

www.dot.ca.gov

ATTACHMENT 5

RECEIVED

MAR 11 2014

*Flex your power!
Be energy efficient!*

March 5, 2014

Mail Log 2014-1203

Mr. Andy Hall
City Manager, City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

Dear Mr. Hall:

Thank you for your letter dated February 14, 2014, to the California Department of Transportation (Caltrans) requesting Caltrans initiate an assessment of the segment of State Route 75 within the boundaries of the City of Imperial Beach (City) for possible relinquishment.

Caltrans District 11 Planning Division will initiate a Transportation System Analysis and Evaluation (TSAE). The TSAE will assess the route segment's usefulness to the state highway system. If the TSAE is completed with a determination to relinquish, Caltrans will work with the City on the terms of the relinquishment. For details of the relinquishment process, please refer to the enclosed Relinquishment Process Summary. An approved Route Relinquishment transfers all rights, title and interests of the right-of-way to the City.

Caltrans District 11 Planning Division will contact City staff to identify a timeline for completion and to further inform the City of the process details.

Caltrans appreciates the City's vision for the community and looks forward to being a partner through this evaluation process. If you have any questions or require further information, please contact Bill Figge, Caltrans Deputy District Director, at (619) 688-6681 or by email at Bill.Figge@dot.ca.gov.

Sincerely,

Signature on file

LAURIE BERMAN
Director District

Enclosures

Mr. Andy Hall

March 5, 2014

Page 2

- c: The Honorable Jim Janney, Mayor, City of Imperial Beach
- Greg Wade, Assistant City Manager/Community Development Director, City of Imperial Beach
- Hank Levien, Public Works Director, City of Imperial Beach
- Joe Hull, District Division Chief, Caltrans District 11
- Bill Figge, Deputy District Director, Caltrans District 11

California State Highway Relinquishment Process Summary

Consistent with the provisions outlined in Streets and Highways (S&H) Code Section 73 and Chapter 25 of the California Department of Transportation (Caltrans) Project Development Procedures Manual, the following steps are required prior to the California Transportation Commission (CTC) considering action to relinquish all or part of a State Highway to a Local Agency. The attached flowchart also summarizes some of the steps below.

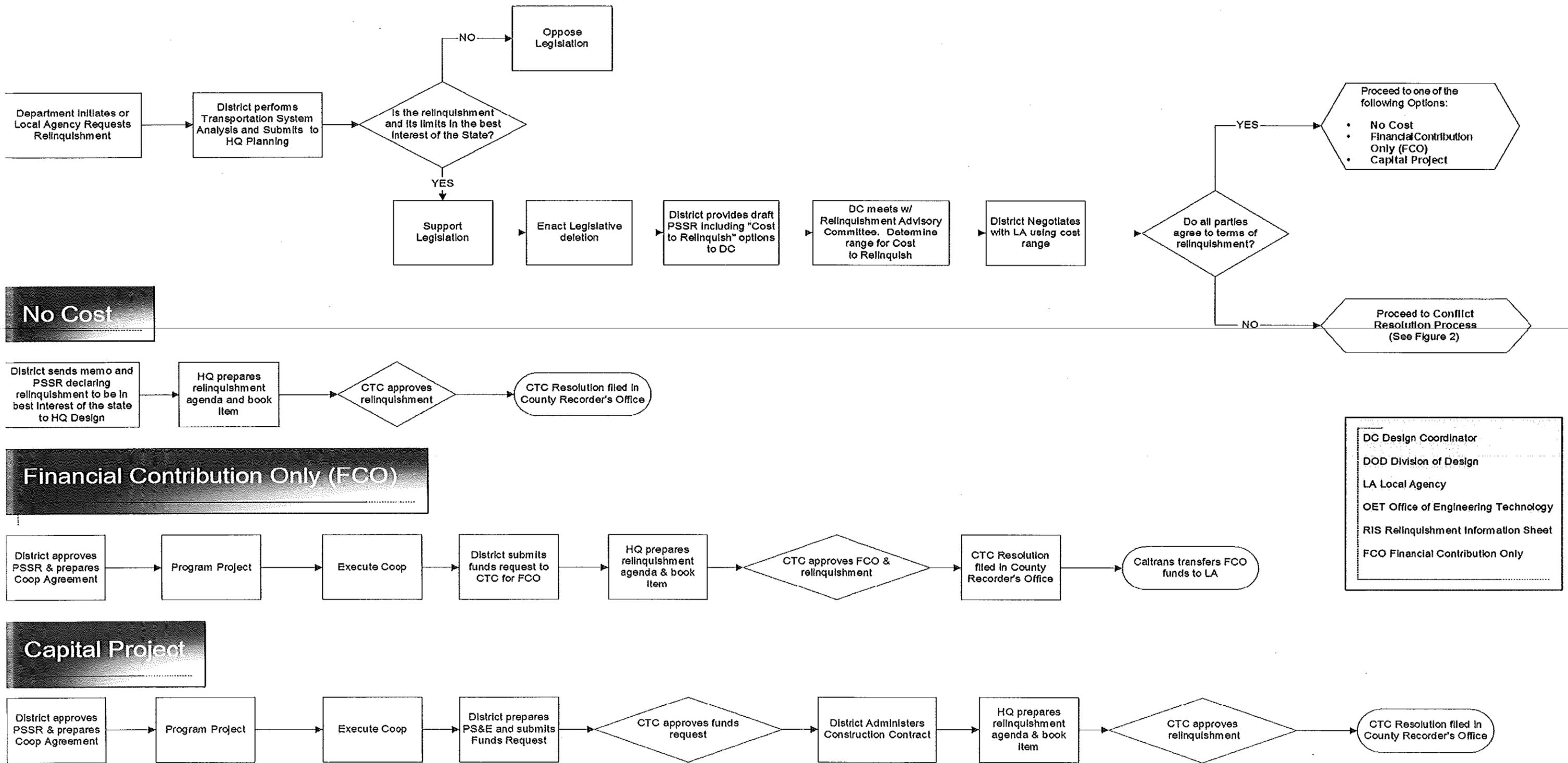
1. A Local Agency (such as a City, County, etc.) indicates possible interest in a State Highway relinquishment with a written inquiry to the Caltrans District 11 Director.
2. Caltrans District 11 Planning Division develops a Systems Analysis State Highway Relinquishment Evaluation Report and obtains concurrence from Caltrans Headquarters Transportation Planning that the State Highway segment will no longer be needed as part of the State Highway System. This decision is documented in a letter signed by the District 11 Director.
3. With Caltrans Headquarters concurrence as to the proposed relinquishment, Caltrans contacts the Local Agency. The Local Agency passes a resolution supporting the desire to take responsibility for the State Highway within the respective jurisdiction.
4. The Local Agency contacts local State legislators to sponsor a bill, or include in an omnibus bill authorizing the CTC to relinquish the State Highway or portions of the State Highway from the State Highway System and transfer ownership to the Local Agency. The bill must pass both the State Senate and Assembly, as well as be signed by the Governor, to become a law.
5. Caltrans acquires the resources in its budget to develop a Project Scope Summary Report (PSSR), which includes "Cost to Relinquish" options for the State Highway.
6. Concurrently with Step 5, Caltrans and the Local Agency negotiate terms for one of three relinquishment options:
 - No Cost (no exchange of value between Caltrans and the Local Agency)
 - A mutually acceptable Financial Contribution Only (FCO)
 - A Capital Project to bring the highway to a state of good repair. A Local Agency cooperative agreement must be signed before any repair work is started or programmed. Section 73 of the S&H Code does not require that a State Highway be relinquished in a state of good repair when deleted by legislation. Additional work or financial contributions may be considered if they are in the best interest of the public, as evaluated by the Caltrans Relinquishment Advisory Committee.

7. After the Local Agency and Caltrans agree to the terms of the relinquishment, Caltrans prepares Right of Way relinquishment maps, the Relinquishment Agreement Report, and a Relinquishment Cooperative Agreement, as well as processes environmental clearance(s) and approves the PSSR.
 8. Caltrans submits a Relinquishment Cooperative Agreement to the Local Agency for approval and signature. If a Capital Project is included, improvements must be complete, and the respective Local Agency must accept the work completed prior to a CTC vote.
 9. After the Relinquishment Cooperative Agreement is executed and environmental clearance(s) is/are obtained, Caltrans adds the Fund Transfer Agreement (if applicable), and Relinquishment Cooperative Agreement to the CTC agenda package for CTC members to review and approve.
 10. The CTC votes to authorize the relinquishment with any compensation negotiated in Step 6. The CTC vote includes the deletion of each relinquished portion of the State Highway from the State Highway System within the Local Agency's jurisdiction.
-
11. Caltrans records the Relinquishment with the County Recorder's office within 30 days following CTC approval.

To expedite the process, Caltrans can initiate step 6 concurrently with Step 2. The entire process typically takes six to twelve months.

Further details about the Caltrans relinquishment process can be found in Chapter 25 of the Caltrans Project Development Procedures Manual (PDPM), which is online through this link <http://www.dot.ca.gov/hq/oppd/pdpm/pdpmn.htm>

FIGURE 1 - Legislative Relinquishment Process



- DC Design Coordinator
- DOD Division of Design
- LA Local Agency
- OET Office of Engineering Technology
- RIS Relinquishment Information Sheet
- FCO Financial Contribution Only



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: APRIL 2, 2014

ORIGINATING DEPT.: COMMUNITY DEVELOPMENT DEPARTMENT
GREGORY WADE, ASSISTANT CITY MANAGER/ COMMUNITY DEVELOPMENT DIRECTOR *GW*
JENNIFER M. LYON, CITY ATTORNEY
JIM NAKAGAWA, AICP, CITY PLANNER

SUBJECT: POLICY DISCUSSION OF PROPOSED REVISIONS TO THE IMPERIAL BEACH SIGN CODE RELATED TO DIGITAL SIGNS (MF 1046)

EXECUTIVE SUMMARY:

The City is currently in the process of revising its sign code. At the last City Council meeting when the possible sign code revisions were discussed, the City Council had several questions about digital signs. This report provides a summary of various options with respect to digital signs both on private property and on public property and seeks the City Council's direction regarding whether or not the Council wants to allow digital signs within the City and if so, under what types of guidelines and regulations.

BACKGROUND:

The City Attorney's Office and the Community Development Department have been working on an update to the City's Sign Code (IBMC Chapters 19.52 for Zoning and 12.44 for rights-of-way) so that the Sign Code would reflect legal provisions promulgated by recent statutes and court decisions to make the code more legally defensible and more effectively enforceable and to possibly reflect contemporary design and technological standards that appear to be embraced by a number of communities both nationally and regionally.

In general, the City's overall goal is to make its business districts more pedestrian-oriented and less automobile-dependent (in compliance with AB 32 and SB 375). Progress toward this goal would eventually mitigate and decrease the need for larger and more ostentatious signage to attract motorists' attention as they drive along and shop on our streets. However, sign technology and competition for customers (including those that may shop via the internet) is accelerating. Cities are attempting to accommodate local businesses so that their commercial centers can survive, if not thrive.

Over the past several years, the City engaged AECOM to revise its commercial zoning provisions to make the City's commercial districts more competitive and developable and the City has now engaged a consultant team to continue to the next phase of the Palm Avenue Mixed Use and Commercial Corridor Master Plan with the development of detailed plans to implement traffic calming measures along Palm Avenue/SR 75 and to create a more pedestrian- and business-friendly "main street." Staff anticipates, therefore, that the demand for signage, including new and innovative signage, will likely increase. It is hoped that the implementation of this plan will, over time, reduce vehicle speeds and capture the desired customer traffic for the City's businesses.

In the City's consideration of an updated sign code, the City Council last discussed the code changes on February 20, 2013. At that meeting, staff recommended a number of revisions and additions to the code that included: an expanded purpose and intent section, message substitution policy, content neutral provisions, changes to definitions, sign area computations, illumination, permit process, exemptions, prohibited signs, pole signs, electronic/ digital signs, sign spinners, sign maintenance, temporary signs, special event signs, commercial and residential sign standards, nonconforming signs, enforcement, and signs in the rights-of-way.

The City Council asked that staff research and provide additional information regarding digital signs. Staff has done additional research and also contacted the Imperial Beach Chamber of Commerce for their input regarding sign code changes including digital signs. When contacted, the Chamber requested additional time so that they can take a survey or poll of their members in order to obtain their input. They also requested that a City representative present them with a briefing at their board meeting.

DISCUSSION/ EVALUATION:

The February 20, 2013 staff report advised the City Council that current law allows electronic message displays and digital signs to be prohibited on safety and aesthetic grounds. However, given the advances in digital information systems and other information technology, the City may want to consider allowing electronic message displays/digital signs while regulating them as to time, place, and manner.

Technological advancements have made electronic message centers (EMC) and digital signs among the most effective means of delivering commercial and noncommercial messages. These signs can have both positive and negative effects on communities. One of the concerns connected with digital signs is that they can be potentially very distracting to drivers. Digital signs can also pose environmental problems; some digital signs are very bright and can be seen for a long distance. The light can potentially affect the overall commercial environment and affect nearby residential areas as well. On the other hand, businesses want to have access to the most modern and effective means of attracting business and will tend to locate in areas where they have this access.

Staff has attended sign code seminars held at the annual American Planning Association (APA) conferences and reviewed some of the literature on the subject of digital signs, including those published by APA.

Old School Changeable Copy

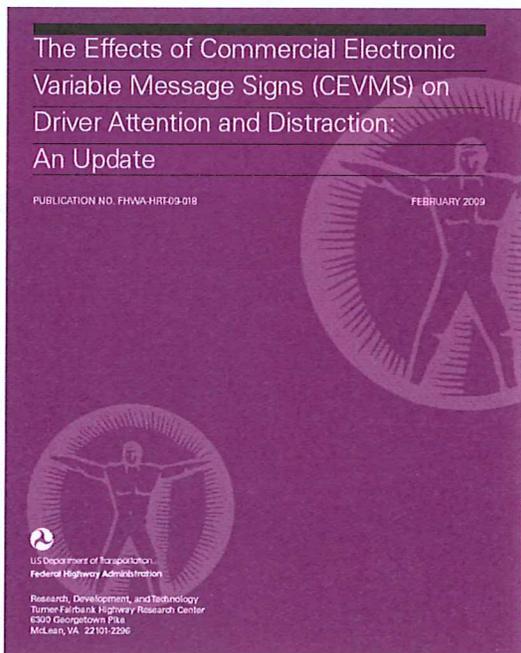


Regulating Digital Signs and Billboards (S606) APA National Conference, April 28, 2009

Electronic Message Centers



Regulating Digital Signs and Billboards (S606) APA National Conference, April 28, 2009



ISSUE NUMBER FOUR
 PRACTICE SMART SIGN CODES



Statistical Analysis of the Relationship between On-Premise Digital Signage and Traffic Safety

by

H. Gene Hawkins, Jr., Ph.D., P.E.
 Associate Professor and Research Engineer
 Zachry Department of Civil Engineering
 Texas A&M University

Pei-Fen Kuo
 Graduate Research Assistant
 Texas A&M Transportation Institute

and

Dominique Lord, Ph.D.
 Associate Professor and Research Engineer
 Zachry Department of Civil Engineering
 Texas A&M University

Sponsored by

Signage Foundation, Inc.
 P.O. Box 14392
 Washington, DC 20044

Texas Engineering Extension Service
 The Texas A&M University System
 College Station, TX 77843

December 17, 2012

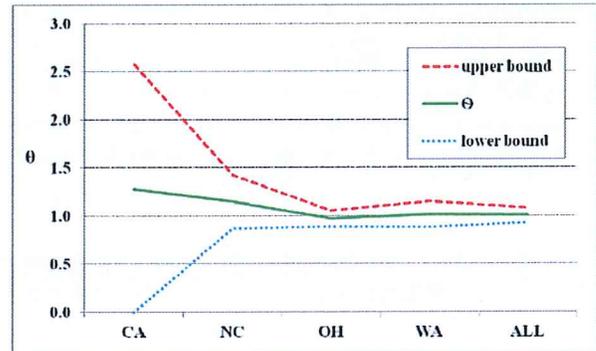


Figure 1. Summary of study results

The results of this study provide scientifically based data that indicate that the installation of digital on-premise signs does not lead to a statistically significant increase in crashes on major roads.

Research Summary

- Smiley, Univ. of Toronto (2001)
 - Video signs in direct line of sight are very distracting
- Wallace (2003)
 - Signs can distract drivers even if they are watching the road; billboards are distracting in both cluttered and uncluttered areas; exact reason for driver distraction usually goes unreported.
- Beijer & Smiley, University of Toronto (2004)
 - Drivers make twice as many and longer glances at video signs
- Texas Transportation Institute (2005)
 - Flashing messages are more distracting, less comprehensible, and require more reading time
- WisDOT/CTC (2006)
 - Visually complex locations, e.g., intersections, compound the distraction problem

Research Summary continued

Non-peer-reviewed, billboard industry funded studies that have been debunked:

Tantala, Albert Martin Sr., and Michael Walter Tantala, Tantala Associates. 2007. "A Study of the Relationship between Digital Billboards and Traffic Safety in Cuyahoga County, Ohio." July 7.

Lee, Suzanne E. et al. 2007. "Driving Performance and Digital Billboards: Final Report." Virginia Tech Transportation Institute Center for Automotive Safety Research. March 22.

Both studies were paid for by the Foundation for Outdoor Advertising Research and Education.

Driver Distraction #1 Cause of Crashes

Causal Category	Percentage of Drivers Contributing to Causation
Driver Distraction	22.7
Vehicle Speed	18.7
Alcohol Impairment	18.2
Perceptual Errors	15.1
Decision Errors	10.1
Incapacitation	6.4
Other	8.8

Source: National Highway Traffic Safety Administration, 2001; 2006.

Specific Distraction: % of Drivers

Outside person, object or event	29.4
Adjusting radio, cassette	11.4
Other occupant in vehicle	10.9
Moving object in vehicle	4.4
Other device in vehicle	2.9
Adjusting vehicle/temp	2.8
Eating or drinking	1.7
Dialing/using cell phone	1.5
Smoking	0.9
Other distraction	25.9
Unknown distraction	8.6
	100%

Long glances and stares

- If drivers expect a sign will soon change, they may watch for it to change
 - This is called the "Zeigarnik effect"



25

Zeigarnik Effect

Potential effects of video signs and EMCs on drivers:

- Scrolling messages require viewers to concentrate; how long depends on size, resolution, length of the message
- Sequences of images or messages that tell a story may capture driver's attention for the duration.
- Anticipation of a new image appearing may distract driver, who feels compelled to wait for the change.

Source: G. Wachtel, The Veridian Group, "Video Signs in Seattle – Final Report." 2001.

TABLE 2-1. THE RELATIONSHIP BETWEEN VEHICLE SPEED, LEGIBILITY DISTANCE, SETBACK, AND HEIGHT

Vehicle Speed in MPH	Vehicle Speed in feet per second	MRLD* (in feet)	Setback (in feet)	Mounting Height (in feet)
55	81	440	77	39
50	73	400	70	35
45	66	360	63	32
40	59	320	56	28
35	51	280	49	25
30	44	240	42	21
25	37	200	35	18

*MRLD is the minimum required legibility distance or the recommended distance at which a sign should be readable. Further discussion of MRLD is provided below in the section on sign design.

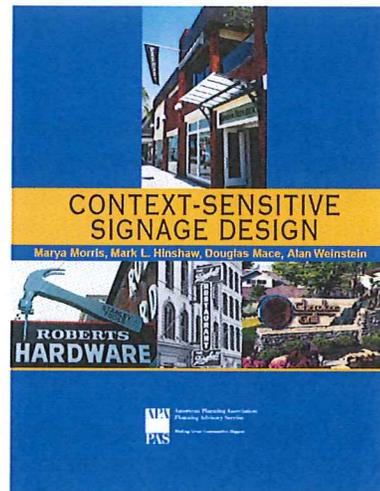
Source: Garvey et al. (1996)

TABLE 2-2. MINIMUM REQUIRED LEGIBILITY DISTANCES IN VARYING SITUATIONS

Speed MPH	MRLD @ 4 seconds (in feet)	MRLD @ 5.5 seconds (in feet)	MRLD @ with maneuver (in feet)	MRLD @ without maneuver (in feet)
25-30	175	225	410	155
35-40	235	325	550	185
45-50	290	405	680	220
55-60	350	485	720	265
>65	385	525	720	280

Sign Code Standards Specific to Video/EMC Signs

- Color
 - EMCs use amber
 - video uses ≥ 16 million
- Text limit (rarely applied)
 - Number of words, objects
- Brightness
 - E.g., 5000 nits daylight; 500 at night
- Movement
 - Prohibit flashing, strobing, racing
- Setbacks
 - From ROW, lot line, R districts



In order to finalize revisions to Chapter 19.52 regarding signs on private property (these are the revisions that also must go through Coastal Commission approval), City staff needs input from the City Council related to how digital signs will be treated in the sign code update.

A. Digital Signs on Private Property.

The City Council has several options related to allowing, regulating and/or disallowing digital signs on private property in the City:

Option 1: Prohibit.

The City may legally prohibit all digital signs on private property. If this is the City Council's direction, then no further input is needed and Staff can appropriately draft the prohibition into Chapter 19.52. One rationale that may be offered to support a prohibition on digital signs is that digital signs pose a distraction to the extent that it would compromise traffic safety, particularly if there are an inordinate number of digital signs along a busy street.

Option 2: Allow with Regulations.

The City may also allow digital signs on private property and regulate them. One rationale that may be offered to support a decision to allow digital signs might be that a single digital sign can replace multiple banner signs, window signs, building signs, and free-standing signs. With proper controls and standards for digital signs, risk may be minimized.

Because of the potential impact of certain types of digital signs on the community such as the environment, traffic safety, and quality of life for residents in the vicinity of such signs, any ordinance allowing digital signs should include regulations on the display of digital signage. The City may regulate the types of digital signs that will be allowed for different types of businesses and/or different zones. For the most part, regulating digital signs will require both generally applicable regulations, such as a requirement that brightness be keyed to ambient light levels, and regulations that are specific to the type of sign and its location, such as orientation and proximity to residential areas. Other considerations include aesthetics, community character, and traffic safety.

If the City chooses to allow onsite digital signs on private property to advertise a business, service, or product sold on the premises or display noncommercial messages, the sign would be subject to the Imperial Beach sign code, as well as any additional requirements specific to digital signs that should be included in the sign code. For instance, digital signs that comply with size, placement, brightness, or type of sign standards that the City sets for onsite digital signs could be restricted to, for instance, car dealerships, larger shopping/office centers, and/or big box stores. One type of digital signage could be allowed for certain, well-defined uses, and other types of digital signs for other uses or in different zones.

Approval of digital onsite signs might also include additional considerations related to the local area or neighborhood character to be approved by City staff prior to granting a permit. Considerations such as size, placement, orientation, nature of the surrounding area, or other characteristics of the community the City desires to take into account in allowing or denying digital onsite signs could be incorporated into Staff's review.

Typical types of regulations control the physical characteristics of signs, such as size, height and setback. Courts have upheld prohibitions on animated, changeable and flashing signs. It is also possible, even advisable, to regulate factors regarding these types of signs such as intensity, brightness, duration, and instantaneous change of display of the messages facing traffic, both for safety and aesthetic reasons. These factors should also be adjustable to allow for differences in signage, placement, the surrounding area, traffic speed, etc. For instance, a digital sign in a lighted downtown district would presumably not be subject to the same type of regulation as a similar sign in a commercial district adjacent to a residential area. The regulations should take specific conditions into account to balance community interests with the encouragement of economic development.

As mentioned in the February 20, 2013 staff report, some common regulatory provisions for digital onsite signs are:

- Require that the sign display remain static for a minimum of 5-8 seconds and require instantaneous change of the display; i.e. no fading in/out of the message.
- Prohibit scrolling and animation outside of unique and mostly pedestrian-oriented locations.
- Limit brightness to 5,000 nits (a measure of luminescence frequently used to determine the brightness of a display device) during daylight and 500 nits at night.
- Require automatic brightness control keyed to ambient light levels.
- Require display to go dark if there is a malfunction.
- Specify distancing requirements from areas zoned for residential use and/or prohibit orientation of a sign face towards an area zoned for residential use.
- The City can also include any considerations specific to Imperial Beach as a basis for further regulations.

B. Digital Signs on Public Property.

A separate issue for the City Council to consider is whether or not to allow digital signs on public property. All signs in public rights-of-way are governed by Chapter 12.44 of the Code and changes to that chapter do not necessarily require certification by the Coastal Commission. However, most of the public property in Imperial Beach is zoned Public Facility (PF) and, if located in the coastal zone, development would require a coastal development permit. Any changes to the PF Zone or a code change to allow certain signage within the PF Zone would require certification by the Coastal Commission. Among the options the City Council may consider regarding digital signs on public property, including placement within public rights-of-way, would be:

Option 1: Prohibit Digital Signs on City Property.

The City may legally prohibit all digital signs on public property. If this is the City Council's direction, then no further input is needed and Staff can appropriately draft the prohibition into

Chapter 12.44 and Chapter 19.24 (PF Zone), if necessary, and offer the same rationale as for the prohibition of digital signs on private property.

Option 2: Allow Digital Sign(s) on City Property to Advertise Solely City Sponsored Events.

If the City were to allow placement of a City digital sign on City property, the most conservative approach would be to limit the signs to displays of civic/public interest messages and "City sponsored" messages (or some other preferred term the City may choose) which would be clearly defined in a written policy. The written policy should also clearly set out the criteria for sponsorship as well as the types of third parties eligible (and not eligible) to participate. It is also advisable to have an application form for city sponsorship that can be kept on file for reference.

A rationale that may be offered for allowing digital signs on public property would be similar to that offered to allow digital signs on private property, i.e. a single digital sign can replace multiple banner signs and numerous static display free-standing signs. With proper controls and standards for digital signs, risk may be minimized.

Some measures that the City may want to follow to make sure that the City's signage does not raise constitutional issues include:

- Having a written policy setting out in detail the types of messages that are prohibited;
- Definitions of terms used where necessary as part of the written policy;
- Prohibit "issue-oriented" messages, that is, messages subject to debate or taking sides, such as politics or religion. Allowing issue-oriented messages would likely open the forum to all who want to express their views. In that case, the City's control over the content of the messages would be lost; and
- Allow the City's own civic event, public service, public interest, or emergency messages that are not on topics subject to debate. For example, the City of La Mesa has a sign that displays City events, City Council and commission meetings, time and temperature, etc.

Option 3: Allow some level of advertising and strictly control contents.

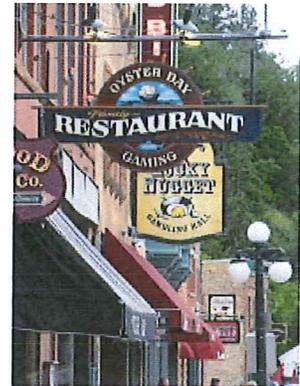
Similar to cities that allow private advertising on City-owned bus shelters, the City may be able to craft a policy to allow some level of advertising on a City-owned sign on public property. However, this approach is not commonplace and if the City Council desired to explore this approach, then Staff recommends that the City consult a sign code/First Amendment expert to discuss the options available to the City.

C. Civic Organizations Control of Digital Signs on City-owned or Private Property.

At the February 20, 2013 meeting, the City Council asked questions regarding the ability to allow the Chamber of Commerce or Business Improvement District (BID) to have a sign on their property and charge for advertising. Staff does not believe this would be allowed because allowing the Chamber or BID to erect a digital sign on its own property for the purpose of advertising for other businesses would be considered offsite advertising which is prohibited in the sign code. These two organizations are not government organizations and must be treated the same as other private businesses/property owners. Therefore, if the City Council allows digital signs to be erected on private property, then the Chamber or BID could erect a digital sign solely to advertise its own events and their own messages relating to their own organization's business, but they could not sell advertising space to others.

Similarly, because the BID and Chamber are not government entities, there is not a way to allow them to erect a sign on City property and then sell advertising space to other third parties. The City itself may use its own property for communicative purposes, but this ability does not translate to private entities.

Local Coastal Program (LCP) Amendment: Proposed changes to the Zoning Code constitutes an amendment to the Policy and Implementation Components of the City's certified LCP that proposes to add and amend provisions of the General Plan/LCP as described above. Public notice will need to be given of the availability of documents and a request for comments pertaining to this item that will begin a six-week/45-day public review period prior to any final action being taken by the City Council pursuant to California Code of Regulations Code §13515 (14 CCR 13515) and California Government Code §65352. Pursuant to Section 21080.5 of CEQA, the California Coastal Commission will review the proposed amendments for compliance with the certified LCP and CEQA. The proposed amendments must be submitted to the California Coastal Commission for review and certification once it is adopted by the City Council.



ENVIRONMENTAL DETERMINATION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA): Once initiated by the City Council, this Sign Code Amendment will be defined as a project per CEQA Guidelines § 15378 and the necessary environmental documents will need to be processed by the City as the Lead Agency.

FISCAL IMPACT:

No fiscal impact.

RECOMMENDATION:

1. Receive report.
2. Entertain any public testimony including consideration for additional time for the Chamber of Commerce to provide input;
3. Provide direction to staff regarding digital signs on private and public properties.

Attachments:

1. Deborah Cook's information

- c: file MF 1046 Sign Code Update
Joann Barrows, Imperial Beach Chamber of Commerce, 805 Ocean Lane, Imperial Beach, CA 91932 joannkbarrows@gmail.com info@ib-chamber.com
Deborah Cook, fondafunn@cox.net
Kim Paris, IB Beautiful, 600 Palm Ave. Ste. #222, Imperial Beach, CA 91932
kparis.ibb@gmail.com
Greg Shield, PE, CEO, Project Design Consultants, 701 B Street, Suite 800, San Diego, CA 92101 greg@projectdesign.com
Mukul Malhotra, Moore Iacofano Goltsman, Inc. (MIG), 800 Hearst Avenue, Berkeley, CA 94710 mukulm@migcom.com

ATTACHMENT 1

Dear Sir:

Attached is information as per our April phone conversation. This is regarding sign advertising to raise revenue for the city of Imperial Beach. Electronic signs can be located at the locations pictured.

The Imperial Beach Chamber of Commerce or BID could manage the ads placed on the signs, and collect the \$ from businesses.

I have included pictures and also the current code that I would like to be considered for change. The city of Imperial Beach needs move forward with changes to de-regulate and simplify city government.

By making these changes not only will the city benefit but also local businesses. Signs like this can get the word out to those who drive through our city via 75 and Palm. We want people to spend money here! We want people to know about events here!

Thank you for your time and attention. It is greatly appreciated.

Sincerely,

Signature on file



Electronic billboard can generate revenue for the city:

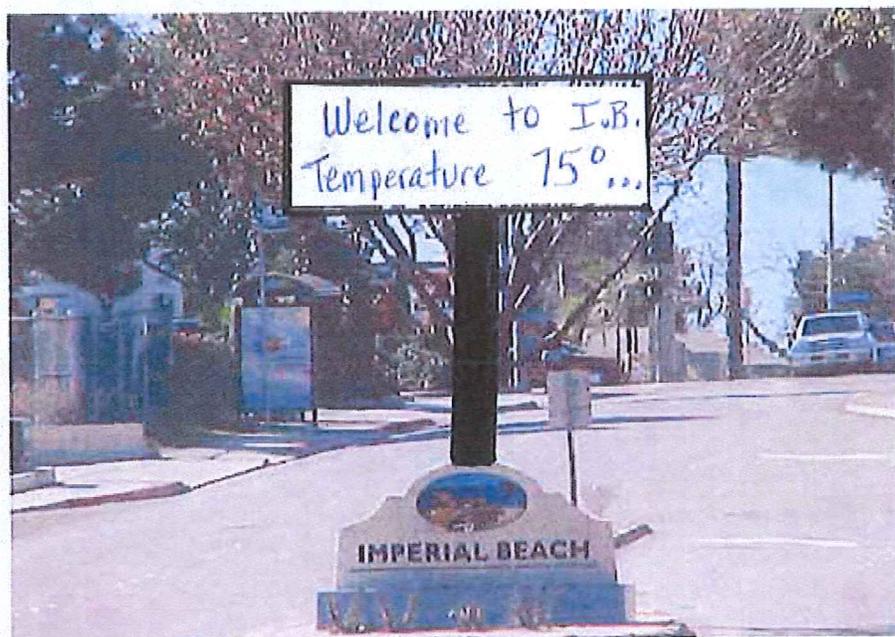
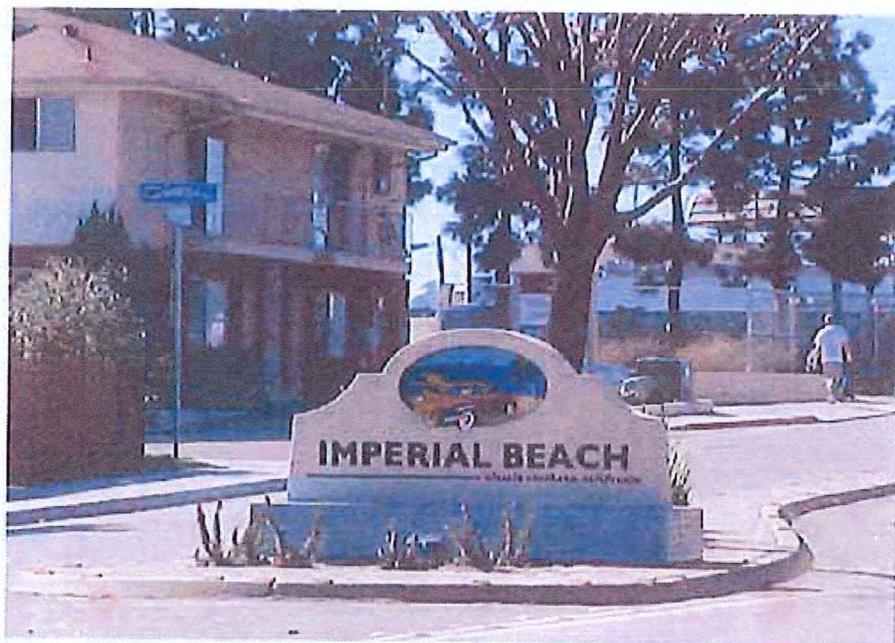
1. Local businesses can advertise their business or a special sale event.
2. Other local cities can advertise.
3. I.B. city can advertise weather, beach conditions, surf, water temp., etc.
4. I.B. city can advertise local events: farmers market, chili cook off day, garage sale day, etc.
5. I.B. chamber of commerce can advertise and promote visitor information.
6. I.B. city can alert drivers about road conditions on Palm Avenue or other streets-----due to construction or ?



can be seen
going east or
west on 75
& Palm

1st Main sign on Palm

2nd Electronic billboard → Imperial Beach Blvd
and 13th ...



Note → a 3rd sign could also be located
at 13th and Palm...

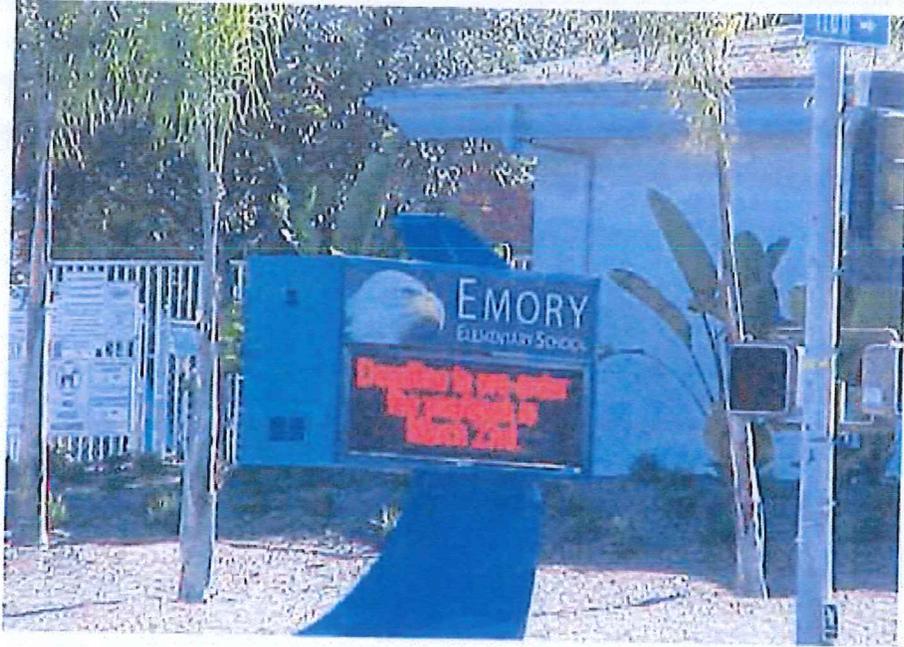
eliminate this



and this...



Local examples:



Please consider a code change -
bring much need revenue to I.B.
- See item with star

Chapter 19.52 SIGNS

19.52.010 Purpose.

The purpose of these sign regulations are to encourage the effective use of signs as a means of communication in the City; to maintain and enhance the aesthetic environment and the City's ability to attract sources of economic development and growth; to improve pedestrian and traffic safety; to minimize the possible adverse effects of signs on nearby public and private property; and to enable the fair and consistent enforcement of these sign regulations. This sign code is adopted under the zoning authority of the City in furtherance of the more general purposes set forth in the zoning code. (Ord. 94-884, 1994)

19.52.020 Applicability.

A sign may be erected, placed, established, painted, created, or maintained in the City only in conformance with the standards, procedures, exemptions, and other requirements of this code.

The effect of this code as more specifically set forth herein is:

To establish regulations to allow a variety of types of signs in commercial zones, and a limited variety of signs in residential zones, subject to the standards and the permit procedures of this code;

To allow certain signs that are small, unobtrusive, and incidental to the principal use of the respective lots on which they are located, subject to the substantive requirements of this code, but without a requirement for permits;

To provide for temporary signs in limited circumstances;

To prohibit all signs not expressly permitted by this code; and

To provide for the enforcement of the provisions of this code. (Ord. 94-884, 1994)

19.52.030 Definitions and interpretation.

Words and phrases used in this Chapter shall have the meanings set forth in this Chapter, or as defined elsewhere in this code. All other words and phrases shall be given their common, ordinary meaning, unless the context clearly requires otherwise. Section headings or captions are for reference purposes only and shall not be used in the interpretation of this code.

A. Animated Signs.

Any sign that uses movement or change of lighting to depict action or create a special effect of scene.

B. Balloon and Inflatable Signs or Inflatable Attention Getting Devices. Any air or gas filled device located, attached, or tethered to the ground, site, merchandise, building, or roof and used for the purposes of signage, advertising, or attention getting.

C. Banner.

Any sign of lightweight fabric or similar material that is permanently mounted to a pole or a building by a permanent frame at one or more edges. National flags, State or municipal flags, or the official flag of any institution or business shall not be considered banners.

D. Beacon.

Any light with one or more beams directed into the atmosphere or directed at one or more points on the same lot as the light source; also, any light with one or more beacons that rotate or move.

E. Building sign.

Any sign attached to any part of a building, as contrasted to a freestanding sign.

F. Canopy sign.

Any sign that is a part of or attached to an awning, canopy, or other fabric, plastic, or structural protective cover over a door, entrance, window, or outdoor service area. A marquee is not a canopy.

* G. Changeable copy sign.

A sign or portion thereof with characters, letters, or illustrations that can be changed or rearranged without altering the face of the surface of the sign. A sign on which the message changes more than eight times per day shall be considered an animated sign and not a changeable copy sign for purposes of this Code. A sign on which the copy that changes is an electronic or mechanical indication of time or temperature shall be considered a "time and temperature" portion of a sign and not a changeable copy or animated sign for purposes of this Code.

H. Commercial Message.

Any sign wording, logo, or other representation that, directly or indirectly, names, advertises, or calls attention to a business, product, service or other commercial activity.

I. Director.

The Community Development Director or his/her designee.

J. Flag.

Any fabric, banner, or bunting containing distinctive colors, patterns, or symbols, used as a symbol of a government, political subdivision, or other entity.

K. Any sign supported by structures or supports that is placed on, or anchored in, the ground and that is independent from any building or other structure.

L. Incidental Sign.

A sign, generally information, that has a purpose secondary to the use of the lot on which it is located, such as "no parking", "entrance", "loading zone", "telephone", and other similar directives. No sign with a commercial message legible from a position off the lot on which the sign is located shall be considered incidental.

M. Lot.

Any piece or parcel of land or portion of a subdivision, the boundaries of which have been established by some legal instrument of record, that is recognized and intended as a unit for the purpose of transfer of ownership.

N. Marquee.

Any permanent roof-like structure projecting beyond a building or extending along and projecting beyond the wall of the building, generally designed and constructed to provide protection from the weather.

O. Marquee Sign.

Any sign attached to, or in any manner, made part of a marquee.

P. Nonconforming Sign.

Any sign that does not conform to the requirements of the code.

Q. Pennant.

Any lightweight plastic, fabric, or other material, whether or not containing a message of any kind, suspended from a rope, wire, or string, usually in a series, designed to move in the wind.

R. Person.

Any association, company, corporation, firm, organization, or partnership, singular or plural, of any kind.

S. Pole Sign.

Any sign supported by a pole or support structure that is placed on, or anchored in, the ground and that is independent from any building or other structure.

T. Portable Sign.

Any sign not permanently attached to the ground or other permanent structure, or a sign designed to be transported, including, but not limited to, signs converted to A or T-frames; menu and sandwich board signs; balloons and inflatable or inflatable attention-getting devices used as signs; umbrellas used for advertising; and signs attached or to painted on vehicles parked and visible from the public-right-of-way, unless said vehicle is used in the

normal day-to-day operations of the business.

U. Principal Building.

The building in which is conducted the principal use of the lot on which it is located. Lots with multiple principal uses may have multiple principal buildings, but storage buildings, garages, and other clearly accessory uses shall not be considered principal buildings.

V. Projecting Sign.

Any sign affixed to a building or wall in such a manner that its leading edge extends more than six inches beyond the surface of such building or wall.

W. Roof Sign.

Any sign erected and constructed wholly on or over the roof of a building, supported by the roof structure, and extending vertically above any portion of the roof.

X. Roof Sign Integral.

Any sign erected or constructed as an integral or essentially integral part of a normal roof structure of any design, such that no part of the sign extends vertically above the highest portion of the roof by a space of more than six inches.

Y. Setback.

The distance from the property line to the nearest part of the applicable building, structure, or sign, measured perpendicularly to the property line.

Z. Sign.

Any device, fixture, placard, or structure that uses any color, form, graphic, illumination, symbol, or writing to advertise, announce the purpose of, or identify the purpose of a person or entity, or to communicate information of any kind to the public.

AA. Street.

A strip of land or way subject to vehicular traffic (as well as pedestrian traffic) that provides direct or indirect access to property, including, but not limited to, alleys, avenues, boulevards, courts, drives, highways, lanes, places, roads, terraces, trails, or other thoroughfares.

BB. Street Frontage.

The distance for which a lot line of a lot adjoins a public street, from one lot line intersecting said street to the furthest distant lot line intersecting the same street.

CC. Suspended Sign.

A sign that is suspended from the underside of a horizontal plane surface and is supported by such surface.

DD. Temporary Sign.

Any sign that is used only temporarily and is not permanently mounted.

EE. Wall Sign.

Any sign attached parallel to, but within six inches of, a wall, painted on the wall surface of, or erected and confined within the limits of an outside wall of any building or structure, which is supported by such wall building, and which displays only one sign surface.

FF. Window Sign.

Any sign, pictures, symbol, or combination thereof, designated to communicate information about an activity, business, commodity, event, sale or service, that is placed inside a window or upon the window panes or glass and is visible from the exterior of the window.

(Ord. 94-884, 1994)

19.52.040 Computations.

The following principles shall control the computation of sign area and sign height:

A. Computation of Area of Individual Signs.

The area of a sign face (which is also the sign area of a wall sign or other sign with only one face) shall be computed by means of the smallest square, circle, rectangle, triangle, or combination thereof that will encompass the extreme limits of the writing, representation, emblem, logo, or other display, together with any material or color forming an integral part of the background of the display, or used to differentiate the sign from the backdrop or structure against which it is placed, but not including any supporting framework, bracing, or

decorative fence or wall when such fence or wall otherwise meets the regulations of this code and is clearly incidental to the display itself.

B. Computation of Areas of Multifaced Signs.

The sign area for a sign with more than once face shall be computed by adding together the area of all sign faces.

C. Computation of Height.

The height of a sign shall be computed as the distance from the base of the sign at existing grade to the top of the highest attached component of the sign. In cases in which the existing grade cannot reasonably be determined, sign height shall be computed on the assumption that the elevation of the existing grade at the base of the sign is equal to the elevation of the nearest point of the crown of a public street or the grade of the land at the principal entrance to the principal structure on the lot, whichever is lower.

D. Computation of Maximum Total Permitted Sign Area for a Lot.

The permitted sum of the area of all individual signs on a lot shall be computed by applying the formula contained in Table "B", to the lot frontage, building frontage, or wall area, as appropriate, for the zone in which the lot is located. Lots fronting on two or more streets are allowed the permitted sign area for each street frontage. However, the total sign area that is oriented toward a particular street may not exceed the portion of the lots total sign area allocation that is derived from the lot, building, or wall area frontage on that street. (Ord. 94-884, 1994)

19.52.050 Signs Allowed on Private Property.

Signs shall be allowed on private property in the City in accordance with and only in accordance with Table "A". If a "Yes" appears for a sign type in a column, such sign is allowed in the zones represented by that column. If a "No" appears for a sign type in a column, such a sign is not allowed in the zones represented by that column under any circumstances.

Although permitted under the previous paragraph, a sign designated by a "Yes" in Table "A" shall be allowed only if:

A. The sum of the area of all building and freestanding signs on the lot conforms with the maximum permitted sign area as determined by the formula for the zone in which the lot is located as specified in Table "A";

B. The size, location, and number of signs on the lot conform with the requirements of table B, which establishes permitted sign dimensions by sign type, and with any additional limitations listed in Table A; and,

C. The characteristics of the sign conform with the limitations of Tables "A" and "B". (Ord. 94-884, 1994)

Table "A"

Sign Type	R-1-6000, R-1-3800, R-1-3000 - D, R-1-3000	R-2000, R-1500	C-1	C-2	C-3
Freestanding					
Monument	Yes	Yes	Yes	Yes	Yes
Incidental	No	Yes	Yes	Yes	Yes
Pole	No	No	No	No	No
Building					

Banner	No	No	Yes	Yes	Yes
Canopy	No	Yes	Yes	Yes	Yes
Incidental	No	Yes	Yes	Yes	Yes
Marquee	No	Yes	Yes	Yes	Yes
Projecting	No	Yes	Yes	Yes	Yes
Roof	No	No	No	No	No
Roof Integral	No	No	Yes	yes	Yes
Suspended	No	No	Yes	Yes	Yes
Wall	No	Yes	Yes	Yes	yes
Window	No	No	Yes	Yes	Yes
Miscellaneous*					
Balloons & inflatable signs	No	No	No	No	No
Banner	No	No	Yes	Yes	Yes
Beacons	No	No	No	No	No
Billboards	No	No	No	No	No
Flag	Yes	Yes	Yes	Yes	Yes
Pennants	No	No	No	No	No
Portable	No	No	No	No	No
Other					
Animated	No	No	No	No	No
Changeable copy	No	No	No	No	No
Illumination internal	No	Yes	Yes	Yes	Yes
Illumination external	No	No	Yes	Yes	Yes
Illumination neon	No	No	Yes	Yes	Yes
Time & temperature	No	No	Yes	Yes	Yes

Table "B"

Sign Type	R-1-6000, R-1-3800, R-1-3000-D, R-1-3000	R-2000, R-1500	C-1	C-2	C-3
Freestanding					
Area (Sq. Ft)	N.A.	12	40	40	40
Height (feet)	N.A.	6	8	8	8
Number permitted per lot frontage	N.A.	1	1	1	1

Building signs (except window)					
Area (max Sq.Ft.)	N.A.	32	1 per lineal ft. of wall face	1 per lineal ft. of wall face	1 per lineal ft. of wall face
Window signs	N.A.	N.A.	35% of total window area	35% of total window area	35% of total window area

19.52.060 Permits required.

If a sign allowed under the provisions of this code is to be placed, constructed, erected, or modified on a lot, the owner of the lot shall secure a sign permit prior to the construction, placement, erection, or modification of such a sign.

No sign permit of any kind shall be issued for an existing or proposed sign unless such sign is consistent with the requirements of this code in every respect. (Ord. 94-884, 1994)

19.52.070 Design, Construction and Maintenance.

All signs shall be designed, constructed, and maintained in accordance with the following standards:

- A. All signs shall comply with applicable provisions of the Uniform Building Code, National Electrical Code, and Uniform Sign Code of the City at all times;
- B. Except for banners, flags, temporary signs, and window signs conforming in all respects with the requirements of this code, all signs shall be constructed of permanent materials and shall be permanently attached to the ground, a building, or structure;
- C. All signs shall be maintained in good structural condition, in compliance with all building and electrical codes, and in conformance with this code, at all times; and,
- D. All signs shall be maintained in good order and repair at all times so that they do not constitute any danger or hazard to public safety, or visual blight, and are free of peeling paint, major cracks or loose and dangling materials. (Ord. 94-884, 1994)

19.52.080 Signage Plan or Comprehensive Signage Plan.

No permit shall be issued for an individual sign requiring a permit unless and until a Signage Plan or Comprehensive Signage Plan for the lot on which the sign will be erected has been submitted to the Community Development Department and approved by the Community Development Department as conforming with this code. (Ord. 94-884, 1994)

19.52.090 Signage plan.

For any lot on which the owner proposes to erect one or more signs requiring a permit, unless such lot is included in a Comprehensive Signage Plan, the owner shall submit to the Community Development Department a Signage Plan containing the following:

- A. An accurate plot plan of the zone lot, at such scale as the Community Development Director may reasonably require;
- B. Location of buildings, parking lots, driveways, and landscaped areas on such lot;
- C. Computation of the maximum total sign area, the maximum area for individual signs,

the height of signs and the number of freestanding signs proposed on the lot; and,
D. An accurate indication on the plot plan of the proposed location of each present and future sign of any type, whether requiring a permit or not, except that incidental signs not need be shown. (Ord. 94-884, 1994)

19.52.100 Comprehensive Signage Plan.

The owners of a building or building complex containing three or more uses shall file with the Community Development Department a Comprehensive Signage Plan conforming with the provisions of this section. A 25 percent increase in the maximum total sign area shall be allowed with the approval of a Comprehensive Signage Plan. This bonus shall be allocated on the lot as the owner(s) elects, and as approved by the Community Development Department.

The Comprehensive Signage Plan shall contain all of the information required for a Signage Plan and shall also specify standards for consistency among all signs on the lots affected by the Comprehensive Signage Plan with regard to:

- A. Colors scheme;
 - B. Lettering or graphic style;
 - C. Lighting;
 - D. Location of each sign on the buildings or on the ground;
 - E. Material; and,
 - F. Sign dimensions.
- (Ord. 94-884, 1994)

19.52.110 Window Signs on Signage Plan or Comprehensive Signage Plan.

A Signage Plan or Comprehensive Signage Plan shall include window signs by simply indicating the areas of the windows to be covered by window signs and the general type of window signs (e.g., paper affixed to window, painted, etched on glass, or some other material hung inside a window) and need not specify the exact dimension or nature of every window sign. (Ord. 94-884, 1994)

19.52.120 Limit on the number of freestanding signs under a Signage Plan or Comprehensive Signage Plan.

A Signage Plan or Comprehensive Signage Plan shall limit the number of freestanding signs to a total of one for each street on which the lots included in the plan have frontage and shall provide for shared common usage of such signs. (Ord. 94-884, 1994)

19.52.130 Other provisions of signage plan or comprehensive signage plan.

A Signage Plan or Comprehensive Signage Plan may contain such other restrictions as the applicant and the community development department may reasonably determine. (Ord. 94-884, 1994)

19.52.140 Consent.

A Signage Plan or Comprehensive Signage Plan shall be signed by all owners or their authorized agents in such form as the community development department shall require. (Ord. 94-884, 1994)

19.52.150 Procedures.

A Signage Plan or Comprehensive Signage Plan shall be included in any Site Plan Review, Design Review, Conditional Use Permit, or any other official plan required by the City for the proposed development and shall be processed simultaneously with such other plan. (Ord. 94-884, 1994)

19.52.160 Amendment.

A Signage Plan or Comprehensive Signage Plan may be amended by filing a new Signage Plan or Comprehensive Signage Plan that conforms with all requirements of the code then in effect. (Ord. 94-884, 1994)

19.52.170 Existing signs not conforming to a comprehensive signage plan.

If any new or amended Comprehensive Signage Plan is filed for a property on which existing signs are located, it shall include a schedule for bringing into conformance, within three years, all signs not conforming to the proposed plan or to the requirements of this code. (Ord. 94-884, 1994)

19.52.180 Binding effect.

After approval of a Signage Plan or Comprehensive Signage Plan, no sign shall be erected, placed, painted, or maintained, except in conformance with such plan, and such plan may be enforced in the same way as any provisions of this code. In case of any conflict between the provisions of such plan and other provisions of this code, the code shall control. (Ord. 94-884, 1994)

19.52.190 Signs in the public right-of-way.

No signs shall be allowed in the public right-of-way, except for the following:

- A. Public signs erected by or on behalf of a governmental body to post legal notices, identify public property, convey public and community event information, and direct or regulate pedestrian or vehicular traffic.
- B. Bus stop signs erected by a public transit company;
- C. Informational signs of a public utility regarding its poles, lines, pipes, or facilities; and
- D. Awnings, canopies, marquees, projecting, and suspended signs projecting over a public right-of-way in conformity with the Conditions of Tables "A" and "B" of this code, and with the issuance of an encroachment permit.
- E. Emergency warning signs erected by a governmental agency, a public utility, or a contractor doing authorized work within a public right-of-way. (Ord. 94-884, 1994)

19.52.210 Other signs forfeited.

Any sign installed or placed on public property, except in conformance with the requirements of this code, shall be forfeited to the public and be subject to confiscation. In addition to other remedies hereunder, the city shall have the right to recover from the owner or person placing such sign the full costs of removal and disposal of such sign. (Ord. 94-884, 1994)

19.52.220 Signs exempt from regulation under this code.

The following signs shall be exempt from regulation under this code:

- A. Any public notice or warning required by a valid and applicable Federal, State or local law, regulation, or ordinance;
- B. Any sign inside a building, not attached to a window or door, that is not legible from a distance of more than three feet beyond the lot or parcel on which such sign is located;
- C. Works of art that do not include a commercial message;
- D. Holiday lights and decorations with no commercial message, but only between November 15 and January 15; and
- E. Traffic control signs on private property, such as "Stop", "Yield", and similar signs, the face of which meet Department of Transportation standards and which contain no commercial message of any sort. (Ord. 94-884, 1994)

19.52.230 Signs prohibited under this code.

All signs listed below are considered expressly prohibited under the provisions of this Chapter:

1. Roof signs;
2. Pole signs;
3. Billboards;
- ★4. Changeable Copy signs, except time and temperature signs;
5. Animated signs, balloons and inflatable signs or inflatable attention-getting devices, beacons, pennants, and portable signs, except for special events as provided for in this Chapter;
6. Signs located within or projecting into the public right-of-way, not including governmental or public service signage or as otherwise permitted in this Chapter;
7. Signs posted on trees, rocks, or other natural features;
8. Signs made of paper or cardboard displayed on the outside of windows or exterior walls except as otherwise permitted in this Chapter;
9. Any sign which has been more than fifty percent destroyed, and the destruction is other than facial copy replacement, and the display cannot be repaired within thirty (30) days of the date of its construction. (Ord. 94-884, 1994)

19.52.240 General permit procedures.

The following procedures shall govern the application for, and the issuance of, all sign permits under this code, and the submission and review of Signage Plans and Comprehensive Signage Plans:

A. Applications.

All applications for sign permits of any kind shall be submitted to the Community Development Department on an application form or in accordance with the application specifications published by the Community Development Department.

B. Completeness.

Within five days of receiving an application for a Signage Plan or a Comprehensive Signage Plan, the Community Development Department shall review it for completeness. If the Community Development Department finds that it is complete, the application will then be processed. If the Community Development Department finds that it is incomplete, the Community Development Department shall, within such five-day period, send the applicant a notice of specific ways in which the application is deficient, with appropriate references to the applicable sections of this code.

C. Action.

Within seven days of the submission of a complete application for a sign permit, Signage Plan, or Comprehensive Signage Plan the Community Development Department shall

either:

1. Issue the sign permit if the sign(s) that is the subject of the application conforms in every respect with the requirements of this code and of the applicable Comprehensive Signage Plan; or,
2. Reject the sign permit if the sign(s) that is the subject of the application fails in any way to conform with the requirements of this code or of the applicable Plan with which the sign(s) is inconsistent.

D. Action on Plan.

1. On any application for approval of a Signage Plan or Comprehensive Signage Plan, the Community Development Department shall take action as applicable on the following dates:

- a. Seven business days after the submission of a complete application if the application is for signs for existing buildings; or,
- b. On the date of final action on any related application for building permit, Site Plan Review, Design Review, Conditional Use Permit, or any other official plan required by the City for the proposed development.

2. On or before such applicable date, the community development department shall either:

- a. Approve the proposed plan if the sign(s) as shown on the plan and the plan itself conforms in every respect with the requirements of this code; or,
- b. Reject the proposed plan if the sign(s) as shown on the plan or the plan itself fails in anyway to conform with the requirements of this code. In case of a rejection, the community development department shall specify in the rejection the section or sections of the code with which the plan is inconsistent. (Ord. No. 2002-981 § 4, 2002; Ord. 94-884, 1994)

19.52.250 Temporary signs.

Upon written showing of good cause, the community development department may permit temporary signs not otherwise provided for in the chapter in any zone for a period not to exceed thirty days. Continuance of such signs may be permitted by the Planning Commission in the manner provided for by zoning variance. (Ord. 94-884, 1994; Ord. 601 § 1 (part), 1983)

19.52.260 Illegal signs.

An illegal sign shall mean any of the following:

- (a) That which is first erected without governmental approval of permits;
- (b) A nonconforming sign which has exceeded its authorized abatement period;
- (c) A sign that was legally erected, but whose use has ceased, or the structure upon which the sign is placed has been abandoned by its owners, not maintained, or not used to identify or advertise an ongoing business for a period of not less than ninety days;
- (d) A sign which is a danger to the public or is unsafe;
- (e) A sign which is a traffic hazard;
- (f) Any sign listed under Section 19.52.230.

1. An illegal signs located within the city and existing as of the date of the adoption of this chapter, shall be inventoried and identified for potential abatement as provided by Section 5491.1 of the Business and Professions Code. This inventory and identification must commence within six months from the date of adoption of the ordinance. Within sixty days after the six month period, the City must commence abatement of the identified pre-existing illegal and abandoned signs.

2. The city may impose reasonable fees upon all owners or lessees of the illegal signs for the purpose of covering its actual cost of inventorying and identifying illegal and abandoned signs. The actual cost shall be fixed upon a determination of the total estimated reasonable costs. The amount of that cost and the fee to be charged is exclusively within the discretion of the city and shall be set forth by resolution.

3. An illegal or abandoned sign located within the city are to be declared by the city council, by resolution, as public nuisances and abated in accordance with this Code.

4. The notice shall be substantially in the following form:

Notice To Remove Illegal
Advertising Display

Notice is hereby given that on the ____ day of _____, 19____, the City Council of the City of Imperial Beach adopted Resolution Number ____ declaring that an illegal advertising display is located upon or in front of this property which constitutes a public nuisance and must be abated by the removal of the illegal display. Otherwise, it will be removed, and the nuisance abated by the City. The cost of removal will be assessed upon the property from or in front of which the display is removed and will constitute a lien upon the property until paid. Reference is hereby made to the resolution for further particulars. A copy of this resolution is on file in the office of the City Clerk.

All property owners having any objection to the proposed removal of the display are hereby notified to attend a meeting of the City Council of the City of Imperial Beach to be held (give date, time and place), when their objections will be heard and given due consideration.

Dated this ____ day of _____, 19____.

Title

City of Imperial Beach
(Ord. 94-884, 1994)

19.52.270 Nonconforming signs.

A nonconforming sign is that which was legal when first erected, with all necessary permits, but due to a change in the law it became nonconforming.

1. A legal nonconforming sign shall immediately lose its legal nonconforming status if:
 - a. The sign structure is altered which tends to or makes the sign less in compliance with the requirement of this code than it was before the alteration; or
 - b. The sign structure is relocated to a position making it less in compliance with the requirements of this code.

On the happening of any one of the above, the sign shall be immediately brought into compliance with this code with a new permit secured therefor, or shall be removed.

2. Nothing in this section shall relieve the owner or user of a legal nonconforming sign, or owner of the property on which the sign is located, from the provisions of this code regarding safety, maintenance, and repair of signs, provided maintenance or repair of the sign or sign structure shall not modify the sign structure in any way which makes it more nonconforming.

3. For purposes of this section, every sign has a useful life of fifteen years. The owner or user of the sign is entitled to fair and just compensation for the entire fifteen-year period if the city is requiring removal of a nonconforming sign before the amortization period expires.

4. The city may not deny, refuse to issue, or condition the issuance of a business license or a permit to construct a new legal sign upon the removal, conformance, repair, modification, or abatement of any other sign on the same real property where the business is to be or has been maintained, if both the following apply:

- a. The other display is located within the same commercial complex which is zoned for commercial occupancy or use, but at a different business location from that for which the permit or license is sought.

- b. The other sign is not owned or controlled by the permit applicant, and the permit applicant is not the agent of the person who owns or controls the other sign.

5. During the amortization period for a nonconforming sign, the city may not deny, refuse to issue, or condition the issuance of a permit for modification or alteration to the display upon change of ownership of any existing business if the modification or alteration does

not include a structural change in the display.

6. No nonconforming sign shall be compelled to be removed or abated without the payment of fair and just compensation by the city. Fair and just compensation shall be determined in accordance with Section 5492 and 5493 of the Business and Professions Code.

7. As an alternative, the city council can inventory and identify nonconforming signs and set amortization periods based upon the fact that a sign has a useful life of fifteen years, which signs can be required to be removed fifteen years after the date of installation. During the amortization period, the nonconforming sign shall not be structurally or electrically altered, increased in area, or relocated unless it is made to comply with all the provisions of this chapter. However, it must be maintained, repaired, and painted so as to remain in good condition. Any sign required to be removed before the amortization period has lapsed shall be entitled to fair and just compensation.

a. After inventory and identification of the legal nonconforming signs, the city council shall hold a public hearing and set forth amortization periods in a resolution. The community development director shall cause a written notice of such nonconformance to be sent to the owner of the property and state:

i. The requirements to bring the sign into compliance with this chapter;

ii. The date upon which said sign shall achieve conformance or be removed. Signs shall be required to be removed no less than three years from the date of written notice if nonconformance of the sign is in reasonably good condition.

b. A sign permit shall be required for any alteration or relocation required to bring a sign into compliance with this chapter. (Ord. 94-884, 1994)