



## AGENDA

Wednesday, January 20, 2016

6:30 P.M. Open Session

**REGULAR MEETING  
CITY COUNCIL, AIRPORT COMMISSION,  
MARINA ABRAMS B NON-PROFIT CORPORATION, PRESTON PARK SUSTAINABLE  
COMMUNITY NON-PROFIT CORPORATION AND SUCCESSOR AGENCY OF THE  
FORMER MARINA REDEVELOPMENT AGENCY**

Council Chambers  
211 Hillcrest Avenue  
Marina, California

### VISION STATEMENT

Marina will grow and mature from a small town bedroom community to a small city which is diversified, vibrant and through positive relationships with regional agencies, self-sufficient. The City will develop in a way that insulates it from the negative impacts of urban sprawl to become a desirable residential and business community in a natural setting. **(Resolution No. 2006-112 - May 2, 2006)**

### MISSION STATEMENT

The City Council will provide the leadership in protecting Marina's natural setting while developing the City in a way that provides a balance of housing, jobs and business opportunities that will result in a community characterized by a desirable quality of life, including recreation and cultural opportunities, a safe environment and an economic viability that supports a high level of municipal services and infrastructure. **(Resolution No. 2006-112 - May 2, 2006)**

1. CALL TO ORDER



2. ROLL CALL & ESTABLISHMENT OF QUORUM: (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Successor Agency of the Former Redevelopment Agency Members)

Nancy Amadeo, David W. Brown, Gail Morton, Mayor Pro-Tem/Vice Chair Frank O'Connell, Mayor/Chair Bruce C. Delgado

3. CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency Members) may adjourn to a Closed or Executive Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the City's Meyers-Milias-Brown Act representative.*

4. MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE (Please stand)
5. SPECIAL PRESENTATIONS:
  - a. Certificate of Adjournment – Teo Colon
  - b. Recreation Announcements
6. SPECIAL ANNOUNCEMENTS AND COMMUNICATIONS FROM THE FLOOR: *Any member of the Public or the City Council may make an announcement of special events or meetings of interest as information to Council and Public. Any member of the public may comment on any matter within the City Council’s jurisdiction which is not on the agenda. Please state your name for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda. City Council members or City staff may briefly respond to statements made or questions posed as permitted by Government Code Section 54954.2. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of four (4) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the City Council*
7. CONSENT AGENDA FOR THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Background information has been provided to the Successor Agency of the former Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda for Successor Agency to the former Marina Redevelopment Agency and placed at the end of Other Action Items Successor Agency to the former Marina Redevelopment Agency.*
8. CONSENT AGENDA: *Background information has been provided to the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda and placed at the end of Other Action Items.*
  - a. ACCOUNTS PAYABLE:
    - (1) Accounts Payable Check Numbers: 77664-77784, totaling \$262,972.94  
Wire transfers totaling: \$62,850.81
  - b. MINUTES:
    - (1) January 5, 2016, Regular City Council Meeting
    - (2) January 12, 2016, Special City Council Meeting
  - c. CLAIMS AGAINST THE CITY: None
  - d. AWARD OF BID: None
  - e. CALL FOR BIDS: None

f. ADOPTION OF RESOLUTIONS:

- (1) City Council consider adopting Resolution No. 2016-, approving Investment Policy and Management Plan for City of Marina and Successor Agency to the former Marina Redevelopment Agency.

g. APPROVAL OF AGREEMENTS:

- (1) City Council consider adopting Resolution No. 2016-, approving an Agreement with R.L. Hastings & Associates, LLC, of Placerville, California in the amount of four thousand dollars (\$4,000) for Administrative Subcontractor Services to perform required monitoring of project for compliance with requirements of the HOME Program to support the Rockrose Gardens Project, and; authorizing City Manager to execute Agreement on behalf of City subject to final review and approval by the City Attorney.
- (2) City Council consider adopting Resolution No. 2016-, approving a Fee Agreement between the City of Marina and EAH Inc. for provision of planning, engineering and City Attorney services related to review, and processing of the VTC Permanent Housing Project located on Hayes Circle, Marina, California (APN:031-021-040), and; authorizing the Finance Director to make the appropriate accounting and budgetary entries, and; authorizing the City Manager to execute the Fee Agreement on behalf of the City subject to final review and approval by the City Attorney.
- (3) City Council consider adopting Resolution No. 2016-, approving an amendment to the FY 15/16 budget appropriating additional funds for preparation of the City of Marina's 5<sup>th</sup> Cycle Housing Element Update; approving a consulting services agreement between the City of Marina and Veronica Tam and Associates Inc. of Pasadena, CA for the preparation of the Housing Element update and update to the City of Marina's Affordable Housing Ordinance (Municipal Code Chapter 17.45); and authorize the City Manager to execute the contracts on behalf of the City, subject to final review and approval by the City Attorney; and authorize the Finance Director to make the necessary budgetary and accounting entries.

h. ACCEPTANCE OF PUBLIC IMPROVEMENTS: None

i. MAPS: None

j. REPORTS: (RECEIVE AND FILE):

- (1) City Council receiving Investment Reports for the City of Marina and City of Marina as Successor Agency to the Marina Redevelopment Agency for months ended October 31, November 30, and December 31, 2016.
- (2) City Council consider adopting Resolution No. 2016-, receiving and filing City of Marina audited Annual Financial Reports for the fiscal year ended June 30, 2015.
- (3) City Council consider adopting Resolution No. 2016, receiving and filing City of Marina single audit report for Fiscal Year ended June 30, 2015.

k. FUNDING & BUDGET MATTERS: None

l. APPROVE ORDINANCES (WAIVE SECOND READING): None

m. APPROVE APPOINTMENTS: None

9. PUBLIC HEARINGS:

- a. City Council to receive staff report and adopt an urgency ordinance of the City Council of the City of Marina amending Municipal Code, Title 17 (Zoning) to add Section 17.04.210.5 to define “cultivation of marijuana,” Section 17.04.210.7 to define Commercial Cannabis Activity and 17.06.020, subsections p and q to prohibit commercial cannabis activity and the cultivation of marijuana in all zones except for the cultivation of no more than twenty (20) plants by qualified patients with an identification card, at his or her personal residence.

10. OTHER ACTIONS ITEMS OF THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Action listed for each Agenda item is that which is requested by staff. The Successor Agency may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

11. OTHER ACTION ITEMS: *Action listed for each Agenda item is that which is requested by staff. The City Council may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

***Note: No additional major projects or programs should be undertaken without review of the impacts on existing priorities (Resolution No. 2006-79 – April 4, 2006).***

- a. City Council to receive subcommittee report and adopt Resolution No 2016-, to amend the City Manager Employment Agreement to increase salary and benefits, authorize signature by the Mayor, approve amendments or additions to the salary plan and make the necessary budgetary adjustments.

12. COUNCIL & STAFF INFORMATIONAL REPORTS:

- a. Monterey County Mayor’s Association [Mayor Bruce Delgado]
- b. Council and staff opportunity to ask a question for clarification or make a brief report on his or her own activities as permitted by Government Code Section 54954.2.

13. ADJOURNMENT:

**CERTIFICATION**

I, Anita Sharp, Deputy City Clerk, of the City of Marina, do hereby certify that a copy of the foregoing agenda was posted at City Hall and Council Chambers Bulletin Board at 211 Hillcrest Avenue, Monterey County Library Marina Branch at 190 Seaside Circle, City Bulletin Board at the corner of Reservation Road and Del Monte Boulevard on or before 6:30 p.m., Friday, January 15, 2016.

---

ANITA SHARP, DEPUTY CITY CLERK

*City Council, Airport Commission and Redevelopment Agency meetings are recorded on tape and available for public review and listening at the Office of the City Clerk, and kept for a period of 90 days after the formal approval of MINUTES.*

*City Council meetings may be viewed live on the meeting night and at 12:30 p.m. and 3:00 p.m. on Cable Channel 25 on the Sunday following the Regular City Council meeting date. In addition, Council meetings can be viewed at 6:30 p.m. every Monday, Tuesday and Wednesday. For more information about viewing the Council Meetings on Channel 25, you may contact Access Monterey Peninsula directly at 831-333-1267.*

*Agenda items and staff reports are public record and are available for public review on the City's website ([www.ci.marina.ca.us](http://www.ci.marina.ca.us)), at the Monterey County Marina Library Branch at 190 Seaside Circle and at the Office of the City Clerk at 211 Hillcrest Avenue, Marina between the hours of 10:00 a.m. 5:00 p.m., on the Monday preceding the meeting.*

*Supplemental materials received after the close of the final agenda and through noon on the day of the scheduled meeting will be available for public review at the City Clerk's Office during regular office hours and in a 'Supplemental Binder' at the meeting.*

*Members of the public may receive the City Council, Airport Commission and Successor Agency of the Former Redevelopment Agency Agenda at a cost of \$55 per year or by providing a self-addressed, stamped envelope to the City Clerk. The Agenda is also available at no cost via email by notifying the City Clerk at [marina@ci.marina.ca.us](mailto:marina@ci.marina.ca.us).*

**ALL MEETINGS ARE OPEN TO THE PUBLIC. THE CITY OF MARINA DOES NOT DISCRIMINATE AGAINST PERSONS WITH DISABILITIES.** Council Chambers are wheelchair accessible. Meetings are broadcast on cable channel 25 and recordings of meetings can be provided upon request. To request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please call (831) 884-1278 or e-mail: [marina@ci.marina.ca.us](mailto:marina@ci.marina.ca.us). Requests must be made at least **48 hours** in advance of the meeting.

Upcoming 2016 Meetings of the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, Preston Park Sustainable Community Nonprofit Corporation and Successor Agency of the Former Redevelopment Agency  
Regular Meetings: 5:30 p.m. Closed Session;  
6:30 p.m. Regular Open Sessions

Tuesday, February 2, 2016  
**\*\*Wednesday, February 17, 2016**

**\*\*\* Wednesday, August 3, 2016**  
Tuesday, August 16, 2016

Tuesday, March 1, 2016  
Tuesday, March 15, 2016

**\*\*Wednesday, September 7, 2016**  
Tuesday, September 20, 2016

Tuesday, April 5, 2016  
Tuesday, April 19, 2016

Tuesday, October 4, 2016  
Tuesday, October 18, 2016

Tuesday, May 3, 2016  
Tuesday, May 17, 2016

Tuesday, November 1, 2016  
Tuesday, November 15, 2016

Tuesday, June 7, 2016  
Tuesday, June 21, 2016

Tuesday, December 6, 2016  
Tuesday, December 20, 2016

\*\* Wednesday, July 6, 2016

Tuesday, July 19, 2016

\*\* Regular Meeting rescheduled due to Monday Holiday

\*\*\* Regular Meeting rescheduled due to National Night Out Event

NOTE: Regular Meeting dates may be rescheduled by City Council only.

CITY HALL HOLIDAYS  
(City Hall Closed)

- Martin Luther King, Jr., Birthday ----- Monday, January 18, 2016
Presidents' Day----- Monday, February 15, 2016
Memorial Day -----Monday, May 30, 2016
Independence Day (City Offices Closed) -----Monday, July 4, 2016
Labor Day -----Monday, September 5, 2016
Veterans Day -----Friday, November 11, 2016
Thanksgiving Day ----- Thursday, November 24, 2016
Thanksgiving Break -----Friday, November 25, 2016
Winter Break -----Friday, December 23, 2016 -Monday, January 2, 2017

2016 COMMISSION DATES

Upcoming 2016 Meetings of Design Review Board
3rd Wednesday of every month. Meetings are held at the Council Chambers at 6:30 P.M
\*\* = Change in location due to conflict with Council meeting

- April 20, 2016 July 20, 2016 October 19, 2016
May 18, 2016 August 17, 2016 November 16, 2016
June 15, 2016 September 21, 2016 December 21, 2016

Upcoming 2016 Meetings of Economic Development Commission
1st Thursday of every month. Meetings are held at the Council Chambers at 6:30 P.M.

- February 4, 2016 May 5, 2016 September 1, 2016
March 3, 2016 June 2, 2016 October 6, 2016
April 7, 2016 July 7, 2016 November 3, 2016
August 4, 2016 December 1, 2016

Upcoming 2016 Meetings of Planning Commission
2nd and 4th Thursday of every month. Meetings are held at the Council Chambers at 6:30 P.M.

- January 14, 2016 May 12, 2016 September 8, 2016
January 28, 2016 May 26, 2016 September 22, 2016
February 11, 2016 June 9, 2016 October 13, 2016

February 25, 2016	June 23, 2016	October 27, 2016
March 10, 2016	July 14, 2016	November 10, 2016
March 24, 2016	July 28, 2016	November 24, 2016 (Cancelled)
April 14, 2016	August 11, 2016	December 8, 2016
April 28, 2016	August 25, 2016	December 22, 2016 (Cancelled)

**Upcoming 2016 Meetings of Public Works Commission**  
**3<sup>rd</sup> Thursday of every month.** Meetings are held at the Council Chambers at 6:30 P.M.

January 21, 2016	May 19, 2016	September 15, 2016
February 18, 2016	June 16, 2102	October 20, 2016
March 17, 2016	July 21, 2016	November 17, 2016
April 21, 2016	August 18, 2016	December 15, 2016

**Upcoming 2016 Meetings of Recreation & Cultural Services Commission**  
**1<sup>st</sup> Wednesday of every quarter month.** Meetings are held at the Council Chambers at 6:30 P.M.

March 2, 2016	June 1, 2016	September 7, 2016	December 7, 2016
---------------	--------------	-------------------	------------------

# City of Marina

## Adjournment in Remembrance

PRESENTED TO THE FAMILY OF

*Teo Colon*

*The Marina City Council adjourned the meeting of January 20, 2016 in remembrance of Teo Colon. He is dearly missed and cherished by all of us.*

PRESENTED BY

\_\_\_\_\_  
Bruce C. Delgado, Mayor

\_\_\_\_\_  
Frank O'Connell, Mayor Pro-Tem

\_\_\_\_\_  
Nancy Amadeo, Council Member

\_\_\_\_\_  
David W. Brown Council Member

\_\_\_\_\_  
Gail Morton, Council Member



Dated this 20<sup>th</sup> day of January 2016

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-08-16

Bank Account: 024 - Accounts Payable ZBA  
Batch Date: 01/08/2016

Agenda Item: 8a  
City Council Meeting of  
January 20, 2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
<b>Bank Account: 024 - Accounts Payable ZBA</b>					
Check	01/08/2016	77664 Accounts Payable	A-1 Sweeping Service		455.00
	Invoice	Date	Description		Amount
	11-03-15	11/03/2015	Airport Sweeping Service		455.00
Check	01/08/2016	77665 Accounts Payable	Ace Hardware		57.56
	Invoice	Date	Description		Amount
	057102	12/16/2015	Bldg Maint & Repair		2.70
	057085	12/15/2015	Bldg Maint & Repair		10.29
	057087	12/15/2015	Bldg Maint & Repair - Returned		(2.06)
	057096	12/16/2015	Bldg Maint & Repair - Deck screw		10.85
	057106	12/16/2015	Bldg Maint & Repair		17.36
	057107	12/16/2015	Keys Made for New Tenant		8.65
	057039	12/10/2015	Purchase Batteries		9.77
Check	01/08/2016	77666 Accounts Payable	Andon Laundrymat Service		63.05
	Invoice	Date	Description		Amount
	12	12/10/2015	Laundry Service - towels and rags		63.05
Check	01/08/2016	77667 Accounts Payable	ASCAP		336.00
	Invoice	Date	Description		Amount
	500586647	12/20/2015	Citywide Music License		336.00
Check	01/08/2016	77668 Accounts Payable	Branch's Janitorial		2,509.47
	Invoice	Date	Description		Amount
	225535	11/24/2015	janitorial services for November		2,059.47
	225538	11/24/2015	Airport Janitorial Services		450.00
Check	01/08/2016	77669 Accounts Payable	Comcast		321.04
	Invoice	Date	Description		Amount
	11-26-15	11/26/2015	Cable service		26.07
	11-14-15	11/14/2015	Teen Center tv & internet		152.95
	12-14-15	12/14/2015	Teen Center tv & internet		142.02
Check	01/08/2016	77670 Accounts Payable	Commercial Environmnt Landscape		7,500.00
	Invoice	Date	Description		Amount

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-08-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/08/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		2796-1015	10/01/2015	Airport Landscape Services	2,500.00
		2796-1115	11/01/2015	Airport Landscape Services	2,500.00
		2796-1215	12/01/2015	Airport Landscape Services	2,500.00
Check	01/08/2016	77671 Accounts Payable	Directv		5.00
		Invoice	Date	Description	Amount
		27238799115	11/26/2015	TV Service - Pilot's Lounge	5.00
Check	01/08/2016	77672 Accounts Payable	Emergency Vehicle Specialists		1,967.68
		Invoice	Date	Description	Amount
		4856	12/04/2015	Docking station for #5400	1,250.88
		4893	12/17/2015	Remove existing docking station - 5411	75.00
		4908	12/21/2015	Kenwood full feature control head - 5411	641.80
Check	01/08/2016	77673 Accounts Payable	Engineered Fire Systems		800.00
		Invoice	Date	Description	Amount
		10990	12/05/2015	Sprinkler Plan Check for BLB, Springhill Suites & 930 2nd Ave	800.00
Check	01/08/2016	77674 Accounts Payable	Epic Aviation		15,958.57
		Invoice	Date	Description	Amount
		6796596	11/25/2015	Airport Fuel (Jet-A) Purchase	15,958.57
Check	01/08/2016	77675 Accounts Payable	Farmer Brothers Co.		219.52
		Invoice	Date	Description	Amount
		62939422	12/22/2015	Fire Dept Coffee	219.52
Check	01/08/2016	77676 Accounts Payable	First Alarm		852.77
		Invoice	Date	Description	Amount
		885102	12/15/2015	Alarm monitor - Corp Yard (11/16/15 - 3/31/16)	309.00
		885101	12/15/2015	Fire System Monitoring, B524	102.15
		877734	11/19/2015	Fire System Monitoring - Service Call, B524	336.04
		889281	12/24/2015	Repair Service for 327 Reindollar Ave	105.58
Check	01/08/2016	77677 Accounts Payable	Gavilan Pest Control		2,450.00
		Invoice	Date	Description	Amount
		0094711	11/30/2015	Airport Pest Control Services	1,150.00
		0094712	11/30/2015	Airport Pest Control Services, B504	75.00

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-08-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/08/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	0095392		12/31/2015	Airport Pest Control Services	1,150.00
	0095393		12/31/2015	Airport Pest Control Services, B504	75.00
Check	01/08/2016	77678 Accounts Payable	Goldfarb & Lipman		3,004.16
	Invoice		Date	Description	Amount
	117317		10/21/2015	Legal fees Dunes Casual Fast Foodf project	1,494.16
	117874		08/17/2015	Art District discussion with City Manager	78.00
	117875		08/17/2015	Legal Services - Casual Fast Food - Negri project	1,432.00
Check	01/08/2016	77679 Accounts Payable	Integrity Printing		3,041.50
	Invoice		Date	Description	Amount
	34386		12/23/2015	Printing Costs - Marina Dinning Guide Brochures	3,041.50
Check	01/08/2016	77680 Accounts Payable	Janice Griffin		525.00
	Invoice		Date	Description	Amount
	10-26-15		10/26/2015	Youth Halloween Party	325.00
	12-09-15		12/09/2015	Youth Dance	200.00
Check	01/08/2016	77681 Accounts Payable	Keyser Marston Associates		7,933.50
	Invoice		Date	Description	Amount
	0029130		12/08/2015	Financial Advisory Services, Preston Park	7,933.50
Check	01/08/2016	77682 Accounts Payable	Marina Village Restaurant		68.98
	Invoice		Date	Description	Amount
	65407		12/07/2015	December 7, 2015 Peal Harbor Day Flag Posting	68.98
Check	01/08/2016	77683 Accounts Payable	Meuse Media Entertainment		500.00
	Invoice		Date	Description	Amount
	12132015		12/13/2015	Senior Holiday Luncheon	500.00
Check	01/08/2016	77684 Accounts Payable	Mountain Mikes Pizza		84.34
	Invoice		Date	Description	Amount
	10-04-15		10/04/2015	pizza for teen center	84.34
Check	01/08/2016	77685 Accounts Payable	MRWPCA		274.70
	Invoice		Date	Description	Amount
	13-000145.110115		11/30/2015	Sewer Service, B514	20.80

# AP Check Register 01-08-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/08/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		13-000148.110115	11/30/2015	Sewer Service, B520	20.80
		13-000149.110115	11/30/2015	Sewer Service, B521	15.30
		13-000153.110115	11/30/2015	Sewer Service, B529	15.30
		13-000158.110115	11/30/2015	Sewer Service, B535	20.80
		13-000159.110115	11/30/2015	Sewer Service, B524	98.50
		13-000334.110115	11/30/2015	Sewer Service, B533	83.20
Check	01/08/2016	77686 Accounts Payable		Nextel Communications	715.40
	Invoice		Date	Description	Amount
		866147022-159	11/22/2015	Recreation Department Cell Phones	357.70
		866147022-160	12/22/2015	cell phone bill for 11/19 - 12/18	357.70
Check	01/08/2016	77687 Accounts Payable		Office Depot	3.19
	Invoice		Date	Description	Amount
		813180371-001	12/18/2015	Office Supplies	3.19
Check	01/08/2016	77688 Accounts Payable		Pacific Gas & Electric	1,417.37
	Invoice		Date	Description	Amount
		827-8.DEC15	12/13/2015	PG&E - 0423929827-8	186.83
		851-0.DEC15	12/15/2015	PG&E - 3440977851-0	411.84
		535-3.DEC15	12/13/2015	PG&E - 6161832535-3	777.98
		809-3.NOV15	12/10/2015	Utilities, B510	40.72
Check	01/08/2016	77689 Accounts Payable		Pre-Paid Legal Services	53.80
	Invoice		Date	Description	Amount
		12-04-15B	12/04/2015	Pre-Paid Legal (12-04-15)	26.90
		11-06-15B	11/06/2015	Pre-Paid Legal (11-06-15)	26.90
Check	01/08/2016	77690 Accounts Payable		Premier Access Insurance - Dept. 34114	255.50
	Invoice		Date	Description	Amount
		JAN 2016	12/20/2015	Admin Fees (JAN 2016)	255.50
Check	01/08/2016	77691 Accounts Payable		Premier Access Insurance	3,173.70
	Invoice		Date	Description	Amount
		12-30-15	12/30/2015	Dental Claims 12/30/2015	3,173.70
Check	01/08/2016	77692 Accounts Payable		Quest Diagnostics	24.50

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-08-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/08/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		Invoice	Date	Description	Amount
		9162878450	12/28/2015	Drug Screen	24.50
Check	01/08/2016	77693 Accounts Payable	Richard B. Standridge		3,000.00
		Invoice	Date	Description	Amount
		15-26	12/22/2015	Service 12-15/12-22-15	3,000.00
Check	01/08/2016	77694 Accounts Payable	Robert R. Wellington		587.00
		Invoice	Date	Description	Amount
		23303	11/13/2015	Airport Legal Services, Sept. 2015	587.00
Check	01/08/2016	77695 Accounts Payable	Rutan & Tucker		208.00
		Invoice	Date	Description	Amount
		699228	09/11/2014	General Legal Plastic Bag Ordinance/LDS church	208.00
Check	01/08/2016	77696 Accounts Payable	Ruth Elizabeth Hill		329.99
		Invoice	Date	Description	Amount
		007	01/04/2016	Professoanl Services - Marina Dinning Guide Brochure	329.99
Check	01/08/2016	77697 Accounts Payable	Standard Insurance Company		828.70
		Invoice	Date	Description	Amount
		JAN 2016 - 0001	12/21/2015	Standard Life Insurance Group Coverage (01/2016)	734.25
		JAN 2016 - 0002	12/21/2015	Standard Life Insurance Additional (01/2016)	94.45
Check	01/08/2016	77698 Accounts Payable	Tri County Fire Protection		183.27
		Invoice	Date	Description	Amount
		38573	12/18/2015	Serviced 8 extinguishers	96.00
		38600	12/23/2015	Serviced fire dept extinguishers	87.27
Check	01/08/2016	77699 Accounts Payable	Usbancorp - Equipment Finace Service		343.54
		Invoice	Date	Description	Amount
		294648662	12/26/2015	Copier Lease - Bizhub 951	343.54
Check	01/08/2016	77700 Accounts Payable	Rabobank Visa Cardmember Service		43.44
		Invoice	Date	Description	Amount
		11-27-15	11/27/2015	Visa purchases for D. McCoun	43.44
Check	01/08/2016	77701 Accounts Payable	Rabobank Visa Cardmember Service		21.71

# AP Check Register 01-08-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/08/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
	11-27-15		11/27/2015	Visa Monthly Charges for Brad Hinckley	21.71
Check	01/08/2016	77702 Accounts Payable	Rabobank Visa Card Cardmember Service		327.92
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	December 2015 Charges	327.92
Check	01/08/2016	77703 Accounts Payable	Rabobank Visa Card Cardmember Service		212.16
	Invoice		Date	Description	Amount
	11-27-15		11/27/2015	Fire Dept Visa Purchases	212.16
Check	01/08/2016	77704 Accounts Payable	Rabobank Visa Card Cardmember Service		4,398.73
	Invoice		Date	Description	Amount
	11-27-15		11/27/2015	VISA bill for Recreation Dept	4,398.73
Check	01/08/2016	77705 Accounts Payable	Vision Service Plan		1,682.64
	Invoice		Date	Description	Amount
	JAN 2016		12/21/2015	VSP Premium	1,682.64
Check	01/08/2016	77706 Accounts Payable	Zee Service Co.		55.00
	Invoice		Date	Description	Amount
	66580657		02/10/2015	youth - ice pack & bandages	12.31
	66605766		11/12/2015	teen center medical supplies	42.69
024 Accounts Payable ZBA Totals:				Transactions: 43	\$66,793.40
Checks:		43		\$66,793.40	

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
<b>Bank Account: 024 - Accounts Payable ZBA</b>					
Check	01/15/2016	77707 Accounts Payable	Ace Hardware		67.83
	Invoice	Date	Description		Amount
	057286	01/07/2016	Bldg Maint & Supply		24.97
	057279	01/07/2016	Bldg Maint & Repair		3.35
	057258	01/05/2016	Bldg Maint & Repair		17.36
	057254	01/05/2016	Bldg Maint & Repair		5.87
	057255	01/05/2016	Bldg Maint & Repair		16.28
Check	01/15/2016	77708 Accounts Payable	Ace High Designs Inc.		78.46
	Invoice	Date	Description		Amount
	8806	10/15/2015	2 Shirts-Investigations/Cox		78.46
Check	01/15/2016	77709 Accounts Payable	Altec		381.57
	Invoice	Date	Description		Amount
	43466	12/15/2015	Payroll Checks		381.57
Check	01/15/2016	77710 Accounts Payable	American Supply Co.		34.22
	Invoice	Date	Description		Amount
	2710520	01/07/2016	Bldg Maint & Supply		34.22
Check	01/15/2016	77711 Accounts Payable	ARC		105.68
	Invoice	Date	Description		Amount
	1344676	12/15/2015	Imjin Pkwy Bike Lane copies		105.68
Check	01/15/2016	77712 Accounts Payable	AT & T		2,796.53
	Invoice	Date	Description		Amount
	000007440411	12/15/2015	CALNET3-9391023435 (237-267-6922)		3.84
	000007417463	12/13/2015	CALNET3-9391023436 (239-461-6578)		8.69
	000007440377	12/15/2015	CALNET3-9391023479 (883-0919)		6.43
	000007440380	12/15/2015	CALNET3-9391023482 (884-0985)		8.08
	000007440381	12/15/2015	CALNET3-9391023483 (884-0986)		8.08
	000007417406	12/13/2015	CALNET3-9391023484 (884-1200)		34.54
	000007440379	12/15/2015	CALNET3-9391023480 (883-9669)		66.35
	000007440383	12/15/2015	CALNET3-9391023486 (884-9153)		8.08
	000007440384	12/15/2015	CALNET3-9391023487 (884-9497)		8.08

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		000007440385	12/15/2015	CALNET3-9391023488 (884-9542)	22.28
		000007440386	12/15/2015	CALNET3-9391023489 (884-9546)	21.19
		000007440387	12/15/2015	CALNET3-9391023490 (884-9568)	12.44
		000007440388	12/15/2015	CALNET3-9391023491 (884-9654)	76.64
		000007460366	12/20/2015	CALNET3-9391023433 (234-342-8596)	129.57
		000007481877	12/28/2015	CALNET3-9391023444 (384-2083)	36.30
		000007481886	12/28/2015	CALNET3-9391023453 (384-3787)	22.06
		000007481904	12/28/2015	CALNET3-9391023469 (384-9337)	19.64
		000007481878	12/28/2015	CALNET3-9391023445 (384-2528)	22.29
		000007481887	12/28/2015	CALNET3-9391023454 (384-4226)	23.03
		000007481896	12/28/2015	CALNET3-9391023461 (384-7238)	19.64
		000007481905	12/28/2015	CALNET3--9391023470 (384-9682)	17.76
		000007481870	12/28/2015	CALNET3-9391023437 (384-0425)	17.80
		000007481879	12/28/2015	CALNET3-9391023446 (384-2721)	841.42
		000007481888	12/28/2015	CALNET3-9391023455 (384-4262)	45.53
		000007481871	12/28/2015	CALNET3-9391023438 (384-0473)	71.58
		000007481897	12/28/2015	CALNET3-9391023462 (384-7547)	22.73
		000007481880	12/28/2015	CALNET3-9391023447 (384-2901)	27.52
		000007481889	12/28/2015	CALNET3-9391023456 (384-4718)	19.64
		000007481898	12/28/2015	CALNET3-9391023463 (384-7854)	19.64
		000007477605	12/27/2015	CALNET3-9391023481 (883-9953)	19.70
		000007477597	12/27/2015	CALNET3-9391023471 (582-0100)	23.22
		000007477598	12/27/2015	CALNET3-9391023472 (582-0102)	66.91
		000007477599	12/27/2015	CALNET3-9391023473 (582-2398)	19.09
		000007477600	12/27/2015	CALNET3-9391023472 (582-0102)	57.26
		000007477601	12/27/2015	CALNET3-9391023475 (582-9032)	19.64
		000007477602	12/27/2015	CALNET3-9391023476 (582-9611)	19.64
		000007477603	12/27/2015	CALNET3-9391023477 (582-9803)	19.09
		000007481872	12/28/2015	CALNET3-9391023439 (384-0552)	19.64
		000007481881	12/28/2015	CALNET3-9391023448 (384-2934)	19.09
		000007481890	12/28/2015	CALNET3-9391023457 (384-5140)	19.52
		000007481899	12/28/2015	CALNET3-9391023464 (384-8308)	161.74
		000007481873	12/28/2015	CALNET3-9391023440 (384-0860)	19.64
		000007481882	12/28/2015	CALNET3-9391023449 (384-2967)	9.76
		000007481891	12/28/2015	CALNET3-9391023458 (384-5222)	42.23

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
					12/28/2015
			CALNET3-9391023465 (384-8415)		147.05
			CALNET3-9391023441 (384-0888)		56.28
			CALNET3-9391023450 (384-3539)		28.34
			CALNET3-9391023459 (384-5225)		136.60
			CALNET3-9391023466 (384-8477)		37.41
			CALNET3-9391023442 (384-1702)		19.09
			CALNET3-9391023451 (384-3715)		42.55
			CALNET3-9391023460 (384-6009)		37.28
			CALNET3-9391023467 (384-8760)		17.76
			AT&T South Field Office Billing 11/15-12/14/15		21.01
			CALNET3-9391023443 (384-2081)		36.30
			CALNET3-9391023452 (384-3717)		20.13
			CALNET3-9391023468 (384-9148)		19.69
Check	01/15/2016	77713 Accounts Payable	Branch's Janitorial		1,335.00
	Invoice	Date	Description		Amount
		225555	12/21/2015	Janitorial Service-Police/Fire December 2015	1,335.00
Check	01/15/2016	77714 Accounts Payable	California Fire Mechanics Academy		360.00
	Invoice	Date	Description		Amount
		04-04-16	01/12/2016	Training/DeVincenzi	360.00
Check	01/15/2016	77715 Accounts Payable	California Revenue & Tax Association		100.00
	Invoice	Date	Description		Amount
		395	01/05/2016	2016 Membership	100.00
Check	01/15/2016	77716 Accounts Payable	California Reserve Peace Officers		90.00
	Invoice	Date	Description		Amount
		12-15-15	12/15/2015	CRPOA Membership-J.Martin 12/15/15	90.00
Check	01/15/2016	77717 Accounts Payable	Toney Canty		2,900.00
	Invoice	Date	Description		Amount
		12-31-15	12/31/2015	ADPP (12/17/15 - 12/27/15, Canty)	1,194.00
		01-15-16	12/28/2015	ADPP (12/28/15 - 1/10/16, Canty)	1,706.00
Check	01/15/2016	77718 Accounts Payable	Central Valley Toxicology		78.00
	Invoice	Date	Description		Amount

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	.				
	246157		12/14/2015	CVT-15-13798 MG1502467 12/14/15	78.00
Check	01/15/2016	77719 Accounts Payable	Cintas Corporation		116.08
	Invoice		Date	Description	Amount
	630799513		12/14/2015	Mat Service-Police/Fire 12/14/15	58.04
	630811823		01/11/2016	Mat Service-Police/Fire 1/11/16	58.04
Check	01/15/2016	77720 Accounts Payable	City Of Salinas		9,300.00
	Invoice		Date	Description	Amount
	2016-00000015		01/06/2016	Animal Sheltering Jan-Mar 2016	9,300.00
Check	01/15/2016	77721 Accounts Payable	Code Publishing Inc.		160.65
	Invoice		Date	Description	Amount
	51832		01/05/2016	MMC Update - 2015-06	160.65
Check	01/15/2016	77722 Accounts Payable	Consolidated Electrical Distributors, Inc.		84.28
	Invoice		Date	Description	Amount
	4914-546408		12/18/2015	Bldg Maint & Syooklues	84.28
Check	01/15/2016	77723 Accounts Payable	Crye Precision LLC		4,529.50
	Invoice		Date	Description	Amount
	IN00094923		11/24/2015	SRU uniform shirts	4,529.50
Check	01/15/2016	77724 Accounts Payable	CSG Consultants		44,147.00
	Invoice		Date	Description	Amount
	031413		12/10/2015	Cypress Cove LMD Eng Svc (10/31/15 - 11/27/15)	157.50
	031414		12/10/2015	CIP - Admin Engineering (10/31/15 - 11/27/15)	3,095.00
	031415		12/10/2015	CSG - Imjin Pkwy Widening F462 (#401) (10/31/15 - 11/27/15)	262.50
	031416		12/10/2015	Del Monte/Beach Signalization (10/31/15 - 11/27/15)	997.50
	031421		12/10/2015	FAE- B1 Imjin Office Park (10/31/15 - 11/27/15)	880.00
	031435		12/10/2015	Permits/Dev (10/31/15 - 11/27/15)	2,942.50
	031437		12/10/2015	Staff Augmentation (10/31/15 - 11/27/15)	5,095.00
	031436		12/10/2015	RWQCB - Eng Svc (10/31/15 - 11/27/15)	2,422.50
	B150759		12/03/2015	Plan Check Services (11/1/15 - 11/30/15)	420.00
	031419		12/10/2015	Imjin Microsurfacing R46C (10/31/15 - 11/27/15)	7,870.00
	031427		12/10/2015	Cinemark - Eng Svc. (10/31/15 - 11/27/15)	275.00

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		031428	12/10/2015	FAE - V1 - VA Clinic (10/31/15 - 11/27/15)	3,915.00
		031425	12/10/2015	FAE-A1 AMCAL(10/31/15 - 11/27/15)	340.00
		031426	12/10/2015	Marina Dev Projects (10/31/15 - 11/27/15)	262.50
		031417	12/10/2015	Reservation Rd- Seacrest to De Forest R74B (10/31/15 - 11/27/15)	6,032.50
		031418	12/10/2015	Imjin/SR1 Signalization (10/31/15 - 11/27/15)	157.50
		031430	12/10/2015	FAE - DU2 - 1C Dunes Phase 2 (10/31/15 - 11/27/15)	1,515.00
		031429	12/10/2015	FAE S1 - 9th St. Improvement (10/31/15 - 11/27/15)	2,045.00
		031432	12/10/2015	Code Enforcement (10/31/15 - 11/27/15)	4,032.00
		031423	12/10/2015	Cinemark - Eng Svc. (10/31/815 - 11/27/15)	965.00
		031433	12/10/2015	Meeting with James Dias, re: VA Clinic	190.00
		031424	12/10/2015	Meeting - Project Design/Nourdin	275.00
Check	01/15/2016	77725 Accounts Payable	Dave's Repair Service		680.00
		Invoice	Date	Description	Amount
		22780	12/03/2015	Training Cardmaster Program (10/8/15 & 12/3/15)	600.00
		22973	12/29/2015	Monthly Site Inspections	80.00
Check	01/15/2016	77726 Accounts Payable	Directv		5.00
		Invoice	Date	Description	Amount
		27471172215	12/26/2015	TV Service - Pilot's Lounge	5.00
Check	01/15/2016	77727 Accounts Payable	Discovery Benefits, Inc.		62.50
		Invoice	Date	Description	Amount
		000060268-IN	12/31/2015	Discovery Benefit (12/15)	62.50
Check	01/15/2016	77728 Accounts Payable	Engineered Fire Systems		100.00
		Invoice	Date	Description	Amount
		11055	01/01/2016	Plan check fee for 930 Second Ave Shell	100.00
Check	01/15/2016	77729 Accounts Payable	FedEx		123.72
		Invoice	Date	Description	Amount
		5-268-11922	12/25/2015	Delivery Service	86.16
		5-274-74618	01/01/2016	Delivery Service	37.56
Check	01/15/2016	77730 Accounts Payable	Gavilan Pest Control		75.00
		Invoice	Date	Description	Amount

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		0095666	12/16/2015	Pest Control Svc @ Shoemaker & Locke Paddon Pond	75.00
Check	01/15/2016	77731 Accounts Payable	George T. Powell		950.00
		Invoice	Date	Description	Amount
		01012016	01/01/2016	Parking Rental-Police/Fire Jan 2016	950.00
Check	01/15/2016	77732 Accounts Payable	Home Depot Credit Service		340.47
		Invoice	Date	Description	Amount
		18343-230285	12/15/2015	Dishwasher	340.47
Check	01/15/2016	77733 Accounts Payable	Kimley-Horn & Associates		3,378.00
		Invoice	Date	Description	Amount
		7329926	11/30/2015	Review Land Use Info & Change Requirements	3,378.00
Check	01/15/2016	77734 Accounts Payable	Kompan, Inc.		43,114.57
		Invoice	Date	Description	Amount
		INV83913	12/30/2015	Explorer Dome Green Ropes Standard	43,114.57
Check	01/15/2016	77735 Accounts Payable	Lexis Nexis Risk Data Management		50.00
		Invoice	Date	Description	Amount
		20151231	12/31/2015	Data Retrieval 12/1-12/31/15	50.00
Check	01/15/2016	77736 Accounts Payable	Mar-Ken International K-9 Training Center		260.00
		Invoice	Date	Description	Amount
		0991-15	12/17/2015	K-9 Maintenance December 2015	260.00
Check	01/15/2016	77737 Accounts Payable	Marina Coast Water District		6,436.57
		Invoice	Date	Description	Amount
		000056011 120415	12/04/2015	000056 011 - Tate Park 3254 Del Monte (11/7/15 - 12/4/16)	286.19
		000056034 120415	12/04/2015	000056 034 -3240 DeForest, Windy Hill Park (11/7/15 - 12/4/16)	262.50
		000056084 120415	12/04/2015	000056 084 - Ctr Med3172 Cres- Shuler (11/7/15 - 12/4/16)	20.46
		000056032 120415	12/04/2015	000056 032 - Crescent & Costa Mont Bay Est (11/7/15 - 12/4/16)	53.94
		000056086 120415	12/04/2015	000056 086 - Center Median 3208 Crescent (11/7/15 - 12/4/16)	20.46
		000056015 120415	12/04/2015	000056 015 - Cypress Cove II (11/7/15 - 12/4/16)	149.20
		000056030 120415	12/04/2015	000056 030 - Ctr Med. Reserv, Ramada Inn (11/7/15 - 12/4/16)	33.01
		000056087 120415	12/04/2015	000056 087 - Center Median 3218 Crescent (11/7/15 - 12/4/16)	20.46
		000056085 120415	12/04/2015	000056 085 - Center Median 3192 Crescent (11/7/15 - 12/4/16)	20.46

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		000056008 120415	12/04/2015	000056 008 - Reservation Rd and Del Monte (11/7/15 - 12/4/16)	20.46
		000056035 120415	12/04/2015	000056 035 - Cardoza/Res,Tate Park (11/7/15 - 12/4/16)	1,366.14
		000056014 120415	12/04/2015	000056 014 - (Vince DiMaggio 3200 Del Monte (11/7/15 - 12/4/16)	875.51
		000056036 123115	12/31/2015	000056 036 - Center Median 2nd Ave (12/01/15 - 12/31/15)	113.74
		000056037 123115	12/31/2015	000056 037 - 2nd Avenue Irrigation (12/01/15 - 12/31/15)	113.74
		014874000 123115	12/31/2015	014874 000 - 289 12th St. Police Sub Sta (12/01/15 - 12/31/15)	105.42
		000056083 123115	12/31/2015	000056 083 - 3240 Imjin Rd Hangar 510 (12/01/15 - 12/31/15)	190.90
		000056044 123115	12/31/2015	000056 044 - 781 Neeson Rd, Admin Office (12/01/15 - 12/31/15)	106.04
		000056049 123115	12/31/2015	000056 049 - Imjin Road University (12/01/15 - 12/31/15)	113.74
		000056051 123115	12/31/2015	000056 051 - 721 Neeson Rd Skydive (12/01/15 - 12/31/15)	121.64
		000057000 123115	12/31/2015	000057 000 - 3220 Imjin Road (12/01/15 - 12/31/15)	106.04
		000056041 123115	12/31/2015	000056 041 - 3260 Imjin Rd, Fire Station 2 (12/01/15 - 12/31/15)	176.30
		000056043 123115	12/31/2015	000056 043 (761 Imjin Rd, Hangar 524 (12/01/15 - 12/31/15)	106.04
		000056006 123115	12/31/2015	000056 006 188 Seaside Cir (12/01/15 - 12/31/15)	33.01
		000056028 123115	12/31/2015	000056 028 - ROW Calif Ave and Jerry (12/01/15 - 12/31/15)	56.33
		000056061 123115	12/31/2015	000056 061 - Seaside and Reservation (12/01/15 - 12/31/15)	66.69
		000056042 123115	12/31/2015	000056 042 - 3040 Lake Dr, Animal Shelter (12/01/15 - 12/31/15)	99.44
		000056040 123115	12/31/2015	000056 040 - Center Median Hilo Ave (12/01/15 - 12/31/15)	95.12
		000056045 123115	12/31/2015	000056 045 - 3100 Preston Park Irrig (12/01/15 - 12/31/15)	1,208.16
		000056046 123115	12/31/2015	000056 046 - 3100 Preston Park Bldg (12/01/15 - 12/31/15)	106.04
		000056007 121815	12/18/2015	000056 007 California Ave Landscape (11/21/15 - 12/18/15)	79.04
		000056005 121815	12/18/2015	000056 005 - Calif and Patton (11/21/15 - 12/18/15)	79.04
		000056025 121815	12/18/2015	000056 025- 327 Reindollar, LA Sports Comp (11/21/15 - 12/18/15)	44.42
		000056026 121815	12/18/2015	000056 026 - ROW Barrett Lane (11/21/15 - 12/18/15)	20.46
		000056027 121815	12/18/2015	000056 027 - Center Median & ROW Calif Ave (11/21/15 - 12/18/15)	133.42
		012016000 123115	12/31/2015	012016 000 - 199 Paddon Pl Locke Paddon (12/01/15 - 12/31/15)	33.01
Check	01/15/2016	77738 Accounts Payable		Maynard Group Inc.	3,443.67
	Invoice	Date	Description	Amount	
	QTP25706#3	12/18/2015	Maynard Group - #3 payment 12/18/15	3,443.67	
Check	01/15/2016	77739 Accounts Payable		MBASIA	129.30
	Invoice	Date	Description	Amount	
	DEC2015	01/05/2016	MBASIA - Claim for Payment	85.50	
	2016-00000842	01/05/2016	MBASIA - Claim for Payment	43.80	

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	01/15/2016	77740 Accounts Payable	Mbay IT		6,639.81
	Invoice		Date	Description	Amount
		1237	01/08/2016	IT Support - December 2015	6,639.81
Check	01/15/2016	77741 Accounts Payable	Monterey Auto Supply		149.76
	Invoice		Date	Description	Amount
		396171	01/06/2016	Veh - Maint Parts & Supply	148.58
		395983	01/05/2016	Veh - Maint Parts & Supply	98.80
		396296	01/06/2016	Veh - Maint Parts & Supply	(97.62)
Check	01/15/2016	77742 Accounts Payable	Monterey County Convention & Visitors Bureau		13,233.50
	Invoice		Date	Description	Amount
		12931	01/01/2016	Jurisdictional Investment - Jan-Mar 2016	13,233.50
Check	01/15/2016	77743 Accounts Payable	Monterey County Fire Investigators Association		50.00
	Invoice		Date	Description	Amount
		01-05-16	01/05/2016	Membership Dues for D. McCoun and A. Prado	50.00
Check	01/15/2016	77744 Accounts Payable	Monterey County Fire Prevention Officers Assoc.		75.00
	Invoice		Date	Description	Amount
		01-01-16	01/01/2016	Membership Dues for (3) fire dept staff - McCoun, Prado + 1	75.00
Check	01/15/2016	77745 Accounts Payable	Monterey County Herald		171.33
	Invoice		Date	Description	Amount
		0005639476	12/31/2015	Legal Notice - MMC Chapter 17 - Medical Marijuana	171.33
Check	01/15/2016	77746 Accounts Payable	Monterey County Parks		500.00
	Invoice		Date	Description	Amount
		193	01/06/2016	Monterey County Parks - Range Rental 12/16/15	500.00
Check	01/15/2016	77747 Accounts Payable	Monterey County Petroleum		3,013.67
	Invoice		Date	Description	Amount
		289379	12/08/2015	Diesel Fuel (480 gal)	948.93
		289380	12/08/2015	Unleaded Fuel (1000 gal)	2,064.74

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	01/15/2016	77748 Accounts Payable	Monterey Tire Service		792.79
	Invoice	Date	Description		Amount
	1 - 69272	12/15/2015	City Wide - Tires		409.66
	1 - 69540	01/04/2016	City Wide - Tires		376.61
	1 - 69354	12/18/2015	City Wide - Tires		6.52
Check	01/15/2016	77749 Accounts Payable	Natividad Medical Center		31.00
	Invoice	Date	Description		Amount
	12-31-15	12/31/2015	Blood Alcohol-V715074837 11/20/15		31.00
Check	01/15/2016	77750 Accounts Payable	Occupational Health Dyn.		860.00
	Invoice	Date	Description		Amount
	44793	12/29/2015	FT3K Annual Calibration		860.00
Check	01/15/2016	77751 Accounts Payable	Office Depot		13.45
	Invoice	Date	Description		Amount
	811098872001	12/08/2015	Office Supplies		13.45
Check	01/15/2016	77752 Accounts Payable	Pacific Gas & Electric		20,070.32
	Invoice	Date	Description		Amount
	172-2.JAN16	12/18/2015	PG&E - 5618207172-2		400.68
	272-1.JAN16	12/17/2015	PG&E - 2862559272-1		37.09
	483-6.JAN16	12/15/2015	PG&E - 3982644483-6		12,864.88
	795-7.JAN16	12/21/2015	PG&E - 4467294795-7		169.97
	362-9.JAN16	12/18/2015	PG&E - 5996678362-9		103.63
	683-2.JAN16	12/17/2015	PG&E 6217294683-2		732.02
	313-6.DEC2/15	12/28/2015	PG&E 6793435313-6		5,569.17
	01-09-16	01/09/2016	PG&E Service-South Field Office 12/10/15-01/08/16		192.88
Check	01/15/2016	77753 Accounts Payable	Pacific Smog		243.50
	Invoice	Date	Description		Amount
	2349	12/31/2015	Smog Inspections - CW		243.50
Check	01/15/2016	77754 Accounts Payable	ParcelQuest		1,799.00
	Invoice	Date	Description		Amount
	18014	01/11/2016	Annual Service Public Notice Labels		1,799.00

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	01/15/2016	77755 Accounts Payable	Peninsula Messenger LLC		280.00
	Invoice	Date	Description		Amount
		195257	12/31/2015	Messenger Service 12/31/15	280.00
Check	01/15/2016	77756 Accounts Payable	Peninsula Welding & Medical Supply		171.32
	Invoice	Date	Description		Amount
		142019	12/24/2015	Oxygen refills	171.32
Check	01/15/2016	77757 Accounts Payable	Pure H2O		108.48
	Invoice	Date	Description		Amount
		4217	01/01/2016	Water Cooler Service-Police/Fire 1/1/16	108.48
Check	01/15/2016	77758 Accounts Payable	Redshift		7.85
	Invoice	Date	Description		Amount
		1712933-4	01/04/2016	DNS Hosting/Domain Redirecting	7.85
Check	01/15/2016	77759 Accounts Payable	Richard B. Standridge		3,450.00
	Invoice	Date	Description		Amount
		16-01	01/08/2016	Services 12-28/01-07-16	3,450.00
Check	01/15/2016	77760 Accounts Payable	Rincon Consultants, Inc.		857.35
	Invoice	Date	Description		Amount
		24744	11/30/2015	General / administrative services - Marina Beach Townhomes	857.35
Check	01/15/2016	77761 Accounts Payable	Safety-Kleen Corp.		36.75
	Invoice	Date	Description		Amount
		68864849	12/01/2015	Veh - Maint & Repair	36.75
Check	01/15/2016	77762 Accounts Payable	Salinas Valley Pro Squad		620.16
	Invoice	Date	Description		Amount
		262259	01/12/2016	Uniform-Reserve Melendy	154.52
		262522	11/19/2015	Uniform Shirts-Clegg	167.94
		262078	11/06/2015	Uniform Shirts-A. Magana	244.28
		262021	11/04/2015	Equipment-Led Stick	46.87
		262517	11/19/2015	Gold Buttons	6.55
Check	01/15/2016	77763 Accounts Payable	Shred-it USA		96.85

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
		Invoice	Date	Description	Amount
		9408576060	12/10/2015	Shred-it Service 12/9/15	96.85
Check	01/15/2016	77764 Accounts Payable	Sierra Springs & Alhambra		70.37
		Invoice	Date	Description	Amount
		7266038-010116	01/01/2016	Water Cooler Rental and Replacement Water - City Hall	70.37
Check	01/15/2016	77765 Accounts Payable	Sign Works		1,076.86
		Invoice	Date	Description	Amount
		17711	12/16/2015	Shea Homes Street Sign Decals	1,076.86
Check	01/15/2016	77766 Accounts Payable	SpeakWrite		725.16
		Invoice	Date	Description	Amount
		c9c6902f	01/01/2016	Transcription Services December 2015	725.16
Check	01/15/2016	77767 Accounts Payable	Summit Uniforms		2,105.40
		Invoice	Date	Description	Amount
		26892	10/27/2015	SRU uniform pants	2,105.40
Check	01/15/2016	77768 Accounts Payable	Techno Lock Keys Trading LLC		200.00
		Invoice	Date	Description	Amount
		12-17-15	12/17/2015	Vehicle rekey for trade in	200.00
Check	01/15/2016	77769 Accounts Payable	Toshiba Financial Services		989.56
		Invoice	Date	Description	Amount
		294748017	12/26/2015	Records-Copier Maintenance 12/26/15	496.56
		295079479	12/31/2015	Patrol-Copier Contract 12/31/15	493.00
Check	01/15/2016	77770 Accounts Payable	United Site Services		182.07
		Invoice	Date	Description	Amount
		114-3594006	12/10/2015	Toilet Rentals - Corner Beach Rd - De Forest	182.07
Check	01/15/2016	77771 Accounts Payable	Universal Staffing		2,740.00
		Invoice	Date	Description	Amount
		100482	12/15/2015	Staffing-B.Arbor PPE12/12/15	1,370.00
		100525	12/22/2015	Staffing-B.Arbor PPE 12/19/15	1,370.00
Check	01/15/2016	77772 Accounts Payable	Valley Saw & Garden Equipment		293.93

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
	85721		12/18/2015	Veh - Maint & Repair	293.93
Check	01/15/2016	77773 Accounts Payable	Verizon Wireless		790.29
	Invoice		Date	Description	Amount
	289756973940		12/10/2015	Monthly Verizon Bill-308174766	491.69
	9757842169		12/25/2015	Fire Dept Wireless Charges	298.60
Check	01/15/2016	77774 Accounts Payable	Rabobank Visa Cardmember Service		21.00
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	Visa purchases for D. McCoun	21.00
Check	01/15/2016	77775 Accounts Payable	Rabobank Visa Cardmember Service		291.10
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	Visa Monthly Charges for Brad Hinckley	291.10
Check	01/15/2016	77776 Accounts Payable	Rabobank Visa Card Cardmember Service		40.00
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	Visa Statement	40.00
Check	01/15/2016	77777 Accounts Payable	Rabobank Visa Card Cardmember Service		290.73
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	Visa Monthly Charges	290.73
Check	01/15/2016	77778 Accounts Payable	Rabobank Visa Card Cardmember Service		447.95
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	Visa - Nolan 12/29/15	447.95
Check	01/15/2016	77779 Accounts Payable	Rabobank Visa Card Cardmember Service		785.82
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	Visa - Dept. 12/29/15	785.82
Check	01/15/2016	77780 Accounts Payable	Rabobank Visa Card Cardmember Service		4,522.44
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	VISA December 2015 Statement	4,522.44
Check	01/15/2016	77781 Accounts Payable	Rabobank Visa Card Cardmember Service		43.63

\*LIVE\* Marina, CA \*LIVE\*

# AP Check Register 01-15-16

Bank Account: 024 - Accounts Payable ZBA

Batch Date: 01/15/2016

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description	Amount
	12-29-15		12/29/2015	Visa - Rodriguez Late Fees/Interest 12/29/15	43.63
Check	01/15/2016	77782 Accounts Payable		Rabobank Visa Card Cardmember Service	1,149.82
	Invoice		Date	Description	Amount
	11-27-15		11/27/2015	nov2015visa	9.75
	12-29-15		12/29/2015	December 2015	1,140.07
Check	01/15/2016	77783 Accounts Payable		W.W. Grainger, Inc.	46.53
	Invoice		Date	Description	Amount
	9924128797		12/22/2015	Veh - Maint & Repair	46.53
Check	01/15/2016	77784 Accounts Payable		Zoom Imaging Solutions	281.39
	Invoice		Date	Description	Amount
	1578380		12/28/2015	Copier Maintenance-Meter Read 12/28/15	164.24
	1577657		12/24/2015	Patrol Copier-Meter Read/Overage 12/24/15	117.15
024 Accounts Payable ZBA Totals:			Transactions: 78		\$196,179.54
Checks:	78				\$196,179.54



Home Profile Reporting Person Information Education Other Organizations

Manage Reports Billing and Payments Payroll Schedule Member Requests

**Common Tasks**

**Name:** City of Marina

**CalPERS ID:** 6160239453

**Menu**

**Payment Request Acceptance**

Billing and Payments

**Your request for payment has been accepted.**

Super Funded Accounts

Rate Plan Details

Payment Accounts

- **Please print this page for your records.**
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will be reflected in your CalPERS account once the payment has been received by CalPERS.
- Your payment account may take longer to post, depending upon your Financial Institution. Once your payment is processed, CalPERS will send a confirmation email to the email address in your profile.

**Payment Setup Total**

**Total Payment Amount:** \$62,850.81

**Payment Summary**

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1000643995	12/29/2015	100000014551014	Employer Contribution, Classic, 1196, CalPERS, 2015/2016	EFT - Debit	122238420	\$14,647.79
1000643996	12/29/2015	100000014551015	Employer Contribution, Classic, 1197, CalPERS, 2015/2016	EFT - Debit	122238420	\$44,755.88
1000643997	12/29/2015	100000014553865	Employer Contribution, PEPR New, 25562, CalPERS, 2015/2016	EFT - Debit	122238420	\$767.35
1000643998	12/29/2015	100000014553866	Employer Contribution, PEPR New, 25563, CalPERS, 2015/2016	EFT - Debit	122238420	\$1,457.35
1000643999	12/29/2015	100000014554895	Employer Contribution, PEPR New, 26768, CalPERS, 2015/2016	EFT - Debit	122238420	\$1,222.44



**DRAFT**

Agenda Item **8b(1)**  
City Council Meeting of  
January 20, 2016

**MINUTES**

**Tuesday, January 5, 2016**

**5:30 P.M. Closed Session**  
**6:30 P.M. Open Session**

**REGULAR MEETING**  
**CITY COUNCIL, AIRPORT COMMISSION,**  
**MARINA ABRAMS B NON-PROFIT CORPORATION, PRESTON PARK SUSTAINABLE**  
**COMMUNITY NON-PROFIT CORPORATION AND SUCCESSOR AGENCY OF THE**  
**FORMER MARINA REDEVELOPMENT AGENCY**

Council Chambers  
211 Hillcrest Avenue  
Marina, California

1. CALL TO ORDER
2. ROLL CALL & ESTABLISHMENT OF QUORUM: (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Successor Agency of the Former Redevelopment Agency Members)

MEMBERS PRESENT: David W. Brown, Gail Morton, Mayor Pro-Tem/Vice Chair Frank O'Connell, Mayor/Chair Bruce C. Delgado

MEMBERS ABSENT: Nancy Amadeo (Excused)

3. CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency Members) may adjourn to a Closed or Executive Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the City's Meyers-Milias-Brown Act representative.*
  - a. Conference with Legal Counsel-Anticipated Litigation. Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (Number of potential cases - one)
  - b. Conference with legal counsel, re a matter of existing litigation – one case – Choates v. City of Marina
  - c. Labor Negotiations
    - i. Marina Employee Association
    - ii. Marina Management Employees Association
    - iii. Marina Public Safety Officers Association
    - iv. Marina Public Safety Manager's Association

- v. Marina Professional Firefighters Association
- vi. Department Directors
  - 1. Community Development Director
  - 2. Finance Director
  - 3. Fire Chief
  - 4. Police Chief
  - 5. Recreation and Cultural Services Director

City Negotiators: Layne P. Long, City Manager and Employee Relations Officer

- d. Performance Evaluation, Unrepresented Employee – City Manager

**6:30 PM - RECONVENE OPEN SESSION AND REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION**

Assistant City Attorney Deborah Mall reported out closed session: Council met at 5:30 pm. There were three items on the closed session. Conference with legal counsel, anticipated litigation, direction was given to legal counsel; conference with legal counsel regarding existing matter of litigation which was Choates vs. Marina and direction was given to legal counsel; and the third matter discussed was labor negotiations and direction was given to the city negotiator.

- 4. **MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE** (Please stand)

- 5. **SPECIAL PRESENTATIONS:** None

- 6. **SPECIAL ANNOUNCEMENTS AND COMMUNICATIONS FROM THE FLOOR:** *Any member of the Public or the City Council may make an announcement of special events or meetings of interest as information to Council and Public. Any member of the public may comment on any matter within the City Council's jurisdiction which is not on the agenda. Please state your name for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda. City Council members or City staff may briefly respond to statements made or questions posed as permitted by Government Code Section 54954.2. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of four (4) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the City Council.*

- John Kaza – Citizens advocate for the National Motors Association. Commented about the December 17, 2015 DUI Check point on Del Monte Blvd. The roadblock on that night was in front of the business at 3056 Del Monte Blvd. Police coned off entrances which provided access to the businesses without any permission or any recognition to the business. Never witnessed open businesses being shut down like this. Indicated he was ordered to leave the area where he was protesting, which was in the median and if I did not leave the Sergeant in charge at the roadblock was going to arrest me. I'm a single person with a sign. Indicated that there will be several claims from several of those businesses coming. The funding is from the OTS (Office of Traffic Safety) which provides overtime for a group of officers far more than they need for that roadblock to stand there most of the night and stop the cars. Ask the council to proclaim an emergency proclamation to hold that the police will not block open businesses nor will they subject a lawful protestor to arrest.
- Kevin Saunders – Announced his intent to run for Mayor in the 2016 Election. Will be running on a cannabis/tourism platform, specifically to turn Fort Ord, Marina's part, into the world's largest cannabis research farm.

- Nobia Mounsuret – Announced her intent to run for Council in the 2016 Election. Indicate that over the last several years she has been advocating for change in this community related to medicinal marijuana. Would like to bring Marina into the 21<sup>st</sup> century.
- Tim Ledesma – Wanted to let the public know that there are several vacancies on various city commissions (Planning Commission, Economic Development Commission and the Public Works Commission). Filing deadline is January 15<sup>th</sup> by 5:00pm. Commented on the El Nino Preparedness information.

7. CONSENT AGENDA FOR THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Background information has been provided to the Successor Agency of the former Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda for Successor Agency to the former Marina Redevelopment Agency and placed at the end of Other Action Items Successor Agency to the former Marina Redevelopment Agency.*
8. CONSENT AGENDA: *Background information has been provided to the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda and placed at the end of Other Action Items.*
- a. ACCOUNTS PAYABLE:
- (1) Accounts Payable Check Numbers: 77509-77663, totaling \$2,650,731.82  
Wire transfers totaling: \$324,628.83
- b. MINUTES:
- (1) December 15, 2016, Regular City Council Meeting
- c. CLAIMS AGAINST THE CITY: None
- d. AWARD OF BID: None
- e. CALL FOR BIDS: None
- f. ADOPTION OF RESOLUTIONS: None
- g. APPROVAL OF AGREEMENTS:
- (1) City Council consider adopting **Resolution No. 2016-01**, approving Assignment and Assumption of agreement with Robert H. Abrams of San Carlos, California, for consultant services relating to a technical review of groundwater modeling conducted for the Monterey Peninsula Water Supply Project Draft Environmental Impact Report, by Jacobson James & Associates, Inc. of Roseville, California, and; authorizing the City Manager to execute Agreement subject to final review and approval by the City Attorney.

- (2) City Council consider adopting **Resolution No. 2016-02**, approving a budget amendment of \$9,026 representing the City of Marina’s cost sharing allocation for participation in the 911 Dispatch JPA Project Study; authorize the City Manager to execute documents if necessary for continued participation in the JPA Study; authorize the Finance Director to make necessary accounting and budgetary entries, with the funds for this study coming from unallocated fund balance
  
- h. ACCEPTANCE OF PUBLIC IMPROVEMENTS: None
  
- i. MAPS: None
  
- j. REPORTS: (RECEIVE AND FILE): None
  
- k. FUNDING & BUDGET MATTERS: None
  
- l. APPROVE ORDINANCES (WAIVE SECOND READING): None
  
- m. APPROVE APPOINTMENTS: None

**DELGADO/MORTON: TO APPROVE THE CONSENT AGENDA. 4-0-0-1(Amadeo) Motion Passes**

9. PUBLIC HEARINGS:

- a. City Council to receive staff report and adopt an ordinance and urgency ordinance to amend Marina Municipal Code, Title 17 (zoning) to add Section 17.04.464 to define “Marijuana Delivery,” Section 17.04.210.5 to define “Cultivation of Marijuana,” and 17.06.020, Subsections P and Q to prohibit the cultivation of marijuana and the delivery of marijuana in all zones.

Assistant City Attorney Deborah Mall presented the staff report with the following information:

1996 - Compassionate Use Act was approved. Allows qualified patients and primary caregivers to be free from state prosecution for cultivation and possession of marijuana, upon doctor recommendation of use (Proposition 215); 2003 - Medical Marijuana Program enacted. Created a voluntary program for issuance of ID cards to qualified patients and primary caregivers. Allowed limited transportation, processing, administering and distribution of medical marijuana to qualified patients. Cultivation of marijuana plants was specifically limited. California Supreme Court held patients and caregivers could possess a reasonable amount of marijuana; 2013 - California Supreme Court upheld a city’s right to ban medical marijuana dispensaries as a part of its land use authority

Governor has signed a comprehensive package of bills which comprises the Medical Marijuana Regulations and Safety Act. AB 266 establishes a Bureau of Medical Marijuana Regulation, a licensing structure, uniform health and safety standards for testing, security and transport of medical marijuana; AB 243 regulates the licensing and regulation of indoor and outdoor cultivation sites and creates a Medical Cannabis Cultivation Program within the Department of Food and Agriculture to, develop standards for pesticide application, production and labelling of edible products, and evaluate environmental impacts from cultivation; SB 643 regulates physicians’ recommendations, contains some licensing requirements and uphold local powers to levy fees and taxes.

Two of the bills recently passed, as part of the Act, directly impact municipalities and create the need for the City to take immediate action; AB 266 requires local jurisdictions that wish to prevent delivery services from operating within their borders to enact an ordinance affirmatively banning this activity;

AB 243 provides that cities that do not have an ordinance regulating or prohibiting cultivation in place by March 1, 2016, will lose the authority to regulate or ban cultivation within their city limits; The City currently bans medical marijuana dispensaries, but has no regulation or ban on cultivation or delivery of medical marijuana.

**Recommendations:** City, by ordinance, ban cultivation and delivery by March 1, 2016, or lose the authority to regulate or ban cultivation within their city limits; Second reading of the ordinance must occur on or before January 29, 2016 and must be effective by February 28, 2016; It is recommended the ordinance be adopted as an urgency ordinance, since there has not been time to seek Planning Commission review. The adoption of an urgency ordinance requires a 4/5<sup>th</sup> vote; Staff recommends this matter be brought back to City Council in one year, for a report on the efficacy of the ban and further review and or adoption of a permanent ban or ordinance to regulate cultivation and delivery of medical marijuana.

**Police Department Concerns:** Department recommends not allowing the delivery, cultivation and processing of marijuana in the City; Objection based on experiences of several California cities who experienced increases in police services associated with marijuana cultivation, processing and distribution activities; Marijuana and the cash it generates are commodities highly sought after and any type of marijuana distribution leads to illegal activity to obtain marijuana and cash. Activities: 1. Illegal sales and distribution of marijuana; 2. Trespassing; 3. Theft; 4. Violent Robberies; 5. Burglary

City has experienced many of the crime problems addressed above; Many crimes associated with marijuana and other illegal drug activities frequently go unreported as victims fear prosecution because of their involvement and fear of retaliation; Marijuana distribution, cultivation and processing consistently results in quality of life issues/complaints in the areas where they occur leading to additional police calls for service and potentially calls for service from other City departments; Strong unpleasant odors related to the cultivation of marijuana creates an attractive nuisance, alerting persons to the location of the plants, creating a risk of various types of criminal activity.

The State of California has passed legislation stating it will take the lead on marijuana regulation.

However, Primary issues surrounding compliance and enforcement of regulations to ensure compliance will fall to local government.

An example would be the State's regulation of alcohol laws and massage establishments. The State has oversight, but, almost all compliance and regulation is left to local entities.

Any Regulation of marijuana distribution by the Marina Police Department or Code Enforcement would divert resources from other law enforcement or regulatory priorities

**Recommended Ordinance Revisions:** (1) Section 17.04.464 – Marijuana Delivery; (2) Section 17.04.210.5 – Marijuana Cultivation; (3) Section 17.06.020, Subsection (P) – Cultivation of Marijuana as a Prohibited Use and/or activity; (4) Section 17.06.020 (Q) – Delivery of Marijuana as a Prohibited Use and/or Activity.

**Fiscal Impact:** The fiscal impact is unknown. There may be a minor tax revenue benefit if medical marijuana were cultivated or distributed within the City and then taxed, this benefit is minimized by the cost to regulate, issue licenses. There is of an impact on police services if the uses are wholly banned.

Council discussed concerns related to delivery and compliance with the Compassionate Care Act for persons too ill to travel to obtain medicinal marijuana from a dispensary, continued cultivation of personal use if city were to ban cultivation, delivery by secondhand person (caregiver/provider), rush on "delivery" ordinance if there is no deadline, work load impact, taxing cultivating permittees',

administrative fines assessed for violation of the municipal code by police, amending delivery language to say the deliveries are banned by dispensaries.

Mayor opened the public hearing for public comments:

- Tim Ledesma – Read statement from Peoples vs. Mauer: “Patients have the same right to marijuana as to any legally prescribed drug”. Commented that a year and half ago a group of people tried to help the city with your ordinance/moratorium on dispensaries so in reality if the city would have taken those initial baby steps a year and half ago we would even be having this discussion. In reality you’re not in control anyway other than holding back the progress and the process of a new industry. People are surviving because of medical marijuana. Announced he’s been a patient for 24 years. This is a compassionate care act and you’re not in control. It’s a state rule that the people passed.
- Nobia Mounsuet – Commented on a letter from Jim Woods on AB21, sent copies of letter to council and also sent a power point that explains MERSA to the council. Read excerpt from Jim Woods letter stating his intent to remove the deadline has support from stakeholders and bipartisan and that the governor’s office is prepared to partner with my office to ensure local control on this issue, appreciates governor’s acknowledgement of drafting error and willingness to resolve the problem, received legal feedback confirming that once urgency measure is in effect jurisdictions will retain local control needed. You are being given an opportunity to regulate marijuana.
- Kevin Saunders – Commented on his hardships as he believes was caused by Marina not supporting medicinal marijuana. If council bans the delivery, think about the people who do not have vehicles or are unable to commute to obtain their medication. If you ban deliveries how are people to get their medication? The ban is the wrong idea.
- Sam Rashkin – We can agree on 3 things: 1) we can agree that an unregulated black market really isn’t good for anyone and that’s why state passed this regulation; 2) the new state cannabis regulations are extremely complicated; 3) commercial cannabis is already here in Monterey County. Provided council an information sheet on AB266, SB642 & AB243. Noted there are 17 type of licenses established under AB266 and SB643 and Type 7 should be really looked at. Comments that Salinas is repealing their ban because they see the economic structure is enormous.
- Unnamed speaker – Had experience in the dispensary business and parted ways with that industry due to what has caused many cities to ban dispensaries. There is an adherent danger and flaw in the business, it does bring a lot of negative aspects to it if it’s not regulated properly. Concerned about the nature of a complete ban. “Grows” need to be treated as a business and regulated. In the future this could be a taxed commodity. One loophole that you may want to consider that in order to deliver medical marijuana to a patient you will have the same doctor’s recommendation to procure the medicine for your patient so as a caregiver there is not distinction in this regulation that would show the difference between an actual caregiver and the patient themselves.
- Nancy Amadeo – Believes that in order to do an ordinance well and it be well written, well vetted, all affected parties being able to give input you need to go through the appropriate process. In order to do that and to do it well, to do it right, having a ban, an urgency ban and giving direction for this to go back to the planning commission and to go through the process so that we can have safe access, well regulated, guarantee of efficacy, all of those things are really important and it is important that our police department have clear guidelines as to what is acceptable and not acceptable. We’re dealing with a lot of “what ifs”. If we have a true ordinance by putting a ban in place tonight and then moving forward those “what ifs” will get resolved. Hope council will consider putting the ban in place and then directing immediately for this to go before the planning

commission and have them look at zoning and general plan changes that many need to be made in order to do this well for the benefit of our citizens and community as a whole.

- Elia Salinas – Made comment on the Jim Woods letter. There is an error on the March 1<sup>st</sup> deadline but it’s only for cultivation. Provided council samples of the many different forms of medicinal marijuana. There are CBD which are non-psycho active of product that marijuana is made into that people use to inhale, a balm, and a patch which starts right away easing your pain. There are a lot of changes coming over the next couple of years. Full bans are bad for everyone. They harm the patients, they deny economic opportunities for cities and counties. It’s here now, why not regulate and try to have more control over it. Asked council to not vote on this ban, there is no urgency on it, do a moratorium. Council should consider all types of marijuana industry in the city but in a safe and properly zoned location.
- Margaret Davis – Council has asked great questions that show the complexity of writing a good front loaded ordinance that minimizes crime and problems. This body should not relinquish its rights to exercise discretion and craft laws in the best interest of Marina. Urged council to adopt this temporary ban, to let it go before the planning commission and let that begin making its course, get the benefit of research by Chief Rodriguez, by the City Attorney’s office and by the public. The general public has not had input in this issue. If it comes before the planning commission and it’s just a low key issue I think more people would come forward and make their arguments and speak their minds. There are a lot of issues to explore in crafting an ordinance and some of them have been alluded to. How to potentially tax, should be distribution be by nonprofit only, should there be a ballot measure? Urged council to adopt this temporary measure.
- Mike Owen – Commented on the grow houses in Marina that had a structural fire which was in the Monterey Bay Estates and which is why we resurrected Neighborhood Watch and another which had weapons. Appreciates the Police chief pointing out the negative points but it seems like he really didn’t continue the story which is that these are illegal. If you legalize it then that’s going to address that problem. Put it out of the residential area. The smart/wise thing to do is to go ahead and do a ban right now with the obvious stressing to the police chief about the prioritization of enforcement during the ban.

Mayor closed public hearing for public comments.

Brown/Delgado: to refer to staff the ordinance, to redraft so as to 1) not include a ban or regulation on delivery; and 2) to prohibit the cultivation of more than three (3) marijuana plants on a residence own rented or owned home inside the dwelling or on land included in the rental or owned property; and no more than three (3) plants per resident holding a valid medical marijuana card and residing there.

Mayor Delgado asked motion maker if he would be willing to modify his motion to bring it up to “status quo” so that those who are currently within the state law growing up to twelve (12) plants (6 producing and 6 seedlings) in the matter just mentioned could continue to do so.

**Modified Motion**

Brown/Delgado: Refer the matter to staff to redraft an ordinance so as to not ban or regulate delivery but to prohibit the cultivation of more than twenty (20) plants including no more than a maximum of ten (10) mature plants on a person’s own rental or owned home inside the dwelling or outside on land that’s included in the rented or owned property; per resident holding a valid medical marijuana card and residing there.

**Substitute Motion**

O’Connell/Delgado: to amend the MMC by ordinance, and urgency ordinance to add a definition for Cultivation of Marijuana and Ban the Cultivation of Marijuana in all zones and Direct Staff to bring this issue back to the City Council within one year or as soon as possible, for review and to determine

whether the ban is still warranted and has properly functioned, whether there have been any changes in state law, which impact on a ban in the City and whether a permanent ban or further regulation or licensing is warranted. 1-3(Brown, Morton, Delgado)-0-1(Amadeo) Substitute Motion Fails

Council Member Morton asked for a friendly amendment to *direct staff to take immediate actions to commence the planning process and to direct staff to deprioritize enforcement.*

O’Connell: I would take the friendly amendment to the staff giving it immediate attention but not to deprioritize.

**Final Motion**

**BROWN/DELGADO: TO REFER TO STAFF THE ORDINANCE TO REDRAFT IT SO AS TO NOT BAN OR REGULATE DELIVERY AT THIS TIME; AND SO AS TO PROHIBIT CULTIVATION OF MORE THAN TWENTY (20) PLANTS, TEN (10) OF WHICH MAY BE MATURE ON A RESIDENTS OWN RENTED OR OWNED HOME INSIDE THE DWELLING OR ON LAND INCLUDED IN RENTED OR OWNED PROPERTY PER RESIDENT HOLDING A VALID MEDICAL MARIJUANA CARD AND RESIDING THERE; AND DIRECTING STAFF IMMEDIATELY TO BEGIN THE PROCESS OF COMING UP WITH A MORE COMPREHENSIVE ORDINANCE THROUGH THE NORMAL PLANNING PROCESS.** 4-0-0-1(Amadeo)

**Final Motion Passes by Roll Call Vote: Brown, Yes; Morton, Yes; O’Connell, Yes; Delgado, Yes**

Attorney: this would be an urgency ordinance to come back with an urgency ordinance and finding for adoption at the next meeting.

Council Member Brown: It would be, yes.

Mayor Delgado: was it your intent to happen at the next meeting?

Council Member Brown: Well, yes, the Urgency Ordinance would come back in two weeks and if it got 4/5<sup>th</sup> votes then it would be implemented immediately and then staff would still be directed to come back with a more comprehensive scheme.

10. OTHER ACTIONS ITEMS OF THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Action listed for each Agenda item is that which is requested by staff. The Successor Agency may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*
11. OTHER ACTION ITEMS: *Action listed for each Agenda item is that which is requested by staff. The City Council may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

**Note: No additional major projects or programs should be undertaken without review of the impacts on existing priorities (Resolution No. 2006-79 – April 4, 2006).**

- a. City Council consider adopting **Resolution No. 2016-03**, authorizing: 1) Amendments to City Compensation Plan, Classification Plan, Job Descriptions and Salary Schedules for various city classifications; 2) Amendments to various Department Head and City Manager employment contracts; appropriate budgetary amendments to Fiscal Year 2015/16 budget.

Delgado/Brown: that we do the seven (7) items in the recommendation excluding item #4. 2-2(Morton, O’Connell)-0-1(Amadeo) Motion Fails

Mayor Pro-Tem O’Connell questioned the amendments to the employment contracts for the police chief and recreation director and why the increase in monthly compensation when labor negotiations are being conducted. Requested copies of the contracts for the police chief and recreation director.

City Manager explained that this increase is not part of negotiations. It is to bring them within the competitive labor market. It’s a wage adjustment with every individual classification. Department Heads are different. As a group I’m not looking at any salary increases across the board with department heads, those will be brought back individually because they each have individual contracts.

Public Comments: None received.

**Substitute Motion**

O’Connell/Morton: to adopt items 1a-i; delete items 2, 3 and 4 and keep items 5, 6 and 7. 2-2(Brown, Delgado)-0- 1(Amadeo) Substitute Motion Fails

**2<sup>nd</sup> Substitute Motion**

Morton/O’Connell: adopt item 1a-i, items 5, 6 and 7 and bring back at the January 20<sup>th</sup> meeting item 2, 3 and 4 with the appropriate contracts being attached and for full discussion on all the terms. 2-2(Brown, Delgado)-0-1(Amadeo) 2<sup>nd</sup> Substitute Motion Fails

10:00 PM

Morton/Brown: to extend the meeting to complete this item. 4-0-0-1(Amadeo)

Brown/Delgado: to reconsider the 2<sup>nd</sup> substitute motion

**MORTON/DELGADO: THAT WE ADOPT ITEMS 1a-i, THAT WE ADOPT ITEM 5, ITEM 6 AND ITEM 7; AND THAT ITEMS 2 AND 3 BRING BACK AT A SPECIAL MEETING ON TUESDAY, JANUARY 12<sup>TH</sup> AT 5:30 TO INCLUDE CLOSED SESSION ITEMS OF LABOR NEGOTIATIONS AND DEFER ITEM 4 TO THE FEBRUARY 2, 2016 COUNCIL MEETING. 4-0-0-1(Amadeo) Motion Passes**

12. COUNCIL & STAFF INFORMATIONAL REPORTS:

- a. Monterey County Mayor’s Association [Mayor Bruce Delgado]
- b. Council and staff opportunity to ask a question for clarification or make a brief report on his or her own activities as permitted by Government Code Section 54954.2.

13. ADJOURNMENT: 10:10 PM

\_\_\_\_\_  
Anita Sharp, Deputy City Clerk

ATTEST:

\_\_\_\_\_  
Bruce C. Delgado, Mayor



**DRAFT**

Agenda Item **8b(2)**  
City Council Meeting of  
January 20, 2016

**MINUTES**

**Tuesday, January 12, 2016**

**5:30 P.M. Closed Session**  
**6:30 P.M. Open Session**

**SPECIAL MEETING**  
**CITY COUNCIL, AIRPORT COMMISSION,**  
**MARINA ABRAMS B NON-PROFIT CORPORATION, PRESTON PARK SUSTAINABLE**  
**COMMUNITY NON-PROFIT CORPORATION AND SUCCESSOR AGENCY OF THE**  
**FORMER MARINA REDEVELOPMENT AGENCY**

Council Chambers  
211 Hillcrest Avenue  
Marina, California

1. CALL TO ORDER
2. ROLL CALL & ESTABLISHMENT OF QUORUM: (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Successor Agency of the Former Redevelopment Agency Members)  
  
Nancy Amadeo, David W. Brown, Gail Morton, Mayor Pro-Tem/Vice Chair Frank O'Connell, Mayor/Chair Bruce C. Delgado
3. CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency Members) may adjourn to a Closed or Executive Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the City's Meyers-Milias-Brown Act representative.*
  - a. Conference with Labor Negotiators
    - 1) Agency designated representatives: Layne P. Long, City Manager and Employee Relations Manager  
Unrepresented employee: Police Chief
    - 2) Agency designated representatives: Layne P. Long, City Manager and Employee Relations Manager  
Unrepresented employee: Recreational and Cultural Services Director
    - 3) Agency designated representatives: City Council Subcommittee Members – Gail Morton and David Wayne Brown  
Unrepresented employee: City Manager

6:45 PM - RECONVENE OPEN SESSION AND REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION

Assistant City Attorney Deborah Mall reported out closed session: Council met at 5:30 pm as indicated with regard to the three matters listed under Conference with Labor Negotiators. For items 3a(1) & (2) Council gave direction to the agency designated representative Layne P. Long; For item 3a(3) Council gave direction to the City Council Subcommittee Members.

Mayor Delgado announced that we will be adjourning this meeting and the meeting of January 20, 2016 in memory of Toe Colon. A celebration of Life will take place on Friday, January 15, 2016 at 4:00pm at the American Legion Post # 694

4. MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE (Please stand)
5. OTHER ACTION ITEMS: *Action listed for each Agenda item is that which is requested by staff. The City Council may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

**Note: No additional major projects or programs should be undertaken without review of the impacts on existing priorities (Resolution No. 2006-79 – April 4, 2006).**

- a. City Council consider adopting **Resolution No. 2016-04**, approval of Contract Amendments and Amendments or Additions to the Classification Plans to Increase the Salaries of the Police Chief and the Recreational and Cultural Services Director; and, authorization for the City Manager to execute the contracts and make the appropriate budgetary adjustments.

**DELGADO/BROWN: TO ADOPT RESOLUTION NO. 2016-04, APPROVAL OF CONTRACT AMENDMENTS AND AMENDMENTS OR ADDITIONS TO THE CLASSIFICATION PLANS TO INCREASE THE SALARIES OF THE POLICE CHIEF AND THE RECREATIONAL AND CULTURAL SERVICES DIRECTOR; AND, AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE THE CONTRACTS AND MAKE THE APPROPRIATE BUDGETARY ADJUSTMENTS. 4-1(O'Connell)-0-0 Motion Passes**

Public Comments:

- Kevin Saunders – Been critical of the police chief believes it's warranted, but also believes that anytime a person puts on a badge, lives 10 miles away from essentially a warzone in Salinas that pay and that respect should be commensurate but believes it should be tied to goals that we as a community all agree on. I'm in agreement that we should pay Chief Rodriguez what other cities should be paid but I also would like for him to at least look into ideas that could help put some of the fears that not only myself but people that I've talked to and have talked to for about 5 years, not people in jail but people in coffee shops, these are our neighbors and I think if you really searched your own sole you'd probably realize that Marina has a lot of work to do with community relations. Time we really invest in recreation and the kids. We have an amazing recreation department director, very fond of him. I think we should have an increase and I would also like to commend you guys for what you did last week, if I offended anybody I'm sorry.
- Dan Devlin – Chair of the Recreation Commission and applaud the councils thinking in establishing these changes to the ranges not only for Chief Eddy but also for the incumbent in the recreation cultural services director Terry Siegrist, nationally renowned recreation director.. Thinks he is doing a fabulous job. He's a light in our community, he is a fantastic individual who looks after the safety of our kids, he's doing everything he possibly can to make sure that our kids our safe. He has created some programs or record that are becoming national models, especially the box theory and look forward to serving with him for many more years.

- Margaret Davis – At the last session there was some concern about implied insult with the chief of police and to the recreation director that this would even be examined. Does not think the council should feel a bit shy about that. It’s important for the public to understand what it takes, what it costs to keep a city running. This is a low average income town and most residents would be surprised for example Terry’s salary being \$150,000 with benefits. They don’t get why our budget is so tight and that this is just a normal range for a public employee in that position. They need to know these things when there are complaints about high budgets in many areas. Felt that Mayor Pro-Tem O’Connell was correct in putting the “cart before the horse”. It’s in the wrong order to be talking about salaries before the whole bargaining process has been gone through. If there is a way to look at how can our recreation and cultural services have a component that is cultural, which really doesn’t have right now. Perhaps this can be looked at in this process.

6. ADJOURNMENT: 7:00 PM

---

Anita Sharp, Deputy City Clerk

ATTEST:

---

Bruce C. Delgado, Mayor

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016-,  
APPROVING INVESTMENT POLICY AND MANAGEMENT PLAN  
FOR CITY OF MARINA AND SUCCESSOR AGENCY TO THE  
FORMER MARINA REDEVELOPMENT AGENCY**

**REQUEST:**

It is requested that the City Council:

1. Consider adopting Resolution No. 2016-, approving Investment Policy and Management Plan for City of Marina and Successor Agency to the former Marina Redevelopment Agency.

**BACKGROUND:**

To establish strategies, practices and procedures to be used in administering the financial investments of the City and Successor Agency to the former Marina Redevelopment Agency, it is both important and necessary to have a prudent and safe investment policy in place.

The primary investment objective of such policy is to achieve a reasonable rate of return on public funds while minimizing the potential for capital losses arising from market changes or issuer default.

Although the generation of revenues through interest earnings on investments is an appropriate goal, the primary consideration in the investment of funds is capital preservation in the overall portfolio.

The Marina City Council is required to review and approve the City and Successor Agency to the former Marina Redevelopment Agency Investment Policy and Management Plan (“Policy and Plan”) to ensure that the goals and objectives for such plan are appropriate.

**ANALYSIS:**

Included in the scope of the Investment Policy and Management Plan are the following major guidelines and practices which are to be used in achieving the primary investment objective (“EXHIBIT A”):

- Investment Authority and Responsibilities
- Capital Preservation and Risk
- Eligible Financial Institutions
- Investment Vehicles
- Investment Maturity
- Cash Management
- Evaluation Of Investment Performance
- Investment Reporting

These guidelines apply to all cash-related assets included within the scope of the audited financial statements held either directly by the City, Successor Agency or held and invested by trustees or fiscal agents. The only exception is funds invested in the City's deferred compensation plan, which is controlled by federal law, specific provisions of the City's adopted plan, and individual employee decisions.

No changes were made to the Policy and Plan since it was last reviewed and approved by the City Council and Marina Redevelopment Agency Board at the regular meeting of January 21, 2015 by adoption of Resolution No. 2015-003.

**FISCAL IMPACT:**

None

**CONCLUSION:**

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

---

Lauren Lai, CPA  
Finance Director  
City of Marina

**REVIEWED/CONCUR:**

---

Layne P. Long  
City Manager  
City of Marina

RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA  
APPROVING THE INVESTMENT POLICY AND MANAGEMENT PLAN

WHEREAS, pursuant to the provisions of Government Code Sections 16481.2 and 53646 a copy of the Investment Policy and Strategy is required to be provided to the City Council on an annual basis, and;

WHEREAS, the purpose of the Investment Policy and Management Plan is to establish strategies, practices, and procedures to be used in administering the financial investments of the City of Marina and the Successor Agency to the former Marina Redevelopment Agency, and;

WHEREAS, no changes were made to the Policy and Plan since it was last reviewed and approved by the City Council and Marina Redevelopment Agency Board at the regular meeting of January 21, 2015 by adoption of Resolution No. 2015-003, and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina that the attached Investment Policy and Management Plan (“Exhibit A”) shall be approved effective immediately.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 20<sup>th</sup> day of January 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

---

Bruce C. Delgado, Mayor

ATTEST:

---

Anita Sharp, Deputy City Clerk

**INVESTMENT POLICY AND MANAGEMENT PLAN**

**City of Marina  
and  
Successor Agency to the former Marina Redevelopment Agency**

**Revised and Re-Approved August 2007**

**Re-Approved August 2009**

**Re-Approved December 2010**

**Re-Approved December 2011**

**Re-Approved November 2012**

**Re-Approved November 2013**

**Re-Approved January 2015**

**Re-Approved January 2016**

**City of Marina  
and  
Successor Agency to the former Marina Redevelopment Agency**

**INVESTMENT POLICY AND MANAGEMENT PLAN**

**Table of Contents**

**Introduction**

Purpose .....	3
Primary Investment Objective .....	3
Scope of Investment Policy and Management Plan .....	4
Use of State Guidelines.....	5
Preparation and Administration of the Plan.....	5

**Investment Authority and Responsibilities**

Authorized Investment Officers.....	5
Internal Controls.....	6
Investment Management Resources .....	6
Evaluation of Standard of Care.....	7

**Capital Preservation and Risk**

Overview .....	8
Portfolio Diversification Practices.....	8

**Eligible Financial Institutions**

Portfolio Diversification and Credit-Worthiness Standards.....	8
Certification and Reporting Requirements .....	9
Individual Placement of Investments.....	9
Individual Placement of Deposits .....	9

**Investment Vehicles**

State of California Limitations.....	10
City and Agency Policies.....	12

<b>Investment Maturity .....</b>	<b>13</b>
----------------------------------	-----------

<b>Cash Management.....</b>	<b>13</b>
-----------------------------	-----------

<b>Evaluation of Investment Performance .....</b>	<b>14</b>
---	-----------

<b>Investment Reporting.....</b>	<b>14</b>
----------------------------------	-----------

<b>Glossary of Terms.....</b>	<b>15</b>
-------------------------------	-----------

## INTRODUCTION

---

### PURPOSE

The purpose of the Investment Policy and Management Plan is to establish overall guidelines, strategies, practices, and procedures to be used in administering investments activities of the City of Marina and Successor Agency to the former Marina Redevelopment Agency. Related activities which comprise sound cash management including accurate cash flow projections, control of disbursements, expedient collection of revenues, cost effective banking relations. All cash balances, with the exception of bond process restricted by the provisions of relevant bond documents and cash in certain restricted/special funds, will be consolidated to maximize investment earnings. Investment income will be allocated funds based on their respective participation and in accordance with generally accepted accounting principles.

### PRIMARY INVESTMENT OBJECTIVE

The City's and Agency's primary investment objective is to achieve a reasonable rate of return on public funds while minimizing the potential for capital losses arising from market changes or issuer default. Although the generation of revenues through investment earnings on investments is an appropriate goal, the primary consideration in the investment of funds is capital preservation in the overall portfolio. As such, the yield objective is to achieve a reasonable rate of return on investments rather than the maximum generation of income which could expose the unacceptable levels of risk.

In determining investment activities, the following factors shall be considered in priority order: Safety, Liquidity and Yield.

#### Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk summarized as follows:

1. ***Credit risk.*** This is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
  - Limiting investments to the safest types of securities.
  - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which a City or Agency will do business.
  - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
2. ***Interest rate risk.*** This is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

## **INTRODUCTION (continued)**

---

- Structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations to avoid the need to divest of securities prior to maturity.
- Investing operating funds primarily in shorter-term securities or investment pools.

### **Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs and anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary or resale markets or an investment pool which offers same-day liquidity (dynamic liquidity).

### **Yield**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a reasonable return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A declining credit security could be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.
- Capital gain realized would improve the overall position of the portfolio in achieving goals.

## **SCOPE OF INVESTMENT POLICY AND MANAGEMENT PLAN**

This policy covers all short-term operating funds and investment transactions involving the financial assets and related activity of the City and Successor Agency to the former Redevelopment Agency. These funds are accounted for in accordance with accepted accounting principles (GAAP) and include the following types:

- Governmental:
  - General Fund
  - Special Revenue Funds
  - Capital Projects Funds
- Debt Service Funds
- Proprietary:
  - Enterprise Funds
  - Internal Service Funds
- Fiduciary Funds:
  - Trust Funds
  - Agency Funds

**USE OF STATE GUIDELINES**

Government Code Sections 16481.2, 53601, 53635, and 53646 of the State of California regulate the investment practices. It is the policy of the City and/or Agency to use the State's provisions for local government investments in the developing and implementing investment policies and practices. Major guidelines and practices, which are to be used in achieving the primary investment objective, include the following:

- Investment Authority and Responsibilities
- Capital Preservation and Risk
- Eligible Financial Institutions
- Investment Vehicles
- Investment Maturity
- Cash Management
- Evaluation Of Investment Performance
- Investment Reporting

These guidelines apply to all cash-related assets included within the scope of the audited financial statements and held either directly by the City and/or Agency or held and invested by trustees or fiscal agents. The only exception is funds invested in the City's deferred compensation plan, which is controlled by federal law, specific provisions of the City's adopted plan, and individual employee decisions.

**PREPARATION AND ADMINISTRATION OF THE PLAN**

The Finance Director and/or Treasurer are responsible for developing and monitoring the Investment Policy and Management Plan. As required under Government Code Sections 16481.2 and 53646, the Council and Agency Board will review the document annually. In the interim, the Treasurer is responsible for keeping the Investment Policy and Management Plan up-to-date to reflect changes in legislation, organizational structure, Council approved policies and administrative procedures.

**INVESTMENT AUTHORITY AND RESPONSIBILITIES**

---

**AUTHORIZED INVESTMENT OFFICERS**

Authority and responsibility to manage the investment portfolio is granted to the Finance Director and/or Treasurer, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this plan. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts.

## **INVESTMENT AUTHORITY AND RESPONSIBILITIES (continued)**

---

No person may engage in an investment transaction except as provided under the terms of this plan and the procedures established by the Finance Director and/or Treasurer. Although the Finance Director/Treasurer may delegate these duties to another official in the Department of Finance, every investment transaction must be reviewed and approved by the Finance Director and/or Treasurer. Additionally, the Finance Director and/or Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

### **INTERNAL CONTROLS**

The Finance Director/Treasurer is responsible for providing reasonable assurance of compliance with the investment plan as well as for establishing systems of internal control designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by City officers and employees. The concept of reasonable assurance recognizes that 1) cost of a control should not exceed the benefits likely to be derived; and 2) valuation of costs and benefits requires estimates and judgments by management.

All participants in the investment process shall act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

Additionally, the Finance Department may from time-to-time be required to be responsible for the physical security of investments and shall use custodial safekeeping for negotiable and bearer instruments whenever possible.

### **INVESTMENT MANAGEMENT RESOURCES**

The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, the Finance Director and/or Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Separation of transaction authority from accounting and record keeping.** Separation of duties from the person who authorizes or performs the transaction from the people whom record or otherwise account for the transaction.
- Custodial safekeeping.** Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.
- Avoidance of physical delivery securities.** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

## **INVESTMENT AUTHORITY AND RESPONSIBILITIES (continued)**

---

- Delivery vs. payment.** All trades where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. A third party custodian will hold securities.
- Clear delegation of authority to subordinate staff members.** Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- Written confirmation of telephone transactions for investments and wire transfers.** Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures. All requests will require two (2) signatures from the authorized list.
- Development of a wire transfer agreement with the lead bank or third party custodian.** This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

### **EVALUATION OF STANDARD OF CARE (Prudence)**

Investment officials as trustees have a fiduciary responsibility to act as a "prudent investor" under Government Code Section 53600.3. This standard shall be applied in the context of managing the overall portfolio of pooled idle cash. Investment officers acting in accordance with written procedures and this Investment Policy and Management Plan, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this plan.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. This affords a broad spectrum of investment opportunities as long as the investment is prudent under current law.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of their entity.

## **CAPITAL PRESERVATION AND RISK**

---

### **OVERVIEW**

Some level of risk is inherent in any investment transaction. Losses may be incurred due to issuer default, market price changes, and technical cash flow complications such as investments in non-marketable certificates of deposit or unanticipated cash flow requirement. Diversification of the portfolio by institution, investment vehicle, and maturity term is the primary tool available in minimizing investment risk and capital losses by safeguarding the overall portfolio from any individual loss.

### **PORTFOLIO DIVERSIFICATION PRACTICES**

The investment portfolio shall be diversified to prevent incurring unreasonable and avoidable risks regarding specific security types, individual financial institutions or maturity segments. The following sections summarize the major portfolio diversification practices and guidelines in determining:

- Eligible financial institutions
- Investment vehicles
- Investment maturity

Portfolio limitations included in these guidelines are to be based on the portfolio composition and Investment Policy and Management Plan policies in effect at the time of placement; the actual composition of the investments may vary over time from plan limitations due to overall portfolio changes from when the individual placement was made as well as changes in the Investment Policy and Management Plan.

### **ELIGIBLE FINANCIAL INSTITUTIONS**

---

### **PORTFOLIO DIVERSIFICATION AND CREDIT-WORTHINESS STANDARDS**

The following general criteria relating to portfolio diversification and credit-worthiness will be used in selecting depositories and broker/dealers (financial institutions) in the placement of investments:

- The financial capacity and credit-worthiness of the financial institution shall be considered prior to the placement of investments.
- Financial statements shall be maintained for each institution through which cash is invested.
- No more than 25% of the portfolio (exclusive of government agency issues) shall be placed with any financial institution.
- No more than 25% of the portfolio shall be invested in collateralized certificates of deposit issued by savings and loan institutions.
- Certificates of deposit (negotiable and collateralized) placed shall not constitute more than 15% of the total assets of the institution; and negotiable certificates of deposit will only be placed with institutions with total assets in excess of \$200 million and that maintain a ratio of equity to total assets of at least 5%.

**CERTIFICATION AND REPORTING REQUIREMENTS**

A list of qualified securities broker/dealers and financial institutions with which there is an investment relationship. A copy of the Investment Policy and Management Plan will be provided to those qualified in doing business with the City or Agency and will require written acknowledgment that they have reviewed the Investment Policy and Management Plan and that it will:

- Exercise due diligence in monitoring the activities of its officers and employees engaged in transactions.
- Ensure that all of its officers and employees offering investments are trained in the precautions appropriate to public sector investments.
- Submit audited financial statements prepared by an independent certified public accountant on an annual basis within 180 days after the end of the institution's fiscal year.

**INDIVIDUAL PLACEMENT OF INVESTMENTS**

Individual placement of investments with eligible financial institutions shall be based on the following practices and procedures:

- Investments shall be placed with three (3) institutions selected from an established list of qualified Primary Dealers in U. S. Government Securities. Performance of the selected institutions shall be continually monitored and a new institution selected if determined to be in the best interest of the City and Agency.
- Investments shall only be placed with financial institutions maintaining offices within the State of California.
- Except for repurchase agreements and placements with the State's local agency investment pool (LAIF), investments shall be awarded based on competitive bids.
- Within the context of the policies regarding competitive bidding and portfolio limitations, investments shall be distributed as evenly as possible between financial institutions.
- Negotiable investments shall not be purchased or sold from the institution which provides custodial safekeeping for investments.

**INDIVIDUAL PLACEMENT OF DEPOSITS**

Individual placement of negotiable, collateralized, and other time certificates of deposit with eligible financial institutions shall be based on the following practices and procedures:

- Deposits shall only be placed with financial institutions maintaining offices within the City of Marina.
- Unless collateralized by eligible securities as provided in Sections 53651 and 53652 of the Government Code, the maximum amount of Certificates of Deposit to be placed with any single institution is \$100,000.

## **ELIGIBLE FINANCIAL INSTITUTIONS (continued)**

---

- Reasonable efforts will be made to place deposits of less than \$100,000 with each eligible institution. Any deposits in excess of this amount shall be awarded based on competitive bids.
- Within the context of policies regarding competitive bidding and portfolio limitations, deposits shall be distributed as evenly as possible between financial institutions.

## **INVESTMENT VEHICLES**

---

### **STATE OF CALIFORNIA LIMITATIONS**

As provided in Sections 53601, 53635, and 16429.1 of the Government Code, the State or California limits the investment vehicles available to local agencies as summarized by the following:

#### **Government Agency Issues**

As authorized in Government Code Sections 53601(a) through (e), this category includes a wide variety of government securities. There are no portfolio limitations on the amount; however, the maturity term for these investment vehicles may not exceed five (5) years unless approved by the Council. As discussed below, special authority is granted to the Finance Director and/or Treasurer to invest proceeds from debt issues (reserve funds) for a period not to exceed the term of the debt. These securities include the following:

- Local government bonds or other indebtedness
- State bonds or other indebtedness
- U. S. Treasury notes or other indebtedness secured by the full faith and credit of the federal government
- Other federal agency securities such as issues by the Government National Mortgage Association (GNMA's), Federal National Mortgage Association (FNMA's), and Small Business Administration.

#### **Banker's Acceptances**

As provided in Government Code Section 53601(f), forty percent (40%) of the portfolio may be invested in Banker's Acceptances that are eligible for purchase by the Federal Reserve System, although no more than thirty percent (30%) of the portfolio may be invested in Bankers' Acceptances with any one commercial bank. Maturity period cannot exceed one hundred eighty (180) days.

## **INVESTMENT VEHICLES (continued)**

---

### **Commercial Paper**

As authorized in Government Code Section 53601(g), fifteen percent (15%) of the portfolio may be invested in "prime" commercial paper as rated by Moody's or Standard and Poor's, with maturities not to exceed two hundred seventy (270) days nor ten percent (10%) of outstanding paper of issuer. This percentage may be increased to thirty percent (30%) if the dollar weighted average maturity does not exceed thirty-one (31) days. There are a number of other qualifications regarding investments in commercial paper based on the financial strength of the corporation.

### **Negotiable Certificates of Deposit**

As authorized in Government Code Section 53601(h), thirty percent (30%) of its portfolio may be invested in negotiable certificates of deposit issued by commercial banks.

### **Repurchase and Reverse Repurchase Agreements**

As authorized in Government Code Section 53601(i), repurchase agreements are agreements between the local agency and seller for the purchase of government securities to be resold at a specific date and for a specific amount. Repurchase agreements are generally used for short-term investments. The legal limitation on the maturity period for a repurchase agreement is for one (1) year with the required market value underlying the agreement at one hundred two percent (102%) of the funds borrowed with the value adjusted quarterly. Reverse repurchase agreements are agreements between the local agency and buyer for the sale of government securities to be repurchased at a specific date and for a specific amount. Reverse repurchase agreements require the prior approval of the Council. Repurchase agreements and reverse repurchase agreements can only be made with primary dealers of the Federal Reserve Bank of New York.

### **Corporate Notes**

As authorized in Government Code Sections 53601(j), local agencies may invest in corporate notes issued by corporations organized and operating in the United States with a maximum maturity period of five (5) years in an amount not to exceed thirty percent (30%) of the agency's portfolio.

### **Diversified Management Companies (Mutual Funds)**

As authorized in Government Code Sections 53601(k), local agencies are also authorized to invest in shares of beneficial interest issued by diversified management companies (DMC's) as defined in Section 23701(m) of the Revenue and Taxation Code in an amount not to exceed twenty percent (20%) of the agency's portfolio. There are a number of other qualifications and restrictions regarding allowable investments in corporate notes and share of beneficial interest issued by DMC's.

## **INVESTMENT VEHICLES (continued)**

---

### **Time Certificates of Deposit**

As authorized in Government Code Section 53601(n), Certificates of Deposit are fixed term investments which are required to be collateralized 110% by eligible pooled securities. The pool is administered by the State, and is composed of a wide variety of government securities, including those indicated above (except municipal bonds), as well as promissory notes secured by first mortgages on improved residential property located in the State. There are no portfolio limits on the amount, however the maturity period for this investment vehicle may not exceed five (5) years unless approved by the Council.

### **Local Agency Investment Fund**

As authorized in Government Code Section 16429.1, local agencies may invest in the Local Agency Investment Fund (LAIF), a money market fund that allows local agencies to pool their investment resources. Current policies of LAIF set minimum and maximum amounts of monies that may be invested as well as maximum numbers of transactions that are allowed per month.

## **CITY AND AGENCY POLICIES**

### **Allowable Investment Vehicles**

The Finance Director and/or Treasurer is authorized to invest in any of the investment vehicles allowed by Sections 53601, 53635 and 16429.1 of the Government Code with the exception of financial futures or option contracts. Exclusion of these vehicles is consistent with the overall objective of achieving reasonable yields on public funds while minimizing risk and capital losses. Although the potential exists for greater interest yields with these vehicles, it is believed that the potential level of risk exceeds their benefits except in very limited circumstances. Accordingly, Council approval is required on a case-by-case for any investments in financial futures or option contracts.

### **Term**

Reserve funds from the proceeds of debt issues may be invested by the Finance Director/Treasurer in government agency securities with terms exceeding five (5) years if the maturity of such investments are made to coincide as nearly as practicable with the life of the debt issue. In all other cases, Council approval to make investments with terms in excess of five (5) years is required on a case-by-case basis.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## **INVESTMENT VEHICLES (continued)**

---

### **Exemptions**

These policies do not apply to deferred compensation plans. Individual investment policies are adopted by each deferred compensation plan and approved independently by Council. Solely controlled by the individual participant who directs individual investments within their account. Bond/Loan proceeds of debt issuance that shall be invested in accordance with permitted investment provisions of their specific bond/loan indentures.

### **INVESTMENT MATURITY**

---

In addition to the risks associated with the credit-worthiness of the financial institution and the security of the investment vehicle, the maturity period of investments is also a significant consideration in the management of the portfolio. In order to minimize the impact of market risk, it is intended that all investments will be held until maturity. The following guidelines will be used:

- Projected cash flow requirements are the primary factor to be used in determining investment maturity terms. After cash flow needs have been met, yield considerations will be the next factor used in determining maturity terms, with the expectation that longer maturity periods will generally yield greater returns on investments.
- Investments may be sold prior to maturity for cash flow or appreciation purposes; however, no investment shall be made based solely on yields resulting from anticipated capital gains.
- Investments longer than one (1) year may be made if consistent with the cash flow needs and related intent of holding until maturity.

In accordance with the guidelines above, the following targets will be used in guiding the maturity mix of the overall portfolio exclusive of longer-term investments of debt service reserves:

Within 1 month to 1 year	70%
Within 1 to 5 years	20%
Greater than 5 years	<u>10%</u>
TOTAL	<u>100%</u>

### **CASH MANAGEMENT**

---

To achieve a reasonable return on funds, the following cash management practices will be followed:

- Maintain maximum investment of all funds not required to meet immediate cash flow needs while maintaining adequate compensating balances as may be required under the banking services agreement.
- Pool resources available for investment from all funds, with interest earnings allocated to each fund in accordance with generally accepted accounting principles.
- Maximize cash flow through deposit of all cash receipts, direct deposits and wire transfers whenever available, and appropriate timing of payments to vendors.
- Maximize cash flow through use of only one general operating bank account.

## **EVALUATION OF INVESTMENT PERFORMANCE**

---

As indicated in the Introduction section of this document, it is the primary investment objective to achieve a reasonable rate of return on public funds while minimizing risks and preserving capital. In evaluating the performance of the portfolio in achieving this objective, it is expected that yields on investments will regularly meet or exceed the average return on three month U. S. Treasury Bills.

## **INVESTMENT REPORTING**

---

Consistent with Sections 16481.2 and 53646 of the Government Code, the Finance Director and/or Treasurer shall submit an annual Statement of Investment and Management Plan to the Council and Agency Board for review and approve at a public meeting. The Finance Director and/or Treasurer is responsible for developing and maintaining this Investment Policy and Management Plan.

In addition to the submittal of an annual Statement of Investment Policy and Management Plan, the Department of Finance shall provide the Council and City Manager with a quarterly investment report, which at a minimum, provides the following information for each investment or security:

- Type of investment
- Name of issuer or broker/dealer (financial institution)
- Maturity date, par and dollar amount for each investment
- Weighted average maturity of investments
- Any funds, investments programs under management of contracted parties
- Total cost and market value, including source of this valuation, of the portfolio
- A description of the compliance with the Statement of Investment and Management Policy
- demonstrating that expenditure requirements can be met in the following six (6) months
- Other information regarding the portfolio as appropriate

The Quarterly Investment Report shall include all investments as of the end of the quarter from all funds held in the portfolio, including funds held and invested by trustees exclusive of deferred compensation plan funds; and shall be issued within thirty (30) days after the end of the quarterly reporting period.

Market value adjustments, as required under Government Accounting Standards Board (GASB) Statement No. 31, are treated as year-end accounting adjustments to the financial records of the City and Successor Agency to the former Redevelopment Agency. Quarterly investment reports will demonstrate market fluctuations and continue to compare purchase price versus market value status. Accounting adjustments under GASB Statement No. 31, which compare changes to beginning and ending par market value in each fiscal year are not included as part of quarterly investment reports.

## GLOSSARY OF TERMS

---

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Bankers' Acceptance - A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point - One basis point is one hundredth of one percent (.01%).

Bond - A financial obligation for which the issuer promises to pay the bondholder a specific stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - A broker brings buyers and sellers together for a commission. He does not take a position or make a recommendation.

Certificate of Deposit - A time deposit insured up to \$100,000 by the FDIC at a set rate with a specific period of time and maturity evidenced by a certificate.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Credit Risk - Risk of loss due to failure of the issuer of a security. Loss may be mitigated by investing in investment grade securities and diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the City's capital base and cash flow.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - There are two methods of delivery of securities: a) Delivery of securities with a simultaneous exchange of money for the securities, and b) Receipt is delivery of securities with an exchange of a signed receipt for the securities.

## **GLOSSARY OF TERMS** (continued)

---

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale is considered to be at a discount.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System - The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank which guarantees deposits to a set limit (currently \$100,000) per account.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Idle (Inactive) Deposits - Funds not immediately needed for disbursement.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Liquidity - Refers to the ability to rapidly convert an investment into cash without a substantial loss of value.

Local Agency Investment Funds (LAIF) - A pooled investment group operated by the State of California for public agencies.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Portfolio - Collection of securities held by an investor.

## **GLOSSARY OF TERMS** (continued)

---

Prudent Investor Rule - An investment standard. Investment in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Purchase Date - The date on which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

---

Repurchase Agreement (REPO) - A transaction where the seller (bank) agrees to buy back from the buyer (City) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (City) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - See Custody.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Treasury Bills - U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13, 26 and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

U.S. Government Agencies - A colloquial term for instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield - The rate of annual income return on an investment, expresses as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting of  
January 20, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016-,  
APPROVING AN AGREEMENT WITH R.L. HASTINGS & ASSOCIATES,  
LLC, OF PLACERVILLE, CALIFORNIA IN THE AMOUNT OF FOUR  
THOUSAND DOLLARS (\$4,000) FOR ADMINISTRATIVE  
SUBCONTRACTOR SERVICES TO PERFORM REQUIRED MONITORING  
OF PROJECT FOR COMPLIANCE WITH REQUIREMENTS OF THE  
HOME PROGRAM TO SUPPORT THE ROCKROSE GARDENS PROJECT,  
AND AUTHORIZING CITY MANAGER TO EXECUTE AGREEMENT ON  
BEHALF OF CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY  
THE CITY ATTORNEY**

**REQUEST:**

It is requested that the City Council consider:

1. Adopting Resolution No. 2016-, approving an Agreement with R.L. Hastings & Associates, LLC, of Placerville, California in the amount of four thousand dollars (\$4,000) for Administrative Subcontractor Services to perform required monitoring of project for compliance with requirements of the HOME Program to support the Rockrose Gardens Project, and;
2. Authorizing City Manager to execute Agreement on behalf of City subject to final review and approval by the City Attorney.

**BACKGROUND:**

The City of Marina began working with Interim Inc. with the goal of developing an affordable housing project at 3012-3022 Lexington Court in March 2010. At a regular meeting of October 5, 2010, the former Redevelopment Agency of the City of Marina adopted Resolution No. 2010-30 (MRA), which approved entering into an Exclusive Negotiating Agreement with Interim Inc. for the project. The purpose of the project is to facilitate the development of twenty-one (21) units of permanent, supportive housing for very low income persons with mental disabilities.

On January 20, 1998, the City executed Grant Agreement 97-HOME-0266 with the State Department of Housing and Community Development (HCD) for a First-Time Homebuyer down payment assistance program. The U.S. Department of Housing and Urban Development (HUD) provided funding to HCD through HUD's HOME Investment Partnerships Program (HOME). The grant expired June 25, 2011 with a balance of \$386,873 of Program Income. City staff consulted with HCD staff concerning the possibility of the City retaining the Program Income (PI) funds for HOME-eligible activities in Marina rather than returning the unexpended funds to HCD in a grant close-out process.

At the regular meeting of January 25, 2011, the former Marina Redevelopment Agency Board adopted Resolution No. 2011-02 (MRA) approving a Development and Disposition Agreement (DDA) with Interim Inc. for the Lexington Court property, which was executed on January 31, 2011. The City had collaborated with Interim to secure \$5.5 million funding required to construct the project, from a range of funding sources.

In July 2012, HCD staff notified the City that they had amended the 1997 Grant Agreement, which would enable the City to retain and redirect use of the funds for HOME-eligible activities.

At a regular meeting of December 4, 2012, the City Council adopted Resolution No. 2012-180 approving a regulatory agreement, loan agreement, deed of trust and note with Interim Inc./Rockrose Housing Corporation to secure the loan of funds in the amount of \$361,873 for the Rockrose Gardens housing project in accordance with the regulations of HCD/HOME.

At the regular meeting of March 5, 2013, the City Council adopted Resolution No. 2013-27 to retain R. L. Hastings & Associates, LLC to provide administrative subcontractor activities related to set up, construction monitoring and completion of related documents in accordance with the regulations of HCD/HOME requirements.

On September 10, 2015, documents were prepared and forwarded to HCD/HOME in connection with completion of construction on the Rockrose Gardens project.

**ANALYSIS:**

HCD/HUD mandates that the City of Marina conduct annual long-term monitoring of the Rockrose Project for the next 55 years. The scope of the monitoring is defined in the Agreement ("**EXHIBIT A**") between City of Marina and R.L. Hastings, LLC. The term of the contract will be January 20, 2016 to January 20, 2017. The intent of the contract is to complete the first year reporting using R. L. Hastings & Associates and guide city staff on all phases of the mandated monitoring, which would allow subsequent year reporting to be accomplished in-house. The fee for service for R.L. Hastings & Associates, LLC is Four Thousand (\$4,000) for a one year contract.

**FISCAL IMPACT:**

Should the City Council approve this request to enter into an agreement with R.L. Hastings & Associates, LLC their fee is not-to-exceed Four Thousand Dollars (\$4,000).

The cost for subcontractor services has been budgeted in account 100.440.000.00 6300.570.

**CONCLUSION:**

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

---

Marilyn Lidyoff  
Economic Development Coordinator  
City of Marina

**REVIEWED/CONCUR:**

---

Layne P. Long  
City Manager  
City of Marina

RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING AN AGREEMENT WITH R.L. HASTINGS & ASSOCIATES, LLC, OF PLACERVILLE, CALIFORNIA IN THE AMOUNT OF FOUR THOUSAND DOLLARS (\$4,000) FOR ADMINISTRATIVE SUBCONTRACTOR SERVICES TO PERFORM REQUIRED MONITORING OF PROJECT FOR COMPLIANCE WITH REQUIREMENTS OF THE HOME PROGRAM TO SUPPORT THE ROCKROSE GARDENS PROJECT, AND AUTHORIZING CITY MANAGER TO EXECUTE AGREEMENT ON BEHALF OF CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

WHEREAS, the City of Marina began working with Interim Inc. with the goal of developing an affordable housing project at 3012-3022 Lexington Court project in March 2010 and at a regular meeting of October 5, 2010, the former Redevelopment Agency of the City of Marina adopted Resolution No. 2010-30 (MRA), which approved entering into an Exclusive Negotiating Agreement for the project to facilitate the development of twenty-one (21) units of permanent, supportive housing for very low income persons with mental disabilities, and;

WHEREAS, at the regular meeting of January 20, 1998, the City executed Grant Agreement 97-HOME-0266 with the State Department of Housing and Community Development (HCD) for a First-Time Homebuyer down payment assistance program and the U.S. Department of Housing and Urban Development (HUD) provided funding through the HOME Investment Partnerships Program (HOME), and;

WHEREAS, at the regular meeting of January 25, 2011, the former Marina Redevelopment Agency Board adopted Resolution No. 2011-02 (MRA) approving a Development and Disposition Agreement (DDA) with Interim Inc. for the property, which was executed on January 31, 2011. The City had collaborated with Interim to secure \$5.5 million funding required to construct the project, from a range of funding sources, and;

WHEREAS, the grant expired June 25, 2011 with a balance of \$386,873 of Program Income. City staff consulted with HCD staff about the potential for the City to retain the Program Income (PI) funds for HOME-eligible activities in Marina rather than returning the unexpended funds to HCD in a grant close-out process, and;

WHEREAS, in July 2012, HCD staff notified the City that they had amended the 1997 Grant Agreement that would enable the City to retain and redirect use of the funds for HOME-eligible activities, and;

WHEREAS, at a regular meeting of December 4, 2012, the City Council adopted Resolution No. 2012-180 approving a regulatory agreement, loan agreement, deed of trust and note with Interim Inc./Rockrose Housing Corporation to secure the loan of funds in the amount of \$361,873 for the Rockrose Gardens housing project in accordance with the regulations of HCD/HOME, and;

WHEREAS, at the regular meeting of March 5, 2013, the City Council adopted Resolution No. 2013-27 to retain R. L. Hastings & Associates, LLC to provide administrative subcontractor activities related to set up, construction monitoring and completion of related documents in accordance with the regulations of HCD/HOME requirements, and;

WHEREAS, on September 10, 2015, documents were prepared and forwarded to HCD/HOME in connection with completion of construction on the Rockrose Gardens project, and;

WHEREAS, HCD/HUD mandates that the City of Marina conduct annual long-term monitoring of the Rockrose Project for the next 55 years. The scope of the monitoring is defined in the Agreement ("**EXHIBIT A**") between City of Marina and R.L. Hastings, LLC. The term of the contract will be January 20, 2016 to January 20, 2017. The intent of the contract is to complete the first year reporting using R. L. Hastings & Associates and guide city staff on all phases of the mandated monitoring, which would allow subsequent year reporting to be accomplished in-house. The fee for service for R.L. Hastings & Associates, LLC is Four Thousand (\$4,000) for a one year contract.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby:

1. Approve an Agreement (Exhibit A) with R.L. Hastings & Associates, LLC of Placerville, California in the amount of four thousand dollars (\$4,000) for Administrative Subcontractor Services to perform required monitoring of project for compliance with requirements of the HOME Program to support the Rockrose Gardens Project, and;
2. Authorize City Manager to execute agreement on behalf of City subject to final review and approval by the City Attorney.

PASSED AND ADOPTED, by the City Council at a regular meeting duly held on the 20<sup>th</sup> day of January, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:

---

Bruce C. Delgado, Mayor

---

Anita Sharp, Deputy City Clerk

EXHIBIT "A"

AGREEMENT BY & BETWEEN  
CITY OF MARINA  
AND  
R.L. HASTINGS & ASSOCIATES, LLC  
FOR ADMINISTRATIVE SUBCONTRACTOR SERVICES  
TO PERFORM REQUIRED MONITORING OF PROJECT

*(This Project is in connection with Standard Agreement: 2013 PI Project)*

THIS AGREEMENT, entered into this 20th day of January 2016 by and between the City of Marina hereinafter referred to as "CITY," and R.L. Hastings & Associates, LLC, hereinafter referred to as "CONSULTANT."

WHEREAS, the CITY desires to engage CONSULTANT to perform Long-Term Monitoring services on behalf of the CITY for the annual monitoring of the City's 2013 HDC/HOME grant, and

WHEREAS, the CONSULTANT is qualified and experienced to provide such consulting services; and

NOW, THEREFORE, said CITY and said CONSULTANT, for the considerations hereinafter and set forth, mutually agree as follows:

**ARTICLE 1      CONSULTANT Responsibilities is to complete documents and instruct city staff on each phase of monitoring along with compliance reporting including the following:**

- A. CONSULTANT shall prepare "Notification of Site Visit" letter and supply to the project's management company to notify tenants of pending site visit and random unit inspections;
- B. CONSULTANT shall inspect, along with city staff, the project exterior, grounds, and public areas and prepare with city staff the "Physical Condition Report" and other required forms;
- C. CONSULTANT shall conduct unit inspections with city staff on required number of HOME units and complete the HOME "Unit Inspection" checklist or the "HUD Unit Inspection Checklist," whichever is required per the City Monitoring Policies and Procedures;
- D. CONSULTANT shall conduct tenant file reviews with city staff on required number of HOME unit files for compliance with the project's Regulatory Agreement and Uniform Multifamily Regulations;
- E. CONSULTANT shall review the Fiscal Responsibility of the project's management and train staff as necessary to improve performance towards meeting goals;

## **CONSULTANT SERVICES**

### **HOME LONG-TERM MONITORING Page 2**

- F. CONSULTANT shall review and analyze the “Annual Affirmative Marketing Report” and train staff, if necessary, on how to improve performance towards goals;
- G. CONSULTANT shall prepare along with city staff the “Annual Monitoring Report”;
- H. CONSULTANT shall review along with city staff the “Annual Project Compliance Report”;
- I. CONSULTANT shall prepare along with city staff the “Monitoring Summary Letter” outlining all Findings and Concerns;
- J. CONSULTANT shall prepare a “Monitoring Clearance Letter” when all Findings and Concerns have been addressed appropriately;
- K. CONSULTANT shall submit all required documents to the State HOME Program and copy to City;
- L. CONSULTANT shall perform other tasks addressed in the informal request for quotes.

### **ARTICLE 2 Term**

This AGREEMENT shall commence on the 20th day of January 2016. The CITY or CONSULTANT may terminate this AGREEMENT at any time for good cause, by giving at least thirty (30) days’ written notice. Good cause shall consist of violations of this AGREEMENT. If contract is terminated, CONSULTANT shall be compensated for work performed up to the date of termination. CITY and CONSULTANT agree that time is of the essence for CONSULTANT performance of responsibilities enumerated in Article 1.

The Term of this AGREEMENT is for one year, commencing January 20, 2016 to conduct the first annual long-term monitoring activities and ending on January 20, 2017.

### **ARTICLE 3 Compensation and Method of Payment**

CITY will pay CONSULTANT the lump sum amount not to exceed \$4,000 in the following manner:

- A. CONSULTANT will submit a request for payment after completion of the following milestones:
  - \$90% of contract amount (\$3,600) payable upon issuance of the Summary Letter containing any Findings and Concerns for the project;
  - \$10% of contract amount (\$400) upon receipt of State HOME Program Clearance.
- B. The CITY will process the request for payment within 30 days after receipt of CONSULTANT’s invoice.

**ARTICLE 4      **Amendments****

This AGREEMENT may be amended by a written amendment executed by both parties.

**ARTICLE 5      **Status of Relationship****

It is the intent of the parties that under this AGREEMENT, CONSULTANT shall be an independent contractor, and not an employee of the CITY. This agreement excludes absolutely any employee-employer relationship between CONSULTANT and CITY. CITY will not provide workmen's compensation insurance, nor pay for other disability compensation. CONSULTANT will be fully responsible for payment federal and state income taxes, social security, and any other payroll tax obligations that CONSULTANT may owe as a result of compensation received under this AGREEMENT.

CONSULTANT shall maintain insurance for the duration of the contract. CONSULTANT shall, at its own expense, comply with CITY insurance and liability requirements included as "Attachment B" to this AGREEMENT. Due to the nature of work involved with this project, CONSULTANT shall not be obligated to maintain Errors and Omissions Liability coverage. CONSULTANT shall furnish a certificate of insurance to CITY

The CITY reserves the right to inspect or audit work being performed by CONSULTANT, after providing CONSULTANT with a written notice at least two (2) business days before any intended inspection or audit. Work being defined as the duties listed in ARTICLE 1.

**ARTICLE 6      **Affirmative Action****

In rendering the services contemplated by this AGREEMENT with the CITY, the CONSULTANT will not discriminate against any employee or applicant for employment because of race, color, creed, sex, age, or national origin. CONSULTANT shall also comply with Title IV of the Civil Rights Act of 1964 and shall provide such reports as may be required to carry out the intent of this section.

Furthermore:

- A. CONSULTANT shall take affirmative action to insure that job applicants are employed and that employees are treated during employment without regard to race, religion, sex, color, age, national origin, or physical handicap. The term "affirmative action" shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment advertisement; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- B. CONSULTANT agrees to post such notices, to be provided, setting forth the provisions of this equal employment opportunity and affirmative action program.

- C. CONSULTANT shall in all solicitations or advertisements for employees placed by or on behalf of the CONSULTANT state that all qualified applicants will receive consideration to employment without regard to race, religion, sex, color, age, national origin, or physical handicap. Notification that CONSULTANT is an “Equal Opportunity Employer” or “EOE” constitutes satisfaction of this notice requirement.

**ARTICLE 7 Fair Employment Practices**

CONSULTANT will permit access to records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices Commission, or any other agency of the State of California designated by awarding authority, for the purposes of investigation to ascertain compliance with the Fair Employment Practices Provision. In the event of any violations by the CONSULTANT of state fair employment laws, the State of California shall have the right to terminate this AGREEMENT either in whole or in part. In the event of such termination, any loss or damage sustained by the State of California and/or CITY in securing the goods or services hereunder shall be borne and paid for by the CONSULTANT and by their surety under performance bond, if any, and, in addition to other remedies, the State of California and the CITY may deduct from any monies due or that thereafter become due to the CONSULTANT the difference between the price named in the particular agreements and the actual cost thereof to the State of California and the CITY.

**ARTICLE 8 Compliance with Labor Code of State of California**

Pursuant to the provisions of Section 3700 of the Labor Code, CONSULTANT will require every employer to be insured against liability for workmen’s compensation, or to undertake self-insurance in accordance with the provisions of that code, and will comply with such provisions before commencing the performance of the work of a particular agreement. Furthermore, CONSULTANT shall also provide evidence of workmen’s compensation insurance, unemployment insurance, and disability insurance to cover all of CONSULTANT’s employees.

**ARTICLE 9 The Civil Rights Act, HCD, Age Discrimination, and Rehabilitation Acts Assurance**

During the performance of this contract the CONSULTANT assures that no otherwise qualified person shall be excluded from the participation or employment, denied program benefits, or be subject to discrimination based on race, color, national origin, sex, age, or handicap, under any program or activity funded by this AGREEMENT, as required by Title VI of the Civil Rights Act of 1964; Title I, of the Housing and Community Development Act of 1974, as amended; the Age Discrimination Act of 1975; the Rehabilitation Act of 1973; and all implementing programs.

**ARTICLE 10      The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance**

- A. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701 u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- B. The parties to this AGREEMENT will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this AGREEMENT. The parties to this AGREEMENT certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- C. The CONSULTANT will send to each labor organization or representative of workers with which there is a collective bargaining agreement or other contract or understanding, if any, a notice advertising the said labor organization or workmen's representative of the commitment under this Section 3 Clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- D. The CONSULTANT will include this Section 3 Clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon finding the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided a preliminary statement of ability to comply with the requirements of these regulations.
- E. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractor or subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

**ARTICLE 11      State Non-Discrimination Clause**

- A. During the performance of this AGREEMENT, CONSULTANT and its subcontractors shall not lawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical

- handicap, medical condition, marital status, age (over 40), or sex. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.) And the applicable regulations promulgated thereunder (California Administrative Code Section 12990), set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code, are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. CONSULTANT and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- B. This AGREEMENT shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.

**ARTICLE 12 Indemnity and Liability**

CITY shall not be liable for any damage or injuries caused, nor the cost or expense incurred, by CONSULTANT in the performance of any of the CONSULTANT's duties under this AGREEMENT. If a claim or lawsuit is brought against the CITY for any damages or injuries caused, or costs and expenses incurred, by CONSULTANT, then CONSULTANT shall defend against and indemnify CITY for any such claim or lawsuit. Furthermore, the CITY is not liable or responsible for any damages or injuries caused to, nor costs or expenses charged to, the CONSULTANT as a result of CONSULTANT's performance of the duties under this AGREEMENT.

**ARTICLE 13 Entire Agreement**

This AGREEMENT supersedes any and all other agreements, either written or oral, between the parties hereto with respect to the subject matter hereof, and no other agreement, or promises relating to the subject matter of this AGREEMENT which is not contained herein, shall be valid or binding.

Provided, however, the parties may later enter into written modifications or amendments to this AGREEMENT, signed and dated by both parties.

**CONSULTANT SERVICES  
HOME LONG-TERM MONITORING**

IN WITNESS WHEREOF, the parties hereby have caused this AGREEMENT to be executed on the day and year first above written:

CITY OF MARINA

CONSULTANT

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
R. L. Hastings  
R. L. Hastings & Associates LLC

Approved as to form:

By: \_\_\_\_\_  
City Attorney, City of Marina

## ATTACHMENT B

### INSURANCE REQUIREMENTS FOR CONSULTANTS

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, his/her agents, representatives, or employees.

**Minimum Scope of Insurance.** Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workmen's Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions Liability appropriate to the CONSULTANT's profession.

**Minimum Limits of Insurance.** CONSULTANT shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage, or a level acceptable to the CITY.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability: At a level acceptable to the CITY.

**Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officers, officials, employees, and volunteers; or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

**Other Insurance Provisions.** The general liability, automobile liability, and workmen's compensation policies are to contain, or be endorsed to contain, the following provisions:

1. The CITY, its officers, officials, employees, and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the CONSULTANT; products and completed operations of the CONSULTANT; premises owned, occupied, or used by the CONSULTANT; or automobiles owned, leased, hired, or borrowed by the CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the CITY, its officers, officials, employees, or volunteers.
2. For any claims related to this project, the CONSULTANT's insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees, or volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the CITY, its officers, officials, employees, or volunteers.
4. The CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the CITY.

**Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A; VII, unless otherwise acceptable to the CITY.

**Verification of Coverage.** CONSULTANT shall furnish the CITY with original endorsements affecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the CITY. All endorsements are to be received and approved by the CITY before work commences. As an alternative to CITY forms, the CONSULTANT's insurer may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016- ,  
APPROVING A FEE AGREEMENT BETWEEN THE CITY OF MARINA  
AND EAH INC. REPRESENTING THE VETERANS TRANSITION  
CENTER (VTC) FOR PROVISION OF PLANNING, ENGINEERING  
AND CITY ATTORNEY SERVICES RELATED TO REVIEW AND  
PROCESSING OF THE VTC PERMANENT SUPPORTIVE HOUSING  
PROJECT LOCATED ON HAYES CIRCLE, MARINA CALIFORNIA  
(APN: 031-021-040); AUTHORIZING THE FINANCE DIRECTOR TO  
MAKE THE APPROPRIATE ACCOUNTING AND BUDGETARY  
ENTRIES, AND; AUTHORIZING THE CITY MANAGER TO EXECUTE  
THE FEE AGREEMENT ON BEHALF OF THE CITY SUBJECT TO  
FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY**

**REQUEST:**

It is requested that the City Council consider:

1. Adopting Resolution 2016- , approving a Fee Agreement between the City of Marina and EAH Inc. for provision of planning, engineering and City Attorney services related to review, and processing of the VTC Permanent Housing Project located on Hayes Circle, Marina, California (APN:031-021-040), and;
2. Authorizing the Finance Director to make the appropriate accounting and budgetary entries, and;
3. Authorizing the City Manager to execute the Fee Agreement on behalf of the City subject to final review and approval by the City Attorney.

**BACKGROUND:**

Fees for review of smaller and/or less complex project proposals are usually based upon a fixed fee schedule for the provision of a specified list of City review services. Pursuant to City Ordinance No. 2007-07 and Resolution No. 2007-153, fees for the review of larger and/or more complex projects are based upon “cost of service” according to an agreement between the applicant and the City.

The subject property is a 2.38 acre parcel along Hayes Circle. The subject property is adjacent to, but not a part of Cypress Knolls. The proposed project includes demolition of four existing duplex structures, construction of 64 studio apartments and 8 two-bedroom apartments for a total of 72 units of permanent supportive housing for veterans and their families. Fourteen trees are proposed for removal. The concept plan illustrates the inclusion of a community garden, tot lot, community room, office, lobby, laundry facility, fitness studio, two lounges, rear semi-private patio area, and a front entry semi-public patio area leading to a 60 parking space lot with two drive access points to Hayes Circle. The main structure would be three stories and span a length of over 300 feet along Hayes Circle. The preliminary site plan is attached (“EXHIBIT A”).

The project site is designated as Single Family Residential on the General Plan Land Use Map and located within the Multiple Family Residential (R-4) Zoning District. The Project will require:

- Preparation of an Initial Study and Negative Declaration;
- An Amendment to the General Plan Land Use Map to change the designation from Single Family Residential to Multiple Family Residential to allow the project density of 30.25 units per acre;
- A Conditional Use Permit to exceed twenty-five units per acre in the R-4 Zoning District;
- A Tree Removal, Preservation and Protection Permit and Site and Architectural Design Review Approval;
- A parking exception to allow reduced parking; and
- A consistency determination from the Fort Ord Reuse Authority

**ANALYSIS:**

Due to the complexity of the project, planning, engineering and attorney costs related to review and processing of the proposed project may differ from the fixed fee that would otherwise be assigned to the project according to the City's fee schedule.

A draft Fee Agreement has been prepared by the City Attorney (**"EXHIBIT A" to the Resolution**). The Fee Agreement allows for recovery of costs for necessary background and project review; preparation of staff reports and environmental documents, including any needed technical analysis; meetings of the Tree Committee and Site and Architectural Design Review Board; public hearings of the Planning Commission and City Council; and time required by the City Attorney and City staff. It will also cover costs associated with determining the project's consistency with the City General Plan, the Fort Ord Base Reuse Plan, and all applicable local, state and federal regulations. Further, the Fee Agreement requires additional deposit(s) as necessary to reimburse the City for any additional costs beyond the deposit amount should they occur. Likewise, should funds remain in the account upon conclusion of the project, these funds will be returned to the applicant.

**FISCAL IMPACT:**

Should the City Council approve this request, all costs associated with the review and processing of this project will be borne by the developer and reimbursed through the authority of the Fee Agreement between the parties.

Specifically, the Fee Agreement provides for an initial deposit of \$41,588, which has already been made by the applicant. Further, the Fee Agreement requires additional deposit(s) as necessary to reimburse additional costs beyond the deposit amount should they occur. Revenues and appropriations would be in the General Fund Planning Fee Agreement accounts.

**CONCLUSION:**

The request is submitted for City Council consideration and possible action.

Respectfully submitted,

---

Taven M. Kinison Brown  
Acting Planning Services Manager  
Community Development Department  
Planning Services Division

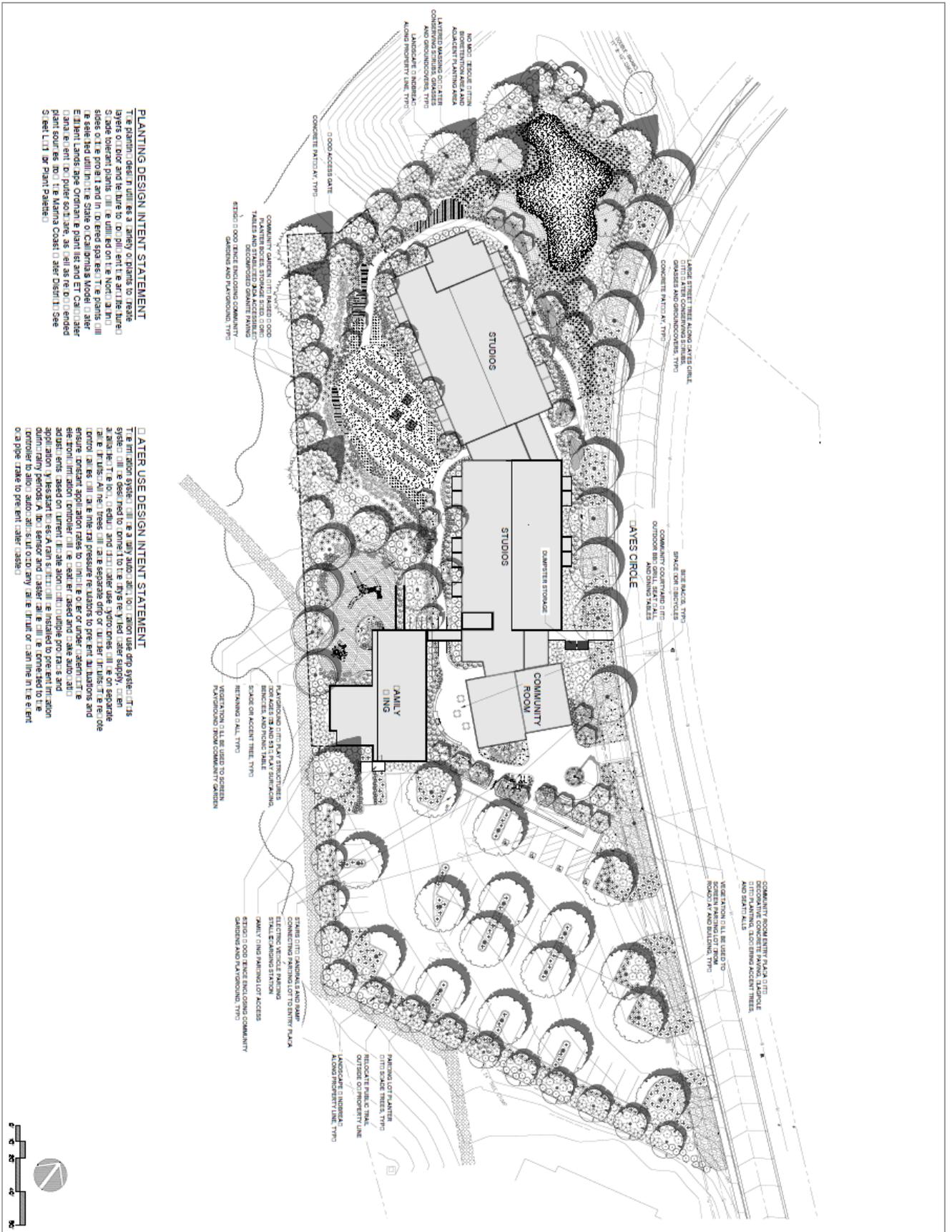
**REVIEWED/CONCUR:**

---

Theresa Szymanis, AICP, CTP  
Acting Director  
Community Development Department  
City of Marina

---

Layne P. Long  
City Manager  
City of Marina



**PLANTING DESIGN INTENT STATEMENT**

The planter design will use a variety of plants to treat layers of color and texture to provide a rich, layered look. The planter design will be based on the local climate and soil conditions. The planter design will be based on the local climate and soil conditions. The planter design will be based on the local climate and soil conditions.

**AFTER USE DESIGN INTENT STATEMENT**

The irrigation system will be a drip irrigation system. The system will be designed to provide water to the plants in a consistent and efficient manner. The system will be designed to provide water to the plants in a consistent and efficient manner. The system will be designed to provide water to the plants in a consistent and efficient manner.

**LEGEND**

PLANTING DESIGN INTENT STATEMENT

AFTER USE DESIGN INTENT STATEMENT

SCALE: 1" = 20'

DATE: 11/11/11

**VETERANS SYNCHRONE HOUSING**

UPLAND, CALIFORNIA

DATE: 11/11/11

DESIGNER: VAN DORN ARBEE LANDSCAPE ARCHITECTS, INC.

PROJECT NO: 111111

DATE: 11/11/11

**VAN DORN ARBEE LANDSCAPE ARCHITECTS, INC.**

111111

**HKIT ARCHITECTS**

3100 NORTH 1ST STREET, SUITE 200 • OAKLAND, CA 94612

T 510 431 9800 • F 510 431 9100 • WWW.HKIT.COM

RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING A FEE AGREEMENT BETWEEN THE CITY OF MARINA AND EAH INC. REPRESENTING THE VETERANS TRANSITION CENTER (VTC) FOR PROVISION OF PLANNING, ENGINEERING AND CITY ATTORNEY SERVICES RELATED TO REVIEW AND PROCESSING OF THE VTC PERMANENT SUPPORTIVE HOUSING PROJECT LOCATED ON HAYES CIRCLE, MARINA CALIFORNIA (APN: 031-021-040); AUTHORIZING THE FINANCE DIRECTOR TO MAKE THE APPROPRIATE ACCOUNTING AND BUDGETARY ENTRIES, AND; AUTHORIZING THE CITY MANAGER TO EXECUTE THE FEE AGREEMENT ON BEHALF OF THE CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

WHEREAS, the applicant, EAH Inc., representing the Veterans Transition Center (VTC), is proposing to construct a permanent supportive housing project consisting of 64 studio apartments and 8 two-bedroom apartments for veterans and their families for a total of 72 units. The concept plan includes a community garden, tot lot, community room, office, lobby, laundry facility, fitness studio, two lounges, rear private patio area, and a front public patio area leading to a 60 parking space lot with two drive access points to Hayes Circle. Fourteen trees are proposed for removal. The main structure would be three stories and span a length of over 300 feet along Hayes Circle, and;

WHEREAS, the proposed project entails environmental review, an amendment to the General Plan Land Use Map, a Conditional Use Permit to exceed twenty-five units per acre in the R-4 Zoning District, a parking exception to allow reduced parking, Site and Architectural Design Review and a Tree Removal Permit, and;

WHEREAS, pursuant to City Ordinance No. 2007-07 and Resolution No. 2007-153, fees for the review of larger and/or more complex projects are based upon “cost of service” according to an agreement between the applicant and the City, and;

WHEREAS, a draft Fee Agreement has been prepared by the City Attorney (“**EXHIBIT A**”) which allows for recovery of costs for necessary background and project review including preparation of staff reports and environmental documents, including any needed technical analysis; meetings of the Tree Committee and Site and Architectural Design Review Board; public hearings of the Planning Commission and City Council; and time required by the City Attorney and City staff to move the project through the review and decision-making process, and;

WHEREAS, should the City Council approve this request, all costs associated with the review and processing of this project will be borne by the developer and reimbursed through the authority of the Fee Agreement between the parties.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Marina does hereby:

1. Approve a Fee Agreement between the City of Marina and EAH Inc., representing the Veterans Transition Center (VTC) for provision of planning, engineering and City Attorney services related to review, and processing of the 72 unit Supportive Housing Project on a 2.38 acre parcel on Hayes Circle, Marina (APN: 031-021-040), and;

2. Authorize the Finance Director to make the appropriate accounting and budgetary entries, and;
3. Authorize the City Manager to execute the Fee Agreement on behalf of City subject to final review and approval by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 20<sup>th</sup> day of January 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

---

Bruce C. Delgado, Mayor

ATTEST:

---

Anita Sharp, Deputy City Clerk

**DRAFT FEE AGREEMENT**

FEE AGREEMENT FOR THE PROVISION OF PLANNING, ENGINEERING, AND CITY ATTORNEY SERVICES RELATED FOR THE REVIEW AND PROCESSING OF THE VETERANS TRANSITION CENTER PERMANENT SUPPORTIVE HOUSING PROJECT LOCATED AT HAYES CIRCLE, MARINA (APN: 031-021-040)

THIS AGREEMENT, is made and entered into on January 20, 2016, by and between EAH INC., representing the Veterans Transition Center, hereinafter referred to as "Applicant", and the City of Marina, hereinafter referred to as "City," as follows:

Recitals

A. The Applicant, in September 2015, presented to the City a preliminary proposal for a project to provide 72 units of permanent supportive housing for veterans on Hayes Circle, Marina (APN: 031-021-040).

B. Following discussions between the applicant and City planning staff regarding the Project, it has become apparent that the plan review process includes preparation of an Initial Study and Negative Declaration, an Amendment to the General Plan, a Conditional Use Permit to exceed twenty-five units per acre in the R-4 Zoning District, a Tree Removal Permit, Site and Architectural Design Review, a parking exception to allow reduced parking, and a Consistency Determination from the Fort Ord Reuse Authority which may be lengthy, complex and may require legal costs.

C. The Municipal Code Chapter 3.24 requires recovery of 100% of the cost of service for the project and requires a negotiated fee for cost of services for plan review.

E. It is recognized by the Parties the above-described processing will involve both Planning and Engineering Division staff time and City legal services, potentially including outside legal assistance, and introduces an unknown complexity to the review process.

F. The parties have agreed that the Applicant will reimburse the City for its actual expenses incurred in making the above-described determination.

Terms and Conditions

In consideration of the mutual promises contained herein, City and the Applicant agree to the following terms and conditions:

1. Scope of Services. City shall perform the tasks necessary to review and process the Project, including but not limited to review of plans, preparation of environmental documents, analysis of consistency with the General Plan, preparation of staff reports and resolutions, and a consistency determination with the Fort Ord Base Reuse Plan. In performing these services City shall utilize such staff, consultants and legal services, as it deems appropriate. It is acknowledged that the services of any outside counsel or any other Reimbursable Party (as defined in paragraph 5 below) are being rendered for the City; therefore, any work product is the property of the City. Because the services are being rendered in part for the benefit of Applicant, Applicant shall be

entitled to access to and retention of any copies of all work product, other than that identified as protected by attorney client-privilege, before and subsequent to the term of this agreement.

2. City Retains Discretion. Nothing set forth in this Agreement shall be construed as a limitation on the City's discretion to deny or condition any approval required for the Project, provided such denial or condition is made in good faith. In the event any approval is denied or refused or any approval issued to Applicant shall fail or be cancelled, expire, lapse or is otherwise withdrawn or terminated by the City, such an event shall not constitute a breach of this Agreement, whether or not any such refusal or failure was wrongful. Applicant's sole remedy for a wrongful failure by the City to issue any approval, permit or license sought by Applicant shall be a petition for writ of mandate; and such refusal or failure by the City shall not give rise to an action for money damages by the Applicant.

3. Applicant to Reimburse City. Applicant hereby agrees to reimburse City for its actual expenses incurred assisting Applicant pursuant to this Agreement, including but not limited to City staff time and consultant and legal fees (the "Reimbursable Expenses"). The City shall cease incurring any Reimbursable Expenses promptly upon written notice of termination by either party.

4. Term. This Agreement shall commence upon execution of the Agreement and receipt by City of the Deposit described in paragraph 5 and shall be for an indefinite term subject to termination by either party upon fifteen days prior written notice to the other party or as described elsewhere in this Agreement.

5. Estimated Cost and Initial Payment. It is estimated by City that the cost of providing the services described in this Agreement will be **\$41,488** of which a Deposit of **\$10,000** was made September 22, 2015. A second Deposit of **\$31,588** was made December 14, 2015. **(\$41,588 Deposit paid in full.)** Subsequent to execution of this Agreement, but prior to the City incurring Reimbursable Expenses, the City shall provide the Applicant with written notification, which may be by e-mail, of each staff member, consultant, legal personnel, and any other person or party whose services will be included in Reimbursable Expenses ("Reimbursable Party") and the hourly rate to be charged for each such Reimbursable Party, for the reasonable approval of Applicant. Billings for Reimbursable Expenses with hourly charges itemized, showing application of the Deposit and the remaining amount thereof, shall be rendered monthly.

6. Additional Costs. The parties acknowledge that the amount described in paragraph 5 above is an estimate, arrived at following good faith negotiation, based on the nature and scope of Project and upon the experience of the City in dealing with comparable projects. In the event that the City's costs of providing the services exceed those paid by Applicant pursuant to paragraph 5 above, the City shall promptly notify the Applicant, and Applicant shall either agree to reimburse the City for such additional costs or notify the City to immediately cease work under this Agreement. In the event that the balance of the Deposit either falls or is reasonably estimated will fall below \$1,000.00, City shall notify Applicant of the amount of additional Deposit that is required to continue providing the services contemplated in this Agreement and the date such Deposit is due. City shall provide the Applicant with not less than seven days notice of the date the additional Deposit is due. If the additional Deposit is not received by City, City may, in its sole discretion, elect to cease work under this Agreement and notify the Applicant that the Agreement is terminated.

7. Termination. Following the termination of this Agreement City shall ascertain any balance due from or to Applicant from the amounts previously deposited and either notify Applicant of the amount due or refund the balance of the account to Applicant. Any amount due

either party shall be paid upon the later of thirty (30) days after termination or the receipt of all invoices for work performed by City.

8. Modification. This Agreement is not subject to amendment or modification except by a writing signed by the parties hereto.

9. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters covered by this Agreement, and no other agreement, statement or promise made by or to any party or by or to any employee, officer or agent of any party, which is not contained in this Agreement shall be binding or valid.

10. Attorney's Fees. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

11. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which shall be deemed to constitute one and the same instrument

IN WITNESS WHEREOF, Applicant and the City of Marina by its duly authorized representative, have executed this Agreement on the date first hereinabove set forth at Marina, California.

CITY OF MARINA

APPLICANT: EAH, Inc. for  
Veterans Transition Center

By: \_\_\_\_\_  
Layne P. Long, City Manager  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Errol Dominguez, Secretary EAH Inc.  
Date: \_\_\_\_\_

:

Attest (per Resolution No. 2016\_\_\_\_\_):

By: \_\_\_\_\_  
Anita Shepherd-Sharp, Deputy City Clerk

Approved as to form:

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Risk Manager

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL CONSIDER ADOPTING: RESOLUTION NO. 2016-, APPROVING AN AMENDMENT TO THE FY 15/16 BUDGET APPROPRIATING ADDITIONAL FUNDS FOR PREPARATION OF THE CITY OF MARINA'S 5<sup>th</sup> CYCLE HOUSING ELEMENT UPDATE; APPROVING A CONSULTING SERVICES CONTRACT BETWEEN THE CITY OF MARINA AND VERONICA TAM AND ASSOCIATES INC. OF PASADENA CA FOR THE PREPARATION OF THE HOUSING ELEMENT UPDATE AND UPDATE TO THE CITY OF MARINA'S AFFORDABLE HOUSING ORDINANCE (MUNICIPAL CODE CHAPTER 17.45); AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACTS ON BEHALF OF THE CITY, SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY; AND AUTHORIZE THE FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGETARY AND ACCOUNTING ENTRIES**

**REQUEST:**

It is requested that the City Council:

1. Consider Adopting Resolution No. 2016- :
  - a. Approving an amendment to the FY 15/16 budget appropriating additional funds for preparation of the City of Marina's 5<sup>th</sup> Cycle Housing Element Update;
  - b. Approving a consulting services agreement between the City of Marina and Veronica Tam and Associates Inc. of Pasadena, CA for the preparation of the Housing Element update and update to the City of Marina's Affordable Housing Ordinance (Municipal Code Chapter 17.45);
2. Authorize the City Manager to execute the contracts on behalf of the City, subject to final review and approval by the City Attorney; and
3. Authorize the Finance Director to make the necessary budgetary and accounting entries.

**BACKGROUND:**

The last Housing Element of the General Plan (4th Update Cycle) was adopted September 1, 2009 by City Council Resolution No. 2009-147 and was certified by the California Department of Housing and Community Development Department (HCD) on December 16, 2009. This element represented the period 2008-2014. Housing Elements are required by state law to be updated and brought current every five to eight years.

On October 23, 2015, City staff circulated a Request for Proposals (RFP) to prepare the Housing Element Update to six planning and environmental consulting firms with local experience preparing Housing Elements.

Three firms responded by the November 13, 2015 submission date, although only two responded with proposals. Both EMC Planning Group and Veronica Tam and Associates Inc. were invited to interview with the City on December 4, 2015.

## **ANALYSIS:**

The firm Veronica Tam and Associates, Inc. of Pasadena CA, which previously prepared the City's Inclusionary Housing and Density Bonus Ordinances (2006), clearly stood out with a complete and superior proposal. Veronica Tam's team has a demonstrated record of preparing 40 such housing elements in the 5<sup>th</sup> Update Cycle and has demonstrated familiarity with the City's Housing Element and Municipal Code. Additionally, Ms. Tam has a firm professional relationship with the State Office of Planning and Research (OPR) and will be a valuable liaison for the City of Marina. Ms. Tam has partnered with Rincon Consultants, Inc. of Monterey to prepare the environmental document.

The Veronica Tam and Associates proposal estimates a completion date in August of 2016 if work is begun in January.

A draft Agreement for Consulting Services has been prepared ("**Exhibit A to the Resolution**"). This agreement includes two separate Scopes of Services: one to update the Housing Element and one to update MMC Chapter 17.45, Affordable Housing.

### **Appropriation Request**

In anticipation of the state-required update, the FY 15/16 Budget was adopted with \$37,900 set aside for consultant services to prepare the 5<sup>th</sup> Cycle Housing Element Update.

This estimate did not include the preparation of the environmental document required by California Environmental Quality Act (CEQA).

The consultant Scope of Services cost is estimated to have a cost of \$66,526, including environmental review and enhanced citizen consultation.

Exhibit A to the Consulting Services Contract describes the Scope of Work for the preparation of the 5<sup>th</sup> Cycle Housing Element Update.

### **Zoning Code Update**

The Scope of Work for updating Marina Municipal Code (MMC) Chapter 17.45, Affordable Housing Ordinance, includes updates to reflect changes in state law that address density bonus provisions, employee housing, farmworker housing, and the definition of transitional housing. The update will also include any new or revised implementation measures stemming from the update to the Housing Element.

Exhibit B to the Consulting Services Contract describes the Scope of Work for an update to Chapter 17.45.

Staff is also requesting a budget adjustment to accomplish these tasks.

## **FISCAL IMPACT:**

Funds for this project, if approved, will be drawn from three sources.

The Planning Services Division, Housing Element Expenditure Account 100.410.5600.615 currently includes \$37,900 for preparation of the Housing Element.

Remaining funding for the Housing Element Update would be drawn from the General Plan Fee Account 100.410.5600.615 in the amount of \$29,026. Funds for this account are collected with each issuance of building permits in the City for purposes of updating the City's General Plan.

Funding for the Affordable Housing Ordinance update would be drawn from the available General Fund balance in the amount of \$8,800. The table below summarizes the estimated project costs for services to be provided by Veronica Tam and Associates, Inc. and the City of Marina funding source.

<b>Expenditure Account 11-161-65890-8003</b>	<b>Amount Budgeted for Housing Element Preparation FY 15/16</b>	<b>Appropriation from General Plan Implementation Fee account</b>	<b>Appropriation Needed from General Fund Reserve</b>
City of Marina Approved Budget 2015 / 2016	<b>\$37,500</b>		
VTA Contract for Housing Element Update <b>\$66,526</b>	<b>\$37,500</b>	<b>\$29,026</b>	
VTA Contract for Affordable Housing Ordinance Update <b>\$8,800</b>			<b>\$8,800</b>

**CONCLUSION:**

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

---

Taven M. Kinison Brown  
Acting Planning Services Manager  
City of Marina

**REVIEW AND CONCUR:**

---

Theresa Szymanis, AICP, CTP  
Acting Director, Community Development Department  
City of Marina

---

Layne Long,  
City Manager  
City of Marina

RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING AN AMENDMENT TO THE FY 15/16 BUDGET APPROPRIATING ADDITIONAL FUNDS FOR PREPARATION OF THE CITY OF MARINA'S 5<sup>th</sup> CYCLE HOUSING ELEMENT UPDATE; APPROVING A CONSULTING SERVICES CONTRACT BETWEEN THE CITY OF MARINA AND VERONICA TAM AND ASSOCIATES INC. OF PASADENA CA FOR THE PREPARATION OF THE HOUSING ELEMENT UPDATE AND UPDATE TO THE CITY OF MARINA'S AFFORDABLE HOUSING ORDINANCE (MUNICIPAL CODE CHAPTER 17.45); AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACTS ON BEHALF OF THE CITY, SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY; AND AUTHORIZE THE FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGETARY AND ACCOUNTING ENTRIES

WHEREAS, the last Housing Element of the General Plan (4th Update Cycle) was adopted September 1, 2009 by City Council Resolution No. 2009-147 and was certified by the California Department of Housing and Community Development Department (HCD) on December 16, 2009, and;

WHEREAS, Housing Elements are required by state law to be updated and brought current every five to eight years, and;

WHEREAS, on October 23, 2015, City staff circulated a Request for Proposals (RFP) to prepare the Housing Element Update to six planning and environmental consulting firms with local experience preparing Housing Elements, and;

WHEREAS, the firm Veronica Tam and Associates, Inc. of Pasadena CA, which previously prepared the City's Inclusionary Housing and Density Bonus Ordinances (2006), clearly stood out with a complete and superior proposal, and;

WHEREAS, New World System (NWS) Expenditure Account 100.410.5600.615 currently includes \$37,900 for preparation of the Housing Element, and;

WHEREAS, remaining funding for the Housing Element Update would be drawn from the General Plan Fee Account 100.410.5600.615 in the amount of \$29,026. Funds for this account are collected with each issuance of building permits in the City for purposes of updating the City's General Plan;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby:

1. Approve an amendment to the FY 15/16 budget appropriating additional funds for preparation of the City of Marina's 5<sup>th</sup> Cycle Housing Element Update;
2. Approve a consulting services agreement ("Exhibit A") between the City of Marina and Veronica Tam and Associates Inc. of Pasadena, CA for the preparation of the Housing Element update and update to the City of Marina's Affordable Housing Ordinance (Municipal Code Chapter 17.45);

3. Authorize the City Manager to execute the contracts on behalf of the City, subject to final review and approval by the City Attorney; and
4. Authorize the Finance Director to make the necessary budgetary and accounting entries.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 20<sup>th</sup> day of January 2016 by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

---

Bruce C. Delgado, Mayor

---

Anita Sharp, Deputy City Clerk

**“EXHIBIT A” to Resolution 2016 - \_**

**CITY OF MARINA  
AGREEMENT FOR CONSULTING SERVICES**

**THIS AGREEMENT** is made and entered into on January \_\_ 2016, by and between the City of Marina, a California charter city, hereinafter referred to as the "City," and Veronica Tm and Associates Inc., hereinafter referred to as the "Contractor." City and Contractor are sometimes individually referred to as "party" and collectively as "parties" in this Agreement.

**Recitals**

- A. City desires to retain Contractor to prepare the City of Marina's 5<sup>th</sup> Cycle Housing Element Update and to update the City of Marina's Affordable Housing Ordinance.
- B. Contractor represents and warrants that it has the qualifications, experience and personnel necessary to properly perform the services as set forth herein.
- C. City desires to retain Contractor to provide such services.

**Terms and Conditions**

For of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and in consideration of the mutual promises contained herein, City and Contractor agree to the following terms and conditions:

**1. Scope of Work.**

(a) Contractor is hereby hired and retained by the City to work in a cooperative manner with the City to fully and adequately perform those services set forth in **Exhibits "A" and "B"** attached hereto ("Scope of Work") and by this reference made a part hereof. With prior written notice to Contractor, City may elect to delete certain tasks of the Scopes of Work at its sole discretion.

(b) Contractor shall perform all such work with skill and diligence and pursuant to generally accepted standards of practice in effect at the time of performance. Contractor shall provide corrective services without charge to the City for work which fails to meet these standards and which is reported to Contractor in writing within sixty days of discovery. Should Contractor fail or refuse to perform promptly its obligations under this Agreement, the City may render or undertake the performance thereof and the Contractor shall be liable for any expenses thereby incurred.

(c) If services under this Agreement are to be performed by a design professional, as that term is defined in California Civil Code §2782.8(b)(2), design professional certifies that all design professional services shall be provided by a person or persons duly licensed by the State of California to provide the type of services described in Section 1(a). By delivery of completed work, design professional certifies

that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws, and the professional standard of care in California.

(d) Contractor is responsible for making an independent evaluation and judgment of all relevant conditions affecting performance of the work, including without limitation site conditions, existing facilities, seismic, geologic, soils, hydrologic, geographic, climatic conditions, applicable federal, state and local laws and regulations and all other contingencies or considerations.

(e) City shall cooperate with Contractor and will furnish all information data, records and reports existing and available to City to enable Contractor to carry out work outlined in Exhibit "B." and Exhibit "C". Contractor shall be entitled to reasonably rely on information, data, records and reports furnished by the City, however, the City makes no warranty as to the accuracy or completeness of any such information, data, records or reports available to it and provided to Contractor which were furnished to the City by a third party. Contractor shall have a duty to bring to the City's attention any deficiency or error it may discover in any information provided to the Contractor by the City or a third party.

## **2. Term of Agreement & Commencement of Work.**

(a) Unless otherwise provided, the term of this Agreement shall begin on the date of its full execution and shall expire on October 31, 2016 unless extended by amendment or terminated earlier as provided herein. The date of full execution is defined as the date when all of the following events have occurred:

(i) This Agreement has been approved by the City's Council or by the board, officer or employee authorized to give such approval; and

(ii) The office of the City Attorney has indicated in writing its approval of this Agreement as to form; and

(iii) This Agreement has been signed on behalf of Contractor by the person or persons authorized to bind the Contractor hereto; and.

(iv) This Agreement has been signed on behalf of the City by the person designated to so sign by the City's Council or by the officer or employee authorized to enter into this Contract and is attested to by the Marina City Clerk.

(b) Contractor shall commence work on the Project on or by February 1, 2016. This Agreement may be extended upon written agreement of both parties. Contractor may be required to prepare a written schedule for the work to be performed, which schedule shall be approved by the City and made a part of Exhibit "B" and Exhibit "C", and to perform the work in accordance with the approved schedule.

## **3. Compensation.**

(a) City liability for compensation to Contractor under this Agreement shall only be to the extent of the present appropriation to fund this Agreement. For services to be provided under this Agreement City shall compensate Contractor in an amount not to

exceed seventy-five thousand three hundred twenty-six Dollars (\$75,326.00) in accordance with the provisions of this Section.

(b) Invoice(s) in a format and on a schedule acceptable to the City shall be submitted to and be reviewed and verified by the Project Administrator (see Section 5(a)) and forwarded to the City's Finance Department for payment. City shall notify Contractor of exceptions or disputed items and their dollar value within fifteen days of receipt. Payment of the undisputed amount of the invoice will typically be made approximately thirty days after the invoice is submitted to the Finance Department.

(c) Contractor will maintain clearly identifiable, complete and accurate records with respect to all costs incurred under this Agreement on an industry recognized accounting basis. Contractor shall make available to the representative of City all such books and records related to this Agreement, and the right to examine, copy and audit the same during regular business hours upon 24-hour's notice for a period of four years from the date of final payment under this Agreement.

(d) Contractor shall not receive any compensation for Extra Work without the prior written authorization of City. As used herein, "Extra Work" means any work that is determined by the City to be necessary for the proper completion of the Project but which is not included within the Scope of Work and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement.

(e) Expenses not otherwise addressed in the Scope of Services or the Fee Schedule incurred by Contractor in performing services under this Agreement shall be reviewed and approved in advance by the Project Administrator (Section 5(a)), be charged at cost and reimbursed to Contractor.

(f) There shall be no charge for transportation within Monterey, Santa Cruz and San Benito Counties required for the performance of the services under this Agreement; travel to other locations must be approved in writing and in advance by the City, mileage will be charged at the then current standard rate for business travel as set by the U.S. Internal Revenue Service for such approved travel.

#### **4. Termination or Suspension.**

(a) This Agreement may be terminated in whole or in part in writing by either party in the event of a substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten days written notice of intent to terminate, and (2) provided an opportunity for consultation with the terminating party prior to termination.

(b) If termination for default is effected by the City, an equitable adjustment in the price provided for in this Agreement shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due the Contractor at the time of termination may be adjusted to cover any additional costs to the City because of the Contractor's default. If after the termination for failure of Contractor to fulfill its contractual obligations, it is determined that the Contractor had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the City.

(c) The City may terminate or suspend this Agreement at any time for its convenience upon not less than thirty days prior written notice to Contractor. Not later than the effective date of such termination or suspension, Contractor shall discontinue all affected work and deliver all work product and other documents, whether completed or in progress, to the City.

(d) If termination for default is effected by the Contractor or if termination for convenience is effected by the City, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for termination shall provide for payment to the Contractor for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by Contractor relating to written commitments that were executed prior to the termination.

**5. Project Administrator, Project Manager & Key Personnel.**

(a) City designates as its Project Administrator, Taven M. Kinison Brown who shall have the authority to act for the City under this Agreement. The Project Administrator or his/her authorized representative shall represent the City in all matters pertaining to the work to be performed pursuant to this Agreement.

(b) Contractor designates Veronica Tam as its Project Manager who shall coordinate all phases of the Project. The Project manager shall be available to City at all reasonable times during the Agreement term.

(c) Contractor warrants that it will continuously furnish the necessary personnel to complete the Project on a timely basis as contemplated by this Agreement. Contractor, at the sole discretion of City, shall remove from the Project any of its personnel assigned to the performance of services upon written request of City. Contractor has represented to City that certain key personnel will perform and coordinate the work under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of the City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause.

**6. Delegation of Work.**

(a) If Contractor utilizes any subcontractors, consultants, persons, employees or firms having applicable expertise to assist Contractor in performing the services under this Agreement, Contractor shall obtain City's prior written approval to such employment. Contractor's contract with any subcontractor shall contain a provision making the subcontract subject to all provisions of this Agreement. Contractor will be fully responsible and liable for the administration, completion, presentation and quality of all work performed. If such persons are utilized, they shall be charged at cost. City reserves its right to employ other contractors in connection with this Project.

(b) If the work hereunder is performed by a design professional, design professional shall be directly involved with performing the work or shall work through his, her or its employees. The design professional's responsibilities under this Agreement

shall not be delegated. The design professional shall be responsible to the City for acts, errors or omissions of his, her or its subcontractors. Negligence of subcontractors or agents retained by the design professional is conclusively deemed to be the negligence of the design professional if not adequately corrected by the design professional. Use of the term subcontractor in any other provision of this Agreement shall not be construed to imply authorization for a design professional to use subcontractors for performance of any professional service under this Agreement.

(c) The City is an intended beneficiary of any work performed by a subcontractor for purposes of establishing a duty of care between the subcontractor and the City.

7. **Skill of Employees.** Contractor shall ensure that any employees or agents providing services under this Agreement possess the requisite skill, training and experience to properly perform such services.

8. **Confidential and Proprietary Information.** In the course of performing services under this Agreement Contractor may obtain, receive, and review confidential or proprietary documents, information or materials that are and shall remain the exclusive property of the City. Should Contractor undertake the work on behalf of other agencies, entities, firms or persons relating to the matters described in the Scope of Work, it is expressly agreed by Contractor that any such confidential or proprietary information or materials shall not be provided or disclosed in any manner to any of Contractor's other clients, or to any other third party, without the City's prior express written consent.

9. **Ownership of Data.** Unless otherwise provided for herein, all documents, material, data, drawings, plans, specifications, computer data files, basis for design calculations, engineering notes, and reports originated and prepared by Contractor, or any subcontractor of any tier, under this Agreement shall be and remain the property of the City for its use in any manner it deems appropriate. Contractor agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or intellectual property rights in favor of the City. Contractor shall provide two (2) sets of reproducible of the above-cited items, except for the computer data files which shall consist of one (1) set. Contractor shall use all reasonable efforts to ensure that any electronic files provided to the City will be compatible with the City's computer hardware and software. Contractor makes no representation as to long-term compatibility, usability or readability of the format resulting from the use of software application packages, operating systems or computer hardware differing from those in use by the City at the commencement of this Agreement. Contractor shall be permitted to maintain copies of all such data for its files. City acknowledges that its use of the work product is limited to the purposes contemplated by the Scope of Work and, should City use these products or data in connection with additions to the work required under this Agreement or for new work without consultation with and without additional compensation to Contractor, Contractor makes no representation as to the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Work and shall have no liability or responsibility whatsoever in connection with such use which shall be at the City's sole risk. Any and all liability arising out of changes made by the City to Contractor's deliverables is waived against Contractor unless City has given Contractor prior written notice of the changes and has received Contractor's written consent to such changes.

**10. Conflict of Interest.**

(a) Contractor covenants that neither it, nor any officer or principal of its firm has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Agreement. Contractor shall represent the interest of the City in any discussion or negotiation.

(b) City understands and acknowledges that Contractor may be, as of the date of commencement of services under this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Contractor is unaware of any stated position of the City relative to such projects. Any future position of the City on such projects may result in a conflict of interest for purposes of this section.

(c) No official or employee of the City who is authorized in such capacity on behalf of the City to negotiate, make, accept, or approve, or take part in negotiating, making accepting or approving this contract, shall become directly or indirectly interested in this contract or in any part thereof. No officer or employee of the City who is authorized in such capacity and on behalf of the City to exercise any executive, supervisory, or similar function in connection with the performance of this contract shall become directly or indirectly interested personally in this contract or any part thereof.

**11. Disclosure.** Contractor may be subject to the appropriate disclosure requirements of the California Fair Political Practices Act, as determined by the City Manager.

**12. Non-Discrimination.**

(a) During the performance of this Agreement the Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California and the City. In performing this Agreement, Contractor shall not discriminate, harass, or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), medical condition (including cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. Contractor shall give written notice of its obligations under this clause to labor organizations with which it has a collective bargaining or other agreement.

(b) Contractor shall include the nondiscrimination and compliance provisions of this Section in all subcontracts.

**13. Indemnification.**

(a) Other than in the performance of professional services by a design professional, which shall be solely as addressed by subsection (b) below, and to the full extent permitted by law, Contractor shall (1) immediately defend (with independent counsel reasonably acceptable to the City) and (2) indemnify the City, its Council, boards, commissions, employees, officials and agents ("Indemnified Parties" or in the singular "Indemnified Party") from and against all liabilities regardless of nature or type arising out of or resulting from Contractor's performance of services under this contract, or any negligent or wrongful act or omission of the Contractor or Contractor's officers, employees, agents or subcontractors. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines and judgments, associated investigation and administrative expenses; defense costs including but not limited to reasonable attorney's fees; court costs; expert witness fees; and costs of alternate dispute resolution ("Liabilities"). The Contractor's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an Indemnified Party, the Contractor's indemnification obligation shall be reduced in proportion to the established comparative liability of the Indemnified Party.

(b) To the fullest extent permitted by law (including without limitation California Civil Code Sections 2782.8), when the services to be provided under this Agreement by Contractor are design professional services to be performed by a design professional, as that term is defined under said section 2782.8, the design professional shall (1) immediately defend (with independent counsel reasonably acceptable to the City) and (2) indemnify the City and any Indemnified Party for all Liabilities regardless of nature or type that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of design professional, or the acts or omissions of an officer, employee, agent or subcontractor of the design professional. The design professional's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an Indemnified Party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an Indemnified Party, then design professional's indemnification obligation shall be reduced in proportion to the established comparative liability of the Indemnified Party.

(c) All obligations under this section are to be paid by Contractor as incurred by City. The provisions of this Section are not limited by the provisions of sections relating to insurance including provisions of any worker's compensation act or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to City, its employees and officials. An allegation or determination of comparative active negligence or willful misconduct by an Indemnified Party does not relieve the Contractor from its separate and distinct obligation to defend the City. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor, sub tier contractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance or subject matter of this Agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these

requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder.

(d) If any action or proceeding is brought against any Indemnified Party by reason of any of the matters against which the Contractor has agreed to defend the Indemnified Party, as provided above, Contractor, upon notice from the City, shall immediately defend any Indemnified Party at Contractor's expense by counsel reasonably acceptable to the City. An Indemnified Party need not have first paid for any of the matters to which it is entitled to indemnification in order to be so defended.

(e) The review, acceptance or approval of the Contractor's work or work product by any Indemnified Party shall not affect, relieve or reduce the Contractor's indemnification or defense obligations. This obligation to indemnify and defend City, as set forth herein, is binding on the successors, assigns, or heirs of Contractor and shall survive the completion of the services or the termination of this Agreement or this Section.

#### **14. Insurance.**

(a) As a condition precedent to the effectiveness of this Agreement and without limiting Contractor's indemnification of the City, Contractor agrees to obtain and maintain in full force and effect at its own expense the insurance policies set forth in Exhibit "D" "Insurance" attached hereto and made a part hereof. Contractor shall furnish the City with original certificates of insurance, manually autographed in ink by a person authorized by that insurer to bind coverage on its behalf, along with copies of all required endorsements. All certificates and endorsements must be received and approved by the City before any work commences. All insurance policies shall be subject to approval by the City Attorney and Risk Manager as to form and content. Specifically, such insurance shall: (1) protect City as an additional insured for commercial general and business auto liability; (2) provide City at least thirty days written notice of cancellation, material reduction in coverage or reduction in limits and ten days written notice for non-payment of premium; and (3) be primary with respect to City's insurance program. Contractor's insurance is not expected to respond to claims that may arise from the acts or omissions of the City.

(b) City reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required herein by giving Contractor ninety days advance written notice of such change. If such change should result in substantial additional cost of the Contractor, City agrees to negotiate additional compensation proportional to the increased benefit to City.

(c) All required insurance must be submitted and approved the City Attorney and Risk Manager prior to the inception of any operations by Contractor.

(d) The required coverage and limits are subject to availability on the open market at reasonable cost as determined by the City. Non availability or non affordability must be documented by a letter from Contractor's insurance broker or agency indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each. Within the foregoing constraints, Contractor's failure to procure or maintain required insurance during the entire term of this Agreement shall constitute a material breach of this

Agreement under which City may immediately suspend or terminate this Agreement or, at its discretion, procure or renew such insurance to protect City's interests and pay any and all premium in connection therewith and recover all monies so paid from Contractor.

(e) By signing this Agreement, Contractor hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provision of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Contract. Unless otherwise agreed, a waiver of subrogation in favor of the City is required.

**15. Independent Contractor.** The parties agree that Contractor, its officers, employees and agents, if any, shall be independent contractors with regard to the providing of services under this Agreement, and that Contractor's employees or agents shall not be considered to be employees or agents of the City for any purpose and will not be entitled to any of the benefits City provides for its employees. City shall make no deductions for payroll taxes or Social Security from amounts due Contractor for work or services provided under this Agreement.

**16. Claims for Labor and Materials.** Contractor shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Agreement, so as to prevent any lien or other claim under any provision of law from arising against any City property (including reports, documents, and other tangible matter produced by the Contractor hereunder), against the Contractor's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

**17. Discounts.** Contractor agrees to offer the City any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discounts to payment made under this Agreement which meet the discount terms.

**18. Cooperation; Further Acts.** The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

**19. Dispute Resolution.** If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. If the dispute is not resolved by meeting and conferring, the matter shall be submitted for formal mediation to a mediator selected mutually by the parties. The expenses of such mediation shall be shared equally between the parties. If the dispute is not or cannot be resolved by mediation, the parties may mutually agree (but only as to those issues of the matter not resolved by mediation) to submit their dispute to arbitration. Before commencement of the arbitration, the parties may elect to have the arbitration proceed on an informal basis; however, if the parties are unable so to agree, then the arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be binding, unless within thirty days after issuance of the arbitrator's written decision, any party files an action in court. Venue and jurisdiction for any such action between the parties shall lie in the Superior Court for the County of Monterey.

**20. Compliance With Laws.**

(a) Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California and the City including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Agreement shall be governed by, enforced and interpreted under the laws of the State of California. Contractor shall comply with new, amended or revised laws, regulations or procedures that apply to the performance of this Agreement.

(b) If the Project is a "public work," or prevailing wages are otherwise required, Contractor shall comply with all provision of California Labor Code section 1720 *et seq.*, as applicable, and laws dealing with prevailing wages, apprentices and hours of work.

(c) Contractor represents that it has obtained and presently holds all permits and licenses necessary for performance hereunder, including a Business License required by the City's Business License Ordinance. For the term covered by this Agreement, the Contractor shall maintain or obtain as necessary, such permits and licenses and shall not allow them to lapse, be revoked or suspended.

**21. Assignment or Transfer.** This Agreement or any interest herein may not be assigned, hypothecated or transferred, either directly or by operation of law, without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

**22. Notices.** All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, sent by facsimile ("fax") or certified mail, postage prepaid with return receipt requested, addressed as follows:

To City:                      City Manager  
   City of Marina City Hall  
   211 Hillcrest Avenue  
   Marina, California 93933  
   Fax: (831) 384-9148

To Contractor:              Veronica Tam and Associates, Inc.  
   107 Fair Oaks Avenue, Suite 212  
   Pasadena, CA 91105  
   Fax (626) 304-0005

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three days after deposit in the custody of the U.S. Postal Service. A copy of any notice sent as provided herein shall also be delivered to the Project Administrator and Project Manager.

**23. Amendments, Changes or Modifications.** This Agreement is not subject to amendment, change or modification except by a writing signed by the authorized representatives of City and Contractor.

**24. Force Majeure.** Notwithstanding any other provisions hereof, neither Contractor nor City shall be held responsible or liable for failure to meet their respective obligations under this Agreement if such failure shall be due to causes beyond Contractor's or the City's control. Such causes include but are not limited to: strike, fire, flood, civil disorder, act of God or of the public enemy, act of the federal government, or any unit of state or local government in either sovereign or contractual capacity, epidemic, quarantine restriction, or delay in transportation to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

**25. Attorney's Fees.** In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

**26. Successors and Assigns.** All of the terms, conditions and provisions of this Agreement shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties. Nothing in this paragraph is intended to affect the limitation on assignment

**27. Authority to Enter Agreement.** Contractor has all requisite power and authority to conduct its business and to execute, deliver and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind each respective party.

**28. Waiver.** A waiver of a default of any term of this Agreement shall not be construed as a waiver of any succeeding default or as a waiver of the provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

**29. Severability.** Should any portion of this Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Agreement will continue as modified.

**30. Construction, References, Captions.** Since the parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. The captions of the various sections are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, content or intent of this Agreement.

**31. Advice of Counsel.** The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and that the decision of whether or not to seek the advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each of the parties hereto. This Agreement shall not be construed in favor or against either party by reason of the extent to which each party participated in the drafting of this Agreement.

**32. Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute an original.

33. **Time.** Time is of the essence in this contract.

34. **Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the matters as set forth in this Agreement, and no other agreement, statement or promise made by or to any party or by or to any employee, officer or agent of any party, which is not contained in this Agreement shall be binding or valid.

**IN WITNESS WHEREOF**, Contractor and the City by their duly authorized representatives, have executed this Agreement, on the date first set forth above, at Marina, California.

**CITY OF MARINA**

**CONTRACTOR**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

Attest: (Pursuant to Reso: 2016 - \_\_\_\_\_)

By: \_\_\_\_\_  
City Clerk

Approved as to form:

By: \_\_\_\_\_  
City Attorney

**Exhibit A**

**- SCOPE OF WORK –**

**For updating the City of Marina's  
General Plan 5<sup>th</sup> Cycle Housing Element**

A-1

# CITY OF MARINA HOUSING ELEMENT UPDATE

**Veronica Tam and Associates, Inc.**  
107 S. Fair Oaks Avenue, Suite 212  
Pasadena, CA 91105  
(626) 304-0440

In  
Association with

Rincon Consultants, Inc.  
437 Figueroa Street, Suite 203  
Monterey, CA 93940  
(831) 333-0310



November 8, 2015

Taven M. Kinison Brown, Acting Planning Services Manager  
City of Marina – Planning Services Division  
Community Development Department  
211 Hillcrest Avenue, Marina, California 93933

**Subject: Proposal for the City of Marina Housing Element Update**

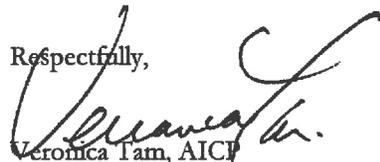
Dear Mr. Brown:

Veronica Tam and Associates, Inc. (VTA) is pleased to submit this proposal to prepare the Housing Element Update for the City of Marina.

Established in 2005, VTA is a California corporation based in Pasadena. We specialize in providing housing related services to local jurisdictions. VTA has substantial experience working on Housing Elements and other housing-related studies. Our staff has previously been involved in more than 100 Housing Element updates throughout the State during past update cycles. For the fifth update cycle pursuant to SB 375, VTA has already completed more than 40 Housing Elements in jurisdictions in several regions - San Diego Association of Governments (SANDAG), Southern California Association of Governments (SCAG), Association of Bay Area Governments (ABAG), and Association of Monterey Bay Area Governments (AMBAG).

Given our substantial Housing Element experience, we have an understanding of the State Department of Housing and Community Development's (HCD) current policy focus, review criteria, and interpretation of recent changes to State law. We are able to advise our clients of specific comments to anticipate from HCD and to strategize a response that would be appropriate to the community. We work closely with HCD staff to resolve difficult issues and to coordinate the review schedule. We maintain an excellent track record of achieving certification status on the Housing Elements we prepared.

We look forward to discussing our proposal with the City. Please contact me if you have questions or need additional information. I can be reached at (626) 304-0440 extension 1, or [veronica.tam@vtaplanning.com](mailto:veronica.tam@vtaplanning.com).

Respectfully,  
  
Veronica Tam, AICP  
Principal



# City of Marina Housing Element Update

- A. Introduction ..... 1**
  - Project Team..... 1
  - Approach..... 1
- B. Qualifications ..... 1**
  - Capabilities and Experience..... 1
  - Organization Chart ..... 2
  - Key Personnel..... 2
  - Subconsultant - Rincon Consultants, Inc. .... 3
- C. Scope of Work ..... 4**
- D. Project Cost ..... 6**
- E. Project Schedule..... 7**
- F. References ..... 7**
  - Veronica Tam and Associates, Inc. .... 7
  - Rincon Consultants, Inc..... 7
- G. Conflict of Interest ..... 8**
- H. Insurance..... 8**

## A. Introduction

### Project Team

For the Marina Housing Element Update, **Veronica Tam and Associates, Inc. (VTA)** will serve as lead consultant with **Rincon Consultants, Inc.** providing support to prepare the environmental clearance documents. Person authorized to negotiate the contract on behalf of VTA is:

Veronica Tam, AICP, Principal  
 107 S. Fair Oaks Avenue, Suite 212  
 Pasadena, CA 91105  
 (626) 304-0440 x 1 | [veronica.tam@vtaplanning.com](mailto:veronica.tam@vtaplanning.com)

### Approach

The fifth cycle Housing Element update for jurisdictions within AMBAG region must be adopted within 120 days of the statutory deadline of December 15, 2015, as established by SB 375. Missing this adoption deadline (no later than April 13, 2016) would place the City on a four-year update cycle. We understand the City would not be able to initiate a contract until January 2016. Based on our discussions, we further understand that the City has elected to take the time necessary to prepare an adequate Housing Element and accept the four-year Housing Element update requirement.

## B. Qualifications

### Capabilities and Experience

Veronica Tam and Associates, Inc. (VTA) is a California corporation with its office in Pasadena, California. VTA has been providing housing and community development consulting to local jurisdictions throughout California since 2005. Our services include:

- Housing Element updates
- Zoning revisions for housing-related issues
- HUD Consolidated Plan, fair housing studies, and related reports
- HUD Grants administration and technical assistance
- Environmental clearance for housing-related plans and projects

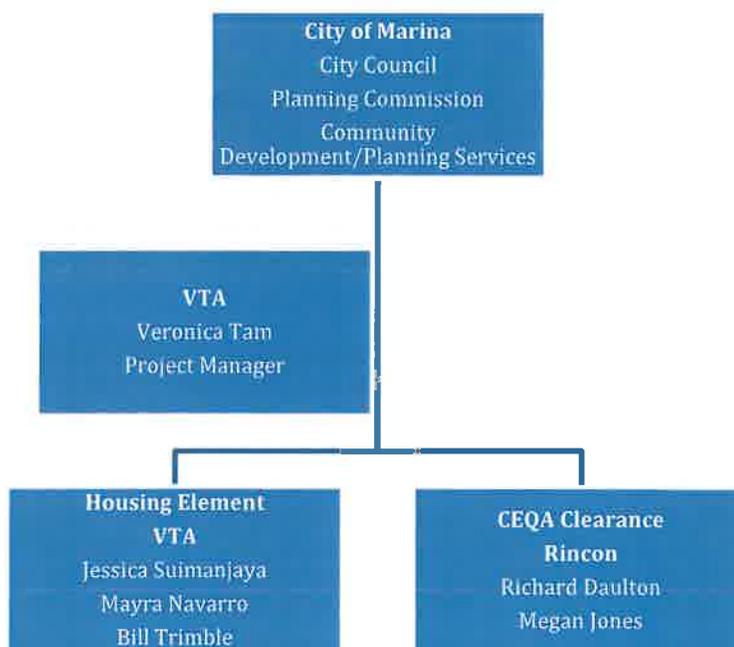
Our clients range from small communities (such as the cities of Del Mar and Avalon) to large metropolitan areas (such as the City and County of Los Angeles). Following is a sample list of Housing Element updates we have prepared.

#### Housing Elements

- |                |                 |                          |
|----------------|-----------------|--------------------------|
| ■ Alhambra     | ■ Fresno County | ■ Porterville            |
| ■ Bell Gardens | ■ Glendora      | ■ Rancho Santa Margarita |
| ■ Buena Park   | ■ Hawthorne     | ■ Redondo Beach          |
| ■ Burbank      | ■ Hesperia      | ■ Salinas                |
| ■ Camarillo    | ■ Hercules      | ■ San Bernardino         |
| ■ Chino        | ■ Irvine        | ■ San Marcos             |

- Corona
- Coronado
- Costa Mesa
- Cupertino
- Del Mar
- Dublin
- El Cajon
- El Centro
- El Segundo
- Escondido
- La Canada Flintridge
- Lake Forest
- La Mesa
- Lawndale
- Lomita
- Long Beach
- Los Angeles County
- Modesto
- Monterey County
- Pinole
- San Marino
- Santa Clara
- Santee
- Seaside
- Simi Valley
- South Gate
- Tracy
- Vista
- Walnut
- West Hollywood

## Organization Chart



## Key Personnel

**Veronica Tam, AICP, Principal.** Ms. Tam will oversee preparation of the Marina Housing Element. Veronica Tam has expertise in the areas of housing policy development and community development planning. She has 20 years of experience preparing a range of housing and community development plans and studies. Specifically, she has prepared more than 100 Housing Elements for communities throughout California. Currently, she is completing the Housing Element updates for the City of Salinas and Monterey County; both have already received conditional approval from HCD and have been scheduled for adoption. She is also completing a multi-jurisdictional Housing Element in Fresno County, also scheduled for adoption in January/February 2016.

**Jessica Suimanjaya, AICP, Senior Planner.** Ms. Suimanjaya has assisted with Housing Element updates for numerous jurisdictions, including Buena Park, Camarillo, Costa Mesa, Rancho Santa Margarita, Simi Valley, and Monterey County, among others. Ms. Suimanjaya has been involved in all aspects of the Housing

Element update and has served as project manager for several Housing Element updates. Currently, she is completing the Housing Element updates for cities of San Clemente and Tracy.

**Mayra Navarro.** Ms. Navarro will assist in the preparation of the Housing Element. Since joining VTA in October 2014, Ms. Navarro has participated in multiple housing studies, including Fair Housing studies for the cities of Salinas and San Bernardino, and the San Diego region, as well as the Housing Element for Salinas. Currently, she is completing the Fair Housing Assessment for the cities of Glendora and Pomona.

**Bill Trimble, Senior Planner.** Mr. Trimble has experience as a public sector planner for more than 20 years. His work has focused on community-based planning. In the City of Pasadena, he was responsible for updates of the City's Housing and Land Use Elements, as well as for various major development projects and housing-related zoning code amendments. Since joining VTA in 2012, Mr. Trimble has assisted in several Housing Element updates, including for the City of La Canada Flintridge and Gonzales. Currently, he is completing the environmental clearance document for the Tracy Housing Element update.

### **Subconsultant - Rincon Consultants, Inc.**

---

Rincon Consultants, Inc. is a multi-disciplinary environmental sciences, planning, and engineering consulting firm with more than 85 professionals in offices located in eight California offices: Monterey, San Luis Obispo, Ventura, Riverside, Carlsbad, Oakland, Sacramento, and Fresno. Rincon has been incorporated since 1994 and holds the tax identification number of 77-0390093. Rincon provides quality professional services to both public and private sector clients. Our skilled professionals have many years of experience in urban, land use, and environmental planning; regulatory compliance; biological resource evaluation and habitat enhancement; soil evaluation and remediation, and related studies; and problem-solving services in geology, hydrology, and environmental hazards evaluation.

For the Marina Housing Element update, Rincon Consultants, Inc. (Rincon) will prepare the environmental clearance documents, from its Monterey office located at: 437 Figueroa Street, Suite 203, Monterey, CA 93940, (831) 333-0310.

**Stephen Svete.** Mr. Svete is a founding Principal of Rincon Consultants, and served as the firm's President from 2000 to 2011. He is currently a Vice President and the Director of the Planning Services group. In this capacity, he oversees a range of urban planning and land use studies, as well as community involvement and environmental analysis work. He has directed successful environmental and planning projects ranging from focused central city corridor revitalization studies, to citywide general plans, to annexation studies in rural areas throughout California. Mr. Svete has developed an expertise in the area of active transportation, trails, and open space and recreation systems. He is a noted planning commentator, and for 11 years served as Contributing Editor to California Planning & Development Report.

**Megan Jones.** As a Senior Planner in Rincon's Environmental Sciences and Planning Group in Monterey, Ms. Jones works on planning and environmental projects in the California Central Coast region. Ms. Jones also manages operation of Rincon's Monterey Office. Ms. Jones is responsible for general plan and specific plan preparation and environmental analysis and review, particularly California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) compliance documentation. Ms. Jones has education and experience in public policy, environmental studies, geography, and environmental economics and policy.

## C. Scope of Work

### **Task 1: Evaluation of Current Housing Element**

The Housing Element must include an evaluation of the effectiveness and appropriateness of the housing programs contained in the City's current adopted Housing Element. This review must take into consideration the market conditions and funding environment, with the elimination of redevelopment and reduced funding available at the State and Federal levels.

### **Task 2: Demographic and Housing Needs Assessment**

The current Marina Housing Element was adopted on September 1, 2009. Most housing and demographic data contained in the Element were based on the 2000 Census. We will prepare a complete housing assessment and needs analysis consistent with State Housing Element law and HCD's new Completeness Review Checklist, using 2010 Census, American Community Surveys (ACS), and other current data as available. The Housing Needs Assessment will contain the following topics to satisfy Government Code Section 65583(a) and meet SB 375 requirements.

### **Task 3: Housing Constraints**

We will identify potential governmental and non-governmental constraints to housing production, including environmental and infrastructural constraints. This analysis must contain a review of factors that may potentially constrain the development, improvement, and preservation of housing in Marina. Factors to be reviewed include market, governmental, environmental, and infrastructural constraints.

As no significant changes to the Housing Element law have been passed since adoption of the 2009-2014 Housing Element, we anticipate update to this section of the Housing Element would be limited. However, based on our recent experience, HCD places a strong emphasis on farmworker housing and employee housing requirements pursuant to the State Employee Housing Act. The Marina Housing Element will be revised to describe how the City complies with the Employee Housing Act. In addition, due to the statewide drought conditions, another recent focus of HCD is the compliance with SB 1087 – priority allocation of water and sewer services for affordable housing projects.

### **Task 4: Housing Resources and Opportunities**

The Regional Housing Needs Allocation (RHNA) by AMBAG identifies a production goal of 1,308 units for the City of Marina, with the following income distribution: 315 very low income units; 205 low income units; 238 moderate income units; and 550 above moderate income units. The RHNA covers a planning period from January 1, 2014 through December 31, 2023. Housing units permitted or approved on or after January 1, 2014 can be credited toward the City's RHNA. The Resources and Sites analysis will focus on site suitability for housing to meet the RHNA, drawing from sites identified in the 2009-2014 Housing Element. We will work with staff to identify new sites/opportunities as necessary to meet the RHNA.

### **Task 5: Housing Plan**

Based upon the analyses and research conducted in Tasks 1 through 4, we will update the 2009-2014 Housing Element for Marina. The updated Housing Element will include all required components under State law, along with relevant appendices. For each program included in the Housing Element, we will establish the timeframe for implementation, specific objectives, funding sources, and responsible agencies. The programs will satisfy requirements of Government Code Sections 65583(b) and (c).

### **Task 6: Public Review Draft Housing Element**

We will prepare an Administrative Draft Housing Element for review by staff. The Administrative Draft will be revised to address comments from staff to formulate the Screen Check Draft and Public Review Draft Housing Element.

**Deliverables:**

- Administrative Draft (electronic copy)
- Public Review Draft (electronic copy)
- HCD Review Draft (one hard copy for HCD)

**Task 7: Public Participation (up to 3 meetings)**

Pursuant to State law, the City must conduct public outreach during the development of the Housing Element. Our scope and budget includes up to three public meetings to discuss the Housing Element prior to submittal to HCD. We anticipate the following meetings:

- Planning Commission Study Session to kick off the Housing Element update process. In this meeting, we would also invite the public, developers, service providers and other community stakeholders to provide input on needs and program suggestions. We will work with staff to develop an outreach list. Special invitations would be sent to service providers, community stakeholders, and other relevant parties.
- Planning Commission Public Hearing to review the Draft Housing Element.
- City Council Public Hearing to review the Draft Housing Element.

We will revise the Draft Housing Element to reflect Planning Commission and City Council comments prior to sending the Element for HCD review.

**Task 8: HCD Review**

Typically, HCD has 60 days to review the draft Housing Element. Given the tight schedule, we will request an expedited review (probably 30 days). We will serve as the City’s representative and liaison to HCD during the review. We will be the primary contact for HCD and communicate with HCD staff as necessary to answer any questions about the document and resolve any issues.

**Deliverables:**

- Completeness Review Checklist
- Implementation Review

**Task 9: Environmental Clearance**

**Task 9.1: Administrative Draft IS-ND** - Rincon will prepare an internal review (Administrative Draft) IS-ND. The Administrative Draft IS will address all of the items on the environmental checklist. Where they are readily available, existing technical studies, including the Housing Element and associated background reports, will be used. We assume that the analysis will be programmatic in nature and that the impacts of specific housing projects that may be facilitated by the Housing Element would be addressed as part of future site-specific environmental reviews. No special technical studies are proposed to be conducted at this time. As appropriate, the analysis will point to existing General Plan policies and other standard procedures that address potential environmental impacts. If necessary, programmatic mitigation will be developed to address identified significant impacts. Rincon will submit an electronic copy of the Administrative Draft IS-ND in PDF and Word format.

**Task 9.2: Public Review Draft IS-ND** - Rincon will respond to City comments on the Administrative Draft IS-ND and prepare the Public Review Draft IS-ND. If necessary, we will provide a single screencheck version of the Public Review Draft IS-ND prior to publication. Rincon will be responsible for mailing of the IS-ND to the Clearinghouse and responsible agencies as well as all noticing required under CEQA. Rincon will complete the required State Clearinghouse Notice of Completion (NOC) form and preparing a Notice of Intent (NOI) to adopt an ND.



**Task 9.3: Final IS-ND** – Upon receipt of public comments on the Draft IS-ND, Rincon will prepare draft responses to comments for City review (although responding to comments is not technically required for NDs, normal practice is to prepare written responses). If mitigation measures are identified, the Administrative Final will include a Mitigation Monitoring and Reporting Program (MMRP). We assume that printing copies of a Final IS-ND will not be necessary. We assume that the City will be responsible for filing a Notice of Determination (NOD) and paying any applicable filing fees. Rincon will assist in filling out the NOD form.

**Task 9.4: Public Hearing** - Rincon’s project manager will attend one public hearing on the project. If desired, we will make a presentation to the Planning Commission and/or City Council summarizing the environmental review process and IS-ND conclusions.

**Task 10: Final Housing Element and Adoption**

We will attend the public hearings before the Planning Commission and City Council for the adoption of the Housing Element.

**Public Meetings (2):**

- One (1) Planning Commission Public Hearing and one (1) City Council Public Hearing

**Deliverables:**

- Final Adopted Housing Element (electronic copy and one hard copy for HCD)

**D. Project Cost**

The following is our estimate for the costs involved to complete the Marina Housing Element on an accelerated schedule.

Housing Element Update	VTA			Rincon					Total
	Tam	Suimanjaya/ Trimble	Navarro/ GIS	Principal	Sr. Prof.	Prof.	GIS	Clerical	
Task 1: Evaluation of Current Housing Element	2	8	16						\$ 2,620
Task 2: Demographic and Housing Needs Assessment	12	20	60						\$ 9,400
Task 3: Housing Constraints	12	40							\$ 6,200
Task 4: Housing Resources and Opportunities	8	40	20						\$ 7,400
Task 5: Housing Plan	8	16							\$ 2,960
Task 6: Public Review Draft	12	20	12						\$ 5,080
Task 7: Public Participation (up to 3 meetings)	18	18	8						\$ 5,400
Task 8: HCD Review	20	32							\$ 6,520
Task 9: Environmental Clearance									
9.1: Administrative Draft IS-ND				3	12	26	4	2	\$ 5,285
9.2: Public Review Draft IS-ND				1	10	8		1	\$ 2,470
9.3: Final IS-ND									
Responses to Comments				2	9				\$ 1,695
MMRP (if required)				1		3			\$ 480
9.4: Public Hearing (1)					6				\$ 870
Miscellaneous (Printing, Travel, Postage)									\$ 526
Task 10: Adoption Hearings (2)	12	4							\$ 2,240
Project Management	20			2	5			1	\$ 4,180
<b>Subtotal:</b>	<b>124</b>	<b>198</b>	<b>116</b>	<b>9</b>	<b>42</b>	<b>37</b>	<b>4</b>	<b>4</b>	<b>\$ 63,326</b>
Miscellaneous (Printing, Travel, Postage)									\$ 3,200
<b>Total</b>	<b>124</b>	<b>198</b>	<b>116</b>	<b>9</b>	<b>42</b>	<b>37</b>	<b>4</b>	<b>4</b>	<b>\$ 66,526</b>

Note: California Department of Fish and Wildlife Fee is not included. If required, an additional \$2,260 would be added to the budget.

## E. Project Schedule

Below is a tentative schedule. We will refine the schedule with staff at project kick off.

Project Initiation	January 2016
Housing Element Update	February – April 2016
Planning Commission Study Session	March 2016
Planning Commission Review of Draft Housing Element	May 2016
City Council Review of Draft Housing Element	June 2016
Environmental Clearance	May - July 2016
HCD Review (Expedited 30-Day Review)	June – July 2016
Planning Commission Hearing	August 2016
Council Adoption Hearing	August 2016

## F. References

### Veronica Tam and Associates, Inc.

---

- 2015-2023 Salinas Housing Element**  
 Jennifer Coille, Project Manager  
 Special Projects Division, Department of Community and Economic Development  
 (831) 758-7493 | [Jennifer.coille@ci.salinas.ca.us](mailto:Jennifer.coille@ci.salinas.ca.us)  
 VTA Staff: Veronica Tam, Jessica Suimanjaya, Bill Trimble
- 2015-2023 Monterey County Housing Element**  
 Jane Royer Barr, Program Manager, Economic Development  
 (831) 755-5389 | [Barrj@co.monterey.ca.us](mailto:Barrj@co.monterey.ca.us)  
 VTA Staff: Veronica Tam, Jessica Suimanjaya, Mayra Navarro
- 2013-2021 Encinitas Housing Element**  
 Manjeet Ranu, Acting Director of Planning and Building  
 (760) 633-2712 | [mranu@encinitas.ca.gov](mailto:mranu@encinitas.ca.gov)  
 VTA Staff: Veronica Tam

### Rincon Consultants, Inc.

---

- 2015-2023 Monterey County Housing Element IS-ND**  
 Jacqueline Onciano, County of Monterey  
 (831) 755-5193 | [oncianoj@co.monterey.ca.us](mailto:oncianoj@co.monterey.ca.us)  
 Rincon Staff: Megan Jones
- Dunes Townhomes IS-MND, Local Coastal Plan contract planning, Pedestrian and Bicycle Master Plan**  
 Theresa Szymanis, City of Marina  
 (831) 884-1289 | [tszymanis@ci.marina.ca.us](mailto:tszymanis@ci.marina.ca.us)  
 Rincon Staff: Megan Jones, Stephen Svete

### 3. Monterey Bay Sanctuary Scenic Trail Network EIR

Cory Caletti, Santa Cruz County Regional Transportation Commission  
(831) 460-3201 | [ccaletti@sccrtc.org](mailto:ccaletti@sccrtc.org)  
Rincon Staff: Megan Jones, Stephen Svete

## G. Conflict of Interest

VTA does not have any financial, business or other relationships with the City that may have an impact on the outcome of this contract or any resulting project.

## H. Insurance

VTA maintains the following insurance coverage:

- General Liability: \$1,000,000 per claim / \$2,000,000 aggregate
- Professional Liability: \$1,000,000 per claim / \$2,000,000 aggregate
- Automobile Liability: \$1,000,000
- Worker Compensation: \$1,000,000, as required by law



## Resumes

**EDUCATION**

MA, Urban Planning, University of California, Los Angeles

BES, Urban and Regional Planning (Economics Minor), University of Waterloo, Canada

**PROFESSIONAL AFFILIATIONS**

American Institute of Certified Planners

American Planning Association

**AWARDS**

2014 APACA

Award of Merit – Hard Won Victories:  
2013-2021 El Cajon Housing Element

2014 San Diego Section, APACA  
Comprehensive Planning, Small  
Jurisdiction: 2013-2021 El Cajon  
Housing Element

2009 APACA  
Award of Merit - Comprehensive  
Planning, Large Jurisdiction: 2008-2014  
Los Angeles County Housing Element

2009 Los Angeles Section, APACA  
Comprehensive Planning, Large  
Jurisdiction: 2008-2014 Los Angeles  
County Housing Element

2002 Northern Section, APACA  
Focused Issues: Contra Costa County  
Analysis of Impediments to Fair Housing

2001 Northern Section, APACA  
Advocacy Planning: East Palo Alto  
Housing Element

2000 APACA  
Outstanding Planning: El Cajon  
Integrated Housing Element and  
Consolidated Plan

2000 San Diego Section, APACA  
Outstanding Planning: El Cajon  
Integrated Housing Element and  
Consolidated Plan

**VERONICA TAM, AICP  
PRINCIPAL**

Ms. Tam has expertise in the areas of housing policy development and community development planning. She has over 20 years of experience preparing a range of housing and community development plans and studies for jurisdictions throughout California.

**RELATED PROJECT EXPERIENCE****Housing Elements**

Alhambra	Escondido	Salinas
Arcadia	Glendora	San Bernardino
Avalon	Gonzales	San Fernando
Bell Gardens	Hawthorne	San Marcos
Buena Park	Hayward	San Marino
Burbank	Hercules	San Ramon
Camarillo	Hesperia	Santa Clara
Carlsbad	Imperial Beach	Santee
Chino	Irvine	South Gate
Corona	La Canada Flintridge	Seaside
Coronado	Lake Forest	Simi Valley
Costa Mesa	La Mesa	Tracy
Cupertino	Lawndale	Vista
Del Mar	Lomita	Walnut
Dublin	Modesto	West Hollywood
El Cajon	Pinole	Los Angeles County
El Centro	Rancho Santa Margarita	Monterey County
El Segundo	Redondo Beach	San Diego County

**Consolidated Plans**

Alhambra	La Mesa	Santa Clarita
Apple Valley/Victorville	Long Beach	Simi Valley
Carlsbad	Salinas	Monterey County
El Cajon	San Bernardino	Orange County
Glendora	Santee	Ventura County

**Fair Housing Studies**

Apple Valley/Victorville	Los Angeles	San Bernardino
Chino	Palm Springs	Santa Clarita
Glendale	Pasadena	Monterey County
Lake Forest	Perris	San Diego County
Long Beach	Salinas	Ventura County

**Special Studies**

- Regional Housing Needs Allocation Assistance for the cities of Arcadia, Lawndale, and Indian Wells
- Marina Affordable Housing Ordinance
- Zoning revisions to comply with SB2, AB 2634, and SB 520 for the cities of Port Hueneme, South Gate, and San Fernando

**Veronica Tam and Associates**

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105  
P (626) 304-0440 F (626) 304-0005

**EDUCATION**

MA Urban Planning, University of California, Los Angeles

BA Communication Studies,  
University of California, Los Angeles

**PROFESSIONAL ASSOCIATIONS**

American Institute of Certified Planners  
American Planning Association, Member

**AWARDS****2014 APACA**

Award of Merit – Hard Won Victories:  
2013-2021 El Cajon Housing Element

2014 San Diego Section, APACA  
Comprehensive Planning, Small  
Jurisdiction: 2013-2021 El Cajon Housing  
Element

**SKILLS**

Geographic Information Systems  
AutoCAD  
Photoshop  
Microsoft Office  
Windows and MAC

**JESSICA SUIMANJAYA, AICP  
SENIOR PLANNER**

Ms. Suimanjaya is dedicated to working in the field of affordable housing planning. She graduated with a Masters in Urban Planning from the University of California, Los Angeles. Her coursework focused on physical planning, community development and housing. Since joining VTA in 2008, she has participated in and managed numerous housing projects.

**RELATED PROJECT EXPERIENCE****Housing Elements**

Alhambra	Escondido	Redondo Beach
Avalon	Glendora	San Fernando
Buena Park	Hayward	Simi Valley
Camarillo	Hesperia	South Gate
Coronado	Irvine	Tracy
Del Mar	La Mesa	Vista
Dublin	Pinole	Walnut
El Segundo	Rancho Santa Margarita	West Hollywood

**Fair Housing Studies**

Apple Valley/Victorville	Los Angeles	San Bernardino
Chino	Palm Springs	Santa Clarita
Glendale	Pasadena	Monterey County
Lake Forest	Perris	San Diego County
Long Beach	Salinas	Ventura County

**Consolidated Plans and Annual Reports**

Alhambra	La Mesa	Santa Clarita
Apple Valley/Victorville	Long Beach	Simi Valley
Carlsbad	Salinas	Monterey County
El Cajon	San Bernardino	Orange County
Glendora	Santee	Ventura County

**Veronica Tam and Associates**

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105  
P (626) 304-0440 F (626) 304-0005

**EDUCATION**

Master in Urban and Regional Planning,  
University of California Los Angeles

BA Architecture,  
University of California, Berkeley

**SKILLS**

Adobe Creative Suite  
Geographic Information Systems  
AutoCAD

**AWARDS**

2014 APA California  
Academic Award of Excellence –  
Cultivate Los Angeles

2014 APA Los Angeles  
Academic Award of Excellence –  
Cultivate Los Angeles

**MAYRA NAVARRO  
PLANNER**

Ms. Navarro joined VTA in 2014. She holds a Masters degree in Urban and Regional Planning from the University of California, Los Angeles and an undergraduate background in Architecture from the University of California, Berkeley.

**VERONICA TAM AND ASSOCIATES**

As a planner, Ms. Navarro has contributed to the preparation of the following reports:

**Fair Housing Studies**

Pomona	San Diego County
Salinas	Ventura County
San Bernardino	

**Consolidated Plans and Annual Reports**

Carlsbad	Salinas	Orange County
La Mesa	San Bernardino	Ventura County

**PRIOR EXPERIENCE**

While working with the Housing Authority of the City of Los Angeles (HACLA), Ms. Navarro worked closely on the Jordan Downs Redevelopment. She contributed in developing and executing programs within the social component of the redevelopment, engaging the community through ongoing outreach, and providing research on best practices in similar low-income housing redevelopments.

While working in the Design and Construction services department, she also contributed to agency-wide ADA upgrades at HACLA project sites, provided project management services during the renovation of the HACLA headquarters, and provided design services for the development of low-income, senior housing.

**EDUCATION**

BA, Humanities, University of California, Berkeley

**PROFESSIONAL AFFILIATIONS**

American Planning Association  
Los Angeles Region Planning History Group

**BILL TRIMBLE**  
**SENIOR PLANNER**

Bill Trimble's professional background includes more than 22 years of local government planning for land use and housing. His work has focused on community-based planning, with an emphasis on public participation. In the City of Pasadena, he was responsible for updates of the City's Housing and Land Use Elements, as well as for various major development projects and housing-related zoning code amendments. Representing both his own and other jurisdictions, he analyzed land use and housing need projections with regional and sub-regional technical advisory committees.

**Veronica Tam & Associates**

As a Senior Planner with VTA, Mr. Trimble assists in the preparation of local Housing Elements:

Buena Park	Glendora	Long Beach
Camarillo	Gonzales	Pinole
Chino	Hercules	South Gate
Fresno County	La Canada Flintridge	Rancho Santa Margarita

**Prior Experience**

Mr. Trimble served with the City of Pasadena planning staff from 1990 to 2012, including seven years as a senior planner. He managed the two most recent updates of the City's Housing Element and the 2004 update of the Land Use Element. Other housing-related activities included zoning code amendments, demography, and projections. His responsibilities ranged in scale from a fence on a single-family property to the Southern California region as a whole.

Long participation in sub-regional and regional organizations, including the SCAG Plans and Programs Technical Advisory Committee, encouraged appreciation of the relationships between local and regional priorities.

Before becoming a local government planner, Mr. Trimble worked 16 years with college students and faculty in campus ministry at universities in Los Angeles, New Haven, and Albuquerque.

**Veronica Tam and Associates**

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105  
P (626) 304-0440 F (626) 304-0005

**Exhibit B**

**- SCOPE OF WORK –**

**For updating the Marina Municipal Code  
(MCC) Chapter 17.54, Affordable Housing**

B-1



January 11, 2016

Taven M. Kinison Brown, Acting Planning Services Manager  
City of Marina – Planning Services Division  
Community Development Department  
211 Hillcrest Avenue, Marina, California 93933

**Subject: Proposal for Supplemental Scope – Zoning Code Amendments**

Dear Mr. Brown:

Veronica Tam and Associates, Inc. (VTA) is pleased to provide this proposal to assist the City with housing-related zoning code amendments as a supplemental scope to the City's Housing Element Update. We understand that during the course of the Housing Element update, the City or the State Department of Housing and Community Development (HCD) may determine that certain zoning code amendments may be necessary or appropriate in order to comply with state law and/or enhance housing opportunities in the community.

Based on our cursory review of the City's Zoning Code, the following amendments are necessary:

- Density Bonus provisions regarding replacement housing and extended length of affordability control pursuant to AB 2222.
- Employee housing, where housing for six or fewer employees is considered as a single-family residential use pursuant to the Employee Housing Act.
- Farmworker housing, where housing for farm labor comprising of 12 units or 36 beds is considered an agricultural use pursuant to the Employee Housing Act.
- Definition of transitional housing. The definition contains in the City's Zoning Code may be too narrowly defined, not consistent with the definition in the Government Code.

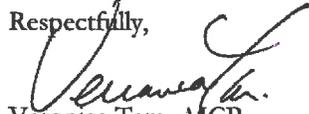
In addition, we understand the City may also revisit its inclusionary housing requirements or other housing-related provisions in the Zoning Code. As the precise scope of the amendments cannot be determined at this time, we propose a supplemental budget for works to be completed on a time-and-materials basis. We estimate the following budget breakdowns:

- Code amendments – 40 hours @ \$150/hour
- Planning Commission and City Council meetings (2) – 12 hours @ \$150/hour
- Travel Expenses - \$1,000

Total not-to-exceed amount is estimated at **\$8,800**. However, this budget assumes that City will be preparing/processing the environmental clearance (most likely a CEQA exemption would be adequate) for the code amendments.

We look forward to working with the City. Please contact me if you have questions or need additional information. I can be reached at (626) 304-0440 extension 1, or [veronica.tam@vtaplanning.com](mailto:veronica.tam@vtaplanning.com).

Respectfully,

  
Veronica Tam, AICP  
Principal

107 S. Fair Oaks Avenue, Suite 212  
Pasadena, CA 91105

P (626) 304-0440  
F (626) 304-0005

### Exhibit C - Insurance

Contractor agrees to provide insurance in accordance with the requirements set forth herein. If Contractor uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall furnish the City with original certificates of insurance, manually autographed in ink by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the City before any work commences. The City reserves its right to require complete, certified copies of all required insurance policies at any time. The following coverage will be provided by Contractor and maintained on behalf of the City and in accordance with the requirements set forth herein.

**Commercial General Liability (primary).** Commercial general liability insurance covering Contractor's operations (and products where applicable) is required whenever the City is at risk of third party claims which may arise out of Contractor's work or presence on City premises. Contractual liability coverage is a required inclusion in this insurance.

General liability insurance coverage shall be at least as broad as ISO form CG 00 01 10 01 and approved in advance by the City Attorney and Risk Manager. Total limits shall be no less than one million dollars (\$1,000,000) combined single limit per occurrence for general liability, bodily injury, personal injury and property damage. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate limit shall be two million dollars (\$2,000,000). Contractor must give written notice to the City of any pending claim, action or lawsuit which has or may diminish the aggregate. If any such claim or lawsuit exists, Contractor shall be required, prior to commencing work under this Agreement, to restore the impaired aggregate or prove it has replacement insurance protection to the satisfaction of the City Attorney and Risk Manager.

City, its Council, boards and commissions, officers, employees, agents and volunteers shall be added as additional insured, and the policy shall be endorsed with a form equivalent to ISO form CG 20 10 10 93, that contains the provisions required by this contract. Coverage shall apply on a primary, non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the City or any agent of City. Coverage is not expected to respond to the claims which may arise from the acts or omissions of the City. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage or employment-related practices.

**Umbrella Liability Insurance.** Umbrella liability insurance (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a “drop down” provision providing primary coverage above a maximum \$25,000.00 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage.

Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion and no contractor's limitation endorsement. Policies limits shall be not less than one million dollars (\$1,000,000) per occurrence and in the aggregate, above any limits required in the underlying policies shall have starting and ending dates concurrent with the underlying coverage.

**Business Auto.** Automobile liability insurance is required where vehicles are used in performing the work under this Agreement or where vehicles are driven off-road on City premises, it is not required for simple commuting unless City is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

If automobile insurance is required for work under this Agreement coverage shall be at least as broad as ISO form CG 00 01 10 01 including symbol 1 (Any Auto) approved by the City Attorney and Risk Manager. Coverage shall be endorsed to stated that the City, its Council, boards and commissions, officers, employees, agents and volunteers shall be added as additional insured with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible with a form equivalent to ISO form CG 20 10 10 93. Limits shall be no less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage. Starting and ending dates shall be concurrent. If Contractor owns no autos, a non-owned auto endorsement to the commercial general liability policy described above is acceptable.

**Workers' Compensation/Employers' Liability.** Workers' Compensation and Employer's Liability insurance are not required for single-person contractors. However, under California law these coverages (or a copy of the State's Consent to Self-Insure) must be provided if Contractor has any employees at any time during the period of this Agreement. Policy(s) shall be written on a policy form providing workers' compensation statutory benefits as required by law. Employers' liability limits shall be no less than one million dollars (\$1,000,000) per accident or disease and shall be scheduled under any umbrella policy described above. Unless otherwise agreed, policy(s) shall be endorsed to waive any right of subrogation as respects the City, its Council, boards and commissions, officers, employees, agents and volunteers.

**Property Insurance.** Property insurance, in a form and amount approved by the City Attorney and Risk Manager, is required for Contractors having exclusive use of premises or equipment owned or controlled by the City. City is to be named a Loss Payee “As Its Interest May Appear” in property insurance in which the City has an interest, e.g., as a lien holder. Fire damage legal liability is required for persons occupying a portion of City premises.

**Errors and Omissions/Professional Liability.** Errors and Omissions or professional liability coverage appropriate to Contractor's profession, in a form and amount approved by the City Attorney and Risk Manager, will be specified on a project-by-project basis if Contractor is working as a licensed professional. Contractor shall maintain such insurance for a period of five years following completion of the project. Such insurance shall be in an amount of not less than one million dollars (\$1,000,000) per claim and in annual aggregate. Design professionals shall maintain such insurance in place until the expiration of the warranty period of the Project.

**Contractor and City further agree as follows:**

a) This Exhibit supersedes all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Exhibit.

b) Nothing contained in this Exhibit is to be construed as affecting or altering the legal status of the parties to this Agreement. The insurance requirements set forth in this Exhibit are intended to be separate and distinct from any other provision in this Agreement and shall be interpreted as such.

c) All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.

d) Requirements of specific coverage features or limits contained in this Exhibit are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

e) For purposes of insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or toward performance of this Agreement.

f) All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Contractor, Contractor's employees, or agents from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against the City.

g) Contractor's insurance shall be written by an acceptable insurance provided, as determined by the City, which satisfies the following minimum requirements: An insurance carrier authorized and admitted to do business in the State of California and maintaining an agent for service of process within the state. Such insurance carrier shall maintain a current "A.M. Best" rating classification of "A-" or better and a financial size of \$10 million to \$24 million (Class V) or better, or a Lloyds of London program provided by syndicates of Lloyds of London and other London insurance carriers, providing all participants are qualified to do business in California and the policy provides for an agent for process in the state. Self-insurance will not be considered to comply with these insurance specifications. Workers Compensation and Employer's Liability shall be provided by an A-V rated carrier or by the California State Compensation Fund. If provided by a carrier other than California State Compensation Fund, Contractor shall provide proof of the carrier's A-V rating to the City.

h) In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Contractor.

i) Contractor agrees to provide evidence of the insurance required herein, satisfactory to City Attorney and Risk Manager, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional endorsement to Contractor's general liability and umbrella liability policies. Certificate(s) are to reflect that the insurer will provide at least thirty days written notice of cancellation, material reduction in coverage or reduction in limits and ten days written notice for non-payment of premium. Contractor agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. Contractor agrees to provide complete copies of policies to City within ten days of City's request for said copies.

j) Contractor shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

k) Any actual or alleged failure on the part of the City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

l) Contractor agrees to require all subcontractors or other parties hired for this Project to provide workers' compensation insurance as required herein and general liability insurance naming as additional insureds all parties to this Agreement. Contractor agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here. Contractor agrees to require that no contract used by any subcontractor, or contracts Contractor enters into on behalf of City, will reserve the right to charge back to City the cost of insurance

required by this Agreement. Contractor agrees that upon request, all agreements with subcontractors or others with whom Contractor contracts with on behalf of City will be submitted to City for review. Contractor acknowledges that such contracts or agreements may require modification if the insurance requirements do not reflect the requirements herein. Failure of City to request copies of such agreements will not impose any liability on City, its Council, boards and commissions, officers, employees, agents and volunteers.

m) If Contractor is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its Managers, Affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

n) Contractor agrees to provide immediate notice to City of any claim or loss against Contractor that includes City as a defendant. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve the City.

o) Coverage will not be limited to the specific location or individual entity designated as the address of the Project. Contractor agrees to have its coverage endorsed so that all coverage limits required pursuant to this requirement are available separately for each and every location at which Contractor conducts operations of any type on behalf of City. Contractor warrants that these limits will not be reduced or exhausted except for losses attributable to those specific locations and not by losses attributable to any other operations of Contractor.

p) Contractor agrees not to attempt to avoid its defense and indemnity obligations to City, its Council, boards and commissions, officers, employees, agents and volunteers by using as a defense Contractor's statutory immunity under workers' compensation or similar statutes.

r) Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Contractor and City or between City and any other insured or Named Insured under the policy, or between City and any party associated with City or its employees.

s) Contractor shall maintain commercial general liability, and if necessary, commercial umbrella liability insurance, with a limit of not less than one million dollars (\$1,000,000) each occurrence for at least three years following substantial completion of the work.

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL TO CONSIDER RECEIVING INVESTMENT REPORTS  
FOR THE CITY OF MARINA AND SUCCESSOR AGENCY TO THE  
MARINA REDEVELOPMENT AGENCY FOR MONTHS ENDED  
OCTOBER 31, NOVEMBER 30, AND DECEMBER 31, 2015**

**REQUEST:**

It is requested that the City Council:

1. Consider receiving Investment Reports for the City of Marina and City of Marina as Successor Agency to the Former Marina Redevelopment Agency for months ended October 31, November 30, and December 31, 2015.

**BACKGROUND:**

On December 7, 2010, the City Council adopted Resolution 2010-195, amending the Investment Policy and Management Plan. As amended, the policy's 'Investment Reporting' section requires the Finance Department to provide the City Council and City Manager with quarterly investment reports that include all portfolio investments including investments held by trustees. The Policy requires that reports be issued within thirty (30) days after the end of each quarterly reporting period. The reports are no longer required to be filed with the California State Treasurer.

**ANALYSIS:**

On December 29, 2011, the California Supreme Court issued an opinion upholding Assembly Bill 1X26, which dissolved all California redevelopment agencies effective February 1, 2012. Simultaneously, pursuant to AB1X26, the City of Marina became successor agency to the Marina Redevelopment Agency, to wind down the Agency's activities and assume the Agency's housing assets and obligations. Therefore, the attached investment reports include the City of Marina's and the City of Marina as Successor Agency to the Marina Redevelopment Agency's reports ("EXHIBIT A"). These include unreconciled balances of City and Successor Agency investments held by financial institutions as reported on their monthly statements. Cash balances on Exhibit B are subject to change due to fiscal-year-end and audit adjustments that cannot be anticipated as of the date of this report, and may therefore differ from beginning balances shown for the only of July cash balances report.

Due to the recent New World System financial system implementation, there are pending journal entries which affect the general ledger balances. These journal entries will be posted in the upcoming months. It is anticipated that the March 2016 investment Staff Report will include the General Ledger balances (formerly "EXHIBIT B") and Negative Cash Balances Summary (formerly "EXHIBIT C").

**FISCAL IMPACT:**

None

**CONCLUSION:**

This request is submitted for City Council consideration and possible action.

---

Lily Suarez  
Account Technician  
City of Marina

**REVIEWED/CONCUR:**

---

Lauren Lai, CPA  
Finance Director  
City of Marina

---

Layne P. Long  
City Manager  
City of Marina

To: Honorable Mayor and City Council Members

From: Lily Suarez, Accounting Technician

RE: Investment Report  
Month Ended October 31, 2015

INVESTMENT SUMMARY:

	<u>Institution</u>	<u>Valuation</u>	<u>Amount</u>
Imprest Cash	City of Marina	Market	5,900.00
Checking/Savings Account/Certificate of Deposit	Rabobank	Market	5,225,047.53
Local Agency Investment Fund	State of California	Market	14,173,985.84
Paying Agent	Union Bank/Wells Fargo	Market	1,717,186.24
	<b>Total Investments</b>		<b>21,122,119.61</b>

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City of Marina's anticipated expenditure requirements for the next six (6) months. (California Government Code Section 53646)

  
Lily Suarez, Accounting Technician

 9/15/2016

EXHIBIT A

CITY OF MARINA  
INVESTMENT AND EARNINGS REPORT  
MONTH ENDED OCTOBER 31, 2015

INSTITUTION	Maturity	Beginning Balance		Change			Ending Balance		Rate (%)	Cost	Book Value	Market Value
		Amount	Rate (%)	Amount	Deposits	Withdrawals	Amount	Maturity				
Petty Cash	N/A	5,900.00		0.00	0.00	0.00	5,900.00	N/A	5,900.00	5,900.00	5,900.00	
Rabobank												
Revolving Loan - NoteWorld	N/A	171,786.05	0.20%	28.23	0.00	0.00	171,786.28	N/A	171,786.28	171,786.28	171,786.28	
Interest Checking Account*	Sweep	922,382.50	0.00%	1,447,898.55	-1,493,648.08	0.00	876,632.98	Sweep	876,632.98	876,632.98	876,632.98	
Money Market/Bond Proceeds	N/A	4,175,941.81	0.20%	686.46	0.00	0.00	4,176,628.27	N/A	4,176,628.27	4,176,628.27	4,176,628.27	
Public Checking		0		0.00	0.00	0.00	0.00		0.00	0.00	0.00	
Total Rabobank		5,270,082.36		1,448,613.25	-1,493,648.08	0.00	5,225,047.53		5,225,047.53	5,225,047.53	5,225,047.53	
Local Agency Investment Fund (LAIF)	N/A	14,162,582.60	0.34%	11,403.24	0.00	0.00	14,173,985.84	N/A	14,173,985.84	14,173,985.84	14,173,985.84	
Paying Agent - Union Bank or Wells Fargo												
05 GO Library	Sweep	0.00	variable	0.00	1.00	1.00	1.00	Sweep	1.00	1.00	1.00	
Marina Abrams B 2006 Fund 72	Sweep	320,415.90	variable	66,753.90	0.00	0.00	389,169.80	Sweep	389,169.80	389,169.80	389,169.80	
Marina Abrams B 2006 Fund 57	Sweep	661,884.37	variable	5.40	0.00	0.00	661,889.77	Sweep	661,889.77	661,889.77	661,889.77	
Marina Greens AD	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	0.00	0.00	0.00	
Marina Landing AD	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	0.00	0.00	0.00	
98 GO Refunding	Sweep	4.48	variable	0.00	0.00	0.00	4.48	Sweep	4.48	4.48	4.48	
2015 GO Refunding	Sweep	1.00	variable	0.00	1.00	1.00	1.00	Sweep	1.00	1.00	1.00	
2015 GO Refunding-Escrow	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	0.00	0.00	0.00	
2015 GO Refunding-Issuance	Sweep	17,519.45	variable	0.00	0.00	0.00	17,519.45	Sweep	17,519.45	17,519.45	17,519.45	
2015 GO Refunding-Proceeds	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	0.00	0.00	0.00	
Pension Obligation Bonds	Sweep	648,595.41	variable	5.33	0.00	0.00	648,600.74	Sweep	648,600.74	648,600.74	648,600.74	
Total Trustee Accounts		1,648,420.61		88,764.63	1.00	1.00	1,717,186.24		1,717,186.24	1,717,186.24	1,717,186.24	
TOTAL		21,086,985.57		1,528,781.12	-1,493,647.08	21,122,119.61	21,122,119.61		21,122,119.61	21,122,119.61	21,122,119.61	

\* The Interest Bearing Checking and LAIF accounts contain idle funds of the City of Marina and the City of Marina as Successor Agency to the Marina Redevelopment Agency. The interest checking account is allocated to each entity on the basis of the accounting transactions recorded for the pooled checking account. LAIF accounts are registered and accounted for in the separate names of each entity. Revolving Loan, Money Market & Trustee accounts contain City resources only.

EXHIBIT A

To: Marina City Council as Successor Agency to the Marina Redevelopment Agency

From: Lily Suarez, Accounting Technician

RE: Investment Report  
Month Ended October 31, 2015

INVESTMENT SUMMARY:

	Institution	Valuation Market Market	Amount
Interest Checking Account*	Rabobank		173,855.90
Local Agency Investment Fund	State of California		562,632.72
	Total Investments		<u>736,488.62</u>

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the Successor Agency's anticipated expenditure requirements for the next six (6) months. (California Government Code Section 53346)

*Lily Suarez*

Lily Suarez, Accounting Technician

EXHIBIT A

CITY OF MARINA AS SUCCESSOR AGENCY TO THE MARINA REDEVELOPMENT AGENCY  
 INVESTMENT AND EARNINGS REPORT  
 MONTH ENDED OCTOBER 31, 2015

INSTITUTION	Maturity	Beginning Balance Rate (%)	Amount	Change		Ending Balance		Cost	Book Value	Market Value
				Deposits	Withdrawals	Amount	Maturity Rate (%)			
Rabobank										
Interest Checking Account*		0.00%	467,664.15	0.00	-293,808.25	173,855.90	sweep	173,855.90	173,855.90	173,855.90
Total-Rabobank			467,664.15	0.00	-293,808.25	173,855.90		173,855.90	173,855.90	173,855.90
Local Agency Investment Fund (LAIF)		0.33%	562,180.07	452.65	0.00	562,632.72	N/A	562,632.72	562,632.72	562,632.72
TOTAL			1,029,844.22	452.65	-293,808.25	736,488.62		736,488.62	736,488.62	736,488.62

\* The Interest Bearing Checking and LAIF accounts contain the funds of the City of Marina and the City of Marina as Successor Agency to the Marina Redevelopment Agency. The Interest checking account is allocated to each entity on the basis of the accounting transactions recorded for the pooled checking account. LAIF accounts are registered and accounted for in the separate names of each entity: Revolving Loan, Money Market & Trustee accounts contain City resources, only.

To: Honorable Mayor and City Council Members

From: Lily Suarez, Accounting Technician

RE: Investment Report

Month Ended November 30, 2015

INVESTMENT SUMMARY:

	<u>Institution</u>	<u>Valuation</u>	<u>Amount</u>
Imprest Cash			
Checking/Savings Account/Certificate of Deposit	City of Marina	Market	\$ 5,900.00
Local Agency Investment Fund	Rabobank	Market	\$ 4,261,409.94
Paying Agent	State of California	Market	\$ 14,173,985.84
	Union Bank/Wells Fargo	Market	\$ 1,375,194.97
	<b>Total Investments</b>		<b>\$ 19,816,490.75</b>

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City of Marina's anticipated expenditure requirements for the next six (6) months. (California Government Code Section 53646)

*[Handwritten signature]*  
1/15/2016

*Lily Suarez*  
Lily Suarez, Accounting Technician

EXHIBIT A

CITY OF MARINA  
INVESTMENT AND EARNINGS REPORT  
MONTH ENDED NOVEMBER 30, 2015

INSTITUTION	Maturity	Beginning Balance		Change			Ending Balance		Maturity	Rate (%)	Cost	Book Value	Market Value
		Amount	Rate (%)	Amount	Deposits	Withdrawals	Amount						
Pelly Cash	N/A	5,900.00		0.00	0.00	0.00	5,900.00	N/A		5,900.00	5,900.00	5,900.00	
Rabobank													
Revolving Loan - NotWorld	N/A	171,786.28	0.20%	29.18	0.00	0.00	171,815.46	N/A	0.20%	171,815.46	171,815.46	171,815.46	
Interest Checking Account*	Sweep	876,632.98	0.00%	2,319,148.82	-2,283,382.59	0.00	912,399.21	Sweep	0.00%	912,399.21	912,399.21	912,399.21	
Money Market/Bond Proceeds	N/A	4,176,628.27	0.20%	667.00	-1,000,000.00	0.00	3,177,195.27	N/A	0.20%	3,177,195.27	3,177,195.27	3,177,195.27	
Public Checking		0		0.00	0.00	0.00	0.00			0.00	0.00	0.00	
Total-Rabobank		5,225,047.53		2,319,745.00	-3,283,382.59	0.00	4,261,409.94			4,261,409.94	4,261,409.94	4,261,409.94	
Local Agency Investment Fund (LAIF)													
Paying Agent - Union Bank or Wells Fargo	N/A	14,173,985.84	0.36%	0.00	0.00	0.00	14,173,985.84	N/A	0.37%	14,173,985.84	14,173,985.84	14,173,985.84	
05 GO Library	Sweep	0.00	variable	1.00	0.00	0.00	1.00	Sweep	variable	1.00	1.00	1.00	
Marina Abrams B 2006 Fund 72	Sweep	389,189.80	variable	0.00	-342,002.40	0.00	47,187.40	Sweep	variable	47,187.40	47,187.40	47,187.40	
Marina Abrams B 2006 Fund 57	Sweep	661,889.77	variable	5.58	0.00	0.00	661,895.35	Sweep	variable	661,895.35	661,895.35	661,895.35	
Marina Greens AD	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	variable	0.00	0.00	0.00	
Marina Landing AD	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	variable	0.00	0.00	0.00	
98 GO Refunding	Sweep	4.48	variable	0.00	0.00	0.00	4.48	Sweep	variable	4.48	4.48	4.48	
2015 GO Refunding-Escrow	Sweep	1.00	variable	0.00	0.00	0.00	1.00	Sweep	variable	1.00	1.00	1.00	
2015 GO Refunding-Issuance	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	variable	0.00	0.00	0.00	
2015 GO Refunding-Procceeds	Sweep	17,519.45	variable	0.00	0.00	0.00	17,519.45	Sweep	variable	17,519.45	17,519.45	17,519.45	
Pension Obligation Bonds	Sweep	0.00	variable	0.00	0.00	0.00	0.00	Sweep	variable	0.00	0.00	0.00	
Total Trustee Accounts		648,606.74		21.19	-15.64	0.00	648,606.29			648,606.29	648,606.29	648,606.29	
TOTAL		1,717,185.24		27.77	-342,018.04	0.00	1,375,194.97			1,375,194.97	1,375,194.97	1,375,194.97	
		21,122,118.61		2,319,772.77	-3,625,400.63	0.00	19,816,490.75			19,816,490.75	19,816,490.75	19,816,490.75	

\* The Interest Bearing Checking and LAIF accounts contain the funds of the City of Marina and the City of Marina as Successor Agency to the Marina Redevelopment Agency. The interest checking account is allocated to each entity on the basis of the accounting transactions recorded for the pooled checking account. LAIF accounts are registered and accounted for in the separate names of each entity. Revolving Loan, Money Market & Trustee accounts contain City resources, only.

To: Marina City Council as Successor Agency to the Marina Redevelopment Agency

From: Lily Suarez, Accounting Technician

RE: Investment Report

Month Ended November 30, 2015

INVESTMENT SUMMARY:

	<u>Institution</u>	<u>Valuation</u>	<u>Amount</u>
Interest Checking Account*	Rabobank	Market	\$ 173,467.90 *
Local Agency Investment Fund	State of California	Market	\$ 562,532.72
	Total Investments		<u>\$ 736,100.62</u>

\* Negative Rabobank Interest Checking Account balance due to timing of transfer between Marina RDA Successor Agency Rabobank and LAIF accounts. Resolved in December.

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the Successor Agency's anticipated expenditure requirements for the next six (6) months. (California Government Code Section 53646)

*Lily Suarez*

Lily Suarez, Accounting Technician

EXHIBIT A

CITY OF MARINA AS SUCCESSOR AGENCY TO THE MARINA REDEVELOPMENT AGENCY  
 INVESTMENT AND EARNINGS REPORT  
 MONTH ENDED NOVEMBER 30, 2015

INSTITUTION	Maturity	Beginning Rate (%)	Beginning Balance		Change		Ending Balance		Cost	Book Value	Market Value
			Amount	Rate (%)	Deposits	Withdrawals	Amount	Rate (%)			
Rabobank											
Interest Checking Account*	73095032	Sweep	0.00%	173,855.90	0.00	-388.00	173,467.90	Sweep	0.00%	173,467.90	173,467.90
Local Agency Investment Fund (LAIF)	65-27-003	N/A	0.36%	562,632.72	0.00	0.00	562,632.72	N/A	0.37%	562,632.72	562,632.72
TOTAL				<u>736,488.62</u>	<u>0.00</u>	<u>-388.00</u>	<u>736,100.62</u>			<u>736,100.62</u>	<u>736,100.62</u>

- \* Negative Rabobank Interest Checking Account balance due to timing of transfer between Marina RDA Successor Agency Rabobank and LAIF accounts. Resolved in December.
- \* The Interest Bearing Checking and LAIF accounts contain the funds of the City of Marina and the City of Marina as Successor Agency to the Marina Redevelopment Agency. The Interest checking account is allocated to each entity on the basis of the accounting transactions recorded for the pooled checking account. LAIF accounts are registered and accounted for in the separate names of each entity. Revolving Loan, Money Market & Trustee accounts contain City resources, only.

To: Honorable Mayor and City Council Members

From: Lily Suarez, Accounting Technician

RE: Investment Report

Month Ended December 31, 2015

INVESTMENT SUMMARY:

	<u>Institution</u>	<u>Valuation</u>	<u>Amount</u>
Imprest Cash		Market	\$ 5,900.00
Checking/Savings Account/Certificate of Deposit	City of Marina	Market	\$ 4,598,620.65
Local Agency Investment Fund	Rabobank	Market	\$ 14,173,985.84
Paying Agent	State of California	Market	\$ 1,470,617.99
	Union Bank/Wells Fargo	Market	
	<u>Total Investments</u>		<u>\$ 20,249,124.48</u>

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City of Marina's anticipated expenditure requirements for the next six (6) months. (California Government Code Section 53646)

Lily Suarez  
Lily Suarez, Accounting Technician

*[Handwritten signature]*  
1/15/2016

EXHIBIT A

CITY OF MARINA  
INVESTMENT AND EARNINGS REPORT  
MONTH ENDED DECEMBER 31, 2015

INSTITUTION	Maturity	Beginning Balance		Change		Ending Balance		Cost	Book Value	Market Value
		Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)			
Petty Cash	N/A	5,900.00		0.00		5,900.00		5,900.00		5,900.00
Rabobank										
Revolving Loan - NoteWorld	N/A	171,815.46	0.20%	29.19	0.00	171,844.65	0.20%	171,844.65		171,844.65
Interest Checking Account*	Sweep	912,399.21	0.00%	6,764.87	-3,928.02	3,749,246.52	0.00%	3,749,246.52		3,749,246.52
Money Market/Bond Proceeds	N/A	3,177,195.27	0.20%	334.21	-2,500,000.00	677,529.48	0.20%	677,529.48		677,529.48
Public Checking		0		0.00	0.00	0.00				
Total Rabobank		4,281,409.94		6,795,233.77	-6,428,023.06	4,598,620.65		4,598,620.65		4,598,620.65
Local Agency Investment Fund (LAIF)	N/A	14,173,985.84	0.37%	0.00	0.00	14,173,985.84	0.40%	14,173,985.84		14,173,985.84
Paying Agent - Union Bank or Wells Fargo										
05 GO Library	Sweep	1.00	variable	0.00	0.00	1.00	1.00	1.00		1.00
Marina Abrams B 2006 Fund 72	Sweep	47,167.40	variable	134,678.43	0.00	181,845.83	variable	181,845.83		181,845.83
Marina Abrams B 2006 Fund 57	Sweep	561,895.35	variable	9.26	0.00	661,904.61	variable	661,904.61		661,904.61
Marina Greens AD	Sweep	0.00	variable	0.00	0.00	0.00	0.00	0.00		0.00
Marina Landing AD	Sweep	0.00	variable	0.00	0.00	0.00	0.00	0.00		0.00
98 GO Refunding	Sweep	4.48	variable	0.00	0.00	4.48	variable	4.48		4.48
2015 GO Refunding-Escrow	Sweep	1.00	variable	0.00	0.00	1.00	variable	1.00		1.00
2015 GO Refunding-Issuance	Sweep	0.00	variable	0.00	0.00	0.00	variable	0.00		0.00
2015 GO Refunding-Procceeds	Sweep	17,519.45	variable	0.00	0.00	17,519.45	variable	17,519.45		17,519.45
Pension Obligation Bonds	Sweep	0.00	variable	0.00	0.00	0.00	variable	0.00		0.00
Total Trustee Accounts		648,606.29		5.20	-39,269.87	609,341.62		609,341.62		609,341.62
TOTAL		19,816,460.75		8,899,926.86	-6,467,292.93	20,231,604.03		20,231,604.03		20,231,604.03

The Interest Bearing Checking and LAIF accounts contain idle funds of the City of Marina and the City of Marina as Successor Agency to the Marina Redevelopment Agency. The Interest checking account is allocated to each entity on the basis of the accounting transactions recorded for the pooled checking account. LAIF accounts are registered and accounted for in the separate names of each entity. Revolving Loan, Money Market & Trustee accounts contain City resources, only.

To: Marina City Council as Successor Agency to the Former Marina Redevelopment Agency

From: Lily Suarez, Accounting Technician

RE: Investment Report  
Month Ended December 31, 2015

INVESTMENT SUMMARY:

	<u>Institution</u>	<u>Valuation</u>	<u>Amount</u>
Interest Checking Account*	Rabobank	Market	\$ 858,508.41
Local Agency Investment Fund	State of California	Market	\$ 562,632.72
	Total Investments		<u>\$ 1,421,141.13</u>

\* Negative Rabobank Interest Checking Account balance due to timing of transfer between Marina RDA Successor Agency Rabobank and LAIF accounts. Resolved in December.

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the Successor Agency's anticipated expenditure requirements for the next six (6) months. (California Government Code Section 53946)

*Lily Suarez*

Lily Suarez, Accounting Technician

CITY OF MARINA AS SUCCESSOR AGENCY TO THE MARINA REDEVELOPMENT AGENCY

EXHIBIT A

INVESTMENT AND EARNINGS REPORT  
MONTH ENDED DECEMBER 31, 2015

INSTITUTION	Maturity	Beginning Rate (%)	Change		Ending Balance		Cost	Book Value	Market Value
			Amount	Deposits	Withdrawals	Amount			
Rabobank									
Interest Checking Account	Sweep	0.00%	173,467.90	717,653.00	-32,612.49	858,508.41	858,508.41	958,508.41	858,508.41
Local Agency Investment Fund (LAIF)	N/A	0.37%	562,632.72	0.00	0.00	562,632.72	562,632.72	562,632.72	562,632.72
<b>TOTAL</b>			<u>736,100.62</u>	<u>717,653.00</u>	<u>-32,612.49</u>	<u>1,421,141.13</u>	<u>1,421,141.13</u>	<u>1,421,141.13</u>	<u>1,421,141.13</u>

The Interest Bearing Checking and LAIF accounts contain the funds of the City of Marina and the City of Marina as Successor Agency to the Marina Redevelopment Agency. The Interest checking account is allocated to each entity on the basis of the accounting transactions recorded for the pooled checking account. LAIF accounts are registered and accounted for in the separate names of each entity: Revolving Loan, Money Market & Trustee accounts contain City resources, only.

January 15, 2016

Item No. **8j(2)**

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016-  
RECEIVING AND FILING CITY OF MARINA AUDITED ANNUAL  
FINANCIAL REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**REQUEST:**

It is requested that the City Council:

1. Consider adopting Resolution No. 2016- receiving and filing City of Marina audited Annual Financial Reports for the fiscal year ended June 30, 2015.

**BACKGROUND:**

After each fiscal year, independent auditors examine and test the underlying controls, fiscal records and financial transactions from which the City's Annual Financial Reports are prepared, and issue their opinion on the basic financial statements contained in the reports.

The purpose of the audit is to determine whether, in the auditor's opinion, the financial statements present fairly in all material respects the City's financial position and results of operations for the fiscal year; whether the City is in compliance with significant laws, regulations contracts and grants; and to evaluate the City's system of internal controls.

**ANALYSIS:**

The auditors, Mann, Urrutia, Nelson CPAs, issued unqualified ("clean") opinion as of and for the year ended June 30, 2015, on the City of Marina financial statements dated January 6, 2016. **(EXHIBIT A)**. The audit report states "In our opinion, the financial statements referred 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, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison statements for the general fund and the other major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America."

In accordance with GASB Statement No. 34, the financial reports include: Management's Discussion and Analysis (MD&A); Basic Financial Statements (including Notes to Financial Statements); Required Supplementary Information; and Supplementary Information.

The auditors' unqualified opinions on the City's 2014-15 financial statements are indicative of superior financial records, an accomplishment made possible through exceptional expertise, dedication and commitment to excellence on the part of Finance Consultant Richard B. Standridge, CPA and Finance Department staff, Accounting Technicians Monika Collier, Lily Suarez and Janet Villavisencio.

**FISCAL IMPACT:**

None

**CONCLUSION:**

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

---

Lauren Lai, CPA  
Finance Director  
City of Marina

**REVIEWED/CONCUR:**

---

Layne P. Long  
City Manager  
City of Marina

RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA  
RECEIVING AND FILING THE CITY OF MARINA AUDITED ANNUAL FINANCIAL  
REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

WHEREAS, after each fiscal year independent auditors examine and test the underlying controls, fiscal records and financial transactions from which the City's Annual Financial Reports are prepared, and issue their opinion on the basic financial statements contained in the reports, and;

WHEREAS, the purpose of the audit is to determine whether, in the auditor's opinion, the financial statements present fairly in all material respects the City's financial position and results of operations for the fiscal year; whether the City is in compliance with significant laws, regulations contracts and grants; and to evaluate the City's system of internal controls, and;

WHEREAS, the auditors, Mann, Urrutia, Nelson CPAs, issued unqualified ("clean") opinion as of and for the year ended June 30, 2015, on the City of Marina's financial statements dated January 6, 2016, and;

WHEREAS, the audit report states "In our opinion, the financial statements referred 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, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison statements for the general fund and the other major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America," and;

WHEREAS, in accordance with GASB Statement No. 34, the financial reports include: Management's Discussion and Analysis (MD&A); Basic Financial Statements (including Notes to Financial Statements); Required Supplementary Information; and Supplementary Information, and;

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

1. Receive and file the City of Marina audited Annual Financial Reports (**EXHIBIT A**) for the fiscal year ended June 30, 2015.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 20<sup>th</sup> day of January 2016, by the following vote:

AYES, COUNCIL MEMBERS:

NOES, COUNCIL MEMBERS:

ABSENT, COUNCIL MEMBERS:

ABSTAIN, COUNCIL MEMBERS:

---

Bruce C. Delgado, Mayor

ATTEST:

---

Anita Sharp, Deputy City Clerk

*City of Marina, California*  
Basic Financial Statements  
fiscal Year Ended June 30, 2015

# CITY OF MARINA

Basic Financial Statements

Year Ended  
June 30, 2015

## TABLE OF CONTENTS

### INTRODUCTORY SECTION

Organizational Chart .....	1
List of Elected and Appointed Officials .....	2

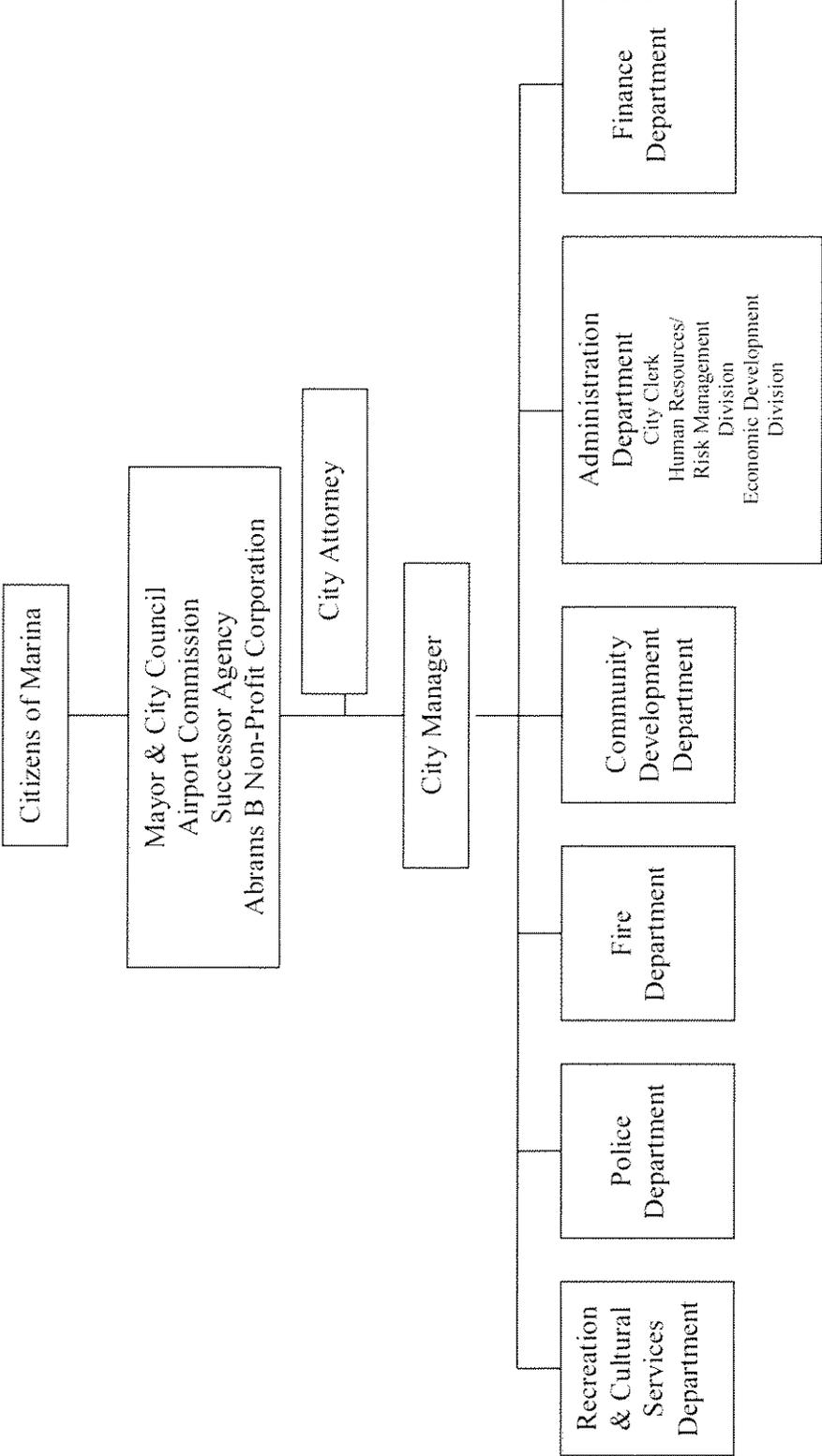
### FINANCIAL SECTION

Independent Auditors' Report .....	3-4
Management's Discussion and Analysis .....	5-12
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position .....	13
Statement of Activities .....	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	18
Statement of Net Position - Proprietary Funds .....	19
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	20
Statement of Cash Flows - Proprietary Funds .....	21-22
Statement of Fiduciary Net Position .....	23
Statement of Changes in Fiduciary Net Position .....	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Other Major Funds .....	25-26
Notes to Financial Statements .....	27-56

REQUIRED SUPPLEMENTARY INFORMATION .....	57-59
OTHER SUPPLEMENTARY INFORMATION	
General Fund Combining Balance Sheet .....	60
General Fund Combining Schedule of Revenues, Expenditures and Changes in Net Position .....	61
Non-major Governmental Funds Combining Balance Sheet.....	62-63
Non-major Governmental Funds Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	64-65
Fiduciary Funds Combining Schedule of Net Position.....	66
Fiduciary Funds Combining Schedule of Changes in Net Position .....	67

## INTRODUCTORY SECTION

# City of Marina – Organization Chart



# CITY OF MARINA, California

Basic Financial Statements  
June 30, 2015

## Elected Officials

---

Mayor	Bruce C. Delgado
Mayor Pro Tem	Frank O'Connell
Council Member	Nancy Amadeo
Council Member	David W. Brown
Council Member	Gail Morton

---

## Appointed Officials

City Manager	Layne Long
Acting City Clerk	Anita Shepherd-Sharp
Finance Director	Lauren Lai, CPA
Police Chief	Edmundo Rodriguez
Fire Chief	Doug McCoun
Community Development Director (acting)	Theresa Symansis
Recreation & Cultural Services Director	Terry Siegrist
Airport Services Manager	Jeff Crechriou

Prepared By: Lauren Lai, CPA

FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Marina, California

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion 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 opinion.

### Opinion

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 Marina, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents 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 an opinion on the financial statements that collectively comprise the City of Marina's basic financial statements. The combining and individual nonmajor fund financial statements and the budgetary comparison 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 the budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 6, 2016, on our consideration of the City of Marina'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 of Marina's internal control over financial reporting and compliance.



Mann, Urrutia, Nelson CPAs & Associates LLP  
Sacramento, California  
January 6, 2016



**CITY OF MARINA**

211 Hillcrest Avenue  
Marina, CA 93933

831-884-1278; FAX 831-384-9148  
www.ci.marina.ca.us

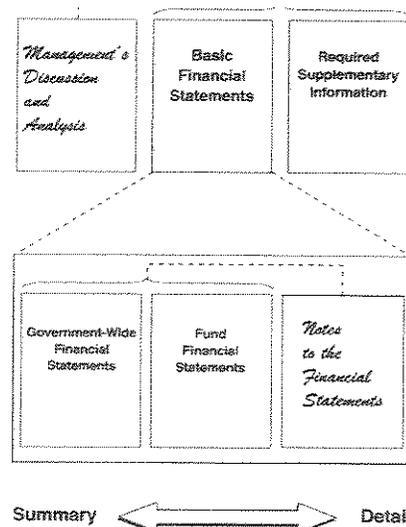
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of The City of Marina (the 'City') annual financial report presents management's discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2015. It should be read in conjunction with the City's financial statements, which follow.

**FINANCIAL HIGHLIGHTS**

- The City's net position at June 30, 2015 was \$86,505,369, a \$8.6 million, 9.0% decrease from June 30, 2014, net position of \$95,091,826. Although normal operations including long-term debt reductions and capital assets additions produced a \$4.6 million increase in net position, two prior-period adjustments totaling \$13.2 million resulted in the net decrease of \$8.6 million stated above. One prior-period adjustment of \$0.3 million resulted from a change in accounting procedures for the Law Enforcement Frontline Grant, while a \$12.9 million adjustment was necessary to comply with Governmental Accounting Standards Board Statement No. 68, which mandated a one-time adjustment to record the City's actuarially-determined net CalPERS pension liability at June 30, 2015. For additional information on prior-period adjustments, see Notes to Financial Statements No. 1 & 10.
- During Fiscal 2014/15, City-wide revenues (excluding intrafund and interfund transfers) of \$37.7 million exceeded City-wide total expenditures and expenses (excluding intra/interfund transfers) of \$35.4 million by \$2.3 million. Total FY 2014/15 revenues (excluding intra/interfund transfers) of \$37.7 million increased by \$9.6 million from the previous year total of \$28.1 million. The majority of this increase was due to \$7.9 million bond proceeds resulting from a new general obligation bond issue which refunded the 2005 Library Bonds. The remaining \$1.7 million was mostly due to a large increase in grants for capital projects. Property, sales, franchise, transient occupancy and motor vehicle taxes, and other revenues fluctuated only slightly, within normal operating variances. City-wide FY 2014/15 expenditures increased by \$7.4 million, from \$28 million in FY 2013/14 to \$35.4 million in FY 2014/15. Costs of refinancing the Library Bonds totaled \$8.2 million, while total other expenditures dropped by about \$0.8 million including slight drops in costs for public safety, economic and community development and public improvement projects.
- On-going General Fund revenues comprise property, property tax in lieu of motor vehicle taxes, sales, transient occupancy taxes and franchise taxes; state subventions; grants; charges for services and other program revenues, and miscellaneous general revenues. General Fund revenues, excluding interfund transfers in, for fiscal year 2014/15 declined slightly to \$17.5 million from \$18.0 million the previous year or about 2.7%, which management considers a normal operating fluctuation. This decline was the result of a one-time sale of real property during fiscal 2013/14 of \$1.1 million, partly compensated for by \$0.26 million and \$0.24 million increases in sales and transient occupancy taxes, respectively. Other general fund revenues fluctuated in non-material amounts. Total general fund revenues of \$17.5 million comprised: rents, license, fees & other charges for services \$3.9 million; grants & contributions \$0.5 million; property taxes \$4.6 million; sales tax \$4.8 million; transient occupancy tax \$2.4 million; franchise tax \$0.8 million; fines & forfeitures \$0.2 million; investment earnings & other general revenues \$0.3 million.
- The cost of government activities naturally fluctuates from year-to-year, due to program changes, policy decisions and the normal ebb and flow of business transactions; however, for fiscal 2014/15, General Fund expenditures remained virtually unchanged from the previous year. General fund expenditures of \$17.2 million for fiscal 2014/15 were categorized as follows: general government \$2.5 million; public safety \$10.5 million; recreation & cultural activities \$0.9 million; economic & community development \$1.0 million and public works \$2.3 million.
- The City's General Fund reported a fund balance at June 30, 2015 of \$8.8 million, unchanged from the previous year. While general fund revenues of \$17.5 million exceeded expenditures of \$17.2 million by \$0.3 million, a prior period adjustment of \$.3 million (see prior period adjustment disclosure above) offset that increase, resulting in no net change to ending fund balance.

**Figure A: Required Components of the City's Annual Financial Report**



## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City.

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.
- The fund financial statements focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements present general government services financed in the short term and balances available for future spending.
- Proprietary fund statements present financial information about Airport and Abrams B Housing activities, which the City operates and accounts for similar to a commercial business.

**Figure B. Major Features of the City's Government-wide and Fund Financial Statements**

<i>Type of Statements</i>	<b>Fund Statements</b>			
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Fund</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire City (except fiduciary funds) including component unit	Activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: Municipal Airport	Instances in which the City acts as fiduciary for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

The financial statements also include notes that further explain and provide more detail about some of the information in the financial statements. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statement information. Figure A demonstrates how required parts of this annual report are arranged and shows how they relate to one another. Figure B summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Government-wide Statements** report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide statements report the City's net position and how it has changed. Net position, the difference between the City's assets and liabilities (with respect to individual funds, this is commonly called 'Fund Balance'), helps to measure the City's financial health or position. Increases or decreases in the City's net position might, but does not necessarily, indicate whether its financial health is improving or deteriorating. To properly evaluate the City's overall health, one must also consider many nonfinancial factors such as the City Council's policies, goals and objectives; management's implementation plans; staffing

levels; naturally-occurring changes in the City's revenue base and non-discretionary cost structure; and the local, state and national economies. This means that, on their own, neither net position nor the general fund and other fund balances necessarily indicate the health of the City. Rather, these amounts reflect the City's commitment to maintain essential government services and programs at acceptable levels and to meet new needs as they arise. The general fund balance of more than \$8.8 million equals about half of a full year's recurring revenues.

The government-wide financial statements of the City include Governmental activities. Most basic City services are included here, such as legislative, general government, public safety, public works, economic & community development, recreation and cultural services, capital and infrastructure improvements and long-term debt service. Taxes, licenses and permits, charges for services, fines and penalties, operating and capital grants, rents and investment earnings, and revenues from other governments finance these activities. For additional information on the City's component units, see Note 1 in the City of Marina's Notes to Financial Statements.

**Fund Financial Statements** provide detailed information about the City's most significant (Major) funds, not the City as a whole. Funds are fiscal accounting entities that track specific revenues and expenditures. Management creates funds to segregate and manage resources to carry on specific activities or demonstrate that restricted resources are properly utilized. Some funds are mandated by law (Streets Fund); some by bond covenants (Debt Service); some by special agreement (Assessment District Maintenance Funds); and some to better manage discrete activities (Impact Fee Fund). The City employs the following types of funds:

- Governmental - Most services are accounted for in governmental funds, focusing on (1) how cash and other assets that are readily convertible to cash flow in and out and (2) year-end balances available for spending. Governmental fund statements provide a detailed short-term view that shows the resources that can be spent in the near future on City programs. Because this information does not include the long-term focus of government-wide statements, management provides information to explain relationships among them.
- Proprietary - Airport operations and Abrams B Housing, for which the City measures results of operations similar to a commercial activity, are reported in the Marina Municipal Airport and Abrams B Housing enterprise funds. Proprietary funds, like government-wide statements, provide long and short-term financial information.

## **SUMMARY FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

Total net position of \$86,505,369 at June 30, 2015 is detailed in Table 1, and results of operations and budget comparisons in Tables 2 & 3, respectively. *The information in Tables 1, 2 & 3 is presented somewhat differently than in the financial statements to enable a more comprehensive picture of the City's assets, liabilities, revenues, expenditures and budgetary compliance. (NOTE: More detailed information is contained in the financial statements and notes thereto). For example, for Management Discussion & Analysis purposes internal balances are not eliminated, prepaid costs and deferred revenues have not been recharacterized as 'Deferred Outflows and Inflows,' and interfund transfers both in and out are fully disclosed, since they are budgeted transactions, and a meaningful analysis is not possible when these important transactions are eliminated from the reports, or when funds are misleadingly combined as required by GASB-54. Although classified and summarized differently for different purposes, Net Position and results of operations are, of course, the same in both presentations since they both represent the same financial transactions.*

**Table 1**

## Net Position

(in thousands, rounded)

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	18,588.4	19,588.0	5,147.9	5,202.7	23,736.3	24,790.8
Prepaid Expenses	12.0	-	533.0	611.1	545.0	611.1
Internal Balances	15,414.0	14,488.8	100.7	50.0	15,514.7	14,538.8
Other Receivables	2,551.7	2,896.3	86.6	46.7	2,638.3	2,943.0
Fuel Inventory	-	-	62.6	26.5	62.6	26.5
Total Current Assets	36,566.1	36,973.1	5,930.8	5,937.0	42,496.9	42,910.2
<b>Noncurrent Assets</b>						
Long-term Notes & Loans	508.3	1,045.0	85.0	85.0	593.3	1,130.0
Deferred Outflows - PERS	-	2,189.4	-	-	-	2,189.4
Land, Bldgs & Equipment	60,050.9	62,578.4	69,750.5	69,750.5	129,801.4	132,328.9
(Accumulated Depreciation)	-19,166.2	-20,543.7	-12,733.0	-13,779.4	-31,899.2	-34,323.1
Total Noncurrent Assets	41,393.0	45,269.1	57,102.5	56,056.1	98,495.5	101,325.2
Total Assets	77,959.1	82,242.2	63,033.3	61,993.1	140,992.4	144,235.4
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	1,755.9	1,022.0	72.5	47.1	1,828.4	1,069.1
Accrued Liabilities	1,713.8	1,846.0	337.2	386.4	2,051.0	2,232.5
Unearned Revenue	104.3	26.8	35.7	-	140.0	26.8
Deferred Inflows - PERS	-	3,735.5	-	-	-	3,735.5
Deposits & Other Liabilities	313.9	525.8	27.0	27.0	340.9	552.8
Internal Balances	2,048.4	1,892.2	13,466.3	12,646.6	15,514.7	14,538.8
Total Current Liabilities	5,936.3	9,048.3	13,938.7	13,107.1	19,875.0	22,155.5
<b>Long-term Liabilities</b>						
Notes Payable	-	-	-	-	-	-
Unavailable Revenue	2,013.1	1,734.5	-	-	2,013.1	1,734.5
Net Pension Liability	-	11,395.1	-	-	-	11,395.1
Leases Payable	164.5	92.8	-	-	164.5	92.8
Bonds	22,575.0	21,215.0	-	-	22,575.0	21,215.0
Compensated Absences	1,273.0	1,137.1	-	-	1,273.0	1,137.1
Total Long-term Liabilities	26,025.6	35,574.5	-	-	26,025.6	35,574.5
Total Liabilities	31,961.9	44,622.8	13,938.7	13,107.1	45,900.6	57,730.0
Net Position	45,997.2	37,619.4	49,094.6	48,886.0	95,091.8	86,505.4
<b>Net Investment in Capital Assets</b>						
Restricted	20,295.1	22,196.9	43,551.3	43,324.5	63,846.4	65,521.4
Unrestricted	7,082.6	8,194.8	-	-	7,082.6	8,194.8
Total Net Position	18,619.5	7,227.7	5,543.3	5,561.5	24,162.8	12,789.2
Total Net Position	45,997.2	37,619.4	49,094.6	48,886.0	95,091.8	86,505.4

Government Accounting Standards Board (GASB) Statement No. 54 establishes categories of ending fund balance in Governmental Funds. 'Restricted' fund balances are balances of funds whose resources can only be used for purposes '...stipulated by constitution, external resource providers, or through enabling legislation'; for example, bond indentures and Gas Tax Laws. GASB claims the new categories enhance the usefulness of net position measurements by disclosing the extent to which a government must observe constraints imposed on the use of resources reported in governmental funds and the extent to which resources are available for discretionary purposes. Since most governmental funds contain resources that are limited in some fashion to a specific use, a significant portion of year-end fund balance is classified as 'Restricted' even though those resources are available for exactly the purpose for which they were obtained, rendering the GASB's classification scheme more confusing than illuminating.

**Changes in net position. (Table 2)**

- **REVENUES** Governmental Funds revenues for fiscal 2014/15, excluding intra/interfund transfers and one-time bonded debt refinancing inflows, showed a modest increase from the previous year of about \$1.5 million, from \$24 million to \$25.5 million, virtually all of which resulted from increased federal, state and local grants for capital projects. At the same time, property taxes remained constant from fiscal 2013/14, while motor vehicle and gas taxes decreased by about \$0.17 million, sales taxes increased by about \$0.26 million, transient occupancy taxes increased by about \$0.24 million and franchise taxes increased by slightly less than \$0.1 million. Other individual revenue sources fluctuated within variances considered by management to be normal. As Table 2 shows, enterprise operating revenues remained relatively unchanged from the prior year.
- **COSTS** Governmental Fund costs, excluding inter/intra-fund transfers and one-time long-term debt refinancing costs for 2014-15 were \$22.8 million, down slightly from \$23.5 million in the previous year. As Table 2 indicates, general government and public safety costs increased slightly, while economic development, recreation and debt service (interest) costs declined in essentially equal total amounts. Debt service interest costs declined due to the liquidation of two limited obligation bond issues and refinancing of the 2005 library bond issue. Variations in other governmental

activity costs are considered by management to be normal variations due to changes in the operating environment and program requirements. Enterprise costs remained essentially the same as the previous year.

**Table 2**

Change in Net Position  
(in thousands, rounded)

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
<b>Revenues</b>						
Program Revenues:						
Charges for Services	6,625.0	6,521.0	4,163.8	4,263.8	10,788.8	10,784.8
Program Income	2,608.5	3,934.6	-	35.7	2,608.5	3,970.3
General Revenues:						
Taxes	13,403.8	13,859.3	-	-	13,403.8	13,859.3
Other Revenues	1,352.8	1,271.3	5.9	-	1,358.7	1,271.3
Transfers In	2,974.4	3,810.9	4.8	-	2,979.2	3,810.9
Long-term Debt Proceeds	-	7,852.0	-	-	-	7,852.0
<b>Total Revenues</b>	<b>26,964.5</b>	<b>37,249.1</b>	<b>4,174.5</b>	<b>4,299.5</b>	<b>31,139.0</b>	<b>41,548.6</b>
<b>Expenditures</b>						
General Government	2,333.3	2,513.0	-	-	2,333.3	2,513.0
Public Safety	10,209.2	10,551.9	-	-	10,551.9	10,551.9
Economic Development	1,800.8	1,448.5	-	-	1,800.8	1,448.5
Recreation	1,080.2	895.1	-	-	1,080.2	895.1
Public Works	2,686.1	2,906.7	-	-	2,686.1	2,906.7
Public Improvements	3,153.5	2,798.5	-	-	3,153.5	2,798.5
Debt Service	2,256.0	1,649.7	-	-	2,256.0	1,649.7
Enterprise Operations	-	-	4,491.0	4,327.1	4,491.0	4,327.1
Transfers Out	2,433.4	3,679.4	545.8	181.0	2,979.2	3,860.4
Long-term Debt Refinancing	-	8,253.7	-	-	-	8,253.7
<b>Total Expenditures</b>	<b>25,952.5</b>	<b>34,696.5</b>	<b>5,036.8</b>	<b>4,508.1</b>	<b>30,989.3</b>	<b>39,204.6</b>
<b>Revenues Over</b>						
(-)under Expenditures	1,012.0	2,552.6	-862.3	-208.6	149.7	2,344.0
Net Position Beginning	42,895.9	45,997.2	50,585.2	49,094.6	93,481.1	95,091.8
Prior Period Adjustment	-	-13,212.5	-628.3	-	-628.3	-13,212.5
Capital Asset Contributions	-	-	-	-	-	-
Net Capital Assets incr(decr)	1,394.8	1,150.0	-	-	1,394.8	1,150.0
Debt (increase)decrease	694.5	1,132.1	-	-	694.5	1,132.1
<b>Net Position Ending</b>	<b>45,997.2</b>	<b>37,619.4</b>	<b>49,094.6</b>	<b>48,886.0</b>	<b>95,091.8</b>	<b>86,505.4</b>

**GENERAL FUND BUDGET HIGHLIGHTS**

The General Fund budget was revised during the year in response to program changes, in accordance with procedures established by the City Council when it adopted the original budget, as set forth in Table 3. Actual General Fund revenues were almost \$0.9 million greater than the final budget, while expenditures were \$0.5 million under budget.

**Table 3**

General Fund Budget Changes & Actual-Budget Comparison  
(in thousands, rounded)

	Budget as Adopted	Council Approved Amendments	Budget as Amended	Actual	Favorable (-)/Unfavorable Variance
<b>Revenues</b>					
Taxes	11,643.2	444.4	12,087.6	12,669.0	581.4
Licenses & Permits	401.5	56.7	458.2	515.1	56.9
Fines & Penalties	183.6	-1.1	182.5	194.5	12.0
Investment Earnings	30.0	-	30.0	27.0	-3.0
Chrgs for Svcs/Program Rev	3,491.7	272.4	3,764.1	3,890.2	126.1
Other Revenues	675.7	-643.0	32.7	236.4	203.7
<b>Total Revenues</b>	<b>16,425.7</b>	<b>129.4</b>	<b>16,555.1</b>	<b>17,532.2</b>	<b>977.1</b>
<b>Expenditures</b>					
General Government	2,640.7	304.0	2,944.7	2,507.3	437.4
Public Safety	10,623.3	77.5	10,700.8	10,551.9	148.9
Economic/Community Develop	839.1	47.1	886.2	993.9	-107.7
Recreation	925.1	-	925.1	892.7	32.4
Public Works	2,306.4	-32.9	2,273.5	2,259.2	14.3
<b>Total Expenditures</b>	<b>17,334.6</b>	<b>395.7</b>	<b>17,730.3</b>	<b>17,205.0</b>	<b>525.3</b>
Revenues Over(Under)					
Expenditures	-908.9	-266.3	-1,175.2	327.2	1,502.4
Net Interfund Transfers In(Out)	473.6	-623.1	-149.5	-98.0	81.5
Revenues Over(Under)					
Expenditures, Transfers & Other Financing Sources	-435.3	-889.4	-1,324.7	229.2	1,553.9

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2015, the City has more than \$132 million capital assets (cost before depreciation) including land, equipment, vehicles, buildings, improvements, infrastructure, rental housing and airport facilities. (See Table 4). The City's 2015/16 budget provides for various public improvements. Additional capital expenditures might be approved by the City Council during the 2015/16 fiscal year. Many costs will be provided by federal, state and other grants. Additional information about the City's capital assets is presented in the notes to financial statements.

**Table 4**

Capital Assets  
(in thousands, rounded)

	Governmental Activities		Business-type Activity		Total	
	2014	2015	2014	2015	2014	2015
Land	1,751.0	1,751.0	36,900.0	36,900.0	38,651.0	38,651.0
Buildings and Improvements	35,105.9	35,117.7	32,666.7	32,666.7	67,772.6	67,784.4
Vehicles & Equipment	6,241.3	6,408.0	183.8	183.8	6,425.1	6,591.8
Infrastructure	16,952.7	19,301.7	-	-	16,952.7	19,301.7
<b>Totals at Historical Cost</b>	<b>60,050.9</b>	<b>62,578.4</b>	<b>69,750.5</b>	<b>69,750.5</b>	<b>129,801.4</b>	<b>132,328.9</b>
Accumulated Depreciation	-19,166.2	-20,543.7	-12,733.0	-13,779.4	-31,899.2	-34,323.1
<b>Net Capital Assets</b>	<b>40,884.7</b>	<b>42,034.7</b>	<b>57,017.5</b>	<b>55,971.1</b>	<b>97,902.2</b>	<b>98,005.8</b>

### Long Term Debt

At year-end the City had slightly more than \$22 million in bonds, capital leases and compensated absences (vested benefits payable to employees) outstanding, as shown in Table 5. During fiscal 2014/15, the 2015 General Obligation Library Bonds were fully redeemed, in the total amount of \$7,925,000 by a new 2015 General Obligation Refunding Bond Issue of \$7,640,000, in order to obtain lower interest rates, lower life-of-the-issue interest costs, and more favorable debt service terms. During fiscal 2014/15, in addition to the redeemed library bonds, the City paid \$1,075,000 against other pre-existing long-term debt. Compensated absences decreased by \$135,967 as a result of employees earning slightly less compensable time off than they used.

**Table 5**

	Long-term Debt (in thousands, rounded)					
	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Bonds Payable	22,575.0	21,215.0	-	-	22,575.0	21,215.0
Leases Payable	164.5	92.8	-	-	164.5	92.8
Compensated Absences	1,273.1	1,137.1	-	-	1,273.1	1,137.1
Total Long-Term Debt	24,012.6	22,444.9	-	-	24,012.6	22,444.9

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

On November 2, 2010, Marina voters approved two tax measures, temporarily raising the transient occupancy tax rate from 10% to 12% and also temporarily increasing the sales tax rate by 1%, for the purpose of preserving funds for general city services such as police, fire, street repair, parks maintenance and recreation and community programs. On November 4, 2014, by a 73% to 27% margin, Marina voters approved Measure E, eliminating the termination date of the temporary transient occupancy tax rate increase, and permanently setting the rate at 12%. Also on November 4, 2014, by a margin of 77% to 23%, voters approved Measure F which extended the temporary 1% sales tax for an additional ten years, scheduling the additional 1% tax to expire on March 31, 2026.

Various economic and fiscal indicators were considered, and numerous assumptions necessarily made, when adopting the 2015/16 general fund budget. Amounts available for appropriation for general fund purposes in the 2015/16 budget include an estimated 2014/15 fund balance carry-forward of \$7.6 million, and projected 2015/16 revenues of \$18.0 million. Budgeted expenditures for 2015/16 total \$17.8 million. If 2015/16 revenues and expenditures are realized as budgeted, the fund balance available for City's General Fund purposes will increase by about \$0.2 million, to \$7.8 million at June 30, 2016. If, during the remainder of fiscal 2015/16 it becomes sufficiently clear that budgeted revenues and/or expenditures should be adjusted, the City Council will adopt additional budget amendments. While the City and Agency have made great progress with the dissolution of the Marina Redevelopment Agency, as chronicled below, there remains uncertainties regarding future tax increment financing and Agency obligations.

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 Marina 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.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In a letter dated October 9, 2013, the California Department of Finance (DOF) ordered the City of Marina Successor Agency (Agency) to remit to the County Auditor-Controller \$1,286,116, determined by the Department to be unencumbered funds in accordance with Health and Safety code Section 34170.6(f). The City disputed, and continues to dispute the Department's determination of the amount of unencumbered funds and currently has pending a lawsuit against the Department on this matter.

On November 22, 2013, to avoid threatened legal action, the Agency remitted \$583,719 to the Monterey County Auditor-Controller in partial payment of the amount demanded by DOF. In letters dated October 30, 2013 and November 22, 2013, the

Agency reiterated its non-waiver of constitutional, statutory, legal, and equitable rights and expressly reserved any and all rights, privileges, and defenses available under law and equity. The lawsuit filed by the Agency against DOF remains pending.

As a result of the litigation, the Court decided the Agency may retain \$586,326, which was derived from land sale proceeds and previously transferred to the General Fund. Additionally, the DOF issued a revised letter dated May 22, 2014 in which DOF ordered the Agency to remit to the County Auditor-Controller \$633,263 (comprised of \$583,719 prior payment to County Auditor Controller, \$51,160 disallowable transfer, -\$1,616 reconciliation of beginning balances). On November 6, 2014, the Agency remitted the final payment of \$49,544.

In conclusion, the DOF issued a letter dated November 12, 2014 stating the DOF has completed the Finding of Completion for the City of Marina Successor Agency. Pursuant to Health and Safety Code (HSC) section 34179.7, the DOF has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

Furthermore, within the DOF Finding of Completion, the Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4(c).

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is intended to provide citizens, taxpayers, customers, creditors, stakeholders and other interested parties with an overview of the City's finances, and to demonstrate the City's accountability for the money it receives and the resources it manages. Questions about this report and requests for additional financial information should be addressed to the City of Marina, Finance Department, 211 Hillcrest Avenue, Marina, California, 93933.

## BASIC FINANCIAL STATEMENTS

**CITY OF MARINA**  
**Statement of Net Position**  
**June 30, 2015**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
Cash and Investments	\$ 18,984,650	\$ 4,010,743	\$ 22,995,393
Cash (Restricted)	603,295	1,191,991	1,795,286
Prepaid Expenses	12,000	611,068	623,068
Accrued Receivables	2,884,285	46,668	2,930,953
Inventory	-	26,531	26,531
Internal Balances (net)	12,596,635	(12,596,635)	-
Notes & Loans Receivable	1,045,013	85,000	1,130,013
Capital Assets:			
Land	1,750,963	36,900,000	38,650,963
Other Capital Assets, Net of Depreciation	40,283,678	19,071,144	59,354,822
Total Capital Assets	42,034,641	55,971,144	98,005,785
<b>TOTAL ASSETS</b>	<b>\$ 78,160,519</b>	<b>\$ 49,346,510</b>	<b>\$ 127,507,029</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - PERS Pension Costs	\$ 2,189,387	\$ -	\$ 2,189,387
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,021,990	\$ 47,123	\$ 1,069,113
Other Accrued Payables	434,195	386,421	820,616
Accrued Interest Payable	107,315	-	107,315
Other Post Employment Benefits	1,304,561	-	1,304,561
Deposits And Other Liabilities	525,811	26,951	552,762
Unearned Revenue	26,797	-	26,797
Net Pension Liability - PERS Pension Plans	11,395,078	-	11,395,078
Long-Term Liabilities: Due Within One Year	1,048,815	-	1,048,815
Due in More Than One Year	21,396,039	-	21,396,039
<b>TOTAL LIABILITIES</b>	<b>\$ 37,260,601</b>	<b>\$ 460,495</b>	<b>\$ 37,721,096</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue-State of CA SB-90 Claims	301,561	-	301,561
Unavailable Revenue-CDBG Business & Home Loans	576,300	-	576,300
Unavailable Revenue-Interfund Loans	856,635	-	856,635
Deferred Inflows - PERS Pension Costs	3,735,455	-	3,735,455
<b>TOTAL DEFERRED INFLOWS</b>	<b>\$ 5,469,951</b>	<b>\$ -</b>	<b>\$ 5,469,951</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 22,196,868	\$ 43,324,510	\$ 65,521,378
Restricted For:			
Debt Service	603,608	-	603,608
Public Improvements	6,513,715	-	6,513,715
Recreation and Grant-Funded Programs	837,282	-	837,282
Public Works	240,159	-	240,159
Unrestricted	7,227,722	5,561,505	12,789,227
<b>TOTAL NET POSITION</b>	<b>\$ 37,619,354</b>	<b>\$ 48,886,015</b>	<b>\$ 86,505,369</b>

*The notes to financial statements are an integral part of this statement*

CITY OF MARINA

Statement of Activities  
Year Ended June 30, 2015

Functions/Programs	Operating Expenses/ Expenditures	Program Revenues		
		Charges for Services & Program Revenue	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,984,155	\$ 573,764	\$ 2,700	\$ -
Public Safety	10,128,248	603,046	416,470	-
Public Works	2,887,311	1,751,989	-	-
Economic & Community Development	1,424,974	2,898,550	-	-
Recreation & Cultural Activities	1,069,775	178,301	18,874	-
Public Improvements	896,127	1,056,078	-	2,286,975
Debt Service (Interest & Admin Costs)	1,407,245	1,215,804	-	-
Total Governmental Activities	\$ 20,797,835	\$ 8,277,532	\$ 438,044	\$ 2,286,975
Business-type Activities:				
Marina Municipal Airport	1,720,158	1,207,336	30,000	-
Abrams B NonProfit Corporation	2,606,946	3,062,129	-	-
Total Business-type Activities	4,327,104	4,269,465	30,000	-
Totals	\$ 25,124,939	\$ 12,546,997	\$ 468,044	\$ 2,286,975

General Revenues:

- Sales Tax
- Property Tax
- Transient Occupancy Tax
- Franchise Tax
- Transfers from Proprietary Funds (net)
- Investment Earnings
- Other General Revenues

Total General Revenues

Change in Net Position

Prior-Period Adjustments

Total Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The notes to financial statements are an integral part of this statement

**Net (Expense) Revenue and  
Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,407,691)	\$ -	\$ (2,407,691)
(9,108,732)	-	(9,108,732)
(1,135,322)	-	(1,135,322)
1,473,576	-	1,473,576
(872,600)	-	(872,600)
2,446,926	-	2,446,926
(191,441)	-	(191,441)
<u>\$ (9,795,284)</u>	<u>\$ -</u>	<u>\$ (9,795,284)</u>
-	(482,822)	(482,822)
-	455,183	455,183
-	(27,639)	(27,639)
<u>\$ (9,795,284)</u>	<u>\$ (27,639)</u>	<u>\$ (9,822,923)</u>
4,849,207	-	4,849,207
5,109,408	-	5,109,408
2,395,263	-	2,395,263
823,764	-	823,764
180,976	(180,976)	-
28,416	-	28,416
1,242,920	-	1,242,920
<u>\$ 14,629,954</u>	<u>\$ (180,976)</u>	<u>\$ 14,448,978</u>
\$ 4,834,670	\$ (208,615)	\$ 4,626,055
(13,212,512)	-	(13,212,512)
(8,377,842)	(208,615)	(8,586,457)
45,997,196	49,094,630	95,091,826
<u>\$ 37,619,354</u>	<u>\$ 48,886,015</u>	<u>\$ 86,505,369</u>

**CITY OF MARINA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	<b>Major Funds</b>		
	<b>General</b>	<b>CDBG Projects</b>	<b>Impact Fee</b>
<b>ASSETS</b>			
Cash and Investments	\$ 7,764,837	\$ 171,672	\$ 6,495,761
Cash (Restricted)	51	-	-
Prepaid Expenditures	12,000	-	-
Accrued Receivables	1,641,257	-	2,886
Due from Fiduciary Funds	-	-	-
Due from Other Funds (Short-term Cash Flow Loans)	171,956	-	-
Advances to Other Funds	75,000	-	-
Notes Receivable	468,713	499,800	-
<b>TOTAL ASSETS</b>	<b>\$ 10,133,814</b>	<b>\$ 671,472</b>	<b>\$ 6,498,647</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 937,302	\$ 2,500	\$ -
Other Accrued Payables	434,194	-	-
Due to Other Funds (Short Term Cash Flow Loans)	-	171,956	-
Deposits and Other Liabilities	552,608	-	-
Advances From Other funds (Long Term)	50,000	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 1,974,104</b>	<b>\$ 174,456</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - State of CA SB-90 Claims	\$ 301,561	\$ -	\$ -
Unavailable Revenue - CDBG Business & Home Loans	-	499,800	-
Unavailable Revenue - Interfund Loans	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>\$ 301,561</b>	<b>\$ 499,800</b>	<b>\$ -</b>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	\$ 715,669	\$ -	-
Restricted	396,081	-	6,498,647
Committed	603,705	-	-
Assigned	-	-	-
Unassigned	6,142,694	(2,784)	-
<b>TOTAL FUND BALANCE</b>	<b>\$ 7,858,149</b>	<b>\$ (2,784)</b>	<b>\$ 6,498,647</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 10,133,814</b>	<b>\$ 671,472</b>	<b>\$ 6,498,647</b>

*The notes to financial statements are an integral part of this statement*

Major Funds		Non-major	Total
City Capital	Abrams B Bonds	Governmental	Governmental
Projects	Debt Service	Funds	Funds
\$ 3,683,090	\$ -	\$ 869,290	\$ 18,984,650
-	114,153	489,091	603,295
-	-	-	12,000
1,211,501	-	28,639	2,884,283
-	-	-	-
-	-	-	171,956
856,635	11,790,000	-	12,721,635
-	-	76,500	1,045,013
<u>\$ 5,751,226</u>	<u>\$ 11,904,153</u>	<u>\$ 1,463,520</u>	<u>\$ 36,422,832</u>
\$ 40,015	\$ -	\$ 42,173	\$ 1,021,990
-	-	-	434,194
-	-	-	171,956
-	-	-	552,608
75,000	-	-	125,000
<u>\$ 115,015</u>	<u>\$ -</u>	<u>\$ 42,173</u>	<u>\$ 2,305,748</u>
\$ -	\$ -	\$ -	\$ 301,561
-	-	76,500	576,300
856,635	11,790,000	-	12,646,635
<u>\$ 856,635</u>	<u>\$ 11,790,000</u>	<u>\$ 76,500</u>	<u>\$ 13,524,496</u>
\$ -	\$ -	\$ -	\$ 715,669
-	114,153	1,185,883	8,194,764
4,779,576	-	158,964	5,542,245
-	-	-	-
-	-	-	6,139,910
<u>\$ 4,779,576</u>	<u>\$ 114,153</u>	<u>\$ 1,344,847</u>	<u>\$ 20,592,588</u>
<u>\$ 5,751,226</u>	<u>\$ 11,904,153</u>	<u>\$ 1,463,520</u>	<u>\$ 36,422,832</u>

**CITY OF MARINA**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2015**

---

<b>Fund Balance - Total Governmental Funds</b>	\$	20,592,588
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Long-term Accounts Receivable are treated as Deferred Inflows in Governmental Funds, but as revenue in the Statement of Net Position</p>	11,790,000	
<p>Deferred Outflows of PERS Pension Costs are treated as a component of long-term debt which is not reported in the Funds Balance Sheet</p>	2,189,387	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
General Capital Assets	\$ 62,578,370	
Less: Accumulated Depreciation	<u>(20,543,729)</u>	42,034,641
<p>Long-term liabilities, accrued unmatrued bond interest &amp; OPEB Unfunded Annual Required Contribution are not due and payable in the current period, and therefore are not reported in the funds:</p>		
Compensated Absences	(1,137,080)	
Bonds Payable	(21,215,000)	
Accrued Bond Interest Payable	(107,315)	
OPEB Unfunded Annual Required Contribution	(1,304,561)	
Capital Leases	<u>(92,773)</u>	(23,856,729)
<p>Deferred Inflows of PERS Pension Costs are treated as a component of long-term debt which is not reported in the Funds Balance Sheet</p>		(3,735,455)
<p>Net Pension Liability - PERS Pension Plans is reported as a component of long-term debt which is not reported in the Funds Balance Sheet</p>		<u>(11,395,078)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>37,619,354</u></b>

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2015**

	Major Funds		
	General	CDBG Projects	Impact Fee
<b>REVENUES</b>			
Taxes	\$ 12,668,922	\$ -	\$ -
Fines and Penalties	194,540	-	-
Licenses & Permits	515,123	-	-
Investment Earnings	26,961	409	10,658
Charges for Services, Grants & Other Program Revenues	4,016,198	75,244	2,315,109
Other General Revenues	236,379	-	-
Total Revenues	<u>\$ 17,658,123</u>	<u>\$ 75,653</u>	<u>\$ 2,325,767</u>
<b>EXPENDITURES</b>			
General Government	\$ 2,512,974	\$ -	\$ -
Public Safety	10,551,880	-	-
Public Works	2,259,238	-	-
Economic & Community Development	1,188,007	180,413	656
Recreation & Cultural Services	892,687	-	-
Public Improvements	-	-	-
Debt Service - Principal Retirement	-	-	-
Debt Service - Interest and Other Debt Service Costs	-	-	-
Total Expenditures	<u>\$ 17,404,786</u>	<u>\$ 180,413</u>	<u>\$ 656</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>\$ 253,337</u>	<u>\$ (104,760)</u>	<u>\$ 2,325,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-Term Debt Proceeds & Bond Premium	\$ -	\$ -	\$ -
Long-Term Debt Defeasement & Bond Premium	-	-	-
Interfund Transfers In	624,452	13,072	796,432
Interfund Transfers (Out)	(173,162)	(7,500)	(933,000)
Total Other Financing Sources(Uses)	<u>\$ 451,290</u>	<u>\$ 5,572</u>	<u>\$ (136,568)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES &amp; OTHER USES</b>			
	<u>\$ 704,627</u>	<u>\$ (99,188)</u>	<u>\$ 2,188,543</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>			
Prior Period Adjustment	7,404,374	96,404	4,310,104
	(250,852)	-	-
Fund Balance Beginning of Year - Restated	<u>7,153,522</u>	<u>96,404</u>	<u>4,310,104</u>
<b>FUND BALANCES - END OF YEAR</b>			
	<u>\$ 7,858,149</u>	<u>\$ (2,784)</u>	<u>\$ 6,498,647</u>

The notes to financial statements are an integral part of this statement

Major Funds		Non-major	Total
City Capital	Abrams B Bonds	Governmental	Governmental
Projects	Debt Service	Funds	Funds
\$ -	\$ -	\$ 1,190,288	\$ 13,859,210
-	-	-	194,540
-	-	-	515,123
-	36	3,862	41,926
2,137,870	820,673	367,413	9,732,507
1,003,132	-	3,409	1,242,920
<u>\$ 3,141,002</u>	<u>\$ 820,709</u>	<u>\$ 1,564,972</u>	<u>\$ 25,586,226</u>
\$ -	\$ -	\$ -	\$ 2,512,974
-	-	-	10,551,880
-	-	647,451	2,906,689
-	-	79,430	1,448,506
-	-	2,413	895,100
2,528,197	-	194,751	2,722,948
71,757	345,000	245,000	661,757
3,818	471,511	588,234	1,063,563
<u>\$ 2,603,772</u>	<u>\$ 816,511</u>	<u>\$ 1,757,279</u>	<u>\$ 22,763,417</u>
\$ 537,230	\$ 4,198	\$ (192,307)	\$ 2,822,809
\$ -	\$ -	\$ 7,851,970	\$ 7,851,970
-	-	(8,253,686)	(8,253,686)
1,186,460	-	528,749	3,149,165
(796,432)	-	(1,107,639)	(3,017,733)
<u>\$ 390,028</u>	<u>\$ -</u>	<u>\$ (980,606)</u>	<u>\$ (270,284)</u>
\$ 927,258	\$ 4,198	\$ (1,172,913)	\$ 2,552,525
3,852,318	109,955	2,517,760	18,290,915
-	-	-	(250,852)
<u>3,852,318</u>	<u>109,955</u>	<u>2,517,760</u>	<u>18,040,063</u>
<u>\$ 4,779,576</u>	<u>\$ 114,153</u>	<u>\$ 1,344,847</u>	<u>\$ 20,592,588</u>

**CITY OF MARINA**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2015**

---

Net Change in Fund Balances - Total Governmental Funds	\$	2,301,673
(revenues and other financing sources in excess of expenditures and other financing uses)		
Amounts reported for governmental activities in the Statement of Activities is Different Because:		
Capital outlay is an expenditure in the government funds financial statements, but the costs of those assets is allocated over their estimated useful lives as depreciation expense in the Statement of Activities.		
Capital Asset Acquisitions Net of Dispositions	\$ 2,757,000	
Depreciation Expense	<u>(1,607,012)</u>	1,149,988
Net change in Pension Cost - GASB-68/71		20,514
Principal portion of Notes Receivable payments are recorded as revenues in governmental funds, but the payment reduces an asset in the Statement of Net Position: Note Principal Payments Received		
		(346,666)
Repayment of long-term debt principal is an expenditure in the government funds financial statement, but the repayment reduces long-term liabilities in the statement of net position. Compensated absences reduce net position but are not included in governmental funds liabilities. Accrued unpaid bond interest & OPEB Unfunded Annual Required Contribution reduces net position but are not recorded as governmental funds expenditures		
Repayment of General Long-term Debt Principal, Net of New Debt	\$ 1,431,758	
OPEB Unfunded Annual Required Contribution	(240,681)	
Decrease in Compensated Absences Liability	135,967	
Decrease in Accrued, Unpaid Bond Interest	<u>131,265</u>	1,458,309
Prior-Period Adjustment, PERS Pension costs are not recorded in the Governmental Fund Balance Sheet, but is reported as an adjustment of beginning city-wide Net Assets		<u>(12,961,660)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(8,377,842)</u></u>

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**

**Statement of Net Position  
Proprietary Funds  
June 30, 2015**

	Airport Operating Fund	Abrams B Housing Fund	Total
<b>ASSETS</b>			
Cash and Investments	\$ 1,090,317	\$ 2,920,426	\$ 4,010,743
Cash (Restricted)	-	1,191,991	1,191,991
Prepaid Expenses	-	611,068	611,068
Accrued Receivables	43,919	2,749	46,668
Due from Other Funds (Cash Flow Loans)	-	-	-
Inventory	26,531	-	26,531
Advances to Other Funds	135,000	-	135,000
Capital Assets, net	44,817,664	11,153,480	55,971,144
Total Assets	<u>\$ 46,113,431</u>	<u>\$ 15,879,714</u>	<u>\$ 61,993,145</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 47,123	\$ -	\$ 47,123
Accrued Payables	11,626	374,795	386,421
Unearned Revenue	-	-	-
Deposits & Other Liabilities	26,951	-	26,951
Advances from Other Funds	-	12,646,635	12,646,635
Total Liabilities	<u>\$ 85,700</u>	<u>\$ 13,021,430</u>	<u>\$ 13,107,130</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 44,817,665	\$ (1,493,155)	\$ 43,324,510
Unrestricted	1,210,066	4,351,439	5,561,505
Total Net Position	<u>\$ 46,027,731</u>	<u>\$ 2,858,284</u>	<u>\$ 48,886,015</u>

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended June 30, 2015**

	Airport Operating Fund	Abrams B Housing Fund	Total
<b>OPERATING REVENUES</b>			
Rental Income	\$ 719,143	\$ 3,010,641	\$ 3,729,784
Aviation Fuel Sales	357,478	-	357,478
Other Income	158,469	48,081	206,550
Total Operating Revenues	<u>\$ 1,235,090</u>	<u>\$ 3,058,722</u>	<u>\$ 4,293,812</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	\$ 191,543	\$ -	\$ 191,543
Services and Supplies	193,626	557,195	750,821
Interest Expense	-	470,412	470,412
Cost of Sales - Aviation Fuel	294,886	-	294,886
Rent	-	385,619	385,619
Repairs and Maintenance	194,223	772,026	966,249
Utilities	56,649	87,668	144,317
Taxes	11,468	65,360	76,828
Depreciation and Amortization	777,763	268,665	1,046,428
Total Operating Expenses	<u>\$ 1,720,158</u>	<u>\$ 2,606,945</u>	<u>\$ 4,327,103</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (485,068)</u>	<u>\$ 451,777</u>	<u>\$ (33,291)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Earnings	\$ 2,245	\$ 3,408	\$ 5,653
Interfund Transfers Out	(180,976)	-	(180,976)
Total Nonoperating Revenues (Expenses)	<u>\$ (178,731)</u>	<u>\$ 3,408</u>	<u>\$ (175,323)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (663,799)</u>	<u>\$ 455,184</u>	<u>\$ (208,615)</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	46,691,530	2,403,100	49,094,630
Prior-Period Adjustment	-	-	-
<b>NET POSITION - BEGINNING OF YEAR RESTATED</b>	<u>46,691,530</u>	<u>2,403,100</u>	<u>49,094,630</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 46,027,731</u>	<u>\$ 2,858,284</u>	<u>\$ 48,886,015</u>

The notes to financial statements are an integral part of this statement

**CITY OF MARINA**

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2015**

	<u>Airport Operating Fund</u>	<u>Abrams B Housing Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 1,271,307	\$ 3,106,915	\$ 4,378,222
Payments to Suppliers	(775,158)	(2,417,477)	(3,192,635)
Payments to Employees	(186,454)	-	(186,454)
Net Cash Provided (Used) by Operating Activities	<u>\$ 309,695</u>	<u>\$ 689,438</u>	<u>\$ 999,133</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers (To) From Other Funds (net)	<u>\$ (180,976)</u>	<u>\$ -</u>	<u>\$ (180,976)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Payments on Advances (to)from other Funds	<u>\$ 50,708</u>	<u>\$ (819,664)</u>	<u>\$ (768,956)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 50,708</u>	<u>\$ (819,664)</u>	<u>\$ (768,956)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Earnings	<u>\$ 2,245</u>	<u>\$ 3,408</u>	<u>\$ 5,653</u>
Net Increase (Decrease) in Cash	\$ 181,672	\$ (126,818)	\$ 54,854
<b>Cash - Beginning of Year</b>	<u>908,645</u>	<u>4,239,235</u>	<u>5,147,880</u>
<b>Cash - End of Year</b>	<u>\$ 1,090,317</u>	<u>\$ 4,112,417</u>	<u>\$ 5,202,734</u>

(continued)

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**

**Statement of Cash Flows (Continued)  
Proprietary Funds  
Year Ended June 30, 2015**

	Airport Operating Fund	Abrams B Housing Fund	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>			
<b>(Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (485,068)	\$ 451,777	\$ (33,291)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by			
Operating Activities:			
Depreciation Expense	777,763	268,665	1,046,428
Change in Assets and Liabilities:			
Prepaid Expenses	-	(78,102)	(78,102)
Accounts Receivable	35,853	4,090	39,943
Inventory	36,069	-	36,069
Accounts & Accrued Payables	(19,217)	(1,095)	(20,312)
Unearned Revenue & Deposits	(35,705)	44,103	8,398
Net Cash Provided (Used) by Operating Activities	\$ 309,695	\$ 689,438	\$ 999,133
			(concluded)

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**

**Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2015**

---

	<b>Successor Agency to Redevelopment Agency</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,064,378
Prepaid Expenses	11,638
Accrued Receivables	397
Long-Term Receivable - State of California	490,000
Capital Assets - Land	900,000
Total Assets	\$ 2,466,413
<b>LIABILITIES</b>	
Accounts Payable	\$ 3,218
Accrued Payables	192
Due to City of Marina Funds	328,713
Bonds Payable:	
Due within One Year	20,000
Due in More Than One Year	470,000
Total Liabilities	\$ 822,123
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes Received in Advance	\$ 696,137
<b>NET POSITION</b> (Held in Trust for Successor Agency to the Marina Redevelopment Agency)	\$ 948,153

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2015**

---

	<u>Successor Agency to Redevelopment Agency</u>
<b>ADDITIONS</b>	
Property Taxes	\$ 1,207,955
Investment Earnings	1,458
Property Tax In-Lieu	29,139
Transfer fro City of Marina	49,544
Total Additions	<u>\$ 1,288,096</u>
<b>DEDUCTIONS</b>	
ROPS Payments:	
Programs Costs	\$ 1,108,206
Legal & Professional Fees	32,662
Employee Costs	160,456
Occupancy & Operating Costs	66,742
Total Deductions	<u>\$ 1,368,066</u>
<b>Change in Net Position</b>	<u>\$ (79,970)</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>1,028,123</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 948,153</u></u>

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General and Other Major Funds  
Year Ended June 30, 2015**

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Taxes	\$ 11,643,200	\$ 12,087,600	\$ 12,668,922	\$ 581,322
Licenses and Permits	401,500	458,200	515,123	56,923
Fines and Forfeitures	183,600	182,500	194,540	12,040
Investment Earnings	30,000	30,000	26,961	(3,039)
Charges for Services & Other Program Revenue	3,696,561	3,968,999	4,016,198	47,199
Other General Revenue	675,675	32,675	236,379	203,704
Total Revenues	<u>\$ 16,630,536</u>	<u>\$ 16,759,974</u>	<u>\$ 17,658,123</u>	<u>\$ 898,149</u>
<b>EXPENDITURES</b>				
General Government	\$ 2,640,750	\$ 2,964,750	\$ 2,512,974	\$ 451,776
Public Safety	10,623,350	10,700,850	10,551,880	148,970
Public Works	2,306,350	2,273,450	2,259,239	14,211
Economic & Community Development	1,031,150	1,140,250	1,188,006	(47,756)
Recreation & Cultural Services	925,100	925,100	892,687	32,413
Public Improvements	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest & Other	-	-	-	-
Total Expenditures	<u>\$ 17,526,700</u>	<u>\$ 18,004,400</u>	<u>\$ 17,404,786</u>	<u>\$ 599,614</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (896,164)</u>	<u>\$ (1,244,426)</u>	<u>\$ 253,337</u>	<u>\$ 1,497,763</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Inter(intra)fund Transfers In	\$ 606,243	\$ 763,412	\$ 624,452	\$ (138,960)
Inter(intra)fund Transfers Out	(106,870)	(367,117)	(173,162)	193,955
Total Other Financing Sources(Uses)	<u>\$ 499,373</u>	<u>\$ 396,295</u>	<u>\$ 451,290</u>	<u>\$ 54,995</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES &amp; OTHER USES</b>	<u>\$ (396,791)</u>	<u>\$ (848,131)</u>	<u>\$ 704,627</u>	<u>\$ 1,552,758</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>\$ 6,661,104</u>	<u>\$ 6,661,104</u>	<u>\$ 7,404,374</u>	<u>\$ 743,270</u>
Prior-period Adjustment	-	-	(250,852)	(250,852)
Fund Balance Beginning - Restated	<u>\$ 6,661,104</u>	<u>\$ 6,661,104</u>	<u>\$ 7,153,522</u>	<u>\$ 492,418</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 6,264,313</u></u>	<u><u>\$ 5,812,973</u></u>	<u><u>\$ 7,858,149</u></u>	<u><u>\$ 2,045,176</u></u>

The notes to financial statements are an integral part of this statement

CDBG Projects Fund				Impact Fee Fund			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	409	409	-	7,500	10,658	3,158
579,240	579,240	75,244	(503,996)	3,947,900	2,102,000	2,315,109	213,109
-	-	-	-	-	-	-	-
<u>\$ 579,240</u>	<u>\$ 579,240</u>	<u>\$ 75,653</u>	<u>\$ (503,587)</u>	<u>\$ 3,947,900</u>	<u>\$ 2,109,500</u>	<u>\$ 2,325,767</u>	<u>\$ 216,267</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
560,840	560,840	180,413	380,427	-	-	656	(656)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 560,840</u>	<u>\$ 560,840</u>	<u>\$ 180,413</u>	<u>\$ 380,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 656</u>	<u>\$ (656)</u>
\$ 18,400	\$ 18,400	\$ (104,760)	\$ (123,160)	\$ 3,947,900	\$ 2,109,500	\$ 2,325,111	\$ 215,611
\$ -	\$ 13,072	\$ 13,072	\$ -	\$ 500,000	\$ 844,477	\$ 796,432	\$ (48,045)
(7,500)	(7,500)	(7,500)	-	(900,000)	(933,000)	(933,000)	-
<u>\$ (7,500)</u>	<u>\$ 5,572</u>	<u>\$ 5,572</u>	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>\$ (88,523)</u>	<u>\$ (136,568)</u>	<u>\$ (48,045)</u>
\$ 10,900	\$ 23,972	\$ (99,188)	\$ (123,160)	\$ 3,547,900	\$ 2,020,977	\$ 2,188,543	\$ 167,566
\$ 68,516	\$ 68,516	\$ 96,404	\$ 27,888	\$ 4,309,047	\$ 4,309,047	\$ 4,310,104	\$ 1,057
-	-	-	-	-	-	-	-
<u>\$ 68,516</u>	<u>\$ 68,516</u>	<u>\$ 96,404</u>	<u>\$ 27,888</u>	<u>\$ 4,309,047</u>	<u>\$ 4,309,047</u>	<u>\$ 4,310,104</u>	<u>\$ 1,057</u>
<u>\$ 79,416</u>	<u>\$ 92,488</u>	<u>\$ (2,784)</u>	<u>\$ (95,272)</u>	<u>\$ 7,856,947</u>	<u>\$ 6,330,024</u>	<u>\$ 6,498,647</u>	<u>\$ 168,623</u>

(continued)

**CITY OF MARINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - General and Other Major Funds  
Year Ended June 30, 2015**

	<u>City Capital Projects Fund</u>			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Fines and Penalties	-	-	-	-
Investment Earnings	-	-	-	-
Charges for Services & Program Revenues	2,286,975	2,286,975	2,137,870	(149,105)
Other General Revenue	895,994	1,294,026	1,003,132	(290,894)
<b>Total Revenues</b>	<u>\$ 3,182,969</u>	<u>\$ 3,581,001</u>	<u>\$ 3,141,002</u>	<u>\$ (439,999)</u>
<b>EXPENDITURES</b>				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Public Works	-	-	-	-
Economic & Community Development	-	-	-	-
Recreation & Cultural Services	-	-	-	-
Public Improvements	4,567,729	2,668,954	2,528,196	140,758
Debt Service - Principal	69,878	69,878	71,757	(1,879)
Debt Service - Interest & Other	5,698	5,698	3,819	1,879
<b>Total Expenditures</b>	<u>\$ 4,643,305</u>	<u>\$ 2,744,530</u>	<u>\$ 2,603,772</u>	<u>\$ 140,758</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (1,460,336)</u>	<u>\$ 836,471</u>	<u>\$ 537,230</u>	<u>\$ (299,241)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers In	\$ 1,057,105	\$ 1,447,447	\$ 1,186,460	\$ (260,987)
Interfund Transfers Out	(567,105)	(973,534)	(796,432)	177,102
<b>Total Other Financing Sources(Uses)</b>	<u>\$ 490,000</u>	<u>\$ 473,913</u>	<u>\$ 390,028</u>	<u>\$ (83,885)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES &amp; OTHER USES</b>	<u>\$ (970,336)</u>	<u>\$ 1,310,384</u>	<u>\$ 927,258</u>	<u>\$ (383,126)</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>\$ 3,255,699</u>	<u>\$ 3,255,699</u>	<u>\$ 3,852,318</u>	<u>\$ 596,619</u>
<b>Prior-period Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance Beginning - Restated</b>	<u>\$ 3,255,699</u>	<u>\$ 3,255,699</u>	<u>\$ 3,852,318</u>	<u>\$ 596,619</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 2,285,363</u></u>	<u><u>\$ 4,566,083</u></u>	<u><u>\$ 4,779,576</u></u>	<u><u>\$ 213,493</u></u>

The notes to financial statements are an integral part of this statement

Abrams-B Bonds Debt Service Fund

Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	36	36
829,708	829,708	820,673	(9,035)
-	-	-	-
<u>\$ 829,708</u>	<u>\$ 829,708</u>	<u>\$ 820,709</u>	<u>\$ (8,999)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
345,000	345,000	345,000	-
484,708	484,708	471,511	13,197
<u>\$ 829,708</u>	<u>\$ 829,708</u>	<u>\$ 816,511</u>	<u>\$ 13,197</u>
\$ -	\$ -	\$ 4,198	\$ 4,198
\$ -	\$ -	\$ -	\$ -
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 4,198	\$ 4,198
\$ 101,451	\$ 101,451	\$ 109,955	\$ 8,504
-	-	-	-
<u>\$ 101,451</u>	<u>\$ 101,451</u>	<u>\$ 109,955</u>	<u>\$ 8,504</u>
<u>\$ 101,451</u>	<u>\$ 101,451</u>	<u>\$ 114,153</u>	<u>\$ 12,702</u>
			(concluded)

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

## 1 - The Reporting Entity

The City of Marina was incorporated in 1975 under the laws of the State of California, and operates under a Council - Manager form of government. The City provides a full range of municipal services including police, fire, public works, recreation & culture, community development and general administration.

These financial statements present the financial status of the City and its component units. The component units discussed in the following paragraph are included in the City's reporting entity because the City is financially accountable for their operations and because the City and both component units share the same governing body.

The Abrams B Non-Profit Corporation was formed to account for operation of a 192-unit multi-family housing development, known as Abrams B Apartments, under a 50-year ground lease from the City of Marina, which owns the property. The ground lease is reported as a capital asset (a leasehold interest) on the balance sheet of the Abrams B Housing Fund. Although a legally separate entity, the Corporation is reported on a blended basis as part of the primary government.

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 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 Marina 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.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In a letter dated October 9, 2013, the California Department of Finance (DOF) ordered the City of Marina Successor Agency (Agency) to remit to the County Auditor-Controller \$1,286,116, determined by the Department to be unencumbered funds in accordance with Health and Safety code Section 34170.6(f). The City disputed, and continues to dispute the Department's determination of the amount of unencumbered funds and currently has pending a lawsuit against the Department on this matter.

On November 22, 2013, to avoid threatened legal action, the Agency remitted \$583,719 to the Monterey County Auditor-Controller in partial payment of the amount demanded by DOF. In letters dated October 30, 2013 and November 22, 2013, the Agency reiterated its non-waiver of constitutional, statutory, legal, and equitable rights and expressly reserved any and all rights, privileges, and defenses available under law and equity. The lawsuit filed by the Agency against DOF remains pending.

As a result of the litigation, the court decided the Agency may retain \$586,326, which was derived from land sale proceeds and previously transferred to the general fund. Additionally, the DOF issued a revised letter dated May 22, 2014, in which DOF ordered the Agency to remit to the County Auditor-Controller \$633,263 (composed of \$583,719 prior payment to the County Auditor-Controller, \$51,160 disallowable transfer less \$1,616 reconciliation of beginning balances. On November 6, 2014, the Agency remitted the final payment of \$49,544.

In conclusion, the DOF issued a letter dated November 12, 2014, stating the DOF has completed the Finding of Completion for the Marina Successor Agency. Pursuant to Health and Safety Code (HSC) section 34179.7, the DOF has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5

Furthermore, within the DOF Finding of Completion, the Agency may now do the following:  
Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4(b)(1). Loan repayments will be governed by criteria in HSC section 34191.4(a)(2).

Utilize proceeds derived from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants per HSC section 34191.4(c).

### **Implementation of Government Accounting Standards Board Statements**

Effective July 1, 2015, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 68

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The GASB asserts that this Statement will improve

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

accounting and financial reporting by state and local governments for pensions by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The City believes it is in full compliance with the requirements of this statement for the City's fiscal year ending June 30, 2015.

Government Accounting Standards Board Statement No. 71

In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This statement addresses an issue regarding application of the transition provisions of Statement No. 68 (see above) and eliminates the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68. The provisions of this pronouncement are effective simultaneous with the provisions of Statement 68, and have been implemented for the fiscal year ended June 30, 2015.

**Future Government Accounting Standards Board Statements**

These statements are not effective until fiscal periods beginning after June 15, 2015, or later. The City has not yet determined the effects of these pronouncements on the financial statements.

Government Accounting Standards Board Statement No. 72

In February, 2015, the GASB issued Statement No. 72, Fair Value Measurement and Application. This statement provides guidance for determining a fair value measurement for financial reporting purposes, and for applying fair value to certain investments, and disclosures related to all fair value measurements. The GASB alleges that this statement will enhance comparability among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques, and will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The City has not determined what impact, if any, this pronouncement will have on its financial statements. Application of this statement is effective for fiscal periods beginning after June 15, 2015.

Government Accounting Standards Board Statement No. 73

In June, 2015, the GASB issued Statement No. 73, Accounting and Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement establishes requirements for defined benefit and defined contribution pensions that are not within the scope of Statement No. 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statements No. 67 and Statement No. 68. The GASB alleges that this statement will improve financial reporting by establishing a single framework for the presentation of information

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The City has not determine what impact, if any, this pronouncement will have on its financial statements. Application of this statement is effective for fiscal periods beginning after June 15, 2016 except for provisions that affect assets accumulated for the purposes of providing those pensions, or are within the scope of Statements 67 or 68, are effective for fiscal periods beginning after June 15, 2015.

Government Accounting Standards Board Statement No. 74

In June, 2015, the GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement will supersede or amend numerous previous statements pertaining to non-pension post-employment benefit plans, and is effective for fiscal periods beginning after June 15, 2016. The City has not determined what impact, if any, this pronouncement will have on its financial statements.

Government Accounting Standards Board Statement No. 75

In June, 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions. The GASB alleges that this statement will improve accounting and financial reporting for postemployment benefits (OPEB) and improve information provided about financial support for OPEB that is provided by other entities. This statement is effective for fiscal periods beginning after June 15, 2017. The City has not determined what impact, if any, this pronouncement will have on its financial statements.

Government Accounting Standards Board Statement No. 76

In June, 2015, the GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This statement will identify the hierarchy of generally accepted accounting principles (GAAP), which consists of the sources of accounting principles used to prepare financial statements of state and local governments and the framework for selecting those sources. The GASB alleges that this statement will improve financial reporting by providing the opportunity for broader public input on implementing guidance, by emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP, and by requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. This statement is effective for fiscal periods beginning after June 15, 2015. The City has not determined what impact, if any, this pronouncement will have on its financial statements.

Government Accounting Standards Board Statement No. 77

In August, 2015, the GASB issued Statement No. 77, Tax Abatement Disclosures. This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements: (i) brief descriptive information such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (ii) the gross dollar amount of taxes abated during the period; and (iii) commitments made by the government, other than to abate taxes, as part of a tax abatement

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

agreement. The GASB alleges that this statement will improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present, and make those transactions more transparent. This statement is effective for fiscal periods beginning after December 15, 2015. The City has not determined what impact, if any, this pronouncement will have on its financial statements.

## 2 - Significant Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of significant accounting policies.

### Basis of Presentation

#### Government-wide and Fund Financial Statements

*Government-wide Statements* include the Statement of Net Position and the Statement of Activities, which report information on all activities of the primary government and its component unit. The effect of interfund activity has been eliminated from these statements. The Statement of Net Position presents all assets, including capital assets, as well as short and long-term liabilities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services.

The statement of activities ostensibly demonstrates the extent to which direct expenses of a given function are offset by program revenues. Direct expenses are those identifiable with a specific function. 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; and 2) grants and contributions restricted to meeting operational or capital requirements of a particular function as well as interest earned on those revenues. Revenues that are not classified as program revenues, including taxes, are general revenue.

*Fund Financial Statements* provide information separately for governmental funds and proprietary funds. Major individual governmental funds and proprietary funds are reported separately with non-major governmental funds combined in a single column.

### Fund Accounting

The City's accounts are organized by funds, each of which is considered a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

#### Governmental Funds

*The General Fund* is the City's operating fund and accounts for all financial resources except those accounted for in a separate fund due to third-party or management restrictions.

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

*Special Revenue Funds* account for the proceeds of revenue sources that are restricted to specific purposes other than major capital projects and debt service.

*Capital Projects Funds* account for revenues and expenditures for the acquisition or construction of major capital facilities.

*Debt Service Funds* account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

#### Proprietary Funds

*Enterprise Funds* account for activities that are financed and operated similar to private business, where the intent is that the costs, including depreciation, of providing goods or services to the general public on a continuing basis be recovered primarily through user charges. The City accounts for the operation of its airport, and the Abrams B Apartments, on this basis.

*Major Funds:* Generally Accepted Accounting Principles require that fund financial statements disclose each major fund separately, and that all non-major funds be aggregated. The General Fund is always a major fund. Other major funds are those whose assets, liabilities, revenues and/or expenditures exceed ten percent (10%) of the City's governmental funds total for that category, and also exceed five percent (5%) of city-wide totals including enterprise funds for that category. The following five funds are classified as major funds: General Fund which accounts for all on-going general governmental activities not reported in other funds; Abrams-B Bonds Debt Service Fund, which accounts for resources restricted to retirement of Abrams-B Bonds principal and interest, and payment of those debt obligations; the Impact Fee Fund, which accounts for fees collected pursuant to state law for mitigation of the effects of development on City facilities, services and infrastructure; the City Capital Projects Fund, which accounts for resources committed to acquisition and/or construction of general capital assets and infrastructure; and the CDBG Projects Fund which accounts for resources and activities related to various U.S. Community Development Block Grant (CDBG) programs.

#### Measurement Focus and Basis of Accounting

Measurement focus refers to *what* transactions are reported in a fund. Basis of accounting refers to *when* revenues and expenditures, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenditures 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 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 when they become both measurable and available. Revenues are considered to be available if they are

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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 if payable within the aforementioned 60-day availability period, except for debt service payments, and expenditures related to claims, judgments and compensated absences, which are recorded when payment is due.

Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes, such as sales and use, business license, transient occupancy, franchise fees and gas taxes, interest, special assessments levied, state and federal grants and charges for current services. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures are recorded when the related fund liability is incurred.

#### Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America occasionally requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### Cash and Deposits

See Note 4.

#### Property Taxes

Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the base and limits annual increases to the cost of living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transaction taxes on real property. Local government may impose special taxes, except on real property, with the approval of two-thirds of the qualified electors.

All property taxes are collected and allocated by the County of Monterey to the various taxing entities. Property taxes are determined annually as of January 1 and attach as an enforceable lien on real property as of July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

#### Receivables and Payables

Property, sales and use taxes related to the current fiscal year are accrued as revenue and accounts receivable if considered available (received within 60 days of year end.) Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred.

Long-term loans receivable are recorded to avoid understatement, but offset by deferred revenue

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

because the resources are not available for appropriation.

Balances representing lending/borrowing transactions between funds at the end of the fiscal year are reported as due to/due from (short-term) or advances from/to other funds (long-term). Determination as to whether interfund receivables/payables are short or long term, particularly when formal loan documents do not exist, depends on the facts and circumstances of each transaction and to some extent is necessarily a matter of subjective judgment on the part of Financial Management. Irrespective of the short-or-long-term classification, the total receivable/payable will be correctly stated.

Allowance for Doubtful Accounts

The City recognizes bad debts, on the rare occasion when a bad debt arises, using the direct write-off method due to the uncertainty of recording an allowance in advance, and the public impact of presenting such information on an estimated basis. While accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts, the effect of using the direct write-off method does not differ materially from the results that would be obtained if the allowance method were followed, and Management considers the direct write-off method to be superior.

Inventories and Prepaid Items

The aviation fuel inventory held by the Airport proprietary fund is stated at cost using the First-In-First-Out (FIFO) valuation method. Materials and supplies used by governmental funds are recorded as expenditures at the time they are purchased or obtained. Occasionally, payments to vendors relate to costs applicable to future accounting periods and are recorded as prepaid items; such items are generally not material in amount overall.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are stated at historical cost, or at estimated replacement cost where original cost was not available. Contributed capital assets are valued at estimated fair market value on the date contributed, if ascertainable. The City possesses certain capital assets that were acquired by capital lease, and are recorded as capital assets at cost. The City capitalizes assets whose acquisition or construction cost equals or exceeds:

Equipment	\$ 10,000
Buildings and Improvements	100,000
Infrastructure	200,000

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from four to forty years.

Compensated Absences

Compensated absences represent the vested portion of accumulated vacation, sick leave and

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

compensatory time off. The liability for accumulated leave includes all salary-related payments that are directly and incrementally connected with leave payments to employees. In governmental fund types, the cost of vacation and sick leave benefits is recognized when payments are made to employees.

Upon termination, employees are paid 100% of accrued vacation leave and compensatory time off. Personal Time Off (PTO) and sick leave is paid in accordance with the applicable employee Memorandum of Understanding (MOU) or individual employment contract. A long-term liability of \$1,137,080 for accrued benefits was recorded at June 30, 2015.

#### Long -Term Obligations

In the government-wide financial statements and proprietary fund financial statement, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Except for interfund obligations, long-term debt is not reported in governmental funds.

#### Encumbrances

Encumbrance accounting is used during the year for budgetary control. Encumbrances lapse at year end.

#### Fund Balance

The difference between the assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources of a governmental fund is referred to as fund balance or, in the government-wide statements, as net position. (See Note 10 disclosures). Occasionally, a fund's liabilities plus deferred inflows of resources exceed its assets plus deferred outflows of resources, resulting in a deficit fund balance. Following are the deficit fund balances at June 30, 2015, and short explanations:

*CDBG Projects Fund:* - \$2,784 - CDBG program costs typically occur before grant reimbursements are received.

*Prior-Period Adjustment:* See Note 10, Fund Balances and Net Assets

#### Internal Activity Eliminations

Generally Accepted Accounting Principles require that with certain exceptions, the effects of interfund activity be eliminated from the government-wide financial statements by means of consolidation. At June 30, 2015 the City had recorded numerous interfund receivables/payables/transfers between various funds. (See Note 9) For financial reporting purposes, the City discloses all interfund activity in the fund financial statements, but as required by GASB Statement No. 34, eliminates activity between individual Governmental Funds and between individual Enterprise Funds, then eliminates interfund activity between governmental and proprietary funds by disclosing the offsetting amounts as 'Internal Balances' with a resulting zero balance in the statement of net position and statement of activities.

#### Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

to pensions, and pension expense, information about the fiduciary net position of the Local Government of Example's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### 3 - Stewardship, Compliance and Accountability

#### Budgetary Information

The City follows these procedures annually in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the ensuing July 1, which includes proposed expenditures and the means of financing them, including anticipated revenues and fund balance carry-forwards.
2. The City Council reviews the proposed budget at special scheduled sessions which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to July 1, the budget is adopted by Council resolution.
4. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by resolution during the fiscal year. The City Manager may authorize transfers of revenues and appropriations within and between departments of the General Fund, and within and between projects/departments of any fund.
5. The Finance Director records budget adjustments and realignments as necessary for carryover balances, encumbrances and continuing contracts to eliminate unfavorable budget variances.

### 4 - Cash and Deposits

Cash and investments reported in the financial statements at June 30, 2015 consist of:

Deposits With Financial Institutions	\$ 6,513,674
Local Agency Investment Fund (LAIF)	14,152,578
Cash Held By Bond Trustees & Fiscal Agents *	4,118,528
Imprest Cash	<u>5,900</u>
Total Cash and Deposits	<u>\$ 24,790,680</u>

\* See following disclosures under 'Cash with Bond Trustees and Fiscal Agents'

The City follows the practice of pooling cash of all funds except cash held by rental agents and cash required to be held by outside agents under the provisions of bond indentures or grants. Interest earned on pooled cash is allocated to the various funds based on average balances. Earnings on cash held by fiscal agents are credited to the related fund.

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

Cash Defined

Cash includes money held by the City and on deposit with financial institutions that can be withdrawn without notice. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value due to fluctuations in interest rates.

Cash Deposits

The California Government Code requires financial institutions to secure deposits made by state or local governmental agencies by pledging securities in an undivided collateral pool held by a depository regulated under state law, unless waived by the government agency. (GC §§53652 & 53653) The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. All deposits held in the City's name by financial institutions comply with state law. In addition, as operating manager of the Abrams B Non-Profit Corporation's rental activity, Alliance Properties Management Company holds approximately \$2,188,881 cash on behalf of the Corporation in the City's name.

Cash with Bond Trustees and Fiscal Agents

At June 30, 2015, Cash with Bond Trustees comprised the following:

Wells Fargo Government Money Market Fund	\$ 51
Blackrock Institutional Money Market Funds	<u>1,599,124</u>
Total Cash with Bond Trustees	\$ 1,599,175
Cash with Rental Agent: Bank of America Demand Deposit	<u>2,519,353</u>
Total cash with Bond Trustees and Fiscal Agent	<u>\$ 4,118,528</u>

Cash held by trustees on behalf of bond holders are governed by provisions of the indentures rather than the general provisions of the California Government Code or the City's investment policy. Generally, the indentures allow a wide range of investments including investments in money market mutual funds rated AAAM, AAAM-G, or Aaa by Standard & Poors and/or Moody's. During fiscal 2014-15, all investments held by trustees complied with indenture requirements. Cash held by fiscal agent in demand deposit accounts complied in all respects with security and collateralization requirements of the California Government Code:

Investments Authorized by the City's Investment Policy

The City's Investment Policy and Management Plan restricts individual deposits to financial institutions maintaining offices within the City of Marina. Further, unless collateralized as provided in Government Code Sections 53651 & 53652, the maximum amount of Certificates of Deposit that can be placed with any single institution is \$100,000. At June 30, 2015, all City deposits were placed with Rabobank in Marina, and the City had no certificates of deposit.

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

With respect to investments, the policy adopts the State of California's provisions relating to local agencies set forth in Government Code: §16429.1 authorizing a local agency to deposit cash with the State of California Local Agency Investment Fund (LAIF); §53635 authorizing a local agency to pool deposits with other local agencies and establishing permitted investments for the pool; and §53601 permitting local governments to invest independently and establishing permitted investments.

While the City's investment policy identifies safety of principal as the foremost objective of the investment program and states that the 'City shall seek to preserve principal by mitigating...credit risk and market risk... .' it contains no specific provisions intended to limit exposure to interest rate risk or concentration of credit risk aside from those contained in the aforementioned Government Code sections. *Interest rate risk* is the risk that changes in market interest rates will adversely affect the value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its value to changes in market interest rates. *Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. *Concentration of credit risk* recognizes that additional risk attaches to a disproportionately large proportion of an investment portfolio placed with a single institution. The City's investment policy limits investments with a single institution (exclusive of government agencies such as LAIF) to no more than 25% of the portfolio. During 2014-15, no investments were placed with any one issuer that exceeded 25% of the total portfolio.

The City's investment policy assigns authority and responsibility to manage the City's investment portfolio to the Finance Director. Pursuant to such authority, during fiscal 2014-15 the only investments were placed with the California LAIF, which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. City deposits in this pool are reported in the accompanying financial statements at cost which approximates fair value. Deposits may be withdrawn without interest or principal penalties on short notice and are more similar to cash than an investment. City deposits with the LAIF at June 30, 2015, totaled \$14,152,578, and Successor Agency deposits with the LAIF totaled \$561,783.

## 5 - Notes Receivable

Notes receivable of \$499,800 in the CDBG Projects Fund comprise: \$37,927 small business loans made for the implementation of a business assistance program; \$100,000 first-time homebuyer assistance loans that bear annual interest rates ranging from 5% to 6%, with various repayment plans; and a \$361,873 HOME Investment Partnership Program loan to a California nonprofit public benefit corporation for the purpose of assisting with gap financing of a 21-unit rental housing development. This note bears simple interest at 3% and is repayable from 'residual receipts' starting the first calendar year after project completion. As of 6/30/2015, no payments on the loan have been received by the City.

CDBG Housing Fund notes receivable of \$76,500 consist of loans made for low-income housing purchase and rehabilitation. Loans are collateralized by deeds of trust on the purchased or improved properties, bear annual interest rates ranging from 3% to 7%, and require no repayment until transfer of property title, or the loan reaches maturity.

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

**6 - Capital Assets**

Governmental (General) Capital Assets changed during FY 14-15 as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Land (non-depreciable)	<u>\$ 1,750,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,750,962</u>
Buildings & Improvements	35,105,940	11,754	-	35,117,694
Equipment	6,241,301	396,169	(229,497)	6,407,973
Infrastructure	16,952,662	2,349,078	-	19,301,740
Cost of Depreciable Assets	<u>58,299,903</u>	<u>2,757,001</u>	<u>(229,497)</u>	<u>60,827,407</u>
Less: Accumulated Depreciation				
Buildings & Improvements	(11,995,417)	(794,570)	-	(12,789,987)
Equipment	(5,077,423)	(385,798)	229,497	(5,233,724)
Infrastructure	(2,093,372)	(426,645)	-	(2,520,017)
Total Accumulated Depr'n	<u>(19,166,212)</u>	<u>(1,607,013)</u>	<u>229,497</u>	<u>(20,543,728)</u>
Net Depreciable Assets	<u>39,133,691</u>	<u>1,149,988</u>	<u>-</u>	<u>40,283,679</u>
Capital Assets, Net	<u>\$ 40,884,653</u>	<u>\$ 1,149,988</u>	<u>\$ -</u>	<u>\$ 42,034,641</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 443,645
Public safety	354,858
Public Works	71,963
Economic & Community Development	5,985
Recreation & Cultural Services	208,303
Public Improvements	522,259
Total depreciation expense	<u>\$ 1,607,013</u>

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

Business Activity-Type Assets changed as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2014
Land (non-depreciable)	\$ 36,900,000	\$ -	\$ -	\$ 36,900,000
Buildings	8,579,544	-	-	8,579,544
Improvements	24,087,173	-	-	24,087,173
Equipment	183,816	-	-	183,816
Cost of Depreciable Assets	<u>32,850,533</u>	<u>-</u>	<u>-</u>	<u>32,850,533</u>
Less: Accumulated Depreciation				
Buildings	(3,900,178)	(241,302)	-	(4,141,480)
Improvements	(8,657,299)	(800,675)	-	(9,457,974)
Equipment	(175,483)	(4,452)	-	(179,935)
Total Accumulated Depr'n	<u>(12,732,960)</u>	<u>(1,046,429)</u>	<u>-</u>	<u>(13,779,389)</u>
Net Depreciable Assets	<u>20,117,573</u>	<u>(1,046,429)</u>	<u>-</u>	<u>19,071,144</u>
Capital Assets, Net	<u>\$ 57,017,573</u>	<u>\$ (1,046,429)</u>	<u>\$ -</u>	<u>\$ 55,971,144</u>

## 7 - Long-Term Debt

Following are the long-term debt issues outstanding at June 30, 2015, including a description of each issue:

### General Obligation Bonds

1998 General Obligation Refunding Bonds – Authorized and issued June 1998, due in annual installments of \$15,000 to \$65,000 plus accrued interest through August 2019, for the purpose of refunding the 1989 General Obligation Bonds Series A. Interest is payable semi-annually in February and August at 4.4% to 5.6% per annum. (See Note 17, Subsequent Events)

*Balance Due* \$285,000

### General Obligation Bonds

2005 General Obligation Bonds – Authorized and issued May 2005, due in annual installments of \$5,000 to \$695,000 plus accrued interest through August 2035, for the purpose of constructing a new library. Interest is payable semi-annually in February and August at 3% to 5.25% per annum. These bonds were liquidated during fiscal 2014/15. See 2015 General Obligation Refunding Bonds, following)

*Balance Due* \$ 0

### General Obligation Bonds

2007 General Obligation Bonds – Authorized and issued April 2007 as part of a larger offering facilitated by the California Statewide Communities Development Authority, due in annual installments of \$15,000 to \$625,000 plus accrued interest through June 2019, for the purpose of refinancing an unfunded CalPERS pension liability. Interest is payable semi-annually in June and December at 5.21% to 5.3% per annum.

*Balance Due* \$ 1,470,000

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

2015 General Obligation Refunding Bonds

Issued May 12, 2015, due in annual principal installments of \$85,000 to \$605,000 plus accrued interest through August, 2035, for the purpose of refunding all of the City of Marina General Obligation Bonds, Election of 2002, Series 2005, principal balance at refunding \$7,885,000 which were issued for the purpose of constructing and supplying a library facility in the City. Interest is payable semi-annually in August and February at 1.5% to 5% per annum.

*Balance Due* \$ 7,640,000

Revenue Bonds

2006 Multifamily Housing Revenue Bonds - Authorized and issued November 2006, due in annual installments of \$110,000 to \$160,000 through May 2016, then a lump-sum redemption of \$10,275,000 on November 15, 2036, principal and interest, for the purpose of financing the acquisition of the Abrams B Apartments. Interest is payable semi-annually in May and November at 3.45% to 3.95% per annum.

*Balance Due* \$ 11,820,000

General Long-Term Debt changed as follows:

	Balance			Balance June 30, 2015	Due Within 1 Year
	July 1, 2014	Increases	Decreases		
General Obligation Bonds	\$10,255,000	7,640,000	8,500,000	\$9,395,000	\$ 620,000
Revenue Bonds	12,165,000	-	345,000	11,820,000	355,000
Limited Obligation Bonds	155,000	-	155,000	-	-
Sub-Total Bonded Debt	\$22,575,000	7,640,000	9,000,000	\$21,215,000	\$ 975,000
Capital Lease Obligation	164,532	-	71,757	92,775	73,815
Compensated Absences	1,273,047	-	135,967	1,137,080	-
Total	\$24,012,579	7,640,000	9,207,724	\$22,444,855	\$ 1,048,815

Annual principal and interest requirements on general long-term bonded debt outstanding at June 30, 2015, are as follows:

Year Ending June 30,	General Obligation Bonds	Revenue Bonds	Total	Interest	Principal
2016	900,430	787,715	1,688,145	713,145	975,000
2017	1,084,056	458,395	1,542,451	777,451	765,000
2018	628,664	458,395	1,087,059	737,059	350,000
2019	664,038	458,395	1,122,433	722,433	400,000
2020	536,301	458,395	994,696	704,696	290,000
2021-2025	2,605,881	2,291,975	4,897,856	3,407,856	1,490,000
2026-2030	2,885,906	2,291,975	5,177,881	3,037,881	2,140,000
2031-2035	3,078,160	2,291,975	5,370,135	2,635,135	2,735,000
2036-2037	615,588	12,422,592	13,038,180	968,180	12,070,000
Subtotal	\$12,999,023	\$21,919,812	\$34,918,836	\$13,703,836	\$21,215,000
Less Interest	(3,604,023)	(10,099,812)	(13,703,836)	-13,703,836	-
Principal	\$ 9,395,000	\$11,820,000	\$21,215,000	\$ -	\$2,215,000

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

**8 - Capital Leases**

A schedule of future minimum lease payments pursuant to a capital lease for NGEN emergency communications equipment, together with the present value of the minimum lease payments at June 30, 2015 follows:

Year Ending June 30	Long-Term Debt
2016	\$ 75,577
2017	<u>18,894</u>
	\$ 94,471
Less Interest	<u>-1,696</u>
Principal Portion of Future Lease Payments	<u><u>\$ 92,775</u></u>

**9 - Interfund Transactions**

Interfund Loans

Interfund loans are temporary resource transfers between funds for cash-flow and other purposes that will be repaid within a reasonable time pursuant to loan agreements, promissory notes and City Council resolutions. Interfund loans at June 30, 2015 were as follows:

Due To	Due From	Amount
General Fund <sup>(1)</sup>	City Capital Projects Fund	\$ 75,000
General Fund <sup>(1)</sup>	Fiduciary Funds	243,713
General Fund <sup>(1)</sup>	CDBG Projects Fund	171,956
Abrams B Bond Fund <sup>(2)</sup>	Abrams B Housing Fund	11,790,000
City Capital Projects Fund <sup>(3)</sup>	Abrams B Housing Fund	<u>856,635</u>
Sub-total Governmental Funds		<u>\$ 13,137,304</u>
Airport Fund <sup>(4)</sup>	General Fund	\$ 50,000
	Fiduciary funds	<u>85,000</u>
Sub-total Airport		<u>\$ 135,708</u>
	Total	<u><u>\$ 13,272,304</u></u>

(1) Loans due to the General Fund include a \$75,000 non-amortizing loan to the City Capital Projects Fund to finance rehabilitation of a percolation pond in anticipation of sale, which will be repaid as resources permit; two formal, interest-bearing amortizing loans to the Successor Agency to the Marina Redevelopment Agency Fiduciary Fund totaling \$145,655, which the City expects to be repaid as part of the Agency's enforceable debt obligations; a \$48,514 non-interest bearing, non-amortizing loan to the Successor Agency to the Redevelopment Agency Fiduciary Fund which the City expects to be repaid as part of the Agency's enforceable debt obligations; and a second short-term \$49,544 loan to the the Successor Agency to the Redevelopment Agency Fiduciary Fund which the City expects to be repaid as part of the Agency's enforceable debt obligations. Loans to non-major special revenue funds include short-term cash flow loans to the CDBG Projects Fund of \$171,956, which will be repaid as cash flows permit.

(2) The Abrams B Housing Fund borrowed \$14,360,000 from the City on a formal interest-bearing, amortizing promissory note for the purpose of acquiring the Abrams B Housing Project from the Fort Ord reuse Authority. Payments are made in essentially equal annual amounts, and the note will be fully amortized during fiscal year 2035-36.

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

(3) The Abrams B Housing Fund owes the City \$856,635 for the purchase of a leasehold interest in the Abrams B Housing Project

(4) The Airport Operating Fund made a \$50,000 loan to the City's Strategic Development Fund (for reporting purposes, merged with the general fund), which will be repaid as resources permit. The Airport Fund also loaned \$85,000 to the Successor Agency to the Marina Redevelopment Agency which the City expects to be repaid as part of the Agency's enforceable debt obligations.

Interfund Transfers

Inter/intrafund transfers are permanent movement of resources between/within funds with no repayment requirement. The following transfers occurred during FY 2014-15 as disclosed on the Statement of Revenues, Expenditures and Changes in Fund Balances, Interfund Transfers In; All Governmental Funds:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 544,829
	Airport Fund	79,623
Subtotal General Fund		<u>\$ 624,452</u>
CDBG Projects Fund	General Fund	<u>\$ 13,072</u>
City Capital Projects Fund	General Fund	\$ 109,151
	Impact fee Fund	933,000
	Airport Fund	35,853
	Other Governmental Funds	108,456
Subtotal City Capital Projects Fund		<u>\$ 1,186,460</u>
Impact fee Fund	City Capital Projects Fund	<u>\$ 796,432</u>
Other Governmental Funds	General Fund	\$ 1,395
	Other Governmental Funds	461,854
	Airport Fund	65,500
Subtotal Other Governmental Funds		<u>\$ 528,749</u>
	Total	<u>\$ 3,149,165</u>

Some interfund transfers that occur on a regular basis; for example, routine annual transfers from the Impact Fee Fund to the Capital Projects Funds to partially finance capital projects, and transfers from other funds to the General Fund for cost allocation, while others occur only as needed.

**10 - Fund Balances and Net Assets**

Classification

As previously stated, fund financial statements designate the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, of a governmental fund as 'Fund Balance;' In the City-wide statements, this difference is designated 'Net Assets.' In March 2009, the Government Accounting Standards Board (GASB) issued Statement No. 54 establishing new

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

fund balance classifications for governmental funds, which create a fund balance hierarchy based primarily on the extent to which a government must observe constraints imposed upon the use of resources reported in governmental funds. Fund balance reporting standards include *nonspendable*, *restricted*, *committed*, *assigned*, and *unassigned* classifications based on the relative strength of the constraints that control how specific resources can be spent, and the fund(s) in which those resources are reported.

'*Nonspendable*' fund balance are amounts that cannot be spent because they are not in spendable form, such as inventories or prepaid expenses, or because they are legally or contractually required to be maintained intact. This also includes the long-term portion of notes and loans receivable that are not offset by deferred revenue, but does not include imprest cash.

'*Restricted*' fund balance are amounts constrained by external parties that can be spent only for purposes '...stipulated by constitution, external resource providers, or through enabling legislation' such as gas tax cash in the Streets Fund, and cash in Debt Service Funds to repay bonded indebtedness as required by related bond indentures.

'*Committed*' fund balance are amounts that are neither unspendable nor restricted, that are constrained for specific purposes by formal action of the City's highest level of decision-making authority, such as: Council-adopted budget or other resolutions; motions; or minute orders recorded in the official minutes for the meeting at which such limitation is imposed. 'Committed' resources require equal or higher action by the Council to remove or change the constraints placed on those resources.

'*Assigned*' fund balance are amounts intended for specific purposes but are not nonspendable and do not meet the criteria of 'Restricted' or 'Committed.' In all funds except the general fund, '*assigned*' fund balance represents the positive amount that is not nonspendable, restricted or committed. 'Assigned' resources can be imposed by the City Council itself, or by the City Manager and/or the Finance Director if authorized by Council action. For example, the Council may delegate authority for making certain budget modifications or setting aside resources for anticipated projects and programs.

'*Unassigned*' fund balance are general fund resources not contained in other classifications or, in non-general funds a deficit balance resulting from overspending for purposes for which amounts were restricted, committed or assigned.

When an expenditure occurs for which both restricted and unrestricted resources are available, the City generally considers the expenditure to have been made from restricted resources. Likewise, when an expenditure occurs for which either committed, assigned or unassigned resources are available, the City generally considers the expenditure to have been made from committed resources.

GASB asserts that the new classifications enhance the usefulness of fund balance measurements by disclosing the extent to which a government must observe constraints imposed on the use of resources reported in governmental funds, and the extent to which resources are available for discretionary purposes. Pursuant to GASB 54 the \$7,858,149 General Fund fund balance, and the \$20,592,588 total governmental fund balances at June 30, 2015 were classified as follows:

	<u>General Fund</u>	<u>All Funds</u>
Nonspendable	\$ 715,669	\$ 715,669
Restricted	396,081	8,194,764
Committed	603,705	5,542,245
Assigned	-	-
Unassigned	<u>6,142,694</u>	<u>6,139,910</u>
Total	<u>\$7,858,149</u>	<u>\$20,592,588</u>

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

Detailed explanations for each category follows:

Fund	Total	Non-			Unassigned	Nature of Constraint
		Spendable	Restricted	Committed		
General Fund	\$ 6,142,694	\$ -	\$ -	\$ -	\$6,142,694	Unconstrained General Fund balance
"	715,669	715,669	-	-	-	- Non-current portion of loans & advances to other funds & loans to 3rd parties
"	603,705	-	-	603,705	-	- OPEB/library mtnce Costs set aside by Council action
"	396,081	-	396,081	-	-	- Bond trust & grant cash limited by indenture/law
<b>Total General Fund</b>	<b>\$ 7,858,149</b>	<b>\$ 715,669</b>	<b>\$ 396,081</b>	<b>\$ 603,705</b>	<b>\$6,142,694</b>	
Special Revenue Funds	7,158,077	-	7,160,861	-	(2,784)	Restricted to specific uses by law or grants
PEG	158,964	-	-	158,964	-	- Committed to public access by Council action
Landscape Districts	19,198	-	19,198	-	-	- Restricted by law to specific geographic areas
Parks Capital Projects	801	-	801	-	-	- Restricted to parks use by Quimby Fee law
Airport Capital Project	14,267	-	14,267	-	-	- Restricted to airport improvements by grant
City Capital Projects	4,779,576	-	-	4,779,576	-	- Committed to specific projects by Council action
Debt Service Funds	603,556	-	603,556	-	-	- Restricted to debt service by bond indentures
<b>total fund balances</b>	<b>\$ 20,592,588</b>	<b>\$ 715,669</b>	<b>\$ 8,194,764</b>	<b>\$ 5,542,245</b>	<b>\$6,139,910</b>	

### Prior-Period Adjustments

#### General Fund:

Since fiscal 2012/13, the City's police department has participated in the California PRCS Regional Frontline Grant program, for which the City acts as disbursing agent for the State to distribute grant resources. The City receives and deposits all local grant allocations, then at a later date, disburses grant resources to participating local agencies in accordance with grant requirements. During fiscal 2012/13 and 2013/14, grant receipts were recorded in the general fund as revenues rather than liabilities to other local agencies. The balance of undistributed grant resources at June 30, 2014 of \$250,852 was reclassified from General Fund fund balance to liabilities pending distribution as required by the grant. Current year transactions were properly recorded as liability increases and decreases.

#### City-wide Net Assets:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions, which requires state and local governments who participate in cost sharing employer pension plans to recognize in their financial statements for the fiscal year ended June 30, 2015, the entire actuarially-determined unfunded pension plan obligations, designated 'Net Pension Liability.' The prior-period adjustment for unfunded pension liabilities was \$12,961,660.

## 11 Pension Plan

### General Information about the Pension Plans

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	11.522%	6.25%
	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%
Required employee contribution rates	9%	11.50%
Required employer contribution rates	27.849%	11.50%

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

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	\$369,492	\$1,469,902
Contributions - employee (paid by employer)	89,320	151,684

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

As of June 30, 2015, the City of Marina ('City') reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous - Classic	\$ 3,512,009
Miscellaneous - PEPRAs	12,630
Total Miscellaneous	\$ 3,524,639
Safety - Classic	\$ 7,860,799
Safety - PEPRAs	9,640
Total Safety	\$ 7,870,439
Total Net Pension Liability	\$ 11,395,078

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

	Miscellaneous		Safety	
	Classic	PEPRA	Classic	PEPRA
Proportion-6/30/2013	0.15690%	0.00000%	0.23976%	0.00001%
Proportion-6/30/2014	0.13768%	0.00000%	0.20332%	0.00001%
Change-Increase(Decrease)	(0.01922%)	0.00000%	(0.03644%)	0.00000%

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

For the year ended June 30, 2015, the City recognized pension expense of \$1,818,879. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,839,393	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	349,994	(\$289,173)
Net differences between projected and actual earnings on plan investments		(3,446,282)
Total	<u>\$ 2,189,387</u>	<u>(\$3,735,455)</u>

\$1,839,393 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense over a period of 3.8 years, beginning with the year ending June 30, 2016, as follows:

Year Ended June 30	Outflows	Inflows
2016	\$1,930,701	\$ ( 1,004,791)
2017	91,308	( 942,656)
2018	91,308	( 926,437)
2019	76,070	(861,571)
Total	<u>\$2,189,387</u>	<u>(\$3,735,455)</u>

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.5%	7.5%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase (1)	3.3% - 14.2%	3.3% - 14.2%
Investment Rate of Return (2)	7.5%	7.5%
Mortality (3)		(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The mortality table was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Local Government's proportionate share of the net pension liability would be if it were calculated using a discount rate that

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous		Safety	
	Classic	PEPRA	Classic	PEPRA
1% Decrease	6.50%	6.50%	6.50%	6.50%
Net Pension Liability	\$6,062,612	\$5	\$13,124,517	\$346
Current Discount Rate	7.50%	7.50%	7.50%	7.50%
Net Pension Liability	\$3,402,729	\$3	\$7,626,673	\$201
1% Increase	8.50%	8.50%	8.50%	8.50%
Net Pension Liability	\$1,195,280	\$1	\$3,096,687	\$82

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan** - At June 30, 2015, the City reported no payable for contributions to the pension plan required at June 30, 2015.

**12 - Post-Retirement Health Care Benefits**

*Plan Description:* The City of Marina participates in the California Public Employees Retirement System (CalPERS), a cost-sharing multiple employer public employee defined benefit pension plan. CalPERS provides postemployment medical insurance benefits to retirees and their spouses who meet plan eligibility requirements in accordance with various labor agreements. Employees are eligible for postretirement medical benefits upon reaching age 50 with a minimum of five years of service. Retirees can enroll in any of the available CalPERS medical plans, and City-provided benefits continue for the life of the retiree and surviving spouse. The City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act (\$101 per month for 2009, \$105 per month in 2010, \$108 per month in 2011, \$112 per month in 2012, \$115 per month in 2013, \$119 per month in 2014; \$122 in 2015, and is projected to be \$125 in 2016. Thereafter, monthly contributions will increase to reflect changes in the medical care component of the Consumer Price Index) Retirees must pay any premium amounts in excess of the City contribution. For each bargaining unit, the minimum amount the City contributes is pro-rated over the 20-year period starting from that unit’s CalPERS coverage.

*City’s Funding Policy:* The contribution requirements of plan members and the City are established and may be amended by the City Council. The contribution required to be made is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due.) For fiscal year 2014-15, the City contributed \$23,320 to the plan (100% of total current premiums). The City has not established a trust for the purpose of holding assets accumulated for plan benefits.

*Annual OPEB Cost and Net OPEB Obligation:* The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer*

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

(ARC), 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 normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the 2014/15 fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution (ARC)	\$ 263,159
Interest on Net OPEB Obligation	47,513
Adjustment to the ARC	<u>-50,799</u>
Annual OPEB Cost	\$ 259,873
Less: Contributions made (pay-as-you-go cost)	<u>-19,192</u>
Increase in net OPEB obligation	\$ 240,681
Net OPEB obligation - beginning of year	<u>1,063,880</u>
Net OPEB obligation - end of year	<u>\$ 1,304,561</u>

*Funded Status and Funding Progress:* At June 30, 2014, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 2,473,479
Actuarial value of plan assets**	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,473,479</u>

\*\* GASB 45 requires that cash be placed in trust to be considered 'plan assets.' While the City has segregated \$200,000 in a separate fund, the fund does not qualify as a trust, so the segregated cash is not treated as a 'plan asset.'

Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 8,472,033
UAAL as a percentage of covered payroll	29.2%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2015, and the preceding years were as follows: (2009/10 was the first GASB-45 year)

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	cumulative Net OPEB Obligation
6/30/10	\$205,257	4.75%	\$ 195,497
6/30/11	\$224,416	5.22%	\$ 408,184
6/30/12	\$244,877	5.77%	\$ 638,925
6/30/13	\$221,072	6.97%	\$ 844,580
6/30/14	\$239,878	8.58%	\$1,063,880
6/30/15	\$259,873	7.39%	\$1,304,561

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 employer are subject to continual revision as actual results are compared with past expectations and new estimates

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for the benefits.

*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 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 actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 4.5 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 4.5% including all inflation factors. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c
6/30/10	\$ 0	\$1,617,429	\$1,617,429	0%	\$8,724,150	18.5%
6/30/11	0	1,816,336	1,816,336	0%	7,737,432	23.5%
6/30/12	0	2,029,646	2,029,646	0%	8,190,417	24.8%
6/30/13	0	2,059,801	2,059,801	0%	8,790,527	23.4%
6/30/14	0	2,260,356	2,260,356	0%	8,696,119	26.0%
6/30/15	0	2,473,479	2,473,479	0%	8,472,033	29.2%

As the City's OPEB benefits are administered by City personnel, no separate financial statements are issued.

**13 - Deferred Compensation Plan**

The City offers its employees two deferred compensation plans created in accordance with California Code Section 53212 and Internal Revenue Code Section 457 under which employees can defer a portion of their salary until future years. The deferred compensation plan money is a deduction from the employees' salary and is invested with independent retirement trustees. The trustees hold the amounts deferred and any related income on behalf of employees; therefore, the City does not report any deferred compensation in its financial statements.

## **14 - Commitments and Contingencies**

### Contingent Liabilities

The City receives funding from a number of federal, state and local grant programs, principally the Community Development Block Grants. These programs are subject to financial and compliance review by grantors. Accordingly, the City's compliance with applicable grant requirements will be determined at some future date. Expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time. The City does not expect the undeterminable amounts of disallowed expenditures, if any, to materially affect the financial statements. Receipt of these federal, state and local grant revenues is not assured in the future.

### Litigation

Various claims and lawsuits are pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

### Development

On July 8, 2005, the City of Marina and Marina Community Properties ('MCP') entered into a Development Agreement ('Agreement') for a development commonly referred to as the Dunes on Monterey Bay, a mixed-use development including retail, office, hotel and residential uses.

On May 28, 2010, the City Council approved an administrative modification to the Agreement establishing the time for payment of impact fees and other considerations for a proposed theater. On December 10, 2013, the City Council approved further modifications to the Agreement relating to payment of impact fees for a proposed theater, and agreeing to provide \$275,000 economic investment incentives to assist with the construction costs of the theater. The incentive will only be paid to the theater builder on the condition that certain ownership, size and operational requirements are met, and the incentive will not be paid until the theater is issued an occupancy permit and opens for business. As of the audit opinion date, all conditions had not been met, and the cash incentive had not been paid to the theater owner.

The Specific Plan pursuant to the MCP Agreement for the Dunes on Monterey Bay identified a site for a 'boutique' or mixed-use hotel. On December 17, 2013, the City Council approved an agreement between the City of Marina and Peninsula Hotels Group, providing an economic investment incentive up to \$1 million to assist with construction of the hotel, to partially mitigate additional development costs under the Fort Ord Base Reuse Plan, and to offset impact, plan check and permit fees. Upon the hotel developer's meeting certain size, quality, construction and completion deadlines and payment of normal plan check, permit and development fees at the time of application, the City agreed to defer impact fees of approximately \$737,000. Upon completion of hotel construction and opening for business, the City agreed to apply 50% of the hotel's Transient Occupancy Tax ('TOT') generated and remitted during the hotel's first 48 months of operation, up to a maximum of \$1 million, toward the funding of (deferred) impact fees and other construction costs. In the event the hotel closes or fails within the first 5 years of operation, the hotel owner must refund the City's economic investment incentives, less any amounts previously paid up to \$1 million. As of the audit opinion date,

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

the hotel had not been completed and opened for operation, and no cash incentive payments have been made by the City.

### **15 - Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases liability, property, errors and omissions, and workers' compensation insurance from the Monterey Bay Area Self Insurance Authority (MBASIA), a risk-sharing program. Under this program, coverage is provided for up to a maximum of \$20,000,000 for each general liability claim less the City's deductible of \$10,000. Statutory coverage is provided for workers' compensation claims. The City is assessed a contribution to cover claims, operating costs and claim settlement expenses based upon an actuarially determined rate for each coverage layer pool. Additional cash contributions may be assessed on the basis of adverse loss experience. If the events of the year result in a negative risk position, the members' annual assessment may be increased in subsequent years. The City is unable to reasonably estimate the probability of MBASIA ending the year in a negative risk position. Refunds to members may be made if funds are determined to be surplus as a result of an actuarial study.

The City currently reports liability risk management activities in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Workers compensation insurance costs are allocated to various departments proportionate to their total payroll. For the year ended June 30, 2015, the City paid a total of \$1,029,872 to MBASIA for insurance coverage; \$125,649 and \$904,223 for liability and workers compensation insurance, respectively and did not receive a rebate from the program.

### **16 - Rental Income**

The City receives rents from several properties including Abrams B Apartments and Preston Park. Abrams B Apartments are owned by the City through its component unit, the Abrams B Non-Profit Corporation. During the 14-15 fiscal year, Abrams B generated \$3,010,641 in rental income. The City also receives rents from Preston Park. During the 14-15 fiscal year, the City received \$1,743,924 in rents from Preston Park. (See Note 17, Subsequent Events).

### **17 - Subsequent Events**

At June 30, 2015, the unpaid principal balance of the 1998 General Obligation Refunding Bonds Issue was \$285,000, due on August 1, 2015, 2016, 2017, 2018 & 2019 in the amounts of \$50,000, \$55,000, \$55,000, \$60,000 and \$65,000 respectively. Section 2.03(A) of the bond indenture permitted early redemption of all or part of the remaining outstanding bonds, with no early redemption premium, effective August 1, 2008 and thereafter. At June 30, 2015, sufficient cash existed in the debt service fund, and on August 1, 2015, the trustee called and redeemed all remaining outstanding bonds.

On March 3, 2015, the City Council approved creation of and by-laws for the Preston Park

CITY OF MARINA  
Notes to Financial Statements  
Year Ended June 30, 2015

Community Nonprofit Corporation ('Corporation'), for the purpose of facilitating acquisition and operation of a 96-acre multi-family residential rental property within the City, commonly known as Preston Park. Subsequently, the City acquired Preston Park from the Fort Ord Reuse Authority ('FORA') for \$35,000,000. Simultaneous with that acquisition, the City leased the Preston Park housing facility to the Corporation for 50 years, in consideration of an initial upfront rent payment of \$35,000,000 plus annual additional rents equal to any remaining cash flow generated by the corporation's operation of the facility. To finance its acquisition of the leasehold interest, the Corporation obtained a third-party loan in the amount of \$35,350,000 to cover the initial upfront rent payment plus related acquisition costs. That loan is for 10 years, fixed-rate, interest-only for the first five years, but starting in the sixth year, both principal and interest payments are due based on a 25-year amortization schedule. The Corporation is negotiating a refinancing loan to obtain more favorable terms. As of the audit opinion date, the Corporation has executed a rate lock with a new lender and paid a rate lock deposit which will be refunded to the Corporation at loan closing. If executed, the new loan terms will be 10-year, fixed rate, interest-only, at an interest rate less than or equal to 4.25%. As of the audit opinion date, the new loan has not closed.

REQUIRED SUPPLEMENTARY INFORMATION

**City of Marina  
Required Supplementary Information**

**City of Marina, an Agent Multiple-Employer Defined Benefit Pension Plan  
As of June 30, 2015**

Last 10 Years \*

**SCHEDULE OF CONTRIBUTIONS**

	2015				2015
	Miscellaneous		Safety		City-Wide
	Classic	PEPRA	Classic	PEPRA	Total
Actuarially Determined Contribution	\$ 308,082	\$ 12,526	\$ 1,098,162	\$ 9,300	\$ 1,428,070
Contributions in relation to the actuarially determined contributions	(308,082)	(12,526)	(1,098,162)	(9,300)	(1,428,070)
Contribution Deficiency(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,208,550	\$ 185,400	\$ 4,461,488	\$ 77,184	\$ 7,932,622
Contributions as a Percentage of Covered Employee Payroll	9.60%	6.76%	24.61%	12.05%	18.00%

**Notes to Schedule Apply to all plans):**

Valuation Date:	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates	
Actuarial cost method	Entry Age Normal
Amortization Method	Level of Percentage Payroll
Remaining Amortization Period	15 years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.50%
Salary Increases	4.5% Average, Including Inflation of 3.0%
Investment Rate of Return	7.75%, net of pension plan investment expense, Including Inflation
Retirement Age	67 years
Mortality	RP-2000 Healthy Annuitant Mortality Table

\* - Fiscal Year 2015 was the 1st year of implementation, therefore only one year is shown.

**City of Marina**  
**Required Supplementary Information**

**City of Marina, an Agent Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2015**

Last 10 Years \*

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

	2015				2015
	Miscellaneous		Safety		City-Wide
	Classic	PEPRA	Classic	PEPRA	Total
<b>Total Pension Liability</b>					
Service Cost	\$ 508,459	\$ 24,777	\$ 1,266,840	\$ 18,993	\$ 1,819,069
Interest on total pension liability	1,408,690	1	2,898,448	76	4,307,215
Differences between expected and actual experience	-	-	-	-	-
Changes in assumptions	-	-	-	-	-
Changes in benefits	-	-	-	-	-
Benefit payments including refunds of employee contributions	-	-	-	-	-
<b>Net change in total pension liability</b>	<b>\$ 1,917,149</b>	<b>\$ 24,778</b>	<b>\$ 4,165,288</b>	<b>\$ 19,069</b>	<b>\$ 6,126,284</b>
<b>Total pension liability - beginning</b>	<b>4,649,352</b>	<b>4</b>	<b>10,098,978</b>	<b>266</b>	<b>14,748,600</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 6,566,501</b>	<b>\$ 24,782</b>	<b>\$ 14,264,266</b>	<b>\$ 19,335</b>	<b>\$ 20,874,884</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 365,844	\$ -	\$ 1,421,096	\$ -	\$ 1,786,940
Contributions - employee	92,367	-	159,987	-	252,354
Projected earnings on investments	1,063,984	1	2,151,153	57	3,215,195
Difference between projected & actual earnings	1,429,343	1	2,878,431	61	4,307,836
Difference in proportions	18,630	12,150	267,793	9,552	308,125
Difference between projected & actual contributions	84,324	-	(474,991)	40	(390,627)
Benefit payments	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 3,054,492</b>	<b>\$ 12,152</b>	<b>\$ 6,403,469</b>	<b>\$ 9,710</b>	<b>\$ 9,479,823</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 3,054,492</b>	<b>\$ 12,152</b>	<b>\$ 6,403,469</b>	<b>\$ 9,710</b>	<b>\$ 9,479,823</b>
Rounding	-	-	2	15	17
<b>Net pension liability (a) - (b)</b>	<b>\$ 3,512,009</b>	<b>\$ 12,630</b>	<b>\$ 7,860,799</b>	<b>\$ 9,640</b>	<b>\$ 11,395,078</b>
Plan fiduciary net position as a percentage of total pension liability	46.52%	49.04%	44.89%	50.22%	45.41%
Covered - employee payroll	\$ 3,208,550	\$ 185,400	\$ 4,461,488	\$ 77,184	\$ 7,932,622
Net pension liability as percentage of covered employee payroll	109.46%	6.81%	176.19%	12.49%	143.65%

**Notes to schedule:**

**Benefit changes:** In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year average salary.

**Changes in assumptions:** In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

\* - Fiscal Year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Marina  
 Required Supplementary Information  
 Schedule of Funding Progress - Other Post-Employment Benefits

Actuarial Valuation Date	Entry Age Normal Cost Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as a Percentage of Payroll
July 1, 2009	\$ 1,617,429	\$ -	\$ 1,617,429	0%	\$ 8,190,417	19.75%
July 1, 2012	\$ 2,059,801	\$ -	\$ 2,059,801	0%	\$ 8,696,119	23.69%

OTHER SUPPLEMENTARY INFORMATION

CITY OF MARINA

General Fund  
Combining Balance Sheet  
June 30, 2015

	General Fund	GASB-45 OPEB Obligation Fund	Library Maintenance Fund	Marina Technology Cluster Fund	Development Activity Fund	Total
<b>ASSETS</b>						
Cash and Investments - Unrestricted	\$ 7,161,132	\$ 200,000	\$ 403,705	\$ -	\$ -	\$ 7,764,837
Cash - Restricted	51	-	-	-	-	51
Prepaid Expenditures	12,000	-	-	-	-	12,000
Accrued Receivables	1,573,151	-	-	13,137	54,969	1,641,257
Interfund Receivables & Payables - Short-term Cash Flow Loans	1,767,230	-	-	(9,205)	(1,586,069)	171,956
Loans & Notes Receivable	468,713	-	-	-	-	468,713
Advances to Other Funds	75,000	-	-	-	-	75,000
<b>TOTAL ASSETS</b>	<b>\$ 11,057,277</b>	<b>\$ 200,000</b>	<b>\$ 403,705</b>	<b>\$ 3,932</b>	<b>\$ (1,531,100)</b>	<b>\$ 10,133,814</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 931,197	\$ -	\$ -	\$ 1,994	\$ 4,111	\$ 937,302
Accrued Payables	434,194	-	-	-	-	434,194
Deposits and Other liabilities	517,536	-	-	8,275	-	525,811
Unearned Revenue	26,797	-	-	-	-	26,797
Advances from Other Funds	-	-	-	-	50,000	50,000
<b>TOTAL LIABILITIES</b>	<b>\$ 1,909,724</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,269</b>	<b>\$ 54,111</b>	<b>\$ 1,974,104</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - State of CA SB-90 Claims	\$ 301,561	\$ -	\$ -	\$ -	\$ -	\$ 301,561
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	\$ 715,669	\$ -	\$ -	\$ -	\$ -	\$ 715,669
Restricted	396,081	-	-	-	-	396,081
Committed	-	200,000	403,705	-	-	603,705
Assigned	-	-	-	-	-	-
Unassigned	7,734,242	-	-	(6,337)	(1,585,211)	6,142,694
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<b>\$ 8,845,992</b>	<b>\$ 200,000</b>	<b>\$ 403,705</b>	<b>\$ (6,337)</b>	<b>\$ (1,585,211)</b>	<b>\$ 7,858,149</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>	<b>\$ 11,057,277</b>	<b>\$ 200,000</b>	<b>\$ 403,705</b>	<b>\$ 3,932</b>	<b>\$ (1,531,100)</b>	<b>\$ 10,133,814</b>

The notes to financial statements are an integral part of this statement

CITY OF MARINA

General Fund  
 Combining Schedule of Revenues, Expenditures & Changes in Net Position  
 Year Ended June 30, 2015

	General Fund	GASB-45 OPEB Obligation Fund	Library Maintenance Fund	Marina Technology Cluster Fund	Development Activity Fund	Total
<b>REVENUES</b>						
Taxes	\$ 12,668,922	\$ -	\$ -	\$ -	\$ -	\$ 12,668,922
Fines and Penalties	194,540	-	-	-	-	194,540
Licenses and Permits	515,123	-	-	-	-	515,123
Investment Earnings	26,961	-	-	-	-	26,961
Charges for Services, Grants & Other Program Revenues	3,890,236	-	-	45,308	80,654	4,016,198
Other General Revenues	236,379	-	-	-	-	236,379
Total Revenues	\$ 17,532,161	\$ -	\$ -	\$ 45,308	\$ 80,654	\$ 17,658,123
<b>EXPENDITURES</b>						
General Government	\$ 2,507,252	\$ -	\$ 5,722	\$ -	\$ -	\$ 2,512,974
Public Safety	10,551,880	-	-	-	-	10,551,880
Public Works	2,259,239	-	-	-	-	2,259,239
Economic & Community Development	993,894	-	-	66,897	127,215	1,188,006
Recreation & Cultural Services	892,687	-	-	-	-	892,687
Debt Service - Principal Retirement	-	-	-	-	-	-
Debt Service - Interest and Other Debt Service Costs	-	-	-	-	-	-
Total Expenditures	\$ 17,204,952	\$ -	\$ 5,722	\$ 66,897	\$ 127,215	\$ 17,404,786
<b>EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES</b>	\$ 327,209	\$ -	\$ (5,722)	\$ (21,589)	\$ (46,561)	\$ 253,337
<b>OTHER FINANCING SOURCES(USES)</b>						
Interfund Transfers In	\$ 5,261	\$ -	\$ 465,751	\$ 53,617	\$ 99,823	\$ 624,452
Interfund Transfers (Out)	(103,368)	-	(56,324)	(5,000)	(8,470)	(173,162)
Total Other Financing Sources(Uses)	\$ (98,107)	\$ -	\$ 409,427	\$ 48,617	\$ 91,353	\$ 451,290
Special Item - Sale of Real Property	-	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES &amp; OTHER SOURCES OVER(UNDER) EXPENDITURES &amp; OTHER USES</b>	\$ 229,102	\$ -	\$ 403,705	\$ 27,028	\$ 44,792	# \$ 704,627
<b>FUND BALANCES - BEGINNING OF YEAR</b>	\$ 8,867,742	\$ 200,000	\$ -	\$ (33,365)	\$ (1,630,003)	\$ 7,404,374
Prior-period Adjustment	(250,852)	-	-	-	-	(250,852)
Fund Balance Beginning - Restated	\$ 8,616,890	\$ 200,000	\$ -	\$ (33,365)	\$ (1,630,003)	\$ 7,153,522
<b>FUND BALANCES - END OF YEAR</b>	\$ 8,845,992	\$ 200,000	\$ 403,705	\$ (6,337)	\$ (1,585,211)	\$ 7,858,149

The notes to financial statements are an integral part of this statement

**CITY OF MARINA**  
**Non-major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>CDBG Housing</b>	<b>Streets</b>	<b>National Parks Recreation Services</b>
<b>ASSETS</b>			
Cash and Investments	\$ 3,472	\$ 229,474	\$ 437,840
Cash (Restricted)	-	-	-
Accrued Receivables	2	134	172
Notes Receivable	76,500	-	-
TOTAL ASSETS	<u>\$ 79,974</u>	<u>\$ 229,608</u>	<u>\$ 438,012</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 8,645	\$ 234
Due to Other Funds (Short Term)	-	-	-
Unearned Revenue	-	-	-
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 8,645</u>	<u>\$ 234</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - CDBG Business and Home Loans	<u>\$ 76,500</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	\$ -	\$ -	\$ -
Restricted	3,474	220,963	437,778
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>\$ 3,474</u>	<u>\$ 220,963</u>	<u>\$ 437,778</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 79,974</u>	<u>\$ 229,608</u>	<u>\$ 438,012</u>

The notes to financial statements are an integral part of this statement

Special Revenue Funds						
PEG	Marina Woods Ass'm't District	Seabreeze Ass'm't District	Monterey Bay Estates Ass'm't District	Cypress Cove II Ass'm't District	CFD 2007-2 Locke-Paddon	
\$ 152,012	\$ -	\$ 1,441	\$ 3,354	\$ 4,535	\$ 11,959	
-	-	-	-	-	-	
28,003	-	1	1	3	6	
-	-	-	-	-	-	
<u>\$ 180,015</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ 3,355</u>	<u>\$ 4,538</u>	<u>\$ 11,965</u>	
\$ 21,051	\$ -	\$ -	\$ 118	\$ 386	\$ 1,598	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 21,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118</u>	<u>\$ 386</u>	<u>\$ 1,598</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	1,442	3,237	4,152	10,367	
158,964	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 158,964</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ 3,237</u>	<u>\$ 4,152</u>	<u>\$ 10,367</u>	
<u>\$ 180,015</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ 3,355</u>	<u>\$ 4,538</u>	<u>\$ 11,965</u>	

(continued)

CITY OF MARINA

Non-major Governmental Funds  
Combining Balance Sheet  
June 30, 2015

	Capital Projects			Debt Service Funds					Totals
	Airport	Park Facilities	Library Construction	Library Bonds	City General Obligation Bonds	Marina Landing Bonds	Marina Greens Bonds	2015 GO Refunding Bonds	
<b>ASSETS</b>									
Cash and Investments	\$ 24,403	\$ 800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 869,290
Cash (Restricted)	-	-	-	-	322,188	61,128	47,081	58,694	489,091
Accrued Receivables	5	1	-	-	121	26	21	143	28,639
Notes Receivable	-	-	-	-	-	-	-	-	76,500
<b>TOTAL ASSETS</b>	<b>\$ 24,408</b>	<b>\$ 801</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 322,309</b>	<b>\$ 61,154</b>	<b>\$ 47,102</b>	<b>\$ 58,837</b>	<b>\$ 1,463,520</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 10,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,173
Due to Other Funds (S/T)	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 10,141</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,173</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - CDBG Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,500
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	14,267	801	-	-	322,309	61,154	47,102	58,837	1,185,883
Committed	-	-	-	-	-	-	-	-	158,964
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>\$ 14,267</b>	<b>\$ 801</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 322,309</b>	<b>\$ 61,154</b>	<b>\$ 47,102</b>	<b>\$ 58,837</b>	<b>\$ 1,344,847</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 24,408</b>	<b>\$ 801</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 322,309</b>	<b>\$ 61,154</b>	<b>\$ 47,102</b>	<b>\$ 58,837</b>	<b>\$ 1,463,520</b>

(concluded)

The notes to financial statements are an integral part of this statement

CITY OF MARINA

Non-major Governmental Funds  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended June 30, 2015

	Special Revenue Funds	
	Streets	National Parks Recreation Services
<b>REVENUES</b>		
Taxes	\$ 681,568	\$ -
Investment Earnings	627	835
Grants, Service Charges & Other Program Revenues	-	102,054
Other Revenue	3,409	-
Total Revenues	<u>\$ 685,604</u>	<u>\$ 102,889</u>
<b>EXPENDITURES</b>		
Public Works	\$ 612,024	\$ -
Economic & Community Development	-	-
Recreation & Cultural Services	-	2,413
Public Improvements	-	-
Debt Service - Principal Retirement	-	-
Debt Service - Interest & Fees	-	-
Total Expenditures	<u>\$ 612,024</u>	<u>\$ 2,413</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 73,580</u>	<u>\$ 100,476</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Long-Term Debt Proceeds & Bond Premium	\$ -	\$ -
Long-Term Debt Defeasement & Bond Premium	-	-
Interfund Transfers In	-	-
Interfund Transfers(Out)	(109,453)	(50,805)
Total Other Financing Sources (Uses)	<u>\$ (109,453)</u>	<u>\$ (50,805)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (35,873)</u>	<u>\$ 49,671</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>256,836</u>	<u>388,107</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 220,963</u>	<u>\$ 437,778</u>

The notes to financial statements are an integral part of this statement

**Special Revenue Funds**

PEG	Marina Woods Ass'mt District	Seabreeze Ass'm't District	Monterey Bay Estates Ass'm't District	Cypress Cove II Ass'm't District	CFD 2007-2 Locke-Paddon
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1	5	5	41
107,433	-	6,706	12,379	19,409	-
-	-	-	-	-	-
<u>\$ 107,433</u>	<u>\$ -</u>	<u>\$ 6,707</u>	<u>\$ 12,384</u>	<u>\$ 19,414</u>	<u>\$ 41</u>
\$ -	\$ -	\$ 4,200	\$ 8,261	\$ 11,653	\$ 11,312
79,430	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 79,430</u>	<u>\$ -</u>	<u>\$ 4,200</u>	<u>\$ 8,261</u>	<u>\$ 11,653</u>	<u>\$ 11,312</u>
\$ 28,003	\$ -	\$ 2,507	\$ 4,123	\$ 7,761	\$ (11,271)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,395	-	-	-	-
(3,750)	-	(1,740)	(2,871)	(2,751)	-
<u>\$ (3,750)</u>	<u>\$ 1,395</u>	<u>\$ (1,740)</u>	<u>\$ (2,871)</u>	<u>\$ (2,751)</u>	<u>\$ -</u>
\$ 24,253	\$ 1,395	\$ 767	\$ 1,252	\$ 5,010	\$ (11,271)
134,711	(1,395)	675	1,985	(858)	21,638
<u>\$ 158,964</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ 3,237</u>	<u>\$ 4,152</u>	<u>\$ 10,367</u>

(continued)

**CITY OF MARINA**  
**Non-major Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2015**

	Capital Projects Funds				Debt Service Funds				Totals
	Airport	Park Facilities	Library Construction	Library Bonds	City General Obligation Bonds	Marina Landing Bonds	Marina Greens Bonds	2015 GO Refunding Bonds	
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ 431,818	\$ 71,916	\$ -	\$ -	\$ 4,986	\$ 1,190,288
Investment Earnings	52	5	1,209	63	591	100	146	173	3,855
Grants ,Service Chrgs & Other Program Revenues	99,432	-	-	-	-	20,000	-	-	367,413
Other Revenue	-	-	-	-	-	-	-	-	3,409
	<u>\$ 99,484</u>	<u>\$ 5</u>	<u>\$ 1,209</u>	<u>\$ 431,881</u>	<u>\$ 72,507</u>	<u>\$ 20,100</u>	<u>\$ 146</u>	<u>\$ 5,159</u>	<u>\$ 1,564,965</u>
<b>EXPENDITURES</b>									
Public Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 647,451
Economic & Community Development	-	-	-	-	-	-	-	-	79,430
Recreation & Cultural Services	-	-	-	-	-	-	-	-	2,413
Public Improvements	194,751	-	-	-	-	-	-	-	194,751
Debt Service - Principal Retirement	-	-	-	40,000	50,000	-	155,000	-	245,000
Debt Service - Interest & Fees	-	-	-	565,965	17,360	-	4,908	-	588,234
	<u>\$ 194,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,965</u>	<u>\$ 67,360</u>	<u>\$ -</u>	<u>\$ 159,908</u>	<u>\$ -</u>	<u>\$ 1,757,279</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (95,267)</u>	<u>\$ 5</u>	<u>\$ 1,209</u>	<u>\$ (174,084)</u>	<u>\$ 5,147</u>	<u>\$ 20,100</u>	<u>\$ (159,762)</u>	<u>\$ 5,159</u>	<u>\$ (192,314)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Long-Term Debt Proceeds & Bond Premium	\$ -	\$ -	\$ -	\$ 7,851,970	\$ -	\$ -	\$ -	\$ -	\$ 7,851,970
Long-Term Debt Defeasement & Bond Premium	-	-	-	(8,251,286)	-	-	(2,400)	-	(8,253,686)
Interfund Transfers In	65,500	-	-	408,176	-	-	-	53,678	528,749
Interfund Transfers(Out)	-	(1,401)	(873,928)	(56,213)	(1,157)	(2,389)	(1,181)	-	(1,107,639)
Total Other Financing Sources (Uses)	<u>\$ 65,500</u>	<u>\$ (1,401)</u>	<u>\$ (873,928)</u>	<u>\$ (47,353)</u>	<u>\$ (1,157)</u>	<u>\$ (2,389)</u>	<u>\$ (3,581)</u>	<u>\$ 53,678</u>	<u>\$ (980,606)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (29,767)</u>	<u>\$ (1,396)</u>	<u>\$ (872,719)</u>	<u>\$ (221,437)</u>	<u>\$ 3,990</u>	<u>\$ 17,711</u>	<u>\$ (163,343)</u>	<u>\$ 58,837</u>	<u>\$ (1,172,920)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>44,034</u>	<u>2,197</u>	<u>872,719</u>	<u>221,437</u>	<u>318,319</u>	<u>43,443</u>	<u>210,445</u>	<u>-</u>	<u>2,514,293</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 14,267</u>	<u>\$ 801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,309</u>	<u>\$ 61,154</u>	<u>\$ 47,102</u>	<u>\$ 58,837</u>	<u>\$ 1,341,373</u>

(concluded)

The notes to financial statements are an integral part of this statement

**CITY OF MARINA**  
**Fiduciary Funds**  
**Combining Schedule of Net Position**  
**June 30, 2015**

	Successor Agency Operating Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 959,057	\$ 105,321	\$ 1,064,378
Prepaid Expenditures	-	11,638	-	11,638
Accrued Receivables	-	374	23	397
Advances (to)/from Other Funds, Net	-	(164,747)	164,747	-
Long-Term Receivable - State of California	-	490,000	-	490,000
Capital Assets - Land	-	-	900,000	900,000
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,296,322</u>	<u>\$ 1,170,091</u>	<u>\$ 2,466,413</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 2,360	\$ 858	\$ 3,218
Accrued Payables	-	192	-	192
Due to City of Marina (Long Term)	-	328,713	-	328,713
Bonds Payable:				
Due Within One Year	-	20,000	-	20,000
Due in More Than One Year	-	470,000	-	470,000
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 821,265</u>	<u>\$ 858</u>	<u>\$ 822,123</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes Received in Advance	<u>\$ -</u>	<u>\$ 696,137</u>	<u>\$ -</u>	<u>\$ 696,137</u>
<b>Net Position</b> (Held in Trust for Successor Agency to the Marina Redevelopment Agency)	<u>\$ -</u>	<u>\$ (221,080)</u>	<u>\$ 1,169,233</u>	<u>\$ 948,153</u>

*The notes to financial statements are an integral part of this statement*

**CITY OF MARINA**  
**Fiduciary Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2015**

	Successor Agency Operating Fund	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
<b>ADDITIONS</b>				
Property Taxes (Net of DOF True-Up Adjustment)	\$ -	\$ 1,207,955	\$ -	\$ 1,207,955
Investment Earnings	-	1,379	79	1,458
Property Tax In-Lieu	-	29,139	-	29,139
Transfer from City of Marina	49,544	-	-	49,544
Interfund Transfers	-	-	-	-
Total Revenues	<u>\$ 49,544</u>	<u>\$ 1,238,473</u>	<u>\$ 79</u>	<u>\$ 1,288,096</u>
<b>DEDUCTIONS</b>				
ROPS Payments:				
Program Costs	\$ 49,544	\$ 1,058,662	\$ -	\$ 1,108,206
Legal & Professional Fees	-	31,648	1,014	32,662
Employee Costs	-	151,894	8,562	160,456
Occupancy & Operating Costs	-	66,742	-	66,742
Total Expenditures	<u>\$ 49,544</u>	<u>\$ 1,308,946</u>	<u>\$ 9,576</u>	<u>\$ 1,368,066</u>
Change in Net Position	\$ -	\$ (70,473)	\$ (9,497)	\$ (79,970)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>-</u>	<u>(150,607)</u>	<u>1,178,730</u>	<u>1,028,123</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (221,080)</u>	<u>\$ 1,169,233</u>	<u>\$ 948,153</u>

*The notes to financial statements are an integral part of this statement*

End

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2016-,  
RECEIVING AND FILING CITY OF MARINA SINGLE AUDIT REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

**REQUEST:**

It is requested that the City Council consider:

1. Adopting Resolution No. 2016-, receiving and filing City of Marina single audit report for Fiscal Year ended June 30, 2015.

**BACKGROUND:**

In conjunction with performing the audit of the City's financial statements, the City independent auditors, Mann, Urrutia, Nelson CPAs, also audited the compliance of the City with the various types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of City's major federal programs (federally funded) for the year ended June 30, 2015.

The audit involves examinations and tests of the underlying controls, fiscal records and financial transactions relevant to the City's major federal programs. The purpose of the audit is to determine whether in the auditor's opinion, the City is compliant, in all material respects, with the requirements of OMB Circular A-133 for each of the City's major federal programs for the year ended June 30, 2015.

**ANALYSIS:**

The City's Federal Program selected for the FY 2014-15 OMB Circular A-133 Audit was the U.S. Department of Homeland Security, Assistance to Firefighters Grant. The auditors had no findings and no questioned costs for Federal Awards as defined in paragraph 510(a) of OMB Circular A-133.

In the Mann, Urrutia, Nelson CPAs report on compliance with requirements applicable to each major program internal control over compliance and on the schedule of expenditures of Federal awards in accordance with OMB Circular A-133, the summary of auditors' results include:

1. An unqualified report was issued by the auditors on the financial statements of the auditee.
2. The results of our audit disclosed no significant deficiencies in internal control over financial reporting. There were no material weaknesses in internal control over financial reporting.
3. The audit disclosed no non-compliance which is material to the financial statements of the auditee.
4. There were no material weaknesses or significant deficiencies in internal control over the major program of the auditee.

5. An unqualified report was issued by auditors on compliance for the major program.
6. The audit disclosed no audit findings required by the auditors to be reported under paragraph 510(a) of OMB Circular A-133.
7. The major program of the auditee were Public Safety Partnership and Community Policing Grants (CFD A 16.710), Airport Improvement Program (CFDA 20.106), and Highway Planning and Construction (CFD 20.205).
8. The dollar threshold used to distinguish Type A and Type B programs was \$300,000.
9. The auditee was considered a low risk auditee for the year ended June 30, 2015 for purposes of major program determination.

In conclusion, the auditors had no findings and no questioned costs in the Single Audit Report (“**EXHIBIT A**”).

**FISCAL IMPACT:**

None

**CONCLUSION:**

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

---

Lauren Lai, CPA  
Finance Director  
City of Marina

**REVIEWED/CONCUR:**

---

Layne P. Long  
City Manager  
City of Marina

RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA  
RECEIVING AND FILING THE CITY OF MARINA SINGLE AUDIT REPORT FOR THE  
FISCAL YEAR ENDED JUNE 30, 2015

WHEREAS, in conjunction with performing the audit of the City's financial statements, the City independent auditors, Mann, Urrutia, Nelson CPAs, also audited the compliance of the City with the various types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of City's major federal programs (federally funded) for the year ended June 30, 2015, and;

WHEREAS, the audit involves examinations and tests of the underlying controls, fiscal records and financial transactions relevant to the City's major federal programs, and;

WHEREAS, the purpose of the audit is to determine whether, in the auditor's opinion, the City is compliant, in all material respects, with the requirements of OMB Circular A-133 for each of the City's major federal programs for the year ended June 30, 2015, and;

WHEREAS, the City's Federal Program selected for the FY 2014-15 OMB Circular A-133 Audit were Public Safety Partnership and Community Policing Grants (CFD A 16.710), , Airport Improvement Program (CFDA 20.106), and Highway Planning and Construction (CFD 20.205) and;

WHEREAS, the auditors had no findings and no questioned costs for Federal Awards as defined in paragraph 510(a) of OMB Circular A-133, and;

NOW, THEREFORE IT BE RESOLVED, that the City Council of the City of Marina receive and file the City of Marina single audit for the fiscal year ended June 30, 2015 ("EXHIBIT A").

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 20<sup>th</sup> day of January 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

---

Bruce C. Delgado, Mayor

ATTEST:

---

Anita Sharp, Deputy City Clerk

**CITY OF MARINA  
SINGLE AUDIT REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2015**

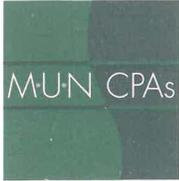
---

**Mann, Urrutia, Nelson CPAs & Associates, LLP  
2515 Venture Oaks Way, Suite 135  
Sacramento, California 95833**

**CITY OF MARINA  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2015**

**TABLE OF CONTENTS**

	<b>Page</b>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 -2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	3 - 4
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7
Schedule of Current Year Findings	8
Schedule of Prior Year Findings	9



**INDEPENDENT AUDITOR'S 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 City Council of  
the City of Marina  
Marina, 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 City of Marina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Marina's basic financial statements, and have issued our report thereon dated January 6, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Marina'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 City of Marina's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Marina's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

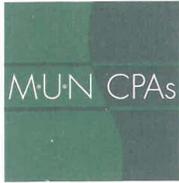
As part of obtaining reasonable assurance about whether the City of Marina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

**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.

*Manantia & Co. CPAs*

Sacramento, California  
January 6, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the City Council of  
the City of Marina  
Marina, California

**Report on Compliance for Each Major Federal Program**

We have audited the City of Marina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Marina's major federal programs for the year ended June 30, 2015. The City of Marina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Marina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Marina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Marina's compliance.

**Opinion on Each Major Federal Program**

In our opinion, City of Marina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

**Report on Internal Control Over Compliance**

Management of the City of Marina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Marina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Marina's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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 Marina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Marina's basic financial statements. We issued our report thereon dated January 6, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Sacramento, California  
January 6, 2016

**CITY OF MARINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Federal Grantor/Pass-Through Grantor Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number/Grant Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Justice</b>			
Direct Programs:			
Public Safety Partnership and Community Policing Grants	16.710		\$ 269,240
Community Oriented Policing Services Secure Our Schools Program	16.710		<u>4,248</u>
Total U.S. Department of Justice			<u>273,488</u>
<b>U.S Department of Transportation</b>			
Direct Programs:			
Airport Improvement Program	20.106		115,699
Highway Planning and Construction	20.205		<u>1,971,331</u>
Total U.S. Department of Transportation			<u>2,087,030</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>2,360,518</u></b>

**CITY OF MARINA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE 1: REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Marina. The City of Marina reporting entity is defined in Note 1 of the City's Financial Statement Report. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented on the accrual basis of accounting and in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's basic financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues in the governmental funds.

**NOTE 4: CLAIMS**

The City of Marina has received federal grants for specific purposes that are subject to review and audit by the Federal Government pass-through entity. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

**CITY OF MARINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Identification of Major Programs:	
Highway Planning and Construction, CFDA 20.205	
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Findings relating to the financial statements which are required to be reported in accordance with <i>Generally Accepted Government Auditing Standards</i>	No
--	----

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Findings and questioned costs for Federal Awards, which includes audit findings and defined in section 510(a)	No
---	----

**CITY OF MARINA  
SCHEDULE OF CURRENT YEAR FINDINGS  
JUNE 30, 2015**

There were no findings to report for the year ended June 30, 2015.

**CITY OF MARINA  
SCHEDULE OF PRIOR YEAR FINDINGS  
June 30, 2014**

There were no findings reported for the year ended June 30, 2014.

January 13, 2016

Item No. **9a**

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL TO RECEIVE STAFF REPORT AND ADOPT AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARINA AMENDING MUNICIPAL CODE, TITLE 17 (ZONING) TO ADD SECTION SECTION 17.04.210.5 TO DEFINE “CULTIVATION OF MARIJUANA,” SECTION 17.04.210.7 TO DEFINE COMMERCIAL CANNABIS ACTIVITY AND 17.06.020, SUBSECTIONS P AND Q TO PROHIBIT COMMERCIAL CANNABIS ACTIVITY AND THE CULTIVATION OF MARIJUANA IN ALL ZONES EXCEPT FOR THE CULTIVATION OF NO MORE THAN TWENTY (20) PLANTS BY QUALIFIED PATIENTS WITH AN IDENTIFICATION CARD, AT HIS OR HER PERSONAL RESIDENCE**

**REQUEST:**

It is requested that the City Council:

1. Receive a report; and,
2. Amend the Marina Municipal Code by urgency ordinance to:
  - a. Add a definition for “Cultivation of Marijuana;”
  - b. Add a definition for “Commercial Cannabis Activity;”
  - c. Ban Commercial Cannabis Activity and the Cultivation of Marijuana in all zones except for the cultivation of no more than 20 plants by a Qualified Patient with Identification Card, at his or her own residence; and
3. Direct Staff to bring this issue back to the City Council in one year, for review and to determine whether the ban is still warranted and has properly functioned, whether there have been any changes in state law, which impact on a ban in the City and whether a permanent ban or further regulation or licensing is warranted.

**BACKGROUND:**

The City Council, at the City Council meeting on January 5, 2016, directed staff to return to the Council with an ordinance which did not ban delivery of marijuana and “prohibited the cultivation of more than twenty plants, ten of which may be mature on a resident’s own rented or owned home, inside the dwelling or on land included in rented or owned property, per resident holding a valid medical marijuana card and residing there.” Further, staff was to immediately begin the process of coming up with a more comprehensive ordinance through the normal planning process.

**ANALYSIS:**

An Ordinance which meets the direction of the City Council and the City Council's intent, as expressed at the last meeting on the subject, is attached as Exhibit "A."

This Ordinance is based on an ordinance recently adopted by the City of Livermore. A ban on cultivation is required to retain local control. Livermore used part of the recent legislation, (Cal. Bus. & Prof. Code § 19300.5) to define "Commercial Cannabis Activity." "Commercial cannabis activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medical cannabis or a medical cannabis product, except as set forth in Section 19319, related to qualifying patients and primary caregivers." Section 19319 exempts 1) "A qualified patient, as defined in Section 11362.7 of the Health and Safety Code, who cultivates, possesses, stores, manufactures, or transports cannabis exclusively for his or her personal medical use...." 2) "A primary caregiver who cultivates, possesses, stores, manufactures, transports, donates, or provides cannabis exclusively for the personal medical purposes of no more than five specified qualified patients for whom he or she is the primary caregiver within the meaning of Section 11362.7 of the Health and Safety Code, but who does not receive remuneration for these activities...."

All Commercial Cannabis Activity was banned by Livermore. I understand that this was also the intent of the City Council, so I included this provision as an elegant way to ensure that there is no commercial activity in Marina, using the State definition, and such activity will not be licensed by the State.

The Marina Ordinance then contains an exception to allow a certain limited number of plants for personal use, as dictated by the City Council.

There has been a concern expressed as to whether the City can legally limit the amount of plants. Livermore used California Health & Safety Code Sec. 11362.77 to set the limits on plants. (For your information, that Section provides that "(a) A qualified patient or primary caregiver may possess no more than eight ounces of dried marijuana per qualified patient. In addition, a qualified patient or primary caregiver may also maintain no more than six mature or 12 immature marijuana plants per qualified patient. "(b) If a qualified patient or primary caregiver has a doctor's recommendation that this quantity does not meet the qualified patient's medical needs, the qualified patient or primary caregiver may possess an amount of marijuana consistent with the patient's needs. "(c) Counties and cities may retain or enact medical marijuana guidelines allowing qualified patients or primary caregivers to exceed the state limits set forth in subdivision (a).") Other cities such as Oakland and San Diego, set specific limits on the amounts of plants, which are different from those contained in the Health & Safety Code. Multiple counties set limits on the number of plants.

The Supreme Court decision in People v. Kelly, 47 Cal.4<sup>th</sup> 1008 (2010), has been widely misinterpreted to imply that the limits no longer apply, and that patients can therefore grow as much as they want. In fact, the Court's decision lets the police arrest anyone who exceeds the State guidelines. The only thing it disallows is for the guidelines to be used as a basis for conviction in criminal trials. In the very recent decision Kirby v. City of Fresno, 242 Cal. App. 4<sup>th</sup> 940 (2015),

a provision in the city's ordinance was stuck down because it classified the cultivation of medical marijuana as a misdemeanor. The Court found that this is "preempted by California's extensive statutory scheme addressing crimes, defenses and immunities relating to marijuana. Among other things, the attempt to criminalize possession and cultivation is not consistent with the obligation section 11362.71, subdivision (e) imposes on local officials not to arrest certain persons possessing or cultivating marijuana." Therefore, as I stated at the last meeting, the only method the City has to enforce these ordinances is by an administrative citation. The Ordinance provides that the sections shall only be criminally enforced.

It is noted that subdivision (c) of section 11362.77 states that local governments may "enact medical marijuana guidelines allowing qualified patients or primary caregivers to exceed the state limits set forth in subdivision (a)." This Ordinance, for the most part, exceeds medical marijuana guidelines, by allowing additional plants. If this part of the Ordinance were to be challenged, the Ordinance specifically provides that "[f] any part of this ordinance is held to be invalid, unlawful, or unconstitutional, it shall not affect the validity of any other part of the ordinance." Further, the ban on Commercial Cannabis Activity would remain in place. It essentially serves as stop-gap, if limits were challenged.

As set forth in the previous staff report, the findings can be made based upon the above stated, that an urgency ordinance is necessary for the immediate preservation of the public health safety and welfare. The facts constituting the emergency are that the City must adopt a land use regulation prohibiting the cultivation of medical marijuana that is in effect by March 1, 2016, or the State will become the sole licensing authority for the cultivation of medical marijuana. The Urgency Ordinance will prohibit the cultivation of medical marijuana, except as expressly stated, until such time as the City can take the proper steps to enact a permanent ban or do otherwise, as warranted.

**FISCAL IMPACT:**

The fiscal impact is unknown. Although there may be a minor tax revenue benefit if medical marijuana were cultivated or distributed within the City and then taxed, this benefit is minimized by the cost to regulate, issue licenses. Further, there is of an impact on police services if the uses are wholly banned.

**CONCLUSION:**

It is therefore requested that the City Council enact an urgency ordinance, in the form as attached or as otherwise required by the City Council until further analysis can be prepared and considered by the Planning Commission and City Council.

Respectfully submitted,

---

Deborah Mall  
Assistant City Attorney  
City of Marina

ORDINANCE NO. 2016 -

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARINA AMENDING MUNICIPAL CODE, TITLE 17 (ZONING) TO ADD SECTION 17.04.210.5 TO DEFINE “CULTIVATION OF MARIJUANA,” SECTION 17.04.210.7 TO DEFINE COMMERCIAL CANNABIS ACTIVITY AND 17.06.020, SUBSECTIONS P AND Q TO PROHIBIT COMMERCIAL CANNABIS ACTIVITY AND THE CULTIVATION OF MARIJUANA IN ALL ZONES EXCEPT FOR THE CULTIVATION OF NO MORE THAN TWENTY (20) PLANTS BY QUALIFIED PATIENTS WITH AN IDENTIFICATION CARD, AT HIS OR HER PERSONAL RESIDENCE

-o0o-

THE CITY COUNCIL OF THE CITY OF MARINA DOES ORDAIN AS FOLLOWS:

WHEREAS, in October 2015, the California Legislature enacted the Medical Marijuana Regulation and Safety Act (MMRSA) for the licensure and regulation of medical marijuana. Local authority remains intact under the law. All medical marijuana businesses (dispensary sales, delivery services, cultivation, or transport) must have a State license;

WHEREAS, under the MMRSA, if a city does not have an ordinance in place prohibiting the cultivation of marijuana either expressly or otherwise under the principles of permissive zoning, or chooses not to administer a conditional program, then commencing on March 1, 2016, the State Department of Food and Agriculture will be the sole licensing authority for medical marijuana cultivation applicants;

WHEREAS, the City operates under the principles of permissive zoning, in which any use not enumerated in the code is presumptively prohibited;

WHEREAS, under the MMRSA, if the City does not condition the cultivation of marijuana within its jurisdiction, cultivation of marijuana will be permitted with only a State license. The City’s intent is to condition the cultivation of marijuana so as to be able to retain local control over the cultivation of marijuana within its jurisdiction;

WHEREAS, pursuant to the Marina Police Department, Commercial Cannabis Activity and the cultivation of marijuana, except for on a limited basis by “Qualified Patient,” with an “Identification Card,” as defined in California Health and Safety Code Section 11362.7, impacts upon the public health, welfare and safety of the citizens of the City of Marina for the following reasons: Other California cities have experienced an increase in police services associated with commercial or large scale marijuana cultivation, processing and distribution activities. Marijuana and the cash it generates are commodities that are highly sought after and any type of commercial or large scale marijuana distribution leads to illegal activity to obtain marijuana and cash. Some of the illegal

activities associated with this are: illegal sales and distribution of marijuana; trespassing; theft; violent robberies; and, burglary. Additionally, large marijuana cultivation and processing sites consistently result in quality of life issues/complaints in the areas where these activities occurs. This can lead to additional police calls for service and potentially calls for service from other City departments. The strong smell of marijuana creates an attractive nuisance, alerting persons to the location of the plants, creating a risk of various types of criminal activity.

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that the cultivation or other concentration of marijuana in any location or premises without adequate security increases risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime. Based on the Attorney General's analysis and the experiences of other California cities, the Police Department would need to provide a higher level of patrol in the areas where large scale or commercial amounts of marijuana are cultivated, processed and distributed, thus taking valuable time away from other areas of the City. Additionally, the Department would need to set intensive Crime Prevention through Environmental Design requirements on these businesses and do higher levels of follow up to ensure compliance.

WHEREAS, the cultivation of large amounts of marijuana in a small city such as Marina, in neighborhoods with usually small lots constitutes a public nuisance due to the smell, degradation of the environment, serious fire dangers and excessive use of electricity;

WHEREAS, the City of Marina reasserts the findings made by the Monterey County Board for Supervisors for this County that the "...cultivation of medical marijuana has also been associated with serious harmful effects in areas where they are located, to owners of property in such areas, and to people living, visiting, conducting business or otherwise present in the area, as reported by other California counties and cities. Harmful effects at both outdoor and indoor cultivation facilities have included an increase in criminal activity because of the high monetary value of the marijuana plants, adverse environmental impacts, interference with farming practices, fire from grow light systems, extensive energy consumption and strong offensive odors";

WHEREAS, the proposed action is not a "Project" under the California Environmental Protection Act (CEQA Guidelines Section 15378) and has no potential for causing a significant impact on the environment and therefore is otherwise exempt under the General Rule (Section 15061(b)(3)).

WHEREAS, there is a current and immediate threat to the public health, safety and welfare presented by the recent enactment of the MMRSA, and the potential for cultivation of large amounts of marijuana or commercial operations of the cultivation of marijuana, to occur prior to the establishment of zoning regulations under normal planning and zoning processes of the City. Moreover, as discussed above, the cultivation of medical marijuana poses a serious fire risk to the residents of the community. The City Council finds that the immediate preservation of the public health, safety and welfare require an interim ordinance be enacted prior to an actual ordinance, pursuant to Government Code Sec. 65858 and take place immediately upon adoption, and its urgency is hereby declared.

NOW THEREFORE, the Marina City Council declares as follows:

1. Section 17.04.210.5 Added. The Municipal Code is hereby amended by the addition of Section 17.04.210.5 to read as follows: “**Marijuana Cultivation**’ means the planting, growing, harvesting, drying or processing of marijuana plants or any part thereof, and any and all associated business and/or operational activities”;
2. Section 17.04.210.7 Added. The Municipal Code is hereby amended by the addition of Section 17.04.210.7 to read as follows: “**Commercial Cannabis Activity**’ is as defined by subpart (k) of California Business and Professions Code section 19300.5”;
3. Section 17.06.020, Subsection (P) Added. The Municipal Code is hereby amended by the addition of Section 17.06.020, Subsection (P) to read as follows: “**Commercial Cannabis Activity as a Prohibited Use and/or Activity.** Commercial Cannabis Activity by any person or entity, including clinics, collectives, cooperatives and dispensaries, is prohibited in all zones within the City’s jurisdictional limits. No permit, whether conditional or otherwise, shall be issued for the establishment of such activity. Any Commercial Cannabis Activity that takes place in violation of this provision is unlawful, and is hereby declared a public nuisance. Nothing in this Chapter is intended to, nor shall it be construed to, make legal any Commercial Cannabis activity that is allowed or otherwise prohibited under California law. Nothing in this Chapter is intended to, nor shall it be construed to, preclude any landlord from limiting or prohibiting Marijuana Cultivation by its tenants. This Chapter shall not be criminally enforced.” and,

4. Section 17.06.020, Subsection (Q) Added.; The Municipal Code is hereby amended by the addition of Section 17.06.020, Subsection (Q) to read as follows: **“Marijuana Cultivation” is a Prohibited Use and/or Activity, Except for ‘Marijuana Cultivation of Not More than Twenty (20) Plants by a “Qualified Patient” with an “Identification Card” on a Property on which He or She Resides, for a Limited Non-Commercial Purpose .**

Marijuana Cultivation by any person or entity, including clinics, collectives, cooperatives and dispensaries, is prohibited in all zones within the City’s jurisdictional limits, except as set forth herein. No permit, whether conditional or otherwise, shall be issued for the establishment of such activity, except that a “Qualified Patient,” with an “Identification Card,” as defined in California Health and Safety Code Section 11362.7 may cultivate not more than twenty (20) plants, ten (10) of which may be mature, per each “Qualified Patient” with an “Identification Card,” upon property he or she rents or owns and inhabits, either inside the dwelling or on land included in such rented or owned property. Nothing in this Chapter is intended to, nor shall it be construed to, preclude any landlord from limiting or prohibiting Marijuana Cultivation by its tenants. This Chapter shall not be criminally enforced.”

5. Validity of Ordinance. If any part of this ordinance is held to be invalid, unlawful, or unconstitutional, it shall not affect the validity of any other part of the ordinance.
6. Effective Date. This ordinance is adopted as an urgency ordinance for the immediate preservation of the public peace, health and safety within the meaning of Government Code Sec. 65858(b) and therefore shall be passed immediately upon its introduction and shall become effective immediately upon its adoption by a minimum 4/5 vote.
7. Posting of Ordinance. Within 15 days after the passage of this ordinance, the City Clerk shall cause it to be posted in the three public places designated by resolution of the City Council.

The foregoing ordinance was passed and adopted at a duly held meeting of the City Council of the City of Marina held on the 20<sup>th</sup> day of January 2016 by the following vote:

AYES, COUNCIL MEMBERS:  
NOES, COUNCIL MEMBERS:  
ABSENT, COUNCIL MEMBERS:  
ABSTAIN, COUNCIL MEMBERS:

---

Bruce C. Delgado, Mayor

ATTEST:

---

Anita Sharp, Deputy City Clerk

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of January 20, 2016

**CITY COUNCIL TO ADOPT RESOLUTION NO 2016- TO AMEND THE CITY MANAGER EMPLOYMENT AGREEMENT TO INCREASE SALARY AND BENEFITS, AUTHORIZE SIGNATURE BY THE MAYOR, APPROVE AMENDMENTS OR ADDITIONS TO THE SALARY PLAN AND MAKE THE NECESSARY BUDGETARY ADJUSTMENTS.**

**REQUEST:**

It is requested that the City Council:

1. Amend the March 29, 2013 Employment Agreement with the City Manager, attached as “**EXHIBIT “A”**” to:
  - a. Increase the salary of the City Manager to seventeen thousand five hundred eighty-five and 33 cents (\$17,585.33) per month;
  - b. Increase the accrual and credit for personal leave and administrative as if the Employee had been employed for sixteen years;
  - a. Give the City Manager a vehicle allowance of \$400 per month for the use and maintenance of a private vehicle, in lieu of providing a city owned and maintained vehicle;
2. Authorize the Mayor to execute Amendment No. 1 to the Employment Agreement, in the form attached as “**EXHIBIT “B”**”;
3. Authorize an Amendment to the Salary Plan for the City Manager;
4. Authorize Staff to make the necessary budgetary adjustments.

**BACKGROUND:**

The City Council met in closed sessions in November 2015 and as part of the City Manager’s performance evaluation it evaluated whether any adjustments in salary and benefits were warranted. The City Council met on January 12, 2015, as part of closed session Labor Negotiations with the City Manager. The City Council now seeks to amend City Manager’s employment contract in open session and enter into an Amendment to the City Manager’s Employment Agreement to increase the salary and benefits, as set forth above.

**ANALYSIS:**

The City completed a review of all city job classifications within our competitive market. The City’s competitive labor market includes but is not necessarily limited to the following cities: Seaside, Salinas, Monterey, Pacific Grove, Hollister, Gilroy, Morgan Hill, Paso Robles, San Luis

Obispo, Watsonville and Santa Cruz. Additionally the City has reviewed the internal alignment with these job classifications. At the regular meeting of January 5, 2016 and a special meeting on January 12, 2016, council took action to align salaries for multiple positions, including the Police Chief and Recreational and Cultural Services Director.

The proposed salary change is to bring the City Manager's salary to the middle of our competitive market; maintain a reasonable differential above the next highest paid City official; and take into consideration job performance. This action is consistent with Paragraph 3a of the 2013 Employment Agreement for City Manager.

**FISCAL IMPACT:**

The 2015-2016 Budget included unallocated, ongoing revenues of \$244,000. In setting the budget council acknowledged the need for staffing adjustment and labor negotiations.

Respectfully submitted,

---

City Attorney's Office

RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AMENDING THE CITY MANAGER EMPLOYMENT AGREEMENT TO INCREASE SALARY AND BENEFITS, AUTHORIZE SIGNATURE BY THE MAYOR, APPROVE AMENDMENTS OR ADDITIONS TO THE SALARY PLAN AND MAKE THE NECESSARY BUDGETARY ADJUSTMENTS.

WHEREAS, the City Council met in closed sessions in November 2015 and as part of the City Manager's performance evaluation it evaluated whether any adjustments in salary and benefits were warranted; and

WHEREAS, the City Council met on January 12, 2015, as part of closed session Labor Negotiations with the City Manager; and

WHEREAS, The City Council now seeks to amend City Manager's employment contract in open session and enter into an Amendment to the City Manager's Employment Agreement to increase the salary and benefits, as set forth above; and

WHEREAS, The City completed a review of all city job classifications within our competitive market. The City's competitive labor market includes but is not necessarily limited to the following cities: Seaside, Salinas, Monterey, Pacific Grove, Hollister, Gilroy, Morgan Hill, Paso Robles, San Luis Obispo, Watsonville and Santa Cruz. Additionally the City has reviewed the internal alignment with these job classifications. At the regular meeting of January 5, 2016 and a special meeting on January 12, 2016, council took action to align salaries for multiple positions, including the Police Chief and Recreational and Cultural Services Director; and

WHEREAS, the proposed salary change is to bring the City Manager's salary to the middle of our competitive market; maintain a reasonable differential above the next highest paid City official; and take into consideration job performance. This action is consistent with Paragraph 3a of the 2013 Employment Agreement for City Manager; and

WHEREAS, the 2015-2016 Budget included unallocated, ongoing revenues of \$244,000. In setting the budget council acknowledged the need for staffing adjustment and labor negotiations

NOW, THERE FOR IT BE RESOLVED that the City Council does hereby:

1. Amend the March 29, 2013 Employment Agreement with the City Manager, attached as "Exhibit "A" to:
  - a. Increase the salary of the City Manager to seventeen thousand five hundred eighty-five and 33 cents (\$17,585.33) per month;
  - b. Increase the accrual and credit for personal leave and administrative as if the Employee had been employed for sixteen years;
  - c. Give the City Manager a vehicle allowance of \$400 per month for the use and maintenance of a private vehicle, in lieu of providing a city owned and maintained vehicle;

2. Authorize the Mayor to execute Amendment No. 1 to the Employment Agreement, in the form attached as “Exhibit “B”;
3. Authorize an Amendment to the Salary Plan for the City Manager;
4. Authorize Staff to make the necessary budgetary adjustments.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on this 20<sup>th</sup> day of January 2016 by the following vote:

AYES, COUNCIL MEMBERS:

NOE, COUNCIL MEMBERS:

ABSTAIN, COUNCIL MEMBERS:

ABSENT, COUNCIL MEMBERS:

---

Bruce C. Delgado, Mayor

ATTEST:

---

Anita Sharp, Deputy City Clerk

COPY

**EMPLOYMENT AGREEMENT  
FOR  
CITY MANAGER**

THIS AGREEMENT is made and entered into on March 29, 2013, by and between the City of Marina, a California charter city, hereinafter referred to as "City," and Layne P. Long, hereinafter referred to as "Employee," as follows:

**Recitals**

The City requires the services of a City Manager and Employee is trained, experienced and competent to properly perform the services of City Manager specified herein.

**Terms and Conditions**

In consideration of the mutual provisions contained herein, City and Employee agree to the following terms and conditions:

1. **Scope of Services.** Employee is hereby hired and retained by the City to serve as the City Manager, with the following duties and authority:
  - a) The City Manager shall be the chief executive officer of the City and shall be responsible to the City Council for the proper administration of the affairs of the City.
  - b) The City Manager shall perform all of the duties of the City Manager as set forth in Title 2, Chapter 2, Section 2.08.070 of the Marina Municipal Code, in the City of Marina Personnel Manual and as otherwise legally required. The City Manager shall also perform other legally permissible and proper duties and functions as the City Council may assign from time to time.
  - c) The City Council also designates the City Manager as the chief executive of any other City-related legal entities, which could include financing authorities and joint power authorities.
  - d) The City Manager shall administer and enforce policies established by the City Council and promulgate rules and regulations as necessary to implement City Council policies.
  - e) The City Manager is required to attend all meetings of the City Council, unless excused by the Mayor, and take part in the discussion of all matters before the City Council.

f) The City Manager shall review all agenda documents before preparing the agenda for any regular or special meeting of the City Council.

g) The City Manager shall direct the work of all City employees.

h) The City Manager shall exercise control of City government in emergencies as authorized by the Municipal Code and California law.

2. Term. Employee will commence work on the services to be provided hereunder on April 1, 2013, and shall serve until this Agreement is terminated as herein set forth.

3. Compensation.

a) For the services to be performed under this Agreement, City shall pay Employee a salary of fifteen thousand dollars (\$15,000.00) per month.

Employee's salary shall have what the City Council determines is a reasonable differential above the next highest paid City official. Compensation shall be evaluated by the City Council on an annual basis and will include consideration of both merit and cost-of-living increases provided to Department Directors and non-represented management employees, as well as consideration of the competitive market compensation for city managers in comparable cities at the time of performance evaluations.

b) Employee shall be classified as exempt under the Fair Labor Standards Act and shall be a confidential employee for all purposes. Employee shall not be a member of the Department Directors informal employees organization, but shall have the same employee benefits as specified in the Department Directors' informal employee organization Memorandum of Understanding ("Directors MOU"), and any subsequent modifications thereto as approved by the City Council, except as otherwise specifically described in this Agreement or unless negotiated otherwise.

c) Accrual and credit for personal leave and administrative leave shall be as provided for in the Directors MOU, and any subsequent modifications thereto approved by the City Council, as if the Employee had been employed for six years. Employee shall be credited with fifteen days of vacation upon reporting to work. Employee shall be entitled to take off such municipal holidays as are recognized by the City.

d) City shall pay the full cost of Employee's medical, dental and vision insurance coverage for Employee and his dependents consistent with the terms and conditions of the Directors MOU, and any subsequent modifications thereto approved by the City Council. Provided, however, in the event that Employee negotiates on behalf of the City any employee benefits as described in this subparagraph 3d, or in subparagraphs 3b and 3c above with the Department Directors, Employee shall then not automatically be entitled to the same employee benefits as the Department Directors, but shall negotiate

separately with the City Council for Employee's similar benefits.

e) City will provide Employee with a group term life insurance policy in a face amount of one hundred thousand dollars (\$100,000.00) during the duration of his employment with the City.

f) City shall provide to Employee a cellular telephone for Employee to use in the course of his employment.

g) City shall provide Employee with the use of an existing city-maintained vehicle, bearing identification as a city vehicle, for use in the course of his employment and not for commuting or other personal use.

h) City acknowledges that participation in local, state, regional and national municipal city manager organizations by the Employee benefits the City and provides professional development. The City agrees to pay Employee's professional dues, subscriptions and memberships in such organizations necessary for Employee to maintain professional relationships, including ICMA, California City Manager's Association and other related professional associations. The City also agrees to provide Employee with an annual allocation to cover reasonable travel, conference registration, lodging, meals and meeting expenses of these organizations, subject to reasonable budgetary limitations, as approved by the City during the budget process. The Employee shall make an effort to minimize cost to the City. The Employee may attend up to ten days of City-approved professional development.

i) Employee will be enrolled in the City's CalPERS plan, which has a benefit formula for a new employee of two percent (2%) at age sixty two (62), with Employee as a new member to pay the required percentage cost of the employer+employee contribution per the California Public Employees' Pension Reform Act.

j) City will pay the sum of \$5,000.00 directly to the Employee for reasonable expenses of moving Employee, his family and personal property from Utah to Marina, California. This sum may be increased upon the written request of the Employee by payment by the City to Employee of an additional amount equal to one months' rent, or at a maximum two months' rent, of the family housing unit to be provided to Employee per subparagraph 3k below, with a commensurate reduction (i.e., one or two months) in the period of free housing therein provided by the City.

k) City will allow the Employee, during an interim period of six (6) months, to have exclusive possession and use of a family dwelling residence in City-owned property located within the residential community known as Abrams Park, for occupancy by the Employee and his family, with the monthly rent for same paid by the City to the Employee, beginning as soon as available and at a reasonable time close to the first day of employment and terminating upon notice of the Employee, or six (6) months from the

first day of occupancy, which six month period will include an initial temporary residence in a hotel or motel in Marina for the approximately 8 days until the Abrams Park residence is available to be moved into by Employee. Provided that if the Employee elects to take one or two months' rent to add to his payment for moving expenses, as described in subparagraph 3k above, then the six months' period mentioned hereinabove of rent paid by the City to Employee shall be reduced accordingly, i.e., to five or four months. Provided further that if the Employee gives written notice to the City thirty days prior to the termination of the initial six (or five or four) months' period, that he requires an extension of his term of occupancy, an extension can be granted for up to an additional four (4) months, however during such extended period the City shall pay to Employee only one-half of the rent charged for the unit by the City's property management firm for Abrams Park. In the event of termination of this Agreement, Employee shall vacate the premises within sixty (60) days of the last date of employment, and no further notice will be required from the City for termination of the tenancy.

l) City agrees to reimburse Employee for reasonable job-related expenses incurred in carrying out his duties as City Manager, subject to reasonable budgetary restrictions and in accordance with applicable laws and City policies.

m) No reduction of salary, compensation or other benefits of the Employee shall occur, unless the City Council at any time during the course of this Agreement reduces the salary or other employment or financial benefits of all Department Directors of the City. In such event, the salary and benefits of the Employee, as set forth herein, may be reduced in the same amount, at the sole discretion of the City Council.

n) Recognizing the fact that Employee at the time of execution of this Agreement cannot obtain PERS Choice medical coverage for his family members residing out-of-state, City will pay to Employee, until such time as (i) Employee's family dependents are residing in California and are eligible for PERS Choice coverage, or (ii) August 31, 2013, whichever occurs first, a monthly in-lieu sum equal to a City employee's cafeteria plan benefit (\$575.00) plus the City's portion of the employee-only PERS Choice cost (\$263.25), paid one-half per pay period, toward Employee's present cost of family health care coverage.

4. Termination, Resignation and Severance Pay.

a) The City Council may, without cause, terminate Employee's employment as the City Manager by an affirmative vote of three fifths (3/5ths) of all members of the City Council, upon thirty (30) days advance written notice to the Employee; provided, however, that consideration of termination by the City Council may not occur within one hundred and eighty (180) days after a General Municipal Election or Special Election wherein a new member or members are elected to the City Council.

b) In the event this agreement is terminated by the City without cause, City

shall pay Employee a lump sum cash payment severance as follows: nine months' of salary and benefits (in a lump sum of then-current health, dental and vision benefits) if Employee is terminated without cause during the first year of employment (i.e., on or before April 1, 2014); six months' of salary and such benefits if the Employee is terminated without cause during the second through fifth year of employment (i.e., from April 1, 2015 to April 1, 2018); and, four months' of salary and such benefits if the Employee is terminated without cause after the fifth year of employment (i.e., after April 1, 2018).

c) If Employee's employment is terminated for cause by the City Council, or for any of the reasons set forth below, Employee shall not be entitled to severance pay:

1. Intentional or willful failure to perform his lawful duties as set forth herein
2. his death;
3. his incapacity or inability to perform his essential duties due to physical or mental disabilities;
4. willful destruction, theft, misappropriation or misuse of City property;
5. intoxication on duty, whether by alcohol, marijuana or non-prescriptive drugs;
6. inexcusable absence;
7. conviction of a felony or misdemeanor involving breach of the public trust;
8. dishonest, fraud or misconduct in office;
9. violation of Government Code Section 1090, or violation of any conflict of interest laws or regulations which a court or administrative agency finds resulted in Employee or his immediate family receiving actual economic gain; and
10. fraud or dishonesty in having secured his employment.

d) Employee agrees that in the event Employee's employment is terminated, under no circumstances will Employee be able to contest the nature of Employee's at-will employment status, nor will Employee be entitled to seek or obtain the remedy of reinstatement in any administrative or legal forum. Employee agrees that the sole issue for resolution upon termination of Employee's employment agreement will be the extent

of severance pay and/or other payments due Employee as the result of services rendered through the day of termination. Employee shall have no other right of action against the City as it relates to termination and severance.

e) Pending the outcome of any dispute over the amount of severance pay, City may withhold any severance sums due Employee.

f) In the event Employee voluntarily and without the official request of the City resigns his position, Employee shall give written notice to the City at least thirty days in advance of the final date of employment, unless the parties otherwise agree. In the event Employee resigns, the severance pay provisions of paragraph 4.b. shall not apply.

g) The parties hereto acknowledge and agree that California Government Code Sections 53243-53243.4, inclusive, could under certain circumstances require the Employee fully to reimburse City for funds provided, pursuant to this Agreement or otherwise, by the City to Employee. The parties hereto agree that by attaching said Sections hereto, marked Exhibit A, and by their incorporation herein by this reference, said reimbursement obligations are fully applicable hereunder should any of the conditions described in said Sections requiring reimbursement transpire.

5. Outside Employment. Employee agrees to remain in the exclusive employ of the City, accepting no other employment during the term of this Agreement, unless permitted by Resolution of the City Council.

6. Performance Evaluations. City Council shall evaluate the performance of Employee on the sixth month of employment and one year from the date of this contract, which shall be the annual date of review. The evaluations shall be performed annually, thereafter. The evaluations shall be written and shall be performed by the City Council, as the City Council elects. A copy of the written evaluation shall be delivered to the Employee and he shall have the right to respond orally or in writing to the evaluation. Employee shall be responsible for providing annual written notice to the City Council of the need to complete the evaluation process and shall agendize the closed session(s) for discussion and preparation of the evaluation. Upon initial hire and annually thereafter, the City Council and Employee shall define such goals and performance objectives that they determine necessary for the proper operation of the City and in attainment of the City Council's policy objectives.

7. Indemnification. The City shall defend, hold harmless and indemnify the Employee against any claim or demand or legal action, whether groundless or otherwise, and any settlement or judgment and cost of defense, arising out of any alleged act or omission occurring in the performance of his duties to the City. In its sole discretion, the City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.

8. Personnel Rules. Except as modified by this Agreement, Employee shall be subject to and comply with the City Personnel Manual, receipt of which is hereby acknowledged, including future changes as approved by the City Council.

9. Modification. This Agreement is not subject to amendment or modification except by a writing signed by the parties hereto.

10. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters covered by this Agreement, and no other agreement, statement or promise made by or to any party or by or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

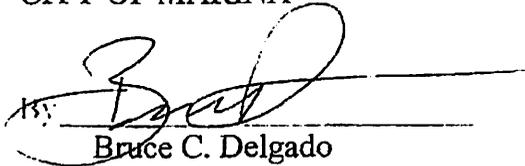
11. Attorney's Fees. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

12. Employee's Examination of Agreement. Employee acknowledges that Employee has had the right to examine this Agreement, has been advised that Employee may wish to consult with an attorney prior to entering into this Agreement and has read and understands all of the provision of this Agreement.

13. Severability. If any provision or any portion thereof contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement or portion thereof, shall be deemed to be severable and shall remain in full force and effect.

IN WITNESS WHEREOF, Employee and the City of Marina, by its duly authorized representative, have executed this Agreement on the date first hereinabove set forth at Marina, California.

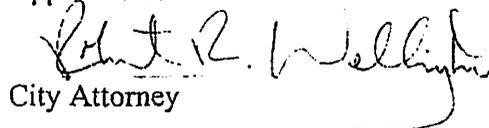
CITY OF MARINA

  
\_\_\_\_\_  
Bruce C. Delgado  
Mayor

EMPLOYEE

  
\_\_\_\_\_  
Layne P. Long

Approved as to form:

  
\_\_\_\_\_  
City Attorney

# GOVERNMENT CODE

## SECTION 53243-53243.4

53243. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides paid leave salary offered by the local agency to the officer or employee pending an investigation shall require that any salary provided for that purpose be fully reimbursed if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

53243.1. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides funds for the legal criminal defense of an officer or employee shall require that any funds provided for that purpose be fully reimbursed to the local agency if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

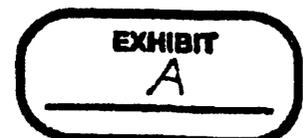
53243.2. On or after January 1, 2012, any contract of employment between an employee and a local agency employer shall include a provision which provides that, regardless of the term of the contract, if the contract is terminated, any cash settlement related to the termination that an employee may receive from the local agency shall be fully reimbursed to the local agency if the employee is convicted of a crime involving an abuse of his or her office or position.

53243.3. On or after January 1, 2012, if a local agency provides, in the absence of a contractual obligation, for any of the payments described in this article, then the employee or officer receiving any payments provided for those purposes shall fully reimburse the local agency that provided those payments in the event that the employee or officer is convicted of a crime involving the abuse of his or her office or position.

53243.4. For purposes of this article, "abuse of office or position" means either of the following:

(a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority.

(b) A crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67) or Title 7 (commencing with Section 92) of Part 1 of the Penal Code.



**AMENDMENT No. 1  
TO  
EMPLOYMENT AGREEMENT  
FOR  
CITY MANAGER**

In consideration of the mutual promises contained herein, City and Employee agree that the Terms and Conditions set forth herein are incorporated into the Agreement for Employment made and entered into on March 29, 2013, by and between the City of Marina, a California charter city and Layne P. Long. Only the numbered sections and subsections of said Agreement which are being revised are set forth below in this Amendment No. 1; all other terms and conditions of the Agreement of Employment shall remain in full force and effect.

3. Compensation

a) For the services to be performed under this Agreement, City shall pay Employee a salary of seventeen thousand five hundred eighty-five and 33 cents (\$17,585.33) per month.

On the first day of each calendar year for years: 2017, 2018, and 2019, Employee's salary shall increase by no less than three percent (3%) for each applicable calendar year. This is a minimum percentage increase and does not preclude a higher percentage to maintain what the Council determines to be a reasonable differential above the next highest paid City official. Compensation shall be evaluated by the City Council on an annual basis and will include consideration of both merit and cost-of-living increases provided to Department Directors and non-represented management employees, as well as consideration of the competitive market compensation for city managers in comparable cities at the time of performance evaluations.

c) Accrual and credit for personal leave and administrative leave shall be as provided for in the Directors MOU, and any subsequent modifications thereto approved by the City Council, as if the Employee had been employed for sixteen years. Employee shall be entitled to take off such municipal holidays as are recognized by the City.

g) In lieu of providing a city owned and maintained vehicle for Employee's use, City shall pay to Employee a vehicle allowance of \$400 per month and Employee shall use and maintain a private vehicle. Employee shall be responsible for providing all necessary liability insurance for the use of his personal vehicle for City business and shall provide proof of such insurance to the City upon request. Employee shall also be responsible for all maintenance, repair, and replacement costs associated with the use of his personal vehicle. Finally, Employee shall comply with all vehicle laws and City policies related to safe operation of a motor vehicle when operating his vehicle for a business-related purpose.

IN WITNESS WHEREOF, Employee and the City of Marina, by its duly authorized representative, have executed this Agreement on the date first hereinabove set forth at Marina, California.

CITY OF MARINA

EMPLOYEE

By \_\_\_\_\_  
Bruce C. Delgado  
Mayor

\_\_\_\_\_  
Layne P. Long

Approved as to form:

\_\_\_\_\_  
City Attorney