

**REGULAR MEETING**

**SAND CITY COUNCIL**

**AND**

**SUCCESSOR AGENCY OF THE FORMER  
REDEVELOPMENT AGENCY**

**AGENDA**

**SAND CITY COUNCIL CHAMBERS**

**TUESDAY, DECEMBER 4, 2018**

**5:30 P.M.**

**AGENDA**  
**JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY**  
**OF THE REDEVELOPMENT AGENCY**

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Regular Meeting – December 4, 2018  
5:30 P.M.

CITY COUNCIL CHAMBERS  
Sand City Hall, One Pendergrass Way, Sand City, CA 93955

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1. **INVOCATION**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR**
5. **PUBLIC COMMENT**

Members of the public may address the City Council/Successor Agency on matters not appearing on the City Council/Successor Agency Agenda at this time for up to three minutes. In order that the City Clerk may later identify the speaker in the minutes of the meeting, it is helpful if speakers state their names. Public comments regarding items on the scheduled agenda will be heard at the time the item is being considered by the City Council/Successor Agency.

The City Council Chambers podium is equipped with a portable microphone for anyone unable to come to the podium. If you need assistance, please advise the City Clerk as to which item you would like to comment on and the microphone will be brought to you.

6. **CONSENT CALENDAR**

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits.

- (1) CUP #186,236,286, Gene's Auto Body (automotive shop),  
531-A Shasta/ 524-A Elder Avenue
- (2) CUP #394, Frank D'Aquanno (automotive), 477 Redwood Avenue
- (3) CUP #425, Glastonbury, Inc. (equipment store & rent), 495-A Elder  
Avenue
- (4) CUP #480, Pacific Art Corp (office, video production), 1793 Catalina  
Avenue
- (5) CDP #07-07, Ga-Ga (hair salon), 490 Orange Avenue
- (6) CUP #422, Garza Plumbing (contractor), 351-A Orange Avenue

- (7) CUP #574, Ringer Electric (Photo Studio), 613-C Ortiz Avenue
- (8) CDP#17-08, Unskripped Design (service), 2-C John Street

- B. Approval of Sand City Council Meeting Minutes, November 20, 2018
  - C. Acceptance of City/Successor Agency Monthly Financial Report, October 2018
  - D. Approval of City RESOLUTIONS Approving Health Care Benefits
    - 1) Approval of City RESOLUTION Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants under the Public Employees' Medical and Hospital Care Act
    - 2) Approval of City RESOLUTION Authorizing Health Care Benefit Changes for the 2019 Contract Year
  - E. Approval of Sand City Joint Powers Financing Authority (JPFA) RESOLUTION Confirming its Officers
  - F. Approval of City RESOLUTION Adopting a Challenge Grant Amount of \$387 to Match Other Cities of Monterey County in Seeking a Long Term Solution to Homelessness
  - G. Approval of City RESOLUTION Ratifying the Canvassing of the November 6, 2018 General Municipal Election
  - H. Approval of City Donation/Contribution
    - 1) Arts Habitat - \$250
- 7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**
- 8. SWEARING-IN CEREMONY OF NEW CITY COUNCIL**
- A. Swearing-in Ceremony of Elected Officials:
    - 1) Mary Ann Carbone, Mayor
    - 2) Jerry Blackwelder and Elizabeth Sofer, Council Members
- 9. PUBLIC HEARING**
- A. Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2018 and Independent Auditor's Report by Therese Courtney and Mike Nolan of Hayashi & Wayland (10 minutes)
    - 1) Approval of City RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2018 and Independent Auditor's Report
- 10. OLD BUSINESS**
- A. Engineering and Public Works Department Summary Report including the Sand City Water Supply Project, Storm Water Management Program, City

Projects: West Bay St. Coastal Access Repair Project, Carroll Property Parking, TAMC Parcel Landscaping Project, Calabrese Park Improvement Project, Private Development Projects including the South of Tioga Project, and Grant Updates. Community Development and Planning Department updates by the City Administrator/City Planner

## 11. NEW BUSINESS

- A. Consideration and Discussion of Appointment of a Sand City Elector to Fill Vacancy on the Sand City Council resulting from the Resignation of Kristen McDaniel
- B. Consideration of City RESOLUTION Adopting the Goals and Policies and Appraisal Standards for Community Facility Districts within Sand City
- C. Comments by Council Members on Meetings and Items of interest to Sand City
- D. Consideration of Cancelling Future City Council meeting

PURPOSE: It is proposed that the City Council cancel the City Council meeting scheduled for January 1, 2019 to minimize conflict with the Christmas and New Year's Holiday closure of City Hall, December 25, 2018 – January 1, 2019

- E. Upcoming Meetings/Events

## 12. ADJOURNMENT

<p>Next Scheduled Council Meeting: Tuesday, December 18, 2018 5:30 PM Sand City Council Chambers One Pendergrass Way, Sand City</p>
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This is intended to be a draft agenda. The City reserves the right to add or delete to this agenda as required.

The current Sand City agenda is available in PDF format on our website at:  
[www.sandcity.org/agenda](http://www.sandcity.org/agenda)

If you have a request for a disability-related modification or accommodation, including auxiliary aids or services, which will allow you to participate in a Sand City public meeting, please call the City Clerk at (831) 394-3054 extension 20, or give your written request to the City Clerk at One Sylvan Park, Sand City, CA 93955 at least 48 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation.



# AGENDA ITEM

6B

**MINUTES**  
**JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY**  
**OF THE REDEVELOPMENT AGENCY**

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Regular Meeting – November 20, 2018  
5:30 P.M.  
CITY COUNCIL CHAMBERS

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Mayor Carbone opened the meeting at 5:30 p.m.

The Pledge of Allegiance was led by Commander Vito Graziano.

Present: Mayor Mary Ann Carbone  
Vice Mayor Blackwelder  
Council Member Hubler  
Council Member Hawthorne

Staff: Vibeke Norgaard, City Attorney  
Leon Gomez, City Engineer  
Vito Graziano, Commander  
Charles Pooler, City Planner  
Connie Horca, Deputy City Clerk/Admin. Assistant

The Mayor requested that a moment of silence be observed for those affected by the Southern California fires and Paradise, California fire.

**AGENDA ITEM 4, ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR**

The Mayor announced that her report of activities is available to the public, and that handouts related to Agenda Item 6H regarding the Gann Limit resolutions contained a typographical error. The corrected resolution has been distributed to the Council.

**AGENDA ITEM 5, PUBLIC COMMENT**

5:33 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:33 P.M. Floor closed for Public Comment.

**AGENDA ITEM 6, CONSENT CALENDAR**

A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are

subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits. There was no discussion of the following use permits.

- 1) CUP #328/CDP 88-01, Granite Rock (construction), 1755 Del Monte Blvd
  - 2) CUP #478, Signature Nails (sales/service), 824 Playa Avenue
  - 3) CDP 09-05, Coastal Fabrication, (welding/fabrication), 755 Redwood Avenue
  - 4) CUP #534, Big Sur Marathon, (storage), 570 California Avenue
  - 5) CUP #529, PJS Tile (service), 652 Redwood Avenue
- B. There was no discussion of the Sand City Council Special Meeting Minutes, November 1, 2018.
- C. There was no discussion of the Sand City Council Meeting Minutes, November 6, 2018.
- D. There was no discussion regarding the acceptance of the Request for Proposal (RFP) for the Executive Search to Formally Start the Recruitment Process for City Administrator.
- E. There was no discussion of the City **Resolution** approving Salary Step Increase for the Public Works Foreman Position effective November 1, 2018.
- F. There was no discussion of the Police Department Monthly Report, October 2018.
- G. There was no discussion of the City/Successor Agency Financial Report, September 2018.
- H. There was no discussion of the City **Resolutions** Correcting Appropriations Limit: 1) Approval of City **Resolution** as amended, rescinding City Resolution SC 17-62, 2017 and Replacing a Corrected Appropriations Limit for Fiscal Year 2017-2018 Pursuant to Article XIII B of the California Constitution, and 2) Approval of City **Resolution** as amended, rescinding City Resolution SC 18-65, 2018 and Replacing a Corrected Appropriations Limit for Fiscal Year 2018-2019 Pursuant to Article XIII B of the California Constitution.

Motion to approve the Consent Calendar items was made by Council Member Blackwelder, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **AGENDA ITEM 7, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

There were no items pulled from the Consent Calendar.

## **AGENDA ITEM 8, OLD BUSINESS**

### **A Engineering and Public Works Department Summary Report including the Sand City Water Supply Project, Storm Water Management Program, City Projects: West Bay St. Coastal Access Repair Project, Carroll Property Parking, TAMC Parcel Landscaping Project, Calabrese Park Improvement Project, Private Development Projects including the South of Tioga Project, and Grant Updates. Community Development and Planning Department updates by the City Administrator/City Planner**

City Engineer Leon Gomez reported that the desalination plant produced 11 acre feet for the month of November to date. CalAm was made aware of the e-coli detected in Bay Well #1, confirmed that it was not part of the system, and found that it originated from the sea water. Staff is waiting for estimates from P.G. & E. for the costs of undergrounding utilities at Contra Costa and Catalina Streets. A meeting will be scheduled once the estimates are received.

An illicit discharge was detected at 1843 Park Avenue. A site inspection was conducted by staff who found that there was no Best Management Practice (BMP's) in place. The contractor responded by getting the BMP's in place which addressed most of the items related to the illicit discharge. The City Engineer has provided project description information for the Calabrese Park Improvements/CDBG Grant to the County of Monterey as part of their NEPA review of the project.

The City Engineer along with Police Chief Ferrante attended a pre-construction meeting with the Seaside County Sanitation District (SCSD) regarding the sewer main cleaning. The project involves the cleaning of sewer mains in both Seaside and Sand City and is anticipated to be performed at night between the hours of 9:00 p .m. and 5:00 a.m. The contractor has submitted an encroachment permit application which is currently being reviewed. Staff has also requested that they use low noise equipment to minimize noise impacts to residential areas affected by the cleaning. The work will commence on November 26, 2018 for the duration of 30 days, and storage of project equipment will be located at the Carroll property.

In response to Council Member Hawthorne's inquiry regarding how often the work had to be performed, Mr. Gomez reported that the engineer at

the City of Seaside who has been there for 15 years does not remember when the sewer main cleaning was ever conducted during his tenure with the City.

The City Engineer provided city requirements to the project architect for preliminary site grading for the Montgomery live-work project. Plans have not yet been submitted for this work. Staff has been coordinating with the hotel developer and providing City standards, requirements, templates for stormwater control plans, etc, for the South of Tioga Project. A demolition and grading permit has been issued to the applicant for the Dayton residential project. Work has not yet commenced although the applicant anticipates starting work sometime in December.

The Mayor reported that in her conversation with Developer Don Orosco, he had given notice to 20 businesses who are located within the South of Tioga that demolition may possibly commence in January 2019. Mr. Orosco will be forthcoming with applications for demolition and grading permits in the near future. It is estimated that the demolition will take approximately 4 to 6 months.

## **AGENDA ITEM 9, NEW BUSINESS**

### **A. Consideration of City RESOLUTION Approving the Retired Annuitant Employment Agreement for the Position of Interim City Administrator**

City Attorney Vibeke Norgaard reported that at the November 6, 2018 City Council meeting, a contract was awarded to Mr. Meurer to initiate a recruitment for a permanent city administrator. At this time, Mr. Meurer has agreed to be Sand City's Interim City Administrator and the attached agreement provides for the hiring of the position. Under CalPERS law, Mr. Meurer is not allowed to work more than 960 hours, will not receive any benefits, and the rate of pay must be the same as what the former city administrator received which was in the amount \$78.05 an hour. Mr. Meurer has had the opportunity to review the agreement and acknowledged that everything looks good. Staff recommends approval of the attached resolution approving the retired annuitant Employment agreement for the City Administrator position.

5:47 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:47 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** approving the Retired Annuitant



Employment Agreement for the Position of Interim City Administrator was made by Council Member Hubler, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**B. Consideration of City RESOLUTION Adopting New Terms for Reserve Police Officers for Fiscal Year 2018-2019**

Human Resources Consultant Mike McCarthy reported that Staff recently concluded negotiations with the Police Officers. It has been a tradition of the City to provide the same percentage increases to reserve officers as it is to its police officers. The attached resolution recommends providing a 3% salary increase effective July 1, 2018 and an additional 3% effective October 1, 2018 for the Reserve Officers. The attached resolution is recommended for Council approval.

Mayor added that the fiscal impact of the new terms would be approximately \$3,500.

5:50 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:50 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** adopting New Terms for Reserve Police Officers for Fiscal Year 2018-2019 was made by Council Member Hawthorne, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**C. Comments by Council Members on Meeting and Items of Interest to Sand City**

The Mayor reminded the Council of the upcoming Tree Lighting Ceremony and that Council Member Hubler will be singing as well as individuals from the Forest Theatre.

**D. Upcoming Meetings/Events**

There were no RSVP's for upcoming events.

**AGENDA ITEM 10, ADJOURNMENT**

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Hawthorne to the next regularly

scheduled Council meeting on Tuesday, December 4, 2018 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 5:52 p.m.

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Connie Horca, Deputy City Clerk

**AGENDA ITEM**

**6C**

**INTER**

# MEMORANDUM

**OFFICE**

**To:** City Council/Agency Board Members

**From:** Director of Administrative Services

**Subject:** Financial Reports

**Date:** November 27, 2018



Attached are the financial reports for both the City of Sand City and the Sand City Successor Agency for the former Redevelopment Agency for the month of October 2018.

**A. City of Sand City Reports**

1. Balance Sheet Report for October 2018.
2. Revenue received in the month of October 2018-Total \$ 1,788,939.57  
This total includes transfers).  
Month End Cash Register Activity Report for October 2018.
3. Expenditures paid for in the month of October 2018-Total \$ 338,480.88  
Month End October 2018 Accounts Payable Report  
This shows all City Expenditures (excluding employee payroll)  
The Payroll figure listed below includes the Employee's and the City Council.  
Payroll \$ 139,454.16  
Payroll taxes \$ 70,683.52
4. Current City Balances as of October 31, 2018.  
Total \$ 6,950,605.51- restricted & unrestricted  
(Includes, Rabobank Bank and Local Agency Investment Fund, (LAIF).
5. The City also has \$988,000 in CD's ranging from 6 months to 3 years.

**B. Sand City Successor Agency for the former Redevelopment Agency Reports**

1. Balance Sheet Report for October 2018
2. Revenue received in the month of October - Total \$185.89  
Month End Cash Register Activity Report for October 2018.
3. Expenditures paid for in the month of October- \$ 558,870.48  
Month End Cash Disbursement Report for October 2018.
4. Current Successor Agency Balances as of October 31, 2018  
Total \$ 1,385,054.72 restricted and unrestricted (Includes Rabobank and Bond CD's).

● In addition to the City and Successor Agency balances, there is a total of

- \$ 225,234.74 currently being held in CD's/reserve accounts for the 2008 Taxable bonds.

**NOTES TO THE FINANCIAL REPORT**

**Special City Notes for October 2018**

On the Month End Cash Register Activity Report - Special or Major Receipts for the Month of October 2018 are listed below.

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
10/11/18	22683	State of California	\$ 22,271.00	FEMA- West Bay- Federal Funds
10/11/18	22684	State of California	\$ 89,086.00	FEMA- West Bay- Federal Funds
10/11/18	22688	County of Monterey	\$ 48,746.54	FY 17-18 COPS Grant Growth
10/15/18	22758	LAIF	\$ 29,624.53	3 <sup>rd</sup> Quarter Interest
10/29/18	22733	State of California	\$405,738.71	Sales Taxes Received
10/29/18	22734	State of California	\$387,635.22	Transaction Tax Received

**Transfers**

**(Transfers are shown on the cash register activity report; they are transfers from one bank account to another and should not be considered as a revenue or expenditure)**

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
10/31/18	22735	City Checking Account	\$ 750,000.00	Transfer into LAIF

Month End Cash Disbursement Report - Special or Major Expenses for the Month of October 2018 are explained below.

<u>Check #</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>
32840	City of Seaside	\$ 3,000.00	FY 18-19 Police Prevent Fees
32854	Creegan & D'Angelo	\$ 24,077.00	September Engineering Services
32861	Hayashi & Wayland	\$ 33,920.75	September Auditing Services
32887	Intera Incorporated	\$ 11,550.00	July & August Brackish Wells Study
32897	EMC Planning, Inc.	\$ 4,212.58	September planning and Vibrancy work
32901	Guitars Not Guns	\$ 6,149.43	2018 West End Donation

**Successor Agency Notes for October 2018**

On the Month End Cash Register Activity Report - Special or Major Receipts for the Month of October 2018 are listed below. There were no special or major receipts this month.

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
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**Transfers**

There were no transfers this month.

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
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Month End Cash Disbursement Report-Special or Major Expense for the Month of October 2018 is explained below.

<u>Date</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>
10/16/18	US Bank	\$191,419.88	Nov. 2018 2008B Bond Payment
10/16/18	US Bank	\$366,670.50	Nov. 2018 2017 Bond Payment

If you have any questions or concerns regarding the above reports, please let me know before the Council meeting.



# City of Sand City

REPORT.: 11/19/18  
 RUN....: 11/19/18  
 Run By.: LINDA

City of Sand City  
 Balance Sheet Report  
 ALL FUND(S)

PAGE: 001  
 ID #: GLBS  
 CTL.: SAN

Ending Calendar Date.: October 31, 2018

Fiscal (04-19)

Assets			Acct ID
-----			
Cash Clearing Checking Account	197,753.43	99	1001
General Fund HOUSING ACCT. FROM SERAF SA	213,805.05	10	1003
General Fund CITY- OPEB POTENTIAL FUNDING	142,273.39	10	1004
General Fund Tioga Beach Clean Up Fund	120,000.00	10	1007
General Fund LAIF	6,111,969.95	10	1008
General Fund Fair market value adjustments	-4,737.64	10	1009
General Fund Investment CD	164,803.69	10	1020
General Fund Pro Equities Money Market	44,735.44	10	1080
General Fund Pro Equities CD's	987,000.00	10	1081
General Fund Cash Balance	167,226.30	10	1099
Gas Tax - 2105 Cash Balance	20,267.31	31	1099
Traffic Safety Cash Balance	2,086.16	35	1099
RMRA -Road M&R Cash Balance	1,711.59	37	1099
Measure X TAMC Cash Balance	6,461.95	38	1099
Cash Clearing Cash Balance	-197,753.43	99	1099
General Fund PROPERTY TAX RECEIVABLE	3,468.69	10	1103
General Fund SERAF RECEIVABLE	471,405.00	10	1112
General Fund Sales Tax Receivable	65,080.08	10	1115
General Fund TRANSACTION TAX RECEIVABLE	69,427.05	10	1116
General Fund Due From RA/Operating Expenses	3,626,057.91	10	1130
General Fund Due From AGENCY/Costco/Seaside	4,649,999.99	10	1140
General Fund Due RA/COP reimbursement	1,454,766.42	10	1145
Gen. Fixed Asst BIKE TRAIL INTERCONNECT-TIOGA	53,556.91	60	1273
General LTD Act AMOUNT PROVIDED FOR LTD	3,973,923.04	70	1280
Gen. Fixed Asst CIP- Wells	135,490.73	60	1288
Gen. Fixed Asst CIP-CITY ENTRANCE PROJECT	1,312.00	60	1289
Gen. Fixed Asst Land	1,005,871.95	60	1290
Gen. Fixed Asst Land Improvements	441,562.65	60	1291
Gen. Fixed Asst VEHICLE FIXED ASSET	577,164.39	60	1292
Gen. Fixed Asst Furniture and Fixtures	114,513.83	60	1293
Gen. Fixed Asst Buildings	8,538,775.38	60	1295
Gen. Fixed Asst FIXED ASSETS EQUIPMENT	2,443,943.44	60	1297
Gen. Fixed Asst CITY HALL	172,866.41	60	1298
Gen. Fixed Asst INFRASTRUCTURE- streets	5,155,456.95	60	1299
Gen. Fixed Asst ACCUMULATED DEPRECIATION	-7,322,509.32	60	1300
General LTD Act Deferred Outflow- Pers contrib	1,006,453.74	70	1400
General LTD Act Deferred Outflow- Actuarial	1,157,086.74	70	1405
General LTD Act DEFER OUTFLOWS/OPEB CONTRIBUTS	316,000.00	70	1500
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Total of Assets ---->	36,089,277.17		36,089,277.17
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Liabilities

Acct ID

REPORT.: 11/19/18  
 RUN....: 11/19/18  
 Run By.: LINDA

City of Sand City  
 Balance Sheet Report  
 ALL FUND(S)

PAGE: 002  
 ID #: GLBS  
 CTL.: SAN

Ending Calendar Date.: October 31, 2018      Fiscal (04-19)

Liabilities

			Acct ID
			-----
General Fund GHANDOUR TAMC IMPACT FEE	542,222.00	10	2013
General Fund SCSD- SEWER CAPACITY STUDY	1,200.00	10	2014
General LTD Act Compensated Absences	593,723.52	70	2020
General LTD Act NET OBEP LIABILITY/ASSET	-379,000.00	70	2025
General Fund DEFERRED REVENUE	128,832.91	10	2050
General Fund DEFERRED REVENUE RDA COP REIMB	774,766.42	10	2056
General Fund Orosco-South of Tioga	36,025.50	10	2059
General LTD Act STREET SWEEPER-CAPTIAL LEASE	51,356.15	70	2071
General Fund State Mandated CASP Fee	5.40	10	2115
General Fund Health Insurance	23,243.03	10	2150
General Fund Dental/Vision	282.60	10	2160
General Fund POLICE ASSOC. DUES	420.00	10	2180
General Fund Garnishments	2,014.98	10	2185
General Fund PEPRA RETIREMENT %	1,838.24	10	2191
General Fund AFLAC PRE TAX	69.82	10	2195
General Fund AFLAX-AFTER TAX	-69.70	10	2196
General Fund PERS SURVIVOR BENEFIT	42.00	10	2197
General LTD Act Net Pers Liability	4,882,751.46	70	2200
General LTD Act DEFERRED INFLOWS-ACTUARIAL	185,942.79	70	2500
General LTD Act DEFER INFLOWS/OPEB ACTURARIALS	54,000.00	70	2505
	-----		
Total of Liabilities ---->	6,899,667.12		

FUND Balances

			Acct ID
			-----
General Fund Unappropriated Fund Balance	17,082,352.69	10	3400
Gas Tax - 2105 Unappropriated Fund Balance	16,227.76	31	3400
Traffic Safety Unappropriated Fund Balance	1,825.37	35	3400
Gen. Fixed Asst Unappropriated Fund Balance	-1,345,023.29	60	3400
General LTD Act Unappropriated Fund Balance	1,064,689.60	70	3400
Gen. Fixed Asst Investment in Fixed Assets	12,043,231.20	60	3600
Gen. Fixed Asst CAPITAL LEASE	189,797.41	60	3601
Gen. Fixed Asst Donated Assets	430,000.00	60	3602
CURRENT EARNINGS	-293,490.69		
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Total of FUND Balances ---->	29,189,610.05		36,089,277.17
			=====

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid
000	10-18	10/11/18	22678	C	Mis	CUP01	CONDITIONAL USE PERM CUP APPLICATION Receipt Date: 10/11/18	Db: 99 1001 Cr: 10 4125 05	500.00
			22679	C	Mis	PAR02	TORY BELLECI Issued..: T0 (DEVON ) Oct 11 2018 11:10 am Devon Lazzarino SAND CITY PARKING PARKING VIOLATION #7764 Receipt Date: 10/11/18 Paid by: SARGON TERNIAN	Db: 99 1001 Cr: 10 4221 08	40.00
			22680	C	Mis	PAR02	Issued..: T0 (DEVON ) Oct 11 2018 11:10 am Devon Lazzarino SAND CITY PARKING PARKING VIOLATION #7793 Receipt Date: 10/11/18 Paid by: EMMANUEL RAMOS	Db: 99 1001 Cr: 10 4221 08	40.00
			22681	C	Mis	POL01	Issued..: T0 (DEVON ) Oct 11 2018 11:11 am Devon Lazzarino POLICE REPORT 4560 POLICE REPORT #SA18-484 Receipt Date: 10/11/18 Paid by: LEXIS NEXIS	Db: 99 1001 Cr: 10 4560 08	10.00
			22682	C	Mis	MS	Issued..: T0 (DEVON ) Oct 11 2018 11:12 am Devon Lazzarino P.G. & E. ENCROACHMENT PERMIT - CONTRA COSTA Receipt Date: 10/11/18 Paid by: P.G. & E.	Db: 99 1001 Cr: 10 4160 05	75.00
			22683	C	Mis	FEMA	Issued..: T0 (DEVON ) Oct 11 2018 11:12 am Devon Lazzarino FEMA GRANT WEST BAY/FEMA GRANT - STATE FUNDS Receipt Date: 10/11/18 Paid by: STATE OF CALIFORNIA	Db: 99 1001 Cr: 10 4756 00 GFM	22271.00
			22684	C	Mis	FEMA	Issued..: T0 (DEVON ) Oct 11 2018 11:13 am Devon Lazzarino FEMA GRANT WEST BAY/FEMA GRANT - FEDERAL FUNDS Receipt Date: 10/11/18 Paid by: STATE OF CALIFORNIA	Db: 99 1001 Cr: 10 4756 00 GFM	89086.00
			22685	C	Mis	MS	Issued..: T0 (DEVON ) Oct 11 2018 11:13 am Devon Lazzarino JEFF BUSHNELL OCTOBER 2018 DENTAL/VISION COBRA - AVIANA Receipt Date: 10/11/18 Paid by: JEFF BUSHNELL	Db: 99 1001 Cr: 10 2160	52.64
			22686	C	Mis	REN01	Issued..: T0 (DEVON ) Oct 11 2018 11:14 am Devon Lazzarino RENTAL INCOME OCTOBER 2018 CELL TOWER RENT Receipt Date: 10/11/18 Paid by: CROWN CASTLE	Db: 99 1001 Cr: 10 4740 00	1425.78
			22687	C	Mis	BL01	Issued..: T0 (DEVON ) Oct 11 2018 11:14 am Devon Lazzarino BUSINESS LICENSE FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/11/18	Db: 99 1001 Cr: 10 4055 00	150.00
				Mis	BL02		BUSINESS LIC LATE CH FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/11/18	Db: 99 1001 Cr: 10 4060 00	75.00
				Mis	CAS90		BUSINESS LICENSE CASP FEE 90% FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/11/18	Db: 99 1001 Cr: 10 4033 00	3.60
				Mis	CAS10		BUSINESS LICENSE CASP FEE 10% FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/11/18	Db: 99 1001 Cr: 10 2115	.40
			22688	C	Mis	COPS	Issued..: T0 (DEVON ) Oct 11 2018 11:15 am Devon Lazzarino COPS GRANT FY 17-18 COPS GRANT GROWTH ALLOCATION Receipt Date: 10/11/18 Paid by: COUNTY OF MONTEREY	Db: 99 1001 Cr: 10 4069 08	48746.54
			22689	C	Mis	COPS	Issued..: T0 (DEVON ) Oct 11 2018 11:15 am Devon Lazzarino COPS GRANT AUGUST 2018 COPS GRANT Receipt Date: 10/11/18 Paid by: COUNTY OF MONTEREY	Db: 99 1001 Cr: 10 4069 08	8333.33
			22690	C	Mis	02103	Issued..: T0 (DEVON ) Oct 11 2018 11:16 am Devon Lazzarino GAS TAX 2103 SEPTEMBER 2018 HIGHWAY USERS TAX Receipt Date: 10/11/18	Db: 99 1001 Cr: 31 4305 11	154.44
				Mis	02105		GAS TAX - 2105 31 SEPTEMBER 2018 HIGHWAY USERS TAX Receipt Date: 10/11/18	Db: 99 1001 Cr: 31 4305 11	198.73
				Mis	02106		GAS TAX - 2106 32 SEPTEMBER 2018 HIGHWAY USERS TAX Receipt Date: 10/11/18	Db: 99 1001 Cr: 31 4305 11	484.27
				Mis	02107		GAS TAX - 2107 33 SEPTEMBER 2018 HIGHWAY USERS TAX Receipt Date: 10/11/18 Paid by: STATE OF CALIFORNIA	Db: 99 1001 Cr: 31 4305 11	270.92
			22691	C	Mis	BL02	Issued..: T0 (DEVON ) Oct 11 2018 11:17 am Devon Lazzarino BUSINESS LIC LATE CH FY 18-19 BUSINESS LICENSE LATE FEE Receipt Date: 10/11/18 Paid by: STRUCTURAL SERVICES	Db: 99 1001 Cr: 10 4060 00	142.24
			22692	C	Mis	PAR03	Issued..: T0 (DEVON ) Oct 11 2018 11:18 am Devon Lazzarino PARKING PERMIT REVENUE FY 18-19 PARKING PERMIT Receipt Date: 10/11/18 Paid by: CASTORINA HEATING	Db: 99 1001 Cr: 10 4219 05	200.00
			22693	C	Mis	UUT	Issued..: T0 (DEVON ) Oct 11 2018 11:18 am Devon Lazzarino UTILITY USERS TAX AUGUST 2018 UUT Receipt Date: 10/11/18	Db: 99 1001 Cr: 10 4025 00	9316.00

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L	Posting	Amt Paid
000	10-18	10/11/18	22694	C	Mis	MS	A&R PLUMBING PLUMBING PERMIT - 550 CALIFORNIA Receipt Date: 10/11/18 Paid by: A&R PLUMBING	Db: 99	1001	42.00
							Issued..: TO (DEVON ) Oct 11 2018 11:19 am Devon Lazzarino	Cr: 10	4160 05	
			22695	C	Mis	POST	POST REIMBURSEMENT POST TRAINING REIMBURSEMENT - BUSHNELL 9/2016 Receipt Date: 10/11/18 Paid by: STATE OF CALIFORNIA	Db: 99	1001	1973.14
							Issued..: TO (DEVON ) Oct 11 2018 11:19 am Devon Lazzarino	Cr: 10	4335 08	
			22696	C	Mis	BL01	BUSINESS LICENSE FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/11/18 Paid by: 7-ELEVEN	Db: 99	1001	1932.86
							Issued..: TO (DEVON ) Oct 11 2018 11:19 am Devon Lazzarino	Cr: 10	4055 00	
			22697	C	Mis	MS	DBO DEVELOPMENT REIMBURSE US FISH & WILDLIFE FEE Receipt Date: 10/11/18 Paid by: DBO DEVELOPMENT	Db: 99	1001	100.00
							Issued..: TO (DEVON ) Oct 11 2018 11:20 am Devon Lazzarino	Cr: 10	2059	
			22698	C	Mis	MS	DBO DEVELOPMENT REIMBURSE JULY 2018 EMC STAFF SUPPORT Receipt Date: 10/11/18 Paid by: DBO DEVELOPMENT	Db: 99	1001	333.06
							Issued..: TO (DEVON ) Oct 11 2018 11:20 am Devon Lazzarino	Cr: 10	2059	
			22699	C	Mis	MS	DBO DEVELOPMENT REIMBURSE JULY 2018 EMC BIO SERVICES Receipt Date: 10/11/18 Paid by: DBO DEVELOPMENT	Db: 99	1001	5122.39
							Issued..: TO (DEVON ) Oct 11 2018 11:21 am Devon Lazzarino	Cr: 10	2059	
							Day 10/11/18 Total ---->			191079.43
10/15/18			22758	C	Mis	LAI02	LAIF - INTEREST 3RD QUARTER 2018 INTEREST Receipt Date: 10/15/18 Paid by: LAIF	Db: 10	1008	29624.53
							Issued..: TO (DEVON ) Oct 15 2018 10:23 am Devon Lazzarino	Cr: 10	4420 00	
							Day 10/15/18 Total ---->			29624.53
10/17/18			22705	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7883 Receipt Date: 10/17/18 Paid by: ENRIQUE RODRIGUEZ	Db: 99	1001	75.00
							Issued..: TO (DEVON ) Oct 17 2018 03:53 pm Devon Lazzarino	Cr: 10	4221 08	
			22706	C	Mis	COPY	COPIES COPY OF COUNCIL MEETING HANDOUT Receipt Date: 10/17/18 Paid by: BILL LOCKLAR	Db: 99	1001	5.20
							Issued..: TO (DEVON ) Oct 17 2018 03:53 pm Devon Lazzarino	Cr: 10	4550 00	
			22707	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7769 Receipt Date: 10/17/18 Paid by: DILLON NELSON	Db: 99	1001	40.00
							Issued..: TO (DEVON ) Oct 17 2018 03:53 pm Devon Lazzarino	Cr: 10	4221 08	
			22708	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7758 Receipt Date: 10/17/18 Paid by: IZAMAR RODRIGUEZ	Db: 99	1001	40.00
							Issued..: TO (DEVON ) Oct 17 2018 03:54 pm Devon Lazzarino	Cr: 10	4221 08	
			22709	C	Mis	POL01	POLICE REPORT 4560 POLICE REPORT #SG18-391 Receipt Date: 10/17/18 Paid by: LEXIS NEXIS	Db: 99	1001	10.00
							Issued..: TO (DEVON ) Oct 17 2018 03:54 pm Devon Lazzarino	Cr: 10	4560 08	
			22710	C	Mis	CUP01	CONDITIONAL USE PERM CUP APPLICATION Receipt Date: 10/17/18 Paid by: SOUTH VALLEY PHARMACY SERVICES	Db: 99	1001	500.00
							Issued..: TO (DEVON ) Oct 17 2018 03:54 pm Devon Lazzarino	Cr: 10	4125 05	
			22711	C	Mis	TRA01	TRAFFIC SAFETY FUND AUGUST 2018 TRAFFIC Receipt Date: 10/17/18	Db: 99	1001	79.23
							Issued..: TO (DEVON ) Oct 17 2018 03:54 pm Devon Lazzarino	Cr: 35	4205 11	
				Mis		CRI01	CRIMINAL PC1463/CITY FINES AUGUST 2018 TRAFFIC Receipt Date: 10/17/18	Db: 99	1001	68.27
							Issued..: TO (DEVON ) Oct 17 2018 03:54 pm Devon Lazzarino	Cr: 10	4210 08	
				Mis		POC01	COUNTY/PROOF OF CORR AUGUST 2018 TRAFFIC Receipt Date: 10/17/18	Db: 99	1001	9.90
							Issued..: TO (DEVON ) Oct 17 2018 03:54 pm Devon Lazzarino	Cr: 35	4205 11	
				Mis		F172	1/2 TAX POLICE/PROP 172 AUGUST 2018 TRAFFIC Receipt Date: 10/17/18	Db: 99	1001	28.75
							Issued..: TO (DEVON ) Oct 17 2018 03:54 pm Devon Lazzarino	Cr: 10	4330 08	
				Mis		REV	COUNTY/REV & RECOVERY AUGUST 2018 TRAFFIC Receipt Date: 10/17/18	Db: 99	1001	218.54
							Issued..: TO (DEVON ) Oct 17 2018 03:55 pm Devon Lazzarino	Cr: 10	4210 08	
			22712	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT - GAS Receipt Date: 10/17/18 Paid by: CALPINE ENERGY	Db: 99	1001	45.78
							Issued..: TO (DEVON ) Oct 17 2018 03:56 pm Devon Lazzarino	Cr: 10	4025 00	
			22713	C	Mis	BL01	BUSINESS LICENSE FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/17/18	Db: 99	1001	1691.09
							Issued..: TO (DEVON ) Oct 17 2018 03:56 pm Devon Lazzarino	Cr: 10	4055 00	
				Mis		BL02	BUSINESS LIC LATE CH FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/17/18	Db: 99	1001	845.54
							Issued..: TO (DEVON ) Oct 17 2018 03:56 pm Devon Lazzarino	Cr: 10	4060 00	



Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L	Posting	Amt Paid
000	10-18	10/17/18	22713	C			BUSINESS LICENSE CASP FEE 90% FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/17/18	Db: 99	1001	3.60
					Mis	CAS90		Cr: 10	4033 00	
					Mis	CAS10	BUSINESS LICENSE CASP FEE 10% FY 18-19 BUSINESS LICENSE RENEWAL Receipt Date: 10/17/18	Db: 99	1001	.40
							Paid by: WILLIAM S GOREE Issued...: T0 (DEVON ) Oct 17 2018 03:56 pm Devon Lazzarino			
			22714	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT - GAS Receipt Date: 10/17/18	Db: 99	1001	.99
							Paid by: VISTA ENERGY Issued...: T0 (DEVON ) Oct 17 2018 03:57 pm Devon Lazzarino			
			22715	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT - GAS Receipt Date: 10/17/18	Db: 99	1001	44.47
							Paid by: TIGER NATURAL GAS Issued...: T0 (DEVON ) Oct 17 2018 03:57 pm Devon Lazzarino			
							Day 10/17/18 Total ---->			3706.76
										439.00
	10/24/18		22717	C	Mis	MS	SAND CITY POLICE EVIDENCE ASSET FORFEITURE - #SG1700599/AGAMAO Receipt Date: 10/24/18	Db: 99	1001	
							Paid by: SAND CITY POLICE EVIDENCE Issued...: T0 (DEVON ) Oct 24 2018 03:20 pm Devon Lazzarino			
			22718	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7987 Receipt Date: 10/24/18	Db: 99	1001	75.00
							Paid by: JIM RAMOS Issued...: T0 (DEVON ) Oct 24 2018 03:21 pm Devon Lazzarino			
			22719	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7762 Receipt Date: 10/24/18	Db: 99	1001	40.00
							Paid by: MARTISA LIGHT Issued...: T0 (DEVON ) Oct 24 2018 03:21 pm Devon Lazzarino			
			22720	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7592 Receipt Date: 10/24/18	Db: 99	1001	40.00
							Paid by: JAMES DIAS Issued...: T0 (DEVON ) Oct 24 2018 03:21 pm Devon Lazzarino			
			22721	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7926 Receipt Date: 10/24/18	Db: 99	1001	40.00
							Paid by: PATRICIA MALDONADO Issued...: T0 (DEVON ) Oct 24 2018 03:21 pm Devon Lazzarino			
			22722	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7814 Receipt Date: 10/24/18	Db: 99	1001	100.00
							Paid by: ATSPS/THRIFTY RENT A CAR Issued...: T0 (DEVON ) Oct 24 2018 03:22 pm Devon Lazzarino			
			22723	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT - GAS Receipt Date: 10/24/18	Db: 99	1001	33.91
							Paid by: GPT, INC. Issued...: T0 (DEVON ) Oct 24 2018 03:22 pm Devon Lazzarino			
			22724	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT Receipt Date: 10/24/18	Db: 99	1001	309.15
							Paid by: PILOT POWER GROUP Issued...: T0 (DEVON ) Oct 24 2018 03:22 pm Devon Lazzarino			
			22725	C	Mis	BL02	BUSINESS LIC LATE CH FY 18-19 BUSINESS LICENSE LATE FEE Receipt Date: 10/24/18	Db: 99	1001	966.43
					Mis	CAS90	BUSINESS LICENSE CASP FEE 90% FY 18-19 BUSINESS LICENSE LATE FEE Receipt Date: 10/24/18	Db: 99	1001	3.60
					Mis	CAS10	BUSINESS LICENSE CASP FEE 10% FY 18-19 BUSINESS LICENSE LATE FEE Receipt Date: 10/24/18	Db: 99	1001	.40
							Paid by: 7-ELEVEN Issued...: T0 (DEVON ) Oct 24 2018 03:23 pm Devon Lazzarino			
			22726	C	Mis	REF01	FRNCHISE TX RF. 4040 1ST QUARTER 18-19 FRANCHISE FEES Receipt Date: 10/24/18	Db: 99	1001	14249.46
							Paid by: GREENWASTE RECOVERY Issued...: T0 (DEVON ) Oct 24 2018 03:23 pm Devon Lazzarino			
			22727	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT - ELECTRIC Receipt Date: 10/24/18	Db: 99	1001	628.48
							Paid by: DIRECT ENERGY Issued...: T0 (DEVON ) Oct 24 2018 03:24 pm Devon Lazzarino			
			22728	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT - GAS Receipt Date: 10/24/18	Db: 99	1001	1.86
							Paid by: SPARK ENERGY Issued...: T0 (DEVON ) Oct 24 2018 03:24 pm Devon Lazzarino			
			22729	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2018 UUT - ELECTRIC Receipt Date: 10/24/18	Db: 99	1001	2892.80
							Paid by: MTRY BAY COMMUNITY POWER Issued...: T0 (DEVON ) Oct 24 2018 03:25 pm Devon Lazzarino			
			22730	E	Mis	BUL01	BULLETPROOF VEST GRANT BULLETPROOF VEST GRANT - MOUNT Receipt Date: 10/24/18	Db: 99	1001	530.41
							Paid by: DOJ TREASURY Issued...: T0 (DEVON ) Oct 24 2018 11:14 am Devon Lazzarino			

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid
000	10-18	10/24/18						Day 10/24/18 Total ---->	20350.50
		10/29/18	22731	C	Mis	MS	JEFF BUSHNELL 8/18, 9/18 AND 11/18 COBRA - AVIANA Receipt Date: 10/29/18 Paid by: JEFF BUSHNELL	Db: 99 1001 Cr: 10 2160	157.92
			22732	C	Mis	RMRA	ROAD MAINTENANCE & REHAB SEPTEMBER 2018 RMRA ROAD MAINTENANCE - SB1 Receipt Date: 10/29/18 Paid by: STATE OF CALIFORNIA	Issued...: T0 (DEVON ) Oct 29 2018 12:23 pm Devon Lazzarino Db: 99 1001 Cr: 37 4306 11	609.01
			22733	C	Mis	STAX	SALES TAX RECEIVED AUGUST 2018 IN LIEU SALES TAX Receipt Date: 10/29/18 Paid by: STATE OF CALIFORNIA	Issued...: T0 (DEVON ) Oct 29 2018 12:24 pm Devon Lazzarino Db: 99 1001 Cr: 10 4030 00	405738.71
			22734	C	Mis	TUT01	TRANSACTION/USE TAX AUGUST 2018 T/U TAX Receipt Date: 10/29/18 Paid by: STATE OF CALIFORNIA	Issued...: T0 (DEVON ) Oct 29 2018 12:24 pm Devon Lazzarino Db: 99 1001 Cr: 10 4032 00	387635.22
								Day 10/29/18 Total ---->	794140.86
		10/31/18	22735	E	Mis	LAI03	TRANSFER TO LAIF TRANSFER FROM CITY CHECKING TO LAIF Receipt Date: 10/31/18 Paid by: TRANSFER FROM CITY CHECKING TO LAIF	Db: 10 1008 Cr: 99 1001	750000.00
			22746	C	Mis	HOU01	CITY HOUSING INTEREST OCTOBER 2018 INTEREST Receipt Date: 10/31/18 Paid by: RABOBANK	Issued...: T0 (DEVON ) Oct 31 2018 09:09 am Devon Lazzarino Db: 10 1003 Cr: 10 4413 00	8.91
			22747	C	Mis	CDINT	CD INTEREST OCTOBER 2018 INTEREST Receipt Date: 10/31/18 Paid by: RABOBANK	Issued...: T0 (DEVON ) Oct 31 2018 09:07 am Devon Lazzarino Db: 10 1020 Cr: 10 4410 00	7.32
			22759	C	Mis	INT01	INTEREST IN CHECKING OCTOBER 2018 INTEREST Receipt Date: 10/31/18 Paid by: RABOBANK	Issued...: T0 (DEVON ) Oct 31 2018 09:11 am Devon Lazzarino Db: 99 1001 Cr: 10 4410 00	9.21
			22760	C	Mis	OPEB	OPEB INTEREST SEPTEMBER/OCTOBER 2018 INTEREST Receipt Date: 10/31/18 Paid by: RABOBANK	Issued...: T0 (DEVON ) Oct 31 2018 09:58 am Devon Lazzarino Db: 10 1004 Cr: 10 4411 00	12.05
								Day 10/31/18 Total ---->	750037.49
								Period 10-18 Total ---->	1788939.57
								Register 000 Total ---->	1788939.57
								Total of All Registers ---->	1788939.57

Check Number	Vendor Name	Invoice Description	Check Date	Gross Check Amount
032789	CALIFORNIA BUILDING STANDARDS	3RD QUARTER 2018 CBSC FEES	10/01/18	3.00
032790	CANON SOLUTIONS AMERICA, INC.	AUGUST 2018 COPY MACHINE USAGE	10/01/18	274.75
032791	CALIFORNIA LAW	OCTOBER 2018 POLICE LTD PREMIUMS	10/01/18	245.00
032792	CORBIN WILLITS SYSTEMS	OCTOBER 2018 TECH SUPPORT - MOM	10/01/18	219.35
032793	CALIFORNIA STATE DISBURSEMENT	SEPTEMBER 2018 CHILD SUPPORT - BLACKMON	10/01/18	385.00
032794	DEPT. OF CONSERVATION	3RD QUARTER 2018 STRONG MOTION FEES	10/01/18	4.92
032795	DIVISION OF THE STATE ARCHITECT	3RD QUARTER 2018 BUSINESS LICENSE CASP FEES	10/01/18	154.40
032796	FASTENAL COMPANY	CARRIAGE BOLTS, NUTS & WASHERS	10/01/18	87.19
032797	FRANCHISE TAX BOARD	SEPTEMBER 2018 WITHHOLDING ORDER - PARKER	10/01/18	1629.98
032798	HUMANA INSURANCE COMPANY	OCTOBER 2018 DENTAL, LIFE & VISION PREMIUMS	10/01/18	3863.71
032799	MICHAEL C MCCARTHY	SEPTEMBER 1-15, 2018 LABOR RELATIONS	10/01/18	3825.00
032800	MCGRATH RENTCORP	OCTOBER 2018 POLICE LOCKER ROOM RENTAL	10/01/18	209.90
032801	OHIO NATIONAL LIFE	OCTOBER 2018 LIFE INSURANCE PREMIUMS	10/01/18	69.55
032802	PETTY CASH - CASHED BY SHELBY	REPLENISH PETTY CASH	10/01/18	100.84
032803	PITNEY BOWES	REPLENISH POSTAGE MACHINE	10/01/18	300.00
032804	SAND CITY POLICE OFFICERS	OCTOBER 2018 POA DUES	10/01/18	385.00
032805	STAR SANITATION, LLC	9/15/18 BEACH CLEAN UP RESTROOM RENTAL	10/01/18	179.44
032806	SUN LIFE FINANCIAL	OCTOBER 2018 LTD PREMIUMS	10/01/18	778.98
032807	MARY ANN WEEMS	FOR OCTOBER 2018	10/01/18	191.15
032808	PUBLIC EMPLOYEES RET. SYS	FY 17-18 PERS SURVIVOR BENEFIT - MISC 2ND TIER	10/01/18	109.20
032808	PUBLIC EMPLOYEES RET. SYS	FY 17-18 PERS SURVIVOR BENEFIT - MISC CLASSIC	10/01/18	499.20
032808	PUBLIC EMPLOYEES RET. SYS	FY 17-18 PERS SURVIVOR BENEFIT - MISC PEPRA	10/01/18	72.80
032808	PUBLIC EMPLOYEES RET. SYS	FY 17-18 PERS SURVIVOR BENEFIT - POLICE 2ND TIER	10/01/18	249.60
032808	PUBLIC EMPLOYEES RET. SYS	FY 17-18 PERS SURVIVOR BENEFIT - POLICE CLASSIC	10/01/18	312.00
032808	PUBLIC EMPLOYEES RET. SYS	FY 17-18 PERS SURVIVOR BENEFIT - POLICE PEPRA	10/01/18	62.40
32790C	ADP, INC	SEPTEMBER 2018 P/R PROCESSING CHARGES	10/05/18	280.39
032809	TODD BODEM	FINAL ACCRUAL CASH OUT	10/09/18	10461.72
032810	RABOBANK VISA CARD	WASHINGTON, FLOWERS, LOCC	10/09/18	1946.50
032811	RABOBANK VISA CARD	SEPTEMBER 2018 COSTCO SUPPLIES	10/09/18	575.66
032812	RABOBANK VISA CARD	RETIREMENT, SEMINAR, LOCC	10/09/18	664.50
032813	RABOBANK VISA CARD	NAME PLATE, CAKE, LOCC	10/09/18	700.23
032814	RABOBANK VISA CARD	GIFT BASKET, LOCC	10/09/18	124.37
032815	2ND NATURE SCIENCE & SOFTWARE	MS4 PEATP SUPPORT FOR STORMWATER REQUIREMENTS	10/09/18	2060.00
032816	AFLAC	SEPTEMBER 2018 AFLAC PREMIUMS	10/09/18	1080.65
032817	AMERIPRIDE SERVICES	SEPTEMBER 2018 LAUNDRY SERVICE	10/09/18	484.82
032818	AVAYA, INC	SEPTEMBER 2018 TELEPHONE LEASE	10/09/18	246.14
032819	CAL-AM WATER	SEPTEMBER 2018 WATER BILL - 1 SYLVAN	10/09/18	88.29
032819	CAL-AM WATER	SEPTEMBER 2018 WATER BILL - 320 ELDER	10/09/18	71.50
032819	CAL-AM WATER	SEPTEMBER 2018 WATER BILL - 525 ORTIZ	10/09/18	36.65
032819	CAL-AM WATER	SEPTEMBER 2018 WATER BILL - 600 DIAS	10/09/18	223.16
032820	CAPITOL ENQUIRY	2019 POCKET DIRECTORY OF CALIF LEGISLATURE	10/09/18	21.26
032821	MONTEREY COUNTY WEEKLY	SEPTEMBER 2018 CO-OP ADVERTISING	10/09/18	1076.00
032822	COMCAST	OCTOBER 2018 POLICE INTERNET	10/09/18	151.16
032823	CSMFO MONTEREY BAY CHAPTER	10/17/18 MONTEREY BAY CHAPTER MEETING	10/09/18	40.00
032824	CYPRESS COAST FORD	FENDER REPAIR FOR POLICE UNIT 93	10/09/18	326.32
032824	CYPRESS COAST FORD	REPLACE BRAKE SWITCH FOR POLICE UNIT 92	10/09/18	182.71
032825	FEHR ENGINEERING COMPANY, INC.	SEPTEMBER 2018 DESAL WELLS DESIGN	10/09/18	2700.00
032826	GRANITEROCK CO # 29137	COBBLE STONES FOR COMMUNITY GARDEN	10/09/18	630.44
032826	GRANITEROCK CO # 29137	COBBLE STONES FOR COMMUNITY GARDEN	10/09/18	143.95
032827	THE HERALD	SEPTEMBER 2018 LEGAL ADVERTISING	10/09/18	1211.72
032828	M&S BUILDING SUPPLY	CONCRETE FOR SIGN POSTS	10/09/18	61.37
032829	MARTINS IRRIGATION SUPPLY	IRRIGATION MATERIALS FOR COMMUNITY GARDEN	10/09/18	462.84
032829	MARTINS IRRIGATION SUPPLY	IRRIGATION MATERIALS FOR COMMUNITY GARDEN	10/09/18	417.39
032829	MARTINS IRRIGATION SUPPLY	IRRIGATION MATERIALS/TOOLS	10/09/18	172.87
032830	GARY HAEDRICH MARKS BARN AUTO	REPAIR VANDALISM FOR P/W CHEVY TRUCK	10/09/18	200.00
032830	GARY HAEDRICH MARKS BARN AUTO	REPAIR ROOF ANTENNA FOR POLICE UNIT 92	10/09/18	532.95
032831	MONTEREY COUNTY BUSINESS	10/12/18 MCBC LUNCHEON	10/09/18	30.00
032832	MICHAEL C MCCARTHY	SEPTEMBER 16-30, 2018 LABOR RELATIONS SERVICES	10/09/18	2925.00
032833	MONTEREY COUNTY	POLICE NETWORK ACCESS FOR PERIOD ENDING 7/31/18	10/09/18	136.77
032833	MONTEREY COUNTY	POLICE NETWORK ACCESS FOR PERIOD ENDING 8/31/18	10/09/18	136.77
032834	COUNTY OF MONTEREY	1ST & 2ND QUARTER 18-19 NGEN OPERATIONS FEES	10/09/18	4499.32
032835	VIBEKE NORGAARD	SEPTEMBER 2018 RETAINER, FEES & COSTS	10/09/18	11709.23
032836	PUBLIC AGENCY RISK MANAGERS AS	FY 18-19 MEMBERSHIP DUES - LINDA	10/09/18	150.00
032837	PETTY CASH - CASHED BY SHELBY	REPLENISH PETTY CASH	10/09/18	69.53
032838	RED SHIFT INTERNET SRVCS	OCTOBER 2018 CITY DSL, WEB & EMAIL	10/09/18	51.98
032838	RED SHIFT INTERNET SRVCS	OCTOBER 2018 POLICE DSL, WEB & EMAIL	10/09/18	41.95
032839	DAVID W. JANSEN	CITY HALL SYSTEMS & SERVERS MAINTENANCE	10/09/18	546.00
032839	DAVID W. JANSEN	CITY HALL SYSTEMS MAINTENANCE	10/09/18	693.00
032839	DAVID W. JANSEN	POLICE MAINTENANCE/PATROL 2, CHIEF, BOOKING	10/09/18	483.00
032839	DAVID W. JANSEN	POLICE MAINTENANCE/WATCHGUARD, PATROL 1,3,TRAC NET	10/09/18	504.00
032840	CITY OF SEASIDE	FY 18-19 POLICE PRVNT FEES	10/09/18	3000.00
032841	SHELL OIL COMPANY	FUEL FOR TRANSPORTING P/W & CITY VEHICLES	10/09/18	50.35
032842	SIGN WORKS CUSTOM SIGNS	COMMUNITY GARDEN SIGN	10/09/18	653.06
032843	KATY BAZURTO	2018 WEST END SUBFLOOR	10/09/18	255.00
032844	STATEWIDE TRAFFIC SAFETY & SIG	POLES, BRACKETS, REFLECTORS FOR SIGN INSTALLATION	10/09/18	1407.57
032844	STATEWIDE TRAFFIC SAFETY & SIG	SIGNS, REFLECTORS FOR GUARD RAIL/TIOGA & SAND DUNE	10/09/18	608.27
032845	RABOBANK VISA CARD	LOCC, RETIREMENT, BEACH CLEAN UP	10/09/18	246.97
32790A	PERS - MEDICAL	OCTOBER 2018 PERS HEALTH PREMIUMS	10/10/18	22010.56
032846	TODD BODEM	SEVERANCE/HEALTH BENEFITS PAY	10/11/18	37612.55
32790D	RABOBANK	STOP PAYMENT FEE FOR CHECK #1492	10/12/18	25.00
32790E	PUBLIC EMPLOYEES RET. SYS	SEPTEMBER 2018 PERS RETIREMENT CONTRIBUTIONS	10/15/18	45399.25
032847	A&R PLUMBING, INC	10/4/18 CITY HALL SEWER LINE CLEANOUT	10/16/18	125.00
032847	A&R PLUMBING, INC	9/27/18 CITY HALL SEWER LINE CLEANOUT	10/16/18	125.00
032848	AGA - CENTRAL COAST CHAPTER	2018 GOVERNMENT TAX SEMINAR	10/16/18	250.00
032849	AT & T	SEPTEMBER 2018 POLICE TRACNET PHONE LINE	10/16/18	114.43
032850	A.T. & T.	SEPTEMBER 2018 POLICE OUTSIDE PHONE LINE	10/16/18	208.04
032851	BALBOA CAPITAL	NOVEMBER 2018 WATER DISPENSER FOR OFFICE	10/16/18	65.20
032852	CHIEF SUPPLY	DISASTER/EOC SUPPLIES - DRESSINGS,BANDAGES, ETC	10/16/18	419.72
032852	CHIEF SUPPLY	FLASHLIGHT FOR RESERVE OFFICER VELOZ	10/16/18	127.83
032853	COMCAST	OCTOBER 2018 P/W INTERNET AND PHONE	10/16/18	156.94

Check Number	Vendor Name	Invoice Description	Check Date	Gross Check Amount
032854	CREGAN & D'ANGELO	SEPTEMBER 2018 CITY ENGINEER SERVICES	10/16/18	24077.00
032855	DEL REY OAKS GARDEN SUPPLY	P/W POLE CHAIN SAW REPAIR	10/16/18	190.22
032856	DEL REY OAKS CAR WASH	3 FULL SERVICE CAR WASHES FOR POLICE	10/16/18	56.50
032857	DE LAGE LANDEN FINANCIAL SERVI	OCTOBER 2018 STREET SWEEPER PAYMENT #36	10/16/18	1522.18
032858	EMC PLANNING GROUP, INC.	JULY 2018 OROSCO PROPERTY BIO SERVICES	10/16/18	5122.39
032858	EMC PLANNING GROUP, INC.	JULY 2018 OROSCO PROPERTY STAFF SUPPORT	10/16/18	333.06
032859	BRIAN FERRANTE	SRU ADVANCED SWAT TRAINING EXPENSES	10/16/18	444.23
032860	HOPE SERVICES	SEPTEMBER 2018 CLEAN UP CREW	10/16/18	4180.40
032861	HAYASHI & WAYLAND	SEPTEMBER 2018 AUDIT/MANAGEMENT SERVICES	10/16/18	33920.75
032862	HOME DEPOT CREDIT SERVICE	SEPTEMBER 2018 SUPPLIES	10/16/18	548.72
032863	MARTINS IRRIGATION SUPPLY	IRRIGATION MATERIALS FOR COMMUNITY GARDEN	10/16/18	139.32
032863	MARTINS IRRIGATION SUPPLY	IRRIGATION VALVES FOR CONTRA COSTA MONUMENT	10/16/18	160.23
032863	MARTINS IRRIGATION SUPPLY	WEED FABRIC FOR COMMUNITY GARDEN	10/16/18	77.87
032864	PATRICIO R. PADILLA	SEPTEMBER 15, 2018 OFFICE CLEANING	10/16/18	250.00
032865	CITY OF MONTEREY	AUGUST 2018 INSPECTION/PLAN CHECK SERVICES	10/16/18	345.00
032866	MONTEREY ONE WATER	9/1/18 TO 10/31/18 SEWER BILL - 1 PENDERGRASS	10/16/18	93.48
032866	MONTEREY ONE WATER	9/1/18 TO 10/31/18 SEWER BILL - 320 ELDER	10/16/18	46.74
032866	MONTEREY ONE WATER	9/1/18 TO 10/31/18 SEWER BILL - 525 ORTIZ	10/16/18	14.80
032867	MRWMD	SEPTEMBER 2018 REFUSE CHARGES	10/16/18	561.54
032868	NATIONAL NOTARY ASSOC	NOTARY CLASS, MEMBERSHIP, SUPPLIES	10/16/18	515.48
032869	OFFICE DEPOT, INC.	SEPTEMBER 2018 SUPPLIES	10/16/18	1054.27
032870	KRISTEN OLSON-MCDANIEL	SEPTEMBER 2018 PAYROLL REPLACEMENT CHECK	10/16/18	1242.68
032871	PITNEY BOWES	7/30/18 TO 10/29/18 POSTAGE MACHINE LEASE	10/16/18	560.21
032872	PACIFIC CREST ENGINEERING, INC	SEPTEMBER 2018 WEST BAY AVENUE/FEMA GRANT	10/16/18	525.00
032873	PUBLIC EMPLOYEES RET. SYS	2018 GASB-68 REPORTS & SCHEDULES	10/16/18	2100.00
032874	PETTY CASH - CASHED BY SHELBY	REPLENISH PETTY CASH	10/16/18	111.32
032875	SEASIDE GARDEN CENTER	REDWOOD CHIPS/CYPRESS TREES FOR COMMUNITY GARDEN	10/16/18	1023.25
032876	SHRED IT- SAN JOSE	SEPTEMBER 28, 2018 SHREDDING SERVICE	10/16/18	56.00
032877	STURDY OIL COMPANY	9/15/18 TO 9/30/18 FUEL COSTS	10/16/18	1146.70
032878	YWCA OF MONTEREY COUNTY	10/26/18 DOMESTIC VIOLENCE AWARENESS LUNCHEON	10/16/18	150.00
032879	COMCAST	10/18 CITY INTERNET & COUNCIL TV	10/23/18	96.87
032880	EXPRESS PRINTING	100 NOTICE OF CORRECTION/PROOF OF SERVICE - POLICE	10/23/18	125.72
032880	EXPRESS PRINTING	1500 PARKING CITATIONS - POLICE	10/23/18	1552.20
032881	RICHARD GARZA	OCTOBER 2018 ACCRUAL CASH OUT	10/23/18	1127.15
032882	VITO GRAZIANO	MEAL REIMBURSEMENT - TACTICAL COMMANDER COURSE	10/23/18	66.00
032882	VITO GRAZIANO	MILEAGE REIMBURSEMENT - SRU ADVANCED TRAINING	10/23/18	176.02
032883	MATTESON & BEERS TOWING	TOW DUMP TRUCK TO CYPRESS FORD	10/23/18	72.00
032884	PETTY CASH - CASHED BY SHELBY	REPLENISH PETTY CASH	10/23/18	81.85
032885	DAVID W. JANSEN	BROWSER - WORD & EXCEL	10/23/18	147.00
032885	DAVID W. JANSEN	CITY ADMIN & MAYOR PRINTER	10/23/18	168.00
032885	DAVID W. JANSEN	POLICE - PATROL 1 & WATCHGUARD	10/23/18	504.00
032885	DAVID W. JANSEN	POLICE- BOOKING SYSTEM	10/23/18	147.00
032886	STAR SANITATION, LLC	SEPTEMBER 2018 BIKE TRAIL RESTROOM	10/23/18	212.69
032887	INTERA INCORPORATED	AUGUST 2018 DESAL WELLS BRACKISH WELLS STUDY	10/23/18	5805.00
032887	INTERA INCORPORATED	JULY 2018 DESAL WELLS BRACKISH WELLS STUDY	10/23/18	5745.00
032888	AMERICAN SUPPLY CO	10 CASES MUTT MITTS FOR CITYWIDE	10/30/18	897.19
032888	AMERICAN SUPPLY CO	CLEANING SUPPLIES FOR OFFICE	10/30/18	146.01
032889	A.T. & T.	SEPTEMBER 2018 POLICE T LINE	10/30/18	214.57
032890	MARY ANN MCCONNELL	POLYGRAPH FOR NEW RESERVE CANDIDATE	10/30/18	300.00
032891	CALPERS 457 PLAN	OCTOBER 2018 PERS 457 CONTRIBUTIONS	10/30/18	15906.57
032892	COMCAST	OCTOBER 2018 POLICE CABLE TV	10/30/18	46.59
032893	COMMUNITY PARTNERSHIP FOR	2018 WEST END DONATION	10/30/18	500.00
032894	CREATIVE SECURITY COMPANY, INC	BACKGROUND INVESTIGATION FOR NEW RESERVE CANDIDATE	10/30/18	1514.80
032895	CYPRESS COAST FORD	ALTERNATOR, FUEL FILTER, FLUIDS FOR P/W DUMP TRUCK	10/30/18	1635.50
032895	CYPRESS COAST FORD	OIL, FILTERS, FLUIDS, LEAKS FOR P/W TRUCK 8101	10/30/18	3243.28
032896	DEL REY OAKS GARDEN SUPPLY	PLANTING MIX FOR CALBRESE PARK	10/30/18	269.85
032897	EMC PLANNING GROUP, INC.	SEPTEMBER 2018 PLANNING STAFF SUPPORT	10/30/18	3099.34
032897	EMC PLANNING GROUP, INC.	SEPTEMBER 2018 VIBRANCY PLAN SERVICES	10/30/18	11113.24
032898	FEDERAL EXPRESS	POSTAGE FOR STORM WATER REPORT MAILING	10/30/18	21.15
032899	FIRST ALARM SECURITY	REMOVE TODD BODEM FROM SECURITY SYSTEM	10/30/18	35.00
032900	GLASTONBURY	REFUND FY 18-19 BUSINESS LICENSE OVERPAYMENT	10/30/18	294.69
032901	GUITARS NOT GUNS	2018 WEST END DONATION	10/30/18	6149.43
032902	MARY ALICE HOSTETLER	REIMBURSE CAHN CONFERENCE REGISTRATION FEE	10/30/18	325.00
032903	J.J. KELLER & ASSOCIATES, INC.	SAFETY SUBSCRIPTION/MATERIALS	10/30/18	311.03
032904	LEAGUE OF CALIF. CITIES	NEW LAW & ELECTIONS SEMINAR REGISTRATION - CONNIE	10/30/18	475.00
032905	MARTINS IRRIGATION SUPPLY	SUPPLIES FOR CALBRESE PARK TREE & UPGRADE	10/30/18	431.93
032905	MARTINS IRRIGATION SUPPLY	SUPPLIES FOR CALBRESE PARK TREE & UPGRADE	10/30/18	29.78
032905	MARTINS IRRIGATION SUPPLY	SUPPLIES FOR CALBRESE PARK TREE & UPGRADE	10/30/18	220.52
032905	MARTINS IRRIGATION SUPPLY	SUPPLIES FOR CALBRESE PARK TREE & UPGRADE	10/30/18	37.47
032906	MICHAEL C MCCARTHY	OCTOBER 1-15, 2018 LABOR RELATIONS SERVICES	10/30/18	3075.00
032907	CITY OF MONTEREY	SEPTEMBER 2018 INSPECTION SERVICES	10/30/18	261.33
032908	MONTEREY COUNTY DISTRICT	ASSET FORFEITURE - DA#850518/AGAMAO	10/30/18	439.00
032909	MICHAEL MOUNT	OCTOBER 2018 ACCRUAL CASH OUT	10/30/18	8492.53
032910	PACIFIC GAS & ELECTRIC	SEPTEMBER 2018 UTILITY BILLS	10/30/18	2148.04
032911	DAVID W. JANSEN	CITY HALL SYSTEMS, PRINTER, DOMAIN CONTROLLER	10/30/18	483.00
032911	DAVID W. JANSEN	POLICE - CYAN TONER FOR MAIN PRINTER	10/30/18	334.72
032911	DAVID W. JANSEN	POLICE - RECORDS, CLETS & PRINTER	10/30/18	273.00
032911	DAVID W. JANSEN	POLICE - WATCHGUARD & PATROL 1	10/30/18	231.00
032912	SALVATION ARMY	FY 18-19 THANKSGIVING MEALS DONATION	10/30/18	300.00
032913	STURDY OIL COMPANY	10/1/18 TO 10/15/18 FUEL COSTS	10/30/18	1018.95
032914	VERTZON WIRELESS	SEPTEMBER 2018 CELL PHONE BILLS	10/30/18	1255.32
032914	VERTZON WIRELESS	OCTOBER 2018 CELL PHONE BILLS	10/31/18	72033.51
32790E	RABOBANK	WIRE OUT TO LAIF TRANSFER FEE	10/31/18	30.00

Grn-Total:  
 Ttl-Count: 173

40,16,10  
 338,480.88

**Sand City  
Successor Agency  
for the Former  
Redevelopment  
Agency**



REPORT.: 11/26/18  
 RUN....: 11/26/18  
 Run By.: LINDA

SUCCESSOR AGENCY  
 Balance Sheet Report  
 ALL FUND(S)

PAGE: 001  
 ID #: GLBS  
 CTL.: SUC

Ending Calendar Date.: October 31, 2018 Fiscal (04-19)

Assets			Acct ID
-----			
Fiduciary Fund Tax Increment Account	327,184.31	40	1005
Fiduciary Fund 2008 TAX EXEMPT CD #6998114883	526,269.12	40	1025
Fiduciary Fund 2008 TAX EXEMPT CD # 535671579	531,601.29	40	1026
Fiduciary Fund 2008A RESERVE ACCOUNT	35.15	40	1060
Fiduciary Fund 2008B RESERVE ACCOUNT	224,905.46	40	1070
Fiduciary Fund 2008B Debt Service Fund	294.13	40	1072
Fiduciary Fund Escrow Fund 2017 Refunding	5,084,050.00	40	1084
Fiduciary Fund 2017 Debt Service Fund	32.02	40	1085
Fiduciary Fund Land	1,958,822.26	40	1291
Fiduciary Fund FURNITURE AND FIXTURES	40,218.25	40	1293
Fiduciary Fund SIGNS AND LANDSCAPING	182,630.99	40	1297
Fiduciary Fund ACCUMULATED DEPRECIATION	-220,294.23	40	1300
	-----		
Total of Assets ---->	8,655,748.75		8,655,748.75
			=====

Liabilities			Acct ID
-----			
Fiduciary Fund REFUNDABLE FEES	1,455,000.00	40	2045
Fiduciary Fund GENERAL LT- ADVANCE COSTCO/SEA	4,650,000.00	40	2330
Fiduciary Fund LOAN PAYABLE-HOUSING	471,405.00	40	2452
Fiduciary Fund LT ADVANCES FOR OPERAT EXPENSE	3,626,057.91	40	2455
Fiduciary Fund ADVANCES COP REIMBURSEMENTS	1,454,766.42	40	2460
Fiduciary Fund SERIES A BONDS	4,980,000.00	40	2480
Fiduciary Fund SERIES B BONDS	950,000.00	40	2485
Fiduciary Fund Refunding Bonds, Series 2017	4,025,000.00	40	2490
	-----		
Total of Liabilities ---->	21,612,229.33		

FUND Balances			Acct ID
-----			
Fiduciary Fund Unappropriated Fund Balance	-13,290,199.54	40	3400
CURRENT EARNINGS	333,718.96		
	-----		
Total of FUND Balances ---->	-12,956,480.58		8,655,748.75
			=====

REPORT.: Nov 26 18 Monday  
 RUN...: 11/26/18 Time: 13:09  
 Run By.: Linda Scholink

SUCCESSOR AGENCY  
 Month End Cash Register Activity Report  
 For Period: 10-18

PAGE: 001  
 ID #: CH-AC  
 CTL.: SUC

Reg Period	Date	Receipt T	Opr ID No	Description	G/L Posting	Amt Paid	
000	10-18	10/31/18	00330	C Mis BND05	6 MONTH TAX EXEMPT BOND INTEREST OCTOBER 2018 INTEREST Receipt Date: 10/31/18 RABOBANK Issued..: TO (DEVON ) Oct 31 2018 10:31 am Devon Lazzarino	Db: 40 1026 Cr: 40 4435 00	22.14
			00331	C Mis BND04	3 MONTH TAX EXEMPT BOND INTEREST OCTOBER 2018 INTEREST Receipt Date: 10/31/18 Paid by: RABOBANK Issued..: TO (DEVON ) Oct 31 2018 10:33 am Devon Lazzarino	Db: 40 1025 Cr: 40 4435 00	21.93
			00332	C Mis PRP01	PROPERTY TAX INCREMENT OCTOBER 2018 INTEREST Receipt Date: 10/31/18 Paid by: RABOBANK Issued..: TO (DEVON ) Oct 31 2018 10:39 am Devon Lazzarino	Db: 40 1005 Cr: 40 4450 00	141.82
						Day 10/31/18 Total ---->	185.89
						Period 10-18 Total ---->	185.89
						Register 000 Total ---->	185.89
						Total of All Registers ---->	185.89

REPORT.: Nov 26 18 Monday  
 RUN...: Nov 26 18 Time: 13:04  
 Run By.: Linda Scholink

SUCCESSOR AGENCY  
 Month End Cash Disbursements Report  
 Report for 10-18 BANK ACCOUNT 1005

PAGE: 001  
 ID #: PY-CD  
 CTL.: SUC

Period	Check Number	Check Date	Vendor # (Name)	Disc. Terms	Gross Amount	Disc Amount	Net Amount	Check Description
10-18	002170	10/16/18	HAY01 (HAYASHI & WAYLAND)		780.00	.00	780.00	SEPTEMBER 2018 MANAGEMENT
	002171	10/16/18	USB01 (US BANK)		191,419.98	.00	191,419.98	NOVEMBER 2018 TAXABLE 200
	002172	10/16/18	USB01 (US BANK)		366,670.50	.00	366,670.50	NOVEMBER 2018 SERIES 2017
Total for Bank Account 1005 ----->					558,870.48	.00	558,870.48	
Grand Total of all Bank Accounts ----->					558,870.48	.00	558,870.48	

**AGENDA ITEM**

**6D**

# Memo

**TO:** Honorable Mayor and City Council  
**FROM:** Linda Scholink, Director of Administrative Services/City Clerk  
**DATE:** November 28, 2018  
**RE:** Consideration of Resolutions to Approve Regarding Health Care Benefits

---

## Background:

For many years the City of Sand City has provided health care benefits to employees and annuitants. The processing and dollar amount of these health benefits have changed over the years, depending on how the industry has changed over the years. When Obama Care was implemented, the cost of health insurance originally decreased under the Pers Health plan. At that time, the City Council wanted to keep the dollar amount constant and implemented the health care incentive for any funds that were available after contributing into the health premium. Since that time, health care premiums have been increasing.

## Recommendation:

The Personnel and Budget Committee met on October 24, 2018 and recommended that the dollar amount stay the same from year to year, rather than fluctuating each year based on the different Health Care Plans available. By approving the flat amount, each employee can pick their own health plan, and if it costs less than the flat amount, the difference will be allocated to them as the health incentive.

## Financial Impact:

By approving a flat amount, there will not be a change in the financial impact from year to year until this is changed by City Council action.

Staff will be available to answer any questions.

**CITY OF SAND CITY  
RESOLUTION SC \_\_\_, 2018**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY  
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR  
EMPLOYEES AND ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL  
AND HOSPITAL CARE ACT**

**WHEREAS**, the City of Sand City is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

**WHEREAS**, Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

**WHEREAS**, Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

**NOW, THEREFORE, BE IT RESOLVED** that the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of:

<b>Medical</b>	<b>Monthly Employer Contribution</b>		
	<b>Single</b>	<b>Two-Party</b>	<b>Family</b>
001 Current Employee	\$1,055.10	\$1,582.65	\$1,582.65
002 Optional Members	\$1,055.10	\$1,055.10	\$1,055.10

Plus administrative fees and Contingency Reserve Fund assessments; and

**BE IT FURTHER RESOLVED** that the City of Sand City has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further resolved that

- a) the participation of the employees and annuitants of the City of Sand City shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that the City of Sand City would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and

b) the executive body appoint and direct, and does hereby appoint and direct the (Interim) City Administrator to file with the Board a verified copy of this resolution, and to perform on behalf of the City of Sand City all functions required of it under the Act; and

c) the employer contribution under the Act will be effective on February 1, 2019.

**PASSED AND ADOPTED** by the City Council of Sand City on this \_\_\_ day of December, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

ATTEST:

\_\_\_\_\_  
Linda K. Scholink, City Clerk

**CITY OF SAND CITY**  
**RESOLUTION SC \_\_\_\_, 2018**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY AUTHORIZING  
HEALTH CARE BENEFIT CHANGES FOR THE 2019 CONTRACT YEAR**

**WHEREAS**, the City of Sand City, a charter city, provides a health care benefit to its, employees and its optional members (the City Council); and

**WHEREAS**, upon providing the City with proof of group insurance coverage, current employees, and optional members are entitled to receive a health care benefit from the City in the form of cash in an amount equal to what the City would contribute as the PERS Health Insurance Benefit for such employee or optional member (the "Cash In-Lieu Health Benefit"); and

**WHEREAS**, the City's PERS annuitants are entitled to the same PERS Health Insurance Benefit as the City's employees and optional members, as the case may be; and

**WHEREAS**, the City PERS annuitants are not entitled to the Cash-In-Lieu Health Benefit; and

**WHEREAS**, the City of Sand City further finds that the health care benefit offered its employees and optional members could also include an incentive to encourage employees, and optional members to engage in preventive health care services related to all health wellness programs, and out-of-pocket expenses related to all health care services (Health Incentive Bonus);

**WHEREAS**, for several years the City has adjusted the health premium structure to accommodate the change in the cost of health premiums without changing the total health benefit; and

**WHEREAS**, the City desires to continue to offer its current employees and optional employees an amount equal to the dollar amount that has been provided for the last several years. The total rate available for Single party and Optional members is \$1,055.10. The total rate available for an Employee with dependents is \$1,582.65

**WHEREAS**, the City's monthly employer contribution health care benefit as of February 1, 2019 will be a flat dollar amount of \$1,055.10 for Single party and Optional members, and \$1,582.65 for Two-Party members and Family members.

**WHEREAS**, the City still wants to provide a health incentive to the active members who are not using the entire flat amount for their health insurance,

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Sand City that the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of \$1,055.10 for single and optional members and \$1,582.65 for Two-Party and Family members.



**PASSED AND ADOPTED** by the City Council of Sand City on this    day of  
December, 2018 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

ATTEST:

\_\_\_\_\_  
Linda K. Scholink, City Clerk

**AGENDA ITEM**

**6E**

**SAND CITY JOINT POWERS FINANCING AUTHORITY  
RESOLUTION NO. JPFA \_\_\_\_\_, 2018**

**RESOLUTION OF THE SAND CITY JOINT POWERS FINANCING AUTHORITY  
CONFIRMING ITS OFFICERS**

**WHEREAS**, the Bylaws ("Bylaws") of the Sand City Joint Powers Financing Authority (the "Authority" ) require the Directors of the Authority to hold an annual meeting at the time of the second regular meeting of the City Council of Sand City during the month of November each year; and

**NOW, THEREFORE**, the Directors of the Authority do hereby resolve as follows:

1. The present members of the City Council of Sand City and staff are hereby confirmed as Directors of the Authority pursuant to Section 1.2 of the Bylaws of the Authority, as shown on the attached Statement of Facts:

Mary Ann Carbone, Chair  
Jerry Blackwelder, Vice Chair  
Craig Hubler, Board member  
Gregory Hawthorne, Board member  
Linda Scholink, Secretary

**PASSED AND ADOPTED**, by the City Council of the City of Sand City, this \_\_\_\_ day of December, 2018 by the following votes:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

\_\_\_\_\_  
Mary Ann Carbone, Chair

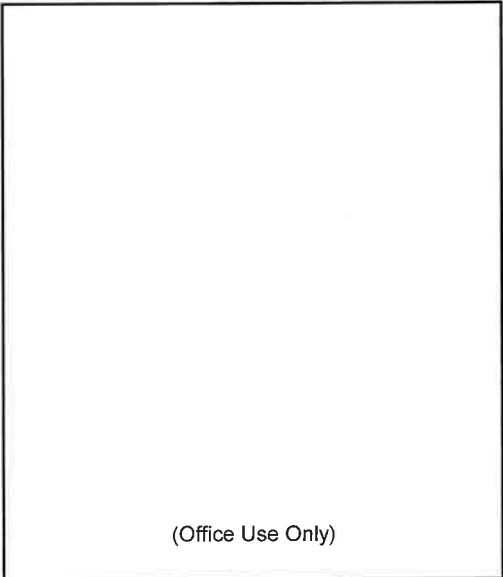
ATTEST:

\_\_\_\_\_  
Linda K. Scholink, Secretary



State of California
Secretary of State

STATEMENT OF FACTS
ROSTER OF PUBLIC AGENCIES FILING
(Government Code section 53051)



Instructions:

- 1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001 (916) 653-3984
2. A street address must be given as the official mailing address or as the address of the presiding officer.
3. Complete addresses as required.
4. If you need additional space, attach information on an 8 1/2" X 11" page, one sided and legible.

New Filing [ ] Update [x]

Legal name of Public Agency: Sand City Joint Powers Financing Authority

Nature of Update: annual filing, confirmation of governing Board members

County: Monterey

Official Mailing Address: 1 Pendergrass Way, Sand City, California 93955

Name and Address of each member of the governing board:

Chairman, President or other Presiding Officer (Indicate Title): Mayor & Chair

Name: Mary Ann Carbone Address: c/o: 1 Pendergrass Way Sand City, California 93955

Secretary or Clerk (Indicate Title): City Clerk

Name: Linda Scholink Address: c/o: 1 Pendergrass Way, Sand City, California 93955

Members:

Name: Mary Ann Carbone Address: 1893 Park Avenue, Sand City, California 93955

Name: Jerry Blackwelder Address: 450 Ortiz Avenue, Sand City, California 93955

Name: Gregory Hawthorne Address: 430 Ortiz Avenue, Sand City, California 93955

Name: Craig Hubler Address: 1738 Hickory Avenue, Apt. B., Sand City, California 93955

Name: Address:

RETURN ACKNOWLEDGMENT TO: (Type or Print)

Form with fields for NAME, ADDRESS, CITY/STATE/ZIP, Date, Signature, and Typed Name and Title.

**AGENDA ITEM**

**6F**

**CITY OF SAND CITY**

**RESOLUTION SC \_\_\_\_, 2018**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY ADOPTING A CHALLENGE GRANT AMOUNT OF \$387 TO MATCH OTHER CITIES OF MONTEREY COUNTY IN SEEKING A LONG TERM SOLUTION TO HOMELESSNESS**

**WHEREAS**, homelessness is a daily part of life for many individuals in Monterey County, as well as in other cities and counties, and

**WHEREAS**, homelessness may be an individual choice or due to mental illness, but may also be caused by circumstances beyond an individual's control and failures to address the issue of homelessness may cause unnecessary suffering for those who seek a way out; and

**WHEREAS**, a significant number of homeless individuals eat, sleep, and conduct other functions within parks, parked cars, alleys and public locations, and would desire a place to find a safe form of shelter; and

**WHEREAS**, many churches, social groups, and individuals attempt to address the issue of homelessness on a long term basis, and find that sufficient funding is unavailable to solve the problem; and

**WHEREAS**, through the efforts of providing food, housing, and support services to those individuals who suffer from homelessness, member cities throughout the Monterey Peninsula may contribute and support organizations that address the issue of homelessness with a possible long term solution; and

**WHEREAS**, the City Council agreed to originally participate in the Homeless Challenge Fund Program in 2014 as approved by Resolution SC 14-35 (2014) and continued its participation as approved by Resolution SC 16-04 (2016); and

**WHEREAS**, in 2016 the cities of Monterey, Pacific Grove, Carmel-by-the Sea, and Sand City raised a total of \$50,083.20 and the funds were allocated to seven homeless service providers; and

**WHEREAS**, the adoption of this resolution does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) due to its organizational or administrative activity with no direct or indirect physical changes in the environment; and

**WHEREAS**, the City of Sand City remains in compliance with the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 1500, et seq.

**Sand City Resolution SC \_\_\_\_, 2018**

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Sand City that:

1. The City Council hereby adopts a "Challenge Grant" of \$387 – representing approximately \$1.00 for each resident of Sand City.
2. The City shall abide by all laws, ordinances, codes, and regulations throughout this project.

**PASSED AND ADOPTED** by the City Council of the City of Sand City this \_\_\_\_day of December, 2018, by the following vote:

AYES:

NOES:

ABSENT:

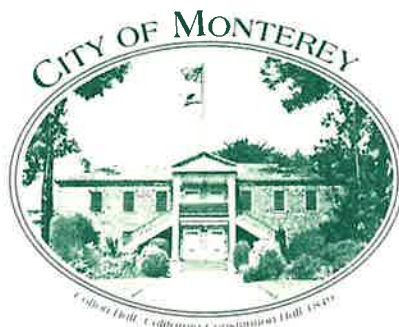
ABSTAIN:

APPROVED:

ATTEST:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

\_\_\_\_\_  
Linda K. Scholink, City Clerk



RECEIVED

NOV 26 2018

CITY OF SAND CITY

November 14, 2018

Dear Honorable Mayor Carbone and Members of the City Council:

I am writing to you to request your participation in an important fund raising effort to help support homeless individuals who desire assistance and individuals in need of food and meal provider services.

As you recall, in 2014, the City of Pacific Grove under the leadership of Council Members Fischer and Cueno created a "Challenge Grant," which allocated \$1 per resident to be appropriated to homeless service providers. The "challenge" was to at least two other cities on the Monterey Peninsula to approve a measure providing a similar level of funding per resident. As a result, the Cities of Pacific Grove, Carmel-by-the-Sea, Sand City and Monterey raised a total of \$45,000 that was disbursed to various service providers.

In 2016, led by the City of Monterey, the Cities of Pacific Grove, Carmel-by-the-Sea, Sand City, and Monterey again agreed to participate in the Homeless Challenge Fund program and raised a total of \$50,083.20. After a thorough application process, the funds were allocated to seven homeless service providers.

The Monterey City Council recently approved a resolution to again allocate \$1 per resident for a 2018 Homeless Challenge Fund, conditioned on at least two other cities approving funding at a similar level. Today I am turning once again to you to ask that you consider joining the Challenge Fund. Contributions as part of the previous Challenge Funds have proven to be extremely beneficial to the local service providers and the individuals whom they help. Let's work together to renew this effort in ensuring our community members are able to get the help they desire.

Please consider requesting that your City staff bring this item before City Council within the next four weeks. On behalf of the City of Monterey, I thank you for your consideration and support.

Sincerely,

Clyde Roberson  
Mayor

c: Fred Meurer, Interim City Manager



**AGENDA ITEM**

**6G**

**CITY OF SAND CITY  
RESOLUTION SC \_\_\_\_, 2018**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY  
RATIFYING THE CANVASSING OF THE NOVEMBER 6, 2018  
GENERAL MUNICIPAL ELECTION**

**WHEREAS**, pursuant to Resolution SC 18-51 (2018), a general municipal election was held for the City of Sand City on Tuesday, November 6, 2018; and

**WHEREAS**, this is the time and place specified by law, being the first regular meeting of the City Council held after receipt of the Registrar of Voters of Monterey County certification of total votes cast.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sand City as follows:

1. The Statement of Votes Cast, prepared by Claudio Valenzuela, Registrar of Voters, County of Monterey, attached as Exhibit A is deemed to be an accurate and correct tabulation of votes cast for Mayor and Council candidates, for the City of Sand City.
2. The total number of registered voters in the City of Sand City was 214 and
3. The total votes cast were 136 which is 63.55% of the registered voters of the City.
4. There was one Mayoral candidate and two Council candidates and the following votes were tabulated:

A.	Mayoral Position	(Two Year Term)		
	Mary Ann Carbone	113 votes		100 %
B.	Council Positions	(Four Year Term)		
	Elizabeth Sofer	78 votes		37.14 %
	Jerry Blackwelder	50 votes		23.81 %
5. As a result of this canvass of votes cast, Mary Ann Carbone was elected as Mayor; Elizabeth Sofer and Jerry Blackwelder were elected to the City Council of the City of Sand City.

**PASSED AND ADOPTED** by the Sand City Council on this \_\_\_\_ day of December, 2018, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

ATTEST:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

\_\_\_\_\_  
Linda K. Scholink, City Clerk

**CITY OF SAND CITY, MAYOR (Vote for 1)**

Candidate	Party	Polling Place (PP)	Vote by Mail (VBM)	Mailed Ballot Precincts (MBP)	Total
Times Cast		0	0	136	136 / 214 . 63.55%
MARY ANN CARBONE		0	0	113	100.00%
Write-in		0	0	0	0.00%
Total Votes		0	0	113	113

Page: 16 of 24

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**CITY OF SAND CITY, MEMBER, CITY COUNCIL (Vote for 2)**

Candidate	Party	Polling Place (PP)	Vote by Mail (VBM)	Mailed Ballot Precincts (MBP)	Total
Times Cast		0	0	136	136 / 214 . 63.55%
NICOL CASAS		0	0	33	15.71%
CRAIG R. HUBLER		0	0	49	23.33%
ELIZABETH ANN SOFER		0	0	78	37.14%
JERRY BLACKWELDER		0	0	50	23.81%
Write-in		0	0	0	0.00%
Total Votes		0	0	210	210

**AGENDA ITEM**

**6H**

# Memo

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**To:** City Council  
**From:** Linda Scholink, Director of Administrative Services  
**Date:** November 27, 2018  
**Subject:** Review of City Contribution/Donation

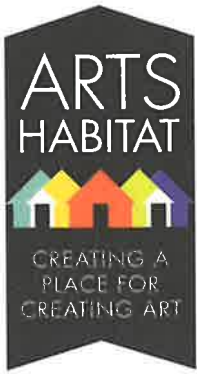
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Attached is a request from one organization for support and contribution for Fiscal Year 2018-19. After reviewing this request, the following donation is recommended:

- Arts Habitat - \$250

If any Council member wants to discuss this request or to propose a different contribution, then this item should be pulled from the consent calendar for discussion with the full Council.

The following finding is specified in the annual City/Successor Agency Budget: *"The Sand City Council finds that it is a valid public purpose and in the best interest of this small city to support and participate in various community programs and activities of the larger Monterey Peninsula area. This support includes not only the City's financial contributions outlined in the attached pages but also the active involvement/participation by council members, city staff, Sand City businesses and citizens. This is Sand City's pledge and commitment of support for the larger regional community in which it is an active and dedicated member".*



Dear Mary Ann,

**The goal of Arts Habitat: build affordable housing and studios for artists.**

By organizing the Monterey County Artists Open Studios Tour, Arts Habitat connects and collaborates with artists and arts organizations in Monterey County to foster a dynamic, growing community while leading the way to a thriving center for the arts at East Garrison.

Since 1991, Arts Habitat has advanced a plan for an Arts District at East Garrison. That plan includes 65 low cost live/work rental spaces for artists plus 55,000 square feet of artist studio space. The East Garrison development is completing Phase 2. The Arts District is scheduled for Phase 3. We are closer than ever to making a dream come true.

Through the years, hundreds of donors have dug deep into their pockets to financially support Arts Habitat programs and the East Garrison Arts District. We need to renew our efforts.

**Arts Habitat needs your financial support to finish the job!**

We believe in contributing to a vibrant Monterey County arts community by supporting artists. We hope you agree. Can you help us raise \$15,000 by the end of the year? Any donation amount is appreciated and helpful. You can donate by check using the enclosed envelope, or on-line at [www.artshabitat.org](http://www.artshabitat.org).

With best wishes,  
The Arts Habitat Board of Directors

*Thank you for your support.  
We keep on moving  
towards the goal with  
your help.  
All the best,  
Martha Manson*

East Garrison District Plan on former Fort Ord



*What Role Does Arts Habitat Play in East Garrison?*

*Arts Habitat was formed in 1991 in response to the base closure of Fort Ord. That event offered a unique opportunity to remedy the chronic problem hampering the growth of the arts in the Central Coast region — lack of affordable space for creating and presenting the arts. Arts Habitat will coordinate and deliver arts programming services for residential and workspace users and promote arts activities and events for all the communities of Monterey County.*

Mailing Address  
Arts Habitat  
Post Office Box 221487  
Carmel, CA 93922

Administrator  
Shirmaine Jones  
831.624.6111  
Staff@ArtsHabitat.org

Web Address  
[www.ArtsHabitat.org](http://www.ArtsHabitat.org)

Board Members  
Martha Manson  
President

Nick Papadakis  
Vice President

Marsha Lubow  
Treasurer

Gloria C. Maltos Hughes  
Secretary

Darcie Fohrman

Anna Petroustas

Garland Thompson, Jr.

Executive Director  
Emeritus  
Richard Mayer

Board Members Emeriti  
Mary Buskirk  
Marina Flournoy  
Sam Karas  
H. David Wagner

Funded in part by



Arts Habitat connects and collaborates with artists and arts organizations in Monterey County to foster a dynamic, growing community, while leading the way to a thriving center for the arts at East Garrison.

Our 501(c)3, nonprofit tax identification number is 77-0461309

**AGENDA ITEM**

**8A**



# Certificate of Election and Oath of Office

I, Linda Scholink, City Clerk of the City of Sand City, State of California, do hereby certify that at an Election held in this City, on the 6th day of November, 2018, Mary Ann Carbone was elected to the office of MAYOR as appears by the official result of the election, on file in my office.

Witness my hand and official seal this 4<sup>th</sup> day of December, 2018.

\_\_\_\_\_  
(CITY CLERK)

\*\*\*\*\*

## OATH OF OFFICE

STATE OF CALIFORNIA

County of Monterey } ss.

I, Mary Ann Carbone do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

**MAYOR**

(NAME OF OFFICE)

\_\_\_\_\_  
(CANDIDATE SIGNATURE)

Subscribed and sworn to before me, this 4th day of December, 2018.

\_\_\_\_\_  
SIGNATURE OF PERSON ADMINISTERING

OATH

\_\_\_\_\_  
(TITLE)



# Certificate of Election and Oath of Office

I, Linda Scholink, City Clerk of the City of Sand City, State of California, do hereby certify that at an Election held in this City, on the 6th day of November, 2018, Jerry Blackwelder was elected to the office of COUNCIL MEMBER as appears by the official result of the election, on file in my office.

Witness my hand and official seal this 4<sup>th</sup> day of December, 2018.

\_\_\_\_\_  
(CITY CLERK)

\*\*\*\*\*

## OATH OF OFFICE

STATE OF CALIFORNIA

County of Monterey } ss.

I, Jerry Blackwelder do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

**COUNCIL MEMBER**

\_\_\_\_\_  
(NAME OF OFFICE)

\_\_\_\_\_  
(CANDIDATE SIGNATURE)

Subscribed and sworn to before me, this 4th day of December, 2018.

\_\_\_\_\_  
SIGNATURE OF PERSON ADMINISTERING

OATH

\_\_\_\_\_  
(TITLE)



# Certificate of Election and Oath of Office

I, Linda Scholink, City Clerk of the City of Sand City, State of California, do hereby certify that at an Election held in this City, on the 6th day of November, 2018, Elizabeth Sofer was elected to the office of COUNCIL MEMBER as appears by the official result of the election, on file in my office.

Witness my hand and official seal this 4<sup>th</sup> day of December, 2018.

\_\_\_\_\_  
(CITY CLERK)

\*\*\*\*\*

## OATH OF OFFICE

STATE OF CALIFORNIA

County of Monterey } ss.

I, Elizabeth Sofer do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

**COUNCIL MEMBER**

(NAME OF OFFICE)

\_\_\_\_\_  
(CANDIDATE SIGNATURE)

Subscribed and sworn to before me, this 4th day of December, 2018.

\_\_\_\_\_  
SIGNATURE OF PERSON ADMINISTERING

OATH

\_\_\_\_\_  
(TITLE)

**AGENDA ITEM**

**9A**

# MEMO

TO: Honorable Mayor and City Council  
FROM: Staff  
DATE: November 28, 2018  
SUBJECT: Resolution Accepting the Audited Financial Statement for the Fiscal Year Ended June 30, 2018 and Independent Auditors Report

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## **BACKGROUND:**

On November 13<sup>th</sup>, the Budget and Personnel Committee received a presentation from the City auditors from Hayashi and Wayland. After the presentation there was a short discussion of the audit results. The auditors, Ms. Courtney and Mr. Nolan will provide the whole City Council a presentation on the audit results and their report.

The bottom line up front is that the City received a “clean” audit. The auditor’s presentation will highlight the City’s assets and liabilities and overall financial position. They will also provide information on how the City’s current position compares to the financial position in past years. The auditors will be available for questions from the Council and the public after their presentation. The audit and a preview of their presentation are attached.

## **FINANCIAL IMPACT:**

There is no financial impact associated with approving a resolution accepting the audit statements and the auditor’s report.

## **RECOMMENDATION:**

Staff recommends that the City Council approve the attached resolution accepting the City’s audited financial statements for the Fiscal year ending June 30, 2018 and the Independent Auditor’s Report





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**FINANCIAL HIGHLIGHTS**

- The assets of the City of Sand City exceeded its liabilities at the close of the year ended June 30, 2018 by \$27 million. However, \$12 million is a net investment in capital assets, and \$10 million is a noncurrent receivable due from the Successor Agency.
- The City of Sand City's total net position increased by \$1.3 million, \$831,000 of which is due to a land transfer from the Successor Agency.
- The assets and liabilities include \$543,000 that is due to TAMC in regards to a development project.

HAYASHI | WAYLAND

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**FINANCIAL HIGHLIGHTS (Continued)**

- A prior period adjustment in the amount of \$1.9 million was made to increase beginning net position due to the implementation of GASB 75.
- At the close of the year ended June 30, 2018, the City of Sand City's governmental funds reported combined ending fund balances of \$17 million, \$10 million of which is a noncurrent receivable. The net change in fund balances was an increase of \$564,000.

HAYASHI | WAYLAND

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HAYASHI | WAYLAND

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## GOVERNMENT-WIDE FINANCIAL STATEMENT HIGHLIGHTS

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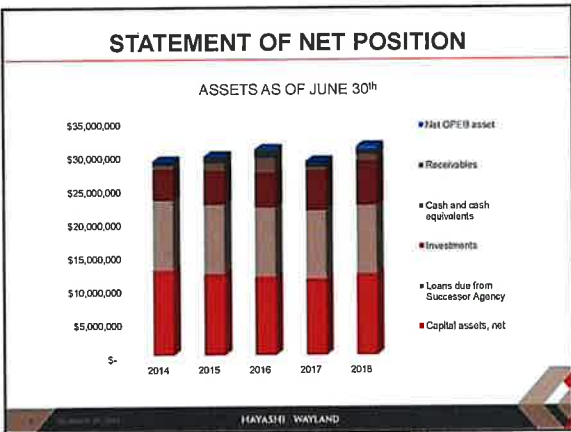
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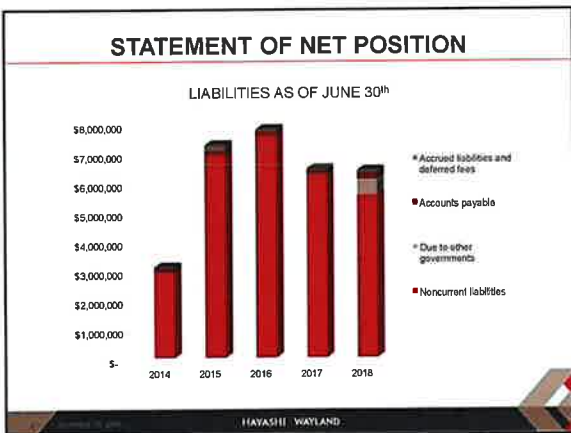
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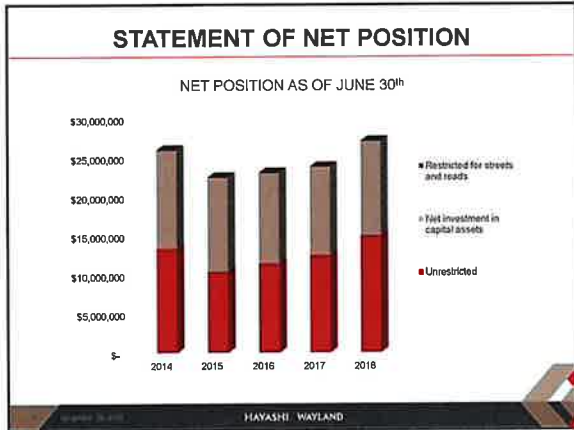
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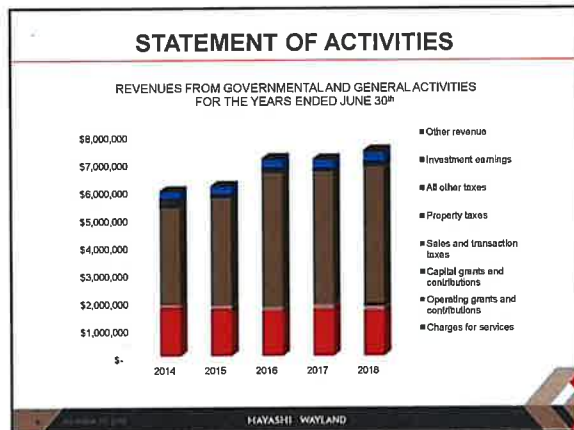
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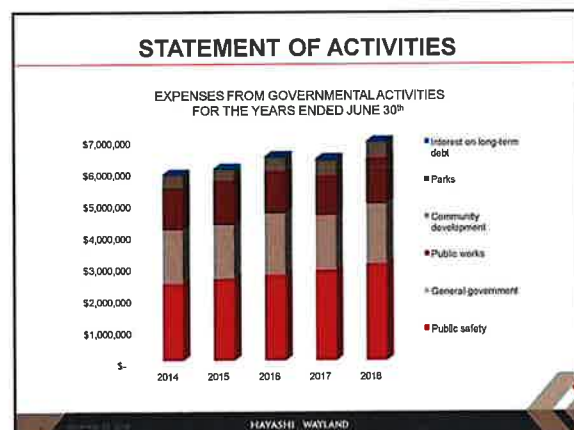
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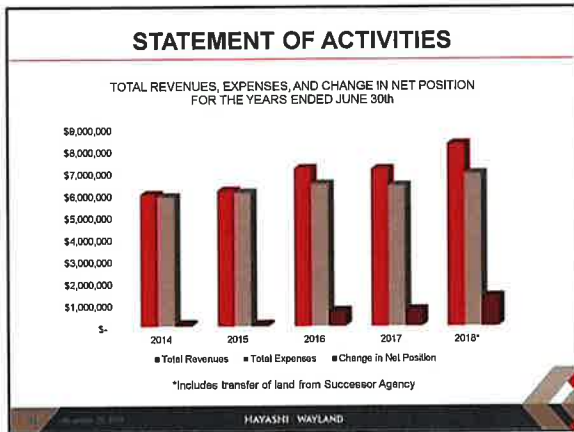
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HAYASHI | WAYLAND

## FUND FINANCIAL STATEMENT HIGHLIGHTS

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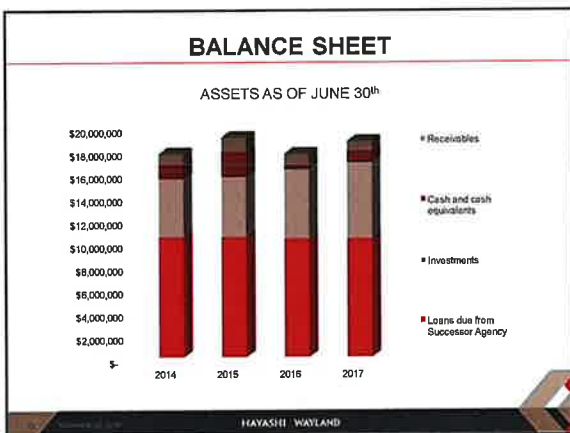
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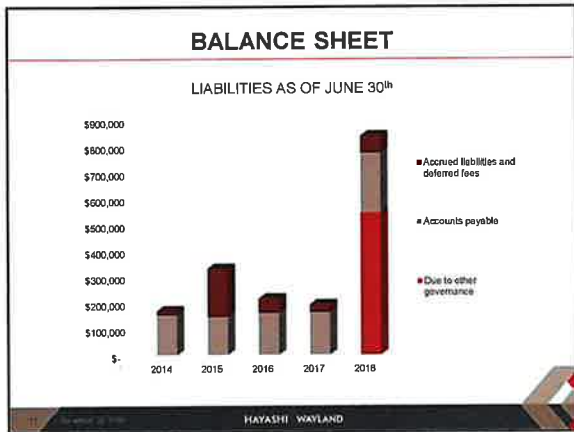
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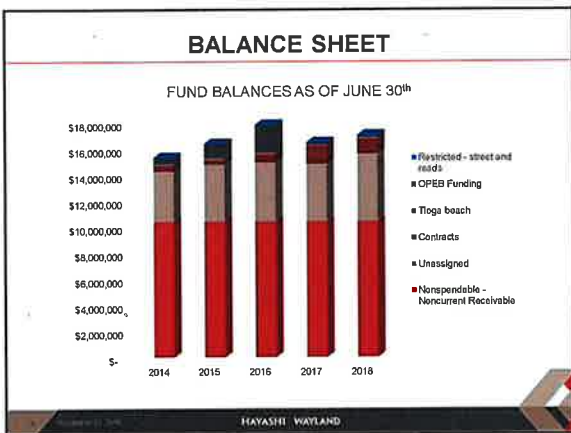
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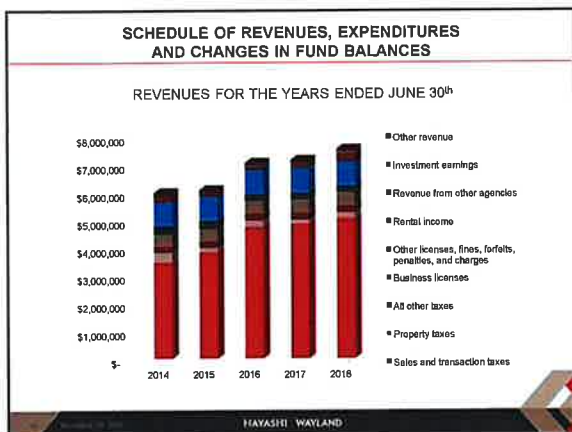
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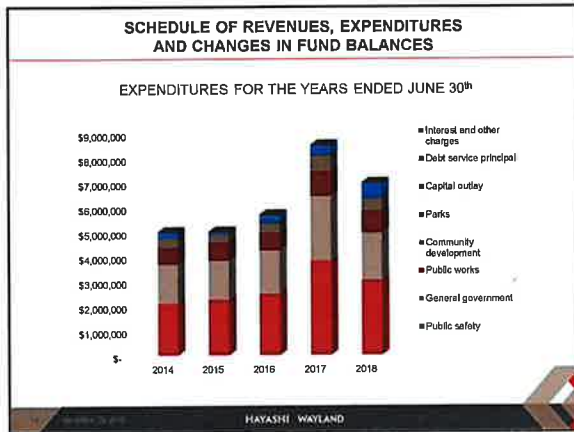
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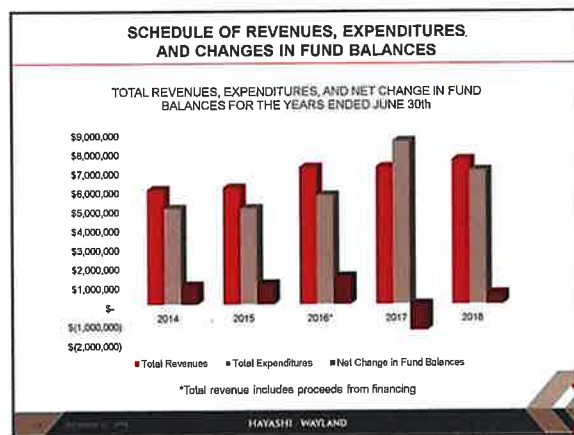
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HAYASHI | WAYLAND

# QUESTIONS?

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**CITY OF SAND CITY  
RESOLUTION SC \_\_\_\_, 2018**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY ACCEPTING  
THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018  
AND INDEPENDENT AUDITOR'S REPORT**

**WHEREAS**, the City of Sand City has completed financial transactions for the fiscal year ending June 30, 2018; and

**WHEREAS**, prudent financial management, along with State and Federal regulations, dictate that an independent financial audit be conducted on the City's yearly financial transactions; and

**WHEREAS**, the City of Sand City has contracted with the accounting firm of Hayashi & Wayland for accounting/audit services; and

**WHEREAS**, Hayashi & Wayland have the necessary qualifications and have full access to all City/Successor Agency financial records to conduct an audit of the City's finances for this year; and

**WHEREAS**, Hayashi & Wayland have worked with City staff in auditing the financial records of the City for fiscal year ended June 30, 2018; and

**WHEREAS**, in the Auditor's opinion, the enclosed financial statements do present fairly, in all material respects a clean opinion of the financial position of the City of Sand City as of June 30, 2018, and the changes in its financial position for the year ended in conformity with accounting principles generally accepted in the United States of America; and

**WHEREAS**, it is noted in these Statements that the City of Sand City has been following the provisions of Governmental Accounting Standards Board (GASB) Statements that pertains to local governments, and these audited financial statements were prepared in compliance with these new accounting standards; and

**WHEREAS**, on November 13, 2018, the Auditors and Budget Committee reviewed with City staff the attached financial statements for fiscal year ending June 30, 2018 and the Budget Committee is recommending acceptance of the documents by the full City Council.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sand City as follows:

1. That the attached financial statements are hereby accepted.
2. That City staff are authorized to use this final audit as the City's financial record for the fiscal year ended June 30, 2018.

**PASSED AND ADOPTED**, at a regular meeting of the City Council of the City of Sand City, this \_\_\_\_ day of December, 2018 by the following votes:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

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Mary Ann Carbone, Mayor

ATTEST:

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Linda K. Scholink, City Clerk



## HAYASHI | WAYLAND

November 15, 2018

The Honorable Mayor and City Council  
City of Sand City  
Sand City, California

We are pleased to present this report related to our audit of the basic financial statements and compliance of the City of Sand City (the City) for the year ended June 30, 2018. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City of Sand City's financial and compliance reporting process. Also included is a summary of recently issued accounting standards that may affect future financial reporting by the City of Sand City.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are, significant and relevant to your responsibility to oversee the financial reporting process.

### **Our Responsibilities with regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States have been described to you in our arrangement letter dated February 22, 2018. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in this letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated February 22, 2018 regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

### **Accounting Policies and Practices**

#### **Preferability of Accounting Policies and Practices**

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.



### **Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. Following is a description of a significant accounting policy that was initially selected during the year.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45 and No. 57 related to postemployment benefits other than pensions. Statement No. 75 establishes new accounting and financial reporting requirements for OPEB plans. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits (OPEB). The Statement establishes standards for measuring and recognizing liabilities/(assets), deferred outflows of resources and deferred inflows of resources and expense/expenditures. Note disclosures and required supplementary information requirements about OPEB are also addressed. The requirements of this Statement will improve the decision usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net OPEB liability/(asset) and a more comprehensive measure of OPEB expense. The City implemented this Statement in fiscal year 2018. As a result of this implementation, the City reported a prior period adjustment to net position in the amount of \$1,951,747 and recognized a net OPEB liability/(asset) and deferred outflows of resources and deferred inflows of resources associated with the OPEB liability/(asset) as of June 30, 2018.

### **Recently Issued Accounting Standards**

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements in this Statement are effective for fiscal years beginning after June 30, 2018.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements in this Statement are effective for fiscal years beginning after June 30, 2019.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use

an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 30, 2020.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledge as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City has no plans for early implementation of this Statement.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement established accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The City has no plans for early implementation of this Statement.

In August 2018, GASB issued Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those

governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement established that ownership of majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City has no plans for early implementation of this Statement.

#### **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The significant accounting estimates reflected in the City of Sand City's June 30, 2018 financial statements include the cost and liability/(asset) of other post employment benefits and the pension.

#### **Audit Adjustments**

Audit adjustments proposed by us and recorded by the City of Sand City are shown on the attached "Adjusting Journal Entries," and "Reclassification Journal Entries."

#### **Uncorrected Misstatements**

There were no uncorrected misstatements.

#### **Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

#### **Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

#### **Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

#### **Significant Difficulties Encountered in Performing the Audit**

We did not encounter any significant difficulties in dealing with management during the audit.



**Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting**

When significant deficiencies and material weaknesses are identified during our audit of the financial statements, we are required to communicate them to you in writing. For the year ended June 30, 2018 a letter was not required.

**Certain Written Communications between Management and Our Firm**

We have requested certain representations from management that are included in the management representation letter dated November 15, 2018.

This report is intended solely for the information and use of the City Council and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the City of Sand City.

Sincerely,

*Hayashi Wayland, LLP*



**City of Sand City**  
**Year End: June 30, 2018**  
**Adjusting Journal Entries**  
**Date: 7/1/2017 To 6/30/2018**  
**Account No: AJE-01 To AJE-99**

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg		
Net Income (Loss) Before Adjustments							455,210.00			
AJE-01	6/30/2018	Fair Market Value Adjustment	10-1009-000 GF01	1021		9,861.00				
AJE-01	6/30/2018	Unrealized Gain/Loss on LAIF	10-4425-000 GF01	1021	9,861.00					
To adjust fair market value to actual.					9,861.00	9,861.00	445,349.00	(9,861.00)		
AJE-02	6/30/2018	Sales Tax Receivable	10-1115-000 GF01			100,480.00				
AJE-02	6/30/2018	TRANSACTION TAX RECEIVABLE	10-1116-000 GF01			80,927.00				
AJE-02	6/30/2018	DEFERRED REVENUE	10-2050-000 GF01		65,080.00					
AJE-02	6/30/2018	DEFERRED REVENUE	10-2050-000 GF01		69,427.00					
AJE-02	6/30/2018	Sales/Use Tax	10-4030-000 GF01		42,845.00					
AJE-02	6/30/2018	Transaction tax	10-4032-000 GF01		15,170.00					
AJE-02	6/30/2018	SALE/TRANS TAX	10-5023-003 01			7,445.00				
AJE-02	6/30/2018	SALE/TRANS TAX	10-5023-003 01			3,670.00				
To adjust sales tax and transaction tax for the final payment received for June 30,2018					192,522.00	192,522.00	398,449.00	(46,900.00)		
AJE-03	6/30/2018	ACCUMULATED DEPRECIATION	60-1300-000 G34G	4004		11,632.00				
AJE-03	6/30/2018	Unappropriated Fund Balance	60-3400-000 G34G	4004		672,881.00				
AJE-03	6/30/2018	Investment in Fixed Assets	60-3600-000 G34G	4004	672,881.00					
AJE-03	6/30/2018	DEPRECIATION EX	60-7000-000 G34G	4004	11,632.00					
To record accurate depreciation for FY17-18 and close out prior year depreciation.					684,513.00	684,513.00	386,817.00	(11,632.00)		
AJE-04	6/30/2018	ROPS - Deferred Revenue	40-2050-000 OF			230,000.00				
AJE-04	6/30/2018	RPTTF	40-4007-000 OF		230,000.00					
To adjust Successor Agency deferred revenue for November 2018 bond payments received by 06/30/2018					230,000.00	230,000.00	156,817.00	(230,000.00)		
AJE-05	6/30/2018	Land	40-1291-000 OF			831,322.00				
AJE-05	6/30/2018	Transfer Out	40-5990-000 OF		831,322.00					
AJE-05	6/30/2018	Land	60-1290-000 G34G		831,322.00					
AJE-05	6/30/2018	Investment in Fixed Assets	60-3600-000 G34G			831,322.00				
To record transfer of land from the Successor Agency to City					1,662,644.00	1,662,644.00	(674,505.00)	(831,322.00)		
AJE-06	6/30/2018	Cash Balance	10-1099-000 GF01		14,913.00					
AJE-06	6/30/2018	TRANSFER IN	10-4990-000 GF01			14,913.00				
AJE-06	6/30/2018	Cash Balance	31-1099-000 SRF01			13,150.00				
AJE-06	6/30/2018	gas tax maint	31-5305-011 SRF01		13,150.00					
AJE-06	6/30/2018	Cash Balance	35-1099-000 SRF01			1,763.00				
AJE-06	6/30/2018	St. Lighting	35-5855-008 SRF01		1,763.00					
To record transfer from special revenue fund to general fund for street expenditures.					29,826.00	29,826.00	(674,505.00)	0.00		
							<b>2,809,366.00</b>	<b>2,809,366.00</b>	<b>(674,505.00)</b>	<b>(1,129,715.00)</b>

**City of Sand City**  
**Year End: June 30, 2018**  
**Reclassification Journal Entries**  
**Date: 7/1/2017 To 6/30/2018**  
**Account No: RJE-01 To RJE-04**

Number	Date	Name	Account No	Debit	Credit	Net Income (Loss)	Amount Chg
Net Income (Loss) Before Adjustments						(674,505.00)	
RJE-01	6/30/2018	Cash Balance	10-1099-000 GF01		26,017.00		
RJE-01	6/30/2018	Measure X/TAMC Sales Tax for Street	10-4302-011 11	26,017.00			
RJE-01	6/30/2018	Cash Balance	31-1099-000 SRF01		1,770.00		
RJE-01	6/30/2018	RMRA-ROAD MAINT	31-4306-011 SRF01	1,770.00			
RJE-01	6/30/2018	Cash Balance	37-1099-000 SRF-02	1,770.00			
RJE-01	6/30/2018	RMRA-Road Maintenance	37-4306-011 SRF-02		1,770.00		
RJE-01	6/30/2018	Cash Balance	38-1099-000 SRF-03	26,017.00			
RJE-01	6/30/2018	Measure X revenue	38-4302-011 SRF-03		26,017.00		
To reclass RMRA and Measure X revenue required to be in a separate fund to their own funds.				55,574.00	55,574.00	(674,505.00)	0.00
				<b>55,574.00</b>	<b>55,574.00</b>	<b>(674,505.00)</b>	<b>0.00</b>



## HAYASHI | WAYLAND

### Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheet

The Honorable Mayor and City Council  
City of Sand City  
Sand City, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Sand City, California for the year ended June 30, 2018. These procedures, which were agreed to by the City of Sand City, California and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist the City of Sand City, California in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution.

The City of Sand City's management is responsible for the Appropriations Limit Worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the computations of the appropriation limit and compared the limit and annual adjustment factors included in the computation to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned computation to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Worksheet, we added line A, last year's limit, to line E, total adjustments, and compared the resulting amount to line F, this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Worksheet to the adjustment factors provided by the County.

Finding: No exceptions were noted as a result of our procedures.



4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: The prior year appropriation limit presented in the accompanying Appropriations Limit Worksheet did not agree to the prior year appropriations limit adopted by the City Council in the prior year, which led to an understatement of the 2017-2018 limit by \$1,438,988.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII B of the California Constitution.

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

November 15, 2018

*Hayashi Wayland, LLP*



**CITY OF SAND CITY  
 APPROPRIATIONS LIMIT  
 FISCAL YEAR 2017 – 2018**

	<u>ORIGINAL</u>	<u>CORRECT</u>
A. LAST YEAR'S LIMIT	\$ 10,332,281	\$ 11,705,973
B. ADJUSTMENT FACTORS		
1. Population ratio	1.0369	1.0369
2. Inflationary ratio	<u>1.0001</u>	<u>1.0001</u>
Total adjustment ratio	<u>1.0473</u>	<u>1.0473</u>
C. ANNUAL ADJUSTMENT	\$ 488,397	553,693
D. OTHER ADJUSTMENTS:		
Lost responsibility (-)	-	-
Transfer to private (-)	-	-
Transfer to fees (-)	-	-
Assumed responsibility (+)	<u>-</u>	<u>-</u>
Subtotal other adjustments	\$ -	-
E. TOTAL ADJUSTMENTS	<u>488,397</u>	<u>553,693</u>
F. THIS YEAR'S LIMIT	<u>\$ 10,820,678</u>	<u>\$ 12,259,666</u>



**CITY OF SAND CITY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2018**  
**AND INDEPENDENT AUDITORS' REPORT**

**CITY OF SAND CITY**

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**CITY OF SAND CITY**

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**CITY OF SAND CITY**

June 30, 2018

**Members of the City Council**

<b><u>Name</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
Mary Ann Carbone	Mayor	November, 2018
Jerry Blackwelder	Vice Mayor	November, 2018
Craig Hubler	Council Member	November, 2018
Gregory Hawthorne	Council Member	November, 2020
Kristen McDaniel	Council Member	November, 2020

**City Staff**

<b><u>Name</u></b>	<b><u>Office</u></b>
Todd Bodem	City Administrator
Brian Ferrante	Chief of Police
Linda Scholink	Administrative Services Director
Vibeke Norgaard	City Attorney



## HAYASHI | WAYLAND

### INDEPENDENT AUDITORS' REPORT

**The Honorable Mayor and City Council  
City of Sand City  
Sand City, California**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Sand City*, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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



### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Sand City** as of June 30, 2018, and the respective changes in financial position 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 on pages 4 through 11, the Budgetary Comparison Schedule on pages 48 through 49, , the Schedule of Proportionate Share of the Net Pension Liability on page 50, the Schedule of Contributions – Pension on page 51, the Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios on page 52, and the Schedule of Contributions – OPEB on page 53 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018 on our consideration of the **City of Sand City's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the **City of Sand City's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **City of Sand City's** internal control over financial reporting and compliance.

November 15, 2018

*Hayashi Wayland, LLP*

**CITY OF SAND CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2018**

The discussion and analysis of the City of Sand City's financial performance provides an overview and analysis of the City's financial activities for the year ended June 30, 2018. It should be read in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Sand City exceeded its liabilities at the close of the year ended June 30, 2018 by \$27 million. However, \$12 million is a net investment in capital assets, and \$10 million is a noncurrent receivable due from the Successor Agency.
- The City of Sand City's total net position increased by \$1.3 million, \$831,000 of which is due to a land transfer from the Successor Agency.
- The assets and liabilities include \$543,000 that is due to TAMC in regards to a development project.
- A prior period adjustment in the amount of \$1.9 million was made to increase beginning net position due to the implementation of GASB 75.
- At the close of the year ended June 30, 2018, the City of Sand City's governmental funds reported combined ending fund balances of \$17 million, \$10 million of which is a noncurrent receivable. The net change in fund balances was an increase of \$564,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis serves as an introduction to the City's financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base, and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.) to assess the overall health or financial condition of the City.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Government-wide Financial Statements (Continued)

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

The government-wide financial statements include all the governmental activities of the City. The governmental activities of the City include public safety, streets, parks, planning, community development and general administration. The City does not operate any business-type activities.

The government-wide financial statements can be found on pages 12 and 13 of this report.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City can be divided into two categories, governmental funds and fiduciary funds:

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

*Fiduciary Funds* – These funds are used to account for resources held for the benefit of parties outside the government. It is in these funds that the City accounts for the former assets and liabilities of the Redevelopment Agency that were transferred to a Successor Agency. Fiduciary funds are not included in the government-wide statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The City maintains two individual governmental funds. Information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be a major fund. Data from the other governmental fund is presented as other governmental funds.

The fund financial statements can be found on pages 14 to 19 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 47 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's net position increased by \$1.3 million in fiscal year 2017–2018 from fiscal year 2016–2017. The City's net investment in assets of \$12 million is used to provide services to citizens; consequently, these assets are not available for future spending. Another \$10 million is a noncurrent receivable leaving approximately \$5 million available for operations.

GASB 75 was implemented in fiscal year 2018. Prior year amounts below were not restated to reflect the implementation.

### Summary of Net Position (Rounded to the nearest \$1,000) For the Year Ended June 30

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Current and other assets	\$ 19,039,000	\$ 17,585,000	\$ 1,454,000
Capital assets	<u>12,096,000</u>	<u>11,356,000</u>	<u>740,000</u>
Total assets	<u>31,135,000</u>	<u>28,941,000</u>	<u>2,194,000</u>
Deferred outflows of resources	<u>2,480,000</u>	<u>1,618,000</u>	<u>862,000</u>
Current and other liabilities	839,000	193,000	646,000
Long-term liabilities	<u>5,533,000</u>	<u>6,226,000</u>	<u>(693,000)</u>
Total liabilities	<u>6,372,000</u>	<u>6,419,000</u>	<u>(47,000)</u>
Deferred inflows of resources	<u>240,000</u>	<u>431,000</u>	<u>(191,000)</u>
Net Investment in capital assets	12,040,000	11,284,000	756,000
Restricted for –			
Streets/roads	29,000	2,000	27,000
Unrestricted	<u>14,934,000</u>	<u>12,423,000</u>	<u>2,511,000</u>
Total net position	<u>\$ 27,003,000</u>	<u>\$ 23,709,000</u>	<u>\$ 3,294,000</u>

Current assets increased due to an increase in cash and investments as revenue exceeded expenditures, the \$543,000 being held that is due to TAMC, and the net OPEB asset of \$379,000.

Capital assets and net investment in capital assets increased due to depreciation of \$684,000 offset by net capital additions of \$1.4 million.

Deferred outflow of resources and deferred inflow of resources changed due to the implementation of GASB 75.

Current and other liabilities increased due to the amount being held for TAMC.

Long-term liabilities decreased due to a decrease of \$1.3 million in the OPEB obligation offset by an increase of \$621,000 in the pension liability.

The increase in restricted for Streets/Roads is due to a new restricted revenue source, Measure X.

Unrestricted net position increased due to a prior period adjustment in the amount of \$1.9 million and the change in net position, which is described on the following page.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Change in Net Position (Rounded to the nearest \$1,000)  
For the Year Ended June 30**

GASB 75 was implemented in fiscal year 2018, prior year amounts below were not restated to reflect the implementation.

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,651,000	\$ 1,702,000	\$ (51,000)
Operating grants and contributions	156,000	156,000	-
Capital grants and contributions	116,000	-	116,000
General revenues:			
Property taxes	216,000	151,000	65,000
Sales and transaction taxes	4,912,000	4,802,000	110,000
Other taxes	294,000	267,000	27,000
Investment earnings	<u>74,000</u>	<u>33,000</u>	<u>41,000</u>
Total revenues	<u>7,419,000</u>	<u>7,111,000</u>	<u>308,000</u>
Expenses:			
General government	1,893,000	1,728,000	165,000
Public safety	3,050,000	2,850,000	200,000
Public works	1,449,000	1,255,000	194,000
Community development	498,000	494,000	4,000
Parks	15,000	35,000	(20,000)
Interest on long-term debt	<u>3,000</u>	<u>4,000</u>	<u>(1,000)</u>
Total expenses	<u>6,908,000</u>	<u>6,366,000</u>	<u>542,000</u>
Transfer of land from Successor Agency	<u>831,000</u>	<u>-</u>	<u>831,000</u>
Change in net position	1,342,000	745,000	597,000
Net position, beginning of year, as restated	<u>25,661,000</u>	<u>22,964,000</u>	<u>2,697,000</u>
Net position, end of year	<u>\$ 27,003,000</u>	<u>\$ 23,709,000</u>	<u>\$ 3,294,000</u>

The decrease in charges for services is due to a decrease in numerous categories such as administrative fees from the Successor Agency, funds for the Art Committee and the Mayor's Retirement.

The increase in property taxes is due to completion of new housing.

The increase in sales and transactions taxes is due to an increase in sales within the City.

The increase in other taxes is due to Measure X.

The increase in investment earnings is due to an increase in both the balance in investments and the rate of return.



## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The increase in general government public safety and public works expenses is mainly due to the change in pension and OPEB costs.

The decrease in parks is due to a decrease in contract services.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** – At June 30, 2018, the City’s net investment in capital assets amounted to \$12 million, (net of accumulated depreciation) a net increase of \$756,000 over the prior year due to depreciation offset by the purchase of equipment, vehicles and infrastructure and the transfer of land from the Successor Agency. Capital assets included land, land improvements, infrastructure, buildings, equipment, vehicles, furniture and fixtures and construction in progress.

**Debt Administration** – At June 30, 2018, the City had \$5.5 million in long-term debt. Net change to debt during the year was an increase of \$660,000 due to the increase of the pension obligation.

## **FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements.

At the end of the current fiscal year, the City’s governmental funds reported a total fund balance of \$17 million. This fund balance includes a noncurrent receivable of \$10 million. The General Fund has an unassigned fund balance of \$5 million.

During the current fiscal year, the fund balance of the City’s General Fund increased \$537,000.

## **FUND BUDGETARY HIGHLIGHTS**

**General Fund** – The original budgeted revenues were decreased by \$130,000 due to a decrease of the developer fees. The actual revenues were over budget by \$130,000 due to sales and transaction taxes being more than budgeted.

The original budgeted expenditures were decreased by \$914,000 due to decreases in all activities. The actual expenditures were under budget by \$187,000 due to being under budget in all activities but capital outlay.

## **ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The City of Sand City has seen a property tax value increase of 25.67%, from \$ 271,337,059 in 2016-2017 to \$340,996,489 in 2017-2018. This increase is due mainly to the re-assessment of the Ghandour site. There are some questions as to if this re-assessment will stay on the tax rolls as it is, or may be challenged in the near future. The 18-19 fiscal year is expecting around an 8% property tax value increase primarily due to the sale of the 10 houses known as the Bungalows in the East Dunes.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)**

The Budget for fiscal year 18-19 is anticipating additional revenues over the 17-18 budget, due to expectations of additional sales/use tax, transaction tax, and a small increase in Grant funding. The main increases in the expenditures for 18-19 are projected in the police department and the general department, with the largest increase in the capital outlay account due to the anticipated new wells construction that will help increase the desalination plant production.

The Vibrancy Plan is close to being completed. The primary goal of the Sand City Vibrancy Plan is to continue to recreate the West End as a vibrant pedestrian friendly destination, and should be moving towards the next steps of holding workshops with the Technical Advisory Committee and the City Council. The final draft will include a plan and prioritize future actions and is expected to be on the City Council agenda by early 2019 for final approval and implementation.

The City's development continues moving forward. The development known as "Bungalows at East Dunes," a residential development of ten (10) single-family homes that were completed in 2017, where eight of ten houses have now been sold.

The "Orosco Group", developer for the South of Tioga project, is expected to be completed in three (3) phases. The hotel development will be situated on 2.18 acres within the Project area and expected to include 216 guest rooms. The development plans will also provide hotel parking, recreational facilities, meeting and dining room, kitchen, office, laundry, and other facilities to serve hotel guests. A portion of the hotel development is anticipated to operate as an extended stay hotel, with 135 guest rooms allocated for extended stay purposes. There are two multi-family residential developments planned for the Project area. The residential component will include 356 units (scaled down from 420 units) and includes 52 units to be classified as affordable housing. One of the residential developments is situated on 1.78 acres and will include up to 125 residential units. The current development plan is that approximately 50% of the residential units within the Residential 1 building will be developed as "for sale" condominium properties and the other 50% of the residential units will be developed as rental properties. The Residential 2 development is situated on 3.70 acres and will include up to 231 residential units. Residential 2 developments will include a parking garage, recreational facilities, meeting room, and office and storage areas. The current residential plan development 2 anticipates that all of the residential units will be developed as rental properties. Once this project is completed this will more than double the population of Sand City.

Phase 1 consists of the public improvements; completion of new public streets and rights of way, utility and infrastructure installation, and preparation of development pads on each of the Vested Tentative Maps, (VTM) newly created parcels. Phase 2 consists of one (1) hotel with hotel parking. Phase 3 consists of two multi-family residential developments. Phase 1 will be completed by the applicant, and is anticipated to take place in 2019. Phase 2 is projected to be complete in 2019-2020, with the residential project following as Phase 3 in either 2019-2020 or 2020-2021. This project will add additional property tax revenue currently projected over \$300,000 annually, transient occupancy tax projected over \$1,000,000 annually once completed, and sales/use tax bringing in approximately \$225,000 annually to the City coffers.

The Collections at Monterey Bay (King Ventures) is working with the California Coastal Commission on removal cleanup of the debris fronting the entire development site, emergency vehicle access, and setback/reconfiguration of Tioga. The Final EIR was approved by the City in December of 2013. The City approved Coastal development permit was appealed to the Coastal Commission, where the project developer is now working with the Commission staff. No date has been set for a hearing with the Coastal Commission. This project originally proposed 340 hotel rooms comprised of studios, 1 & 2 bedroom suites on approximately 26 + Acres. The first phase included 105-room vacation club units. The second phase, (which could be included with the first phase depending on market conditions) is proposed to be 235 room resort and conference center. This is subject to change by the Coastal Commission.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (Continued)**

The Monterey Bay Shores Eco-Resort (MBSR) project had a ground breaking ceremony in February of 2018. This project is a City beachfront hotel-resort with spectacular views and is touted as the model of environmental sensitivity by a developer. This is a mixed use resort, celebrating the existing historic dunes and natural marine environment, and will improve and restore the ecosystem functionally, bio-diversity and community. The MBSR is a 368 unit upscale resort consisting of 184 rooms' hotel, spa, conference facilities, 92 condominium hotel units and 92 residential condominiums. Once construction is completed, the MBSR will provide an estimated 250 permanent jobs. There was some preliminary grading done in 2018 and the commencement of the water line extension is anticipated to be completed in 2019. Expectations are this project will begin construction in 2019-2020 or soon thereafter.

New openings have occurred in the Edgewater shopping center including the opening of 5-Guys Burgers in July of 2018 replacing Papa Chanos, the Habit Burger replacing Burger King restaurant in July of 2018. Home Goods replaced the vacancy left by Sports Authority in May of 2017. At this time the Edgewater shopping center is close to being totally leased out. The Sand Dollar shopping center is fully leased with the expectations that Orchard Supply will no longer be in business as 2019 arrives. The sales at the two shopping centers have remained steady over the past few years. The City is aware of the strong increase in internet sales and is closely watching the shopping centers and their retail sales.

Other projects being worked on in Sand City include the Sand City Water Supply Project (SCWSP) Phase 1 New Intake Wells. This project involves the construction of up to six new intake wells and associated infrastructure in phases to support operation of the City's reverse-osmosis desalination plant (RO plant). Phase 1 includes the construction of 3 new intake wells that will draw brackish water from the subsurface aquifer and will be used in conjunction with the existing four intake wells to provide a water quantity and quality sufficient to support the RO plant operation.

The City of Sand City received Proposition 1 grant funding from the State Water Resources Control Board to provide technical assistance for the development of a water resource project that provides benefit in the areas of water quality, water supply, and community benefit. The technical assistance team, in conjunction with the City, has developed a conceptual project involving the reconstruction of Contra Costa Street and Catalina Street in Sand City to incorporate a mix of grey/green and Low Impact Development (LID) infrastructure to reduce flooding, improvement water quality, and enhance the community.

The Coastal Access Repair Project - West Bay Street involves the repair of an observation platform, wooden boardwalks, and storm drainage infrastructure that was damaged during the winter storms of January and February 2017. The City applied for and received funding from FEMA and CalOES for the project and anticipates construction of the project in late 2018 or early 2019.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Sand City, 1 Pendergrass Way, Sand City, California 93955.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF SAND CITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

**ASSETS**

Cash and cash equivalents	\$ 1,007,145
Investments	6,599,038
Receivables	76,692
Receivables from other governments	728,620
Loans due from Successor Agency	10,249,173
Net OPEB asset	379,000
Capital assets, net:	
Nondepreciable	2,104,752
Depreciable	<u>9,990,832</u>
Total assets	<u>31,135,252</u>

**DEFERRED OUTFLOWS OF RESOURCES**

PERS contributions	1,006,454
Deferred pension adjustments	1,157,087
OPEB contributions	<u>316,000</u>
Total deferred outflows of resources	<u>2,479,541</u>

**LIABILITIES**

Accounts payable	229,354
Due to other governments	543,422
Accrued liabilities	25,863
Developer fees received in advance	40,150
Noncurrent liabilities:	
Due within one year	92,831
Due in more than one year	<u>5,440,312</u>
Total liabilities	<u>6,371,932</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred pension adjustments	185,943
Deferred OPEB adjustments	<u>54,000</u>
Total deferred inflows of resources	<u>239,943</u>

**NET POSITION**

Net investment in capital assets	12,038,916
Restricted for streets and roads	29,157
Unrestricted	<u>14,934,845</u>
Total net position	<u>\$ 27,002,918</u>

See Notes to the Basic Financial Statements.

**CITY OF SAND CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b><u>FUNCTIONS/PROGRAMS</u></b>					
Governmental activities:					
General government	\$ 1,893,318	\$ 1,441,556	\$ 12,500	\$ -	\$ (439,262)
Public safety	3,049,709	10,034	143,251	-	(2,896,424)
Public works	1,449,205	7,358	-	116,407	(1,325,440)
Community development	497,809	191,531	-	-	(306,278)
Parks	15,503	-	-	-	(15,503)
Interest on long-term debt	2,774	-	-	-	(2,774)
Total governmental activities	<u>\$ 6,908,318</u>	<u>\$ 1,650,479</u>	<u>\$ 155,751</u>	<u>\$ 116,407</u>	<u>(4,985,681)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					216,493
Sales tax					2,601,571
Transaction tax					2,310,595
Utility user's tax					144,135
Franchise taxes					108,694
Gas taxes					13,430
Road maintenance and rehabilitation					1,770
Measure X					26,017
Investment earnings					<u>73,833</u>
Total general revenues					<u>5,496,538</u>
TRANSFER OF LAND FROM SUCCESSOR AGENCY					<u>831,322</u>
CHANGE IN NET POSITION					1,342,179
NET POSITION, BEGINNING OF YEAR, AS RESTATED					<u>25,660,739</u>
NET POSITION, END OF YEAR					<u>\$ 27,002,918</u>

See Notes to the Basic Financial Statements.



**CITY OF SAND CITY**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 979,358	\$ 27,787	\$ 1,007,145
Investments	6,599,038	-	6,599,038
Receivables	76,692	-	76,692
Receivables from other governments	727,250	1,370	728,620
Loans due from Successor Agency	<u>10,249,173</u>	<u>-</u>	<u>10,249,173</u>
Total assets	<u>18,631,511</u>	<u>29,157</u>	<u>18,660,668</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	229,354	-	229,354
Due to other governments	543,422	-	543,422
Accrued liabilities	25,863	-	25,862
Developers fees paid in advance	<u>40,150</u>	<u>-</u>	<u>40,150</u>
Total liabilities	<u>838,789</u>	<u>-</u>	<u>838,789</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred tax revenue	3,469	-	3,469
Deferred interest on Successor Agency loans	<u>774,766</u>	<u>-</u>	<u>774,766</u>
Total deferred inflows of resources	<u>778,235</u>	<u>-</u>	<u>778,235</u>
<b><u>FUND BALANCES</u></b>			
Nonspendable – Noncurrent receivable	10,415,876	-	10,415,876
Restricted – Street and roads	-	29,157	29,157
Committed: Tioga beach	120,000	-	120,000
OPEB Funding	142,244	-	142,244
Contracts	1,146,282	-	1,146,282
Unassigned	<u>5,190,085</u>	<u>-</u>	<u>5,190,085</u>
Total fund balances	<u>17,014,487</u>	<u>29,157</u>	<u>17,043,644</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,631,511</u>	<u>\$ 29,157</u>	<u>\$ 18,660,668</u>

See Notes to the Basic Financial Statements.

**CITY OF SAND CITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ 17,043,644
Amounts reported in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	12,095,584
Amounts paid to the trust for other post-employment benefits in excess of the required contributions, the net OPEB asset, are not financial resources and therefore are not reported in the funds.	379,000
Other assets are not available to pay for the current period expenditures and therefore are deferred in the funds.	778,235
Deferred outflows and inflows of resources associated with net pension and OPEB are not financial resources and therefore are not reported in the funds:	
Deferred outflows	2,479,541
Deferred inflows	(239,943)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(5,533,143)</u>
NET POSITION	<u>\$ 27,002,918</u>

See Notes to the Basic Financial Statements.

**CITY OF SAND CITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>REVENUES:</b>			
Property taxes	\$ 216,493	\$ –	\$ 216,493
Sales tax	2,666,651	–	2,666,651
Transaction tax	2,380,022	–	2,380,022
Utility user's tax	144,135	–	144,135
Franchise taxes	108,694	–	108,694
Business licenses	480,029	–	480,029
Licenses and permits	126,162	–	126,162
Fines, forfeits and penalties	4,868	1,264	6,132
Charges for current services	103,641	–	103,641
Revenue from other agencies	263,381	41,217	304,598
Investment earnings	73,833	–	73,833
Rental income	866,571	–	866,571
Other revenue	<u>76,721</u>	<u>–</u>	<u>76,721</u>
<b>Total revenues</b>	<u>7,511,201</u>	<u>42,481</u>	<u>7,553,682</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General government	1,915,297	–	1,915,297
Public safety	3,038,756	–	3,038,756
Public works	897,021	–	897,021
Community development	513,985	–	513,985
Parks	14,688	–	14,688
<b>Debt service:</b>			
Principal	15,492	–	15,492
Interest and other charges	2,774	–	2,774
Capital outlay	<u>591,361</u>	<u>–</u>	<u>591,361</u>
<b>Total expenditures</b>	<u>6,989,374</u>	<u>–</u>	<u>6,989,374</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>521,827</u>	<u>42,481</u>	<u>564,308</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	14,913	–	14,913
Transfers out	<u>–</u>	<u>(14,913)</u>	<u>(14,913)</u>
<b>Total other financing sources (uses)</b>	<u>14,913</u>	<u>(14,913)</u>	<u>–</u>
<b>NET CHANGE IN FUND BALANCES</b>	536,740	27,568	564,308
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>16,477,747</u>	<u>1,589</u>	<u>16,479,336</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 17,014,487</u>	<u>\$ 29,157</u>	<u>\$ 17,043,644</u>

See Notes to the Basic Financial Statements.

**CITY OF SAND CITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

NET CHANGE IN FUND BALANCES	\$	564,308
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:		
Capital outlay		591,361
Current year depreciation		(683,775)
Transfer of land from the Successor Agency		831,322
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		
		(134,507)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, it has no effect on net assets. In the current period the amount is:		
Principal payments on long-term debt		15,492
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated absences		(54,437)
Current year OPEB cost difference		43,000
Current year pension cost difference		<u>169,415</u>
CHANGE IN NET POSITION	\$	<u>1,342,179</u>

See Notes to the Basic Financial Statements.

**CITY OF SAND CITY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**ASSETS:**

Cash and cash equivalents	\$ 1,117,688
Investments	6,322,183
Capital assets, net:	
Nondepreciable	1,127,500
Depreciable	<u>2,555</u>
Total assets	<u>8,569,926</u>

**LIABILITIES:**

Developer fees received in advance	1,455,000
Noncurrent liabilities:	
Due within one year	5,445,000
Due in more than one year	<u>15,224,173</u>
Total liabilities	<u>22,124,173</u>

**DEFERRED INFLOWS OF RESOURCES –**

Deferred ROPS revenue	<u>797,274</u>
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**NET POSITION –**

Enforceable obligations	<u>(14,351,521)</u>
Total net position (deficit)	<u>\$ (14,351,521)</u>

See Notes to the Basic Financial Statements.

**CITY OF SAND CITY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**ADDITIONS:**

Property taxes	\$ 995,636
Interest income	<u>40,691</u>
Total additions	<u>1,036,327</u>

**DEDUCTIONS:**

Administrative expenses	141,594
Legal expenses	14,916
Contract services	21,540
Interest expense	373,835
Seaside settlement	364,522
Transfer of land to the City	831,322
Depreciation	<u>1,614</u>
Total deductions	<u>1,749,343</u>

NET DECREASE	(713,016)
NET POSITION, (DEFICIT) BEGINNING OF THE YEAR	<u>(13,638,505)</u>
NET POSITION, (DEFICIT) END OF THE YEAR	<u>\$ (14,351,521)</u>

See Notes to the Basic Financial Statements.

**CITY OF SAND CITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** – The City of Sand City (the City), California, was incorporated as a general law city on May 31, 1960. On November 2, 1992, the citizens passed a measure to establish Sand City as a Charter City. The City operates under a city council – administrator form of government and provides a wide range of municipal services. The City is not financially accountable for any other organization.

**Basis of Presentation and Accounting** – The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate fund based financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The City has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Ad valorem, franchise and sales tax revenues are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with the prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City reports the following major governmental fund –

*General Fund*, accounts for the City’s primary services (Public Safety, Public Works, Parks, etc.) and is the primary operating unit of the City.

Additionally, the City reports the following fund type –

*Fiduciary Funds* include the Successor Agency. This fund was established as a result of the dissolution of the Redevelopment Agency and is used to account for assets held by the City in a trustee capacity.

**Fair Value** – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City’s investments are level one.

**Cash, Cash Equivalents and Investments** – The City follows the practice of pooling cash and investments of all funds. Investments of the pooled cash consist of deposits with the Local Agency Investment Fund and are accounted for at fair market value. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average daily balance of cash of each fund. The City considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Receivables and Deferred Inflows of Resources** – Receivables are amounts due representing revenues earned or accrued in the current period. Receivables which have not been remitted within 60 days subsequent to year end are offset by deferred inflows of resources, and accordingly have not been recorded as revenue in the governmental fund. When the revenue becomes available, the revenue is recognized in the governmental fund. Deferred inflows are detailed on the Balance Sheet.

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The allowance is based on an assessment of the current status of individual accounts. At June 30, 2018, the allowance was estimated to be zero.

**Capital Assets** – Property, facilities, equipment and infrastructure purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at acquisition value at the time received. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for equipment; \$25,000 for facilities and improvements, \$150,000 for infrastructure and all land, and an estimated useful life in excess of one year.

Property, facilities, equipment and infrastructure is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Improvements	5–20 Years
Equipment	5–10 Years
Vehicles	8 Years
Furniture and Fixtures	10 Years
Infrastructure	20–50 Years

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Compensated Absences** – Unused paid time off (PTO) which includes vacation, sick, and comp time may be accumulated up to 800 hours and is paid at the time of termination from City employment. Hours accumulated over the 800 hours are paid out as compensation at the end of each calendar year. PTO is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Interfund Activity** – During the course of operations, transactions occur between individual funds that result in amounts owed between funds, which are classified as “due to/from other funds.” Eliminations have been made on the government-wide statements for amounts due to/from within the governmental funds.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-Term Obligations** – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the current period.

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

**Pensions** – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) 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.

**Other Postemployment Benefits (OPEB)** – For purposes of measuring the net OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

**Net Position** – The Statement of Net Position presents the City’s assets and deferred outflows of resources, and liabilities, and deferred inflows of resources with the difference reported as net position. Net position is reported in three categories.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction, or improvement of those assets.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- *Restricted* results when constraints placed on net positions use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* consist of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

**Fund Balances** – Fund balance classifications are based primarily on the extent to which the City is bound to honor constraints on the use of the resources reported in each governmental fund.

The City reports the following classifications:

- *Nonspendable* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as long term receivables or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
- *Restricted* – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints by taking some type of action (passage of a resolution). Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the City Council. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions or enabling legislation.
- *Assigned* – Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by (a) the City Administrator or (b) the City Council. The City Council has the authority to remove or change the assignment of the funds with a simple majority vote.
- *Unassigned* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property Tax Levy, Collection and Maximum Rates** – State of California (State) Constitution Article 13 provides for a maximum general property tax rate statewide of \$1 per \$100 of assessed value. Assessed value is calculated at 100% of market value as defined by the above referenced Article 13. The State Legislature has determined the method of distribution of receipts from \$1 tax levy among counties, cities, schools and other districts. Counties, cities and school districts may levy such additional tax rates as necessary to provide for voter approved debt service.

The County of Monterey assesses properties, bills for and collects property taxes, as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	January 1	January 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term “Unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property tax revenues are recorded in governmental funds as receivables and deferred revenues at the time the tax levy is billed. Current year revenues are those collected within the current period or soon enough thereafter to pay current liabilities, generally within sixty days of year-end. No allowance is provided for delinquent taxes as the lien is considered an enforceable legal obligation.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events** – Subsequent events have been evaluated through November 15, 2018, which is the date the financial statements were available to be issued.

**Effects of New Pronouncements** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45 and No. 57 related to postemployment benefits other than pensions. Statement No. 75 establishes new accounting and financial reporting requirements for OPEB plans. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits (OPEB). The Statement establishes standards for measuring and recognizing liabilities/(assets), deferred outflows of resources and deferred inflows of resources and expense/expenditures. Note disclosures and required supplementary information requirements about OPEB are also addressed. The requirements of this Statement will improve the decision usefulness of

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net OPEB liability/(asset) and a more comprehensive measure of OPEB expense. The City implemented this Statement in fiscal year 2018. As a result of this implementation, the City reported a prior period adjustment to net position in the amount of \$1,951,747 and recognized a net OPEB liability/(asset) and deferred outflows of resources and deferred inflows of resources associated with the OPEB liability/(asset) as of June 30, 2018.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The requirements of this Statement will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. The City implemented this Statement in fiscal year 2018. There was no significant impact to the City's financial statements due to this implementation.

In May 2017, GASB issued Statement No. 86 *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The City implemented this Statement in fiscal year 2018. There was no significant impact to the City's financial statements due to this implementation.

**NOTE 2. DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk-Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy that complies with California Government Code Section commencing at 53630 (Public Deposits). As of June 30, 2018, \$1,331,253 of the City's bank balances of \$1,581,253 was exposed to custodial credit risk as uninsured, but it's collateralized by the pledging bank's trust department not in the City's name.

**Investments** – The City's investments consist of the State Treasurer's Local Agency Investment Fund and certificates of deposit held with a local financial institution. All investments are recorded at fair market value. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agencies. The investment of state pooled funds is governed by State law, by policies adopted by the Pooled Money Investment Board (PMIB) and by accepted norms for prudent fiduciary management of investments. PMIB funds may be invested in a wide range of interest bearing securities, such as Treasury notes, prime commercial paper, certain California municipal and agency obligations, highly rated corporate bonds, obligations of such agencies as Fannie Mae, and negotiable certificates of deposit. Also allowed are time deposits in California

**NOTE 2. DEPOSITS AND INVESTMENTS (Continued)**

banks, savings and loans, and credit unions that have not less than a "satisfactory" CRA rating. The value of each participating dollar equals the fair value divided by the amortized cost. The City's fair value of the position in the pool is the same as the value of the pool shares. Investments at June 30, 2018 consisted of the following:

Local Agency Investment Fund	\$ 5,416,429
Certificates of Deposit	<u>1,182,609</u>
Total	<u>\$ 6,599,038</u>

As of June 30, 2018, all of the City's investments had a maturity of less than one year.

**NOTE 3. RECEIVABLES**

Receivables at June 30, 2018 for the City's individual major funds and nonmajor fund in the aggregate, are as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:			
Accounts	\$ 50,941	\$ -	\$ 50,941
Interest	<u>25,751</u>	<u>-</u>	<u>25,751</u>
Total	<u>\$ 76,692</u>	<u>\$ -</u>	<u>\$ 76,692</u>
Other Governments:			
Property taxes	\$ 3,469	\$ -	\$ 3,469
Sales tax	363,350	-	363,350
Transaction tax	343,763	-	343,763
Gas tax	-	1,370	1,370
Grants	<u>16,668</u>	<u>-</u>	<u>16,668</u>
Total	<u>\$ 727,250</u>	<u>\$ 1,370</u>	<u>\$ 728,620</u>

**NOTE 4. LOANS DUE FROM SUCCESSOR AGENCY**

The Redevelopment Agency (the Agency) received loans from the City to pay its share of administrative expenses, to make payments on non-tax incremental borrowings and to reimburse the City for payments made on Certificates of Participation. Upon dissolution of the Agency, these loans became the obligation of the Successor Agency. In addition, the City elected to be the Housing Successor Agency of the former Agency and in doing so, they will receive the funds borrowed by the Agency's Debt Service Fund from the Housing Fund to make the SERAF payments. Balances as of June 30, 2018 are as follows:

Operating Expenses	\$ 3,626,058
Costco/Seaside Agreements	4,650,000
COP Reimbursement	1,454,766
SERAF Receivable	<u>518,349</u>
Total	<u>\$ 10,249,173</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance 6/30/17	Additions and Transfers	Deletions and Transfers	Balance 6/30/18
Capital assets not being depreciated:				
Land	\$ 1,005,872	\$ 831,322	\$ -	\$ 1,837,194
Construction in progress	<u>434,915</u>	<u>87,315</u>	<u>254,672</u>	<u>267,558</u>
Total capital assets not being depreciated	<u>1,440,787</u>	<u>918,637</u>	<u>254,672</u>	<u>2,104,752</u>
Capital assets being depreciated:				
Infrastructure	4,518,558	690,456	-	5,209,014
Land improvements	441,563	-	-	441,563
Equipment	2,418,458	31,580	-	2,450,038
Vehicles	579,196	36,681	38,713	577,164
Buildings	8,538,775	-	-	8,538,775
Furniture and fixtures	<u>114,514</u>	<u>-</u>	<u>-</u>	<u>114,514</u>
Total capital assets being depreciated	<u>16,611,064</u>	<u>758,717</u>	<u>38,713</u>	<u>17,331,068</u>
Less accumulated depreciation for:				
Infrastructure	2,342,230	133,531	-	2,475,761
Land improvements	342,154	25,110	-	367,264
Equipment	1,820,083	233,168	-	2,053,251
Vehicles	361,460	81,317	38,713	404,064
Buildings	1,714,733	210,649	-	1,925,382
Furniture and fixtures	<u>114,514</u>	<u>-</u>	<u>-</u>	<u>114,514</u>
Total accumulated depreciation	<u>6,695,174</u>	<u>683,775</u>	<u>38,713</u>	<u>7,340,236</u>
Total capital assets being depreciated - net	<u>9,915,890</u>	<u>74,942</u>	<u>-</u>	<u>9,990,832</u>
Capital assets - net	<u>\$ 11,356,677</u>	<u>\$ 993,579</u>	<u>\$ 254,672</u>	<u>\$ 12,095,584</u>

**NOTE 5. CAPITAL ASSETS (Continued)**

Depreciation expense for the year ending June 30, 2018 was charged to functions/programs of the primary government as follows:

General government	\$ 39,988
Public safety	75,141
Public works	567,832
Parks	<u>814</u>
Total depreciation expense	<u>\$ 683,775</u>

**NOTE 6. LONG-TERM LIABILITIES**

**Capital Lease** – The City has a noncancelable capital lease agreement with a financial institution to finance the acquisition of a street sweeper. The lease meets the criteria of a capital lease since it transfers benefits and risks of ownership to the lessee at the end of the lease term and therefore has been recorded at the present value of future minimum lease payments at the date of the inception of the lease as follows:

**Street Sweeper** – The asset under the lease totals \$96,561 with accumulated depreciation of \$48,280 at June 30, 2018. Principal and interest payments of \$1,522 with interest at 4.26% are to be made monthly beginning October 6, 2015 and continuing until October 6, 2021.

Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 16,165	\$ 2,099	\$ 18,264
2020	16,868	1,396	18,264
2021	17,600	664	18,264
2022	<u>6,035</u>	<u>54</u>	<u>6,089</u>
Total	<u>\$ 56,668</u>	<u>\$ 4,213</u>	<u>\$ 60,881</u>



**NOTE 6. LONG-TERM LIABILITIES (Continued)**

General long-term liability balances and transactions for the fiscal year ended June 30, 2018 are as follows:

	<u>Balance</u> <u>6/30/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/18</u>	<u>Due Within</u> <u>One Year</u>
Capital Lease – Street sweeper	\$ 72,160	\$ –	\$ 15,492	\$ 56,668	\$ 16,165
Subtotal capital leases	72,160	–	15,492	56,668	16,165
Other liabilities:					
Compensated absences	539,287	54,437	–	593,724	76,666
Net pension liability	<u>4,261,356</u>	<u>1,180,074</u>	<u>558,679</u>	<u>4,882,751</u>	<u>–</u>
Total	<u>\$4,872,803</u>	<u>\$1,234,511</u>	<u>\$ 574,171</u>	<u>\$5,533,143</u>	<u>\$ 92,831</u>

In prior years, the General Fund has been used to liquidate compensated absences.

**NOTE 7. INTERFUND ACTIVITY**

Transfers between funds during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 14,913	\$ –
Special revenue fund	<u>–</u>	<u>14,913</u>
Total	<u>\$ 14,913</u>	<u>\$ 14,913</u>

Transfers were made for expenditures covered by Gas Tax and Traffic Safety monies.

**NOTE 8. PENSION PLAN**

**General Information about the Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City 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 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: 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.

**NOTE 8. PENSION PLAN (Continued)**

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

<u>Hire date</u>	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	3% @60	2% @ 55, 2 @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	60	55, 62
Monthly benefits, as a % of eligible compensation	3%	2%
Required employee contribution rates	8%	7%, 6.25%
Required employer contribution rates	12.698%	8.921%, 6.533%

<u>Hire date</u>	<u>Safety</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	3% @ 55	2 @ 50, 2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	50, 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%
Required employee contribution rates	9%	9%, 11.5%
Required employer contribution rates	17.875%	15.928%, 11.990%

**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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions	\$ 284,073	\$ 274,606

**NOTE 8. PENSION PLAN (Continued)**

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

As of June 30, 2018, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 2,823,013
Safety	<u>2,059,738</u>
Total Net Pension Liability	<u>\$ 4,882,751</u>

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, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2017 and 2018 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2017	0.07245%	0.04925%
Proportion - June 30, 2018	0.07161%	0.04923%
Change - Increase (Decrease)	(0.00084)%	(0.00001)%

For the year ended June 30, 2018, the City recognized pension expense of \$837,039. Pension expense is allocated to the functions based on full time equivalents. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 29,410	\$ 54,454
Change of Assumptions	790,977	60,491
Difference between Projected and Actual Investment Earnings	175,815	-
Change in Employer's Proportion	90,114	70,998
Differences between Employer's Contributions and Proportionate Share of Contributions	70,771	-
Pension Contributions Made Subsequent to Measurement Date	<u>1,006,454</u>	<u>-</u>
Total	<u>\$ 2,163,541</u>	<u>\$ 185,943</u>

**NOTE 8. PENSION PLAN (Continued)**

\$1,006,454 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended</u> <u>June 30</u>		
2019	\$	214,082
2020	\$	528,164
2021	\$	332,574
2022	\$	(103,676)

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous/Safety</u>
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds (1)
Post Retirement Benefit Increase	Contract Cola up to 2.75% Until Purchasing Power Protection Allowance Floor On Purchasing Power applies 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS website.

**Change of Assumption** – In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

**NOTE 8. PENSION PLAN (Continued)**

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 of the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40)%	(0.90)%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**NOTE 8. PENSION PLAN (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease Net Pension Liability	6.15% \$ 4,183,382	6.15% \$ 3,309,415
Current Discount Rate Net Pension Liability	7.15% \$ 2,823,013	7.15% \$ 2,059,738
1% Increase Net Pension Liability	8.15% \$ 1,696,331	8.15% \$ 1,038,188

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**NOTE 9. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, through the California Public Employee’s Retirement System (CalPERS) 457 Deferred Compensation Program. All employees of the City are eligible for the plan. Participation in the plan is optional. The funds of the plan are invested by the City, through CalPERS, as directed by and on behalf of the employees in various investment options.

**NOTE 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description** – The City contracts with the Public Employees Retirement System (PERS) under the PERS Care Health Plan to provide benefits of the Meyer-Geddes State Employees’ Medical and Hospital Care Act per Government Code Section 22850. The Plan provides employees and option members (City Council members and City Attorney) who retire directly from the City under CalPERS continuation of medical insurance benefits for them, one dependent and surviving spouse. The Plan can be amended by action of the City Council on passing a resolution. The City pays premium up to the PEMHCA Other Northern California PERSCare single party non-Medicare and Medicare eligible premiums at 100% for retirees and 50% for dependents and surviving spouse. For the fiscal year 2018, the non-Medicare premium was \$867 and the Medicare eligible was \$382. Retirees pay blended medical premiums rather than expected medical costs by age and gender and active premiums subsidize non-Medicare eligible retiree medical costs as implied subsidies.

**Employees Covered** – As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	22
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to, but not yet receiving benefits	<u>3</u>
Total	<u>32</u>

**NOTE 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Contributions** – The obligations of the Plan members and the City are established by action of the City Council pursuant to the passing of a resolution. The annual contribution is based on the actuarially determined contribution, which is paid to the California Employer’s Retiree Benefit Trust Program (CERBT). Cash subsidy and implied subsidy benefit payments and PEMCHA administrative fees are currently paid with City assets on a pay-as-you-go basis and are not reimbursed by CERBT. For the fiscal year ended June 30, 2018, the City’s pay-as-you-go payments were \$63,000 and the estimated implied subsidy was \$20,000 resulting in total payments of \$83,000 and contributions to CERBT were \$2,650,000 for a total contribution of \$2,733,000.

**Net OPEB Liability/(Asset)** – The City’s net OPEB liability/(Asset) was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability/(Asset) was determined by an actuarial valuation dated June 30, 2017 based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Salary Increases	3.00% annually
Investment Rate of Return	6.75%
Mortality Rate (1)	Derived using CalPERS’ Membership Data for all funds
Pre-Retirement Turnover(1)	Derived using CalPERS’ Membership Data for all funds
Healthcare Trend Rate	7.50% decreasing to 4.00%

Notes:

(1) Information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real Rate of return</u>
Global Equity	57%	4.82%
Fixed Income	27%	1.47%
TIPS	5%	1.29%
REITs	8%	3.76%
Commodities	3%	0.84%
	<u>100%</u>	

**NOTE 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability/ (Asset)** – The changes in the net OPEB liability/(Asset) for the Plan are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
<b>Balance at June 30, 2016</b>	\$ 2,135,000	\$ –	\$ 2,135,000
<i>Changes recognized for measurement period:</i>			
Service cost	234,000	–	234,000
Interest	157,000	–	157,000
Difference between expected and actual experience	–	–	–
Changes of assumptions	–	–	–
Contributions - employer	–	2,733,000	(2,733,000)
Net investment income	–	173,000	(173,000)
Benefit payments (outside trust)	(83,000)	(83,000)	–
Administrative expense	–	(1,000)	1,000
<b>Net Changes</b>	<u>\$ 308,000</u>	<u>\$ 2,822,000</u>	<u>\$ (2,514,000)</u>
<b>Balance at June 30, 2017</b>	<u>\$ 2,443,000</u>	<u>\$ 2,822,000</u>	<u>\$ (379,000)</u>

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate** – The following presents the net OPEB liability/(Asset) of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net OPEB Liability/ (Asset)	\$(46,000)	\$(379,000)	\$(655,000)

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates** – The following presents the net OPEB liability/(Asset) of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability/ (Asset)	\$(703,000)	\$(379,000)	\$19,000



**NOTE 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**OPEB Plan Fiduciary Net Position-** CERBT issues a publicly available financial report that may be obtained from California Employer’s Retiree Benefit Trust Program at the CalPERS website.

**Recognition of Deferred Outflows and Deferred Inflows of Resources** – Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and Actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARS�) (6.7 years at June 30, 2017)

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** – For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$273,000. As of fiscal year ended June 30, 2018, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
OPEB contributions subsequent to measurement date	\$ 316,000	\$ –
Net difference between projected and actual earnings on OPEB plan investments	\$ –	\$ 54,000
Total	<u>\$ 316,000</u>	<u>\$ 54,000</u>

The \$316,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) Of Resources</u>
2019	\$ (13,000)
2020	\$ (13,000)
2021	\$ (13,000)
2022	\$ (15,000)

**NOTE 11. JOINTLY GOVERNED ORGANIZATIONS**

The City participates on the Boards of Community Human Services, a joint powers agency, Monterey Regional Waste Management District, the Monterey Peninsula Water Management District, Monterey Regional Water Pollution Control Agency, Monterey Peninsula Regional Water Authority, Monterey One Water, Association of Monterey Bay Area Governments, Transportation Agency for Monterey County, Fort Ord Reuse Authority, Seaside/Sand City Chamber of Commerce, the Monterey Peninsula Chamber of Commerce, League of California Cities, Monterey County Convention and Visitor's Bureau, Monterey County Business Council, Monterey County Mayor's Association, and Monterey Bay Area Self Insurance Authority. The Boards of these entities are comprised of representatives from local municipalities, districts, and unincorporated areas. The City made various disbursements to the organizations in the amount of \$376,331 for the fiscal year ended June 30, 2018.

**NOTE 12. RISK FINANCING**

The City is exposed to various risks of loss related to torts, thefts, damage to, or destruction of assets; errors and omissions; injuries to workers; and natural disasters. These risks are covered by a combination of commercial insurance purchased from independent third parties and participation in the Monterey Bay Area Self Insurance Authority (MBASIA), which is a public entity risk pool. There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage for the past three fiscal years.

MBASIA was formed under a joint powers agreement (JPA) pursuant to California Government Code Section 6500 et seq. effective July 1, 1982. MBASIA is administered by a Board of Directors consisting of thirteen members appointed by the cities participating. The Board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by member cities beyond their representation on the Board. Each member city pays a premium commensurate with the amount of predicted losses and shares surpluses and deficits proportionate to their participation in the JPA.

**NOTE 13. OPERATING LEASES**

On October 30, 2009, the City and California-American Water Company (CAW) entered into an Amended and Restated Lease Agreement whereby CAW leases and operates the desalination facility plant. CAW will hold the leased property for a term of thirty (30) years. At June 30, 2018, leased property carried at cost is as follows:

Building	\$ 8,065,207
Equipment	<u>1,835,430</u>
	9,900,637
Less: Accumulated depreciation	<u>3,270,468</u>
Net property under operating lease	<u>\$ 6,630,169</u>

The depreciation expense relating to the facility was \$385,173 for the year ended June 30, 2018.

**NOTE 13. OPERATING LEASES (Continued)**

On May 15, 2007, the City and T-Mobile entered into a Site Lease Agreement for certain premises of the property located at 1 Pendergrass Way, Sand City, California. The term of the lease started on the first day of December 2007 and continued for 60 months, expiring on November 30, 2012 with the right to renew the lease for up to 5 additional 60-month periods. The current renewal period is until November 30, 2022. On January 25, 2013, the City was notified that T-Mobile entered into an agreement with an affiliate of Crown Castle International Corp. to control and operate the site.

The minimum future rentals under these leases as of June 30, 2018 are as follows:

<u>June 30</u>	<u>CAW</u>	<u>Crown Castle</u>	<u>Total</u>
2019	\$ 850,000	\$ 16,571	\$ 866,571
2020	850,000	16,571	866,571
2021	850,000	16,571	866,571
2022	850,000	16,571	866,571
2023	-	-	-
Thereafter	<u>105,000</u>	<u>-</u>	<u>105,000</u>
Total	<u>\$ 3,505,000</u>	<u>\$ 66,284</u>	<u>\$ 3,571,284</u>

Rental revenue recognized for the year ended June 30, 2018 was \$866,571.

**NOTE 14. COMMITMENTS AND CONTINGENCIES**

In the fiscal year ending June 30, 2018, the City has various service and project contracts totaling \$1,223,080, of which \$1,146,282 on contract commitments still remained as of June 30, 2018.

**NOTE 15. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made to Net Position as follows:

Net Position at June 30, 2017		\$ 23,708,992
Implementation of GASB 75:		
Net OPEB Liability	\$ (781,253)	
Deferred outflows – OPEB contributions made during fiscal year 2017	<u>2,733,000</u>	
Prior period adjustment		<u>1,951,747</u>
Restated Net Position at June 30, 2017		<u>\$ 25,660,739</u>

**NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

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

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “Successor Agency” to hold the assets until they are distributed to other units of state and local government. On October 18, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number SC-11-104. Accordingly, the City established the Successor Agency Trust fund, a private-purpose trust fund, which is a fiduciary type fund.

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. 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.

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.

Following are disclosures specific to the Successor Agency Trust Funds:

**NOTE A. DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City has a deposit policy that complies with California Government Code Section commencing with 53630 (Public Deposits). As of June 30, 2018, \$867,688 of the Fiduciary Fund’s bank balance of \$1,117,688 was exposed to custodial credit risk as uninsured, but was collateralized by the pledging bank’s trust department not in the City’s name. All cash held by the Fiduciary Fund must be used to repay enforceable obligations.

**Investments** – The Fiduciary Fund investments consist of money market funds, certificates of deposit and a U.S. Treasury Note held with various financial institutions. All investments are recorded at fair market value. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agencies. Investments at June 30, 2018 consisted of the following:

Money Market Funds	\$ 225,526
Certificates of Deposit	1,057,691
U.S. Treasury Note	<u>5,038,966</u>
Total	<u>\$ 6,322,183</u>

**NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)**

As of June 30, 2018, all of the Fiduciary Fund's investments had a maturity of less than one year.

**NOTE B. CAPITAL ASSETS**

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
Capital assets not being Depreciated –				
Land	\$ 1,958,822	\$ –	\$ 831,322	\$ 1,127,500
Total capital asset not being depreciated	1,958,822	–	831,322	1,127,500
Capital assets being Depreciated:				
Land improvements	182,631	–	–	182,631
Sculpture	40,218	–	–	40,218
Total capital assets being depreciated	222,849	–	–	222,849
Less accumulated depreciation for:				
Land improvements	178,462	1,614	–	180,076
Sculpture	40,218	–	–	40,218
Total accumulated depreciation	218,680	1,614	–	220,294
Total capital assets being depreciated - net	4,169	(1,614)	–	2,555
Capital assets-net	\$ 1,962,991	\$ (1,614)	\$ 831,322	\$ 1,130,055

**NOTE C. DEVELOPER FEES RECEIVED IN ADVANCE**

The former Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with a developer that required the developer to pay certain negotiation fees. In the event that the DDA is terminated by either party, the DDA requires a portion of the fees in the amount of \$1,455,000 be refunded to the developer. The fees subject to refund will not be earned until the property connected with the DDA is conveyed to the developer, at which time the fees will be recognized as revenue.

**NOTE D. LONG-TERM DEBT**

*Tax Allocation Bonds, 2008 Series A* – Tax Allocation Bonds, 2008 Series A in the amount of \$7,015,000 were issued January 30, 2008, at a premium of \$22,667, to refinance the Tax Allocation bonds, Series 1996 and to help finance redevelopment activities within and for the benefit of the Sand City Redevelopment Project. The Bonds consist of Serial Bonds in the amount of \$3,315,000 with interest rates ranging from 4.0% to 4.5%, payable semi-annually on each May 1 and November 1, commencing May 1, 2008. Principal on the Serial Bonds is due annually on November 1<sup>st</sup> beginning in 2010 and ending in 2021. The Serial Bonds maturing on or before November 1, 2018 are not subject to optional redemption prior to maturity. The Bonds maturing on or after November 1, 2019 are subject to Redemption at the option of the former Redevelopment Agency on any date on or after November 1, 2018, as a whole or in part, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption without premium. The remaining \$3,700,000 is Term Bonds due November 1, 2027 with an interest rate of 4.2%, also with interest payable semi-annually on each May 1 and November 1, commencing May 1, 2008.

**NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)**

**NOTE D. LONG TERM DEBT (Continued)**

The Term Bonds are subject to mandatory redemption, in part by lot, from sinking account payments scheduled to begin November 1, 2022 until November 1, 2027, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. The Bonds are payable solely from tax increment revenue, which has been pledged for repayment of the Bonds.

The Successor Agency issued Refunding Bonds on August 10, 2017 to advance refund the Tax Allocation Bonds, 2008 Series A (Refunded Bonds). The proceeds from the Refunding Bonds are being held in Escrow. The Escrow Agent will pay the debt service requirements of the Refunded Bonds on each scheduled payment date through and including November 1, 2018 and will redeem the Refunded Bonds maturing on November 1, 2019 and thereafter, at a redemption price equal to 100% of par, on November 1, 2018, which is the optional redemption date. The Successor Agency will save approximately \$354,625 on the refunding.

*Taxable Tax Allocation Bonds, 2008 Series B* – Taxable Tax Allocation Bonds, 2008 Series B in the amount of \$2,135,000 were issued January 30, 2008 at a discount of \$50,916, to help finance redevelopment activities within and for the benefit of the Sand City Redevelopment Project. The Bonds consist of Term Bonds as follows: \$465,000 at a 4.75% interest rate, due November 1, 2013, \$720,000 at a 5.50% interest rate, due November 1, 2018 and \$950,000 at a 5.75% interest rate, due November 1, 2023. Interest on the Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2008. All Bonds are subject to mandatory redemption, in part by lot, from sinking account payments scheduled to begin November 1, 2010 and ending November 1, 2023 at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption. The Bonds are payable solely from tax increment revenue, which has been pledged for repayment of the Bonds.

*2017 Subordinate Tax Allocation Refunding Bonds* – 2017 Subordinate Tax Allocation Refunding Bonds in the amount of \$4,690,000 were issued August 10, 2017 to advance refund the Tax Allocation Bonds, 2008 Series A bonds. The Bonds consist of coupon bonds with a price of \$115,000 at an interest rate of 2.850%. Interest on the Bonds is payable semi-annually on each May 1<sup>st</sup> and November 1<sup>st</sup>, commencing November 1, 2017. The Bonds are subject to mandatory sinking fund redemption in part by lot on November 1, 2017, and on each November 1<sup>st</sup> thereafter, to and including November 1, 2027. The Bonds are not subject to optional redemption prior to maturity. The Bonds are payable solely from tax increment revenue, which has been pledged for repayment of the Bonds.

*Loans from the City* – The former Redevelopment Agency received loans from the City to pay its share of administrative expenses and make payments on non-tax increment borrowings. The City accrued interest at a rate of 7% on these advances. There is no formal repayment schedule in place at this time. In the year ending June 30, 2013, interest on these loans was recalculated based on the average Local Agency Investment Fund rate of return for the period in which the loans existed as required by Assembly Bill 1484, in the amount of \$3,626,058 for Operating Expenditures and \$4,650,000 for Costco/Seaside.

**NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)**

*Reimbursements Payable* – The City issued Certificates of Participation (Certificates) to refinance certain real property legally owned by the former Redevelopment Agency. Under a Reimbursement Agreement with the City, the former Redevelopment Agency agreed to reimburse the City for all the Base Rental Payments made by the City to the Trustee of Certificates. The Reimbursements were to be made from available monies of the former Redevelopment Agency; therefore no formal repayment schedule is in place at this time.

*SERAF* – The California State Legislature enacted ABx4 26 requiring redevelopment agencies to make certain payments to its County Supplemental Education Revenue Augmentation Fund (SERAF). The Agencies were allowed to borrow the amount required from the Housing Set-aside Fund. The Debt Service Fund borrowed the amount from the Housing Set-aside Fund to make the required payments. The City elected to assume the housing function of the former Redevelopment Agency; as such they will receive the payback of the funds. There is no formal repayment schedule in place at this time.

Long-term debt balances and transactions for the fiscal year ended June 30, 2018 are as follows:

	Balance 6/30/17	Additions	Reductions	Balance 6/30/18	Due Within One Year
Bonds, loans and reimbursements:					
Tax Allocation Bonds, 2008 Series A	\$ 5,265,000	\$ –	\$ 285,000	\$ 4,980,000	\$ 4,980,000
Tax Allocation Bonds, 2008 Series B	1,260,000	–	150,000	1,110,000	160,000
2017 Subordinate Tax Allocation Refunding Bonds	–	4,690,000	360,000	4,330,000	305,000
Subtotal	<u>6,525,000</u>	<u>4,690,000</u>	<u>795,000</u>	<u>10,420,000</u>	<u>5,445,000</u>
Loans from the City:					
Operating Expenditures	3,626,058	–	–	3,626,058	–
Costco/Seaside	4,650,000	–	–	4,650,000	–
SERAF	518,349	–	–	518,349	–
Subtotal	<u>8,794,407</u>	<u>–</u>	<u>–</u>	<u>8,794,407</u>	<u>–</u>
Reimbursement due to City	<u>1,454,766</u>	<u>–</u>	<u>–</u>	<u>1,454,766</u>	<u>–</u>
Total bonds, loans and reimbursement	<u>\$ 16,774,173</u>	<u>\$ 4,690,000</u>	<u>\$ 795,000</u>	<u>\$ 20,669,173</u>	<u>\$ 5,445,000</u>

Annual debt service requirements to maturity are as follows:

Fiscal Year Ended June 30	Series A Bonds		Series B Bonds		2017 Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 4,980,000	\$ 104,050	\$ 160,000	\$ 59,025	\$ 305,000	\$ 120,059
2020	–	–	170,000	49,737	315,000	110,224
2021	–	–	180,000	39,675	325,000	101,104
2022	–	–	190,000	29,037	335,000	91,699
2023	–	–	200,000	23,862	345,000	52,009
2024-2028	–	–	210,000	–	2,705,000	172,211
	<u>\$ 4,980,000</u>	<u>\$ 104,050</u>	<u>\$ 1,110,000</u>	<u>\$ 201,336</u>	<u>\$ 4,330,000</u>	<u>\$ 647,306</u>

**NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)**

**NOTE E. DEFERRED ROPS REVENUE**

The deferred ROPS revenue represents Real Property Tax Transfer Funds (RPTTF) received in advance for future obligation payments. The revenue will be recognized in the period in which the obligation payments are made. At June 30, 2018 this amount was \$797,274.

**NOTE 17. AUTHORITATIVE PRONOUNCEMENT ISSUED BUT NOT YET ADOPTED**

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefore. This Statement requires similar disclosures for a government's minority shares of AROs. The requirements in this Statement are effective for fiscal years beginning after June 30, 2018. Earlier application is encouraged. The City has no plan for early implementation of this Statement. At this time the City is not certain of the effect the adoption of Statement No. 83 will have on the accompanying financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements in this Statement are effective for fiscal years beginning after June 30, 2019. Earlier application is encouraged. The City has no plan for early implementation of this Statement. At this time the City is not certain of the effect the adoption of Statement No. 84 will have on the accompanying financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 30, 2020.



**NOTE 17. AUTHORITATIVE PRONOUNCEMENT ISSUED BUT NOT YET ADOPTED (Continued)**

Earlier application is encouraged. The City has no plan for early implementation of this Statement. At this time the City is not certain of the effect the adoption of Statement No. 87 will have on the accompanying financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City has no plans for early implementation of this Statement. At this time the City is not certain of the effect the adoption of Statement No. 88 will have on the accompanying financial statements.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement established accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The City has no plans for early implementation of this Statement. At this time the City is not certain of the effect of the adoption of Statement No. 89 will have on the accompanying financial statements.

In August 2018, GASB issued Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority

**NOTE 17. AUTHORITATIVE PRONOUNCEMENT ISSUED BUT NOT YET ADOPTED (Continued)**

equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement established that ownership of majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City has no plans for early implementation of this Statement. At this time the City is not certain of the effect of the adoption of Statement No. 90 will have on the accompanying financial statements.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF SAND CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE,**  
**BUDGET AND ACTUAL – GENERAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property taxes	\$ 217,600	\$ 209,950	\$ 216,493	\$ 6,543
Sales tax	2,600,000	2,600,000	2,666,651	66,651
Transaction tax	2,250,000	2,250,000	2,380,022	130,022
Utility user's tax	130,000	150,000	144,135	(5,865)
Franchise taxes	101,800	117,100	108,694	(8,406)
Business licenses	483,500	482,500	480,029	(2,471)
Licenses and permits	125,910	125,815	126,162	347
Fines, forfeits and penalties	2,650	4,000	4,868	868
Charges for current services	104,000	156,200	103,641	(52,559)
Revenue from other agencies	250,150	261,200	263,381	2,181
Developer fees	250,000	-	-	-
Investment earnings	35,780	73,620	73,833	213
Rental income	865,000	867,900	866,571	(1,329)
Other revenue	94,900	82,900	76,721	(6,179)
<b>Total revenues</b>	<u>7,511,290</u>	<u>7,381,185</u>	<u>7,511,201</u>	<u>130,016</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,220,865	1,971,040	1,915,297	55,743
Public safety	3,200,997	3,134,895	3,038,756	96,139
Public works	947,930	924,952	897,021	27,931
Community development	820,160	528,323	513,985	14,338
Parks	46,500	21,000	14,688	6,312
Debt Service:				
Principal	15,500	15,500	15,492	8
Interest and other charges	2,800	2,800	2,774	26
Capital outlay	836,000	578,007	591,361	(13,354)
<b>Total expenditures</b>	<u>8,090,752</u>	<u>7,176,517</u>	<u>6,989,374</u>	<u>187,143</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(579,462)</u>	<u>204,668</u>	<u>521,827</u>	<u>317,159</u>
<b>OTHER FINANCING SOURCES (USES) –</b>				
Transfer in	-	-	14,913	14,913
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>14,913</u>	<u>14,913</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (579,462)</u>	<u>\$ 204,668</u>	<u>\$ 536,740</u>	<u>\$ 332,072</u>

See Accompanying Notes to Required Supplementary Information.

**CITY OF SAND CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 1.     BUDGETARY DATA**

The City legally adopts an annual budget for the General Fund. The City adopts the budget before June 30 for each ensuing fiscal year.

Budgets submitted to the Council include both proposed appropriations and the means of financing them. A mid-year budget review is performed and the budget is amended by passage of a resolution. Additional appropriations or interfund transfers not included in the amended budget resolution must be approved by the City Council.

All budgets have been prepared on a basis consistent with generally accepted accounting principles, which is the same basis of accounting as used to reflect actual revenues and expenditures.

Appropriations lapse at each fiscal year end and then are rebudgeted for the coming fiscal year. Encumbrance accounting is not used.

**CITY OF SAND CITY**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Last 10 Years\***  
**FOR THE YEAR ENDED JUNE 30, 2018**

Measurement Period	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered employee payroll	Proportionate share of the net pension liability as percentage of covered employee payroll	Plan's fiduciary net position	Plan fiduciary net position as a percentage of the total pension liability
2014						
Miscellaneous Plan	0.03280%	\$ 2,041,105	\$ 979,700	208.34%	\$6,029,465	74.71%
Safety Plan	0.02186%	\$ 1,360,244	\$ 1,018,285	133.58%	\$5,420,795	79.94%
2015						
Miscellaneous Plan	0.07699%	\$ 2,112,302	\$ 957,621	220.58%	\$6,420,707	75.25%
Safety Plan	0.03227%	\$ 1,329,846	\$ 1,095,485	121.39%	\$5,777,967	81.29%
2016						
Miscellaneous Plan	0.07245%	\$ 2,516,961	\$ 973,812	258.46%	\$6,397,880	87.17%
Safety Plan	0.04925%	\$ 1,744,395	\$ 1,179,383	147.91%	\$5,595,515	76.23%
2017						
Miscellaneous Plan	0.07161%	\$ 2,823,013	\$ 964,572	292.67%	\$7,067,205	71.46%
Safety Plan	0.04923%	\$ 2,059,738	\$ 1,306,040	157.71%	\$6,871,827	76.94%

**Notes to Schedule:**

**Benefit Changes:**

In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in assumptions:**

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

In 2016, the discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

In 2017, the discount rate was changed from 7.65 percent to 7.15 percent.

\* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

**CITY OF SAND CITY**  
**SCHEDULE OF CONTRIBUTIONS – PENSIONS**  
**Last 10 Years\***  
**FOR THE YEAR ENDED JUNE 30, 2018**

<u>Fiscal Year</u>	<u>Contractually required contribution (actuarially determined)</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2015					
Miscellaneous Plan	\$ 232,159	\$ 232,159	\$ –	\$ 957,621	24.24%
Safety Plan	\$ 214,913	\$ 214,913	\$ –	\$ 1,095,485	19.62%
2016					
Miscellaneous Plan	\$ 272,359	\$ 272,359	\$ –	\$ 973,812	27.97%
Safety Plan	\$ 213,436	\$ 213,436	\$ –	\$ 1,179,383	18.10%
2017					
Miscellaneous Plan	\$ 284,073	\$ 284,073	\$ –	\$ 964,572	29.45%
Safety Plan	\$ 274,606	\$ 274,606	\$ –	\$ 1,306,040	21.03%
2018					
Miscellaneous Plan	\$ 602,399	\$ 602,399	\$ –	\$ 968,615	62.19%
Safety Plan	\$ 404,055	\$ 404,055	\$ –	\$ 1,346,212	30.01%

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year are as follows:

FYE 2014-2015 - June 30, 2013 funding valuation report  
 FYE 2015-2016 - June 30, 2014 funding valuation report  
 FYE 2016-2017 - June 30, 2015 funding valuation report  
 FYE 2017-2018 - June 30, 2016 funding valuation report

Actuarial Cost Method	Entry age normal
Amortization Method/Period	Level percentage of payroll
Asset Valuation Method	Market value
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.15%
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

\* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

**CITY OF SAND CITY**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS**  
For the Measurement Periods Ended June 30

Measurement Period	2017
<b>Total OPEB Liability</b>	
Service cost	\$ 234,000
Interest on the total OPEB liability	157,000
Actual and expected experience difference	-
Changes in assumptions	-
Changes in benefit terms	-
Benefit payments	<u>(83,000)</u>
<b>Net change in total OPEB liability</b>	308,000
<b>Total OPEB liability - beginning</b>	<u>2,135,000</u>
<b>Total OPEB liability - ending (a)</b>	<u>2,443,000</u>
<b>Plan Fiduciary Net Position</b>	
Contribution - employer	2,733,000
Net investment income	173,000
Benefit payments	(83,000)
Administrative expense	<u>(1,000)</u>
<b>Net Change in plan fiduciary net position</b>	2,822,000
<b>Plan fiduciary net position - beginning</b>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>2,822,000</u>
<b>Net OPEB liability/(asset) - ending (a)-(b)</b>	<u>\$ (379,000)</u>
Plan fiduciary net position as percentage of the total OPEB liability	115.51%
Covered-employee payroll	\$ 2,270,612
Net OPEB liability/(asset) as a percentage of covered-employee payroll	(16.69)%

**Notes to Schedule:**

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.



**CITY OF SAND CITY**  
**SCHEDULE OF CONTRIBUTIONS – OPEB**  
**Last 10 Years\***  
**FOR THE YEAR ENDED JUNE 30, 2018**

Fiscal Year Ended June 30	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 225,000
Contributions in relation to the ADC	<u>(83,000)</u>
Contribution deficiency (excess)	<u>\$ 142,000</u>
Covered-employee payroll	\$ 2,314,827
Contributions as a percentage of covered-employee payroll	3.59%

**Notes to Schedule:**

\*Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018 were from the June 30, 2017 actuarial valuation.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market Value
Inflation	2.75% annually
Payroll Growth	3% annually
Investment Rate of Return	6.75%
Healthcare cost-trend rates	7.50% decreasing to 4.00%

Retirement Age	<u>Misc</u>	<u>Police</u>
Hired < 1/1/13	3% @ 60	3% @ 55
Hired > 12/31/12	2% @ 55	2% @ 50
Hired >= 1/1/13		
New Member	2% @ 62	2.7% @ 57

Mortality	Pre-retirement mortality probability based on 2014 CalPERS 1997-2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS.
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Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



## HAYASHI | WAYLAND

### 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

#### INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council  
City of Sand City  
Sand City, 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, each major fund, and the aggregate remaining fund information of the **City of Sand City**, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the **City of Sand City's** basic financial statements, and have issued our report thereon dated November 15, 2018.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the **City of Sand City's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **City of Sand City's** internal control. Accordingly, we do not express an opinion on the effectiveness of the **City of Sand City'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 Sand City's* financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

November 15, 2018

*Hayashi Wayland, LLP*

## AGENDA ITEM

11A

## MEMO

TO: Mayor and City Council, City of Sand City  
FROM: Staff  
DATE: November 28, 2018  
SUBJECT: Appointment to City Council

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### **Background:**

Kristen Blaise-Olsen McDaniel's was appointed to Todd Kruper's seat on the City Council on June 2, 2017. She resigned as a City Councilmember effective October 15, 2018. Under the City's charter, when a seat on the City Council becomes vacant, the remaining Councilmembers may appoint a replacement within 45 days from the effective date of the resignation.

The City Council therefore has until December 19, 2018 to appoint a replacement to McDaniel's seat. If the City Council fails to agree on an appointment within that period of time, the Charter gives the Mayor the power to make that appointment. (Charter, § 5). The appointed successor will serve Ms. McDaniel's unexpired term which runs until December 2020.

### **Staff Recommendation:**

Staff recommends that the Council consider which of the following options it would like to proceed with:

1. Appoint the candidate who has received the third most votes in the recent election of November 2018.
2. Accept applications by interested electors, conduct interviews, and decide on a candidate.

**AGENDA ITEM**

**11B**

CITY OF SAND CITY

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STAFF REPORT

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NOVEMBER 28, 2018

(For City Council Consideration on December 4, 2018)

**TO:** Mayor & City Council

**FROM:** Charles Pooler, City Planner  
Sara Mares, NBS

**SUBJECT:** Community Facilities Districts – Local Goals and Policies

**BACKGROUND / PROJECT STATUS**

The overall South of Tioga development project was proposed by DBO Development (the “Developer”), which includes hotel and residential development within the South of Tioga area. In order to offset negative fiscal impacts of development and provide a funding mechanism for certain public services and maintenance, the City anticipates forming a community facilities district.

On March 20<sup>th</sup>, the City Council of the City of Sand City approved a contract with NBS to prepare a Fiscal Impact Analysis (“FIA”) and form a Community Facilities District (“CFD”) related to the South of Tioga project. NBS commenced work in late March, delivering a draft FIA in May. After receiving feedback from the City, the final FIA report was delivered in July. The FIA provides analysis and backup related to the fiscal impacts of the project on City services. Additionally, maintenance costs were identified for project specific services that are in addition to the fiscal impacts.

Prior to forming a CFD, the City Council must establish Local Goals and Policies related to CFDs. The attached Resolution Adopting Local Goals and Policies and the Local Goals and Policies attached thereto meet the requirement. This ‘Local Goals and Policies’ is not necessarily limited to the South of Tioga project area; but would be applicable to other parts of Sand City, if the City chose to develop a CFD elsewhere within Sand City at a future date. The City can also amend the local goals and policies at any time.

**STAFF RECOMMENDATION**

Staff recommends **APPROVAL** of the resolution related to this first step in the CFD formation process.

**ATTACHMENT:**

1. Resolution Adopting the ‘Goals and Policies and Appraisal Standards’ for Community Facility Districts Within Sand City



CITY OF SAND CITY

RESOLUTION SC \_\_\_\_\_, 2018

RESOLUTION OF THE CITY COUNCIL OF SAND CITY ADOPTING  
THE GOALS AND POLICIES AND APPRAISAL STANDARDS FOR  
COMMUNITY FACILITY DISTRICTS WITHIN SAND CITY

**WHEREAS**, the City of Sand City (the “City”) has approved various new development projects, some of which include provisions requiring ongoing funding for facility maintenance and operation related to those projects; and

**WHEREAS**, the City intends to consider the formation of a Community Facilities District (a “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) (the “Act”); and

**WHEREAS**, Section 53312.7 of the Act requires that prior to establishment of a CFD, the City must first adopt local goals and policies and appraisal standards (the “Local Goals and Policies”) for CFDs; and

**WHEREAS**, The City Council of the City desires to adopt and establish the Local Goals and Policies, which the City Council finds to be in the best public interest in maintaining the public’s health, safety, and welfare.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Sand City as follows:

- Section 1: Recitals. The City Council of Sand City hereby finds and determines that all of the forgoing recitals are true and correct.
- Section 2: Local Goals and Policies. The City Council of Sand City hereby adopts the “City of Sand City Local Goals and Policies for a Community Facilities District”, attached hereto as ‘Resolution Exhibit A’ and incorporated herein by this reference.
- Section 3: Compliance. The City Council of Sand City hereby finds that the “City of Sand City Local Goals and Policies for Community Facilities District” attached hereto as ‘Resolution Exhibit A’ and incorporated herein by this reference, complies with Section 53312.7 of the Mello-Roos Community Facilities Act of 1982 and that adoption of the aforementioned Goals and Policies enables the City to initiate proceedings to establish a CFD pursuant to the Act.
- Section 4: Effective Date. This Resolution shall take effect immediately upon passage.

**PASSED AND ADOPTED** by the City Council of the City of Sand City this \_\_\_\_ day of December, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

---

Linda K. Scholink, City Clerk

---

Mary Ann Carbone, Mayor

# RESOLUTION EXHIBIT A

(Resolution SC 18-\_\_)

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## CITY OF SAND CITY

### LOCAL GOALS AND POLICIES FOR COMMUNITY FACILITIES DISTRICTS

(adopted \_\_\_\_\_)

#### I. INTRODUCTION.

Section 53312.7(a) of the California Government Code requires that the City Council of the City of Sand City (the "CITY") consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the "Act"), prior to the initiation of proceedings on or after January 1, 1994, to establish a new community facilities district ("CFD") under the Act. These goals and policies may be amended or supplemented by resolution of the City Council of the CITY at any time.

#### II. GOALS.

A. Services. It is the goal of the CITY that new development generate sufficient additional revenues to fund the CITY's costs of providing the public services required by that development. The City Council will consider the use of the Act to provide a portion of the required revenues.

B. Facilities. The City Council will consider the use of the Act for financing public facilities and refinancing existing liens levied or bonds issued to finance public facilities, only in connection with the prospective development of land in the CITY or as otherwise referenced in a development agreement to which the CITY is a party. Any request for a CFD which is not integral to the development of land will require amendment of these goals and policies and will be considered on a case by case basis.

C. Costs. All CITY and non-contingent consultant costs incurred in the evaluation and establishment of new CFDs and annexations to existing CFDs will be paid by the proponents of the formation/annexation. With respect to CFDs that finance facilities, the CITY shall use all reasonable efforts to reimburse all CFD formation/annexation costs from CFD bond proceeds if and when CFD bonds are issued. Expenses incurred by the CITY that are not chargeable to the CFD shall be borne by the proponent of the CFD.

### III. ELIGIBLE PUBLIC SERVICES AND FACILITIES.

A. Services. The specific services to be funded shall include all services authorized under the Act including, but not limited to, police protection; fire protection; maintenance and lighting of parks, parkways, streets, roads, street landscaping, and open space; flood and storm drainage protection; maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City or by another local agency pursuant to agreement; and plowing and removal of snow.

B. Facilities. The improvements eligible to be financed by a CFD must be owned by a public agency or public utility and must have a useful life of at least five (5) years, except that up to five percent of the proceeds of a debt issue may be used for facilities owned and operated by a privately-owned public utility. The improvements must be consistent with any relevant specific plan approvals. A CFD shall not vest any rights to future land use on any properties, including those which are responsible for paying special taxes.

The list of public facilities eligible to be financed by a CFD include, but are not limited to, the following:

- Street Improvements
- Street lighting
- Traffic signals and safety lighting
- Landscaping in public right-of-ways
- Governmental facilities
- Sanitary sewer facilities
- Storm drain facilities
- Flood control facilities
- Potable and reclaimed water facilities
- Utility relocations
- Elementary and secondary school sites and facilities
- Libraries
- Public utilities
- Police and fire protection facilities
- Public parking structures
- Cultural facilities
- Child care facilities
- Parks and recreational facilities

The funding of public facilities to be owned and operated by public agencies other than the CITY shall be considered on a case-by-case basis. If the proposed facilities are appropriate for financing by a CFD and are consistent with approved land use plans or other governmental approvals for the property, the CITY may consider entering into a joint community facilities agreement in order to finance these facilities. A joint agreement with the public agency that will own and operate any such facility must be entered into prior to the adoption of the resolution of formation, a resolution of change altering the CFD, or a resolution authorizing the issuance of bonds, except as otherwise permitted under the Act.

### IV. PRIORITIES FOR CFD FINANCING.

Priority for CFD financing shall be given to public facilities and services which are necessary for development, or otherwise required to satisfy any conditions of development.

## **V. CREDIT QUALITY REQUIREMENTS FOR CFD BOND ISSUES.**

All CFD bond issues should have at least a four to one property value to public lien ratio after calculating the value of the financed public improvements to be installed and any private improvements for which financing is reasonably assured, unless the City Council finds and determines that the proposed bonds do not present any unusual credit risk or, by a four-fifths vote, that the proposed bond issue should proceed for specified public policy reasons. Property value may be based on either an appraisal or on assessed values as indicated on the county assessor's tax roll. Any appraiser shall be selected by the CITY, and the appraisal shall be based on the definitions, standards and assumptions as described in "Appraisal Standards for Land-Secured Financings," published by the California Debt and Investment Advisory Commission, dated May 1994, as revised. The appraisal must be dated within three months of the date the bonds are issued. The public lien amount shall include the bond issue currently being sold plus any public indebtedness secured by a fixed lien on real property currently existing against the properties to be taxed.

A reserve fund equal to the lesser of (i) ten percent of the original proceeds of the bond issue, (ii) the maximum annual debt service on the bonds, or (iii) one hundred twenty-five percent of the average annual debt service on the bonds is considered as appropriate for any bond issue where less than seventy-five percent of the buildable acreage has been developed. A smaller reserve fund may be appropriate for bond issues in CFDs where over a significant percentage of the buildable acreage has been developed. The reserve fund may be maintained by or on behalf of a public financing authority, if such an authority purchases the CFD bonds, and need not be held under the fiscal agent agreement pursuant to which the CFD bonds are issued. Less than a three to one property value to public lien ratio, excessive tax delinquencies, or projects of poor economic viability may cause the CITY to disallow the sale of bonds or require credit enhancement prior to bond sale.

If the CITY requires letters of credit or other security in connection with the issuance of bonds for a CFD, the credit enhancement shall be issued by an institution, in a form and upon terms and conditions satisfactory to the CITY. Any security required to be provided may be discharged by the CITY upon the opinion of a qualified appraiser, retained by the CITY (at the expense of the CFD or the applicable landowner), that a value-to-lien ratio of four to one has been attained. As an alternative to providing other security, a portion of the bond proceeds may be placed in escrow with a corporate agent in an amount sufficient to assure a value-to-lien ratio of at least four to one on the outstanding proceeds, or other appropriate release requirements.

## **VI. DISCLOSURE REQUIREMENTS FOR PROSPECTIVE PROPERTY PURCHASERS.**

A. Disclosure Requirements for Developers. Developers who are selling lots or parcels that are within a CFD shall provide disclosure notice to

prospective purchasers that complies with all of the requirements of Section 53341.5 of the Government Code. The disclosure notice must be provided to prospective purchasers of property at or prior to the time the contract or deposit receipt for the purchase of property is executed. Developers shall keep an executed copy of each disclosure document as evidence that disclosure has been provided to all purchasers of property within a CFD, and shall provide the CITY with a copy of each such disclosure document.

B. Disclosure Requirements for the Resale of Lots. The CITY's Finance Director or designee shall provide a notice of special taxes to sellers of property (other than developers) which will enable them to comply with their notice requirements under Section 1102.6 of the Civil Code. This notice shall be provided by the Finance Director within five working days of receiving a written request for the notice, unless otherwise permitted under the Act. A reasonable fee may be charged for providing the notice, not to exceed any maximum fee specified in the Act.

## **VII. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES.**

Special tax formulas for CFDs shall provide for minimum special tax levels which satisfy the following expenses of a CFD: (a) 110 percent gross debt service coverage for all CFD bonded indebtedness, (b) the cost of providing the authorized services, (c) the projected administrative expenses of the CFD, and (d) amounts equal to the differences between expected earnings on any escrow fund and the interest payments due on bonds of the CFD. Additionally, the special tax formula may provide for the following: (a) any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD, (b) the accumulation of funds reasonably required for future debt service, (c) amounts equal to projected delinquencies of special tax payments, (d) the costs of remarketing, credit enhancement and liquidity facility fees, (e) the cost of acquisition, construction, furnishing or equipping of facilities, (f) lease payments for existing or future facilities, (g) costs associated with the release of funds from an escrow account, and (h) any other costs or payments permitted by the Act and applicable law.

The special tax formula shall be reasonable and equitable in allocating the costs of the services and the public facilities financed by the CFD to parcels within the CFD, unless otherwise agreed to by at least the owners of two-thirds of the property to be subject to the special tax. Exemptions from the special tax may be given to parcels which are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easements, or have insufficient value to support bonded indebtedness.

The total projected property tax levels for any CFD shall not exceed any maximum specified in the Act. The annual increase, if any, in the maximum special tax for any parcel shall not exceed any maximum specified in the Act. The increase in the

special tax levied on any parcel as a consequence of delinquency or default by the owner of any other parcel shall not exceed any maximum specified in the Act.

The CITY shall retain a special tax consultant to prepare a report which: (a) recommends a special tax for the proposed CFD, and (b) evaluates the special tax proposed to determine its ability to adequately fund the identified services and /or public facilities, CFD administrative costs, and other related expenditures. Such analysis shall also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes and assessments on the properties within the CFD.

#### **VIII. APPRAISALS.**

The definitions, standards and assumptions to be used for appraisals shall be determined by CITY staff on a case-by-case basis, with input from CITY consultants and CFD proponents, and by reference to relevant materials and information promulgated by the State of California. In any event, the value-to-lien ratio shall be determined based upon an appraisal by an independent MAI appraiser of the proposed CFD. The appraisal shall be coordinated by and under the direction of the CITY. All costs associated with the preparation of the appraisal report shall be paid by the proponents of the CFD through an advance deposit mechanism. The CITY shall have discretion to retain a consultant to prepare a report to verify market absorption assumptions and projected sales prices of the properties which may be subject to the maximum special tax in the CFD.

#### **IX. TERMS AND CONDITIONS OF BONDS.**

All terms and conditions of any CFD bonded indebtedness shall be established by the CITY, after consultation with the CITY's consultants, CITY staff and the proponents of the CFD. The CITY will control, manage and invest, or cause to be controlled, managed and invested, all CFD bond proceeds. Each bond issue shall be structured so as to eliminate any adverse impact on the bonding capacity or credit rating of the CITY. The City Council shall at all times retain the discretion as to if and when any bonds shall be issued for a CFD.

All statements and material related to the sale of bonds shall emphasize and state that neither the faith, nor general credit of the CITY is pledged to security or repayment of the bonds. The sole source of pledged revenues to repay CFD bonds shall be the special taxes, bond proceeds and reserve funds held under the bond document, and the proceeds of foreclosure proceedings and additional security instruments provided at the time of bond issuance, unless otherwise specifically agreed to in writing by the CITY.

#### **X. CFD INITIAL COSTS.**

All CITY and consultant costs incurred in the evaluation of CFD applications and the establishment of CFDs will be paid by the proponents of the CFD by advance deposit increments. The CITY shall use reasonable efforts not to incur any non-

reimbursable expenses for processing and administering CFDs. In general, expenses not chargeable to the CFD shall be directly borne by the proponents of the CFD.

**XI. USE OF CONSULTANTS.**

The CITY shall select all consultants necessary for the formation of (or annexation to) and administration of a CFD and the issuance of bonds, including the underwriter(s), bond counsel, financial advisors, appraiser, any market absorption consultant and the special tax consultant. Prior consent of any proponent of a CFD shall not be required in the determination by the CITY of the consulting and financing team.

**XII. CONTINUING DISCLOSURE.**

By being allowed to participate in a Mello-Roos proceeding, each owner of land therein must be willing to provide information deemed by the CITY and its financing team to be needed in order for the CITY and the underwriter to comply with applicable Federal and state securities laws, including continuing disclosure requirements imposed by SEC Rule 15c2-12.

**XIII. EXCEPTIONS TO THESE POLICIES.**

The CITY may find that a waiver of any of the above stated policies is reasonable given identified CITY benefits to be derived from such waiver. Such waivers only will be granted by action of the City Council.



# AGENDA ITEM

11D

# December 2018

December 2018

January 2019

Su	Mo	Tu	We	Th	Fr	Sa
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Su	Mo	Tu	We	Th	Fr	Sa
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Nov 25		26	27	28	29	30	Dec 1
11/25 - 30							
2		3	4	5	6	7	8
12/2 - 7							
9		10	11	12	13	14	15
12/9 - 14							
16		17	18	19	20	21	22
12/16 - 21							
23		24	25	26	27	28	29
12/23 - 28							
12/23 - 28							
30		31	Jan 1, 19	2	3	4	5
12/30 - 1/4							

CITY HALL CLOSED- CHRISTMAS- NEW YEARS HOLIDAY

8:00am

CITY HALL CLOSED- CHRISTMAS- NEW YEARS HOLIDAY

# January 2019

January 2019

February 2019

Su	Mo	Tu	We	Th	Fr	Sa
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Dec 30	31	Jan 1, 19	2	3	4	5	
Dec 30 - Jan 5			CITY HALL CLOSED - CHRISTMAS Council Meeting ?				
Jan 6 - 12	6	7	8	9	10	11	12
Jan 13 - 19	13	14	15	16	17	18	19
Jan 20 - 26	20	21	22	23	24	25	26
Jan 27 - Feb 2	27	28	29	30	31	Feb 1	2

## AGENDA ITEM

11E



# JOIN US!

WELCOME OUR NEWLY ELECTED  
AND CELEBRATE OUR RE-ELECTED  
MAYORS & COUNCIL MEMBERS



December 10, 2018 | 5:30 - 7:30 p.m.

## SEASCAPE RESORT

ONE SEASCAPE RESORT, APTOS

DIRECTIONS TAKE HWY 17 TO LARKIN VALLEY  
SAN ANGELES ROAD EXIT. TURN RIGHT AT SAN ANGELES  
ROAD. AT STOP SIGN TURN RIGHT AT SEASCAPE BLVD. AND  
CONTINUE UNTIL THE ROAD ENDS  
TURN LEFT TO GO TO SEASCAPE'S LOBBY

Sponsored by The Monterey Bay Division of the  
League of California Cities

RSVP by December 3rd to Sophia Rome  
sophia.rome@leocalifornia.org | (831) 758-7204





# NEW MAYORS & COUNCIL MEMBERS ACADEMY

Two dates and locations to choose from!

January 16–18, 2019 | Hyatt Regency Sacramento  
 January 30–February 1, 2019 | Irvine Marriott



## REGISTRATION AND HOUSING DEADLINE:

Sacramento: Friday, January 4, 2019

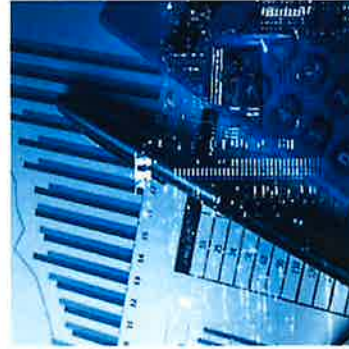
Irvine: Tuesday, January 8, 2019

[www.cacities.org/events](http://www.cacities.org/events)

Check out our mobile app

[facebook.com/leagueofcacities](https://www.facebook.com/leagueofcacities)

@CaCities





WEDNESDAY

### **Sexual Harassment Prevention Training (AB 1661)**

8:00 – 10:00 a.m.

*Sign-in begins at 7:30 a.m., and you must be present for the full two hours to receive the certification of attendance at 10:00 a.m. (Planned with the Institute for Local Government).*

Local agency officials must receive two hours of sexual harassment prevention training and education within the first six months of taking office and every two years thereafter if the agency provides any type of compensation, salary, or stipend to those officials. This training will teach officials and staff how to identify, prevent and respond to workplace harassment, discrimination and retaliation. This training will fulfill training requirements for AB 1661/1825/2053.

# WEDNESDAY

## Registration Open

7:30 a.m.

## Opening Session

### City of Dysfunction Junction — How to Conduct an Effective and Respectful Council Meeting

10:30 a.m. – 12:15 p.m.

Enjoy a popular and hilarious skit, contrasting the wrong and the right ways to conduct your city council meetings.

## Luncheon

### Effective Advocacy & Key City Issues

12:30 – 2:00 p.m.

Meet the League of California Cities' legislative team, and learn about the legislative goals, legislative calendar, and trending issues in the legislature. Lobbyists will also share ideas for establishing practical skills to develop persuasive arguments and testimony that will serve your city's interests.

## Your Legal Powers and Obligations

2:15 – 3:15 p.m.

You were elected to make things happen in your city. Learn the breadth, as well as the limitations of your powers as a city official. Acquire a basic understanding of the legal authorities and restrictions under which cities and city officials operate, with a focus on the Brown Act.

## Part 1: Financial Responsibilities, City Revenues Workshop

3:30 – 4:45 p.m.

Part one in this two-part workshop covering your responsibilities as elected officials in exercising fiduciary accountability and transparency in open government. Discuss the local government financial cycle, elected official financial oversight duties, and state and local funding relationships, and identify the four stages of fiscal meltdown. The importance of structurally balanced budget tips for setting city council goals, and the need for financial policies will be stressed. Learn to avoid micromanagement and complacency management.

## Networking Reception (Sacramento Only)

5:30 – 6:30 p.m.

Take this opportunity to network with your peers from throughout the state after a full day of educational sessions. Assembly Members and Senators from throughout the state are invited to attend.



For speaker information, go to [www.cacities.org/mayorscouncilled](http://www.cacities.org/mayorscouncilled)

\*\*Sessions are subject to change\*\*



# THURSDAY

## Registration Open

7:00 a.m.

## Networking Breakfast

7:30 – 8:30 a.m.

## Part 2: Financial Responsibilities, City Revenues Workshop

8:30 – 9:45 a.m.

Part two in this two-part workshop covering your responsibilities as elected officials in exercising fiduciary accountability and transparency in open government. Discuss the local government financial cycle, elected official financial oversight duties, and state and local funding relationships, and identify the four stages of fiscal meltdown. The importance of structurally balanced budget tips for setting city council goals, and the need for financial policies will be stressed. Learn to avoid micromanagement and complacency management.



# THURSDAY

## Policy Role in Land Use Planning

10:00 – 11:00 a.m.

Land use planning is one of the most important aspects of a city official's responsibilities because of the long-term impacts it can have on a community's environment, economic vitality and the physical health of its residents. Learn about tools and processes in land use planning such as the general plan, zoning, and the California Environmental Quality Act (CEQA), as well as the role of regional agencies and the state. This knowledge will help you foster a solid working relationship with your city's planning commission and planning staff.

## Your League and How To Use It

11:15 – 11:45 a.m.

As a city official, you are the League. Its success, along with your own, depends on your involvement and leadership. Receive an introduction to the services of the League of California Cities, how you can access them, and how you can become involved.

## Luncheon

### Inquiring Minds Want to Know

12:00 – 1:15 p.m.

Have a question that you are afraid to ask in a public meeting, or feel that you should already know the answer to? Join us in a safe and friendly environment to receive answers to your most pondered questions, and hear questions from your colleagues.

### Relationship between City Council and City Management

1:30 – 3:00 p.m.

As an elected official, there will be various competing values and priorities that drive you and your colleagues within your city. Your success on the council requires an effective relationship with your city manager, city attorney and staff, where everyone's values are respected and represented. Learn how to work together while cultivating each of your diverse roles.

## Communications and Civic Engagement

3:15 – 4:45 p.m.

With constant advancements in social media over the last several years, it can be hard to keep up with the “do’s and don’ts” of every platform. There is a wide variety of almost immediate online informational sources, and elected officials need to be quick on their feet with the necessary skills to proactively manage public perceptions about local governmental affairs. Discover what cities should be doing to communicate with their constituents in the 21st century, and the rules that elected officials need to follow.

## Networking Reception

(Irvine Only)

5:30 – 6:30 p.m.

Take this opportunity to network with your peers from throughout the state after a full day of educational sessions. Assembly Members and Senators from throughout the state are invited to attend.

# FRIDAY

## Registration Open

7:30 a.m.

## Networking Breakfast & Late Breaking Session

8:00 – 9:15 a.m.

*Watch for details to be released prior to the conference.*

## How to Build and Maintain the Public's Trust: Practical Ethics and the Law (AB 1234)

9:45 – 11:45 a.m.

*Sign-in begins at 9:15 a.m., and you must be present for the full two hours to receive the certification of attendance at 11:45 a.m. (Planned with the Institute for Local Government).*

State law requires elected and appointed officials to receive training in specified ethics laws and principles every two years.

Newly elected and appointed officials must receive this training within one year of becoming a public servant. This lively, example-laden, two hours will make this mandatory training more tolerable – if not outright enjoyable.



For speaker information, go to  
[www.cacities.org/mayorscouncil](http://www.cacities.org/mayorscouncil)

\*\*Sessions are subject to change\*\*

*Save The Dates:*



## 2019 ANNUAL CONFERENCE & EXPO

October 16–18, 2019  
Long Beach  
Convention Center

## MAYORS & COUNCIL MEMBERS EXECUTIVE FORUM

June 19–20, 2019 | Newport Beach Marriott

## MAYORS & COUNCIL MEMBERS ADVANCED LEADERSHIP WORKSHOPS

June 21, 2019. | Newport Beach Marriott



# GENERAL INFORMATION

## REGISTRATION AND HOUSING DEADLINE:

Sacramento: Friday, January 4, 2019

Irvine: Tuesday, January 8, 2019



If you require special accommodations related to facility access, transportation, communication and/or dietary requests, please contact our Conference Registrar at [mdunn@cacities.org](mailto:mdunn@cacities.org) by the Registration & Housing Deadline.

## STEP 1: REGISTER FOR THE CONFERENCE

Registration is not complete until full payment is received. The League is unable to accept purchase orders.

- For online registration, go to [www.cacities.org/events](http://www.cacities.org/events) and select "New Mayors and Council Members Academy".
- To request a mail-in registration form, contact [mdunn@cacities.org](mailto:mdunn@cacities.org).

**Registration must be received by the registration & housing deadline.** After this date, please register onsite if space is still available.

## COSTS/FEES

**Full registration** includes electronic access to all program materials, admission to all sessions, two breakfasts, two lunches, and the evening networking reception.

### Full Conference

Elected Officials and City Staff .....\$575  
Non-Member City Elected Officials and City Staff .....\$1575  
Spouse Registration (Networking Reception only) .....\$35

*The spouse fee is restricted to persons who are not city or public officials, are not related to any League Partner or sponsor, and would have no professional reason to attend the conference. It includes admission to the networking reception only. There is no refund for the cancellation of a spouse registration. It is not advisable to use city funds to register a spouse.*

## CANCELLATIONS

**Refunds of rate paid, minus \$75 processing charge, will be made for cancellations submitted in writing to [mdunn@cacities.org](mailto:mdunn@cacities.org) and received by the registration & housing deadline.** There are no refunds for cancellations after this date. Substitutions can be made onsite.

## STEP 2: RESERVE A HOTEL ROOM

### Hotel Information & Reservations

A limited number of hotel rooms are available for conference attendees. All attendees must register for the conference prior to reserving a hotel room. Once registration is complete, you will be directed to the housing reservations page. Hotel reservation changes, date modifications, early check-out, or cancellations made prior to the **registration & housing deadline** must be done through the online reservation link you received when registering for the conference. Use your confirmation/acknowledgement number to access your reservation to make changes. Once the registration & housing deadline has passed, please contact the hotel directly with any changes or cancellations. Please note that any hotel cancellations after the housing deadline has passed may incur a financial penalty or a minimum one-night room charge or attrition fees.

### January 16 – 18, 2019, Sacramento

#### Hyatt Regency Sacramento

1209 L Street, Sacramento, CA 95814

Hotel Rate (per night): \$186 – Single/Double Occupancy (plus tax and fees)

Valet parking: \$29 per day / Self-parking: \$20 per day (subject to change without notice)

### January 30 – February 1, 2019, Irvine

#### Irvine Marriott

18000 Von Karman Avenue, Irvine, CA 92612

Hotel Rate (per night): \$184 – Single/Double Occupancy (plus tax and fees)

Valet parking: \$36 per day / Self-parking: \$12 per day (subject to change without notice)

**PLEASE NOTE:** The information you provide to the League when registering for a League conference or meeting may be shared with the conference or meeting hotel(s). The hotel(s) will also share with the League the information you provide to the hotel(s) when you make your hotel reservation for the conference or meeting. The information shared between the League and the hotel(s) will be limited to your first name, last name and dates/length of stay in the hotel.



1400 K Street, Ste. 400  
Sacramento, CA 95814  
[www.cacities.org](http://www.cacities.org)

## Join us for the 2019 New Mayors and Council Members Academy

For speaker information, go to [www.cacities.org/mayorscouncil](http://www.cacities.org/mayorscouncil)



# Events Calendar - Community

Search for Event by:

12/1/2018

M/d/yyyy

12/31/2018

M/d/yyyy

« Change Dates »

Narrow search by:

## Free Family Fun Day: Mini Masterpieces

Saturday Dec 1, 2018

... [read more](#) →

*Categories: Arts, Culture & Entertainment, Community*

## Seaside Certified Farmer's Market

Saturday Dec 1, 2018

... [read more](#) →

*Categories: Community*

## Thalea String Quartet Performance

Saturday Dec 1, 2018

... [read more](#) →

*Categories: Arts, Culture & Entertainment, Community*

## Paint with Dali17

Saturday Dec 1, 2018

... [read more](#) →

 *Categories: Arts, Culture & Entertainment, Community*

## Listening Place Readers Theater Holiday Performance

Sunday Dec 2, 2018

... [read more](#) →

*Categories: Arts, Culture & Entertainment, Community*

## Mondays at the Museum

Monday Dec 3, 2018

... [read more](#) →

*Categories: Arts, Culture & Entertainment, Community*

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### **SoPro IT Tech Talk (Free Help Understanding Tech)**

Wednesday Dec 5, 2018



[... read more →](#)

*Categories: Community, Continuing Education*

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### **The Alzheimer's Association presents: 'Melodic Memories' Sing-a-Long**

Friday Dec 7, 2018



[... read more →](#)

*Categories: Community*

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### **Christmas in the Adobes**

Friday Dec 7, 2018

[... read more →](#)

*Categories: Arts, Culture & Entertainment, Community*

---

### **First Friday @ MMA**

Friday Dec 7, 2018

[... read more →](#)

*Categories: Arts, Culture & Entertainment, Community*

---

### **Seaside Certified Farmer's Market**

Saturday Dec 8, 2018

[... read more →](#)

*Categories: Community*

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### **Christmas in the Adobes**

Saturday Dec 8, 2018

[... read more →](#)

*Categories: Arts, Culture & Entertainment, Community*

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### **Listening Place Readers Theater Holiday Performance**

Sunday Dec 9, 2018

[... read more →](#)

*Categories: Arts, Culture & Entertainment, Community*

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## SoPro IT Tech Talk (Free Help Understanding Tech)

Wednesday Dec 12, 2018



[... read more →](#)

*Categories: Community, Continuing Education*

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## Monterey Cannabis Summit

Thursday Dec 13, 2018 - Friday Dec 14, 2018

[... read more →](#)

*Categories: Community, Clubs/Organizations*

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## Christmas Market

Thursday Dec 13, 2018 - Friday Dec 14, 2018

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## Thursdays On The Mountain - Ugly Sweater Party

Thursday Dec 13, 2018

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*Categories: Community, Holiday*

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## Seaside Certified Farmer's Market

Saturday Dec 15, 2018

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*Categories: Community*

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## Mondays at the Museum

Monday Dec 17, 2018

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*Categories: Arts, Culture & Entertainment, Community*

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## SoPro IT Tech Talk (Free Help Understanding Tech)

Wednesday Dec 19, 2018



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*Categories: Community, Continuing Education*

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## The Alzheimer's Association presents: 'Melodic Memories' Sing-a-Long



Friday Dec 21, 2018



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*Categories: Community*

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### **SoPro IT Tech Talk (Free Help Understanding Tech)**

Wednesday Dec 26, 2018



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*Categories: Community, Continuing Education*

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