



AGENDA

Tuesday, March 17, 2020

5:00 P.M. Closed Session

6:30 P.M. Open Session

REGULAR MEETING

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

Council Chambers
211 Hillcrest Avenue
Marina, California

VISION STATEMENT

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

MISSION STATEMENT

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

1. CALL TO ORDER



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

Lisa Berkley, Adam Urrutia, Frank O'Connell, Mayor Pro-Tem/Vice Chair, Gail Morton, Mayor/Chair Bruce C. Delgado

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

- a. Conference with Legal Counsel, one case of existing litigation pursuant to paragraph (1) of subdivision (d) of CA Govt. Code Section 54956.9: (1) City of Marina and Marina Groundwater Sustainability Agency v. County of Monterey; Monterey County Board of Supervisors; County of Monterey Groundwater Sustainability Agency; California Department of Water Resources (DWR); and Director Karla Nemeth in her official capacity; Monterey County Superior Court Case No.19CV005270.
- b. Conference with Legal Counsel, anticipated litigation - initiation of litigation pursuant to paragraph (4) of subdivision (d) of CA Govt. Code Section 54956.9 – two potential cases.
- c. Labor Negotiations
 - i. Marina Employees Association
 - ii. Marina Management Employee Association
 - iii. Marina Police Safety Officers Association (MPSOA)
 - iv. Marina Police Management Association
 - v. Department Directors

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

4. **MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE** (Please stand)
5. **SPECIAL PRESENTATIONS:**
 - a **Monterey Council Convention and Visitors Bureau Mid-Year Presentation**
 - b **Recreation Announcements**
6. **SPECIAL ANNOUNCEMENTS AND COMMUNICATIONS FROM THE FLOOR:** *Any member of the Public or the City Council may make an announcement of special events or meetings of interest as information to Council and Public. Any member of the public may comment on any matter within the City Council's jurisdiction which is not on the agenda. Please state your name for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda. City Council members or City staff may briefly respond to statements made or questions posed as permitted by Government Code Section 54954.2. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of four (4) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the City Council.*
7. **CONSENT AGENDA FOR THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY:** *Background information has been provided to the Successor Agency of the former Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda for Successor Agency to the former Marina Redevelopment Agency and placed at the end of Other Action Items Successor Agency to the former Marina Redevelopment Agency.*
8. **CONSENT AGENDA:** *Background information has been provided to the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda and placed at the end of Other Action Items.*

a. ACCOUNTS PAYABLE:

- (1) Accounts Payable Check Numbers 94517-94655, totaling \$694,112.79
Accounts Payable Successor Agency Check Number 43, totaling \$4,392.50

b. MINUTES:

- (1) March 3, 2020, Regular City Council Meeting

c. CLAIMS AGAINST THE CITY: None

d. AWARD OF BID: None

e. CALL FOR BIDS:

- (1) City Council consider adopting Resolution No. 2020-, approving advertising and call for bids for the Stockade Hazardous Material and Building Removal Project.

f. ADOPTION OF RESOLUTIONS:

- (1) City Council consider adopting Resolution No. 2020-, approving proposed salary schedule for Associate Planner; authorizing the City Manager to make necessary adjustments to the City's classification and compensation plans, and; authorizing the Finance Director to make necessary budgetary and accounting entries.

g. APPROVAL OF AGREEMENTS

- (1) City Council consider adopting Resolution No. 2020-, approving a Conditional Airport Use Permit for Monterey Bay Karters to conduct a non-aeronautical go-kart activity on the north tarmac at the Marina Municipal Airport; and authorizing City Manager to execute the Conditional Airport Use Permit on behalf of the City, subject to final review and approval by City Attorney.
- (2) City Council consider adopting Resolution No. 2020-, amending the construction contract with William A. Thayer Construction of Salinas, California for the change orders required for the Completion of 771 Neeson Road Restaurant Remodel Project, and; increasing appropriations in FY 2019-20 Budget, Airport Capital Projects Fund 460, and; increasing appropriations in FY 2019-20 Airport Operations Fund 555, and; authorizing the Finance Director to make the necessary accounting and budgetary entries, and; authorizing City Manager to execute all contract documents on behalf of the City subject to final review and approval by the City Attorney.
- (3) City Council consider adopting Resolution No. 2020-, authorizing the City manage to sign a master lease agreement with Enterprise, Inc. as a Sourcewell approved contract for the replacement of certain City vehicles subject to final review and approval by the City Attorney; and, consider waiving the City's formal bid process; finding that competitive bidding would be unavailing, would not produce an advantage and would not be in the public interest; and, authorize the City Manager to sign a lease for 7 fully outfitted vehicles shown in the report subject to final review and approval by the City Attorney; and, authorize the Finance Director to make necessary accounting and budgetary entries.

h. ACCEPTANCE OF PUBLIC IMPROVEMENTS: None

i. MAPS: None

- j. REPORTS: (RECEIVE AND FILE):
 - (1) City receive Monterey-Salinas Transit March 9, 2020 News Release
- k. FUNDING & BUDGET MATTERS:
- l. APPROVE ORDINANCES (WAIVE SECOND READING): None
- m. APPROVE APPOINTMENTS: None
- 9. PUBLIC HEARINGS: None
- 10. OTHER ACTIONS ITEMS OF THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Action listed for each Agenda item is that which is requested by staff. The Successor Agency may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*
- 11. OTHER ACTION ITEMS: *Action listed for each Agenda item is that which is requested by staff. The City Council may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

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

- a. City Council consider adopting Resolution No. 2020-, receive a report on the City's Annual Audit for the period ending June 30, 2019; and, receive and file the City of Marina Auditor Governance Letter (SAS 114) and Management Letter (SAS 115) for the fiscal year ending June 30, 2019.
 - b. City Council consider adopting Resolution No. 2020-, ratifying a Proclamation of a Local Emergency by City of Marina City Manager Related to Covid-19 (Coronavirus), and discussion and update of current situation and provide staff further direction
 - c. City Council's consideration of a request by the Dawal Management Group to provide assistance with the construction of a second hotel next to the Marriott Springhill Suite and provide direction to staff.
 - d. City Council consider placing on a future agenda a ballot measure setting forth the modifications necessary to remove the existing flaws to the Marina Municipal Code Title 19 entitled Commercial Cannabis Activities. [O'Connell] *Step One of Two Step Process*
 - e. City Council discussion and possible direction concerning placement on a future Council agenda to enact an emergency ordinance to protect renters and prevent eviction or rent increase of those who been adversely effected by loss of work or income due to the corona virus in the City of Marina [Berkley] *Step One of Two Step Process.*
- 12. COUNCIL & STAFF INFORMATIONAL REPORTS:
 - a. Monterey County Mayor's Association [Mayor Bruce Delgado]
 - b. Council and staff opportunity to ask a question for clarification or make a brief report on his or her own activities as permitted by Government Code Section 54954.2.

13. ADJOURNMENT:

CERTIFICATION

I, Anita Sharp, Deputy City Clerk, of the City of Marina, do hereby certify that a copy of the foregoing agenda was posted at City Hall and Council Chambers Bulletin Board at 211 Hillcrest Avenue, Monterey County Library Marina Branch at 190 Seaside Circle, City Bulletin Board at the corner of Reservation Road and Del Monte Boulevard on or before 7:00 p.m., Friday, March 13, 2020.

ANITA SHARP, DEPUTY CITY CLERK

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

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

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

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

Members of the public may receive the City Council, Airport Commission and Successor Agency of the Former Redevelopment Agency Agenda at a cost of \$55 per year or by providing a self-addressed, stamped envelope to the City Clerk. The Agenda is also available at no cost via email by notifying the City Clerk at marina@cityofmarina.org

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

Upcoming 2020 Meetings of the City Council, Airport
Commission, Marina Abrams B Non-Profit Corporation, Preston
Park Sustainable Community Nonprofit Corporation, Successor
Agency of the Former Redevelopment Agency and Marina
Groundwater Sustainability Agency
Regular Meetings: 5:00 p.m. Closed Session;
6:30 p.m. Regular Open Sessions

Tuesday, April 7, 2020
Tuesday, April 21, 2020

**** Wednesday, August 5, 2020**
Tuesday, August 18, 2020

Tuesday, May 5, 2020
Tuesday, May 19, 2020

Tuesday, September 1, 2020
Tuesday, September 15, 2020

Tuesday, June 2, 2020
Tuesday, June 16, 2020

Tuesday, October 6, 2020
Tuesday, October 20, 2020

Tuesday, July 7, 2020
Tuesday, July 21, 2020

***** Wednesday, November 4, 2020**
Tuesday, November 17, 2020

Tuesday, December 1, 2020
Tuesday, December 15, 2020

* Regular Meeting rescheduled due to Monday Holiday

**Regular Meeting rescheduled due to National Night Out Event

*** Regular Meeting rescheduled due to General Election Day

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

CITY HALL 2020 HOLIDAYS

(City Hall Closed)

Memorial Day -----Monday, May 25, 2020
Independence Day (City Offices Closed) -----Friday, July 3, 2020
Labor Day -----Monday, September 7, 2020
Veterans Day -----Wednesday, November 11, 2020
Thanksgiving Day -----Thursday, November 26, 2020
Thanksgiving Break -----Friday, November 27, 2020
Winter Break -----Thursday, December 24, 2020-Thursday, December 31, 2020

2020 COMMISSION DATES

Upcoming 2020 Meetings of Design Review Board
3rd Wednesday of every month. Meetings are held at the Council Chambers at 6:30 P.M.
** = Change in location due to conflict with Council meeting

March 18, 2020
April 15, 2020
May 20, 2020

June 17, 2020
July 15, 2020
August 19, 2020

September 16, 2020
October 21, 2020
November 18, 2020
December 16, 2020

Upcoming 2020 Meetings of Economic Development Commission
3rd Thursday of every month. Meetings are held at the Council Chambers at 4:00 P.M.

March 19, 2020 (Cancelled)
April 16, 2020 (Cancelled)
May 21, 2020 (Cancelled)

June 18, 2020
July 16, 2020
August 20, 2020

September 17, 2020
October 15, 2020
November 19, 2020
December 17, 2020 (Cancelled)

Upcoming 2020 Meetings of Planning Commission
2nd and 4th Thursday of every month. Meetings are held at the Council Chambers at 6:30 P.M.

March 26, 2020
April 9, 2020
April 23, 2020
May 14, 2020
May 28, 2020
June 11, 2020
June 25, 2020

July 9, 2020
July 23, 2020
August 13, 2020
August 27, 2020

September 10, 2020
September 24, 2020
October 8, 2020
October 22, 2020
November 12, 2020
December 10, 2020

Upcoming 2020 Meetings of Public Works Commission
3rd Thursday of every month. Meetings are held at the Council Chambers at 6:30 P.M.

March 19, 2020
April 16, 2020

May 21, 2020
June 18, 2020
July 16, 2020
August 20, 2020

September 17, 2020
October 15, 2020
November 19, 2020
December 17, 2020 (Cancelled)

**Upcoming 2020 Meetings of Recreation &
Cultural Services Commission**
1st Wednesday of every quarter month. Meetings are held at the Council Chambers at 6:30 P.M.

June 3, 2020

September 2, 2020

December 2, 2020

Upcoming 2020 Meetings of Marina Tree Committee
2nd Wednesday of every quarter month as needed. Meetings are held at the Council Chambers at 6:30 P.M.

April 8, 2020

July 8, 2020

October 14, 2020

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AP Check Register 03-06-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Agenda Item: 8a

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 905 - Chase - Checking						
Check	03/06/2020	94517	Accounts Payable	Access Monterey Peninsula		29,426.12
	Invoice		Date	Description		Amount
	12-31-19		03/02/2020	Qtr 2 - PEG		29,426.12
Check	03/06/2020	94518	Accounts Payable	Ace Hardware		106.66
	Invoice		Date	Description		Amount
	073529		02/20/2020	Chain saw oil, marking paint for station 2		17.46
	073480		02/17/2020	Hardware for 07-01 Mirror, loose bolts		1.65
	073505		02/19/2020	Turnout wash supply, PPE Bolt		11.24
	073574		02/26/2020	Pipe ABS Foam, Elbow 45 ABS, Couple ABS - For Turnout Dryer		68.76
	073599		02/27/2020	Fasteners & Adhesive for Turnout Dryer		13.58
	073562		02/25/2020	Tee San ABS - for Turnout Dryer		4.36
	073551		02/24/2020	Bushing - for Turnout Dryer		2.72
	073579		02/26/2020	Couple ABS, Cement All Purpose for Turnout Dryer		16.37
	073598		02/27/2020	CREDIT - Elbow ABS for Turnout Dryer		(29.48)
Check	03/06/2020	94519	Accounts Payable	Ace Hardware		76.31
	Invoice		Date	Description		Amount
	073553		02/24/2020	Ace roller - paints (graffiti - Cypress Knolls		5.45
	073575		02/26/2020	Cleaner cooktop		8.73
	073590		02/27/2020	Bcade tape - Caution		10.91
	073555		02/24/2020	Cleaner, wire & dish brush - Power pedestal		15.26
	073612		02/28/2020	Air Filters		27.26
	073583		02/26/2020	B533_Key Copies for West Side Entrance Door		8.70
Check	03/06/2020	94520	Accounts Payable	Advantage Gear		1,275.80
	Invoice		Date	Description		Amount
	30048		02/20/2020	GRANT - Uniform for New RFF Sam Figueroa		318.41
	1847		02/13/2020	GRANT - Uniform for Mike Smith		638.98
	30245		02/28/2020	GRANT - Uniform for Samantha Flores		318.41
Check	03/06/2020	94521	Accounts Payable	AT & T		540.52
	Invoice		Date	Description		Amount
	000014378477		02/27/2020	CALNET3-9391023471 (582-0100)		44.71

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AP Check Register 03-06-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	000014378481		02/27/2020	CALNET3-9391023475 (582-9032)		21.04
	000014383184		02/28/2020	CALNET3-9391023466 (384-8477)		40.43
	000014383186		02/28/2020	CALNET3-9391023468 (384-9148)		21.33
	000014383181		02/28/2020	CALNET3-9391023463 (384-7854)		21.04
	000014383158		02/28/2020	CALNET3-9391023442 (384-1702)		21.04
	000014383157		02/28/2020	CALNET3-9391023441 (384-0888)		60.93
	000014383180		02/28/2020	CALNET3-9391023462 (384-7547)		23.66
	000014383153		02/28/2020	CALNET3-9391023437 (384-0425)		19.44
	000014383185		02/28/2020	CALNET3-9391023467 (384-8760)		19.38
	000014378483		02/27/2020	CALNET3-9391023477 (582-9803)		21.04
	000014378479		02/27/2020	CALNET3-9391023473 (582-2398)		21.04
	000014378482		02/27/2020	CALNET3-9391023476 (582-9611)		21.04
	000014383164		02/28/2020	CALNET3-9391023448 (384-2934)		21.04
	000014383179		02/28/2020	CALNET3-9391023461 (384-7238)		21.04
	000014383188		02/28/2020	CALNET3-9391023470 (384-9682)		19.38
	000014383155		02/28/2020	CALNET3-9391023439 (384-0552)		21.04
	000014383173		02/28/2020	CALNET3-9391023457 (384-5140)		19.38
	000014383156		02/28/2020	CALNET3-9391023440 (384-0860)		21.06
	000014383187		02/28/2020	CALNET3-9391023469 (384-9337)		21.04
	000014383168		02/28/2020	CALNET3-9391023452 (384-3717)		19.38
	000014383172		02/28/2020	AT&T Billing/384-4718 1/28 thru 2/27/20		21.04
Check	03/06/2020	94522	Accounts Payable	Bay Area Polygraph		600.00
Amount						Amount
Check	966		02/25/2020	Polygraph/E.Gamboa & R.Parra 2/25/20		600.00
	03/06/2020	94523	Accounts Payable	Bound Tree Medical		1,772.58
Amount						Amount
Check	83513116		02/19/2020	Medical Supplies		1,772.58
	03/06/2020	94524	Accounts Payable	Branch's Janitorial		5,121.35
Amount						Amount
Check	227898		02/22/2020	Janitorial Service - CH, Corp Yard, LA, Annex & CC		2,886.35
	227905		02/22/2020	Janitorial Service-Police/Fire/Airport February		2,235.00
Check	03/06/2020	94525	Accounts Payable	Burton's Fire, Inc.		245.54

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AP Check Register 03-06-20

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Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	Invoice		Date	Description		Amount
	S47955		02/27/2020	Light weight 2 wire step - Unit 04-01		245.54
	03/06/2020	94526	Accounts Payable	Carmel Fire Protection Associates		2,000.00
	Invoice		Date	Description		Amount
	120056		02/06/2020	13D Letter - 607 Bluffs Drive		200.00
	120055		02/06/2020	13D Letter - 609 Bluffs Drive		200.00
	120054		02/06/2020	13D Letter - 488 McKinley Drive		200.00
	120068		02/21/2020	13D Letter - 605 Bluffs Drive		200.00
	120069		02/21/2020	13D Letter - 599 Bluffs Drive		200.00
	120070		02/21/2020	13D Letter - 601 Bluffs Drive		200.00
	120071		02/21/2020	13D Letter - 603 Bluffs Drive		200.00
	120072		02/21/2020	13D Letter - 480 McKinley Drive		200.00
	120073		02/21/2020	13D Letter - 482 Hood Way		200.00
	120075		02/22/2020	72 TI for CPAP 120 General Stillwell #100		200.00
Check	03/06/2020	94527	Accounts Payable	Carmel Roasters, Inc.		365.99
Check	Invoice		Date	Description		Amount
	58639		02/12/2020	FD Coffee		219.59
	58760		02/26/2020	FD Coffee		146.40
	03/06/2020	94528	Accounts Payable	Petty Cash		1,839.21
Check	Invoice		Date	Description		Amount
	02-25-20		02/25/2020	Replenish Petty Cash		1,839.21
	03/06/2020	94529	Accounts Payable	Code Publishing Inc.		1,491.00
	Invoice		Date	Description		Amount
Check	661666		02/26/2020	MMC Web Update - Ord 2019-03 - 2019-05		1,491.00
	03/06/2020	94530	Accounts Payable	CSC of Salinas		23.79
	Invoice		Date	Description		Amount
	000734886		02/27/2020	Bolt clamp - Unit 599		23.79
Check	03/06/2020	94531	Accounts Payable	CSG Consultants		49,905.00
	Invoice		Date	Description		Amount
	29236		02/14/2020	CSG Eng: SH5 Sea Haven - Plan Ck (01/01/20 - 01/31/20)		12,150.00

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AP Check Register 03-06-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	29224	02/14/2020		CSG Eng: Staff Augmentation (01/01/20 - 01/31/20)		7,280.00
	29215	02/14/2020		CSG Eng - Locke Paddon CFD (01/01/20 - 01/31/20)		160.00
	29217	02/14/2020		CSG Eng: Cypress Cove LMD (01/01/20 - 01/31/20)		240.00
	29216	02/14/2020		CSG - Monterey Bay Est LMD (01/01/20 - 01/31/20)		240.00
	29219	02/14/2020		CSG Eng: R46B Imjin Pkwy (01/01/20 - 01/31/20)		1,120.00
	29220	02/14/2020		CSG ENG: T122C HWY1 Imjin (#727) (01/01/20 - 01/31/20)		720.00
	29221	02/14/2020		CSG Eng: Dunes TIA Updates (R78) (01/01/20 - 01/31/20)		360.00
	29222	02/14/2020		CSG Eng: R5 2nd Ave Ext (#713) (01/01/20 - 01/31/20)		3,720.00
	29223	02/14/2020		CSG Eng: Staff Augmentation (01/01/20 - 01/31/20)		7,320.00
	29231	02/14/2020		CSG Eng: FAE Svc - DU3 - 1C Phase 3 (01/01/20 - 01/31/20)		695.00
	29230	02/14/2020		CSG Eng: SH2 Sea Haven-Inspection (01/01/20 - 01/31/20)		1,500.00
	29235	02/14/2020		CSG Eng: FAE - DU2 - 1C Dunes Phas 2 (01/01/20 - 01/31/20)		875.00
	29225	02/14/2020		CSG Eng: RWQCB (01/01/20 - 01/31/20)		480.00
	29226	02/14/2020		CSG Eng: MCWD (01/01/20 - 01/31/20)		160.00
	29218	02/14/2020		CSG Eng: APR 1801 Annual Sls Resurfacing (01/01/20 - 01/31/20)		12,885.00
	03/06/2020	94532	Accounts Payable	Directv		5.00
	Invoice		Date	Description		Amount
Check	37210772955	02/26/2020		TV Service for Pilot's Lounge		5.00
	03/06/2020	94533	Accounts Payable	Emergency Services Consulting International		3,850.00
Check	Invoice		Date	Description		Amount
	19-411	11/30/2019		Consulting - Fire Study		3,850.00
Check	03/06/2020	94534	Accounts Payable	Enterprise Rent-A-Car - EAN Services, LLC		173.23
	Invoice		Date	Description		Amount
Check	24081633	02/29/2020		Rental Car/Rosas 2/26 thru 2/29/20		173.23
	03/06/2020	94535	Accounts Payable	Farella Braun & Martel LLP		112,825.20
Check	Invoice		Date	Description		Amount
	342583	01/31/2020		Professional Services - MPWSP - December 2019		112,825.20
Check	03/06/2020	94536	Accounts Payable	FedEx		70.67
	Invoice		Date	Description		Amount
	6-941-77275	02/28/2020		Shipping Charges - Joby Lease Documents		34.01

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AP Check Register 03-06-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	6-935-29231			Postage/Shipping-Evidence 2/21/20		36.66
	03/06/2020	94537	Accounts Payable	First Alarm		1,406.36
	Invoice		Date	Description		Amount
	524091		02/15/2020	Alarm Monitoring - 211 Hillcrest Ave - March-May 2020		92.67
Check	526639		02/15/2020	Alarm Monitoring - 3200 Del Monte Blvd - VDP		183.69
	521982		01/17/2020	B510_Connect Waterflow and PIV Monitoring to Alarm System		1,130.00
	03/06/2020	94538	Accounts Payable	Gavilan Pest Control		1,225.00
	Invoice		Date	Description		Amount
Check	0128546		02/29/2020	Airport Pest Control Services		1,150.00
	0128547		02/29/2020	Airport Pest Control Services_B504		75.00
	03/06/2020	94539	Accounts Payable	Geargrid Corporation		1,818.00
	Invoice		Date	Description		Amount
Check	0018447-IN		02/27/2020	Red Baron Lockers		1,818.00
	03/06/2020	94540	Accounts Payable	Hinderliter, de Llamas & Associates		1,663.96
	Invoice		Date	Description		Amount
	0033132-IN		02/25/2020	Sales Tax / 1st Quarter		1,663.96
Check	03/06/2020	94541	Accounts Payable	Johnson Associates		69.26
	Invoice		Date	Description		Amount
	436154		02/27/2020	3/4" D- ring - Unit 550		69.26
	03/06/2020	94542	Accounts Payable	Kimley-Horn & Associates		17,508.70
Check	15937035		01/31/2020	Annual Street Resurfacing Project (01/01/20- 01/31/20)		17,508.70
	03/06/2020	94543	Accounts Payable	KP Public Affairs, LLC		10,000.00
	Invoice		Date	Description		Amount
	40216		01/31/2020	Professional Services - January 2020		10,000.00
Check	03/06/2020	94544	Accounts Payable	L.N. Curtis & Sons		2,441.40
	Invoice		Date	Description		Amount
	INV361902		02/13/2020	(GRANT) Boots, Gloves & Gear Bags for New Firefighters		2,074.22
	INV337880		11/21/2019	Red Wildfire Helmet		192.18

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Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	INV364133			GRANT - Structure Boots for Jason O'Neil		175.00
	03/06/2020	94545	Accounts Payable	Liebert Cassidy Whitmore		6,343.75
	Invoice		Date	Description		Amount
	1492793		01/31/2020	LCW - Professional Services		1,394.00
Check	1492792		01/31/2020	LCW - Professional Services		4,895.75
	1492791		01/31/2020	LCW - Professional Services		54.00
	03/06/2020	94546	Accounts Payable	Mann, Urrutia, Nelson CPAS & Associates		12,800.00
	Invoice		Date	Description		Amount
Check	22805		01/27/2020	Jun 2019 Audit		9,250.00
	23290		03/02/2020	Jun 2019 Audit		3,550.00
	03/06/2020	94547	Accounts Payable	Marina Coast Water District		2,094.18
	Invoice		Date	Description		Amount
Check	012016000	022120	02/21/2020	012016 000 - 199 Paddon Pl Locke Paddon	(01/25/20 - 02/21/20)	47.51
	000056021	021420	02/14/2020	000056 021 - Ctr Med Res Rd-Post Off	(01/18/20 - 02/14/20)	33.99
	000056001	021420	02/14/2020	000056 001 - 209-13 Cypress	(01/18/20 - 02/14/20)	95.09
	000056017	021420	02/14/2020	000056 017 - 208 A Palm Ave, Fire Station	(01/18/20 - 02/14/20)	74.78
	000056019	021420	02/14/2020	000056 019 - 213 Hillcrest Ave, Comm Ctr	(01/18/20 - 02/14/20)	959.58
	000056020	021420	02/14/2020	000056 020 - 304 Hillcrest Ave, Teen Ctr	(01/18/20 - 02/14/20)	116.21
	000056016	021420	02/14/2020	000056 016 - Ctr Med Reserv & Seac	(01/18/20 - 02/14/20)	33.99
	000056024	021420	02/14/2020	000056 024 - Ctr Med Del Mon Blvd/Palm Ave	(01/18/20 - 02/14/20)	82.30
	000056022	021420	02/14/2020	000056 022 - Ctr Median & Row Del Mont	(01/18/20 - 02/14/20)	33.99
	000056018	021420	02/14/2020	000056 018 - 208 Palm Ave, Fire Station	(01/18/20 - 02/14/20)	147.00
	000056061	022120	02/21/2020	000056 061 - Seaside Ct. & Reservation Rd	(01/25/20- 02/21/20)	72.85
	000056040	022120	02/21/2020	000056 040 - Center Median Hilo Ave	(01/25/20- 02/21/20)	25.21
	000056028	022120	02/21/2020	000056 028 - ROW Calif Ave & Jerry	(01/25/20 - 02/21/20)	160.49
	000056042	022120	02/21/2020	000056 042 - 3040 Lake Dr - Animal Shelter	(01/25/20 - 02/21/20)	121.25
	000056006	022120	02/21/2020	000056 006 - 188 Seaside Circle	(01/25/20 - 02/21/20)	33.99
	000056090	022120	02/21/2020	000056 090 - Locke Padd Park	(01/25/20 - 02/21/20)	55.95
	03/06/2020	94548	Accounts Payable	Marina Express Plumbing		409.97
	Invoice		Date	Description		Amount
	2849		10/07/2019	B529_ Repair Kitchen Sink Drain and Toilet Drain		409.97
	03/06/2020	94549	Accounts Payable	Maynard Group Inc.		919.88

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	Invoice			Description		Amount
	P254304	03/01/2020		Platinum Service Maintenance Coverage/Citywide 3/1/20		919.88
	03/06/2020	94550	Accounts Payable	MNS Engineering, Inc.		772.50
Check	Invoice			Description		Amount
	74506	02/14/2020		Del Monte Blvd & Patton Pkwy Ext Proj (01/01/20 - 01/31/20)		772.50
	03/06/2020	94551	Accounts Payable	Monterey Auto Supply		99.91
Check	Invoice			Description		Amount
	706655	02/25/2020		Veh - Maint Parts & Supply - Unit 612		28.45
	707066	02/26/2020		Veh - Maint Parts & Supply - Unit 04-01		30.43
Check	707145	02/26/2020		Veh - Maint Parts & Supply - Unit 599		10.32
	706694	02/25/2020		Veh - Maint Parts & Supply - Unit 612		0.83
	707367	02/27/2020		Veh - Maint Parts & Supply - Unit 612		10.28
	707262	02/26/2020		Veh - Maint Parts & Supply - Unit 148		19.60
	03/06/2020	94552	Accounts Payable	Monterey County District Attorney		1,148.72
Check	Invoice			Description		Amount
	02-25-20	02/25/2020		FY 2018/2019 Blood Alcohol Costs 2/25/20		1,148.72
	03/06/2020	94553	Accounts Payable	Monterey County Office of Emergency Services		15,335.86
Check	Invoice			Description		Amount
	02-14-20	02/14/2020		FY 2019/2020 Q3 NGEN O&M 2/14/20		15,335.86
	03/06/2020	94554	Accounts Payable	Monterey County Recorder		52.00
Check	Invoice			Description		Amount
	02-24-20	02/24/2020		Recording Maps & Official Records		52.00
	03/06/2020	94555	Accounts Payable	Monterey One Water		957.20
Check	Invoice			Description		Amount
	12-001627 013120	01/31/2020		12-001627 - 211 Hillcrest Ave (01/01/20 - 02/29/20)		106.00
	12-001708 013120	01/31/2020		12-001708 - 304 Hillcrest Ave (01/01/20 - 02/29/20)		26.50
	12-003245 013120	01/31/2020		12-003245 - 0 Cardoza Ave-Abdy Way(01/01/20 - 02/29/20)		26.50
	13-000318 013120	01/31/2020		13-000318 - 4th Ave & DX Dr (01/01/20 - 02/29/20)		159.00
	12-000192 013120	01/31/2020		12-000192 - 3200 Del Monte Blvd (01/01/20 - 02/29/20)		26.50

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Bank Account: 905 - Chase - Checking

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	12-003949	013120	01/31/2020	12-003949 - 209 - 213 Cypr Ave #032311033 (01/01/20 - 02/29/20)		53.00
	13-000143	013120	01/31/2020	13-000143 - 3220 Imjin Rd (01/01/20 - 02/29/20)		29.70
	13-000896	013120	01/31/2020	13-000896 - 100 12th St (031251025)		159.00
	13-000144	010120	01/31/2020	Sewer Service_B507		15.90
	13-000145	010120	01/31/2020	Sewer Service_B514		26.50
	13-000148	010120	01/31/2020	Sewer Service_B520		26.50
	13-000149	010120	01/31/2020	Sewer Service_B521		15.90
	13-000153	010120	01/31/2020	Sewer Service_B529		15.90
	13-000158	010120	01/31/2020	Sewer Service_B535		26.50
	13-000159	010120	01/31/2020	Sewer Service_B524		121.90
	13-000166	010120	01/31/2020	Sewer Service_B533		106.00
	13-000152	010120	01/31/2020	Sewer Service_B527		15.90
	03/06/2020	94556	Accounts Payable	Monterey Tire Service		299.48
	Invoice		Date	Description		Amount
Check	1-93646		02/24/2020	DFLT Tire disposal & fee		20.76
	1-93640		02/24/2020	F/S Transforce - Unit 554		278.72
	03/06/2020	94557	Accounts Payable	NPM, Inc.		895.00
Check	Invoice		Date	Description		Amount
	181557		02/23/2020	Repair of 100LL Over Wing Dispenser		895.00
	03/06/2020	94558	Accounts Payable	O'Reilly Auto Parts		136.55
Check	Invoice		Date	Description		Amount
	2631-493981		12/18/2019	Battery - Unit 551		136.55
	03/06/2020	94559	Accounts Payable	Office Depot		65.52
Check	Invoice		Date	Description		Amount
	441776583001		02/12/2020	Office Depot		22.75
	437606008001		02/03/2020	Office Supplies-Finance		42.77
Check	03/06/2020	94560	Accounts Payable	Pacific Gas & Electric		25,488.38
	Invoice		Date	Description		Amount
	098-7.FEB20		02/16/2020	Utilities_B524		1,399.61
	103-6.FEB20		02/16/2020	Utilities_B507		6,501.24
	288-5.FEB20		02/16/2020	Utilities_B520 &B529		1,427.10

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Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	347-0.FEB20		02/16/2020	Utilities_B519		318.92
	415-6.FEB20		02/16/2020	Utilities_B504		51.17
	451-7.FEB20		02/16/2020	Utilities_B554		168.81
	694-1.FEB20		02/16/2020	Utilities_B533		1,598.64
	362-9.FEB20		02/24/2020	PG&E - 5996678362-9		121.03
	272-1.FEB20		02/24/2020	PG&E - 2862559272-1		49.26
	172-2.FEB20		02/24/2020	PG&E - 5618207172-2		763.67
	533-8.FEB20		02/23/2020	PG&E - 2253666533-8		118.83
	795-7.FEB20		02/26/2020	PG&E - 4467294795-7		301.86
	486-6.FEB20		02/23/2020	PG&E - 3982644483-6		11,267.39
Check	683-2.FEB20		02/24/2020	PG&E 6217294683-2		1,400.85
	03/06/2020	94561	Accounts Payable	Peninsula Messenger LLC		468.00
	Invoice		Date	Description		Amount
	190428		02/29/2020	Daily Deposit pick-up/Feb20		148.00
	190462		02/29/2020	Courier Service/Records 2/29/20		320.00
	03/06/2020	94562	Accounts Payable	Peninsula Welding & Medical Supply		82.37
	Invoice		Date	Description		Amount
	196916		02/19/2020	Bench Wheel Wire & grinding stone		82.37
	03/06/2020	94563	Accounts Payable	Pinnacle Healthcare		652.00
	Invoice		Date	Description		Amount
Check	172800		02/28/2020	Pinnacle Healthcare - Pre Emp Px		652.00
	03/06/2020	94564	Accounts Payable	Pure H2O		114.69
	Invoice		Date	Description		Amount
	12439		03/01/2020	Water Cooler Service-Police/Fire 3/1/20		114.69
	03/06/2020	94565	Accounts Payable	Quill Corporation		369.68
	Invoice		Date	Description		Amount
	4934534		02/20/2020	Office Supplies/Records 2/20/20		84.64
	4970042		02/24/2020	Office Supplies/Records 2/24/20		44.78
	4969441		02/24/2020	Office Supplies/Records 2/24/20		36.04
	4934404		02/20/2020	Office Supplies/Records 2/20/20		204.22
Check	03/06/2020	94566	Accounts Payable	RDO Equipment Co.		398.62

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Bank Account: 905 - Chase - Checking

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice		Date	Description		Amount
	P26164		12/10/2019	Exterior mirror - Unit 606		208.68
	P26165		12/10/2019	Filters - Unit 592		171.94
	P26166		12/10/2019	Engine oil & fuel filters & primary air - Unit 593		37.72
	P83270		09/13/2018	Alternator - returned		(59.26)
	P26167		12/10/2019	Oil & eleme filters - Unit 532		39.54
Check	03/06/2020	94567	Accounts Payable	Robert R. Wellington		140.00
	Invoice		Date	Description		Amount
	25064		02/06/2020	Marina Municipal Airport Matters_ October 2019		140.00
Check	03/06/2020	94568	Accounts Payable	Safariland Group		45.04
	Invoice		Date	Description		Amount
	I010-268978		02/10/2020	Plain paper bags (100)		45.04
Check	03/06/2020	94569	Accounts Payable	Salinas Valley Ford		503.85
	Invoice		Date	Description		Amount
	11218		02/26/2020	Rotor ASPO- Unit 554		503.85
Check	03/06/2020	94570	Accounts Payable	Sentry Alarm Systems of America, Inc.		322.30
	Invoice		Date	Description		Amount
	2131002		02/21/2020	Installation-Materials/Equipment Training Center 2/21/20		322.30
Check	03/06/2020	94571	Accounts Payable	Shred-it USA		72.61
	Invoice		Date	Description		Amount
	8129209591		02/15/2020	Shredding Service/Records 2/15/20		72.61
Check	03/06/2020	94572	Accounts Payable	Sierra Springs & Alhambra		139.59
	Invoice		Date	Description		Amount
	14225799 021320		02/13/2020	Annex - Sierra Spring - Water Svc		57.62
	7266038 022120		02/21/2020	Water Cooler Rental and Replacement Water		81.97
Check	03/06/2020	94573	Accounts Payable	SpeakWrite		595.57
	Invoice		Date	Description		Amount
	172a6184		03/01/2020	Transcription Service/Patrol February 2020		595.57
Check	03/06/2020	94574	Accounts Payable	Taygeta Scientific, Inc.		3,000.00

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Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	Invoice		Date	Description		Amount
	000423-R-0015		03/01/2020	Network Defense/Mar20		2,000.00
	000335-R-0002		02/28/2020	Inventory Control Software License Renewal		1,000.00
	03/06/2020	94575	Accounts Payable	TechRx Technology Services		10,207.09
	Invoice		Date	Description		Amount
	8365		02/10/2020	8TB External Backup Drive		217.50
	8376		03/01/2020	Veeam Virtual Backup Monthly Subscription - March 2020		324.00
	8379		03/01/2020	Ninite Monthly Subscription - March 2020		112.50
	8372		02/29/2020	Amazon Glacier Terabyte Storage - March 2020		1,109.25
	8396		03/01/2020	IT Support - February 2020		8,160.00
Check	8407		02/29/2020	Parts for work at Fire Station 2		283.84
	03/06/2020	94576	Accounts Payable	Toshiba Financial Services		447.20
	Invoice		Date	Description		Amount
	408306389-A		02/25/2020	Copier Maintenance/Patrol 2/25/20		447.20
	03/06/2020	94577	Accounts Payable	Tri County Fire Protection		450.00
	Invoice		Date	Description		Amount
	SP101194		01/03/2020	Sprinkler 5 year inspection - Teen Center		450.00
	03/06/2020	94578	Accounts Payable	Valley Saw & Garden Equipment		196.56
	Invoice		Date	Description		Amount
	222494		02/22/2020	Needle cage & sprocket - Unit 176		65.48
Check	222955		02/27/2020	Trimmer line premium		131.08
	03/06/2020	94579	Accounts Payable	Verizon Wireless		2,139.67
	Invoice		Date	Description		Amount
	9848678373		02/18/2020	PW Crew, Airport & Bldg Insp - Cell Phones		552.74
	9848607660		02/18/2020	Cell Phone Service/PD 1/19 thru 2/18/20		1,365.84
	9848675212		02/18/2020	Cell Phone Service/Patrol 1/19 thru 2/18/20		145.07
	9848604358		02/18/2020	Cell Phone Service/Anderson 1/19 thru 2/18/20		38.01
	9848664769		02/18/2020	Cell Phone Service/Nieto 1/19 thru 2/18/20		38.01
	03/06/2020	94580	Accounts Payable	Wex Bank		300.56
	Invoice		Date	Description		Amount

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 Bank Account: 905 - Chase - Checking
 Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	63958842		02/23/2020	Chevron Gas Billing 2/23/10		300.56
	03/06/2020	94581	Accounts Payable	Xerox Financial Services		239.26
	Invoice		Date	Description		Amount
Check	1954227		01/28/2020	FD Monthly Copier Charges - 01/17/2020 - 02/16/2020		239.26
	03/06/2020	94582	Accounts Payable	Zoom Imaging Solutions		235.14
	Invoice		Date	Description		Amount
Check	2195994		02/25/2020	MeterRead Maintenance/Patrol 2/25/20		235.14
	03/06/2020	94583	Accounts Payable	Zustan K-9 Services		250.00
	Invoice		Date	Description		Amount
Check	332358		02/23/2020	K-9 Training & Development Training February 2020		250.00
	03/06/2020	94584	Accounts Payable	Marina Employees Association		155.00
	Invoice		Date	Description		Amount
Check	02-21-20		02/21/2020	24 - MEA Dues		155.00
	03/06/2020	94585	Accounts Payable	Marina Professional Fire Fighters Association		220.00
	Invoice		Date	Description		Amount
EFT	02-21-20		02/21/2020	35 - MPFFA Dues		220.00
	03/06/2020	667	Accounts Payable	Richard B. Standridge	121042882 / 8312012522	4,560.00
	Invoice		Date	Description		Amount
EFT	20-05		02/28/2020	Services 02-18/02-27-20		4,560.00
	03/06/2020	668	Accounts Payable	Marina Police Association-MPOA	322271627 / 901587928	240.00
	Invoice		Date	Description		Amount
EFT	02-21-20		02/21/2020	23 - MPOA Dues		240.00
	03/06/2020	669	Accounts Payable	Police Officers Association - POA	322271627 / 901589106	1,296.00
	Invoice		Date	Description		Amount
	02-21-20		02/21/2020	25 - POA Dues		1,296.00
905 Chase - Checking Totals:						\$343,506.35
Transactions: 72						
Checks: 69						\$337,410.35

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Bank Account: 905 - Chase - Checking

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
EFTs:		3				\$6,096.00

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Bank Account: 921 - Chase - Successor Agency

Batch Date: 03/06/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 921 - Chase - Successor Agency						
Check	03/06/2020	43	Accounts Payable	Keyser Marston Associates		4,392.50
	Invoice		Date	Description		Amount
	0034339		02/12/2020	Successor Agency Fiscal Services_Jan. 20		4,392.50
921 Chase - Successor Agency Totals:						<u>\$4,392.50</u>
Checks:		1	\$4,392.50			

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Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 905 - Chase - Checking						
Check	03/13/2020	94586	Accounts Payable	Abbott's Pro-Power		28.77
	Invoice		Date	Description		Amount
	139274		02/27/2020	Spacer seal - Unit 148		28.77
Check	03/13/2020	94587	Accounts Payable	Ace Hardware		46.31
	Invoice		Date	Description		Amount
	073150		01/13/2020	Outlet Strip/Patrol 1/13/20		9.82
	073144		01/13/2020	Wash-Windshield/patrol 1/13/20		13.08
	073507		02/19/2020	Supplies/Patrol 2/19/20		23.41
Check	03/13/2020	94588	Accounts Payable	Ace Hardware		102.61
	Invoice		Date	Description		Amount
	073646		03/03/2020	Marking Paint & tub strainer		19.63
	073658		03/04/2020	Deep IMP sort set		18.56
	073669		03/05/2020	Air effects spring & pro ext handle fiber 60"		8.81
	073680		03/06/2020	Link chain		6.51
	073668		03/05/2020	Pro Ext handle & roller cover		31.65
	073670		03/05/2020	Shoe goo, knife snapblade & glue goop - Annex: planning carpet		17.45
Check	03/13/2020	94589	Accounts Payable	American Supply Co.		1,449.42
	Invoice		Date	Description		Amount
	2880558		03/04/2020	Cleaning Supply-CW		1,449.42
Check	03/13/2020	94590	Accounts Payable	Aramark Uniform Service		740.17
	Invoice		Date	Description		Amount
	760563648		12/09/2019	Uniform Service - Public Works Crew		80.54
	760568303		12/11/2019	Uniform Service - Public Works Crew		55.88
	760568304		12/11/2019	Uniform Service - Public Works Crew		63.40
	760568305		12/11/2019	Uniform Service - Public Works Crew		41.32
	760579475		12/18/2019	Uniform Service - Public Works Crew		55.88
	760579476		12/18/2019	Uniform Service - Public Works Crew		63.40
	760579477		12/18/2019	Uniform Service - Public Works Crew		41.32
	22184517		02/19/2020	Vest - Public Works Crew		133.24
	760690881		02/26/2020	Uniform Service - Public Works Crew		68.77

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AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	760690880		02/26/2020	Uniform Service - Public Works Crew		55.88
	760690883		02/26/2020	Uniform Service - Public Works Crew		80.54
	03/13/2020	94591	Accounts Payable	ARC Document Solutions		317.57
	Invoice		Date	Description		Amount
Check	2282033		02/18/2020	ARC Feb 2020 Invoice		317.57
	03/13/2020	94592	Accounts Payable	AT & T		178.37
	Invoice		Date	Description		Amount
Check	02-27-20		02/27/2020	AT&T Billing/U-Verse (Phone System Backup) 2/27/20		159.83
	03-01-20		03/01/2020	AT&T Billing/Airport 3/1 thru 3/31/20		18.54
	03/13/2020	94593	Accounts Payable	AT & T		103.96
	Invoice		Date	Description		Amount
Check	000014383159		02/28/2020	Phone Service for Fire Alarm System_B524		40.43
	000014383160		02/28/2020	Phone Service for Fire Alarm System_B533		40.43
	000014383165		02/28/2020	Phone Service for AWOS		23.10
	03/13/2020	94594	Accounts Payable	Branch's Janitorial		2,059.47
	Invoice		Date	Description		Amount
Check	227895		02/22/2020	Custodial Services for February		2,059.47
	03/13/2020	94595	Accounts Payable	California Department of Justice		162.00
	Invoice		Date	Description		Amount
Check	436970		03/03/2020	Live Scan Results/Police February 2020		162.00
	03/13/2020	94596	Accounts Payable	Jaime Chavez		266.00
	Invoice		Date	Description		Amount
Check	03-29-20		03/29/2020	Perdium - Fire Mechanics I & II Seminar (03-29-20)		266.00
	03/13/2020	94597	Accounts Payable	City of Del Rey Oaks		400.00
	Invoice		Date	Description		Amount
Check	1PD		02/28/2020	Rifle Training (8 officers) 2/28/20		400.00
	03/13/2020	94598	Accounts Payable	Comcast		69.32
	Invoice		Date	Description		Amount
	02-26-20		02/26/2020	Cable Service-Police/Fire 3/4 thru 4/3/20		69.32

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Marina, CA

AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	03/13/2020	94599	Accounts Payable	Commercial Environment Landscape		3,333.33
	Invoice		Date	Description		Amount
	2796-0220		02/25/2020	Airport Landscape Services_Feb. 20		3,333.33
Check	03/13/2020	94600	Accounts Payable	Commercial Truck Company		139.38
	Invoice		Date	Description		Amount
	SAL-1042371		03/03/2020	Filter oil & fuel - Unit 04-01		139.38
Check	03/13/2020	94601	Accounts Payable	CSC of Salinas		117.94
	Invoice		Date	Description		Amount
	000734893		02/27/2020	Degree male JIC & male branch tee - Unit 599		88.82
	000734884		02/27/2020	STR alemite grease adapter & female grease - Unit 148		29.12
Check	03/13/2020	94602	Accounts Payable	CSFA-California State Firefighters Association		2,447.50
	Invoice		Date	Description		Amount
	11364		12/10/2019	CSFA Membership for the period of 1/1/20 to 12/31/20		2,392.50
	11365		12/10/2019	CSFA Membership for Carter Train - 5/1/20 to 12/31/20		55.00
Check	03/13/2020	94603	Accounts Payable	CSG Consultants		42,177.25
	Invoice		Date	Description		Amount
	28228		12/31/2019	CSG Eng: APR 1801 Annual Sts Resurfacing (11/01/19 - 11/29/19)		9,989.50
	29229		02/14/2020	CSG Eng: TAMC (01/01/20 - 01/31/20)		480.00
	29162		02/14/2020	CSG Development Review/Plan (01/01/20 - 01/31/20)		3,545.25
	29237		02/14/2020	CSG Eng: Permits/Development (01/01/20 - 01/31/20)		820.00
	29227		02/14/2020	CSG ENG: APF 1802 PS Bldg IT Server Room (01/01/20 - 01/31/20)		160.00
	29233		02/14/2020	CSG Eng: Marina Develop Projects (01/01/20 - 01/31/20)		625.00
	29238		02/14/2020	CSG Eng: SH3 Sea Haven - Plan Ck (01/01/20 - 01/31/20)		10,900.00
	29228		02/14/2020	CSG Eng: Staff Coord FORA CARETAKER (01/01/20 - 01/31/20)		640.00
	29070		02/14/2020	Code Enforcement Billed thru 1/31/2020		3,360.00
	29088		02/14/2020	Building Inspection Services thru 1/31/2020		7,717.50
	29232		02/14/2020	CSG Eng: FAE CHISPA/Junsay Oaks (01/01/20 - 01/31/20)		2,765.00
	29240		02/14/2020	CSG Eng: Permits/Development: Charles Apt (01/01/20 - 01/31/20)		375.00
	29234		02/14/2020	CSG Eng: SH Sea Haven - Plot Plan Ck (01/01/20 - 01/31/20)		800.00
Check	03/13/2020	94604	Accounts Payable	Dave's Repair Service		112.50

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AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice			Description		Amount
Check	31139		02/03/2020	CM Data download		112.50
	03/13/2020	94605	Accounts Payable	Della Mora Heating, Inc.		432.50
	Invoice			Description		Amount
Check	13383		02/20/2020	Hydronic Manifold-installed bypass circuit - Marina Library		257.50
	13375		02/20/2020	Check furnace - City Hall		175.00
	03/13/2020	94606	Accounts Payable	Farella Braun & Martel LLP		151,058.62
	Invoice			Description		Amount
Check	343713		02/28/2020	Professional Services - MPWSP - January 2020		151,058.62
	03/13/2020	94607	Accounts Payable	Francisco Chalpena		250.00
	Invoice			Description		Amount
Check	02-29-20 vd		02/29/2020	Rental Refund - Vince DiMaggio		250.00
	03/13/2020	94608	Accounts Payable	Gavilan Pest Control		260.00
	Invoice			Description		Amount
Check	0128910		02/28/2020	Pest Control Svc - Preston Park Sports Field		180.00
	0128833		02/25/2020	Gavilan Pest Control - Comm Ctr		80.00
	03/13/2020	94609	Accounts Payable	George T. Powell		1,200.00
	Invoice			Description		Amount
Check	03012020		03/01/2020	Parking Rental-Police/Fire 3/1 thru 3/31/20		1,200.00
	03/13/2020	94610	Accounts Payable	Graniterock/Pavex Construction		835.76
	Invoice			Description		Amount
Check	1225617		02/29/2020	Granite Patch 50		835.76
	03/13/2020	94611	Accounts Payable	Green Rubber-Kennedy AG		76.90
	Invoice			Description		Amount
Check	S-653519		02/27/2020	Best flock-lined nitrile		76.90
	03/13/2020	94612	Accounts Payable	Home Depot Credit Service		81.61
	Invoice			Description		Amount
Check	03-04-20		03/04/2020	Lag screw, washers & framing		81.61
	03/13/2020	94613	Accounts Payable	Hub International Insurance Services		362.58

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AP Check Register 03-13-20

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Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	Invoice			Description		Amount
	02-29-20		02/29/2020	Insurance fees for February 2020		362.58
	03/13/2020	94614	Accounts Payable	Lexis Nexis Risk Solutions		5,557.50
	Invoice			Description		Amount
Check	C100556-20200229		02/29/2020	DORS Annual License/Support Fee 2/1/2020 thru 1/31/2021		5,407.50
	20200229		02/29/2020	Data Retrieval/Investigations 2/1 thru 2/29/20		150.00
	03/13/2020	94615	Accounts Payable	Marina Coast Water District		2,355.09
	Invoice			Description		Amount
Check	000056045 022120		02/21/2020	000056 045 - 3100 Preston Park Irrig (01/25/20 - 02/21/20)		1,810.50
	000056046 022120		02/21/2020	000056 046 - 3100 Preston Park Bldg (01/25/20 - 02/21/20)		140.28
	000056094 022120		02/21/2020	000056 094 - 2660 5th Ave (01/25/20 - 02/21/20)		404.31
	03/13/2020	94616	Accounts Payable	Marina Express Plumbing		150.00
Check	Invoice			Description		Amount
	1920		10/15/2019	B529_Sewer Service		150.00
	03/13/2020	94617	Accounts Payable	Monterey Auto Supply		26.08
	Invoice			Description		Amount
Check	708632		03/03/2020	Veh - Maint Parts & Supply - Unit 612		26.08
	03/13/2020	94618	Accounts Payable	Monterey Bay Systems		491.63
	Invoice			Description		Amount
	381318		02/29/2020	City Hall Copier Maintenance Contract - BizHub1100		427.40
Check	381320		02/29/2020	City Hall Copier Maintenance Contract - BizHub951 Final		64.23
	03/13/2020	94619	Accounts Payable	Monterey County Herald		121.87
	Invoice			Description		Amount
	0006460581		02/20/2020	RFP Auditing Services		121.87
Check	03/13/2020	94620	Accounts Payable	Monterey County Petroleum		1,319.48
	Invoice			Description		Amount
	0335208-IN		02/04/2020	Diesel Fuel (450 gal)		1,319.48
	03/13/2020	94621	Accounts Payable	Monterey Tire Service		123.04
Check	Invoice			Description		Amount

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AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	1-93717			F/S Destination XL- 2xl - Unit 596		123.04
	03/13/2020	94622	Accounts Payable	Nextel Communications - Sprint		366.90
	Invoice		Date	Description		Amount
Check	866147022-210			Rec Dept Cell Phones		366.90
	03/13/2020	94623	Accounts Payable	Office Depot		121.68
	Invoice		Date	Description		Amount
Check	443908749001			Planning Office Supplies		71.21
	447849153001			Planning Office Supplies		50.47
	03/13/2020	94624	Accounts Payable	Office Depot		118.30
Check	Invoice		Date	Description		Amount
	2384283085			Office Supplies/Investigations 2/11/20		118.30
	03/13/2020	94625	Accounts Payable	Pacific Gas & Electric		7,141.95
Check	Invoice		Date	Description		Amount
	313-6.MAR20			PG&E 6793435313-6		7,141.95
	03/13/2020	94626	Accounts Payable	Pacific Products & Services		156.04
Check	Invoice		Date	Description		Amount
	26355			3/8" aluminum jumbo head and drive rivet		156.04
	03/13/2020	94627	Accounts Payable	Pitney Bowes		1,215.48
Check	Invoice		Date	Description		Amount
	3103779786			Postage Meter Lease Payment		1,215.48
	03/13/2020	94628	Accounts Payable	Quill Corporation		103.75
Check	Invoice		Date	Description		Amount
	5206260			Office Supplies/Records 3/3/20		39.31
	5173949			Office Supplies/Records 3/3/20		64.44
Check	03/13/2020	94629	Accounts Payable	RDO Equipment Co.		580.38
	Invoice		Date	Description		Amount
	P3299938			Disk Brake Cali & caliper Assy - Unit 606		580.38
Check	03/13/2020	94630	Accounts Payable	Robert R. Wellington		11,789.00

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Marina, CA

AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice			Description		Amount
	25103		03/04/2020	Retainer - January 2020		1,800.00
	25108		03/04/2020	The Dunes - November 2019		837.00
	25107		03/04/2020	Public Records Act Requests - November 2019		18.00
	25106		03/04/2020	Abrams Park-Marina Height-Sea Haven - November 2019		243.00
	25102		03/04/2020	Code Enforcement Matters - November 2019		216.00
	25101		03/04/2020	Cal Am Matters - November 2019		333.00
	25109		03/04/2020	Voting Rights Act - November 2019		1,665.00
	25105		03/04/2020	Land Use & Operations - November 2019		3,104.00
	25104		03/04/2020	Joby Aero Inc - November 2019		3,573.00
Check	03/13/2020	94631	Accounts Payable	Roto-Rooter Plumbers & Restoration		545.00
	Invoice			Description		Amount
	341748094		02/20/2020	Men bathroom clogged - Teen Center		545.00
Check	03/13/2020	94632	Accounts Payable	Ryan Ranch Printers		310.72
	Invoice			Description		Amount
	21684		03/05/2020	72-Hour Detention Forms/Patrol 3/5/20		310.72
Check	03/13/2020	94633	Accounts Payable	Salinas Valley Ford		379.21
	Invoice			Description		Amount
	11200		02/25/2020	Coil - Unit 596		173.25
	11397		03/03/2020	Sensor - Unit 5953		22.88
	11412		03/04/2020	Switch - Unit 596		4.85
	11502		03/06/2020	Latch - Unit 582		178.23
Check	03/13/2020	94634	Accounts Payable	Sherwin-Williams		156.72
	Invoice			Description		Amount
	3873-8		02/28/2020	Paints - Marina Airport Restaurant (771 Neeson Rd)		156.72
Check	03/13/2020	94635	Accounts Payable	South Bay Regional Public Safety Training Cons.		86.50
	Invoice			Description		Amount
	220476		02/28/2020	Course Fee/S.Dhillon-Report Writing Update 2/27/20		86.50
Check	03/13/2020	94636	Accounts Payable	Suburban Propane		1,274.23
	Invoice			Description		Amount

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Marina, CA

AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	1602-100603			Propane Gas- CW		1,274.23
	03/13/2020	94637	Accounts Payable	T J K M		3,155.00
	Invoice	Date	Description			Amount
Check	0049101			Engineering & Speed/Traffic Survey (On-Call)		1,792.50
	0049347			Eng & Speed/Traffic Survey (On-Call) (01/01/20 - 01/31/20)		1,362.50
	03/13/2020	94638	Accounts Payable	Terex Utilities West		1,035.00
Check	9092268			Annual Inspection & dielectric test		1,035.00
	03/13/2020	94639	Accounts Payable	Thyssenkrupp Elevator Corporation		1,303.29
	Invoice	Date	Description			Amount
Check	3005123399			Elevator Service - Public Service Bldg		1,303.29
	03/13/2020	94640	Accounts Payable	Toshiba Financial Services		1,288.12
	Invoice	Date	Description			Amount
Check	408306389			Copier Maintenance/Patrol 2/26/20		447.19
	408694149			Copier Maintenance/Records 3/2/20		840.93
	03/13/2020	94641	Accounts Payable	U.S. Bank Equipment Finance		216.32
Check	408322576			CDD Copier Lease Payment - March 2020		216.32
	03/13/2020	94642	Accounts Payable	Verizon Wireless		304.88
	Invoice	Date	Description			Amount
Check	9849146437			FD Mobile Charges - Jan 26- Feb 25, 2020		304.88
	03/13/2020	94643	Accounts Payable	Wald, Ruhnke & Dost Architects, LLP		7,726.04
	Invoice	Date	Description			Amount
Check	1903214			Council Chambers Remodel (QLF) (01/01/20 - 01/31/20)		7,726.04
	03/13/2020	94644	Accounts Payable	William A. Thayer Construction, Inc		79,950.83
	Invoice	Date	Description			Amount
Check	170119-0220			Marina Exterior Improvements Airport Restaurant (#470)		79,950.83
	03/13/2020	94645	Accounts Payable	Xerox Financial Services		239.26
	Invoice	Date	Description			Amount

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Marina, CA

AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	Invoice			Description		Amount
	1995188			FD Monthly Copier Charges - 02/17/20 - 03/16/20		239.26
Check	03/13/2020	94646	Accounts Payable	Z.A.P. Manufacturing		147.99
	Invoice			Description		Amount
	3402			4-C & 2-C white EG beaded		147.99
Check	03/13/2020	94647	Accounts Payable	Zoom Imaging Solutions		1,291.35
	Invoice			Description		Amount
	2197339			MeterRead Maintenance 2/28/20		1,291.35
Check	03/13/2020	94648	Accounts Payable	Marina Employees Association		160.00
	Invoice			Description		Amount
	03-06-20			24 - MEA Dues		160.00
Check	03/13/2020	94649	Accounts Payable	Marina Professional Fire Fighters Association		300.00
	Invoice			Description		Amount
	03-06-20			35 - MPFFA Dues		300.00
Check	03/13/2020	94650	Accounts Payable	Premier Access Insurance - Dept. 34114		248.50
	Invoice			Description		Amount
	03-01-20			Prem Access Adm Fee (03/2020)		248.50
Check	03/13/2020	94651	Accounts Payable	Premier Access Insurance		3,351.90
	Invoice			Description		Amount
	03-01-20			101 - Dental EE+I*		4,755.42
	03-01-20.			Dental Claim (03/2020)		(1,403.52)
Check	03/13/2020	94652	Accounts Payable	Vision Service Plan		1,573.89
	Invoice			Description		Amount
	03-01-20			103 - Vision EE*		1,757.14
	03-01-20.			VSP Adjustment (03/2020)		(183.25)
EFT	03/13/2020	700	Accounts Payable	Marina Police Association-MPOA	322271627 / 901587928	230.00
	Invoice			Description		Amount
	03-06-20			23 - MPOA Dues		230.00

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AP Check Register 03-13-20

Bank Account: 905 - Chase - Checking

Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
EFT	03/13/2020	701	Accounts Payable	Police Officers Association - POA	322271627 / 901589106	1,242.00
	Invoice		Date	Description		Amount
	03-06-20		03/06/2020	25 - POA Dues		1,242.00
905 Chase - Checking Totals:						\$347,064.76
	Checks:	67				
	EFTs:	2				
						\$345,592.76
						\$1,472.00

Marina, CA

AP Check Register 03-13-20 Special

Bank Account: 905 - Chase - Checking
Batch Date: 03/13/2020

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 905 - Chase - Checking						
Check	03/13/2020	94653	Accounts Payable	Janette Arellano		859.50
	Invoice		Date	Description		Amount
	03-28-20 vd		03/13/2020	Rental Refund - Vince DiMaggio		859.50
Check	03/13/2020	94654	Accounts Payable	Maria Resendiz		1,883.68
	Invoice		Date	Description		Amount
	03-28-20 cc		03/13/2020	Rental Refund - Community Center		1,883.68
Check	03/13/2020	94655	Accounts Payable	Suzette Ortiz		799.50
	Invoice		Date	Description		Amount
	03-21-20 vd		03/13/2020	Rental Refund - Vince DiMaggio		799.50
905 Chase - Checking Totals:						\$3,542.68
Checks: 3						\$3,542.68
Transactions: 3						



DRAFT

Agenda Item: **8b(1)**
City Council Meeting of
March 17, 2020

MINUTES

Tuesday, March 3, 2020

5:00 P.M. Closed Session
6:30 P.M. Open Session

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

Council Chambers
211 Hillcrest Avenue
Marina, California

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

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

MEMBERS ABSENT: Adam Urrutia (Excused)
3. CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, Preston Park Sustainable Communities Nonprofit Corporation, Successor Agency of the Former Redevelopment Agency Members and Marina Groundwater Sustainability Agency) may adjourn to a Closed or Executive Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the City's Meyers-Milias-Brown Act representative.*
 - a. Conference with Legal Counsel, one case of existing litigation pursuant to paragraph (1) of subdivision (d) of CA Govt. Code Section 54956.9: (1) City of Marina and Marina Groundwater Sustainability Agency v. County of Monterey; Monterey County Board of Supervisors; County of Monterey Groundwater Sustainability Agency; California Department of Water Resources (DWR); and Director Karla Nemeth in her official capacity; Monterey County Superior Court Case No.19CV005270.
 - b. Conference with Legal Counsel, anticipated litigation - initiation of litigation pursuant to paragraph (4) of subdivision (d) of CA Govt. Code Section 54956.9 – two potential cases.

- c. Real Property Negotiations
 - i. Property: MST Easement APN: 031-201-013
Negotiating Party: Monterey-Salinas Transit
Property Negotiator: City Manager
Terms: Price and Terms
 - ii. Property: Land Acquisition APN: 031-272-059
Negotiating Party: Sea Haven Community Association
Property Negotiator: City Manager
Terms: Price and Terms
 - iii. Property: Marina Coast Water District Property APN: 033-192-002
Negotiating Party: Marina Coast Water District
Property Negotiator: City Manager
Terms: Price and Terms
- d. Labor Negotiations
 - i. Marina Employees Association
 - ii. Marina Management Employee Association
 - iii. Marina Police Safety Officers Association (MPSOA)
 - iv. Marina Police Management Association
 - v. Department Directors

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

Robert Rathie, Assistant City Attorney reported out Closed Session: Council met in Closed Session with regard to the matters listed on the agenda under 3a, 3b and 3c. Council had limited discussion on Labor Negotiations; direction was given, and no reportable action was taken.

Robert Rathie also announced the agenda item 9a, the public hearing that was scheduled for the matter of a Conditional Use Permit for a Cannabis Cultivation facility at 3343 Paul Davis Drive has been pulled from the agenda at the request of the applicant and it is our understanding that the applicant will be not pursuing a use permit for that location at this time. so, that matter will not be heard tonight but if anybody does wish this evening to comment it would be appropriate to make those comments during the section of the agenda reserved for public comments on matters not on the agenda.

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

- David Brown – Comments on the primary election and the concerns about the integrity of the November election and collections on a local level. So far, this many months before the November election we have seen some cynical fundraising practices coupled with the misuse of the City Seal, which in some cases is a misdemeanor crime. Showed the Council and public the second page of a February 20th letter, now February 20th is 1 to 2 days before the campaign fundraising ordinance limiting contributions to \$200 took fit. This is a fundraising letter written by Council Member Lisa Berkley on behalf of Mayor Pro-Tem Morton that says: *the ordinance is about to go into effect, Council Member Morton needs \$5,000 towards her campaign*". This was a subject of the Squid column in the Monterey County Weekly but what wasn't said was in the Monterey County Weekly was that unfortunately Council Member Berkley attached the City's Seal to an election fundraising email. This is illegal. Most people know that the City Seal is limited to official documents signed by the City Manager, an authorized city employee and not even the Mayor can use the City Seal and certainly not any council member and certainly not in a fundraising document. Sited Calif. CG Section 34501.5 and EC 18304(a). thinks this is inappropriate and would hope that the City Attorney would weigh in on this at some point and asked if that was really legal.
- Karen Hassan, DVM Equine Surgeon – came to introduce herself and noted that she boards her horses at the Marina Equestrian Center. Accidentally found out the history of the Center and the buildings and now is involved in the American Veterinary Medical Historic Society and has been invited to present this summer and the American Veterinary Medical Association Annual meeting on behalf of the Fort Ord Station Veterinary Hospital. The veterinary community is excited. Reached out without knowing there would be much interest and with little experience in this avenue having dedicated herself to equine health and wellbeing. Excited about the Marina Equestrian Center and what can happen with it. It needs some help right now, but there's a lot of interest and without really barely scratching the surface I've had a lot of support from far outside Marina that has been watching this property and really excited about it.
- Christine Laquang – Asked if there were any updates on the Imjin Parkway Safety.
- Lu Millard – Made comments about the cannabis appeal and why it should not have been allowed. Indicated that the applicant lied on his application about the building use definition. Spoke about the possible odors, vibrations, fan noise that would accompany this type of business. Spoke about the hazards of the Ozone generators use.
- Unnamed resident – The cannabis business that withdrew today was initially presented to us only as a dispensary. On Thursday, February 27th we found out via a flyer given to us at our home that it was to be a cultivation as well as a dispensary. We never receive mail notification of tonight's council meeting until the last minute. These notifications must be mailed to all residents who will be impacted by this or any other business on Paul Davis Drive. A cannabis business should be located in a business district perhaps on or near Reservation Road and not alongside a residential neighborhood with only a six-foot fence separating them. This kind of business will bring a significant amount of traffic to our neighborhood. We have already experienced a number of break-ins in the last few years and concerned about the increased flow of traffic. There are children who walk home every day and their safety must be a concern to all of us. It is imperative that this council take our concerns into consideration.
- Tony Raffoul, Cannabis Applicant – this is my city and the people here are my people. I heard their concerns a few days before and I talked to a lot of them and that's why I decided that if I want to do business that I have to do it with all respect for all opinions in this city, even the third of the city that said they don't want cannabis here we have to respect them and for that I pulled my application just to find another location away from all houses, away, from the residential areas and we'll do it a better way so we all win. Me the City and all the people. I did not lie on the application, all the information presented was true and have all the data to prove it.

- Joann Black – Thanked the applicant (Tony) for pulling his application, it was admirable. Also thanked the three planning commissioners who also denied the request. Again Tony, thank you for taking in our considerations.
- Council Member Berkley – There are a number of things that former council member Brown mentioned that I think could be addressed. Most importantly I’m not sure how you got a hold of that email it was never sent to you. It was sent to a much smaller audience in confidentiality. It was a mistake on my part, it’s an automatic signature on my email and so it just happened. I apologize for anybody who perceives this as misrepresentation. I can tell you it was a very limited group that I sent as an individual and nothing to do with Mayor Pro-Tem Morton or her campaign for re-election. I can only hope that the city will be compassionate because I know certainly when there have been things such as Brown Act violations and such when the mistake has been made, not by me but previous council members it has been forgiven. So, I hope that we can continue with that kind of care and respect for people.
- Mayor Pro-Tem Morton – Wanted the public to know that the voting polls closes at 8:00PM; Announced on Thursday, March 12th at 2:00pm is the FORA board meeting where we are winding down the transition and to be out of it on June 30, 2020. The City put in a proposed transition plan that this council adopted in 2018 and FORA is now modifying what was its transition plan, so Marina is continuing to advocate for its’ positions in what are the protections that we need before FORA sunsets.
- Council Member O’Connell – Announce a Town Hall meeting on March 18th at the Marina Library Community Room from 6:30-8:00pm to discuss the “foul odors” in Marina. This is a questions and answer meeting.
- Mayor Delgado – What much comes out of Frank’s session such as questions and answers especially that can’t be answered that night would be a good segway to a city hosted meeting on the same topic in this Chamber where it can be televised so that people that miss it don’t miss out because it will be replayed over and over again on AMP Channel 25. On that night, like Frank’s there will be stakeholders available at least on the city event such as the Air District, hopefully the Agricultural producers in the area, the composting operator, the Regional Waste Management District, Air Board, Monterey-One Water that processes all our sewage and City staff. Announced that Marina made the headlines in the Los Angeles Times Newspaper on Sea Level Rise and Coastal Erosion. Spoke about the blight of buildings near the Dunes Shopping area. Thanked all the volunteers that showed up on Sunday to do litter cleanup along Del Monte Blvd and Lapis Rd. Announced the 14th Annual Marina Earth Day on April 18th at Locke Paddon Park starting at 9:00am.

7. CONSENT AGENDA FOR THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Background information has been provided to the Successor Agency of the former Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda for Successor Agency to the former Marina Redevelopment Agency and placed at the end of Other Action Items Successor Agency to the former Marina Redevelopment Agency.*
8. CONSENT AGENDA: *Background information has been provided to the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda*

item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda and placed at the end of Other Action Items.

a. ACCOUNTS PAYABLE:

- (1) Accounts Payable Check Numbers 94442-94516 totaling \$244,683.73
Wie transfers from Checking and Payroll for January 2020, totaling \$463,321.09

b. MINUTES:

- (1) February 19, 2020, Regular City Council Meeting

c. CLAIMS AGAINST THE CITY: None

d. AWARD OF BID:

e. CALL FOR BIDS:

f. ADOPTION OF RESOLUTIONS:

g. APPROVAL OF AGREEMENTS

h. ACCEPTANCE OF PUBLIC IMPROVEMENTS: None

i. MAPS: None

j. REPORTS: (RECEIVE AND FILE):

- (1) City consider receiving Jr Giants Annual report 2019.
- (2) Transportation Agency for Monterey County February 26, 2020 Highlights

k. FUNDING & BUDGET MATTERS: None

l. APPROVE ORDINANCES (WAIVE SECOND READING):

m. APPROVE APPOINTMENTS: None

DELGADO/BERKLEY: TO APPROVE THE CONSENT AGENDA. 4-0-1(Urrutia)-0 Motion Passes

9. PUBLIC HEARINGS:

- a. City Council open public hearing taking testimony from public and consider adopting Resolution No. 2020-, approving an appeal of the February 23, 2020 Planning Commission decision to deny Conditional Use Permit UP 2019-06 for a cannabis cultivation facility at 3343 Paul Davis Drive (APN: 203-011-019-000) ***This item was pulled from the agenda at the request of the applicant.***

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

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

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

- a. City Council consider adopting **Resolution No. 2020-21**, authorizing the purchase of a fire engine budgeted for in the 2020/21 vehicle replacement fund and authorizing the allocation of \$200,000 from unassigned revenues to place a refundable deposit with Rosenbauer to secure a production slot to purchase an electric type one fire engine from Rosenbauer and authorizing the finance director to make necessary accounting and budgetary entries and return to the April 21, 2020 council meeting for final direction from Council approving the purchase of either a Rosenbauer electric engine or a Rosenbauer avenger engine.

Council Questions: Does the electric engine have a drone and drone technology? Would a drone get to the scene of an incident before the engine and help inform the captain engineer what's going on, what they're getting into? Are we basically saying \$1.5 million for the electric and \$700,000 for diesel? What is the warranty on the batteries? What is the cost to replace the battery? What is the overall life of the vehicle? What is the cost of routine maintenance? Clarification of the expected service lifespan between an electric vehicle and deasil vehicle? Is this engine, one of these two options that you're asking the council to consider are to replace our 2007 Ferrara Type Engine (13-years old) and move it to reserve where it will serve for another 10-years? Why wouldn't this replace the 26-year old engine listed in the staff report? Is the deasil generator for the truck or the equipment? The \$200,000 refundable deposit is for this new vehicle, correct? When we approve the \$200,000 in this year's budget for the purchase of a fire engine, we were thinking at the time we would need \$700,000, correct? If we authorize the \$200,000 tonight and decide within the 90-day period that we want to go with the lesser quality machine, we can get our money back? Approximately how do we spend on the maintenance of a 20-year deasil engine? Are there any grant dollars that we can apply/try for? What do we spend in fuel over a 20-year period?

MORTON/BERKLEY: THAT WE ADOPT RESOLUTION NO. 2020-21, AUTHORIZING THE PURCHASE OF A FIRE ENGINE BUDGETED FOR IN THE 2020/21 VEHICLE REPLACEMENT FUND AND AUTHORIZING THE ALLOCATION OF \$200,000 FROM UNASSIGNED REVENUES TO PLACE A REFUNDABLE DEPOSIT WITH ROSENBAUER TO SECURE A PRODUCTION SLOT TO PURCHASE AN ELECTRIC TYPE ONE FIRE ENGINE FROM ROSENBAUER AND AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES AND RETURN TO THE APRIL 21, 2020 COUNCIL MEETING FOR FINAL DIRECTION FROM COUNCIL APPROVING THE PURCHASE OF EITHER A ROSENBAUER ELECTRIC ENGINE OR A ROSENBAUER AVENGER ENGINE; AND DIRECT STAFF TO SECURE A 10-YEAR WARRANTY ON THE BATTERIES. 4-0-1(Urrutia)-0 Motion Passes

Public Comments:

- Brian McCarthy – Excited to see Marina thinking outside of the box and considering this type of electric vehicle. Commented about some American cities going from the standard emergency sirens to the European sirens. Do either of these trucks come standard with the ability to use high/low sirens? Would Marina fire and police be willing to be on the forefront of that effort if and when the State of California allows the use of high/low sirens?
- Cristina Medina Dirksen – Enjoyed the presentation and looks forward to seeing this type of vehicle here in Marina. Commented about the running of fire engines at a scene. This it timely for this conversation in a time a climate change. Thinks the tax measures to the tings our residents spoke loudly about, public safety was among the top concerns. Wanted to hear a little bit more about the maintenance of the vehicle and where the dealer is located. What does that mean for the back fleet? Asked about training for the new engine to bring into service?

- b. City Council consider adopting **Resolution No. 2020-22**, reserving and allocating sufficient water to serve a proposed 55,000 square foot assembly tent and 580,000 square foot aircraft manufacturing facility on a ±30-acre project site at 3200-C Imjin Road (a portion of APN# 031-112-001).

Council Questions: Has the legal team of Joby agreed to this? If after five years we reassign because they are not using the max and then they move into a new stage with an increase beyond what they have or had, then what happens? When we signed these leases and agreed to this project, what was the water that went with the leases? Are they going to pay more for water? Have we made request for the payment for any water? What are our current city plans, how much water did we have allocated of our FORA 1340-acre feet of water? What did we allocate out at the airport as a city in all of our planning to date? What was the contemplation of water when we entered into the leases with Joby? Do you know if Joby has any water use plans in their sustainability plans? If we said no tonight and want more information and want to come back at a future time to discuss this what's the downside? Why is there a discrepancy between Joby's requested numbers and the numbers provided by MCWD? Why not give them the 15-acre feet and more upon request?

Delgado/O'Connell: to adopt Resolution No. 2020-, reserving and allocating sufficient water to serve a proposed 55,000 square foot assembly tent and 580,000 square foot aircraft manufacturing facility on a ±30-acre project site at 3200-C Imjin Road (a portion of APN# 031-112-001) Withdrawn by motion maker

Substitute Motion

Morton/Delgado: that we allocate 15.11 percent, the amount requested. Withdrawn by motion maker

New Motion

Morton/Delgado: that we allocate 15.11-acre feet per year for their intended use with authority for staff to work with MCWD to enable an increase to the very minimum but not to exceed 26.5-acre feet.

Council Member Berkley requested a friendly amendment, which is everything on the floor with the additional caveat that we review it in the five-year reserve.

Mayor Delgado, does your motion include modifying our resolution to account for these changes because I don't see that reassessment/reevaluation in five years

Mayor Pro-Tem Morton, Yes, my motion does include that calling back.

Matt Mogensen, they requested for the 55,000sqft. building .17acre feet and for the big building (580,000sqft.) 15.11acre feet. (Totaling 15.28-acre feet yearly)

Mayor Pro-Tem Morton, their total, that's my motion

Final Motion

MORTON/DELGADO: TO THAT WE ALLOCATE .17 ACRE FEET A YEAR FOR THE 55,000SQFT. BUILDING AND ALLOCATE 15.11-ACRE FEET PER YEAR FOR THE 580,000SQFT. BUILDING FOR THEIR INTENDED USE WITH AUTHORITY FOR STAFF TO WORK WITH MCWD TO ENABLE AN INCREASE TO THE VERY MINIMUM BUT NOT TO EXCEED 26.5-ACRE FEET; WITH A CAVEAT THAT WE REVIEW IT IN THE FIVE-YEAR RESERVE. 4-0-(Urrutia)-0 Motion Passes

Public Comments: None received

- c. City Council consider adopting **Resolution No. 2020-23**, authorizing the City Manager to execute a reimbursement agreement between the City of Marina, the City of Seaside, and the Monterey County Regional Fire District; authorize the City Manager and City Attorney to revise the dollar amounts listed for reimbursement depending on the dollar amount of the FORA blight removal bond; authorize the Finance Director to make necessary accounting and budgetary entries

Council Questions: Statement made that it was decided that the City of Marina will get 50 percent of the bond percentage, but the FORA Board has not made any allocation amount of the bonds to go to each jurisdiction. So, to what agency, board or person are you referring that the decision is made? If the city of Marina does not get 50 percent would that be a condition precedent for this agreement being void? So, if the FORA Board changed our allocation to less than 50 percent, we're still stuck paying 50 percent of this, correct? Exhibit A, Schedule of Payment – this chart seems like it's backwards? What assurance do we have as a city the analysis that we're going to have \$156,000 to give to the Fire District? What is this money coming from? So, this for the next 19-years would be now become an allocated portion of this revenues to meet this bond, correct?

Mayor Pro-Tem Morton – the is conditioned on the bonds being issue. It commences when the bonds are sold. One of the recitals is that “the City of Marina is getting an allocation from these bonds” I’m saying why can’t the recitations state that we’re getting 50 percent of the bonds. If that was the action of the FORA Board and that’s the basis of the bonds being issued and that’s the basis of the current pending validation in Monterey County, it seems that would-be set-in stone. Why isn’t that in this agreement? Can we make this conditioned on all of those terms, which are set in front of the superior court plus Marina getting its 50 percent?

MORTON/BERKLEY: TO APPROVE RESOLUTION NO. 2020-23, AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF MARINA, THE CITY OF SEASIDE, AND THE MONTEREY COUNTY REGIONAL FIRE DISTRICT; AUTHORIZE THE CITY MANAGER AND CITY ATTORNEY TO REVISE THE DOLLAR AMOUNTS LISTED FOR REIMBURSEMENT DEPENDING ON THE DOLLAR AMOUNT OF THE FORA BLIGHT REMOVAL BOND; AUTHORIZE THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES; AND CONDITIONED UPON BOND ISSUANCE THAT MARINA WILL GET 50 PERCENT PLACED IN THE RECITALS OF THE AGREEMENT/BOND DOCUMENTS; AND THAT OUR CITY ATTORNEY WOULD HAVE THE DISCRETION TO MAKE APPROPRIATE CHANGES CONSISTENT WITH THE ALLOCATIONS AND DIRECTIONS GIVEN. 4-0-1(Urrutia)-0 Motion Passes

12. COUNCIL & STAFF INFORMATIONAL REPORTS:

- a. Monterey County Mayor’s Association [Mayor Bruce Delgado]

Mayor Delgado – The Mayor’s Association meets this Friday in Salinas

- b. Council and staff opportunity to ask a question for clarification or make a brief report on his or her own activities as permitted by Government Code Section 54954.2.

Mayor Pro-Tem Morton asked for an update on the Urban Growth Boundary; Annexation of CSUMB Faculty Housing; Marina Equestrian Center RFP.

Council Member O’Connell asked who is responsible for the removal of built up sand on the boardwalk paths at the Marina State Beach?

Council Member Berkley asked about the possibility of adding to a future agenda switching to five voting districts.

Police Chief Nieto announced that the date and location for National Night Out has been changed to Saturday, August 8th from 1:00-4:00 pm at the Seacrest Shopping Center Parking Lot (Lucky's) which would allow for more families to participate.

13. ADJOURNMENT: The meeting adjourned at 9:45 PM

Anita Sharp, Deputy City Clerk

ATTEST:

Bruce C. Delgado, Mayor

March 12, 2020

Item No. **8e(1)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting of
March 17, 2020

**RECOMMENDATION TO CONSIDER ADOPTING RESOLUTION NO. 2020-,
APPROVING ADVERTISING AND CALL FOR BIDS FOR THE STOCKADE
HAZARDOUS MATERIAL AND BUILDING REMOVAL PROJECT**

RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting Resolution No. 2020-, approving advertising and call for bids for the Stockade Hazardous Material and Building Removal Project.

BACKGROUND:

The Fort Ord Reuse Authority (FORA), in compliance with the Base Reuse Plan, had a planned obligation to the City of Marina for the removal of buildings and hazardous materials at the Stockade Property, made up of 13.4 acres located east of the Marina Equestrian Center between 9th Street and Imjin Parkway.

Early in 2016, FORA and Marina staff began Stockade removal discussions. In February 2017, the FORA Board awarded an Industrial Hygienist professional services contract to Vista Environmental. Vista completed the Stockade HazMat assessment. In November 2017 the Board awarded Harris and Associates (H&A) a Services Contract for project management. In the FY 2018-19 Capital Improvement Program Budget, the FORA Board allocated \$4.3 million for the Stockade Building Removal.

In FY 2018-19 FORA contracted with Don Chapin to detach, cap, and repair the underground wet utilities at the Stockade. In June 2019, FORA staff issued a Notice of Intent to Advertise Invitations to Bid on the Stockade Abatement and Building Removal. Due to the departure of the Capital Projects Manager and the sunset of FORA on June 30, 2020, FORA will not be moving forward with performing the demolition of the Stockade. FORA will be transferring the needed funds to the City of Marina to move forward with the demolition of the Stockade.

ANALYSIS:

The work has three phases 1) the removal of hazardous materials, not including tenacious asbestos skim coat (or wall plaster), unique to Fort Ord Buildings, 2) the removal of tenacious asbestos skim coat (or wall plaster), and 3) the demolition and removal of the buildings.

It is important that the City immediately begin the advertisement and award of the projects to make sure that the City receives sufficient funding from FORA to complete the abatement and building removal of the Stockade.

FISCAL IMPACT:

The project was programed to be fully funded through the FORA Capital Improvement Project (CIP) budget with a budgeted amount of \$4.3 million. Based on FORA's previous bid process, FORA has now indicated they believe \$2.06 million will adequately fund the abatement and building removal and that is the amount they are currently programing to transfer to the City of Marina. Completing the bid process as soon as possible will insure that the adequate funds are transferred to complete the demolition.

CONCLUSION:

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

Respectfully submitted,

Edrie Delos Santos, P.E.
Senior Engineer, Engineering Division
Community Development Department
City of Marina

REVIEWED/CONCUR:

Brian McMinn, P.E., P.L.S.
Public Works Director/City Engineer
City of Marina

Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA
APPROVING ADVERTISING AND CALL FOR BIDS FOR THE STOCKADE
HAZARDOUS MATERIAL AND BUILDING REMOVAL PROJECT

WHEREAS, the Fort Ord Reuse Authority (FORA), in compliance with the Base Reuse Plan, had a planned obligation to the City of Marina for the removal of buildings and hazardous materials at the Stockade Property, made up of 13.4 acres located east of the Marina Equestrian Center between 9th Street and Imjin Parkway, and;

WHEREAS, early in 2016, FORA and Marina staff began Stockade removal discussions. In February 2017, the FORA Board awarded an Industrial Hygienist professional services contract to Vista Environmental. Vista completed the Stockade HazMat assessment. In November 2017 the Board awarded Harris and Associates (H&A) a Services Contract. FORA Board has adjusted the Stockade Building Removal Budget to \$4.4M in the FY 2018-19 Capital Improvement Program, and;

WHEREAS, in FY 2018-19 FORA contracted with Don Chapin to detach, cap, and repair the underground wet utilities at the Stockade. In June 2019, FORA staff issued a Notice of Intent to Advertise Invitations to Bid on the Stockade Abatement and Building Removal. Due to the departure of the Capital Projects Manager and the sunset of FORA on June 30, 2020, FORA will not be moving forward with performing the demolition of the Stockade. FORA will be transferring the needed funds to the City of Marina to move forward with the demolition of the Stockade, and;

WHEREAS, The work has three phases 1) the removal of hazardous materials, not including tenacious asbestos skim coat (or wall plaster), unique to Fort Ord Buildings, 2) the removal of tenacious asbestos skim coat (or wall plaster), and 3) the demolition and removal of the buildings. It is important that the City immediately begin the advertisement and award of the projects to make sure that the City receives sufficient funding from FORA to complete the abatement and building removal of the Stockade, and;

WHEREAS, the project was programed to be fully funded through the FORA Capital Improvement Project (CIP) budget. Due to the uncertainty of available FORA CIP funds, the advertisement and award of the project is anticipated to better secure the funding necessary to complete the project, and;

WHEREAS, the project is ready for advertisement.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby approve advertising and call for bids for the Stockade Hazardous Material and Building Removal Project.

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Marina, duly held on the 17th day of March 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:

Bruce C. Delgado, Mayor

Anita Sharp, Deputy City Clerk

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
March 17, 2020

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2020-,
APPROVING PROPOSED CLASSIFICATION AND SALARY SCHEDULE
FOR THE ASSOCIATE PLANNER, AUTHORIZING THE CITY MANAGER
TO MAKE NECESSARY ADJUSTMENTS TO CITY'S CLASSIFICATION
AND COMPENSATION PLANS, AND AUTHORIZING FINANCE
DIRECTOR TO MAKE APPROPRIATE BUDGETARY AND ACCOUNTING
ENTRIES**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2020-, approving proposed salary schedule for Associate Planner;
2. Authorizing the City Manager to make necessary adjustments to the City's classification and compensation plans, and;
3. Authorizing the Finance Director to make necessary budgetary and accounting entries.

BACKGROUND:

In October 2019, the Senior Planner resigned leaving the position vacant. A recruitment was initiated and received ten (10) applications. An oral board was scheduled and extended an interview invitation to eight (8) candidates of those eight, four (4) candidates declined the interview, leaving four to interview. Of those four, the oral board concluded that only one (1) candidate was qualified for the position. An offer was extended but the applicant declined. This experience is not unusual. In general, the applicant pool for all positions is difficult. As a result, the department has requested and receive approval from the City Manager to underfill the Senior Planner with an Associate Planner.

The underfilling of the Senior Planner position with the Associate Planner position allows the day to day management and operations of the Planning Department to be properly executed. The duties of an Associate planner require the application of professional knowledge and skills to various municipal planning, zoning and environmental problems and the preparation of specific reports and plans with opportunity for independent judgment in planning work details and making technical determinations.

Human Resources has recommended that on the next recruitment, both the Senior and Associate Planner positions be recruited, stating that the positions will be filled based upon the skills of the candidates.

ANALYSIS:

Because the City currently does not have an Associate Planner salary range, a range needs to be established. The positions of Assistant Planner, Associate Planner and Senior Planner make a series.

To develop a salary range, staff surveyed the cities which are normally used in the City's salary surveys: Monterey, Pacific Grove, Seaside, Salinas, Gilroy, Hollister, Watsonville and San Luis Obispo. The results, shown in Table I, Associate Planner, set the proposed range using the average of the survey.

Table 1

**Associate
Planner
Salary Survey
Mar-20**

City	Salary <u>Top Step</u>
Marina	
San Luis Obispo	\$7,180.33
Salinas	\$8,001.00
Monterey	\$8,258.00
Gilroy	\$7,491.33
Seaside	\$7,975.59
Pacific Grove	\$7,982.00
Watsonville	\$7,743.32
Hollister	\$7,576.47
Average	\$7,776.00
Median	\$7,859.45

Proposed Salary Schedule	Step A	Step B	Step C	Step D	Step E
	\$6,397.34	\$6,717.20	\$7,053.07	\$7,405.72	\$7,776.00

If council approves the salary ranges, the Associate Planner will be 12% more than the Assistant Planner; the Senior Planner will be 10% higher than the Associate Planner.

FISCAL IMPACT:

There is no fiscal impact with the proposed position. However, if an Associate Planner is hired instead of a Senior Planner, the difference in salary and CalPERS cost is about \$10,000 a year.

CONCLUSION:

This request is submitted for City Council consideration and action.

Respectfully submitted,

Catrina Scharf
Human Resource Analyst
City of Marina

REVIEWED/CONCUR:

Layne Long
City Manager
City of Marina

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING
PROPOSED CLASSIFICATION AND SALARY SCHEDULE FOR AN ASSOCIATE
PLANNER: AND AUTHORIZING THE CITY'S CITY MANAGER TO MAKE THE
NECESSARY ADJUSTMENTS TO THE CITY'S CLASSIFICATION AND
COMPENSATION PLANS, AND AUTHORIZING THE FINANCE DIRECTOR TO
MAKE THE NECESSARY AND APPROPRIATE BUDGET ADJUSTMENTS

WHEREAS, the Associate Planner classification is newly created by underfilling the Senior Planner position and requires a specified salary range, and:

WHEREAS, the salary survey provided in Exhibit A provides how the salary was established for the Associate Planner and:

WHEREAS, sufficient funding is included in the FY 2019-20 budget and contained within the General Fund, Planning Department budget, Salary and Benefits accounts.

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

1. Approves Salary Range for Associate Planner and salary schedule for the Associate Planner, and
2. Authorizing the City Manager to make necessary adjustments to city's classification and compensation plans, and
3. Authorizing finance director to make appropriate budgetary and accounting entries and authorizing the finance director to make the necessary and appropriate budget adjustments

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of March 2020 by the following vote:

AYES, COUNCIL MEMBERS:

NOES, COUNCIL MEMBERS:

ABSENT, COUNCIL MEMBERS:

ABSTAIN, COUNCIL MEMBERS:

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

Exhibit A

Associate Planner Salary Survey Mar-20

City	Salary <u>Top Step</u>
Marina	
San Luis Obispo	\$7,180.33
Salinas	\$8,001.00
Monterey	\$8,258.00
Gilroy	\$7,491.33
Seaside	\$7,975.59
Pacific Grove	\$7,982.00
Watsonville	\$7,743.32
Hollister	\$7,576.47
Average	\$7,776.00
Median	\$7,859.45

Proposed Salary Schedule	Step A	Step B	Step C	Step D	Step E
	\$6,397.34	\$6,717.20	\$7,053.07	\$7,405.72	\$7,776.00

March 13, 2020

Item No. **8g(1)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of March 17, 2020

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2020- ,
APPROVING A CONDITIONAL AIRPORT USE PERMIT FOR MONTEREY
BAY KARTERS TO CONDUCT A NON-AERONAUTICAL GO-KART
ACTIVITY ON THE NORTH TARMAC AT THE MARINA MUNICIPAL
AIRPORT AND AUTHORIZING CITY MANAGER TO EXECUTE THE
CONDITIONAL AIRPORT USE PERMIT ON BEHALF OF THE CITY,
SUBJECT TO FINAL REVIEW AND APPROVAL BY CITY ATTORNEY**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2020- , approving a Conditional Airport Use Permit for Monterey Bay Karters to conduct a non-aeronautical go-kart activity on the north tarmac at the Marina Municipal Airport; and
2. Authorizing City Manager to execute the Conditional Airport Use Permit on behalf of the City, subject to final review and approval by City Attorney.

BACKGROUND:

Monterey Bay Karters (MBK), a California 501(c)(7) nonprofit corporation, has utilized the Marina Municipal Airport since 1997 for non-aeronautical go-kart racing activities under terms and conditions of Conditional Airport Use Permits (CAUP) approved by the City Council and/or the Federal Aviation Administration (FAA).

The Airport has realized significant revenue generation through permitting non-aeronautical (non-aviation) activities on the tarmac areas via City Council and FAA approval of annual CAUPs. The City recognizes motorsports activities, including go-karting, as positive recreational activities, supports their use within the City, values the contribution these activities and organizations provide to the community and region and the revenue generated to benefit and support the Airport.

At the regular meeting of December 4, 2018, the City Council adopted Resolution No. 2018-146, approving a CAUP for Monterey Bay Karters to conduct non-aeronautical activities on the north tarmac at the Marina Municipal Airport. The term of the one (1) year permit ended December 31, 2019.

With the expanding economic development opportunity of locating Joby Aviation (Joby) facilities on the tarmac areas, the CAUPs for annual non-aeronautical activities were not continued for 2020. Joby's current construction of a 55,000 sq. ft. building is taking place on the South Tarmac.

MBK has made a request to conduct a go-kart event on the north tarmac on April 2, 2020 through April 5, 2020. MBK and the City has communicated this request with and received Joby's support for conducting the event.

ANALYSIS:

The CAUP for MBK to conduct a non-aeronautical go-kart activity on the north tarmac is presented for City Council consideration (“**EXHIBIT A**”).

The CAUP allows for MBK’s use of the north tarmac for the period of April 2, 2020 through April 5, 2020. The fee for the use of the north tarmac is proposed at \$2,000 or \$500 per day.

The City/Airport, through approval of the past CAUPs, has established the precedence of FAA approval for the temporary non-aeronautical use of the tarmac areas for revenue generation when the tarmac areas are not in demand by an aeronautical use.

For the event, MBK will be responsible for all permits, sanitary facilities, safety, security, medical personnel, and coordination of all safety issues with the Marina Municipal Airport, Police Department and Fire Department.

Staff has determined that the findings for approval of the CAUP can be made, in that the proposed activity as conditioned will not be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working at the Marina Municipal Airport or be detrimental or injurious to property and improvements near the Marina Municipal Airport or to the general welfare of the City or be detrimental to or interfere with aviation activity at the Marina Municipal Airport.

Further findings for approval of the CAUP include that aeronautical demand for the use of the north tarmac does not exist at this time and that the use of this area for non-aeronautical purposes generates revenue to benefit and support the Airport.

FISCAL IMPACT:

Should the City Council approve this request, the event fee and any cost reimbursement for the event will be recorded in the Airport Enterprise Fund 555, Lic & Permits, Account No. 555.000.000.5200.010.

CONCLUSION:

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

Respectfully submitted,

Jeff Crechriou
Airport Services Manager
City of Marina

REVIEWED/CONCUR:

Layne Long
City Manager
City of Marina

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING
A CONDITIONAL AIRPORT USE PERMIT FOR MONTEREY BAY KARTERS TO
CONDUCT A NON-AERONAUTICAL GO-KART ACTIVITY ON THE NORTH
TARMAC AT THE MARINA MUNICIPAL AIRPORT AND AUTHORIZE CITY
MANAGER TO EXECUTE THE CONDITIONAL AIRPORT USE PERMIT ON BEHALF
OF THE CITY, SUBJECT TO FINAL REVIEW AND APPROVAL BY CITY
ATTORNEY

WHEREAS, Monterey Bay Karters (MBK), a California 501(c)(7) nonprofit corporation, has utilized the Marina Municipal Airport since 1997 for non-aeronautical go-kart racing activities under terms and conditions of Conditional Airport Use Permits (CAUP) approved by the City Council and/or the Federal Aviation Administration (FAA); and

WHEREAS, the Airport has realized significant revenue generation through permitting non-aeronautical (non-aviation) activities on the tarmac areas via City Council and FAA approval of annual CAUPs. The City recognizes motorsports activities, including go-karting, as positive recreational activities, supports their use within the City, values the contribution these activities and organizations provide to the community and region and the revenue generated to benefit and support the Airport; and

WHEREAS, at the regular meeting of December 4, 2018, the City Council adopted Resolution No. 2018-146, approving a CAUP for Monterey Bay Karters to conduct non-aeronautical activities on the north tarmac at the Marina Municipal Airport. The term of the one (1) year permit ended December 31, 2019; and

WHEREAS, the CAUP for MBK to conduct a non-aeronautical go-kart activity on the north tarmac is presented for City Council consideration (“**EXHIBIT A**”); and

WHEREAS, the CAUP allows for MBK’s use of the north tarmac for the period of April 2, 2020 through April 5, 2020. The fee for the use of the north tarmac is proposed at \$2,000 or \$500 per day; and

WHEREAS, the City/Airport, through approval of the past CAUPs, has established the precedence of FAA approval for the temporary non-aeronautical use of the tarmac areas for revenue generation when the tarmac areas are not in demand by an aeronautical use; and

WHEREAS, for the event, MBK will be responsible for all permits, sanitary facilities, safety, security, medical personnel, and coordination of all safety issues with the Marina Municipal Airport, Police Department and Fire Department; and

WHEREAS, staff has determined that the findings for approval of the CAUP can be made, in that the proposed activity as conditioned will not be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working at the Marina Municipal Airport or be detrimental or injurious to property and improvements near the Marina Municipal Airport or to the general welfare of the City or be detrimental to or interfere with aviation activity at the Marina Municipal Airport; and

WHEREAS, further findings for approval of the CAUP include that aeronautical demand for the use of the north tarmac does not exist at this time and that the use of this area for non-aeronautical purposes generates revenue to benefit and support the Airport; and

WHEREAS, the event fee and any cost reimbursement for the event will be recorded in the Airport Enterprise Fund 555, Lic & Permits, Account No. 555.000.000.5200.010; and

WHEREAS, the Conditional Airport Use Permit is exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Guidelines, Section 15301 (Class 1 – operation, repair, maintenance, or minor alteration of existing structures or facilities not expanding existing uses).

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

1. Approve a Conditional Airport Use Permit for Monterey Bay Karters to conduct a non-aeronautical go-kart activity on the north tarmac at the Marina Municipal Airport; and
2. Authorize the City Manager to execute the Conditional Airport Use Permit on behalf of the City subject to final review and approval by City Attorney.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of March 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:

Bruce C. Delgado, Mayor

Anita Sharp, Deputy City Clerk

**MARINA MUNICIPAL AIRPORT
CONDITIONAL AIRPORT USE PERMIT
FOR THE NON-AERONAUTICAL USE OF THE NORTH TARMAC BY
MONTEREY BAY KARTERS**

THIS IS TO CERTIFY THAT, the City of Marina City Council at a regular meeting held on March 17, 2020, considered the following request. The City Council at that meeting then approved this Conditional Airport Use Permit (“Permit”) for the non-aeronautical use of the north tarmac at the Marina Municipal Airport (“Airport”) under authority provided by Chapter 13.22 of the Marina Municipal Code, the Airport Operating Ordinance, and subject to the following conditions and restrictions.

REQUEST:

Request by Mr. Alan Freese on behalf of **MONTEREY BAY KARTERS, a California 501(c)(7) nonprofit corporation**, and any other entities under which the business shall do business as (“Permittee”) for permission to use the north tarmac at the Airport. Permittee has previously conducted go-kart events and activities and utilized the north tarmac. The Permit shall go into effect on April 2, 2020 and remain in effect for a (4) day period ending on April 5, 2020.

BACKGROUND:

The members of the City Council serve as members of the Airport Commission. The Airport Commission is authorized to enact policies and regulations governing operations and the conduct of business on the Airport subject to the approval of the City Council. In order to keep the administrative record of the Airport Commission separate from the action of the City Council, the Commission’s role is to recommend to the Council approval of disapproval of a request.

COUNCIL ACTION:

The City Council adopted the following findings in justification of granting this Permit and granted the Permit as described herein subject to each of its Conditions of Approval and authorized the City Manager to execute same as described herein.

FINDINGS:

The City Council finds that, under strict conditions of approval:

1. Permittee’s go-kart activity and Permittee’s use of the north tarmac will not be detrimental to the environment or to the health, safety, peace or general welfare of the City, the Airport, the surrounding properties or the community-at-large.
2. Permittee’s go-kart activity will not be detrimental or injurious to the efficiency and utility of the Airport or to Airport property and improvements.
3. Permittee’s go-kart activity, if conducted in accordance with the Conditions of this Permit, will be consistent with the California Environmental Quality Act Statutes and Guidelines, the General Plan, the Airport Master Plan, the Airport Layout Plan, the Airport Operating

Ordinance (Municipal Code 13.22) of the City of Marina. The long-term use of the property is designated for aviation-related development in the Airport Master Plan and Airport Layout Plan.

4. Permittee's go-kart activity and the use of the north tarmac will not present or create a safety hazard to the normal operations of aircraft arriving or departing from the Airport.
5. The north tarmac of the Airport has not been in demand for aeronautical purposes and that the Permittee's non-aeronautical use generates revenue to benefit and support the Airport.
6. Reasonable time periods can be and are herein designated for Permittee's go-kart activity.
7. The charge established for the proposed use of the north tarmac is reasonable.
8. The form and amount of liability insurance required herein, naming the City and the Airport as additional insured parties to be obtained from the Permittee are reasonably related to the Airport's liability exposure and are not unjustly discriminatory. Any previous editions of these forms shall be modified to indicate the business name of the Permittee: Monterey Bay Karters.
9. Pursuant to Government Code Section 831.7, the City is immune from any liability to its entity and employees resulting from the proposed use for go-kart racing is a hazardous recreational activity and the insurance requirements set forth in this Permit are appropriate for this use. It is further found that, because those insurance requirements are appropriate under the unique characteristics of the proposed use, this finding shall not be construed to indicate a precedent for insurance requirements for any other use.

TERM OF PERMIT:

April 2, 2020 through April 5, 2020.

CHARGE:

The Permittee shall pay to the City a charge for the use of the north tarmac in the amount of \$2000.00 (500.00 per day) in advance. The "days" include any set up and breakdown days. Payment shall be made to the "City of Marina", 781 Neeson Road, Marina, California 93933, attention: Airport Services Manager.

Permittee acknowledges that late payment of the fee will cause the City to incur costs not contemplated by this Permit; the exact amount will be extremely difficult to ascertain. Permittee's operations, including but not limited to go-kart activity, must be suspended until such time as the entire payment due under this Permit is remitted to the City. Should any payment due under this Permit remain unpaid ten days after the due date of such payment, a penalty of ten percent shall be added to any payments past due and owing. City and Permittee agree that this late charge represents a fair and reasonable estimate of costs that the City will incur by reason of the late payment of the fee by the Permittee. Acceptance of any such late charge shall not constitute a waiver of Permittee's default with respect to the overdue amount, nor prevent the City from exercising any of the other rights and remedies available to it by reason of such default. Interest on any unpaid fees, charges and any penalty shall accrue at the rate of one and one-half percent per month thereafter until paid.

BUSINESS LICENSE:

Permittee shall obtain and keep current a business license issued by the City's Finance Department. Permit does not go into effect until the business license is obtained.

CONDITIONS OF APPROVAL:

This Permit is issued by the City and is accepted by Permittee upon the following terms, covenants and conditions and the breach of any said terms, covenants or conditions shall be deemed sufficient cause for the suspension or termination of the Permit. Such suspension of the Permit shall be by the Airport Manager or his/her designee.

I. Operational

- A. Permittee's go-kart activity shall be confined to the north tarmac, as designated by the City and shown in "**Exhibit A.**" Permittee, by its acceptance of this Permit, acknowledges and understands the area to be used on the north tarmac, as established by the City, is a temporary designation and that this Permit does not contain, and may not be construed to convey, any vested right in Permittee to use another area of the Airport in connection with Permittee's activity.
- B. The north tarmac is to be maintained by Permittee to Airport standards to the satisfaction of the Airport Services Manager. When required, maintenance and any repairs of the north tarmac and/or the access route should be made in a timely manner and at the Permittee's cost. Permittee shall at all times cooperate and coordinate with the City prior to and in the maintenance of the north tarmac.
- C. Prior to conducting any operations, Permittee must examine the condition of the north tarmac to determine if it is in a safe condition to use.
- D. Prior to the effective date of this Permit, Permittee shall provide to the Airport Services Manager a current list of names and contact information for principal persons who are responsible for the conduct of the activity and who should be contacted in the event of an emergency.
- E. Permittee's go-kart activity and operations shall be conducted only between the hours of 7:00 a.m. to 7:00 p.m., subject to wind and weather conditions and/or darkness as determined by the Airport Services Manager.
- F. An accurate plan of the location for this event must be prepared by Permittee and approved in advance by the Airport Services Manager. This plan should include, but is not limited to safety setbacks, crowd lines and parking areas for visitors and participants. All event activities shall be set back at least 60 feet from Taxiway A. A traffic management plan showing the Airport gate and route to be used for ingress and egress to the event site, the location of directional signs, security fencing, barricades, cones or other approved means of delineation if needed, shall be submitted to the Airport Services Manager at least thirty (5) days before the event.

- G. Traffic entering or leaving the south tarmac will cross Taxiway A by accessing the site through the Gate (18) and follow the traffic route shown on “**Exhibit B**”. Permittee shall provide personnel to control access to and from the north tarmac, as shown on “**Exhibit B**” or as directed by the Airport Services Manager. Said personnel shall direct traffic across Taxiway A to ensure vehicles do not inadvertently access Taxiway A and adversely affect any aircraft movement traversing Taxiway A.
- H. If requested by the Airport Services Manager, the traffic control personnel shall be equipped by Permittee to be able to communicate with Skydive Monterey Bay Inc. When skydiving activities are underway at the same time as go-kart activity, said personnel will ensure traffic associated with go-kart type activities do not interfere or pose a hazard to parachute jumpers using the interim drop zone located north of the north tarmac.
- I. If necessary, Permittee shall coordinate with City Airport staff to file a NOTAM to the FAA at least 24 hours prior to the event. The NOTAM will subsequently be published on the internet at the following address: www.faa.gov/air_traffic/publications/notices/.
- J. Set-up of equipment associated with the event will occur on the first day of the event, April 2, 2020 and breakdown will occur on the fourth day of the event, April 5, 2020 and the day following April 6, 2020. All equipment and materials must be removed from the tarmac areas used for an event by noon on the day following conclusion of an event and the site returned to its pre-event condition, unless other arrangements are approved in advance by the Airport Services Manager. Permittee is responsible to pay any maintenance or cleanup costs associated with the event.
- K. Permittee is responsible for installing and securing any security fencing (6 feet height), traffic cones, signs, striping or tape used to delineate areas, trash cans, portable toilets, tents, structures or other materials, equipment or supplies brought onto the site for the event. Permittee shall be responsible for installing or implementing any additional security measures as requested by the Airport Services Manager.
- L. If water is required to clean the event site, it shall be accomplished using non-potable water whenever possible unless potable water is required for reasons of health or safety.
- M. In the event of any damages from the Permittee’s activity, the responsible party(s) must pay for and repair all damages to Airport facilities in a timely manner. If Permittee’s activity on the site damages, for example, the tarmac due to a fuel spill and the tarmac softens or otherwise becomes unusable, Permittee shall be responsible for the cost of repairs to the damaged tarmac.
- N. If, in the sole determination of the Airport Services Manager, the event site requires sweeping for residual debris or Foreign Object Debris (FOD) following the event as a result of Permittee’s activity, the Airport Services Manager will so notify Permittee who will have an option to sweep debris from the site to the satisfaction of the

Airport Services Manager or to request the City to sweep debris. If City personnel are required to remove debris from the event site, a charge of \$150.00 per hour with a two-hour minimum shall be assessed to Permittee and Permittee shall pay said charge within ten (10) days of receiving an invoice. All sweeping must be completed as soon as possible of the day following an event.

- O. Ample garbage and refuse containers with snug fitting lids must be provided for food facilities and for public use to the satisfaction of the Airport Services Manager. Garbage and refuse containers must be emptied as necessary during any event so as not to overflow during or after an event. All trash must be removed from the site and the Airport no later than 5:00 p.m. of the day following any event. If City personnel are required to remove garbage or refuse from the event site, a charge of \$100.00 per hour with a two-hour minimum shall be assessed to Permittee and Permittee shall pay said charge within ten (10) days of receiving an invoice.
- P. Adequate portable restrooms shall be provided for any event in such numbers and locations as may be required by the Monterey County Health Department and the Airport Services Manager and these portable restrooms must be serviced and pumped by a sanitation truck as required. There must be no dumping of any materials into existing sewers serving the Airport.
- Q. The City's Fire Department may perform a fire safety inspection prior to the commencement of any event. Any deficiencies identified by the fire safety inspection must be corrected prior to commencement of any event. Fire extinguishers fully charged and with tags affixed, shall be provided as required by the City's Fire Department. There shall be no open-air use of hazardous or flammable materials. All fuel shall be stored and dispensed properly from adequately vented containers. Use of a barbecue during the event shall require prior approval of the Airport Services Manager.
- R. First aid kits and supplies as approved in advance by the Airport Services Manager and the City's Police and Fire Departments shall be available on-site for the duration of the go-kart activity.
- S. Any accident requiring medical attention must be reported in writing to the Airport Services Manager within 24 hours from the time of the accident.
- T. Permittee by accepting this Permit acknowledges that it has received and shall abide by the rules and regulations set forth in the Airport Operating Ordinance (Marina Municipal Code Chapter 13.22), and with all other applicable federal and state statutory and decisional laws, County of Monterey and City of Marina ordinances, rules and regulations and the requirements of any other duly authorized government agency.
- U. Permittee must, within 24-hours from the time of an accident or an incident or reportable event which violates Airport Rules and Regulations or this Permit, provide a written report of the incident to the Airport Services Manager using a form approved by the City as set forth in "**Exhibit C**".

- V. If required by the Airport Services Manager or City's Police or Fire Departments, Permittee shall provide security personnel for the event.
- W. Permits must be obtained from the Monterey County Health Department for any temporary food or beverage service or preparation facilities at least ten (10) days prior to an event.
- X. There shall be no overnight or vehicle camping or long-term (more than 72-hours) vehicle storage on Airport property, unless same is approved in advance by the Airport Services Manager. Any circumstances which arise during an event which is expected to impact Permittee's ability to leave the site clean and vacant, such as the presence of an inoperable vehicle, shall be immediately communicated to the Airport Services Manager.
- Y. Permittee shall be responsible for, and must take all measures required to ensure that participants or spectators do not trespass onto leased premises at the Airport and do not access the Airport Operations area including Taxiway A.
- Z. No persons shall possess or consume any alcoholic beverage or illegal drug in or around any areas of the tarmac when Permittee's activity is taking place. No person employed by or providing services to Permittee shall possess, consume and/or have in their system any alcoholic beverage or illegal drug in or around any areas when Permittee's activity is taking place.
- AA. Permittee shall cooperate with the City in notifying pilots, users and tenants of the Airport about the Permittee's activity and explaining how this activity will affect the Airport and airport operations.
- BB. Permittee shall possess adequate insurance and assume full liability for its activity.

II. **Release of Liability and Assumption of Risk Agreement, Insurance and Indemnification Required**

- A. **Release of Liability and Assumption of Risk Agreement.** Each participant in the go-kart activity as determined by the Airport Services Manager shall, prior to such participation, sign a Release of Liability and Assumption of Risk Agreement ("Release"), a copy of which is attached hereto as "**Exhibit D**", and a copy of every such executed Release shall be provided to the Airport Services Manager upon request. All Releases shall be effective for the event period of FOUR (4) DAYS ONLY. Permittee must retain the original of all executed Releases in its files for a period of no less than three (3) years from their date of execution.
- B. **Insurance.** Permittee agrees to provide insurance in accordance with the requirements set forth herein. Specifically, such insurance shall: (1) protect the City as an additional insured for commercial general and business auto liability; (2) provide City at least thirty days written notice of cancellation, material reduction in coverage or reduction in limits and ten days written notice for non-payment of premium; and (3) be primary with respect to City's insurance program. Permittee's insurance is not expected to respond to claims that may arise from the acts or

omissions of the City. If Permittee use existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, Permittee agrees to amend, supplement or endorse the existing coverage to do so. The following coverages shall be provided by Permittee and shown as having been issued the policies of insurance required herein and which must be maintained on behalf of the City in accordance with the requirements set forth herein.

- C. Cancellation, Reduction, Change. In the event of cancellation, reduction of or change in coverage, or a substantial premium increase (in excess of \$500.00) of the City's airport liability insurance as a result, in whole or in part, of the operations allowed by this Permit, this Permit shall be suspended effective as of the date of any such change. Upon receipt of notice of any such change in coverage City shall promptly notify Permittee.
- D. Commercial General Liability/Umbrella Insurance. Primary insurance shall be provided on ISO-CGL form No. CG 00 01 11 85 or 88 or a form approved in advance by the City's Risk Manager. Total limits shall be no less than one million dollars per occurrence for all coverage's and one million dollars general aggregate. The City, its Airport, Council, boards and commissions, officers, employees, agents and volunteers must be added as additional insured's using ISO additional insured endorsement form CG 20 1- 11 85. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the City or any agent of City. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Umbrella Liability Insurance (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum \$25,000.00 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion. Policies shall have concurrent starting and ending dates.
- E. Business Auto. Primary coverage must be written on ISO Business Auto Coverage form CA 00 01 06 92 including symbol 1 (Any Auto) or another form approved in advance by the City's Risk Manager. Limits shall be no less than one million dollars per accident. Starting and ending dates shall be concurrent. If Permittee owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.
- F. Workers' Compensation/Employers' Liability. Workers' Compensation and Employers' Liability insurance shall be written on a policy form providing workers' compensation statutory benefits as required by law. Employers' liability limits shall be no less than one million dollars per accident or disease. Employers' liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects to the City, its Airport, Council, boards and commissions, officers, employees, agents and volunteers.

- G. Indemnity. Permittee and City agree that City, its Airport, Council, boards and commissions, officers, employees, agents, and volunteers, should to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuits, cost, expense, attorneys fees, litigation costs, defense costs, court costs or any other cost arising out of or in any way related to the activities permitted by this Permit (whether directly, indirectly or arising out of or connected in any way with the motorized vehicle racing, driver training, autocross or automotive-related activities provided for herein). Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the City. Permittee acknowledges that City would not grant this Permit in the absence of the commitment from Permittee to indemnify and protect City as set forth here.

To the full extent permitted by law, Permittee shall defend, indemnify and hold harmless City, its Airport, Council, boards and commissions, officers, employees, agents, and volunteers, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney fees incurred by City, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the activities associated with this Permit. All obligations under this provision are to be paid by Permittee as they are incurred by the City.

Without affecting the rights of the City under any provision of law, this Permit or this section, Permittee shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the sole fault of City, provided such sole fault is determined by agreement of the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the City is shown to have been solely at fault and not in instances where Permittee is solely or partially at fault or in instances where City's fault account for only a percentage of the liability involved. In those instances, the obligation of Permittee shall be all inclusive and City shall be indemnified for all liability incurred, even though a percentage of the liability is attributable to conduct of the City.

Permittee acknowledges that its obligation pursuant to this section extends to liability attributable to the City, if that liability is less than the Sole fault of City. Permittee has no obligation under this Permit for liability proven in a court of competent jurisdiction or by written agreement between the parties to be the sole fault of the City.

The obligations of Permittee under this or any other provision of this Permit shall not be limited by the provisions of any workers' compensation act or similar act. Permittee expressly waives its statutory immunity under such statutes or laws as to City, its Airport Council, boards and commissions, officers, employees, agents, and volunteers.

Permittee agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from any assignee, subcontractor or any other person or entity involved by, for, with or on behalf of Permittee in the performance of the subject matter of this Permit. In the event Permittee fail to obtain such indemnity obligations from others as required here, Permittee agrees to be fully responsible according to the terms of this section.

Failure of the City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth herein is binding on the successors, assigns, or heirs of Permittee and shall survive the termination of this Permit or this section.

H. Other Agreements re Insurance.

Permittee and City further agree as follows:

1. Insurance provisions supersede all other sections and provisions of this Permit to the extent that any other section or provision conflicts with or impairs the provisions of those sections.
2. Nothing contained in the insurance provisions is to be construed as affecting or altering the legal status of the parties to this Permit. The insurance requirements set forth in this Permit are intended to be separate and distinct from any other provision in this Permit and shall be interpreted as such.
3. All insurance coverage and limits provided pursuant to this Permit shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Permit or any other Permit relating to the City or its operations limits the application of such insurance coverage.
4. Requirements of specific coverage features or limits contained in the insurance provisions are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.
5. For purposes of insurance coverage only, this Permit shall be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Permit.
6. All general or auto liability insurance coverage provided pursuant to this Permit shall not prohibit Permittee, Permittee's employees, or agents from waiving the right of subrogation prior to a loss. Permittee hereby waives all rights of subrogation against the City.

7. Unless otherwise approved by City, Permittee's insurance shall be written by insurers authorized to do business in the State of California with a minimum "Best's" Insurance Guide Rating of "A:VII."
8. In the event any policy of insurance required under this Permit does not comply with these requirements or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Permittee.
9. Permittee agrees to provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance evidencing all of the coverage's required and an additional endorsement to Permittee's general liability and umbrella liability policies using ISO form CG 20 10 11 85 Certificate(s) are to reflect that the insurer shall provide 30 days notice of any cancellation of coverage. Permittee agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. Contractor agrees to provide complete copies of policies to City upon request.
10. Permittee shall provide proof that policies of insurance required herein expiring during the term of this Permit have been renewed or replaced with other policies providing at least the same coverage. Such proof shall be furnished at least two weeks prior to the expiration of the coverages.
11. Any actual or alleged failure on the part of the City or any other additional insured under these requirements to obtain proof of insurance required under this Permit in no way waives any right or remedy of City or any additional insured, in this or any other regard.
12. Permittee agrees to require all subcontractors or other parties hired for this project to provide general liability insurance naming as additional insured's all parties to this Permit. Permittee agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required herein. Permittee agrees to require that no contract used by any subcontractor, or contracts Permittee enters into on behalf of City, shall reserve the right to charge back to City the cost of insurance required by this Permit. Failure of City to request copies of such contracts shall not impose any liability on City, its Airport, Council, boards and commissions, officers, employees, agents and volunteers.
13. If any of Permittee's dba entities are or should become lawfully constituted as a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its Managers, Affiliates, employees, agents and other persons necessary or incidental to its operation are insured's.
14. Permittee agrees to provide immediate notice to City of any claim or loss against Permittee that includes City as a defendant. City assumes no obligation or liability by such notice but has the right (but not the duty) to

monitor the handling of any such claim or claims if they are likely to involve the City.

III. Enforcement, Suspension, and Termination

- A. The conditions of this Permit may be enforced by any means and methods by which the City may secure compliance with the provisions of its Municipal Code. These include but are not necessarily in order of or limited to the following: warning notices, administrative citations, civil or criminal enforcement or injunctive relief. Multiple enforcement remedies may be used to achieve compliance with respect to persons who commit continuing violations.
- B. In lieu of or in conjunction with enforcement remedies, this Permit may be immediately suspended at any time for a violation of any of the conditions of approval as set forth herein. Immediate verbal notice of suspension, following within not more than 24-hours by written notice of suspension shall be given to Permittee, or that person then in-charge of conducting Permittee's activity on the Airport, by the Airport Services Manager. The notice shall set forth the specific violation for which the immediate suspension is imposed. Permittee agrees that, upon receipt of written notice of suspension from the Airport Services Manager it will immediately cease and suspend its use of the north tarmac.
- C. The Airport Services Manager agrees to cooperate with Permittee in its efforts to remedy or to address a cited violation or notice of violation for which this Permit has been suspended. If and when such violation has been addressed to the satisfaction of the Airport Services Manager, immediate verbal notice of Permit reinstatement, followed within not more than 24-hours by a written notice of Permit reinstatement shall be given to Permittee.
- D. This Permit may be suspended by action of the Airport Manager, Airport Services Manager and terminated by action of the City Council.
- E. In the event it should become necessary for either party to enforce or interpret any of the terms and conditions of this Permit by means of court action or administrative enforcement the laws of the State of California shall govern the interpretation of the terms and conditions of this Permit and such action shall be brought in a court of proper jurisdiction in Monterey County, the prevailing party, in addition to any other remedy at law or in equity available to such party, shall be awarded all reasonable costs and reasonable attorney's fees in connection therewith, including the fees and costs of experts reasonable consulted by the attorneys for the prevailing party.
- F. In the event of a request or action by the FAA to cease or terminate the activity as set forth in this conditional use permit, such permit shall become immediately null and void without requirement of any further action by the City Council.

IV. Non-Transferability, No Exclusive Right, No Right to Lease, No Long-Term Use Contemplated by the Parties

- A. This Permit is non-transferable.

- B. This permit shall not be construed or interpreted as an “exclusive right” within the provisions of section 308a of the FAA Act of 1958, as amended.
- C. This Permit is not and may not be construed as a lease of any City property, nor does it convey any right to such a lease.
- D. This Permit may be amended only by a writing signed by the authorized representatives of both the City and Permittee.

V. Notice

All notices and other communications required to be given under this Permit shall be in writing and shall be delivered at the addresses set out herein. Notice may be given by personal delivery, recognized overnight courier, by United States mail, by facsimile transmission, or by e-mail, in the manner set forth below. Notice shall be deemed to have been duly given: (a) if by personal delivery, on the first to occur of the date of actual receipt or refusal of delivery by any person at the intended address; (b) if by overnight courier, on the first business day after being delivered to a recognized overnight courier; (c) if by mail, on the third business day after being deposited in the United States mail, certified or registered mail, return receipt requested, postage prepaid; (d) if by facsimile transmission, the next business day after being transmitted, as evidenced by the confirmation slip generated by the sender’s facsimile machine; or (e) if by e-mail, the business day after being transmitted, as evidenced by the confirmation generated by the sender’s e-mail, addressed as follows:

To the City of Marina:

Airport Services Manager
City Hall
211 Hillcrest Avenue
Marina, California 93933

Phone: 831-384-2901
Mobile: 831-241-8628
Facsimile: 831-384-9148
E-mail: jcrechriou@cityofmarina.org

With a copy to:

City Attorney – City of Marina
Wellington Law Offices
857 Cass Street, Suite D
Monterey, California 93940

Phone: 831-373-8733
Facsimile: 831-373-7106
E-mail: attys@wellingtonlaw.com

To Monterey Bay Karters:

Mr. Alan Freese
Director of Communications
Monterey Bay Karters
1350 Dayton Street
Salinas, California 93901

Phone: 831-595-4720
Facsimile: none
E-mail: alan.f@peninsulamoving.com
info@fastech-racing.com

or to such other address as either party may from time to time specify as its address for the receipt of notices hereunder, in a notice to the other party. Notices given by an attorney shall be deemed to constitute notice from that party.

VI. Grant Agreement Covenants

Permittee acknowledges that City is subject to Federal grant agreement obligations as a condition precedent to granting of funds for the improvement of the Airport, and, accordingly agrees to, and agrees to be bound by, the following covenants provided by the FAA as they may apply to Permittee:

Permittee, by accepting this Permit expressly agrees for itself, its successors and assigns that it will not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from Marina Municipal Airport or otherwise constitutes a hazard. In the event this covenant is breached, City reserves the right to enter upon the premises and cause the abatement of such interference at the expense of Permittee. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right for the passage of aircraft in the airspace above the surface of the Premises. The public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking from, or operation on the Airport

Permittee for itself and its personal representatives, successors in interest, and assigns as part of the consideration hereto, does hereby covenant and agree that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said premises. (2) that in the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participating in, denied the benefits of, or otherwise be subject to discrimination; (3) that the Permittee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21 Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. In the event of breach of any of the above nondiscrimination covenants, the City (through the City Manager) shall have the right to terminate this Permit, and to re-enter and repossess the premises and hold the same as if this Permit had never been made or issued.

City reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Permittee, and without interference or hindrance. The City reserves the right, but shall not be obligated to Permittee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport together with the right to direct and control all activities of Permittee in this regard. The Permittee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises. This requires the submission of FAA Form 7460-1, Notice of Construction or Alteration to the FAA.

The Permittee by accepting this Permit expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or building nor permit object of natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of Title 14 CFR Part 77 or above mean sea level elevation of 210 feet. In the event the aforesaid covenants are breached, the City reserves the right to enter upon the land hereunder and to remove the offending structure or object or cut the offending natural growth, all of which shall be at the expense of the Permittee.

The Permittee will furnish services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that the Permittee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. In the event of breach of the above covenant, the City (through the City Manager) shall have the right to terminate this Permit, and to re-enter and repossess the premises and hold the same as if this Permit had never been made or issued.

The Permit will conform to airport and Federal Aviation Administration safety and security rules and regulations regarding use of the Airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass airfield safe driving instruction program when offered or required by the Airport; and will be subject to penalties as prescribed by the airport for violations of the airport safety and security requirements.

This Permit is subordinate to the City's obligations to the federal government under existing and future agreements for federal aid for the development and maintenance of the Airport.

This Permit shall be subordinate to the provisions and requirements of any existing or future agreement between the City and the United States, relative to the development, operation, or maintenance of the Airport. Failure of the Permittee to comply with the requirements of any existing or future agreement between the City and the United States, which failure shall continue after reasonable notice to make appropriate corrections, shall be cause for immediate termination of Permittee's rights hereunder.

VII. Modifications for Granting FAA Funds

In the event that the FAA requires, as a condition precedent to granting of funds for the improvement of the Airport, modifications or changes to this Permit, Permittee agrees to

consent in writing upon the request of City to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions, or requirements of this Permit as may be reasonably required to enable the City to obtain FAA funds. A failure by Permittee to so consent shall constitute termination of this Permit.

VIII. Authority

If Permittee is a corporation, partnership or limited liability company, the individual executing this Permit on behalf of said entity represents and warrants that he or she is duly authorized to execute and deliver this Permit on behalf of said entity and that this Permit is binding upon said entity in accordance with its terms.

THIS CERTIFICATE IS TO NOTIFY MONTEREY BAY KARTERS that the above described Conditional Airport Use Permit was approved by the City of Marina City Council with their action and to become effective as specified in the Permit. However, requesters are notified that should any aggrieved party wish to appeal the decision of the City Council, a written appeal must be filed with the City Clerk no later than the end of the first work day which is at least ten calendar (10) days from the issuance of this Certificate, no later than 5:00 P.M. on Friday, March 27, 2020. Such appeal must set forth specifically the points at issue, the reasons for the appeal and describe why the person appealing the decision believes there was an error or abuse of discretion by the City Council. Should no appeal be filed within this time limit, this Certificate shall be valid as written. Any action for judicial review of this decision must be brought within the time limits specified in the California Code of Civil Procedure Section 1094.6.

Dated: March 17, 2020 at Marina, California

APPROVED

Layne Long
City Manager
City of Marina

Jeff Crechriou
Airport Services Manager
City of Marina

I HAVE READ, UNDERSTAND AND ACKNOWLEDGE AND AGREE TO THE CONDITIONS SET FORTH IN THIS PERMIT:

Alan Freese
Director of Communications
Monterey Bay Karters

Dated: _____, 2020

Attest: Pursuant to Resolution No. 2020-

Anita Sharp, Deputy City Clerk

APPROVED AS TO FORM:

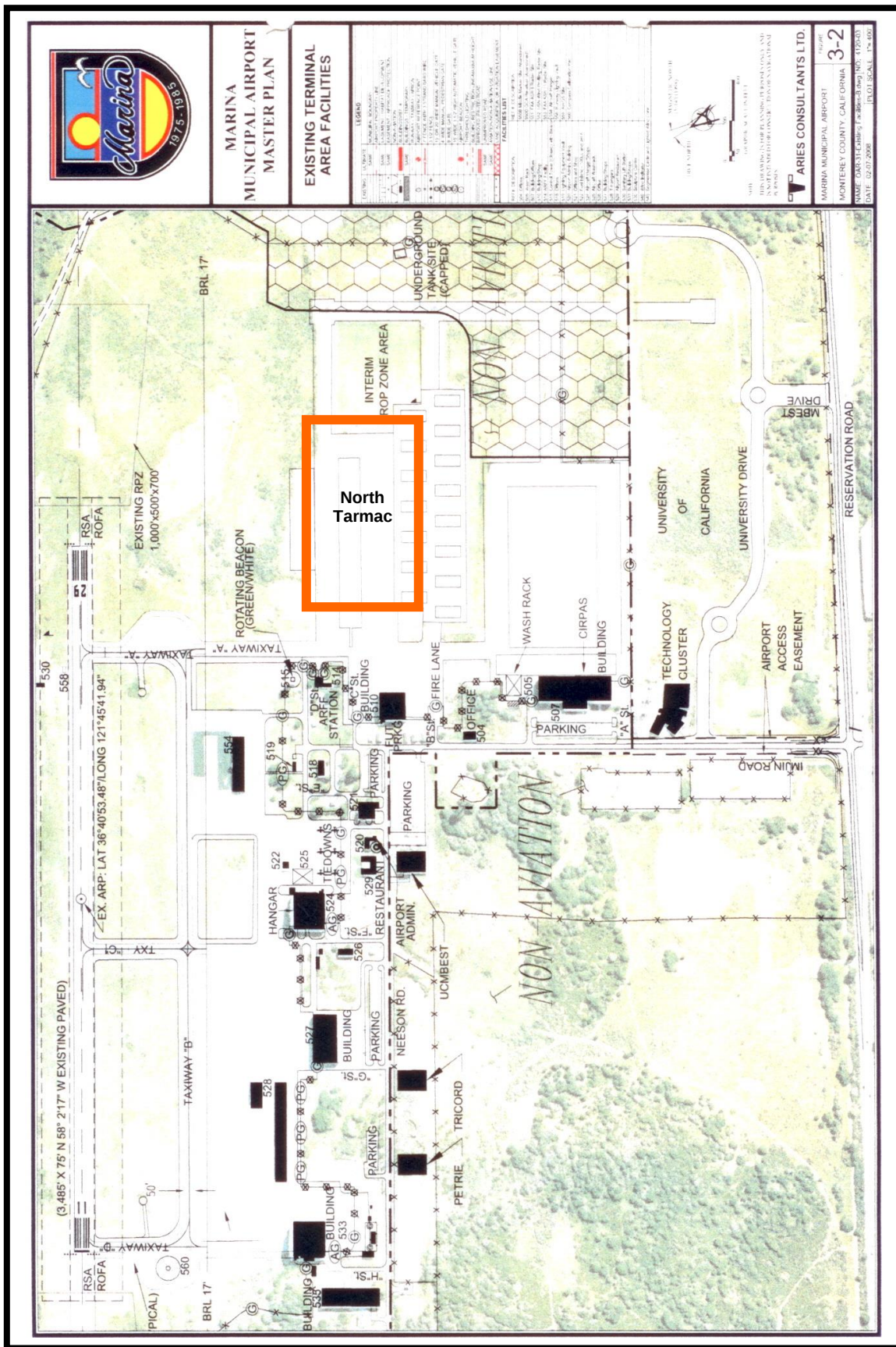
City Attorney

ATTACHMENTS:

- EXHIBIT A Site Plan of North Tarmac
- EXHIBIT B Access Route to Tarmac
- EXHIBIT C Incident Report Form
- EXHIBIT D Release of Liability/Assumption of Risk

“EXHIBIT A”

Site Plan of North Tarmac



“EXHIBIT B”
Access Route to Tarmac



- Traffic Ingress / Egress
- ▲ Traffic Control Personnel
- Cones or Approved Delineation
- 6 ft. Fencing

“EXHIBIT C”
Incident report Form

INCIDENT REPORT FORM – FOR OFFICIAL USE ONLY

Date of Incident _____ Pilot in Command _____

Total Passengers _____ Name of Ground Observer _____

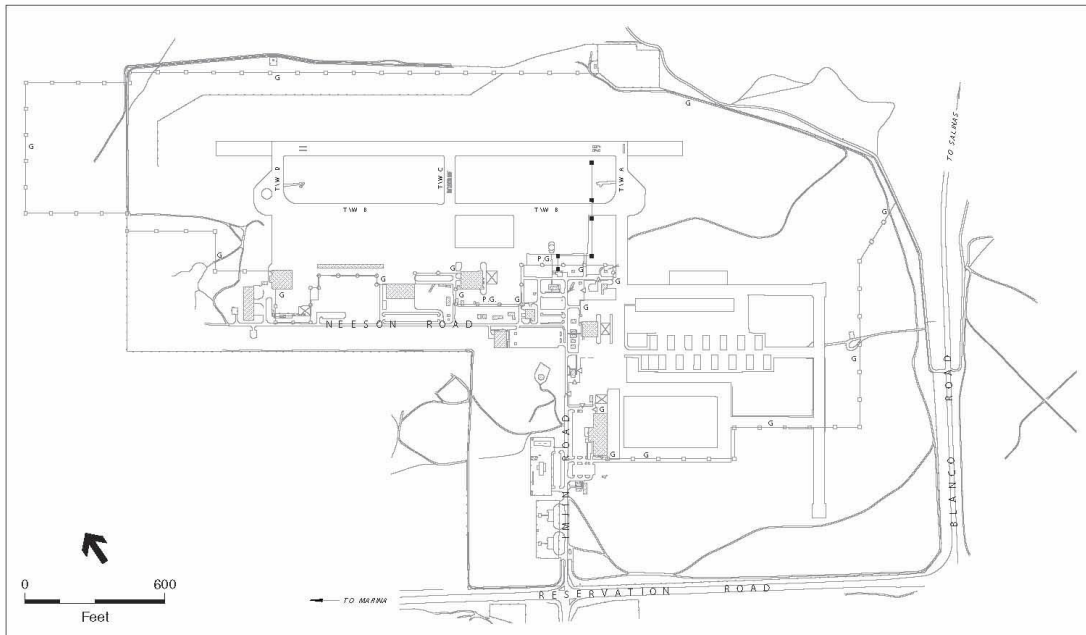
Name of Person(s) Involved: _____

Explanation: _____

Report Prepared by _____ Date _____

Received by _____ Date / Time _____

MARINA MUNICIPAL AIRPORT



“EXHIBIT D”

Release of Liability and Assumption of Risk Agreement

**MARINA MUNICIPAL AIRPORT
RELEASE AND WAIVER OF LIABILITY,
ASSUMPTION OF RISK, AND INDEMNITY AGREEMENT**

Description and Location of Scheduled Event

Date Release Signed

IN CONSIDERATION OF BEING PERMITTED TO compete, drive a motor vehicle, spectate, officiate, observe, work, or PARTICIPATE in any way IN THE ABOVE EVENT(S) OR BEING PERMITTED TO ENTER FOR ANY PURPOSE ANY RESTRICTED AREA (defined as requiring special authorization, credentials, or permission to enter, or any area to which admission by the general public is restricted or prohibited including but not limited to the competition area and any hot pit or paddock area), EACH OF THE UNDERSIGNED, FOR HIMSELF OR HERSELF, HIS OR HER PERSONAL REPRESENTATIVES, HEIRS, NEXT-OF-KIN:

1. ACKNOWLEDGES, AGREES AND REPRESENTS THAT HE OR SHE HAS OR WILL immediately upon entering any such Restricted Area, and will continuously thereafter, INSPECT THE RESTRICTED AREA which he or she enters, and he or she further agrees and warrants that, IF AT ANY TIME, he or she is in or about the Restricted Areas and HE OR SHE FEELS ANYTHING TO BE UNSAFE, HE OR SHE WILL IMMEDIATELY ADVISE THE OFFICIALS OF SUCH and if necessary will leave the Restricted Area AND REFUSE TO PARTICIPATE FURTHER IN THE EVENT(S).

2. HEREBY RELEASES, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES, DISCHARGES AND COVENANTS NOT TO SUE, the CITY OF MARINA and the Marina Municipal Airport, MONTEREY BAY KARTERS, INC., a California 501(c)(7) non profit corporation, the promoters, participants racing associations, sanctioning organizations, or any subdivision thereof, track operators, track owners, officials, competition vehicle owners, drivers, pit crews, rescue personnel, any persons in any Restricted Area, sponsors, advertisers, owners and lessees of premises used to conduct the Event(s), premises and event inspectors, surveyors, underwriters, consultants and others who give recommendations, directions or instructions or engage in risk evaluation or loss control activities regarding the premises or Event(s) and each of them, their councils, directors, officers, agents, and employees, all for the purposes HEREIN REFERRED TO AS “RELEASES,” FROM ALL LIABILITY TO THE UNDERSIGNED, HIS PERSONAL REPRESENTATIVES, ASSIGNS, HEIRS, AND NEXT-OF-KIN FOR ALL LOSS OR DAMAGE, AND ANY CLAIM OR DEMANDS THEREFOR ON ACCOUNT OF INJURY TO THE PERSON OR PROPERTY OR RESULTING IN DEATH OF THE UNDERSIGNED ARISING OUT OF OR RELATED TO THE EVENT(S) WHETHER CAUSED BY THE NEGLIGENCE OF THE RELEASES OR OTHERWISE.

3. HEREBY AGREES TO INDEMNIFY AND SAVE AND HOLD HARMLESS THE RELEASES AND EACH OF THEM FROM ANY LOSS, LIABILITY, DAMAGE, OR COST they may incur arising out of or RELATED TO THE UNDERSIGNED’S INJURY OR DEATH WHETHER CAUSED BY THE NEGLIGENCE OF THE RELEASES OR OTHERWISE.

4. HEREBY ASSUMES FULL RESPONSIBILITY FOR ANY RISK, KNOWN AND UNKNOWN, OF BODILY INJURY, PERMANENT DISABILITY, arising out of or related to the Event(s), INCLUDING MEDICAL OR HOSPITAL BILLS, DEATH OR PROPERTY DAMAGE arising out of or related to the Event(s) whether CAUSED BY THE NEGLIGENCE OF RELEASES or otherwise.

5. HEREBY ACKNOWLEDGES THAT THE ACTIVITIES OF THE EVENT(S) ARE VERY DANGEROUS and involve the risk of serious injury and/or death and/or property damage. Each of THE UNDERSIGNED, ALSO EXPRESSLY ACKNOWLEDGES THAT INJURIES RECEIVED MAY BE COMPOUNDED OR INCREASED BY NEGLIGENT RESCUE OPERATIONS OR PROCEDURES OF THE RELEASES.

6. HEREBY AGREES THAT THIS RELEASE AND WAIVER OF LIABILITY, ASSUMPTION OF RISK, AND INDEMNITY AGREEMENT EXTENDS TO ALL ACTS OF NEGLIGENCE BY THE RELEASES, INCLUDING NEGLIGENT RESCUE OPERATIONS and is intended to be as broad and inclusive as is permitted by the laws of the State of California and that if any portion thereof is held invalid, it is agreed that the balance shall, notwithstanding, continue in full legal force and effect.

I HAVE READ THIS RELEASE AND WAIVER OF LIABILITY, ASSUMPTION OF RISK, AND INDEMNITY AGREEMENT, UNDERSTAND ITS TERMS, UNDERSTAND THAT I HAVE GIVEN UP SUBSTANTIAL RIGHTS BY SIGNING IT, AND HAVE SIGNED IT FREELY AND VOLUNTARILY WITHOUT ANY INDUCEMENT, ASSURANCE OR GUARANTEE BEING MADE TO ME AND INTEND MY SIGNATURE TO BE A COMPLETE AND UNCONDITIONAL RELEASE OF ALL LIABILITY TO THE GREATEST EXTENT ALLOWED BY LAW.

**CAUTION
THIS IS A RELEASE OF LEGAL RIGHTS - READ AND UNDERSTAND BEFORE SIGNING**

ALL SECTIONS MUST BE COMPLETED

PRINT NAME HERE

SIGN NAME HERE

CAPACITY [driver, pit crew, spectator, etc.]

1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
11. _____	_____	_____
12. _____	_____	_____
13. _____	_____	_____
14. _____	_____	_____
15. _____	_____	_____

Signature and Title of Witness

Address of Witness

Date Signature(s) witnessed

Honorable Mayor and Members
Of the Marina City Council

City Council Meeting of
March 17, 2020

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2020,
AMENDING THE CONTRACT IN THE FORM OF A CHANGE ORDER
TO WILLIAM A. THAYER CONSTRUCTION OF SALINAS,
CALIFORNIA, FOR THE COMPLETION OF 771 NEESON ROAD
RESTAURANT REMODEL PROJECT, AND INCREASING
APPROPRIATIONS IN FY 2019-20 BUDGET, AIRPORT CAPITAL
PROJECTS FUND 460, AND INCREASING APPROPRIATIONS IN FY
2019-20 BUDGET, AIRPORT OPERATIONS FUND 555, AND
AUTHORIZING FINANCE DIRECTOR TO MAKE NECESSARY
ACCOUNTING AND BUDGETARY ENTRIES; AND AUTHORIZING
THE CITY MANAGER TO EXECUTE THE CONTRACT DOCUMENTS
ON BEHALF OF THE CITY SUBJECT TO FINAL REVIEW AND
APPROVAL BY THE CITY ATTORNEY**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2020- amending the construction contract with William A. Thayer Construction of Salinas, California for the change orders required for the Completion of 771 Neeson Road Restaurant Remodel Project, and;
2. Increasing appropriations in FY 2019-20 Budget, Airport Capital Projects Fund 460, and;
3. Increasing appropriations in FY 2019-20 Airport Operations Fund 555, and;
4. Authorizing the Finance Director to make the necessary accounting and budgetary entries, and;
5. Authorizing City Manager to execute all contract documents on behalf of the City subject to final review and approval by the City Attorney.

BACKGROUND:

At the regular council meeting of November 19, 2019 resolution item number 2019-8d(1) was passed agreeing to enter into contract with William A Thayer Construction for the completion of the renovation at 771 Neeson Road. The cost proposal was \$125,015.26 and with an estimated 10% contingency for a total of \$137,516.50. While work progressed, it was determined that interior damage to walls and ceiling occurred prior to the new roof installation.

ANALYSIS:

The additional work has already begun using the allocated 10% contingency, but the work will require additional funding. In order to take advantage of the contractor's presence on site, we recommend allowing the completion of the additional work which would expedite the completion of the project in a timelier manner and help keep cost down while the contractors on site.

FISCAL IMPACT:

Should the City Council approve this request, the estimated cost to complete the remaining work would amount to approximately \$25,000. The Airport Operations Fund 555 is the source of funding for this project.

The Adopted FY 2019-20 Budget, Airport Operations Fund, Transfer Out (to) Capital Projects, Account No. 555.000.000.00-9500.460 to the Airport Capital Project Fund, Building 529/Restaurant Improvements Project #470 will be amended to increase appropriations by \$25,000 and will be funded from the Airport Enterprise Available Fund Balance estimated to be \$1,644,806 at June 30, 2019.

The Adopted FY2019-20 Budget, Airport Capital Projects Fund 460, Building 529/Restaurant Improvements Project #470 will be amended to increase appropriations as follows:

<u>Revenue/Funding</u>	<u>Acct. No.</u>	<u>Approved</u>	<u>Increase</u>	<u>Amended</u>
Prior Years' Unspent Balance		\$ 30,000	-	\$ 30,000
Transfer In Fund 555	9100.555	\$ 107,520	\$ 25,000	132,520
	Totals	\$ 137,520	\$ 25,000	\$ 162,520

<u>Expenditures</u>	<u>Acct. No.</u>	<u>Approved</u>	<u>Increase</u>	<u>Amended</u>
Construction	6700.105	\$ 137,520	\$ 25,000	\$ 162,520
	Totals	\$ 137,520	\$ 25,000	\$ 162,520

CONCLUSION:

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

Respectfully submitted,

Daniel Paolini, CBO
Chief Building Official
Building Division
Community Development Department
City of Marina

REVIEWED/CONCUR:

Fred Aegerter,
Community Development Department
Community Development Director
City of Marina

Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AMENDING THE CONTRACT IN THE FORM OF CHANGE ORDER TO WILLIAM A THAYER CONSTRUCTION OF SALINAS, CALIFORNIA, FOR THE 771 NEESON ROAD RESTAURANT REMODEL PROJECT, AND; INCREASING APPROPRIATIONS IN FY 2019-20 BUDGET, AIRPORT CAPITAL PROJECTS FUND 460, AND; INCREASING APPROPRIATIONS IN FY 2019-20 BUDGET, AIRPORT OPERATIONS FUND 555, AND; AUTHORIZING FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES, AND; AUTHORIZING CITY MANAGER TO EXECUTE THE CHANGE ORDER DOCUMENTS ON BEHALF OF THE CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

WHEREAS, the City entered into a lease agreement for 771 Neeson Road, and;

WHEREAS, the agreement requires a completed remodeled building, and;

WHEREAS, the City entered into agreement with William A. Thayer Construction to complete the project, and;

WHEREAS, total cost of the project proposal was \$137,516.50. with a standard 10% contingency for unforeseen costs, and;

WHEREAS, while work progressed it became apparent that there was damage to interior finishes, and;

WHEREAS, the repairs will exceed the 10% allocated for unforeseen work, and;

WHEREAS, it will be more cost effective to have the work done while the contractor is on site, and;

WHEREAS. An additional \$25,000 is needed to complete the remaining unforeseen work, and;

WHEREAS, The Adopted FY 2019-20 Budget, Airport Operations Fund, Transfer Out (to) Capital Projects, Account No. 555.000.000.00-9500.460 to the Airport Capital Project Fund, Building 529/Restaurant Improvements Project #470 will be amended to increase appropriations by \$25,000 and will be funded from the Airport Enterprise Available Fund Balance estimated to be \$1,644,806 at June 30, 2019 and;

WHEREAS, the Adopted FY2019-20 Budget, Airport Capital Projects Fund 460, Building 529/Restaurant Improvements Project #470 will be amended to increase appropriations as follows:

<u>Revenue/Funding</u>	<u>Acct. No.</u>	<u>Approved</u>	<u>Increase</u>	<u>Amended</u>
Prior Years' Unspent Balance		\$ 30,000	-	\$ 30,000
Transfer In Fund 555	9100.555	\$ 107,520	\$ 25,000	132,520
	Totals	\$ 137,520	\$ 25,000	\$ 162,520

<u>Expenditures</u>	<u>Acct. No.</u>	<u>Approved</u>	<u>Increase</u>	<u>Amended</u>
Construction	6700.105	\$ 137,520	\$ 25,000	\$ 162,520
	Totals	\$ 137,520	\$ 25,000	\$ 162,520

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

1. Amend the construction contract in the form of a change order to William A Thayer Construction of Salinas, California for the Completion of 771 Neeson Road Restaurant Remodel Project, and;
2. Increase appropriations in FY 2019-20 Budget, Airport Capital Projects Fund 460, and;
3. Increase appropriations in FY 2019-20 Airport Operations Fund 555, and;
4. Authorize the Finance Director to make the necessary accounting and budgetary entries, and;
5. Authorize City Manager to execute all contract documents on behalf of the City subject to final review and approval by the City Attorney.

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Marina, duly held on the 17th day of March 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

March 12, 2020

Item No. **8g(3)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of March 17, 2020

RECOMMENDATION TO CONSIDER ADOPTING RESOLUTION NO. 2020-, APPROVING A MASTER EQUITY LEASE AGREEMENT WITH ENTERPRISE FLEET MANAGEMENT, INC. AS A SOURCE WELL APPROVED CONTRACT FOR THE REPLACEMENT OF CERTAIN CITY VEHICLES WITHOUT COMPETITIVE BIDDING, FINDING THAT COMPETITIVE BIDDING WOULD BE MORE EXPENSIVE, WOULD NOT PRODUCE AN ADVANTAGE AND WOULD NOT BE IN THE PUBLIC INTEREST; AUTHORIZING FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES AND AUTHORIZING CITY MANAGER TO EXECUTE LEASES ON BEHALF OF CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

REQUEST:

It is requested that the City Council:

1. Consider adopting Resolution No. 2020-, authorizing the City manage to sign a master lease agreement (“**Exhibit A**”) with Enterprise, Inc. as a Sourcwell approved contract for the replacement of certain City vehicles subject to final review and approval by the City Attorney; and,
2. Consider waiving the City’s formal bid process; finding that competitive bidding would be unavailing, would not produce an advantage and would not be in the public interest; and,
3. Authorize the City Manager to sign a lease for 7 fully outfitted vehicles shown in the report subject to final review and approval by the City Attorney; and,
4. Authorize the Finance Director to make necessary accounting and budgetary entries.

BACKGROUND:

The City currently owns and maintains 57 vehicles used to provide services to the community daily. The City’s Vehicle Maintenance Program recommends service life based on vehicle type and usage and recommends the retirement and disposition of such vehicles based on the estimated life and/or retirement mileage. The City’s 2013 update of the comprehensive citywide fleet maintenance and replacement program determined a replacement schedule for city vehicles (Resolution No. 2013-127).

At the regular meeting of June 18, 2019, City Council adopted Resolution 2019-64, approving the FY 2019-20 and FY 2020-21 budgets which included funding to replace the Police Department’s administration vehicle (vehicle # 868), 2 Police Patrol Sergeant Chevrolet Tahoes (vehicle numbers 882 and 887), 3 Police Patrol Chevrolet Caprices (vehicle numbers 893, 894 and 897), and the Fire Department’s Ford F-350 4x4 (vehicle number 5691). Each of these vehicles are being considered for replacement through leases through Enterprise Fleet Management.

The Marina Police Department Administration Division relies on its vehicle to assist administrative staff in providing service to residents, conduct surveillance operations. The vehicle also will be utilized by property and evidence personnel to transport sensitive police related property and carry additional equipment.

The Patrol vehicles are being used by the Police Department for the bulk of the services that the Department provides. These vehicles on the road daily responding to the needs of the residents and enforcing the laws that keep our community safe. Given the high level of usage, these vehicles need to be replaced the most frequently.

The Fire Departments (2003 Ford F-350 4x4), is a multi-use vehicle. It is currently used as a Beach Rescue and general-purpose vehicle. Its main purpose is to allow firefighters quick access to the Beach, access the patient with necessary rescue gear, contact, evaluate and if necessary, extract the patient(s) from the beach back to the location of the ambulance or other transport unit. The vehicle has tires and equipment that can cover various off-road terrain surfaces to include mud, sand, dirt, grasses and hard pack and paved surfaces.

ANALYSIS:

Pursuant to City of Marina Resolution No. 95-75, the City of Marina is authorized to use the State of California Cooperative Purchasing System to obtain equipment from the State of California Department of General Services (DGS).

In a like manner, Enterprise Inc. has been selected by Sourcewell as a provider of leased vehicles through a competitive bidding process similar to what the City conducts. The City of Marina is a member of Sourcewell. For the City to initiate a competitive bidding process for purchase of the requested vehicles, it would require usage of City staff time, which would be a duplication of time already expended by the Sourcewell.

It is unlikely that significantly lower prices would be realized if the City pursued a separate bidding process. and it would result in a delay of two to three months from City Council approval to call for bids, individual item bid document specification preparation, bid advertising and opening, and City Council awarding of bids, et cetera.

By using Enterprise, Inc, the City will be able to obtain vehicles at a competitive price using Enterprise's quantity buying, expertise in delivering vehicles and methods of financially advantageous disposal. They also work with the City to outfit the vehicles with specialized equipment prior to delivery.

The proposed vehicles for replacement are those identified in the FY 19/20 and FY 20/21 year are shown in Table I, Proposed Vehicle Replacement. These vehicles are found on page 153 of the budget.

Table I
Proposed Vehicle Replacement

Number	Asset	Description	Acq. Value for Lease	Year	Maker	Model	Per Unit Upfitting	Total Per Unit	Budget per Unit
2	PD #887 # 882 TAHOE's	Fullsize SUV 4x4 Pursuit	24,419	2020	Chevy	Tahoe	38,802	63,221	80,000
3	PD #893, 894, 897 CAPRICE's	Fullsize SUV AWD Pursuit	37,003	2020	Dodge	Durango	19,407	56,410	71,500
1	PD #885, IMPALA	Fullsize Passenger Van	26,756	2020	Chrysler	Voyager	-	26,756	30,000
1	FD #5491 F350 Chassis	1/2 Ton Crew Cab	33,528	2020	Chevy	Silverado	15,000	48,528	60,000

The table shows that the proposed vehicle acquisition price is less than budget. Enterprise provides the City with an open-ended lease, which means the City owns the equity in the vehicle after the end of the lease. But the City also will owe Enterprise the residual value they carry on the lease. The potential impact of the lease is shown in Table II, End of Lease Values.

Table II
End of Lease Values

Number	Maker	Model	48 Month Lease Cost	Enterprise Residual	Projected Value		Net Value off Low	48 Month Lease Cost, Net	Total	Budget
					resale low	resale high				
2	Chevy	Tahoe	59,892	(1,954)	8,000	9,500	6,046	53,846	107,692	160,000
3	Dodge	Durango	53,722	(1,119)	5,000	7,000	3,881	49,841	149,524	214,500
1	Chrysler	Voyager	21,694	(4,653)	9,075	10,000	4,422	17,272	17,272	30,000
1	Chevy	Silverado	47,333	(1,541)	17,500	19,000	15,959	31,375	31,375	60,000
								Total	305,863	464,500

At the end of the lease, the City will need to decide to either buy out the vehicles and continue to use the vehicles or simply start a new lease. The point is that appears to be less expensive to lease and then buy rather than buy outright.

FISCAL IMPACT:

Viability of Using Enterprise Rent-a-Car for Vehicle Purchases.

Because Enterprise Rent-a-Car has special relationships with the large car manufacturers and understand the resale market, they have created a product for fleets in which the company leases vehicles to the entities in an open end lease, meaning that at the end of the lease, the City may buy out the vehicle and keep it or allow Enterprise to see the vehicle.

To test this concept, staff created Table III, Lease vs. Buy Scenarios, comparing a purchase via a contract such as the California Multiple Award Schedule (CMAS) compared to Enterprise offerings. The scenario, found in Table I, GMC ½ Ton Extended Cab, assumes a ten-year life on the vehicle and contrasts the City’s experience compared to the Enterprise offering. The key is that Enterprise would recommend turning the vehicle in after 5 years and starting a new lease. The residual value of the vehicle would accrue to the City.

In the scenario, the City would enter into a 60-month lease. The total cost over the 60 months would be \$27,226. However, at the end of the lease, the City would resell the vehicle through Enterprise and receive a projected \$12,500. This is not guaranteed but is what has been found in past results.

A new 5-year lease would begin in the future. The scenario assumes the City would be able to purchase the vehicle at the same price in the future. The total cost then for the ten-year period would be \$29,452. In contrast, the total cost for owning the vehicle during the 10 years, using CMAS pricing is \$32,606, about \$3,153 more than the lease option.

Table III
Lease vs. Buy Scenarios

GMC 1/2 Ton Extended Cab					
	Enterprise			CMAS Comparisons	
	60 Month Lease				
Monthly Fee	453.77		Purchase Price		20,281.00
			Sales Tax @ 9.25%		1,875.99
Lease Term	27,226.20		Loss of Interest @ 30 mo, 1.8%		398.83
Cash Back from Sale	-		Staff Time		1,050.00
(Assume GMC)	(12,500.00)		CMAS Service Fee		500.00
Total Cost	14,726.20		Total Cost		24,105.82
2nd 5 years					
New Lease			2nd 5 Years		
Lease Term	27,226.20		Increased Maintenance		6,500.00
Cash Back from Sale	-		Increased Gas Costs		3,000.00
(Assume GMC)	(12,500.00)		Residual Sale		(1,000.00)
Total Cost	14,726.20				8,500.00
Total	29,452.40				32,605.82
				Difference	(3,153.42)

The analysis is subjective and based upon assumptions. If the vehicle price appreciates 15% over the first 5-year period, all the savings would be lost. The analysis also does not put a value on the fact that the vehicle being used by the City would be newer in the Enterprise Lease scenario as opposed to the purchase scenario. Finally, the future value of used vehicles is very subjective. However, a recent search of GMC extended cabs on Car Guru place a good buy on such a vehicle at \$17,000.

The analysis provides some standard numbers for increased maintenance costs (As vehicles age, you need to perform more maintenance) and increased fuel cost (Older vehicles tend to have lower fuel efficiency than newer vehicles). These costs are typical differences. Also, the administrative burden of purchasing vehicles is dramatically reduced. As a result, staff believes that Enterprise is a good option compared to an outright purchase.

Alternative

Theoretically, City staff could also purchase a vehicle and sell it after 5 years and purchase another vehicle to achieve perhaps greater savings. However, staff does these activities infrequently and Enterprise does the purchasing, upfitting and sale of vehicles as their business. Therefore, they just are more efficient in accomplishing all these activities, making Enterprise a good alternative for managing the fleet.

Should the City Council approve this request, funding is available within the FY 2019-20 budget.

The current balance of the Vehicle and Equipment Replacement fund as of March 2020 is \$2,248,000 which included a FY 19/20 contribution of \$507,000 and a FY 20/21 contribution of \$580,000 for vehicles purchased since 2014.

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

Respectfully submitted,

Brian McMinn, P.E., P.L.S.
Public Works Director/City Engineer
City of Marina

REVIEWED/CONCUR:

Eric Frost
Finance Director
City of Marina

Layne Long
City Manager
City of Marina

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING A MASTER EQUITY LEASE AGREEMENT WITH ENTERPRISE FLEET MANAGEMENT, INC. AS A SOURCE WELL APPROVED CONTRACT FOR THE REPLACEMENT OF CERTAIN CITY VEHICLES WITHOUT COMPETITIVE BIDDING, FINDING THAT COMPETITIVE BIDDING WOULD BE MORE EXPENSIVE, WOULD NOT PRODUCE AN ADVANTAGE AND WOULD NOT BE IN THE PUBLIC INTEREST; AUTHORIZING FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES AND AUTHORIZING CITY MANAGER TO EXECUTE LEASES ON BEHALF OF CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

WHEREAS, at the regular meeting of June 7, 2018, City Council adopted Resolution 2018-65 approving the FY 2018-19 budget, and;

WHEREAS, the City's Vehicle retirement and disposition of such vehicles based on estimated life and/or retirement Maintenance Program recommends service life based on vehicle type and usage and recommends the mileage, and;

WHEREAS, at the regular meeting of June 18, 2019, City Council adopted Resolution 2019-64, approving the FY 2019-20 and FY 2020-21 budgets which included funding to replace the Police Department's administration vehicle (vehicle # 868), 2 Police Patrol Sergeant Chevrolet Tahoes (vehicle numbers 882 and 887), 3 Police Patrol Chevrolet Caprices (vehicle numbers 893, 894 and 897), and the Fire Department's Ford F-350 4x4 (vehicle number 5691). , and;

WHEREAS, court decisions and Marina Municipal Code Chapter 3.16, Section 3.16.040, Bidding Required – Exceptions, provides that bidding procedures shall be dispensed with when the City Council finds by resolution that competitive bidding would be unavailing, would not produce an advantage and would not be in the public interest and;

WHEREAS, Enterprise Inc. has been selected by Sourcewell as a provider of leased vehicles through a competitive bidding process similar to what the City conducts, and;

WHEREAS, the City of Marina is a member of Sourcewell, and;

WHEREAS, leasing vehicles through Enterprise, Inc. is shown to be cost effective and reduces the staff time committed to vehicle replacement; and

WHEREAS, Enterprise, Inc. has provided the following menu pricing for lease of seven City fleet vehicles; and,

Number	Maker	Model	48 Month Lease Cost	Enterprise Residual	Projected Value		Net Value off Low	48 Month Lease Cost, Net	Total	Budget
					resale low	resale high				
2	Chevy	Tahoe	59,892	(1,954)	8,000	9,500	6,046	53,846	107,692	160,000
3	Dodge	Durango	53,722	(1,119)	5,000	7,000	3,881	49,841	149,524	214,500
1	Chrysler	Voyager	21,694	(4,653)	9,075	10,000	4,422	17,272	17,272	30,000
1	Chevy	Silverado	47,333	(1,541)	17,500	19,000	15,959	31,375	31,375	60,000
Total									305,863	464,500

WHEREAS, entering into a master lease agreement (“Exhibit A”) will allow the City to enter into lease agreements for vehicles.

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

1. Authorize the City manager to sign a master lease agreement (“Exhibit A”) with Enterprise, Inc. as a Sourcewell approved contract for the replacement of certain City vehicles subject to final review and approval by the City Attorney; and,
2. Waive the City’s formal bid process; finding that competitive bidding would be unavailing, would not produce an advantage and would not be in the public interest; and,
3. Authorize the City Manager to sign a lease for 7 fully outfitted vehicles shown in the report subject to final review and approval by the City Attorney; and,
4. Authorize the Finance Director to make necessary accounting and budgetary entries.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of March 2020 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk



MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this _____ day of _____, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered

Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue

at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: _____

Signature: _____

By: _____

Title: _____

Address: _____

Date Signed: _____, _____

LESSOR: Enterprise FM Trust

By: Enterprise Fleet Management, Inc. its attorney in fact

Signature: _____

By: _____

Title: _____

Address: _____

Date Signed: _____, _____

Initials: EFM_____ Customer_____



FOR IMMEDIATE RELEASE

March 9, 2020

Contact: Ikuyo Yoneda-Lopez
Marketing and Customer Service Manager
(831) 264-5880

**MST TAKES PRECAUTIONS TO PROTECT EMPLOYEES AND CUSTOMERS FROM
INFLUENZA AND NOVEL CORONAVIRUS (COVID-19)**

MST would like to assure the community and its riders that we are taking precautions to help keep employees and customers safe from infectious and communicable diseases, including influenza and the novel Coronavirus (COVID-19).

MST has, and will continue to utilize a hospital grade germicide to clean and sanitize all surfaces within the passenger cabins fleet wide, each night. The use of a pressurized ammonia based solution to power wash and disinfect passenger waiting areas at major transfer locations will continue as well, to help keep employees, customers, and the public at large safe. MST has reiterated the message to the cleaning personnel, about the importance of disinfecting the bus fleet each night.

MST also provides personal protective equipment to employees including latex disposable gloves, disinfectant wipes, hand sanitizer and face masks.

Employees have been instructed to not report to work if they are showing signs of fever or respiratory distress, and supervisors will use their judgment to send employees home if they exhibit these symptoms.

MST continues to share information from the CDC regarding the coronavirus and strategies to avoid infection with employees on a regular basis.

For more information, visit mst.org or call 1-888-MST-BUS1 (1-888-678-2871) toll free. For RealTime bus arrival information, text "Next" and your four-digit bus stop ID (example, "Next 9103") to 25370, call 1-888-MST-BUS1 with your four-digit bus stop ID, download the free Transit app, or use Google Maps. Follow twitter.com/mst_bus for the latest service alerts.

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Phone 1-888-MST-BUS1 (1-888-678-2871) • Fax (831) 899-3954 • mst.org

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of March 17, 2020

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2020-
RECEIVING AND FILING THE ANNUAL FINANCIAL REPORT AND
THE AUDITOR GOVERNANCE LETTERS**

REQUEST:

It is requested that the City Council:

1. Adopting Resolution No. 2020-, receive a report on the City's Annual Audit for the period ending June 30, 2019; and,
2. Receive and file the City of Marina Auditor Governance Letter (SAS 114) and Management Letter (SAS 115) for the fiscal year ending June 30, 2019.

BACKGROUND:

State law requires that the City of Marina prepare annual, audited financial statements. The attached audit fulfills that requirement. The audit contains a lengthy discussion of the financial statements and substantial financial notes that discuss the City's debt, pension position, fund balance situation and other aspects of the City's financial condition. These notes are worth reading to better understand some long-term issues facing Marina. In addition, the document contains additional reports, namely:

- The City's Federal Single Audit, providing details on Federal Grants the City used this past year. The City does not always produce a single audit because such an audit is not required in years the City's federal grant expenditures are less than \$750,000. The main grant that caused the need for a single audit was the Imjin Parkway design grant.
- Various Statistical Tables, taken principally from past audits, shows 10-year historical tables of revenues, expenditures, population growth and other helpful statistics, allowing the reader to better understand the fiscal and demographic trends occurring in Marina.

Evaluating the City's Financial Position.

The City provides a number of different lines of business. The principle method on distinguishing the results of those business lines is the fund. The City uses three types of funds: Governmental, Enterprise and Fiduciary.

Governmental Funds are designed to show the flow of funds. Capital assets are not depreciated. Outstanding debt is not shown. As a result, the funds are sometimes called checking account statements. The net income and fund balance approximate cash.

In contrast, the **Enterprise Funds** include capital assets and debt. As a result, net income and fund equity cannot be thought of as cash because non-cash assets can be rather significant. In the case of Marina, housing and land assets at the Airport, Preston Park and Abrams dwarf those funds' cash.

Finally, the City has **Fiduciary Funds** it holds in trust to discharge a certain duty. In this case, the City is responsible for discharging the debt obligations of the City's former redevelopment agency.

Two of the most basic and revealing questions that can be asked about each fund are:

- Did the fund have positive net income this past year?; and,
- Does the fund have cash reserves or available fund balance for projects?

The net income question is important because if a fund always has positive net income, it is in a sustainable condition; the fund will be able to maintain the services it is providing over the long run.

In contrast, a negative net income can be sustained for a limited time but should give the reader pause to understand if the negative net income is a short-term condition or a structural condition that needs to be addressed.

Fund balance or available cash is important to consider because such resources allows a fund to temporarily operate and fund negative net income or losses. (Cash is examined in Enterprise Funds instead of Fund Equity because Enterprise Funds frequently have a large portion of their equity tied up in fixed assets, something that cannot easily be converted to something else.) This may occur due to large outlays in capital projects for which the City has accumulated assets or to cover sudden drops in income due to recessions which may cause revenues to decline.

Table 1a and 1b, City of Marina Financial Results of 6/30/19, summarizes the City's financial condition on these main indicators.

Table 1a

City of Marina - Financial Summary as of 6/30/2019						
All Amounts in Millions						
Fund		Income		Fund Balance		
		Net Income/ (Loss)	Satisfactory		Growing	Comment
Governmental Funds						
General Fund		\$4.9	yes	\$17.4	yes	The General Fund has significantly increased fund balance over the last couple of years. \$1.15 million of the net income is due to lower than planned staffing at the Police Department and should not be expected in the future. Also, tax revenues increased substantially this year due to Nov. 2018 revenue measures and strong local economy.
Capital Projects		(\$0.3)	Expected	\$5.9	no	The capital projects fund receives cash from grants and other funds to fund projects. Net income decreased this year as accumulated resources were used to pay for capital projects.
Impact Fees		\$1.9	Neutral	\$11.5	yes	Impact fees are collected to construct needed infrastructure to support growth. The accumulation of assets occurs prior to the construction of a project.
Abrams Debt Service		\$0.0	Neutral	\$0.0	no	This fund collects and makes debt service payments.
All Other Funds		\$1.5	yes	\$4.4	yes	The City has 18 non-major funds. The most significant group are road related funds supported by Gas Tax, Measure X and SB1 funds which collectively generated \$1.7 million for road projects.
Governmental Funds		\$8.0		\$39.2		

Governmental Funds

General Fund. Approximately ½ of all the City's revenues are in the General Fund. Several years ago, the General Fund had a structural deficit that was not sustainable. Since that time, the City has restrained expenses, obtained voter-approved revenues and benefited from a robust economy. As a result, the City's General Fund had \$4.9 million more in revenues than in expenses this last fiscal year.

General Fund Net Income, in millions, can be attributed to the following sources:

Table II
Components of General Fund Net Income
Period Ending 6/30/2019
Amounts in Millions

Budgeted Revenues over/(under) Expenditures	\$0.78
Increase due to Actual Revenues Greater than Budgeted Revenues	
Taxes	\$2.25
All Others	<u>\$0.80</u>
Revenues greater than budget	\$3.05
Increase due to Actual Expenditures Less/(More) than Budgeted Expenditures	
Police	\$1.15
General Government	(0.59)
All Others	<u>0.48</u>
Expenditures less than budget	<u>\$1.04</u>
Revenues over/(under) Expenditures	<u>\$4.87</u>

The Council anticipated saving almost \$0.8 million in the FY 18/19 budget. The expenditure savings is almost all due to the police department and should not be expected to continue. However, the increase in revenues over budget needs to be factored in for future planning.

Further, the General Fund has \$17.4 million in fund balance. A significant portion of this money, \$9.6 million, the Council has set-aside for various Council purposes as shown on Table III, General Fund, Components of Fund Balance, 6/30/2019. \$7.5 million is not designated for any specific need and is available for one-time purposes to the City Council as it deems appropriate.

Table III
General Fund
Fund Balance Components
6/30/2019

	<u>General Fund</u>
Nonspendable:	
Prepaid Expenses	\$ 12,000
Total Nonspendable	<u>12,000</u>
Restricted:	
Economic Development	-
Debt Service	4,065
Capital Projects	-
Street & Special District	-
Community Development	-
Recreation	-
Public Safety	235,432
Total Restricted	<u>239,497</u>
Committed:	
OPEB	200,000
Library Maintenance	310,627
Future Vehicle & Equipment	
Replacement	2,055,000
Future Facility Repairs	500,000
Community Improvement	641,268
Employee Compensated	
absences	400,000
Pension Stabilization	950,000
Capital Projects	-
Emergency Reserves	4,587,543
Public Education	
Government	-
Total Committed	<u>9,644,438</u>
Unassigned	<u>7,528,302</u>
Total	<u>\$ 17,424,237</u>

Thus, the Council \$7.5 million in one-time unassigned fund balance at its disposal.

Capital Projects. The Capital Projects Fund receives cash from other funds and/or grants which are held by that fund until a capital project is completed. If the project costs more than budgeted, the funding sources must transfer in additional resources to complete the project. If the project costs less, then resources are transferred back to the originating fund. As result, any fund balance is committed to the projects approved by Council. The objective of this fund is to ensure that sufficient resources are transferred into the fund for its capital projects.

Although this fund had negative net income this past year, it is the results of accumulated resources being used to fund projects. No further action is need by the Council. Sufficient resources are in the fund to pay for budgeted capital projects.

Impact Fees. This fund collects impact fees from developers to pay for need infrastructure due development. The Council receives an annual report detailing the available funds for each of the City's impact fees as well as what project need to be constructed from those funds. As a result, no further action is needed by Council to manage these funds other than consider these funds and which projects should be constructed at budget deliberation time.

Abrams Debt Service. This fund collects debt service contributions and make annual debt service payments. In the case of Abrams, the Abrams Enterprise Fund transfers the annual debt service payment to the Abrams debt service fund. No further action is needed by Council.

All Other Governmental Funds. The City has another 18 special revenue funds. Most are very limited such as monies collected from the cable company to pay for Public Educational and Governmental (PEG) cable programming. However, three funds, Gas Tax, Measure X and SB 1 or Road Maintenance and Rehabilitation Fund, are funds now available for road maintenance and construction. Public Works has estimated that \$2.1 million is needed annually to maintain the City's roads. These three funds produced \$1.7 million this past year. They are expected to produce close to this amount annually. The Public Works Director has calculated that a sustained annual investment of \$2.5 million a year would be required to improve the condition of Marina's streets. Because the Council has programmed \$1.6 million annually from the General Fund to be spent on streets, the combination of these to fiscal resources should gradually improve the City's roads.

Table 1b

City of Marina - Financial Summary (Continued)					
as of 6/30/2019					
All Amounts in Millions					
Fund	Income		Fund Balance		Comment
	Net Income/ (Loss)	Satisfactory		Growing	
Enterprise Funds			Cash		
Airport	(\$0.1)	yes	\$1.6	yes	Although the Airport has a small net loss, its cash increased due to a non-cash \$600,000 depreciation charge.
Preston Park	\$0.8	yes	\$5.5	yes	Preston Park and Abrams account for the City's housing assets. The two funds are managed by a third party and could be combined into one fund except for debt covenants for separate reporting. The main concern is whether or not these two funds are sustainable: is sufficient reinvestment occurring in the asset to assure that the housing is not degrading? An internal study in Nov. 2019 indicated that the operations are sustainable.
Abrams	\$0.9	yes	\$3.1	yes	
Enterprise Funds	(\$0.2)		\$8.5		
Fiduciary Funds					
Successor Agency	\$0.0	yes	\$0.0	yes	The audit collapses its housing and non-housing funds into one fund. The City, however, maintains these two functions separately. The main asset in the housing portion of the assets are approximately \$900,000 land assets. Otherwise, the sole purpose of the fund is to receive property tax revenues to pay off required debt obligations.

Enterprise Funds

Airport. The airport operation is accounted for as a business, to be supported by its own revenues and generate sufficient cash to maintain its capital plant. The fund had net income this past year, \$207,000. But the \$207,000 net income occurred after absorbing a \$600,000 depreciation charge. Actual cash increased by almost \$230,000. If the Airport can expect to receive Federal Aviation grants in the future, a slight negative income amount is acceptable. Therefore, the City's objective should probably be to leverage the airport for the benefit of its residents and businesses.

Abrams and Preston Park. Although these two housing funds are reported separately, they are managed by the same third-party administrator and operationally appear the same. They are separated due to how each asset was originally acquired.

The main issue with these two funds is whether or not the funds are sustainable. Because these funds' underlying assets were purchased at below market prices, their capital carrying costs do not properly reflect the assets' value. Further, it is difficult to determine if the funds are investing amounts back into the properties to maintain the assets. As a result, staff conducted an internal study this last November and determined at the time that the funds appear to be sustainable and that Preston Park, which has a \$36 million note coming due February 1, 2026, is on a path to be able to refinance the property with a fully amortized loan.

Successor Agency - Fiduciary Fund

A fallout of the dissolution of Redevelopment was that the City became the custodian of the former Redevelopment Agency of Marina. The non-housing portion of the former redevelopment agency has financial obligations to pay, the largest obligation being the funding of tax increment payments to Marina Community Partners for developments at the Dunes. In fact, in July of 2018, the former redevelopment agency issued tax increment financing to partially fund this obligation. The City will receive tax increment payments to pay these obligations until the obligations are extinguished. The City's General Fund will have no liability for this debt.

However, the former housing related portion of redevelopment does not receive ongoing revenues but does have one significant asset, \$900,000 in land assets currently used as ponding basins around the City. If the Council decides to convert these ponding basins into affordable housing projects, it is appropriate to keep the land in this fund. However, if the City decides to maintain these assets as ponding basins, it would be appropriate for the General Fund to buy back these assets.

Audit Summary

The City of Marina has substantially improved its fiscal position. Considering that 5 years ago, the City faced a substantial structural deficit in its General Fund, the turn-around is dramatic. The General Fund has more ongoing, available revenues and \$7.5 million in one-time available fund balance. The challenge is to now decide how to deploy its resources to best meet the needs of the community.

Management Letters

After each fiscal year, independent auditors examine and test the underlying controls, fiscal records and financial transactions from which the City's and Agency's Annual Financial Reports are prepared and issue their opinion on the basic financial statements contained in the reports. The City independent auditors, Mann Urrutia Nelson CPAs performed these tasks and issued an unqualified ("clean") opinion for the financial reports of fiscal year ended June 30, 2018.

Professional standards require that the auditors provide the City two (2) additional letters, specifically the "Governance Letter (SAS 114)" and "Management Letter of Comments (SAS 115)."

ANALYSIS:

The Governance Letter (SAS 114) includes discussion regarding the auditors' responsibility, City accounting practices, difficulties and/or disagreements encountered, corrected and/or uncorrected misstatements, management representation, management consultation with other independent accountants and other audit findings or issues ("**EXHIBIT B**"). Nothing adverse was noted in the letter.

The Management Letter of Comments (SAS 115) includes suggestions for improvements to the City's internal controls ("EXHIBIT C") for several areas. The auditors noted that the City had a higher than normal number of adjusting entries. Much of this was due to the fact the City had gone without a Supervising Account for more than a year. With two finance professionals, the City needs to keep both positions filled to maintain the City's books. When the positions go unfilled, the ability to accomplish all the responsibilities of Finance is diminished and may lead to less than desired outcomes. Finance has identified several strategies to improve its performance but staffing levels need to be maintained.

Additionally, the report is concerned about Recreation Timecards. Finance and Recreation are developing a new strategy to improve timecard accountability, namely using a time clock in-lieu of the current New World System time keeping system.

FISCAL IMPACT:

The audit indicates that the various actions the City has taken over the last five years have significantly improved the City's fiscal condition.

CONCLUSION:

The City's fiscal position is markedly improved from 5 years ago. The challenge for the City will be weigh all the competing demands upon the City and address those competing demands.

Respectfully submitted,

Eric Frost
Finance Director
City of Marina

REVIEWED/CONCUR:

Layne Long
City Manager
City of Marina

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA
RECEIVING AND FILING THE CITY OF MARINA COMPREHENSIVE ANNUAL
FINANCIAL REPORT AND AUDITOR'S GOVERNANCE LETTER (SAS 114), CITY
AUDITOR'S MANAGEMENT LETTER OF COMMENTS (SAS 115) FOR THE FISCAL
YEAR ENDED JUNE 30, 2019.

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

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

WHEREAS, the auditors, Mann, Urrutia, Nelson CPAs, issued unqualified ("clean") opinion as of and for the year ended June 30, 2019, on the City of Marina's financial statements dated February 24, 2020, and;

WHEREAS, the audit report states "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marina, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.," and;

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

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

WHEREAS, the City independent auditors, Mann Urrutia Nelson CPAs performed these tasks and issued an unqualified ("clean") opinion, and;

WHEREAS, professional standards require that the auditors provide the City two additional letters, specifically the "Governance Letter (SAS 114)" and "Management Letter of Comments (SAS 112)," and;

WHEREAS, the Governance Letter (SAS 114) ("Exhibit B") includes discussion regarding the auditors' responsibility, City accounting practices, difficulties and/or disagreements encountered, corrected and/or uncorrected misstatements, management representation, management consultation with other independent accountants and other audit findings or issues. Nothing adverse was noted in the letter, and;

WHEREAS, the Management Letter of Comments (SAS 115) (“Exhibit C”) includes suggestions for improvements to the City’s internal controls, and;

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

1. Receive the Comprehensive Annual Financial Report for the Year Ending June 30, 2019; and
2. Receive and file City of Marina Auditor’s Governance Letter (SAS 114), City Auditor’s Management Letter of Comments (SAS 115) for the fiscal year ended June 30, 2019.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of March 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:

Bruce C. Delgado, Mayor

Anita Sharp, Deputy City Clerk

CITY OF MARINA
FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CITY OF MARINA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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CITY OF MARINA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION

City of Marina



City of Marina
211 HILLCREST AVE.
MARINA, CA 93933
831- 884-1221
FAX: 831- 384-9148
www.cityofmarina.org

February 24, 2020

To the Honorable Mayor, Members of the City Council and Citizens of the City of Marina:

California state law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose.

Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Mann, Urrutia, Nelson CPAs & Associates, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Marina's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of Marina government was incorporated in 1975 and is located 10 miles north of Monterey, California on the Monterey Bay, which is the primary growth area in the Monterey Bay Area. It currently occupies 9.76 square miles and serves a population of 22,424.

The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time. The City of Marina has operated under the mayor-council form of government since 1975. Policy-making and legislative authority are vested in the governing council (Council) consisting of the mayor and four other members, with the mayor elected separately from the other Council members. Council members serve four-year terms, with two members elected every two years. The Mayor is elected for a four-year term. The City Council appoints the City of Marina's manager, who in turn appoints its department heads. The City of Marina provides police and fire protection; traffic control; on- and off-street parking; building inspections; licenses and permits; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; low-income housing; and general aviation services. Water and sewer services are provided through legally separate entities and are not shown on the City's financial statements.

The Council adopts a budget for the fiscal year by June 30 preceding the beginning of the fiscal

year on July 1. The City has adopted a two-year budget process which includes two discrete single year budgets and is the foundation for the City of Marina's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council.

Local economy of the City of Marina is influenced by tourism in the Monterey Bay and Cal State University Monterey Bay. The City of Marina has a major regional shopping center for Monterey Bay area. Due to closure of Fort Ord, the City has significant land assets from the military base's closure that has caused Marina to be the fastest growing community on the Monterey Bay. The school district and City of Marina also have a significant economic presence, employing in total more than 100 teachers, professionals, and support staff. Because of its location in a region with a varied economic base, unemployment had been relatively stable.

Because of the high cost of living, however, the Monterey Peninsula is generally seeing low growth to out-migration except for the City of Marina, as shown in Table I, Changes in Population. However,

Table I
Changes in Population

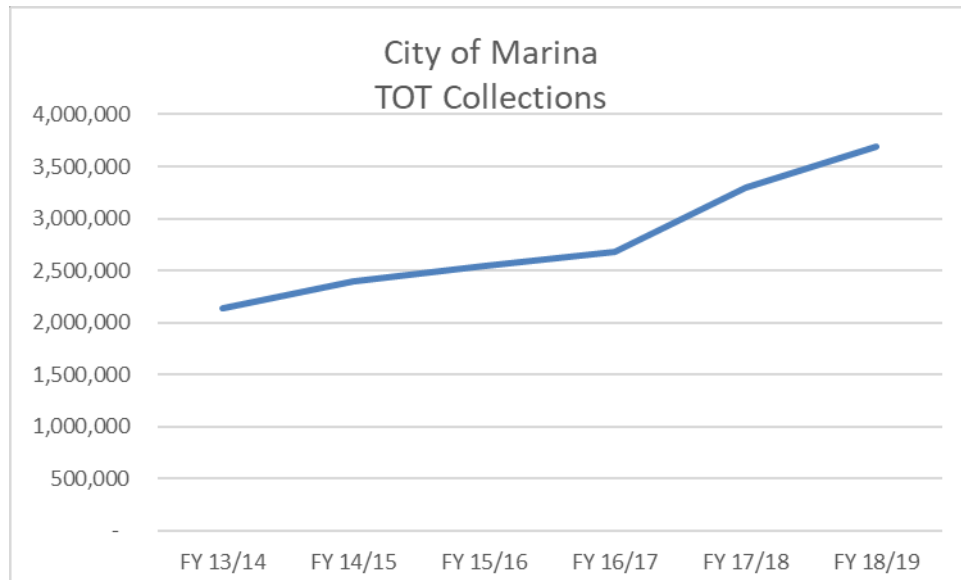
	Total Population		Number	Percent
	1/1/2018	1/1/2019	Change	Change
Peninsula Cities				
Carmel-by-the-Sea	3,967	3,987	20	0.50%
Del Rey Oaks	1,727	1,734	7	0.41%
Monterey	28,473	28,448	-25	-0.09%
Pacific Grove	15,807	15,883	76	0.48%
Sand City	393	397	4	1.02%
Seaside	34,382	33,776	-606	-1.76%
Subtotal	84,749	84,225	-524	-0.62%
Marina	22,548	22,957	409	1.81%
Total	107,297	107,182	-115	-0.11%

Source: Department of Finance

Marina has available land and water allocation which will support additional housing development in Marina. In contrast, the other coastal cities in Monterey County do not have significant available land.

Further, the economy is generally driven by tourism with Marina getting the spill over effect which fills the City's hotels. Chart II, TOT Collections, Adjusted, shows the grow of Transient Occupancy Taxes (TOT) in Marina over the last 5 years increased from \$2.1 million to \$3.6 million, a 71% increase in revenues. Although the growth rate slowed somewhat this year, the City still saw a 12% increase over last year. Note that increased revenues from a revenue measure passed by Marina Voters in Nov. of 2018 are not included.

Chart II



Source: City Records. Note: Does not include Nov. 2018 Rate Increase.

This year's financial report is more expansive than in the past because the City has added a number of statistical tables to the report. Many of these tables take summary information from past audits. Collectively, these tables help the reader view longer trends.

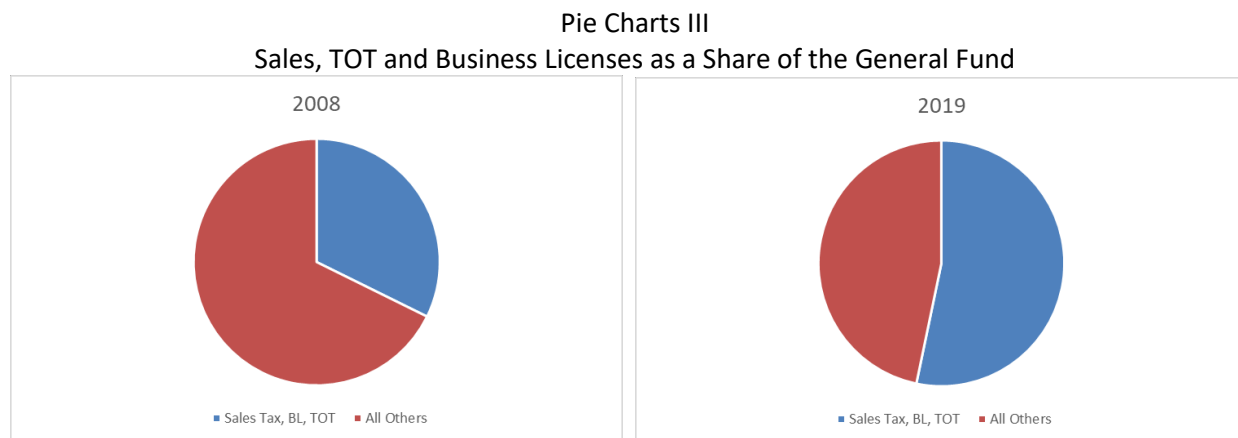
Additionally, the City periodically has issued bonded debt. This debt frequently requires that the City make additional disclosures to bond holders about information important to the City's ability to meet bond debt service. Those disclosures are also included in this report.

The report contains a Management Discussion and Analysis Discussion (MD&A) section which looks at the financials from a global perspective. Some key points to consider when reviewing the report is:

- Governmental Funds have increased their fund balance this last year from \$31.9 million to \$39.2 million, an increase of \$7.3 million.
- The General Fund fund balance increased from \$12.5 million to \$17.4 million, a change of \$4.9 million. The unallocated General Fund fund balance stood at \$7.5 million as of June 30, 2019.
- The City has significant housing assets in the Abrams Park and Preston Park Enterprises. These two enterprises have 194 units and 354 unit, respectively. The Abrams Park is financed by a fully amortized loan, maturing in November of 2036. The Preston Park enterprise is financed by an interest only loan maturing in February of 2026. The City has done some preliminary evaluations which suggest that in 2026, the City will be able to obtain a fully amortized financing for Preston Park.
- Pensions are and will be an ongoing challenge for the City. The total pension cost to the City increased by approximately \$200,000 this last year and is projected to continue to do so until 2025. Council has set aside annual budget allocations which will pay for ½ of the projected increases. However, the other half of the cost increase will need to come from ongoing

revenues. The City has benefitted from an extended business cycle without a recession since 2008, but to expect such a beneficial cycle to continue is not reasonable. Therefore, the City Council has set-aside \$950,000 as a pension reserve as of 6/30/2019.

- The 2008 recession saw General Fund revenues decline by more than \$1 million a year. Today, a greater portion of the City's General Fund budget comes from revenues which will be negatively affected by a recession as shown in Pie Chart III, Sales and TOT Taxes as a Share of General Fund Budget. The pie charts show that three highly dependent tax sources of the General Fund now make up over 50% of the General Fund revenues compared to approximately 1/3 ten years ago before the last recession.



- To prepare for uncertain times, the City has funded a General Fund emergency reserve at 20% of General Fund expenditures (\$4.7 million) and adopted a balanced budget resolution 2012-46.

Summary

The City's finances are sound. Through a combination of controlling spending and the community approving new revenue measures to improve City services and create community assets, the City finds itself in an enviable position. The Council has made this happen over a sustained, multi-year effort.

Acknowledgements

The preparation of this report would not have been possible without the concerted effort of the entire Finance Staff. Richard Standridge, a financial consultant, bore much of the responsibility of completing this report. This year, Marisol Gomez, Supervising Accountant, was hired in September and also was very helpful in completing the report.

Respectfully submitted,

Eric Frost
Finance Director

CITY OF MARINA
ELECTED OFFICIALS
AND
EXECUTIVE STAFF
JUNE 30, 2019

ELECTED OFFICIALS

Mayor	Bruce C. Delgado
Council Member	Lisa Berkley
Council Member	Frank O'Connell
Council Member	Gail Morton
Council Member	Adam Urritia

EXECUTIVE STAFF

City Manager	Layne Long
Assistant City Manager	Matthew Mogansen
Finance Director	Eric Frost
Police Chief	Tina M. Nieto
Fire Chief	Doug McCoun
Community Development Director	Fred Aegerter
Recreation & Cultural Services Director	Terry Siegrist

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the City Council of
the City of Marina
Marina, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marina (the "City") as of and for the year ended June 30, 2019, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marina, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marina's basic financial statements. The introductory section, combining and individual nonmajor governmental fund financial statements, and the combining fiduciary fund and general fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor governmental fund financial statements, the combining fiduciary fund and general fund statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental fund financial statements, the combining fiduciary fund and general fund statements, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2020, on our consideration of the City of Marina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Marina'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 City of Marina's internal control over financial reporting and compliance.

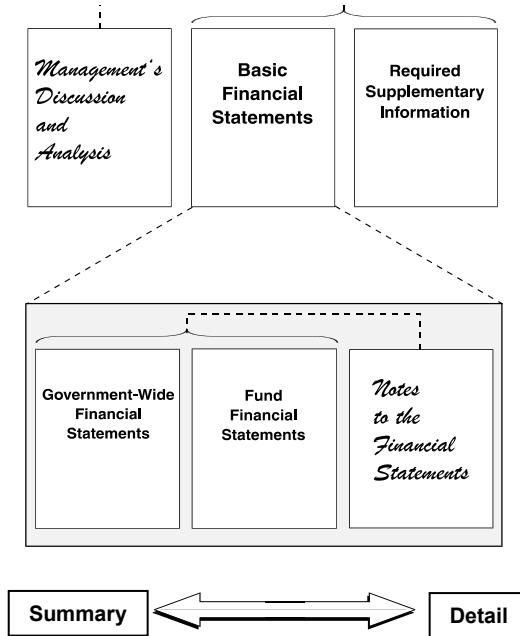
Mann, Urrutia, Nelson CPAs

Sacramento, California
February 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The City of Marina annual financial report presents management's discussion and analysis (MD&A) of the City's financial performance during the fiscal year ended June 30, 2019. Figure A, Required Components of the City's Annual Financial Report, shows that the MD&A is important interpretive analysis of the City's financial position and should be read in conjunction with the financial statements.

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



FINANCIAL HIGHLIGHTS

- City's net position increases by 6.1%.** The City's net position at June 30, 2019 is \$146.9 million, a \$8.5 million or 6.1% increase the June 30, 2018 net position of \$138.4 million. The remaining change resulted from increases in on-going governmental revenues, including substantial increases in all tax categories, interest earnings and other revenues. Much of the increased tax revenues can be traced to sustained economic improvement and the passage of several tax revenue measures in November of 2016 and November of 2018.
- Revenues exceed expenditures by \$8.5 million.** During Fiscal 2018/19, total City-wide revenues of \$43.9 million exceeded total City-wide total expenditures and expenses of \$35.4 million by \$8.5 million. City-wide FY 2018/19 revenues of \$43.9 million also exceeded City-wide revenues of the previous year of \$41.7 million by \$2.2 million, a 5.3% increase. At the same time, FY 2018/19 City-wide expenditures and expenses decreased from \$35.7 million in the prior year to \$35.4 million, a decrease of 0.8% in both governmental and enterprise costs.
- General tax revenues increase 12.1%.** Included in on-going Governmental general revenues are property (including property in lieu of motor vehicle), sales, transient occupancy and franchise taxes; investment earnings, other general revenues and transfers. General governmental revenues for fiscal year 2018/19 of \$22.2 million increased overall by \$2.4 million or 12.1% from \$19.8 million the previous year. While charges for services and program revenues (rents, licenses, permits, grants, contributions, etc.) decreased slightly compared to the previous year, the major tax revenues increased markedly as shown in Table 1, Governmental Revenues. These tax revenues benefited from strong economic activity, but Transient Occupancy Tax also benefited from a rate increased from 12% to 14% authorized from a ballot measure approved in November of 2018 and effective January 1, 2019.

Table 1				
Major Governmental Fund Revenues				
Amounts in Millions				
	FY 18/19	FY 17/18		Change
Property Tax	\$ 3.80	\$ 3.26		16.6%
Property Tax in-lieu of				
Motor Vehicle Tax	3.65	3.25		12.3%
Sales Tax	6.86	5.93		15.7%
Transient Occupancy Tax	\$ 4.00	\$ 3.00		33.3%
Total Taxes	\$ 18.31	\$ 15.44		18.6%

- **General Fund operating costs increase 3.6%.** Government costs naturally fluctuate from year-to-year due to program changes, policy implementation and the normal ebb and flow of business activities. The City remains focused on cost management. For fiscal 2018/19, on-going General Fund expenditures of \$20.1 million increased by \$0.7 million or 3.6% from FY 2017/18 expenditures of \$19.4 million. The largest increase, \$0.5 million, occurred in General Government, as the City had unusual legal costs due to water preservation and Fort Ord Reuse Authority closing costs.
- **General Fund fund balance reaches \$17.4 million.** The City's General Fund reported a fund balance at June 30, 2019 of \$17.4 million, which is a \$4.9 million or 38% increase from the June 30, 2018 balance of \$12.5 million. This resulted from general fund revenues of \$26.0 million (including interfund transfers-in) that exceeded expenditures of \$21.1 million (including interfund transfers-out) by \$4.9 million. Fiscal management and sustainability continue as a Council priority as the City increases economic development, manages its expenditures and improves its financial position.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The government-wide statements report the City's net position and how it has changed. Net position, the difference between the City's assets and liabilities (with respect to individual funds, this is commonly called 'Fund Balance'), helps to measure the City's

financial health or position. Increases or decreases in the City's net position might, but does not necessarily, indicate whether its financial health is improving or deteriorating. To properly evaluate the City's overall health, one must also consider many nonfinancial factors such as the City Council's policies, goals and objectives; management's implementation plans; staffing levels; naturally-occurring changes in the City's revenue base and non-discretionary cost structure; and the local, state and national economies. This means that, on their own, neither net position nor the general fund and other fund balances necessarily indicate the health of the City. Rather, these amounts reflect the City's commitment to maintain essential government services and programs at acceptable levels and to meet new needs as they arise. The general fund balance of \$17.4 million equals approximately forty-five percent (67%) of subsequent year's recurring revenues. It should be noted that within that fund balance, the City Council is setting aside money for vehicle replacement, an emergency reserve and monies for pension stabilization.

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

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

<i>Type of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Fund	Fiduciary Funds
<i>Scope</i>	Entire City (except fiduciary funds) including component unit	Activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: Municipal Airport	Instances in which the City acts as fiduciary for someone else's resources
<i>Required financial statements</i>	♦ Statement of net position	♦ Balance sheet	♦ Statement of net position	♦ Statement of fiduciary net position
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net position ♦ Statement of cash flows	♦ Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long- term	All assets and liabilities, both short-term and long- term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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

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

SUMMARY FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Total net position of \$146.9 at June 30, 2019 is detailed in [Table 2, Net Position](#), and results of operations in [Table 3, Changes in Net Position](#). General Fund budget comparison is presented in [Table 4, General Fund Budget Changes and Actual to Budget Comparisons](#). *More detailed information is contained in the financial statements and notes thereto.*

Government Accounting Standards Board (GASB) Statement No. 54 establishes categories of ending fund balance in Governmental Funds. 'Restricted' fund balances are balances of funds whose resources can only be used for purposes '...stipulated by constitution, external resource providers, or through enabling legislation', for example, bond indentures and Gas Tax Laws. GASB claims the new categories enhance the usefulness of net position measurements by disclosing the extent to which a government must observe constraints imposed on the use of resources reported in governmental funds and the extent to which resources are available for discretionary purposes. Since most governmental funds contain resources that are limited in some fashion to a specific use, a significant portion of year-end fund balance is classified as 'Restricted' even though those resources are available for exactly the purpose for which they were obtained, rendering the GASB's classification scheme more confusing than informative.

Net position. (Table 2)

Table 2						
Net Position						
(in thousands, rounded)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current Assets						
Cash and Cash Equivalents (rounded)	38,962	31,841	10,235	8,455	49,197	40,296
Prepaid Expenses	12	12	1,828	1,625	1,840	1,637
Interfund Receivables	10,184	10,612	-	-	10,184	10,612
Accts Receivable	3,667	3,212	69	281	3,736	3,493
Notes Receivable	692	-	-	-	692	-
Fuel Inventory	-	-	52	25	52	25
Advances to Successor Agency	-	137	-	-	-	137
Land, Leaseholds, Bldgs & Equipment	112,364	108,949	107,310	106,769	219,674	215,718
(Accumulated Depreciation)	(29,299)	(26,779)	(19,783)	(18,207)	(49,082)	(44,986)
Total Assets	136,582	127,984	99,711	98,948	236,293	226,932
Deferred Outflow – Net Pension/OPEB Liability	5,599	7,144	-	-	5,599	7,144
Liabilities						
Current Liabilities						
Accounts Payable	1,670	1,345	1,300	116	2,970	1,461
Accrued Liabilities	305	268	21	1,885	326	2,153
Interest Payable	141	144	-	-	141	144
Unearned Revenue	-	142	-	-	-	142
Deposits & Other Liabilities	585	359	103	68	688	427
Notes Payable	-	-	35,950	35,950	35,950	35,950
Other Postemployment Benefits	4,191	4,093	-	-	4,191	4,093
Net Pension Liability	18,963	18,897	-	-	18,963	18,897
Interfund Payables	-	-	10,184	10,612	10,184	10,612
Bonds Payable	18,293	18,395	-	-	18,293	18,395
Compensated Absences	1,374	1,235	-	-	1,374	1,235
Total Liabilities	45,522	44,878	47,558	48,631	93,080	93,509
Deferred Inflow s – Net Pension Liability	1,926	2,196	-	2,196	1,926	4,392
Net Position	94,733	88,054	-	50,317	94,733	138,371
Net Investment in Capital Assets	74,956	74,531	41,393	42,000	116,349	116,531
Restricted	14,377	12,369	-	-	14,377	12,369
Unrestricted	5,398	1,154	10,760	8,317	16,158	9,471
Total Net Position	94,731	88,054	52,153	50,317	146,884	138,371

\$8.9 million increase in cash. The City has a number of reasons for accumulating cash, namely: 1) An initiative to create a replacement fund for vehicles; 2) Accumulation of cash in the Preston Park Enterprise to buy down debt when the current, 10-year, interest only loan matures in February of 2026; 3) accumulation of cash for major capital projects, several of which are being considered by Council in this year's budget ;and, 4) maintenance of a 20% of General Fund revenues as an emergency reserve.

Changes in net position. (Table 3)

- **REVENUES** Fiscal 2018/19 City-wide revenues including interfund transfers of \$43.9 million was \$2.2 million higher than the same revenue totals for the previous year. As illustrated in Table 2, below, taxes increased significantly while grants for capital improvements declined a similar amount. Variations in grant revenues are not unusual, as improvement projects and related revenues and costs vary from year to year depending on timing as well as the capital improvement program. As is evident in Table 2, Business-Type Activities remained virtually unchanged from the previous year.
- **COSTS** Fiscal 2018/19 City-wide costs including transfers out totaling \$35.4 million decreased from the previous year's on-going costs (excluding similar transactions) of \$35.7 million, by about \$0.3 million. All increases were within normal operating expectations. As demonstrated in Table 2 below, the increase in costs was split approximately between governmental and business-type activities and, as previously stated, management considers these changes to be normal.

Table 3						
Change in Net Position						
(in thousands, rounded)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	7,539	8,706	11,475	10,872	19,014	19,578
Operating Grants	847	397	-	10	847	407
Capital Grants/Contributions	1,518	1,198	325	697	1,843	1,895
General Revenues						
Taxes	21,205	17,793	-	-	21,205	17,793
Investment Earnings	613	403	76	21	689	424
Other General Revenues	358	1,360	-	-	358	1,360
Transfers In	(14)	229	14	-	-	229
Total Revenues	32,066	30,086	11,890	11,600	43,956	41,686
Expenditures						
General Government	5,859	5,514	-	-	5,859	5,514
Public Safety	10,604	10,669	-	-	10,604	10,669
Economic Development	2,803	2,260	-	-	2,803	2,260
Recreation	1,170	1,197	-	-	1,170	1,197
Public Works	2,217	1,915	-	-	2,217	1,915
Public Improvements	2,178	1,884	-	-	2,178	1,884
Interest & Fiscal Charges	559	553	-	-	559	553
Enterprise Operations	-	-	10,054	11,490	10,054	11,490
Transfers Out	-	-	-	229	-	229
Total Expenditures	25,390	23,992	10,054	11,719	35,444	35,711
Revenues Over (-) Under Expenditures	6,676	6,094	1,836	(119)	8,512	5,975
Net Position Beginning	88,054	85,359	50,317	50,436	138,371	135,795
Prior Period Adjustment	-	(3,399)	-	-	-	(3,399)
Net Position Ending	94,730	88,054	52,153	50,317	146,883	138,371

GENERAL FUND BUDGET HIGHLIGHTS (Table 4)

The General Fund budget was revised periodically during the year in response to program changes and other situations, in accordance with procedures established by the City Council when it adopted the original budget, as set forth in Table 4. Total actual General Fund revenues of \$25.8 million exceeded the final budget by slightly more than \$3 million (13.2% favorable). Management attributes the positive revenue performance to a continuing improved general economy and the passage of several revenue measures from the 2018 election. General Fund actual expenditures were \$20.1 million, \$1.0 million less (or 4.7% favorable) than the final budget, reflecting normal variances on ongoing operations and continued expenditure controls.

- **Revenues exceed Budgeted Revenues by \$3.0 million.** This positive variance occurred for two reasons: 1) local economic conditions remained positive this last year; and, 2) with the passage of measures N and P in November of 2018, the City began receiving additional sales tax (Measure N) and transient occupancy (Measure P) revenues.
- **Expenditures were \$1.0 million less than budget.** This positive variance occurred mainly due to challenges in fully staffing public safety Police and Fire operations. The City spent more than expected on General Government costs as the City was involved in litigation over the closure of the Fort Ord Reuse Authority and the siting of a desalination plant by Cal Am Water in Marina.
- **Actual Net Income was \$4.9 million compared to budgeted net income of \$1.2 million.** Because both revenues and expenditures had favorable variances compared to budget, the City a substantial increase in net income.

Table 4					
General Fund Budget Changes & Actual-Budget Comparison					
(in thousands, rounded)					
	Budget as Adopted	Council Approved Amendments	Budget as Amended	Actual	Favorable (-)Unfav Variance
Revenues					
Taxes & Assessments	16,613	-	16,613	18,859	2,247
Licenses, Permits & Fees	2,145	-	2,145	2,346	201
Fines & Forfeitures	97	-	97	103	5
Investment Earnings	284	-	284	334	50
Intergovernmental	402	-	402	719	317
Chrgs for Svcs/Program Rev	3,194	-	3,194	3,314	120
Other Revenues	55	-	55	162	108
Total Revenues	22,790	-	22,790	25,837	3,048
Expenditures					
General Government	4,072	-	4,072	4,662	591
Public Safety	11,178	277	11,455	10,300	(1,155)
Economic/Community Development	2,804	-	2,804	2,495	(308)
Recreation	1,035	-	1,035	965	(71)
Public Works	1,599	-	1,599	1,356	(243)
Capital Outlay	190	-	190	183	(7)
Debt Service Principal	-	-	-	145	145
Debt Service Interest/Charges	-	-	-	8	8
Total Expenditures	20,878	277	21,155	20,114	(1,040)
Revenues Over (-) Under Expenditures	1,912	(277)	1,635	5,723	4,088
Net Interfund Transfers In(Out)	(672)	(181)	(859)	(856)	3
Revenues Over(Under)					
Expenditures, Transfers & Other Financing Sources	1,240	(458)	776	4,867	4,091

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Table 5)

As of June 30, 2019, the City has almost \$220 million capital assets (before depreciation) including land, equipment, vehicles, buildings, improvements, infrastructure, rental housing, leasehold interests and airport facilities. No major changes occurred in the City's capital assets. Detailed discussion of acquisition, disposition and depreciation of capital assets can be found in the Financial Statements and Notes. The City's 2019/20 budget provides for various public improvements, most of which are funded by Federal, State and local grants, special taxes and dedicated resources.

Table 5						
Capital Assets						
(in thousands, rounded)						
	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land, Leaseholds, Bldgs & Equipment	22,081	22,081	36,900	36,900	58,981	58,981
Bldgs, Imprvmnts, Leaseholds	49,937	49,839	70,088	69,546	120,025	119,385
Vehicles & Equipment	7,947	6,905	323	323	8,270	7,228
Infrastructure	32,399	30,123	-	-	32,399	30,123
Totals at Historical Cost	112,364	108,948	107,311	106,769	219,675	215,717
Accumulated Depreciation	(29,299)	(26,779)	(19,783)	(18,207)	(49,082)	(44,986)
Net Capital Assets	83,065	82,169	87,528	88,562	170,593	170,731

Long Term Debt (Table 6)

At year-end the City had about \$19.7 million general (non-enterprise) long-term debt consisting of bonds, compensated absences (vested benefits payable to employees) and capital leases outstanding. During the 2015/16 fiscal year, the Preston Park Sustainable Community Nonprofit Corporation incurred a \$35,950,000 interest-only 10-year promissory note to finance the purchase and related costs of the Preston Park Housing Project. The entire loan balance remains outstanding at June 30, 2019. All City long-term debt payable to third parties is summarized below in Table 6. During fiscal 2018/19, the City paid \$765,000 against pre-existing long-term debt principal. Compensated absences increased slightly by \$100,000 as a result of employees earning slightly more compensable time off than they used. Finally, the City entered into a 5 year capital lease for new public safety radios. Additional information about general and enterprise long-term debt, as well as accrued bond interest, post-employment benefits and pension obligations can be found in the Notes to Financial Statements.

Table 6						
Long-Term Debt						
(in thousands, rounded)						
	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bonds Payable	17,630	18,395	-	-	17,630	18,395
Capital Lease	663	-	-	-	663	-
Compensated Absences	1,374	1,234	-	-	1,374	1,234
General Long-Term Debt	19,667	19,629	-	-	19,667	19,629
Enterprise Debt	-	-	35,950	35,950	35,950	35,950
Total Long-Term Debt	19,667	19,629	35,950	35,950	55,617	55,579

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As recently as Fiscal Year 2015/16, the City had breakeven budget after a number of years of deficit spending. The City Council has worked to improve Marina's fiscal position by both trimming expenses and increasing revenues. In November of 2016, the City's voters approve Measure U which dramatically increased the City's business tax from about \$100,000 to \$1.5 million a year. In November of 2018, the voters approved two additional revenue measures, Measure N which extends and increases the local sales tax override from 1% to 1.5% until the revenue measure sunsets in March 2034, and Measure P which permanently increases the Transient Occupancy Tax in Marina to 14% from 12%. Measure N is project to increase revenues by \$1.5 million and Measure P will yield \$600,000 a year.

Couple these revenue increases with the locally robust economy and Marina has seen strong gains in its general revenues over the last several years. The Council is now carefully considering how to best improve the City's services to Marina residents.

In the 2019/21 two-year budget, the Council took these specific actions to improve City services:

- 1) Programming \$43.3 million in road projects over the next two years designed to improve circulation and maintain the City's streets at a Pavement Management Index of 70. The largest project is the Imjin Parkway Widening budgeted at \$35 million.
- 2) Some \$4.8 million in Airport projects are anticipated in this budget with another \$8.9 million in capital projects to improve public facilities and plans.
- 3) \$600,000 a year more in order to increase Fire protection and suppression.
- 4) \$300,000 a year to improve a variety of city services ranging from code enforcement, to special recreational events to police records.

The Council is also very dedicated to maintaining strong financial practices. It has adopted Resolution 2012-46 which lays out that the City will maintain a balanced budget and the manner that will be achieved. The Council also is aware that the current economic cycle has already become the longest on record. As a result, the Council has set aside reserves to address financial challenges if they occur.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide citizens, taxpayers, customers, creditors, stakeholders and other interested parties with an overview of the City's finances, and to demonstrate the City's accountability for the money it receives and the resources it manages. Questions about this report and requests for additional financial information should be addressed to the City of Marina, Finance Department, 211 Hillcrest Avenue, Marina, California, 93933 or by calling 831-884-1221.

CITY OF MARINA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 38,068,749	\$ 10,235,468	\$ 48,304,217
Restricted cash and investments (Note 2)	892,916	-	892,916
Accounts receivable, net	3,666,531	68,911	3,735,442
Notes receivable (Note 3)	691,856	-	691,856
Internal balances	10,184,167	(10,184,167)	-
Prepaid items and deposits	12,000	1,827,540	1,839,540
Inventory	-	51,673	51,673
Capital assets (Note 5)			
Land and construction in progress	22,080,651	36,900,000	58,980,651
Capital assets being depreciated, net	<u>60,984,028</u>	<u>50,627,467</u>	<u>111,611,495</u>
Total capital assets	<u>83,064,679</u>	<u>87,527,467</u>	<u>170,592,146</u>
Total Assets	<u>136,580,898</u>	<u>89,526,892</u>	<u>226,107,790</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Changes in total OPEB Liability (Note 8)	76,872	-	76,872
Changes in the net pension liability (Note 7)	<u>5,522,290</u>	<u>-</u>	<u>5,522,290</u>
Total Deferred Outflows of Resources	<u>5,599,162</u>	<u>-</u>	<u>5,599,162</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,669,566	1,300,212	2,969,778
Accrued payroll and benefits	305,119	20,514	325,633
Interest payable	141,280	-	141,280
Deposits payable	585,326	102,945	688,271
Unearned revenue	-	-	-
Compensated absences (Note 6):			
Due in more than one year	1,374,294	-	1,374,294
Long-term liabilities (Note 6):			
Due within one year	809,693	-	809,693
Due in more than one year	17,483,463	35,950,000	53,433,463
Other postemployment benefits (Note 8)			
Due in more than one year	4,190,706	-	4,190,706
Net pension liability (Note 7)			
Due in more than one year	<u>18,963,346</u>	<u>-</u>	<u>18,963,346</u>
Total Liabilities	<u>45,522,793</u>	<u>37,373,671</u>	<u>82,896,464</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the total OPEB liability (Note 8)	1,428,031	-	1,428,031
Changes in the net pension liability (Note 7)	<u>498,264</u>	<u>-</u>	<u>498,264</u>
Total Deferred Inflows of Resources	<u>1,926,295</u>	<u>-</u>	<u>1,926,295</u>
<u>NET POSITION</u>			
Net investment in capital assets	74,955,690	41,393,300	116,348,990
Restricted for:			
Debt service	893,900	-	893,900
Public improvements	12,708,169	-	12,708,169
Public Safety	235,432	-	235,432
Unrestricted	<u>5,937,781</u>	<u>10,759,921</u>	<u>16,697,702</u>
Total Net Position	<u>\$ 94,730,972</u>	<u>\$ 52,153,221</u>	<u>\$ 146,884,193</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 5,858,902	\$ 4,020,638	\$ 14,008	\$ -	\$ (1,824,256)	\$ -	\$ (1,824,256)
Public safety	10,604,157	218,953	599,467	258,599	(9,527,138)	-	(9,527,138)
Public works	2,216,656	-	192,077	59,716	(1,964,863)	-	(1,964,863)
Economic & community development	2,803,220	1,430,281	-	-	(1,372,939)	-	(1,372,939)
Recreation & cultural activities	1,169,832	92,731	41,224	-	(1,035,877)	-	(1,035,877)
Public Improvements	2,177,696	1,776,845	-	1,199,191	798,340	-	798,340
Interest and fiscal charges	558,500	-	-	-	(558,500)	-	(558,500)
Total governmental activities	<u>25,388,963</u>	<u>7,539,448</u>	<u>846,776</u>	<u>1,517,506</u>	<u>(15,485,233)</u>	<u>-</u>	<u>(15,485,233)</u>
Business-type activities:							
Marina Municipal Airport	1,485,598	1,331,552	-	324,719	-	170,673	170,673
Abrams B Non-profit Corporation	2,594,188	3,455,449	-	-	-	861,261	861,261
Preston Park Non-profit Corporation	5,974,685	6,687,941	-	-	-	713,256	713,256
Total business-type activities	<u>10,054,471</u>	<u>11,474,942</u>	<u>-</u>	<u>324,719</u>	<u>-</u>	<u>1,745,190</u>	<u>1,745,190</u>
Total primary government	<u>\$ 35,443,434</u>	<u>\$ 19,014,390</u>	<u>\$ 846,776</u>	<u>\$ 1,842,225</u>	<u>\$ (15,485,233)</u>	<u>\$ 1,745,190</u>	<u>\$ (13,740,043)</u>
General revenues:							
Property taxes					\$ 3,796,881	\$ -	\$ 3,796,881
Sales taxes					6,862,925	-	6,862,925
Franchise taxes					1,197,442	-	1,197,442
Transient occupancy taxes					4,008,179	-	4,008,179
Gas taxes					779,336	-	779,336
Property tax in-lieu of VLF					3,649,318	-	3,649,318
Other taxes					911,416	-	911,416
Investment earnings					613,259	76,494	689,753
Other general revenue					357,818	-	357,818
Transfers					(14,306)	14,306	-
Total general revenues					<u>22,162,268</u>	<u>90,800</u>	<u>22,253,068</u>
Change in net position					6,677,035	1,835,990	8,513,025
Net position - July 1, 2018					<u>88,053,937</u>	<u>50,317,231</u>	<u>138,371,168</u>
Net position - June 30, 2019					<u>\$ 94,730,972</u>	<u>\$ 52,153,221</u>	<u>\$ 146,884,193</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Abrams B Debt Service</u>	<u>Impact Fee</u>
<u>ASSETS</u>				
Cash and investments	\$ 17,090,572	\$ 6,533,160	\$ -	\$ 10,897,429
Restricted cash and investments	4,065	-	367,942	-
Accounts receivable	3,075,664	-	-	23,283
Prepaid expenses	12,000	-	-	-
Notes receivable	115,651	-	-	576,206
Advances to other funds	-	-	10,184,167	-
	<u>-</u>	<u>-</u>	<u>10,184,167</u>	<u>-</u>
Total Assets	<u>\$ 20,297,952</u>	<u>\$ 6,533,160</u>	<u>\$ 10,552,109</u>	<u>\$ 11,496,918</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,306,196	\$ 124,308	\$ -	\$ -
Accrued payroll and benefits	295,008	672	-	-
Deposits payable and other liabilities	585,326	-	-	-
	<u>2,186,530</u>	<u>124,980</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,186,530</u>	<u>124,980</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues - State of CA				
SB 90 claims	327,898	-	-	-
Unavailable revenues - other	309,287	-	-	576,206
Unavailable revenues - FORA	50,000	-	-	-
Unavailable revenues - CDBG loans	-	-	-	-
Unavailable revenues - Interfund loans	-	-	10,184,167	-
	<u>687,185</u>	<u>-</u>	<u>10,184,167</u>	<u>576,206</u>
Total Deferred Inflows of Resources	<u>687,185</u>	<u>-</u>	<u>10,184,167</u>	<u>576,206</u>
<u>FUND BALANCES</u>				
Nonspendable	12,000	-	-	-
Restricted	239,497	-	367,942	10,920,712
Committed	9,644,438	6,408,180	-	-
Unassigned	7,528,302	-	-	-
	<u>17,424,237</u>	<u>6,408,180</u>	<u>367,942</u>	<u>10,920,712</u>
Total Fund Balances	<u>17,424,237</u>	<u>6,408,180</u>	<u>367,942</u>	<u>10,920,712</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,297,952</u>	<u>\$ 6,533,160</u>	<u>\$ 10,552,109</u>	<u>\$ 11,496,918</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>		
Cash and investments	\$ 3,547,588	\$ 38,068,749
Restricted cash and investments	520,909	892,916
Accounts receivable	567,584	3,666,531
Prepaid expenses	-	12,000
Notes receivable	590,931	1,282,788
Advances to other funds	<u>-</u>	<u>10,184,167</u>
Total Assets	<u>\$ 5,227,012</u>	<u>\$ 54,107,151</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 239,062	\$ 1,669,566
Accrued payroll and benefits	9,439	305,119
Deposits payable and other liabilities	<u>-</u>	<u>585,326</u>
Total Liabilities	<u>248,501</u>	<u>2,560,011</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenues - State of CA		
SB 90 claims	-	327,898
Unavailable revenues - other	-	885,493
Unavailable revenues - FORA	-	50,000
Unavailable revenues - CDBG loans	590,931	590,931
Unavailable revenues - Interfund loans	<u>-</u>	<u>10,184,167</u>
Total Deferred Inflows of Resources	<u>590,931</u>	<u>12,038,489</u>
<u>FUND BALANCES</u>		
Nonspendable	-	12,000
Restricted	4,286,343	15,814,494
Committed	101,613	16,154,231
Unassigned	<u>(376)</u>	<u>7,527,926</u>
Total Fund Balances	<u>4,387,580</u>	<u>39,508,651</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,227,012</u>	<u>\$ 54,107,151</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances of governmental funds	\$ 39,508,651
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Amounts reported for governmental activities 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 governmental funds, net of accumulated depreciation of \$29,298,798.	83,064,679
Certain notes, loans, accounts and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds.	11,447,557
Deferred inflows and outflows of resources related to changes in certain liabilities are not reported in the governmental funds:	
Deferred outflows related to changes in the net pension liability	5,522,290
Deferred inflows related to changes in the net pension liability	(498,264)
Deferred outflows related to changes in the total OPEB liability	76,872
Deferred inflows related to changes in the t OPEB liability	(1,428,031)
Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.	
Long-term liabilities	(18,293,156)
Interest payable	(141,280)
Compensated absences	(1,374,294)
Total OPEB obligation	(4,190,706)
Net pension liability	<u>(18,963,346)</u>

Net position of governmental activities	\$ <u>94,730,972</u>
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See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Abrams B Debt Service</u>	<u>Impact Fee</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 18,859,358	\$ -	\$ -	\$ -
Licenses, permits, and fees	2,346,192	-	-	-
Fines and forfeitures	102,543	-	-	-
Investment earnings	334,220	-	6,793	196,765
Intergovernmental	718,985	1,115,658	-	-
Charges for services	3,313,868	-	-	1,708,384
Other revenues	<u>162,455</u>	<u>-</u>	<u>672,195</u>	<u>-</u>
Total Revenues	<u>25,837,621</u>	<u>1,115,658</u>	<u>678,988</u>	<u>1,905,149</u>
<u>EXPENDITURES</u>				
Current:				
General government	4,662,294	-	-	-
Public safety	10,300,132	-	-	-
Public works	1,356,463	-	-	-
Economic & community development	2,495,050	-	-	-
Recreation & cultural services	964,602	-	-	-
Capital outlay	183,192	2,218,595	-	-
Debt service:				
Principal	145,000	-	425,000	-
Interest and fiscal charges	<u>7,787</u>	<u>-</u>	<u>302,640</u>	<u>-</u>
Total Expenditures	<u>20,114,520</u>	<u>2,218,595</u>	<u>727,640</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,723,101</u>	<u>(1,102,937)</u>	<u>(48,652)</u>	<u>1,905,149</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from long-term debt	-	663,156	-	-
Transfers in	148,202	1,715,936	-	-
Transfers out	<u>(1,013,249)</u>	<u>(1,067,634)</u>	<u>-</u>	<u>(1,302,687)</u>
Total Other Financing Sources (Uses)	<u>(865,047)</u>	<u>1,311,458</u>	<u>-</u>	<u>(1,302,687)</u>
Net Change in Fund Balances	4,858,054	208,521	(48,652)	602,462
Fund Balances - July 1, 2018	<u>12,566,183</u>	<u>6,199,659</u>	<u>416,594</u>	<u>10,318,250</u>
Fund Balances - June 30, 2019	<u>\$ 17,424,237</u>	<u>\$ 6,408,180</u>	<u>\$ 367,942</u>	<u>\$ 10,920,712</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>		
Taxes and assessments	\$ 2,499,705	\$ 21,359,063
Licenses, permits, and fees	-	2,346,192
Fines and forfeitures	-	102,543
Investment earnings	75,481	613,259
Intergovernmental	234,769	2,069,412
Charges for services	114,350	5,136,602
Other revenues	<u>4,746</u>	<u>839,396</u>
Total Revenues	<u>2,929,051</u>	<u>32,466,467</u>
<u>EXPENDITURES</u>		
Current:		
General government	2,060	4,664,354
Public safety	-	10,300,132
Public works	511,961	1,868,424
Economic & community development	146,024	2,641,074
Recreation & cultural services	30,187	994,789
Capital outlay	1,276,546	3,678,333
Debt service:		
Principal	195,000	765,000
Interest and fiscal charges	<u>250,931</u>	<u>561,358</u>
Total Expenditures	<u>2,412,709</u>	<u>25,473,464</u>
Excess (Deficiency) of Revenues over Expenditures	<u>516,342</u>	<u>6,993,003</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from long-term debt	-	663,156
Transfers in	2,434,028	4,298,166
Transfers out	<u>(928,902)</u>	<u>(4,312,472)</u>
Total Other Financing Sources (Uses)	<u>1,505,126</u>	<u>648,850</u>
Net Change in Fund Balances	2,021,468	7,641,853
Fund Balances - July 1, 2018	<u>2,366,112</u>	<u>31,866,798</u>
Fund Balances - June 30, 2019	<u>\$ 4,387,580</u>	<u>\$ 39,508,651</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ 7,641,853
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases	3,430,726
Depreciation expense	(2,535,290)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds from long-term liabilities are reported as other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position.	
Debt principal payments	765,000
Proceeds of long-term liabilities	(663,156)
Compensated absence expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	(139,920)
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.	2,858
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.	
Pension expense related to deferred outflows and inflows of resources	(1,401,398)
Changes in the total OPEB liability	(37,475)
Some revenues reported in the Statement of Activities will not be collected for several months after year-end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	<u>(386,163)</u>
Change in net position of governmental activities	<u><u>\$ 6,677,035</u></u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Marina Municipal Airport	Abrams B Housing	Preston Park Housing	Totals
<u>ASSETS</u>				
Current Assets				
Cash and investments	\$ 1,635,037	\$ 3,054,859	\$ 5,545,572	\$ 10,235,468
Accounts receivable, net	60,862	6,830	1,219	68,911
Prepaid expenses	-	1,247,784	579,756	1,827,540
Inventory	<u>51,673</u>	<u>-</u>	<u>-</u>	<u>51,673</u>
Total Current Assets	<u>1,747,572</u>	<u>4,309,473</u>	<u>6,126,547</u>	<u>12,183,592</u>
Non-Current Assets				
Capital assets:				
Land and construction in progress	36,900,000	-	-	36,900,000
Depreciable assets, net	<u>7,879,355</u>	<u>10,078,820</u>	<u>32,669,292</u>	<u>50,627,467</u>
Total Non-Current Assets	<u>44,779,355</u>	<u>10,078,820</u>	<u>32,669,292</u>	<u>87,527,467</u>
Total Assets	<u>46,526,927</u>	<u>14,388,293</u>	<u>38,795,839</u>	<u>99,711,059</u>
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable	\$ 89,317	\$ -	\$ -	\$ 89,317
Accrued salaries and benefits	20,514	-	-	20,514
Accrued liabilities	-	400,661	810,234	1,210,895
Deposits payable	<u>102,945</u>	<u>-</u>	<u>-</u>	<u>102,945</u>
Total Current Liabilities	<u>212,776</u>	<u>400,661</u>	<u>810,234</u>	<u>1,423,671</u>
Non-Current Liabilities				
Advances from other funds	-	10,184,167	-	10,184,167
Loan payable - noncurrent	<u>-</u>	<u>-</u>	<u>35,950,000</u>	<u>35,950,000</u>
Total Non-Current Liabilities	<u>-</u>	<u>10,184,167</u>	<u>35,950,000</u>	<u>46,134,167</u>
Total Liabilities	<u>212,776</u>	<u>10,584,828</u>	<u>36,760,234</u>	<u>47,557,838</u>
<u>NET POSITION:</u>				
Net investment in capital assets	44,779,355	(105,347)	(3,280,708)	41,393,300
Unrestricted	<u>1,534,796</u>	<u>3,908,812</u>	<u>5,316,313</u>	<u>10,759,921</u>
Total Net Position	<u>\$ 46,314,151</u>	<u>\$ 3,803,465</u>	<u>\$ 2,035,605</u>	<u>\$ 52,153,221</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Marina Municipal Airport	Abrams B Housing	Preston Park Housing	Totals
<u>OPERATING REVENUES</u>				
Rental income	\$ 810,977	\$ 3,417,626	\$ 6,635,537	\$ 10,864,140
Sale of fuel	350,923	-	-	350,923
Other revenue	<u>169,652</u>	<u>37,823</u>	<u>52,404</u>	<u>259,879</u>
Total Operating Revenue	<u>1,331,552</u>	<u>3,455,449</u>	<u>6,687,941</u>	<u>11,474,942</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	238,080	-	-	238,080
Services and supplies	71,764	506,715	980,137	1,558,616
Repairs and maintenance	156,726	871,117	594,683	1,622,526
Cost of sales - aviation fuel	295,945	-	-	295,945
Utilities	101,493	112,449	108,427	322,369
Taxes	21,138	47,927	260,516	329,581
Rent	-	485,065	1,811,276	2,296,341
Depreciation and amortization	<u>600,452</u>	<u>268,665</u>	<u>707,000</u>	<u>1,576,117</u>
Total Operating Expenses	<u>1,485,598</u>	<u>2,291,938</u>	<u>4,462,039</u>	<u>8,239,575</u>
Operating Income (Loss)	<u>(154,046)</u>	<u>1,163,511</u>	<u>2,225,902</u>	<u>3,235,367</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	22,446	14,158	39,890	76,494
Interest expense	<u>-</u>	<u>(302,250)</u>	<u>(1,512,646)</u>	<u>(1,814,896)</u>
Total Non-Operating Revenues (Expenses)	<u>22,446</u>	<u>(288,092)</u>	<u>(1,472,756)</u>	<u>(1,738,402)</u>
Income (Loss) Before Transfers	<u>(131,600)</u>	<u>875,419</u>	<u>753,146</u>	<u>1,496,965</u>
<u>TRANSFERS AND CONTRIBUTIONS</u>				
Transfers in	200,000	-	-	200,000
Transfers out	(185,694)	-	-	(185,694)
Capital contributions	<u>324,719</u>	<u>-</u>	<u>-</u>	<u>324,719</u>
Total Transfers and Contributions	<u>339,025</u>	<u>-</u>	<u>-</u>	<u>339,025</u>
Change in Net Position	207,425	875,419	753,146	1,835,990
Net Position - July 1, 2018	<u>46,106,726</u>	<u>2,928,046</u>	<u>1,282,459</u>	<u>50,317,231</u>
Net Position - June 30, 2019	<u>\$ 46,314,151</u>	<u>\$ 3,803,465</u>	<u>\$ 2,035,605</u>	<u>\$ 52,153,221</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds			
	Marina Municipal Airport	Abrams B Housing	Preston Park Housing	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash received from customers	\$ 1,283,809	\$ 3,503,972	\$ 6,871,949	\$ 11,659,730
Cash paid to suppliers	(638,313)	(2,696,683)	(3,938,476)	(7,273,472)
Cash paid to employees	(237,410)	-	-	(237,410)
Net Cash Provided by Operating Activities	<u>408,086</u>	<u>807,289</u>	<u>2,933,473</u>	<u>4,148,848</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Transfers in from (out to) other funds	<u>14,306</u>	<u>-</u>	<u>-</u>	<u>14,306</u>
Net Cash Provided by Non-Capital Financing Activities	<u>14,306</u>	<u>-</u>	<u>-</u>	<u>14,306</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Capital contributions	324,719	-	-	324,719
Acquisition of capital assets	(541,719)	-	-	(541,719)
Principal paid on advances	-	(427,916)	-	(427,916)
Interest paid on advances	<u>-</u>	<u>(302,250)</u>	<u>(1,512,646)</u>	<u>(1,814,896)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(217,000)</u>	<u>(730,166)</u>	<u>(1,512,646)</u>	<u>(2,459,812)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends	<u>22,446</u>	<u>14,158</u>	<u>39,890</u>	<u>76,494</u>
Net Cash Provided by Investing Activities	<u>22,446</u>	<u>14,158</u>	<u>39,890</u>	<u>76,494</u>
Net Increase in Cash and Cash Equivalents	227,838	91,281	1,460,717	1,779,836
Cash and Cash Equivalents - July 1, 2018	<u>1,407,199</u>	<u>2,963,578</u>	<u>4,084,855</u>	<u>8,455,632</u>
Cash and Cash Equivalents - June 30, 2019	<u>\$ 1,635,037</u>	<u>\$ 3,054,859</u>	<u>\$ 5,545,572</u>	<u>\$ 10,235,468</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Marina Municipal Airport</u>	<u>Abrams B Housing</u>	<u>Preston Park Housing</u>	<u>Totals</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>				
Operating Income (loss)	\$ (154,046)	\$ 1,163,511	\$ 2,225,902	\$ 3,235,367
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	600,452	268,665	707,000	1,576,117
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(20,590)	48,523	184,008	211,941
Increase in prepaid expenses	-	(173,488)	(28,813)	(202,301)
Increase in inventory	(27,073)	-	-	(27,073)
Decrease in accounts payable	(26,480)	-	-	(26,480)
Increase in deposits payable	35,153	-	-	35,153
Increase in accrued liabilities	670	-	-	670
Decrease in other liabilities	<u>-</u>	<u>(499,922)</u>	<u>(154,624)</u>	<u>(654,546)</u>
Net Cash Provided by Operating Activities	<u>\$ 408,086</u>	<u>\$ 807,289</u>	<u>\$ 2,933,473</u>	<u>\$ 4,148,848</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Successor Agency to Redevelopment Agency</u>
<u>ASSETS</u>	
Cash and investments (Note 2)	\$ 3,479,309
Cash and investments with fiscal agents (Note 2)	1,376,818
Accounts receivable	19,561
Prepaid expenses	9,500
Long-term receivable - State of CA	400,000
Capital assets, non-depreciable	<u>900,000</u>
Total Assets	\$ <u>6,185,188</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 1,618
Accrued salaries and benefits	7,108
Long-term liabilities	13,560,000
Premium on bond	<u>1,200,592</u>
Total Liabilities	<u>14,769,318</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
ROPS payments	<u>1,020,911</u>
<u>NET POSITION</u>	
Held in trust for private purposes	\$ <u>(9,605,041)</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Successor Agency to Redevelopment Agency</u>
<u>ADDITIONS</u>	
Property taxes	\$ 1,875,679
Investment earnings	70,282
Property tax in lieu	<u>29,139</u>
Total Additions	<u>1,975,100</u>
<u>DEDUCTIONS</u>	
Program costs	14,476,073
Legal and professional fees	18,459
Salaries and benefits	251,874
Occupancy and operating costs	<u>23,872</u>
Total Deductions	<u>14,770,278</u>
Change in Fiduciary Net Position	(12,795,178)
Fiduciary Net Position - July 1, 2018	<u>3,190,137</u>
Fiduciary Net Position - June 30, 2019	<u>\$ (9,605,041)</u>

See accompanying notes to the basic financial statements.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Marina (the City) was incorporated in 1975 under the laws of the State of California and operates under a Council - Manager form of government. The City provides a full range of municipal services including police, fire, public works, recreation & culture, community development, general aviation airport and general administration.

A. The Reporting Entity

The accompanying basic financial statements present the financial activities of the City along with the financial activities of its blended component units, which are entities for which the City is financially accountable. Together these entities are the primary government for reporting purposes. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units, which are described below, are blended.

Abrams B Non-Profit Corporation

The Abrams B Non-Profit Corporation was formed to account for operations of a 192 unit multi-family housing development known as Abrams B Apartments under a 50-year ground lease from the City of Marina, the owners of the property. The ground lease is reported as a capital asset (leasehold interest) on the balance sheet of the Abrams B Housing Fund. Although a legally separate entity, the Corporation is reported on a blended basis as part of the primary government.

Preston Park Sustainable Community Non-Profit Corporation

The Preston Park Sustainable Community Non-Profit Corporation (the Property) was formed to account for operations of a 354 unit multi-family apartment complex known as Preston Park. The Property is owned by the City of Marina. Although a legally separate entity, the Property is reported on a blended basis as part of the primary government.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the City. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds - Debt Service Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds - Capital Project Funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (not included in government-wide statements)

Agency Funds - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds - Private Purpose Trust Funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major Funds

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the City, the general fund includes such activities such as public safety, public ways and facilities, parks and recreation services, and economic development services.

Capital Projects - This fund is used to account for the City's major capital projects.

Abrams B Bonds Debt Service - This fund is used to account for resources restricted to retirement of Abrams B Bonds principal and interest and the payment of those debt obligations.

Impact Fee - This Fund accounts for impact fees imposed on new development as permitted by law, and related impact remediation costs. Remediation costs are not accounted for within this fund, but are recorded as transfers to the Capital Projects Fund, where remediation project costs are accumulated.

The City reports the following major proprietary funds in the accompanying financial statements:

Marina Municipal Airport Operating Fund - This fund accounts for all financial transactions relating to City's airport.

Abrams B Housing Fund - This fund accounts for the operations of the Abrams B apartments.

Preston Park Housing Fund - This fund accounts for the operations of the Preston Park apartments.

The City also reports the following fund type:

Private-Purpose Trust Fund - This presentation includes two funds: Successor Agency to the Marina Redevelopment Agency and the Housing Successor Agency to the Marina Redevelopment Agency. The Successor Agency was created as a result of the State order to dissolve California Redevelopment Agencies. As the Successor Agency, this fund is used to track the activity by the Oversight Board and the Department of Finance to defease the Agency's debts. The Housing Successor is governed by the City of Marina City Council and is obligated to use the Housing Successor Agency's assets according to Redevelopment law for low- and moderate-income housing.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. All proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The economic resources measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. In addition, all fiduciary funds use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end with the exception of expenditure-driven grants. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal operations. The principal operating revenues of the enterprise funds are charges to customers for rent and fuel. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

The County of Monterey levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent.

Property valuations are established by the Assessor of the County of Monterey for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

E. Cash and Investments

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures, or cash held by Alliance Residential Company ("Alliance") for Abrams B and Preston Park. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on the ending balance for each month of the quarter. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. Local Agency Investment Fund ("LAIF") determines the fair value of their portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report rental income and interest earnings as their major receivables.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are offset by deferred inflows of resources to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Rental income, fuel sales, and interest earnings compose the majority of proprietary fund receivables.

G. Prepaid Expenses and Inventory

The aviation fuel inventory held by the Airport is stated at cost using the first-in-first-out (FIFO) valuation method. Materials and supplies used by governmental funds are recorded as expenditures at the time they are purchased or obtained.

Prepaid expenses are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid expenses in both government-wide and fund financial statements.

H. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City capitalizes assets whose acquisition or construction cost equals or exceeds:

Equipment	\$ 10,000
Buildings and Improvements	100,000
Infrastructure	200,000

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. The City has assigned the useful lives of the assets which range from four to forty years. Abrams Housing and Preston Park Housing Proprietary Funds have 50-year leasehold interests in these housing developments. The leasehold is depreciated over those 50 years. The City of Marina remains the property owner of the Abrams and Preston Park Housing projects.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are depreciated and accounted for the same as in the government-wide statements.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

City employees are granted vacation and sick days in varying amounts based on classification and length of service. Upon termination or retirement, the City is to pay 100% of vacation and compensatory time off. Personal time off (PTO) and sick leave is paid in accordance with the applicable employee Memorandum of Understanding (MOU) or individual employment contract. The City's liability for compensated absences is recorded at the City-wide level in the Statement of Net Position for Governmental Activities. The liability for compensated absences is determined annually, however such compensated absences payments are not distinguished from regular payroll paid during the fiscal year.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund because most City employees are paid from the General Fund.

J. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding is included in interest expense.

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will be recognized as an outflow of resources (expense/expenditure) until then.

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

L. 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) plan (the "Plan") and additions to/deductions from the Plan's 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.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, 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 liabilities and asset information with certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Equity Classifications

Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements

The governmental fund financial statements present fund balances based on classifications that create a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- e. Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 10.

P. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Q. Reclassifications

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

R. Implementation of Governmental Accounting Standards Board Statements

Government Accounting Standards Board Statement No. 83

In December 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement seeks to provide financial statement users with information concerning asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement establishes criteria for determining the timing and the pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Adoption of this standard did not have a significant impact on the City's financial statements.

S. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2019 or later. The City has not determined the effects on the financial statements.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 84

In February 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Additionally, this Statement describes four fiduciary funds that should be reported, as well as provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this Statement is effective for the City's fiscal year ending June 30, 2020.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) 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; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, 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 City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. 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. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The new standard clarifies the differences between a majority equity interests reported as an investment and majority equity interest reported as a component unit of the governmental entity. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 were classified in the accompanying financial statements as follows:

	<u>Cash and Investments</u>	<u>Restricted Cash and Investments</u>	<u>Total</u>
Governmental activities	\$ 38,068,749	\$ 892,916	\$ 38,961,665
Business-type activities	<u>10,235,468</u>	<u>-</u>	<u>10,235,468</u>
Total government-wide cash and investments	<u>48,304,217</u>	<u>892,916</u>	<u>49,197,133</u>
Fiduciary activities	<u>3,479,309</u>	<u>1,376,818</u>	<u>4,856,127</u>
Total cash and investments	<u>\$ 51,783,526</u>	<u>\$ 2,269,734</u>	<u>\$ 54,053,260</u>

Cash and investments were carried at fair value as of June 30, 2019 and consisted of the following:

Cash and Investments

Deposits:

Cash on hand	\$ 5,735
Cash in banks	11,385,197
Cash with fiscal agents	<u>9,424,891</u>

Total cash 20,815,823

Money market funds	367,945
Local Agency Investment Fund (LAIF)	13,003,598
U.S. Treasury obligations	<u>19,865,894</u>

Total investments 33,237,437

Total cash and investments \$ 54,053,260

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investments of the City

The table below identifies the investment types that are authorized by the City's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
U.S. Treasury Bills, Notes and Bonds	(A)	N/A	No Limit	No Limit
U.S. Government-Sponsored Enterprise Agencies:				
Government National Mortgage Association	5 years	N/A	No Limit	No Limit
Federal National Mortgage Association	5 years	N/A	No Limit	No Limit
Federal Home Loan Mortgage Corporation	5 years	N/A	No Limit	No Limit
Federal Home Loan Bank	5 years	N/A	No Limit	No Limit
Banker's Acceptances	180 days	N/A	30%	One (1) Commercial Bank
Certificates of Deposit	5 years	N/A	15%	(B)
Commercial Paper	270 days	N/A	15%	Highest Rating by an NRSRO*
Commercial Paper	31 days	N/A	30%	Highest Rating by an NRSRO*
Corporate Notes	5 Years	N/A	30%	No Limit
Mutual Funds	N/A	N/A	20%	Highest Rating by an NRSRO*
Reverse Repurchase Agreements	92 Days	N/A	20%	No Limit
Repurchase Agreements	1 Year	N/A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	No Limit	\$40,000,000 per account

(A) Maximum maturities of 5 years or greater with specific City Council approval

(B) \$250,000 unless collateralized by eligible securities as provided by California Governmental Code Sections 53651 and 53652.

* Nationally Recognized Statistical Rating Organization

Investments Authorized by Debt Agreements

Under the terms of certain debt issuances, the City must maintain required amounts of cash and investments with trustees or fiscal agents. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments with fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	None	N/A
U.S. Agency Obligations	None	N/A
U.S. Government-Sponsored Agency Obligations	None	N/A
State Obligations:		
General Obligation	None	A
General Short-Term Obligation	None	A-1+
Special Revenue Bonds	None	AA
Pre-Refunded Municipal Obligation	None	AAA
Unsecured Certificates of Deposit	30 days	A-1
FDIC-Insured Deposit	None	N/A
Repurchase Agreements	None	A
Commercial Paper	270 Days	Three highest categories
Bankers' Acceptances	(A)	A-1
Money Market Mutual Funds	None	Three highest categories
Investment Agreement	None	N/A
Tax-Exempt Obligations	None	Three highest categories
State of California- Local Agency Investment Fund	None	N/A

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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. Investments' fair value measurements are as follows at June 30, 2019:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
U.S. Treasury obligations	\$ 19,865,894	\$ -	\$ -	\$ 19,865,894
Held by bond trustee:				
Money market funds	-	367,945	-	367,945
Total Investments	<u>\$ 19,865,894</u>	<u>\$ 367,945</u>	<u>\$ -</u>	<u>\$ 20,233,839</u>

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2019:

	Remaining Maturity		
	12 months or less	1-5 years	Fair Value
US Treasury obligation bonds	\$ 5,000,000	\$ 14,865,894	\$ 19,865,894
Local Agency Investment Fund	13,003,598	-	13,003,598
Held by bond trustee:			
Money market funds	<u>367,945</u>	<u>-</u>	<u>367,945</u>
	<u>\$ 18,371,543</u>	<u>\$ 14,865,894</u>	<u>\$ 33,237,437</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2019.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
US Treasury obligation bonds	\$ 19,865,894	N/A	Aaa	
Local Agency Investment Fund	13,003,598			Not rated
Held by bond trustee:				
Money market funds	<u>367,945</u>	AAA	Aaa	
	<u>\$ 33,237,437</u>			

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by the LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: 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 (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Allocation of Interest Income among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated quarterly based on the average month-end cash balances in each fund receiving interest.

NOTE 3: NOTES AND LOANS RECEIVABLE

The City has engaged in programs designed to encourage construction or improvement of low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners who agree to spend these funds in accordance with the City's terms. The balances of these loans arising from these business and housing programs at June 30, 2019 were \$590,931. The loans have varying maturity dates and interest rates, depending on loan agreements. The balance of the notes receivable have been offset in the fund financial statements by deferred inflows of resources as they are not deemed measurable and available within 60 days, except for those loans that have current payment activity. The loans were fully reserved for in the Statement of Net Position.

The City has a loan program for developers for impact fees and engineering fees imposed by the City. At June 30, 2019 the City had \$691,857 in loans receivable outstanding. These loans are offset in the fund financial statements by deferred inflows of resources.

NOTE 4: INTERFUND TRANSACTIONS

Advances to/from Other Funds

The composition of interfund balances as of June 30, 2019 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Abrams B Debt Service Fund	Abrams B Housing Fund	\$ <u>10,184,167</u>
Total Governmental Funds Advances		\$ <u>10,184,167</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

On November 1, 2006, the Marina Joint Powers Financing Authority issued \$14,360,000 revenue bonds for the purpose of financing a loan in the same amount to the Abrams-B Non-Profit Corporation. Simultaneously, the corporation paid the entire \$14,360,000 back to the City of Marina, to pay loan costs and to acquire a 50-year leasehold interest in the Abrams-B Apartments housing project. Also simultaneously, the City paid that cash to The Fort Ord Reuse Authority to purchase the Abrams-B property. Monthly note payments are made by the corporation to the City according to an original amortization schedule which was subsequently revised on November 15, 2016, at a lower interest rate, resulting in smaller monthly payments. Payments on the note are structured to be sufficient for the bond trustee to pay semi-annual principal and interest on the revenue bonds. Bond payments are made semi-annually and will be fully re-paid in 2036. The balance of the loan was \$10,184,167 at June 30, 2019.

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfers</u>	<u>Amount</u>
<u>Governmental Funds</u>			
General Fund	Capital Projects Fund	To finance various capital projects	\$ 413,249
General Fund	Measure-X Road and Transportation	To finance various capital projects	600,000
Impact Fees Fund	Capital Projects Fund	To finance various capital projects	1,302,687
Capital Projects fund	Measure-X Road and Transportation	To transfer financing for Measure-X projects	1,061,371
Capital Projects fund	Gas Tax Fund	To transfer financing for Measure-X projects	<u>6,263</u>
Total Major Governmental Interfund Transfers			<u>3,383,570</u>
<u>Governmental Funds</u>			
Gas Tax Fund	General Fund	To fund cost allocation plan charges	62,400
Road Maintenance & Rehabilitation	Gas Tax Fund	To fund on-going street maintenance costs	62,500
Road Maintenance and Rehabilitation	Measure-X Road and Transportation	To Finance Measure-X projects	60,000
Transportation Safety and Investments	Measure-X Road and Transportation	To Finance Measure-X projects	500,000
National Park Service Fund	General Fund	To fund cost allocation plan charges	18,917
Seabreeze Landscape	General Fund	To fund cost allocation plan charges	1,740
Monterey Bay Estates	General Fund	To fund cost allocation plan charges	2,871
Cypress Cove II Landscape	General Fund	To fund cost allocation plan charges	2,751
CFD No. 2015-1 Dunes	General Fund	To fund cost allocation plan charges	2,771
1998 GO Refunding Bonds	General Fund	To fund cost allocation plan charges	14,855
Marina Landing Improvement	General Fund	To fund cost allocation plan charges	54
Marina Greens Improvement	General Fund	To fund cost allocation plan charges	43
Airport Capital Projects	Airport Fund	To return unexpended project funds	<u>200,000</u>
Total Non-Major Governmental Interfund Transfers			<u>928,902</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

<u>Proprietary Funds</u>			
Airport Fund	General Fund	To fund airport costs	41,800
Airport Fund	Airport Capital Projects	To fund capital projects	<u>143,894</u>
Total Proprietary Interfund Transfers			<u>185,694</u>
Total Interfund Transfers			\$ <u>4,498,166</u>

Intra-Fund Transfers between Funds

The following table represents intra-fund transfers made during the fiscal year ended June 30, 2019:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>General Fund</u>			
General Fund	Vehicle and Equipment Fund	Budgeted transfer	\$ 640,000
General Fund	Pension Stabilization Fund	Budgeted transfer	650,000
General Fund	Development Activity Fund	To close out fund	<u>1,640,197</u>
Total General Fund Intra-Fund Transfers			<u>2,930,197</u>
Total Intra-fund Transfers			\$ <u>2,930,197</u>

Intra-fund transfers are not presented on the Statement of Revenues, Expenses, and Changes in Net Position for the governmental and proprietary funds as they are presented on a net basis. However, the combining Schedule of Revenues, Expenditures, and Changes in Fund Balances for the general fund on page 80 presents both general fund interfund transfers and intra-fund transfers.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5: CAPITAL ASSETS

Governmental activities:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2019</u>
Capital assets not being depreciated					
Land	\$22,080,651	\$ -	\$ -	\$ -	\$22,080,651
Total capital assets not being depreciated	<u>22,080,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,080,651</u>
Capital assets being depreciated					
Buildings and improvements	49,839,190	22,084	-	75,827	49,937,101
Equipment	6,905,016	1,057,543	(15,669)	-	7,946,890
Infrastructure	<u>30,123,563</u>	<u>2,351,099</u>	<u>-</u>	<u>(75,827)</u>	<u>32,398,835</u>
Total capital assets being depreciated	<u>86,867,769</u>	<u>3,430,726</u>	<u>(15,669)</u>	<u>-</u>	<u>90,282,826</u>
Less accumulated depreciation					
Buildings and improvements	16,434,737	(1,167,500)	-	(95,615)	17,697,852
Equipment	(5,986,488)	(612,943)	15,669	-	(6,583,762)
Infrastructure	<u>(4,357,952)</u>	<u>(754,847)</u>	<u>-</u>	<u>95,615</u>	<u>(5,017,184)</u>
Total accumulated depreciation	<u>26,779,177</u>	<u>(2,535,290)</u>	<u>15,669</u>	<u>-</u>	<u>29,298,798</u>
Total capital assets, net	<u>\$82,169,243</u>	<u>\$ 895,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$83,064,679</u>

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

General government	\$ 1,045,951
Public safety	491,098
Public works	75,144
Recreation & cultural services	72,635
Public improvements	<u>850,462</u>
Total governmental activities depreciation expense	<u>\$ 2,535,290</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type activities:

	Balance at July 1, 2018	Additions	Retirements	Balance at June 30, 2019
Nondepreciable assets:				
Land	\$ 36,900,000	\$ -	\$ -	\$ 36,900,000
Total nondepreciable assets	<u>36,900,000</u>	<u>-</u>	<u>-</u>	<u>36,900,000</u>
Capital assets being depreciated				
Leasehold interest	48,783,242	-	-	48,783,242
Buildings	8,824,598	295,285	-	9,119,883
Improvements	11,938,235	246,434	-	12,184,669
Equipment	<u>323,135</u>	<u>-</u>	<u>-</u>	<u>323,135</u>
Total capital assets being depreciated	<u>69,869,210</u>	<u>541,719</u>	<u>-</u>	<u>70,410,929</u>
Less accumulated depreciation				
Leasehold interest	(5,059,465)	(975,665)	-	(6,035,130)
Buildings	(4,865,385)	(267,414)	-	(5,132,799)
Improvements	(8,066,743)	(300,964)	-	(8,367,707)
Equipment	<u>(215,752)</u>	<u>(32,074)</u>	<u>-</u>	<u>(247,826)</u>
Total accumulated depreciation	<u>(18,207,345)</u>	<u>(1,576,117)</u>	<u>-</u>	<u>(19,783,462)</u>
Total capital assets, net	<u>\$ 88,561,865</u>	<u>\$ (1,034,398)</u>	<u>\$ -</u>	<u>\$ 87,527,467</u>

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Airport	\$ 600,452
Abrams B Housing	268,665
Preston Park Housing	<u>707,000</u>
Total business-type activities depreciation expense	<u>\$ 1,576,117</u>

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Reductions	Balance at June 30, 2019	Current Portion
Governmental activities:					
2007 Pension Obligation Bonds	\$ 145,000	\$ -	\$ (145,000)	\$ -	\$ -
2015 General Obligation Refunding Bonds	7,390,000	-	(195,000)	7,195,000	225,000
Remarketed 2016 Abrams B Housing Revenue Bonds	10,860,000	-	(425,000)	10,435,000	430,000
Capital Lease Obligation	-	663,156	-	663,156	154,693
Compensated absences*	<u>1,234,374</u>	<u>139,920</u>	<u>-</u>	<u>1,374,294</u>	<u>-</u>
Total Governmental activities	<u>\$ 19,629,374</u>	<u>\$ 803,076</u>	<u>\$ (765,000)</u>	<u>\$ 19,667,450</u>	<u>\$ 809,693</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2019</u>	<u>Current Portion</u>
Business-type activities:					
Berkeley Capital Loan	\$ 35,950,000	\$ -	\$ -	\$ 35,950,000	\$ -
Total Business-type activities	<u>\$ 35,950,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,950,000</u>	<u>\$ -</u>
	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2019</u>	<u>Current Portion</u>
Fiduciary activities:					
Revenue Bonds:					
2000 Series A	\$ 425,000	\$ -	\$ (25,000)	\$ 400,000	\$ 25,000
2000 Series A	-	6,905,000	(165,000)	6,740,000	205,000
2018 Series B	-	<u>6,585,000</u>	<u>(165,000)</u>	<u>6,420,000</u>	<u>195,000</u>
Total	<u>425,000</u>	<u>13,490,000</u>	<u>(355,000)</u>	<u>13,560,000</u>	<u>425,000</u>
Less:					
Unamortized bond discounts	<u>-</u>	<u>1,252,792</u>	<u>(52,200)</u>	<u>1,200,592</u>	<u>-</u>
Total Fiduciary activities	<u>425,000</u>	<u>14,742,792</u>	<u>(407,200)</u>	<u>14,760,592</u>	<u>425,000</u>

*Management believes current portion cannot reasonably be estimated, therefore no current portion is disclosed.

A description of the long-term liabilities at June 30, 2019 are as follows:

A. Governmental Activities

2007 Pension Obligation Bonds

In April 2007, the City issued \$4,315,000 Pension Obligation Bonds for the purpose of refinancing an unfunded CalPERS pension liability. The bonds were part of a larger offering facilitated by the California Statewide Communities Development Authority and bear interest at 5.21% to 5.3%. The bonds matured in June 2019.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

2015 General Obligation Refunding Bonds

In May 2015, the City issued \$7,640,000 General Obligation Bonds for the purpose of refunding \$7,885,000 of the City's General Obligation Bonds, Election of 2002, Series 2005 which was issued for the purpose of constructing and supplying a library facility in the City. The bonds bear interest at 1.5% to 5%. The bonds mature in August 2035. Principal payments of \$85,000 to \$605,000 are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1. The Bonds are subject to an early redemption at par at the option of the City after August 2025.

For the Year Ending June 30	Principal	Interest	Total
2020	\$ 225,000	\$ 244,481	\$ 469,481
2021	260,000	238,031	498,031
2022	280,000	233,281	513,281
2023	295,000	227,531	522,531
2024	315,000	216,706	531,706
2025 - 2029	1,995,000	826,731	2,821,731
2030 - 2034	2,635,000	431,253	3,066,253
2035	<u>1,190,000</u>	<u>42,000</u>	<u>1,232,000</u>
Total	\$ <u>7,195,000</u>	\$ <u>2,460,014</u>	\$ <u>9,655,014</u>

Remarketed 2016 Abrams B Housing Revenue Bonds

In November 2006, the City issued \$14,360,000 Multi-family Housing Revenue Bonds for the purpose of financing the acquisition of the Abrams B Apartments. These bonds were remarketed in November 2016. The bonds bear interest at 0.95% to 3.55%. The bonds mature in November 2036. Principal payments of \$110,000 to \$160,000 are due annually on November 1. Interest payments are due semi-annually on May 1 and November 1. Beginning on November 15, 2023, the bonds have an optional redemption price of 102%, declining to 101% on November 15, 2024, and at par on November 15, 2025 and thereafter.

For the Year Ending June 30	Principal	Interest	Total
2020	\$ 430,000	\$ 297,615	\$ 727,615
2021	440,000	291,848	731,848
2022	450,000	285,280	735,280
2023	465,000	277,723	742,723
2024	475,000	268,905	743,905
2025 - 2029	2,925,000	1,154,675	4,079,675
2030 - 2034	3,305,000	672,556	3,977,556
2035 - 2037	<u>1,945,000</u>	<u>104,991</u>	<u>2,049,991</u>
Total	\$ <u>10,435,000</u>	\$ <u>3,353,593</u>	\$ <u>13,788,593</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases

In July 2018, the City entered into a lease agreement in the amount of \$663,156 at 4.52% to finance the purchase of radio equipment. Annual principal and interest payments of \$185,348 are due through July 2022. Capital lease amortization is as follows:

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 154,693	\$ 30,655	\$ 185,348
2021	161,910	23,438	185,348
2022	169,373	15,974	185,347
2023	<u>177,180</u>	<u>8,167</u>	<u>185,347</u>
Total	\$ <u>663,156</u>	\$ <u>78,234</u>	\$ <u>741,390</u>

Equipment and related accumulated amortization under the capital lease are as follows:

Leased Equipment	\$	663,156
Less: accumulated amortization		<u>(165,789)</u>
Net Value	\$	<u>497,367</u>

B. Business-type Activities

Preston Park Loan

On January 7, 2016, the Preston Park Sustainable Community Non-profit Corporation entered into a loan agreement in the amount of \$35,950,000 at 4.15% to finance the costs of acquisition of a leasehold interest in property of Preston Park Apartments. The loan is a full-term interest only loan with the entire principal balance due on February 1, 2026. Interest payments are made through January of 2026 without an early redemption option.

Future debt service payments are as follows:

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 1,516,790	\$ 1,516,790
2021	-	1,512,646	1,512,646
2022	-	1,512,646	1,512,646
2023	-	1,512,646	1,512,646
2024	-	1,516,790	1,516,790
2025 - 2026	<u>35,950,000</u>	<u>2,527,984</u>	<u>38,477,984</u>
Total	\$ <u>35,950,000</u>	\$ <u>10,099,502</u>	\$ <u>46,049,502</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

C. Fiduciary Activities

Tax Allocation Bonds, Neeson Road

In November 2000, the former RDA issued \$700,000 of tax allocation bonds, Series A.

The proceeds of the 2000 Series A bonds issued were used fund infrastructure redevelopment activities at the Marina Airport. The bonds bear annual interest at 4.75%. The bonds were issued in fully registered form without coupons in denominations of \$5,000. Interest is paid semi-annually, on January 1st and July 1st. Principal is paid in annual installments beginning January 1, 2018 and maturing January 1, 2031 in amounts ranging from \$10,000 to \$45,000.

Tax Allocation Bonds, 2018 Series A (Taxable) and Series B (Tax Exempt)

In 2018, the former RDA issued \$4,750,000 of tax allocation bonds, Series A (Taxable) and Series B (Tax Exempt). A total of \$6,905,000 of Series A bonds were issued and \$6,585,000 of Series B bonds.

The proceeds of the 2018 Series A bonds issued were used to make payment on a promissary note and agreement, dated August 5, 2008 of the former Marina Redevelopment Agency for the benefit of Marina Community Partners. The bonds bear annual interest at 5.00%. The bonds were issued in fully registered form without coupons in denominations of \$5,000. Interest is annually, due on September 1st. Principal is paid in annual installments beginning September 1, 2018 and ending September 1, 2038 in amounts ranging from \$165,000 to \$515,000.

The proceeds of the 2018 Series B bonds issued were used to repay a significant portion of the loans from the City of Marina to the Agency. The bonds bear annual interest at 5.00%. The bonds were issued in fully registered form without coupons in denominations of \$5,000. Interest is annually, due on September 1st. Principal is paid in annual installments beginning September 1, 2018 and ending September 1, 2038 in amounts ranging from \$165,000 to \$515,000.

Bonds Payable Debt Service Requirements

Future debt service requirements are shown below:

For the Year Ending, June 30	Principal	Interest
2020	\$ 425,000	\$ 673,000
2021	445,000	655,813
2022	470,000	633,625
2023	490,000	610,200
2024	515,000	585,775
2025 - 2029	2,980,000	2,517,325
2030 - 2034	3,665,000	1,703,675
2035 - 2039	<u>4,570,000</u>	<u>707,250</u>
Total	<u>\$ 13,560,000</u>	<u>\$ 8,086,663</u>

The fiduciary fund tracks debt of the Successor Agency of the Marina Redevelopment Agency. In 2012, the State of California dissolved Redevelopment Agencies and created Successor Agencies to extinguish debts of the Redevelopment Agencies. The Marina Successor Agency is required by a Development and Disposition Agreement (DDA) to issue debt to repay the Dunes Corporation amounts owed in the DDA. This debt is fully funded by a commitment from the State of California as specified in the Dissolution Act.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7: DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within the safety risk pool (police and fire) and the miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety and miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety and miscellaneous pools. The City sponsors five rate plans (three safety and two miscellaneous). 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 service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019 are summarized as follows:

Hire Date	Miscellaneous	
	Tier I (Classic) Prior to January 1, 2013	Tier II (PEPRA) On or After January 1, 2013
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 and up	52 and up
Monthly Benefits, as a % of Eligible Compensation	1.426% to 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	7.000%	6.250%
Required Employer Contribution Rates	9.409%	6.842%

Hire Date	Safety	
	Tier I (Classic) Prior to January 1, 2013	Tier II (PEPRA) On or After January 1, 2013
Benefit Formula	3.0% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 and up	50 and up
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	9.000%	11.500%
Required Employer Contribution Rates	20.556%	12.141%

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. The City's contributions to the Plan for the year ending June 30, 2019 were \$2,050,095.

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

As of June 30, 2019, the City reported a net pension liability of \$18,963,346. The City's net pension liability is measured as a proportionate share of the Plan's net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the Plan's 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 the Plan as of June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.19055 %
Proportion - June 30, 2018	<u>0.19679 %</u>
Change - Increase (Decrease)	<u>0.00624 %</u>

For the year ended June 30, 2019, the City recognized pension expense of \$1,401,398. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 2,050,095	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	239,404	64,520
Differences between actual and expected experience	502,450	74,555
Changes in assumptions	1,950,023	333,760
Adjustment due to differences in proportions	662,206	25,429
Net differences between projected and actual earnings on plan investments	<u>118,112</u>	<u>-</u>
Total	<u>\$ 5,522,290</u>	<u>\$ 498,264</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred outflows of resources totaling \$2,050,095 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,		
2020	\$	2,080,078
2021	\$	1,373,221
2022	\$	(336,385)
2023	\$	(142,983)

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	<u>Cost-Sharing Miscellaneous & Safety Plans</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

In December 2017, the CalPERS Board adopted new mortality assumptions for plan participants participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2018 was 7.15%. This is a decrease from the 7.65% used as of June 30, 2016. The decrease is due to a decrease in the long-term expected rate of return. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. These tests revealed that Plan assets would not run out. 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 called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the 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:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability (Asset)	\$ 29,855,724	\$ 18,963,346	\$ 10,017,534

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 8: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Description of the Plan

The City of Marina participates in the California Public Employees Retirement System (CalPERS), a cost-sharing multiple employer public employee defined benefit pension plan. CalPERS provides post-employment medical insurance benefits to retirees and their spouses who meet plan eligibility requirements in accordance with their labor agreement. The City provides health care benefits for all retired employees based on retirement age of 50 with 5 years of service. Retirees can enroll in any of the available CalPERS medical plans and the benefits continue for the life of the retiree and surviving spouse. The City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. Retirees must pay any premium amounts in excess of the City's contribution. For each bargaining unit, the minimum amount the City contributes is pro-rated over the 20-year period starting from that unit's CalPERS coverage.

The City has authority to establish and amend the Plan's benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets all of the criteria in GASB statement No. 75 Paragraph 4. There are no separate financial statements issued for the OPEB plan.

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	81
Inactive employees currently receiving benefits	<u>19</u>
Total	<u><u>100</u></u>

Contributions

The City's policy is to fully fund the annual required contribution, which is determined by an actuary. The City makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2019, the City contributed \$76,872. The City does not have a trust.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total OPEB Liability

The City's net OPEB liability ("NOL") was measured as of June 30, 2018 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2017 based on the following actuarial methods and assumptions.

Discount Rate	3.87 %
Inflation	2.26 %
Salary increases per annum	3.25 %
Investment Rate of Return	3.87 %
Healthcare Trend Rate	4.25 %
Mortality rates	
Pre-Retirement	Mortality Tables - 2014 CalPERS Mortality and Safety Mortality pre-retirement.
Post-Retirement	2014 CalPERS Mortality post-retirement.
Retirement Rates:	
All Participants	Hired before January 1, 2013: 2.0% @55 Rates for Miscellaneous Employees. 3.0% @50 for Police and Fire.
	Hired on or after January 1, 2013: 2.0% @62 for Miscellaneous Employees. 2.7% @57 for Police and Fire.
Service Requirements	
All participants	100% at 5 Years of Service

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% based on an assumption that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The discount rate was based on a yield for a 20-year, tax exempt general obligation municipal bond with an average rating of AA/Aa or better.

Changes in Assumptions

The discount rate changed from 3.58% as of the June 30, 2017 measurement date to 3.87% as of the June 30, 2018 measurement date.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the OPEB liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	\$ 4,093,174
Service cost	200,224
Interest	153,199
Actual Investment Income	(27,347)
Change in Assumptions	(200,100)
Benefit Payments	<u>(28,444)</u>
Net change during 2017-18	<u>97,532</u>
Balance at June 30, 2018	<u>\$ 4,190,706</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Sensitivity of the Total OPEB Liability in 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, 2018:

	1% Decrease <u>2.87%</u>	Current Discount Rate <u>3.87%</u>	1% Increase <u>4.87%</u>
Total OPEB Liability	\$ <u>4,960,056</u>	\$ <u>4,190,706</u>	\$ <u>3,580,184</u>

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following represents the Total OPEB liability 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, 2018:

	1% Decrease <u>3.25%</u>	Current Healthcare Cost Trend Rate <u>4.25%</u>	1% Increase <u>5.25%</u>
Total OPEB Liability	\$ <u>3,507,158</u>	\$ <u>4,190,706</u>	\$ <u>5,073,114</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes of 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.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 76,872	\$ -
Differences between actual and expected experience	-	27,789
Changes in assumptions	-	1,400,242
Total	<u>\$ 76,872</u>	<u>\$ 1,428,031</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30,	
2020	\$ (210,632)
2021	\$ (210,632)
2022	\$ (210,632)
2023	\$ (210,632)
2024	\$ (210,632)
Thereafter	\$ (374,871)

OPEB Expense

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$37,475.

NOTE 9: DEFERRED COMPENSATION

The City offers its employees two deferred compensation plans created in accordance with California Code Section 53212 and Internal Revenue Code Section 457 under which employees can defer a portion of their salary until future years. The deferred compensation plan money is a deduction from the employees' salary and is invested with independent retirement trustees. The trustees hold the amounts deferred and any related income on behalf of employees. The assets and liabilities of these plans have been excluded from the accompanying financial statements.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10: FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Committed Fund Balance: Only the City Council may have the authority to create or change a fund balance commitment. Commitments may be changed or lifted only by the City Council taking the same formal resolution that imposed the constraint originally.

Assigned Fund Balance: Intent is expressed by the City Council or the City Manager to which the City Council has delegated authority to assign amounts to be used for specific purposes.

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10: FUND BALANCE (CONTINUED)

As of June 30, 2019, fund balances consisted of the following:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Abrams B Debt Service</u>	<u>Impact Fee</u>	<u>Non-Major Funds</u>	<u>Total</u>
Nonspendable:						
Prepaid Expenses	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Total Nonspendable	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
Restricted:						
Economic Development	-	-	-	-	287,266	287,266
Debt Service	4,065	-	367,942	-	521,893	893,900
Capital Projects	-	-	-	-	1,500,191	1,500,191
Street & Special District	-	-	-	-	1,373,205	1,373,205
Community Development	-	-	-	10,920,712	-	10,920,712
Recreation	-	-	-	-	603,788	603,788
Public Safety	235,432	-	-	-	-	235,432
Total Restricted	<u>239,497</u>	<u>-</u>	<u>367,942</u>	<u>10,920,712</u>	<u>4,286,343</u>	<u>15,814,494</u>
Committed:						
OPEB	200,000	-	-	-	-	200,000
Library Maintenance	310,627	-	-	-	-	310,627
Future Vehicle & Equipment Replacement	2,055,000	-	-	-	-	2,055,000
Future Facility Repairs	500,000	-	-	-	-	500,000
Community Improvement	641,268	-	-	-	-	641,268
Employee Compensated absences	400,000	-	-	-	-	400,000
Pension Stabilization	950,000	-	-	-	-	950,000
Capital Projects	-	6,408,180	-	-	-	6,408,180
Emergency Reserves	4,587,543	-	-	-	-	4,587,543
Public Education Government	-	-	-	-	101,613	101,613
Total Committed	<u>9,644,438</u>	<u>6,408,180</u>	<u>-</u>	<u>-</u>	<u>101,613</u>	<u>16,154,231</u>
Unassigned	<u>7,528,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(376)</u>	<u>7,527,926</u>
Total	<u>\$ 17,424,237</u>	<u>\$ 6,408,180</u>	<u>\$ 367,942</u>	<u>\$ 10,920,712</u>	<u>\$ 4,387,580</u>	<u>\$ 39,508,651</u>

CITY OF MARINA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11: RISK MANAGEMENT

Coverage

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction on assets; errors and omissions; injuries to employees; and natural disasters. The City purchases liability, property, errors and omissions, and workers' compensation insurance from the Monterey Bay Area Self Insurance Authority (MBASIA), a risk-sharing program. Under this program, coverage is provided for up to a maximum of \$29,000,000 for each general liability claim less the City's deductible of \$10,000. Statutory coverage is provided for workers' compensation claims. The City is assessed a contribution to cover claims, operating costs, and claim settlement expenses based upon an actuarially determined rate for each coverage layer pool. Additional cash contributions may be assessed on the basis of adverse loss experience. If the events of the year result in a negative risk position, the members' annual assessment may be increased in subsequent years. The City is unable to reasonably estimate the probability of MBASIA ending the year in a negative risk position. Refunds to members may be made if funds are determined to be surplus as a result of an actuarial study.

The City currently reports liability risk management activities in the general fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Workers compensation insurance costs are allocated to various departments proportionate to their total payroll. For the year ended June 30, 2019, the City paid a total of \$1,250,834 to MBASIA for insurance coverage; \$343,567 and \$907,267 for liability and workers compensation insurance, respectively and did not receive a rebate from the program.

NOTE 12: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and/or transfers in excess of appropriations in the following amounts for the year ended June 30, 2019:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Impact Fee Fund	\$ 1,135,000	\$ 1,302,687	\$ (167,687)
Measure X Transportation Fund	500,000	503,500	(3,500)
Cypress Cove II Assessment District	7,495	11,205	(3,710)
Seabreeze Assessment District	19,021	29,116	(10,095)
CFD 2015-1 Dunes	7,771	9,263	(1,492)

The excess expenditures were covered by available fund balance in the funds.

NOTE 13: CONTINGENCIES AND COMMITMENTS

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

Grant Awards

The City participates in certain Federal and State assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes and assessments	\$ 16,612,600	\$ 16,612,600	\$ 18,859,358	\$ 2,246,758
License, permits, and fees	2,144,700	2,144,700	2,346,192	201,492
Fines and forfeitures	97,550	97,550	102,543	4,993
Investment earnings	283,882	283,882	334,220	50,338
Intergovernmental	402,166	402,166	718,985	316,819
Charges for services	3,193,914	3,193,914	3,313,868	119,954
Other revenues	<u>54,700</u>	<u>54,700</u>	<u>162,455</u>	<u>107,755</u>
Total Revenues	<u>22,789,512</u>	<u>22,789,512</u>	<u>25,837,621</u>	<u>3,048,109</u>
EXPENDITURES				
Current:				
General government	4,071,496	4,071,496	4,662,294	(590,798)
Public safety	11,178,206	11,455,206	10,300,132	1,155,074
Public works	1,599,147	1,599,147	1,356,463	242,684
Economic & community development	2,803,538	2,803,538	2,495,050	308,488
Recreation & cultural services	1,035,327	1,035,327	964,602	70,725
Capital outlay	190,000	190,000	183,192	6,808
Principal	-	-	145,000	(145,000)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>7,787</u>	<u>(7,787)</u>
Total Expenditures	<u>20,877,714</u>	<u>21,154,714</u>	<u>20,114,520</u>	<u>1,040,194</u>
Excess (deficiency) of revenues over expenditures	<u>1,911,798</u>	<u>1,634,798</u>	<u>5,723,101</u>	<u>4,088,303</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	148,202	154,465	148,202	(6,263)
Transfers out	<u>(820,000)</u>	<u>(1,013,249)</u>	<u>(1,013,249)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(671,798)</u>	<u>(858,784)</u>	<u>(865,047)</u>	<u>(6,263)</u>
Net change in fund balance	<u>\$ 1,240,000</u>	<u>\$ 776,014</u>	4,858,054	<u>\$ 4,082,040</u>
Fund balance - July 1, 2018			<u>12,566,183</u>	
Fund balance - June 30, 2019			<u>\$ 17,424,237</u>	

CITY OF MARINA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			Variance with Final Budget Positive Negative
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,115,658	\$ 1,115,658
Total Revenues	-	-	1,115,658	1,115,658
EXPENDITURES				
Capital outlay	3,575,000	3,828,249	2,218,595	1,609,654
Total Expenditures	3,575,000	3,828,249	2,218,595	1,609,654
Excess (deficiency) of revenues over expenditures	(3,575,000)	(3,828,249)	(1,102,937)	2,725,312
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	780,000	780,000	663,156	(116,844)
Transfers in	2,541,809	2,248,371	1,715,936	(532,435)
Transfers out	(86,809)	(99,335)	(1,067,634)	(968,299)
Total Other Financing Sources (Uses)	3,235,000	2,929,036	1,311,458	(1,617,578)
Net change in fund balance	\$ (340,000)	\$ (899,213)	208,521	\$ 1,107,734
Fund balance - July 1, 2018			6,199,659	
Fund balance - June 30, 2019			\$ 6,408,180	

CITY OF MARINA
ABRAMS B DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			Variance with Final Budget Positive Negative
	Original	Final	Actual Amounts	
REVENUES				
Investment earnings	\$ -	\$ -	\$ 6,793	\$ 6,793
Other revenues	<u>732,640</u>	<u>732,640</u>	<u>672,195</u>	<u>(60,445)</u>
Total Revenues	<u>732,640</u>	<u>732,640</u>	<u>678,988</u>	<u>(53,652)</u>
EXPENDITURES				
Current:				
General government	5,000	5,000	-	5,000
Debt service:				
Principal	425,000	425,000	425,000	-
Interest and fiscal charges	<u>302,640</u>	<u>302,640</u>	<u>302,640</u>	<u>-</u>
Total Expenditures	<u>732,640</u>	<u>732,640</u>	<u>727,640</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(48,652)</u>	<u>(48,652)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(48,652)	<u>\$ (48,652)</u>
Fund balance - July 1, 2018			<u>416,594</u>	
Fund balance - June 30, 2019			<u>\$ 367,942</u>	

CITY OF MARINA
IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019 Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Investment earnings	\$ -	\$ -	\$ 196,765	\$ 196,765
Charges for services	<u>4,098,900</u>	<u>4,098,900</u>	<u>1,708,384</u>	<u>(2,390,516)</u>
Total Revenues	<u>4,098,900</u>	<u>4,098,900</u>	<u>1,905,149</u>	<u>(2,193,751)</u>
Excess (deficiency) of revenues over expenditures	<u>4,098,900</u>	<u>4,098,900</u>	<u>1,905,149</u>	<u>(2,193,751)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	534,161	-	(534,161)
Transfers out	<u>(1,075,000)</u>	<u>(1,135,000)</u>	<u>(1,302,687)</u>	<u>(167,687)</u>
Total Other Financing Sources (Uses)	<u>(1,075,000)</u>	<u>(600,839)</u>	<u>(1,302,687)</u>	<u>(701,848)</u>
Net change in fund balance	<u>\$ 3,023,900</u>	<u>\$ 3,498,061</u>	602,462	<u>\$ (2,895,599)</u>
Fund balance - July 1, 2018			<u>10,318,250</u>	
Fund balance - June 30, 2019			<u>\$ 10,920,712</u>	

**CITY OF MARINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

Budgetary Control and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Each May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen's comments.
3. The budget is legally enacted by City Council resolution.
4. All budget adjustments increasing fund revenue or expenditures, including transfers between funds, must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to make adjustments within a fund.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for governmental funds. Budgets are adopted for the General Fund, all Special Revenue Funds, all Capital Projects Funds, and the Debt Service Fund.
6. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

**CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the City's Miscellaneous and Safety Plan, Cost Sharing Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years ***

	Measurement Period				
	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.19679 %	0.19055 %	0.18715 %	0.17995 %	0.18297 %
Proportionate share of the net pension liability	\$ 18,963,346	\$ 18,897,109	\$ 16,193,904	\$ 12,351,371	\$ 11,385,528
Covered - payroll	\$ 7,820,918	\$ 7,904,043	\$ 9,775,574	\$ 7,932,622	\$ 7,855,437
Proportionate share of the net pension liability as a percentage of covered - payroll	242.47 %	239.08 %	165.66 %	155.70 %	144.94 %
Plan fiduciary net position as a percentage of the total pension liability	75.26 %	73.31 %	74.06 %	78.40 %	79.82 %

Changes in assumptions

For the measurement period June 30, 2018, the CalPERS Board adopted new mortality assumptions for plan participants participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent.

For the measurement period ended June 30, 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, the discount rate remained at 7.65 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses). In 2014, amounts reported were based on the 7.50 percent discount rate.

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

**CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS
Prepared for the City's Miscellaneous and Safety Plan,
Cost Sharing Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years ***

	Fiscal Year End				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 2,050,095	\$ 2,524,388	\$ 2,385,218	\$ 2,069,732	\$ 1,428,070
Contributions in relation to the actuarially determined contributions	<u>2,050,095</u>	<u>2,524,388</u>	<u>2,385,218</u>	<u>2,069,732</u>	<u>1,428,070</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered - payroll	\$ 8,884,897	\$ 7,820,918	\$ 7,904,043	\$ 9,775,574	\$ 7,932,622
Contributions as a percentage of covered - payroll	23.07 %	32.28 %	30.18 %	21.17 %	18.00 %

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

**CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Measurement Periods Ended June 30**

Last 10 Years*

	<u>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 200,224	\$ 271,072
Interest	153,199	157,957
Actual Investment Income	(27,347)	(4,684)
Changes in assumptions	(200,100)	(1,590,885)
Benefit payments	<u>(28,444)</u>	<u>(22,911)</u>
Net change in total OPEB liability	97,532	(1,189,451)
Total OPEB liability, beginning	<u>4,093,174</u>	<u>5,282,625</u>
Total OPEB liability, ending (a)	<u>\$ 4,190,706</u>	<u>\$ 4,093,174</u>
 Covered-employee payroll	 \$ 7,820,918	 \$ 7,904,043
City's total OPEB liability as a percentage of covered-employee payroll	0.54 %	0.52 %

Changes in Assumptions

The discount rate changed from 3.58% as of the June 30, 2017 measurement date to 3.87% as of the June 30, 2018 measurement date.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only two years are shown. Additional years' information will be displayed as it becomes available.

See accompanying notes to the basic financial statements.

CITY OF MARINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30

Last 10 Years*

	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 76,872	\$ 22,911
Contributions in relation to the ADC	(76,872)	(22,911)
Contribution deficiency (excess)	-	-
Covered-employee payroll	\$ 8,884,897	\$ 7,820,918
Contributions as a percentage of covered-employee payroll	0.87 %	0.29 %

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only two years are shown. Additional years' information will be displayed as it becomes available.

See accompanying notes to the basic financial statements.

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

CDBG: Accounts for various U.S. Housing and Urban Development Department, Community Development Block Grant, non-housing programs, including grant revenues, grant expenditures and program income.

CDBG Housing: Accounts for various U.S. Housing and Urban Development Department, Community Development Block Grant, housing programs.

Public Education Government: Accounts for franchise tax fees collected with cable television bills. Fees collected through the cable provider finance the operating and capital costs of broadcasting City Council and other meetings of public interest over a dedicated TV channel.

CFD 2015-1 Dunes: A Community Facilities Districts (CFD) accounts for annual assessments against property owners within the boundaries of the District and related improvement and maintenance costs.

National Parks Recreation Services: Accounts for revenues generated by land and antenna rentals, and from various recreation activities conducted on the site, as well as costs for facilities improvements, repairs, maintenance, staffing and support costs related to recreational activities. All activities are conducted on property granted to the City upon Fort Ord Army Base Closure. Use of these resources is limited to recreation activities conducted on these premises.

Seabreeze Assessment District: Accounts for assessments collected from property owners within the boundaries of the District, and related landscape maintenance costs.

Monterey Bay Estates Assessment District: Accounts for assessments collected from property owners within the boundaries of the District, and related landscape maintenance costs.

Cypress Cove II Assessment District: Accounts for assessments collected from property owners within the boundaries of the District, and related landscape maintenance costs.

CFD 2007-2 Locke-Paddon: A Community Facilities District (CFD) accounts for annual assessments against property owners within the boundaries of the District and related improvement and maintenance costs.

Gas Tax Streets: Accounts for State gas tax revenues and occasional City cash and staffing contributions, and the costs of allowable streets maintenance and repair projects.

Road Maintenance and Rehabilitation (SB1): Accounts for funds received and expended specific to road maintenance and repairs.

Transportation Safety and Investment: Accounts for funds received and expended from sales tax Measure X to invest in roads throughout the County.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Airport: This fund accounts for federal and state grant revenues, city-match and other resources that are dedicated and/or restricted to creating, expanding or otherwise improving infrastructure and other long-lived assets at the Marina Municipal Airport.

Park Facilities: Over a period of time, this fund has accounted for residential park development taxes, park facility improvement fees, park facility use fees, mitigation fees for new development, parks in-lieu fees, grant revenues, private and public donations, antenna rents and other resources dedicated or restricted to the acquisition, construction and/or improvement of park and recreational facilities. Resources in this fund were expended for their required purposes, and since implementation of Parks Impact Fees (accounted for in the Impact Fee Fund) the fund has become inactive. The small remaining cash balance will be transferred to the appropriate successor fund.

Measure X - Road and Transportation: This fund accounts for street projects related to Measure X.

DEBT SERVICE FUNDS

Marina Landing Bonds: Accounted for special assessment revenues, bond principal and interest payments, and debt administration costs. Bonds were originally issued to finance certain infrastructure improvements to properties in the Marina Landing Assessment. All bonds have been liquidated but the fund has a residual cash balance which will be disbursed and the fund deactivated when appropriate.

Marina Greens Bonds: Accounted for special assessment revenues, bond principal and interest payments, and debt administration costs. Bonds were originally issued to finance certain infrastructure improvements to properties in the Marina Greens Assessment District. All bonds have been liquidated but the fund has a residual cash balance which will be disbursed and the fund deactivated when appropriate.

2015 GO Refunding Bonds: Accounts for tax revenues that provide resources to make bond principal and interest payments, and to pay costs of administering the 2015 general obligation refunding bonds, which refinanced the 2005 library construction general obligation bonds.

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Special Revenue Funds					
	<u>CDBG</u>	<u>CDBG Housing</u>	<u>Public Education Government</u>	<u>CFD 2015-1 Dunes</u>	<u>National Parks Recreation Services</u>	<u>Seabreeze Assessment District</u>
<u>ASSETS</u>						
Cash and investments	\$ 282,911	\$ 4,120	\$ 101,613	\$ 458,902	\$ 603,323	\$ 353
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	227	8	29,558	911	1,221	6
Notes receivable	514,431	76,500	-	-	-	-
Total Assets	\$ 797,569	\$ 80,628	\$ 131,171	\$ 459,813	\$ 604,544	\$ 359
<u>LIABILITIES:</u>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 29,558	\$ 980	\$ -	\$ 735
Accrued payroll and benefits	-	-	-	-	756	-
Total Liabilities	-	-	29,558	980	756	735
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenues	514,431	76,500	-	-	-	-
<u>FUND BALANCES (DEFICITS):</u>						
Restricted	283,138	4,128	-	458,833	603,788	-
Committed	-	-	101,613	-	-	-
Unassigned	-	-	-	-	-	(376)
Total Fund Balances (Deficits)	283,138	4,128	101,613	458,833	603,788	(376)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 797,569	\$ 80,628	\$ 131,171	\$ 459,813	\$ 604,544	\$ 359

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Special Revenue Funds					
	Monterey Bay Estates Assessment District	Cypress Cove II Assessment District	CFD 2007-2 Locke-Paddon	Gas Tax Streets	Road Maintenance and Rehabilitation	Transportation Safety and Investment
ASSETS						
Cash and investments	\$ 15,520	\$ 4,424	\$ 6,044	\$ 29,730	\$ 343,517	\$ 201,839
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	35	25	13	-	578	349,055
Notes receivable	-	-	-	-	-	-
Total Assets	<u>\$ 15,555</u>	<u>\$ 4,449</u>	<u>\$ 6,057</u>	<u>\$ 29,730</u>	<u>\$ 344,095</u>	<u>\$ 550,894</u>
LIABILITIES:						
Accounts payable and accrued expenses	\$ 1,225	\$ 1,476	\$ 756	\$ 20,769	\$ -	\$ 3,500
Accrued payroll and benefits	-	-	-	8,682	-	-
Total Liabilities	<u>1,225</u>	<u>1,476</u>	<u>756</u>	<u>29,451</u>	<u>-</u>	<u>3,500</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Restricted	14,330	2,973	5,301	279	344,095	547,394
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>14,330</u>	<u>2,973</u>	<u>5,301</u>	<u>279</u>	<u>344,095</u>	<u>547,394</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 15,555</u>	<u>\$ 4,449</u>	<u>\$ 6,057</u>	<u>\$ 29,730</u>	<u>\$ 344,095</u>	<u>\$ 550,894</u>

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Capital Projects Funds			Debt Service Funds			
	<u>Airport</u>	<u>Park Facilities</u>	<u>Measure X - Road and Transportation</u>	<u>Marina Landing Bonds</u>	<u>Marina Greens Bonds</u>	<u>2015 GO Refunding Bonds</u>	Total Non-Major Governmental Funds
<u>ASSETS</u>							
Cash and investments	\$ 220,235	\$ 831	\$ 1,274,226	\$ -	\$ -	\$ -	\$ 3,547,588
Restricted cash and investments	-	-	-	55,984	45,156	419,769	520,909
Accounts receivable	184,961	2	-	115	93	776	567,584
Notes receivable	-	-	-	-	-	-	590,931
Total Assets	<u>\$ 405,196</u>	<u>\$ 833</u>	<u>\$ 1,274,226</u>	<u>\$ 56,099</u>	<u>\$ 45,249</u>	<u>\$ 420,545</u>	<u>\$ 5,227,012</u>
<u>LIABILITIES:</u>							
Accounts payable and accrued expenses	\$ 180,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,062
Accrued payroll and benefits	1	-	-	-	-	-	9,439
Total Liabilities	<u>180,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,501</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenues	-	-	-	-	-	-	590,931
<u>FUND BALANCES (DEFICITS):</u>							
Restricted	225,132	833	1,274,226	56,099	45,249	420,545	4,286,343
Committed	-	-	-	-	-	-	101,613
Unassigned	-	-	-	-	-	-	(376)
Total Fund Balances (Deficits)	<u>225,132</u>	<u>833</u>	<u>1,274,226</u>	<u>56,099</u>	<u>45,249</u>	<u>420,545</u>	<u>4,387,580</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 405,196</u>	<u>\$ 833</u>	<u>\$ 1,274,226</u>	<u>\$ 56,099</u>	<u>\$ 45,249</u>	<u>\$ 420,545</u>	<u>\$ 5,227,012</u>

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	CDBG	CDBG Housing	Public Education Government	CFD 2015-1 Dunes	National Parks Recreation Services	Seabreeze Assessment District
<u>REVENUES</u>						
Taxes and assessments	\$ -	\$ -	\$ 116,609	\$ 159,599	\$ -	\$ 6,824
Investment earnings	2,127	67	-	5,865	9,131	49
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	114,350	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>2,127</u>	<u>67</u>	<u>116,609</u>	<u>165,464</u>	<u>123,481</u>	<u>6,873</u>
<u>EXPENDITURES</u>						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	6,492	-	9,465
Economic & community development	-	-	146,024	-	-	-
Recreation & cultural services	-	-	-	-	30,187	-
Capital outlay	-	-	2,027	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>148,051</u>	<u>6,492</u>	<u>30,187</u>	<u>9,465</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,127</u>	<u>67</u>	<u>(31,442)</u>	<u>158,972</u>	<u>93,294</u>	<u>(2,592)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(2,771)	(18,917)	(1,740)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,771)</u>	<u>(18,917)</u>	<u>(1,740)</u>
Net change in fund balances	2,127	67	(31,442)	156,201	74,377	(4,332)
Fund balances (deficits) - July 1, 2018	<u>281,011</u>	<u>4,061</u>	<u>133,055</u>	<u>302,632</u>	<u>529,411</u>	<u>3,956</u>
Fund balances (deficits) - June 30, 2019	<u>\$ 283,138</u>	<u>\$ 4,128</u>	<u>\$ 101,613</u>	<u>\$ 458,833</u>	<u>\$ 603,788</u>	<u>\$ (376)</u>

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	Monterey Bay Estates Assessment District	Cypress Cove II Assessment District	CFD 2007-2 Locke-Paddon	Gas Tax Streets	Road Maintenance and Rehabilitation	Transportation Safety and Investment
<u>REVENUES</u>						
Taxes and assessments	\$ 12,312	\$ 19,926	\$ 6,284	\$ 441,510	\$ 337,826	\$ 886,241
Investment earnings	216	189	80	72	2,351	46,393
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other revenue	-	-	-	4,746	-	-
Total Revenues	<u>12,528</u>	<u>20,115</u>	<u>6,364</u>	<u>446,328</u>	<u>340,177</u>	<u>932,634</u>
<u>EXPENDITURES</u>						
Current:						
General government	-	-	-	-	-	-
Public works	7,729	26,365	5,795	452,615	-	3,500
Economic & community development	-	-	-	-	-	-
Recreation & cultural services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>7,729</u>	<u>26,365</u>	<u>5,795</u>	<u>452,615</u>	<u>-</u>	<u>3,500</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,799</u>	<u>(6,250)</u>	<u>569</u>	<u>(6,287)</u>	<u>340,177</u>	<u>929,134</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	-	-	68,763	-	-
Transfers out	(2,871)	(2,751)	-	(62,400)	(122,500)	(500,000)
Total Other Financing Sources (Uses)	<u>(2,871)</u>	<u>(2,751)</u>	<u>-</u>	<u>6,363</u>	<u>(122,500)</u>	<u>(500,000)</u>
Net change in fund balances	1,928	(9,001)	569	76	217,677	429,134
Fund balances (deficits) - July 1, 2018	<u>12,402</u>	<u>11,974</u>	<u>4,732</u>	<u>203</u>	<u>126,418</u>	<u>118,260</u>
Fund balances (deficits) - June 30, 2019	<u>\$ 14,330</u>	<u>\$ 2,973</u>	<u>\$ 5,301</u>	<u>\$ 279</u>	<u>\$ 344,095</u>	<u>\$ 547,394</u>

CITY OF MARINA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Capital Projects Funds			Debt Service Funds			Total Non-Major Governmental Funds
	<u>Airport</u>	<u>Park Facilities</u>	<u>Measure X - Road and Transportation</u>	<u>Marina Landing Bonds</u>	<u>Marina Greens Bonds</u>	<u>2015 GO Refunding Bonds</u>	
<u>REVENUES</u>							
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512,574	\$ 2,499,705
Investment earnings	4,285	14	-	909	733	3,000	75,481
Intergovernmental	234,769	-	-	-	-	-	234,769
Charges for services	-	-	-	-	-	-	114,350
Other revenue	-	-	-	-	-	-	4,746
Total Revenues	<u>239,054</u>	<u>14</u>	<u>-</u>	<u>909</u>	<u>733</u>	<u>515,574</u>	<u>2,929,051</u>
<u>EXPENDITURES</u>							
Current:							
General government	-	-	-	-	-	2,060	2,060
Public works	-	-	-	-	-	-	511,961
Economic & community development	-	-	-	-	-	-	146,024
Recreation & cultural services	-	-	-	-	-	-	30,187
Capital outlay	327,374	-	947,145	-	-	-	1,276,546
Debt service:							
Principal	-	-	-	-	-	195,000	195,000
Interest and fiscal charges	-	-	-	-	-	250,931	250,931
Total Expenditures	<u>327,374</u>	<u>-</u>	<u>947,145</u>	<u>-</u>	<u>-</u>	<u>447,991</u>	<u>2,412,709</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(88,320)</u>	<u>14</u>	<u>(947,145)</u>	<u>909</u>	<u>733</u>	<u>67,583</u>	<u>516,342</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers in	143,894	-	2,221,371	-	-	-	2,434,028
Transfers out	(200,000)	-	-	(54)	(43)	(14,855)	(928,902)
Total Other Financing Sources (Uses)	<u>(56,106)</u>	<u>-</u>	<u>2,221,371</u>	<u>(54)</u>	<u>(43)</u>	<u>(14,855)</u>	<u>1,505,126</u>
Net change in fund balances	(144,426)	14	1,274,226	855	690	52,728	2,021,468
Fund balances (deficits) - July 1, 2018	<u>369,558</u>	<u>819</u>	<u>-</u>	<u>55,244</u>	<u>44,559</u>	<u>367,817</u>	<u>2,366,112</u>
Fund balances (deficits) - June 30, 2019	<u>\$ 225,132</u>	<u>\$ 833</u>	<u>\$ 1,274,226</u>	<u>\$ 56,099</u>	<u>\$ 45,249</u>	<u>\$ 420,545</u>	<u>\$ 4,387,580</u>

CITY OF MARINA
SUCCESSOR AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019

	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,409,302	\$ 70,007	\$ 3,479,309
Cash and investments with fiscal agents (Note 2)	1,376,818	-	1,376,818
Accounts receivables	19,398	163	19,561
Prepaid expenses	9,500	-	9,500
Long-term receivable, State of California	400,000	-	400,000
Capital assets, land	<u>-</u>	<u>900,000</u>	<u>900,000</u>
Total Assets	<u>5,215,018</u>	<u>970,170</u>	<u>6,185,188</u>
<u>LIABILITIES</u>			
Accounts payable	1,613	5	1,618
Accrued salaries and benefits	6,578	530	7,108
Due to City of Marina Funds	-	-	-
Premium on bond	1,200,592	-	1,200,592
Bonds payable:			
Due within one year	400,000	-	400,000
Due in more than one year	<u>13,160,000</u>	<u>-</u>	<u>13,160,000</u>
Total Liabilities	<u>14,768,783</u>	<u>535</u>	<u>14,769,318</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property taxes received in advance	<u>1,020,911</u>	<u>-</u>	<u>1,020,911</u>
Total Deferred Inflows of Resources	<u>1,020,911</u>	<u>-</u>	<u>1,020,911</u>
<u>NET POSITION</u>			
Held in trust for private purposes	\$ <u>(10,574,676)</u>	\$ <u>969,635</u>	\$ <u>(9,605,041)</u>

CITY OF MARINA
SUCCESSOR AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency Obligation Retirement Fund	Successor Agency Housing Assets Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ADDITIONS</u>			
Property taxes	\$ 1,875,679	\$ -	\$ 1,875,679
Investment earnings	69,793	489	70,282
Property tax in-lieu	<u>29,139</u>	<u>-</u>	<u>29,139</u>
Total Additions	<u>1,974,611</u>	<u>489</u>	<u>1,975,100</u>
<u>DEDUCTIONS</u>			
Program costs	14,476,073	-	14,476,073
Legal and professional fees	18,355	104	18,459
Employee costs	230,345	21,529	251,874
Occupancy and operating costs	<u>22,262</u>	<u>1,610</u>	<u>23,872</u>
Total Deductions	<u>14,747,035</u>	<u>23,243</u>	<u>14,770,278</u>
Transfers of funds	<u>196,500</u>	<u>(196,500)</u>	<u>-</u>
Change in Net Position	(12,575,924)	(219,254)	(12,795,178)
Net Position - JULY 1, 2018	<u>2,001,248</u>	<u>1,188,889</u>	<u>3,190,137</u>
Net Position - June 30, 2019	\$ <u><u>(10,574,676)</u></u>	\$ <u><u>969,635</u></u>	\$ <u><u>(9,605,041)</u></u>

GENERAL FUNDS

The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the City, the general funds used by the City are shown below:

General Fund

This fund is the primary source for discretionary spending that is not restricted by the source of the funds received. It serves the administration, development services, community facilities, public safety, and non-departmental divisions.

Vehicle & Equipment Replacement Fund

The fund accumulates resources for vehicle and equipment purchases.

GASB 45 OPEB Obligation Fund

Accumulates resources committed to partial satisfaction of the City's Other Post-Employment Benefits (OPEB); (retiree healthcare) obligation.

Library Maintenance Fund

Accounts for resources dedicated to maintain the City's public library.

Pension Stabilization Fund

The City of Marina recognizes that pension costs will be increasing over the next several years. The fund accounts for resources the City Council has put aside to meet these costs, reducing the impact of future expected cost increases.

Development Activity Fund

Accounted for negotiation costs and developer contributions related to large scale development activities on and within properties acquired by the City from the federal government as a result of closure of the Fort Ord Army Base. This fund was deactivated for the fiscal year ending June 30, 2019.

CITY OF MARINA
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2019

	General Fund	Vehicle & Equipment Replacement	GASB 45 OPEB Obligation	Library Maintenance Fund	Pension Stabilization Fund	Development Activity Fund	Total General Fund
ASSETS							
Cash and cash equivalents	\$ 13,573,637	\$ 2,055,000	\$ 200,000	\$ 311,935	\$ 950,000	\$ -	\$ 17,090,572
Restricted cash	4,065	-	-	-	-	-	4,065
Accounts receivable	3,075,664	-	-	-	-	-	3,075,664
Prepaid expenses	12,000	-	-	-	-	-	12,000
Notes receivable	115,651	-	-	-	-	-	115,651
Total Assets	<u>\$ 16,781,017</u>	<u>\$ 2,055,000</u>	<u>\$ 200,000</u>	<u>\$ 311,935</u>	<u>\$ 950,000</u>	<u>\$ -</u>	<u>\$ 20,297,952</u>
LIABILITIES							
Accounts payable	\$ 1,304,896	\$ -	\$ -	\$ 1,300	\$ -	\$ -	\$ 1,306,196
Accrued payroll and benefits	295,000	-	-	8	-	-	295,008
Deposits payable and other liabilities	585,326	-	-	-	-	-	585,326
Total Liabilities	<u>2,185,222</u>	<u>-</u>	<u>-</u>	<u>1,308</u>	<u>-</u>	<u>-</u>	<u>2,186,530</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - State of CA SB 90 claims	327,898	-	-	-	-	-	327,898
Unavailable revenues - Other	309,287	-	-	-	-	-	309,287
Unavailable revenues - FORA	50,000	-	-	-	-	-	50,000
Total Deferred Inflows of Resources	<u>687,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>687,185</u>
FUND BALANCES (DEFICITS):							
Reserved for:							
Nonspendable	12,000	-	-	-	-	-	12,000
Restricted	239,497	-	-	-	-	-	239,497
Committed	6,128,811	2,055,000	200,000	310,627	950,000	-	9,644,438
Unassigned	7,528,302	-	-	-	-	-	7,528,302
Total Fund Balances (Deficits)	<u>13,908,610</u>	<u>2,055,000</u>	<u>200,000</u>	<u>310,627</u>	<u>950,000</u>	<u>-</u>	<u>17,424,237</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,781,017</u>	<u>\$ 2,055,000</u>	<u>\$ 200,000</u>	<u>\$ 311,935</u>	<u>\$ 950,000</u>	<u>\$ -</u>	<u>\$ 20,297,952</u>

CITY OF MARINA
GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Vehicle & Equipment Replacement</u>	<u>GASB 45 OPEB Obligation</u>	<u>Library Maintenance Fund</u>	<u>Pension Stabilization Fund</u>	<u>Development Activity Fund</u>	<u>Total General Fund</u>
<u>REVENUES</u>							
Taxes and assessments	\$ 18,859,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,859,358
License, permits, and fees	2,346,192	-	-	-	-	-	2,346,192
Fines and forfeitures	102,543	-	-	-	-	-	102,543
Investment earnings	334,220	-	-	-	-	-	334,220
Intergovernmental	718,985	-	-	-	-	-	718,985
Charges for services	3,313,868	-	-	-	-	-	3,313,868
Other revenues	<u>162,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,455</u>
Total Revenues	<u>25,837,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,837,621</u>
<u>EXPENDITURES</u>							
General government	4,628,552	-	-	33,742	-	-	4,662,294
Public safety	10,300,132	-	-	-	-	-	10,300,132
Public works	1,356,463	-	-	-	-	-	1,356,463
Economic & community development	2,495,050	-	-	-	-	-	2,495,050
Recreation & cultural services	964,602	-	-	-	-	-	964,602
Capital outlay	183,192	-	-	-	-	-	183,192
Principal	145,000	-	-	-	-	-	145,000
Interest and fiscal charges	<u>7,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,787</u>
Total Expenditures	<u>20,080,778</u>	<u>-</u>	<u>-</u>	<u>33,742</u>	<u>-</u>	<u>-</u>	<u>20,114,520</u>
Excess (deficiency) of revenues over expenditures	<u>5,756,843</u>	<u>-</u>	<u>-</u>	<u>(33,742)</u>	<u>-</u>	<u>-</u>	<u>5,723,101</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers in	148,202	640,000	-	-	650,000	1,640,197	3,078,399
Transfers out	<u>(3,943,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,943,446)</u>
Total Other Financing Sources (Uses)	<u>(3,795,244)</u>	<u>640,000</u>	<u>-</u>	<u>-</u>	<u>650,000</u>	<u>1,640,197</u>	<u>(865,047)</u>
Net Change in Fund Balance	1,961,599	640,000	-	(33,742)	650,000	1,640,197	4,858,054
Fund Balances (Deficits) - July 1, 2018	<u>11,947,011</u>	<u>1,415,000</u>	<u>200,000</u>	<u>344,369</u>	<u>300,000</u>	<u>(1,640,197)</u>	<u>12,566,183</u>
Fund Balances (Deficits) - June 30, 2019	<u>\$ 13,908,610</u>	<u>\$ 2,055,000</u>	<u>\$ 200,000</u>	<u>\$ 310,627</u>	<u>\$ 950,000</u>	<u>\$ -</u>	<u>\$ 17,424,237</u>

OTHER REPORTS



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

To the City Council
Marina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marina (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of Marina's basic financial statements and have issued our report thereon dated February 24, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Mann, Urrutia, Nelson CPAs

Sacramento, California
February 24, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the City Council
Marina, California

Report on Compliance for Each Major Federal Program

We have audited the City of Marina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Marina's major federal programs for the year ended June 30, 2019. City of Marina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Marina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Marina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Marina's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Marina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City of Marina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Marina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Marina's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mann, Ursutia, Nelson CPAs

Sacramento, California
February 24, 2020

CITY OF MARINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title	Federal CFDA Number	Grantor's/ Pass-Through Entity Number	Expenditures
Department of Homeland Security			
Direct Grants:			
SAFER grant	97.083	-	\$ <u>50,387</u>
Total Department of Homeland Security			<u>50,387</u>
United States Department of Justice			
Direct Grants:			
Public Safety Partnership and Community Policing Grants	16.710	-	<u>23,830</u>
Total United States Department of Justice			<u>23,830</u>
Department of Transportation			
Direct Grants:			
Airport Improvement Program - Perimeter Fencing	20.106	-	92,527
Airport Improvement Program - Taxi-way B Extension	20.106	-	132,734
Airport Improvement Program - Beacon Replacement	20.106	-	<u>9,508</u>
Total Airport Improvement Program			<u>234,769</u>
Highway Planning and Construction - Traffic Signal	20.205	HSIPL-5416(010)	931,360
Highway Planning and Construction - Imjin Bike Lane	20.205	RPSTPLE-5416(008)	<u>124,582</u>
Total Highway Planning and Construction			<u>1,055,942</u>
Total Department of Transportation			<u>1,290,711</u>
Total Federal Expenditures			\$ <u><u>1,364,928</u></u>

CITY OF MARINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Marina. The City of Marina reporting entity is defined in Note 1 of the City's Annual Financial Report. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented on the accrual basis of accounting and in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's basic financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues in the governmental funds.

NOTE 4: CLAIMS

The City of Marina has received federal grants for specific purposes that are subject to review and audit by the Federal Government pass-through entity. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material which have not already been recorded.

NOTE 5: INDIRECT COSTS

The City of Marina did not use the 10% de minimis indirect cost rate. Indirect costs were determined as part of the respective grant's approved budget.

CITY OF MARINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiencies?	None reported
Material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant deficiencies?	None reported
Material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance	No
Major programs are as follows: Highway Planning and Construction (20.205)	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

CITY OF MARINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted *Government Auditing Standards*.

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and questioned costs for Federal Awards, which includes audit findings and defined in Section 200.516 of the Uniform Guidance.

None.

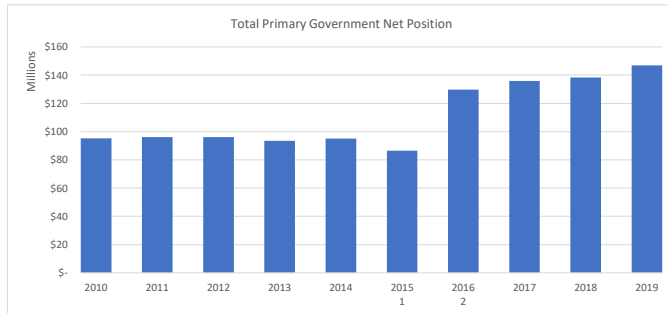
CITY OF MARINA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

There were no findings to report for the year ended June 30, 2018.

**City of Marina
Net Position
Last Ten Fiscal Years**

TABLE 1

	Fiscal Year Ended June 30					Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014	2015 ¹	2016 ²	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 19,260,726	\$ 19,107,299	\$ 18,946,730	\$ 18,664,807	\$ 20,295,121	\$ 22,196,868	\$ 61,460,494	\$ 64,902,023	\$ 74,531,326	\$ 74,955,690
Restricted	10,661,582	11,001,001	8,088,891	6,790,485	7,082,547	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743
Unrestricted	17,256,636	16,025,740	17,808,826	17,440,618	18,619,528	7,227,722	12,018,477	11,101,690	1,153,328	5,397,539
Total governmental activities net position	\$ 47,178,944	\$ 46,134,040	\$ 44,844,447	\$ 42,895,910	\$ 45,997,196	\$ 37,619,354	\$ 80,038,165	\$ 85,359,030	\$ 88,053,937	\$ 94,730,972
Business-type activities:										
Net investment in capital assets	\$ 44,038,539	\$ 45,583,336	\$ 46,298,927	\$ 45,577,707	\$ 43,551,275	\$ 43,324,510	\$ 42,332,248	\$ 42,448,410	\$ 41,999,782	\$ 41,393,300
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,962,333	4,395,902	5,009,395	5,007,519	5,543,355	5,561,505	7,457,704	7,987,512	8,317,449	10,759,921
Total business-type activities net position	\$ 48,000,872	\$ 49,979,238	\$ 51,308,322	\$ 50,585,226	\$ 49,094,630	\$ 48,886,015	\$ 49,789,952	\$ 50,435,922	\$ 50,317,231	\$ 52,153,221
Primary government:										
Net investment in capital assets	\$ 63,299,265	\$ 64,690,635	\$ 65,245,657	\$ 64,242,514	\$ 63,846,396	\$ 65,521,378	\$ 103,792,742	\$ 107,350,433	\$ 116,531,108	\$ 116,348,990
Restricted	10,661,582	11,001,001	8,088,891	6,790,485	7,082,547	8,194,764	6,559,194	9,355,317	12,369,283	14,377,743
Unrestricted	21,218,969	20,421,642	22,818,221	22,448,137	24,162,883	12,789,227	19,476,181	19,089,202	9,470,777	16,157,460
Total primary government net position	\$ 95,179,816	\$ 96,113,278	\$ 96,152,769	\$ 93,481,136	\$ 95,091,826	\$ 86,505,369	\$ 129,828,117	\$ 135,794,952	\$ 138,371,168	\$ 146,884,193



Notes:

- 1 In Fiscal 2014/15, the City implemented Governmental Accounting Standards Board (GASB) Statement 68 - Accounting and Financial Reporting for Pensions, requiring the City to record a fictitious pension liability that was previously neither measurable nor recorded on the City's financial statements
- 2 In Fiscal 2015/16, the City acquired two significant capital assets: Preston Park Housing Project \$35.1 million and Dunes infrastructure \$2.9 million

Source: City of Marina Audited Financial Statements

City of Marina
Changes in Net Position
Last Ten Fiscal Years

TABLE 2

	Fiscal Year Ended June 30					Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 3,992,342	\$ 3,472,230	\$ 3,705,459	\$ 3,158,122	\$ 2,916,551	\$ 2,984,155	\$ 3,480,230	\$ 4,692,664	\$ 5,513,745	\$ 5,858,902
Public safety	9,309,076	9,477,108	9,724,249	10,062,178	10,600,203	10,128,248	9,854,516	11,351,326	10,668,593	10,604,157
Public works	2,353,095	1,626,009	2,163,703	2,673,237	2,757,413	2,887,311	1,873,600	1,908,465	1,915,307	2,216,656
Recreation	911,425	1,054,660	1,068,016	1,088,854	1,232,087	1,069,775	1,179,699	1,173,364	1,197,500	1,169,832
Public Improvements	1,429,602	3,251,769	2,061,205	1,167,854	765,115	896,127	1,505,639	1,689,946	1,883,898	2,177,696
Debt Service	1,267,916	1,215,399	1,145,120	1,088,328	1,030,828	1,407,245	796,761	667,627	553,256	558,500
Economic & Community Development	5,454,579	5,072,007	3,189,156	1,501,626	1,791,747	1,424,974	2,441,492	1,927,976	2,259,928	2,803,220
Total governmental activities expenses	24,718,035	25,169,182	23,056,908	20,740,199	21,093,944	20,797,835	21,131,937	23,411,368	23,992,227	25,388,963
Business-type activities:										
Airport	1,517,251	1,555,520	1,805,625	2,067,193	2,139,705	1,901,134	1,578,540	1,608,413	1,702,082	1,485,600
Abrams-B Housing	3,032,720	2,315,180	2,331,910	2,673,687	2,897,135	2,606,945	3,224,211	3,106,604	3,394,698	5,974,685
Preston Park Housing	-	-	-	-	-	-	3,940,705	6,435,459	6,622,148	2,594,187
Total business-type activities expenses	4,549,971	3,870,700	4,137,535	4,740,880	5,036,840	4,508,079	8,743,456	11,150,476	11,718,928	10,054,472
Total primary government expenses	\$ 29,268,006	\$ 29,039,882	\$ 27,194,443	\$ 25,481,079	\$ 26,130,784	\$ 25,305,914	\$ 29,875,393	\$ 34,561,844	\$ 35,711,155	\$ 35,443,435
Program Revenues										
Governmental activities:										
Charges for services & program revenues:										
General government	\$ 3,927,651	\$ 1,835,880	\$ 2,523,926	\$ 1,253,981	\$ 2,857,217	\$ 573,764	\$ 2,494,834	\$ 2,499,202	\$ 3,932,540	\$ 4,020,638
Public safety	702,497	479,229	463,373	744,846	848,336	603,046	786,543	733,781	909,599	218,953
Public works	832,232	271,388	216,950	515,416	905,055	1,751,989	-	599	440	-
Recreation	332,926	186,910	162,077	244,427	179,949	178,301	81,713	77,361	94,627	92,731
Public Improvements	1,040,824	1,021,255	468,981	5,533	60,905	1,056,078	1,929,360	2,306,877	2,295,007	1,776,845
Debt Service	1,435,657	1,282,130	805,495	1,120,322	1,063,287	1,215,804	-	-	-	-
Economic & Community Development	4,098,980	6,283,847	280,763	1,402,912	3,390,067	2,898,550	1,252,538	1,685,111	1,473,747	1,430,281
Operating grants and contributions	892,854	719,132	766,875	419,088	501,893	438,044	380,876	-	397,385	846,776
Capital grants and contributions	440,855	2,420,953	1,450,216	589,729	658,007	2,286,975	4,585,380	-	1,197,861	1,517,506
Total governmental activities program revenues	13,704,476	14,500,724	7,158,656	6,296,254	10,464,716	11,002,551	11,511,244	7,302,931	10,301,206	9,903,730
Business-type activities:										
Charges for services:										
Airport	892,269	866,820	1,084,201	1,118,689	1,188,608	1,235,090	1,135,525	1,157,167	1,078,147	1,331,552
Abrams-B Housing	1,842,741	2,788,321	2,917,523	2,892,241	2,965,994	3,058,722	3,197,353	3,264,067	3,324,176	6,687,941
Preston Park Housing	-	-	-	-	-	-	4,934,125	6,328,162	6,469,476	3,455,449
Operating grants and contributions	10,000	20,000	-	-	-	-	-	390,351	10,000	-
Capital grants and contributions	-	-	-	-	-	-	-	3,986,805	696,860	-
Total business-type activities program revenues	2,745,010	3,675,141	4,001,724	4,010,930	4,154,602	4,293,812	9,277,003	15,126,552	11,578,659	11,474,942
Total primary government program revenues	16,449,486	18,175,865	11,160,380	10,307,184	14,619,318	15,296,363	20,788,247	22,429,483	21,879,865	21,378,672
Net (expense)/revenue:										
Governmental activities	(11,013,559)	(10,668,458)	(15,898,252)	(14,443,945)	(10,629,228)	(9,795,284)	(9,620,693)	(16,108,437)	(13,691,021)	(15,485,233)
Business-type activities	(1,804,961)	(195,559)	(135,811)	(729,950)	(882,238)	(214,267)	533,547	3,976,076	(140,269)	1,420,470
Total primary government net (expense)/revenue	\$ (12,818,520)	\$ (10,864,017)	\$ (16,034,063)	\$ (15,173,895)	\$ (11,511,466)	\$ (10,009,551)	\$ (9,087,146)	\$ (12,132,361)	\$ (13,831,290)	\$ (14,064,763)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 1,880,844	\$ 1,800,140	\$ 3,980,436	\$ 2,341,638	\$ 4,595,756	\$ 5,109,408	\$ 2,719,013	\$ 3,018,698	\$ 3,261,967	\$ 3,796,881
Sales and use taxes	1,939,172	2,511,539	4,274,491	4,434,956	4,588,760	4,849,207	5,210,921	5,366,144	5,929,585	6,862,925
Transient occupancy taxes	1,368,311	1,458,187	1,876,488	1,932,294	2,154,023	2,395,263	2,549,531	2,680,928	3,297,828	4,008,179
Motor vehicle taxes	2,489,371	2,429,466	3,091,930	3,014,633	-	-	2,685,134	2,934,743	3,252,508	3,649,318
Franchise taxes	587,243	671,996	649,791	646,522	726,548	823,764	1,007,012	1,084,574	1,173,881	1,976,778
Investment earnings	187,027	72,192	54,237	49,158	23,541	28,416	75,584	149,622	402,805	613,259
Capital asset additions	-	-	-	-	-	-	37,062,047	-	-	-
Transfers, Miscellaneous & One-time revenues	-	680,034	576,486	76,207	1,641,886	1,423,896	730,262	1,817,437	2,466,111	1,254,928
Prior Period Adjustment	-	-	-	-	-	-	-	-	(3,398,757)	-
Total governmental activities	8,451,968	9,623,554	14,503,859	12,495,408	13,730,514	14,629,954	52,039,504	17,052,146	16,385,928	22,162,268
Business-type activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	9,030	8,005	6,386	6,854	5,941	5,653	6,954	10,824	21,578	76,494
Contributed capital assets	104,724	2,165,920	1,458,509	-	13,960	-	-	1,036,227	-	324,720
Transfers In/(Out) Net	-	-	-	-	-	-	-	-	-	14,306
Total business-type activities	113,754	2,173,925	1,464,895	6,854	19,901	5,653	6,954	1,047,051	21,578	415,520
Total primary government	\$ 8,565,722	\$ 11,797,479	\$ 15,968,754	\$ 12,502,262	\$ 13,750,415	\$ 14,635,607	\$ 52,046,458	\$ 18,099,197	\$ 16,407,506	\$ 22,577,788
Change in Net Position										
Governmental activities	\$ (2,561,591)	\$ (1,044,904)	\$ (1,394,393)	\$ (1,948,537)	\$ 3,101,286	\$ 4,834,670	\$ 42,418,811	\$ 943,709	\$ 2,694,907	\$ 6,677,035
Business-type activities	(1,691,207)	1,978,366	1,329,084	(723,096)	(862,337)	(208,614)	540,501	5,023,127	(118,691)	1,835,990
Total primary government	\$ (4,252,798)	\$ 933,462	\$ (65,309)	\$ (2,671,633)	\$ 2,238,949	\$ 4,626,056	\$ 42,959,312	\$ 5,966,836	\$ 2,576,216	\$ 8,513,025

Source: City of Marina Audited Financial Statements

City of Marina
Fund Balances of Governmental Funds
Last Ten Fiscal Years

TABLE 3

	Fiscal Year Ended June 30					Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Non-spendable	\$ 73,071	\$ 211,507	\$ 269,169	\$ 269,169	\$ 545,361	\$ 715,669	\$ 543,713	\$ 530,713	\$ 530,713	\$ -
Restricted	41	85,158	175,172	178,246	180,782	396,081	446,329	211,371	511,371	239,497
Committed			200,000	200,000	200,000	603,705	570,730	7,027,012	7,367,012	9,644,438
Unassigned	3,640,491	9,128,226	7,272,918	5,443,810	6,478,231	6,142,694	6,340,666	1,318,952	4,157,087	7,549,288
Total General Fund	\$ 3,713,603	\$ 9,424,891	\$ 7,917,259	\$ 6,091,225	\$ 7,404,374	\$ 7,858,149	\$ 7,901,438	\$ 9,088,048	\$ 12,566,183	\$ 17,433,223
All other governmental funds										
Restricted										
Recreation & Social Service Programs	\$ 856,675	\$ 769,592	\$ 774,760	\$ 529,511	\$ 388,107	\$ 437,778	\$ 396,963	\$ 456,117	\$ 529,410	\$ 603,788
Economic & Community Development	8,391,896	8,800,710	5,038,229	4,134,798	4,691,109	6,742,282	5,094,894	8,270,438	10,318,250	13,121,425
Capital Improvements & Maintenance	697,247	-	902,846	872,555	918,950	15,068	59,329	256,727	950,955	1,500,191
Debt service	1,473,299	1,358,960	1,197,884	1,075,375	903,599	603,555	561,680	859,522	884,213	889,834
Committed										
Economic & Community Development	5,280,220	490,932	134,711	134,711	132,458	156,180	130,961	111,245	418,127	101,614
Capital improvements	1,265,813	-	2,880,217	4,440,774	3,852,318	4,779,576	8,028,870	5,300,589	6,199,660	5,858,952
Unassigned	-	(72,960)	-	-	-	-	-	-	-	(376)
Total all other governmental funds	\$ 17,965,150	\$ 11,347,234	\$ 10,928,647	\$ 11,187,724	\$ 10,886,541	\$ 12,734,439	\$ 14,272,697	\$ 15,254,638	\$ 19,300,615	\$ 22,075,428
Fund Balance - All Governmental Funds	\$ 21,678,753	\$ 20,772,125	\$ 18,845,906	\$ 17,278,949	\$ 18,290,915	\$ 20,592,588	\$ 22,174,135	\$ 24,342,686	\$ 31,866,798	\$ 39,508,651

The City implemented GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions," beginning fiscal year 2011. Certain data required by GASB 54 is not available for years prior to 2011, and certain fund balance classifications have changed under GASB-54. Reclassifications for prior years have not been made.

Source: City of Marina audited financial statements

City of Marina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

TABLE 4

	Fiscal Year Ended June 30					Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes & assessments	\$ 12,517,983	\$ 13,929,237	\$ 13,873,137	\$ 12,370,042	\$ 13,403,846	\$ 13,859,210	\$ 14,776,278	\$ 15,622,866	\$ 17,513,555	\$ 21,359,063
Intergovernmental revenues	-	-	-	-	-	-	2,649,113	3,224,446	2,252,459	2,069,412
Licenses, Permits & Fees	301,608	144,424	189,415	277,547	444,470	515,123	545,288	672,613	2,127,179	2,346,192
Fines and penalties	168,832	188,465	187,808	189,423	195,743	194,540	144,598	146,415	106,116	102,543
Charges for services & program revenues	6,460,974	7,821,418	7,018,767	6,154,287	8,730,551	9,732,507	5,315,358	5,203,312	6,074,165	5,136,602
Investment Earnings	204,777	93,423	66,685	49,158	38,287	41,926	75,584	149,622	402,532	613,259
Other revenues	489,392	494,421	180,324	536,172	108,332	1,242,920	39,664,855 ⁽ⁱ⁾	2,893,494 ⁽ⁱⁱ⁾	1,169,157	839,396
Total revenues	20,143,566	22,671,388	21,516,136	19,576,629	22,921,229	25,586,226	63,171,074	27,912,768	29,645,163	32,466,467
Expenditures										
General government	2,936,205	2,895,819	3,225,776	2,187,323	2,333,193	2,512,974	2,765,874	3,350,106	4,334,089	4,664,354
Public safety	9,311,788	9,632,113	10,175,888	10,194,910	10,209,287	10,551,880	10,425,058	10,581,491	10,127,912	10,300,132
Public works	2,233,570	2,097,067	2,183,090	2,640,931	2,686,096	2,906,689	1,784,937	1,798,782	1,821,925	1,868,424
Planning	-	-	-	-	-	-	-	-	-	-
Redevelopment	3,845,131	3,651,786	1,700,931	-	-	-	-	-	-	-
Economic & community development	1,611,413	1,445,248	1,492,441	1,953,554	1,800,790	1,448,506	2,441,977	1,923,875	2,254,588	2,641,074
Recreation & cultural services	941,625	857,338	907,685	913,253	1,080,272	895,100	964,613	950,754	1,002,449	994,789
Public improvements/capital outlay	2,195,651	3,141,555	2,032,620	2,076,397	3,153,496	2,722,948	41,314,503	6,281,854	2,042,472	3,678,333
Debt Service										
Principal	1,010,977	710,000	735,000	676,185	1,214,878	661,757	1,284,007	889,686	625,200	765,000
Interest and fiscal charges	1,277,717	1,027,124	992,799	941,068	1,041,082	1,063,563	734,155	719,354	641,193	561,358
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	25,364,077	25,458,050	23,446,230	21,583,621	23,519,094	22,763,417	61,715,124	26,495,902	22,849,828	25,473,464
Excess of revenues over(under) expenditures	(5,220,511)	(2,786,662)	(1,930,094)	(2,006,992)	(597,865)	2,822,809	1,455,950	1,416,866	6,795,335	6,993,003
Other financing sources (uses)										
Transfers in	7,009,668	12,464,102	5,028,972	3,368,405	2,928,560	3,149,165	4,669,312	2,156,862	1,312,011	4,298,165
Transfers out	(4,837,265)	(11,784,069)	(4,500,744)	(2,928,370)	(2,387,529)	(3,017,733)	(4,543,717)	(1,405,176)	(583,234)	(4,312,471)
Asset disposition proceeds	-	1,200,000	-	-	1,068,800	-	-	-	-	-
Long-term debt proceeds/defeasement costs	-	-	-	-	-	(401,716)	-	-	-	663,156
	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,172,403	1,880,033	528,228	440,035	1,609,831	(270,284)	125,595	751,686	728,777	648,850
Extraordinary items										
Extraordinary gain/(loss)	-	-	(629,152)	-	-	-	-	-	-	-
Total extraordinary items	-	-	(629,152)	-	-	-	-	-	-	-
Net change in fund balances	\$ (3,048,108)	\$ (906,629)	\$ (2,031,018)	\$ (1,566,957)	\$ 1,011,966	\$ 2,552,525	\$ 1,581,545	\$ 2,168,552	\$ 7,524,112	\$ 7,641,853
Beginning Fund Balances	24,726,862	21,678,754	20,772,125	18,845,907	17,278,949	18,290,915	20,592,588	22,174,136	24,342,686	31,866,798
Rounding	-	-	-	(1)	-	-	3	(2)	-	-
Prior-period adjustment	-	-	104,800	-	-	(250,852)	-	-	-	-
Ending Fund Balances	\$ 21,678,754	\$ 20,772,125	\$ 18,845,907	\$ 17,278,949	\$ 18,290,915	\$ 20,592,588	\$ 22,174,136	\$ 24,342,686	\$ 31,866,798	\$ 39,508,651

(i) - during FY 2015/2016 the City recorded a one-time revenue resulting from sale of a 50-year leasehold interest in the Preston Park Housing development to the Preston Park Corporation. An extraordinary capital outlay cost was recorded for the acquisition of that asset. In addition, the developer of the former University Villages donated almost \$3 Million infrastructure which was recognized as one-time revenue. Other one-time capital asset-related revenues totalled \$1.3 Million

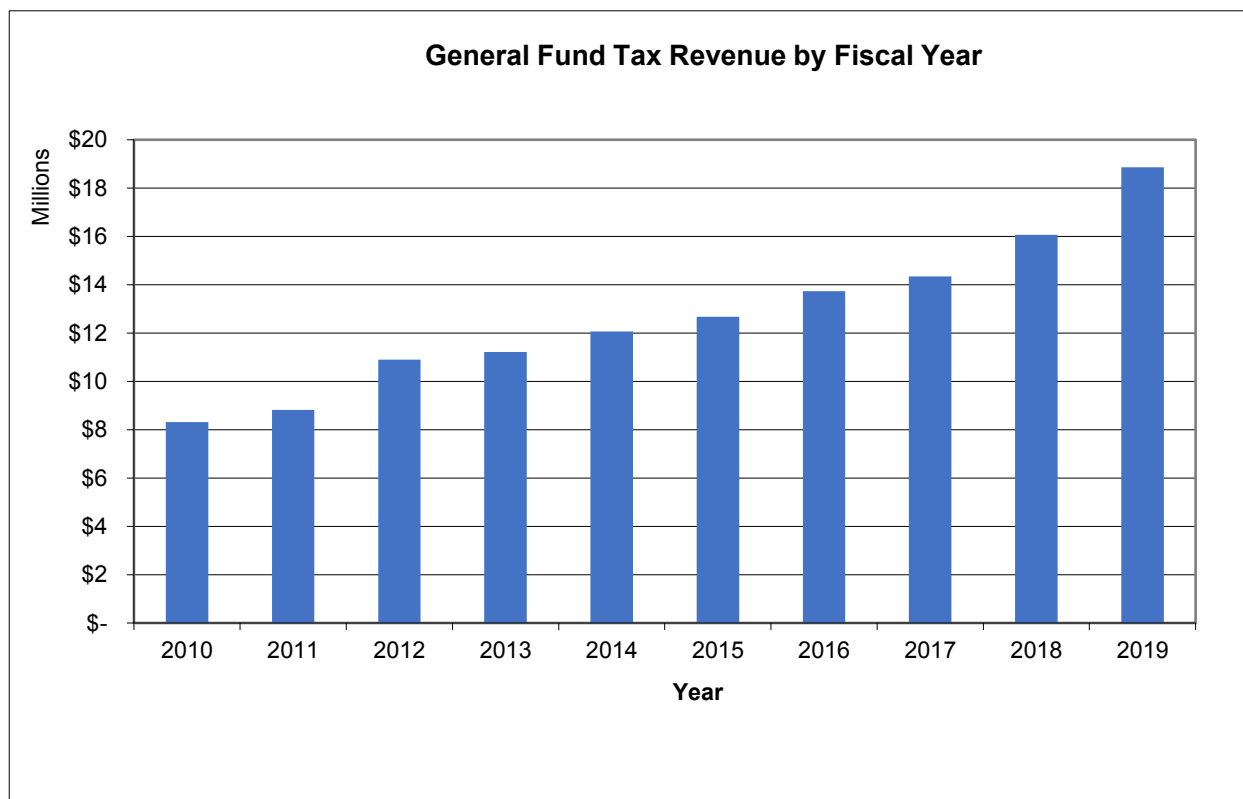
(ii) - During fiscal 2016/17 The City recorded a one-time revenue of almost \$2 from donation of infrastructure at the Dunes development. In addition, significant extraordinary grants for capital improvements were received.

Source: City of Marina Audited Financial Statements

City of Marina
General Fund Tax Revenues
Last Ten Fiscal Years

TABLE 5

Fiscal Year Ended June 30	Property	Sales	Franchise & Cardroom	Transient Occupancy	Motor Vehicle. In-Lieu	Total
2010	1,880,844	1,994,115	587,243	1,368,311	2,489,371	\$ 8,319,884
2011	1,800,140	2,458,871	671,996	1,458,187	2,429,466	\$ 8,818,660
2012	1,764,017	4,274,491	649,792	1,876,488	2,328,483	\$ 10,893,271
2013	1,879,967	4,434,956	646,522	1,932,294	2,324,211	\$ 11,217,950
2014	2,199,001	4,588,760	726,548	2,154,023	2,396,756	\$ 12,065,088
2015	2,045,073	4,849,207	823,764	2,395,263	2,555,616	\$ 12,668,923
2016	2,252,005	5,210,921	1,037,816	2,549,531	2,685,134	\$ 13,735,407
2017	2,462,394	5,288,097	983,741	2,680,927	2,934,017	\$ 14,349,176
2018	2,616,657	5,847,182	1,057,654	3,297,828	3,252,508	\$ 16,071,829
2019	3,079,361	6,862,925	1,259,574	4,008,180	3,649,318	\$ 18,859,358

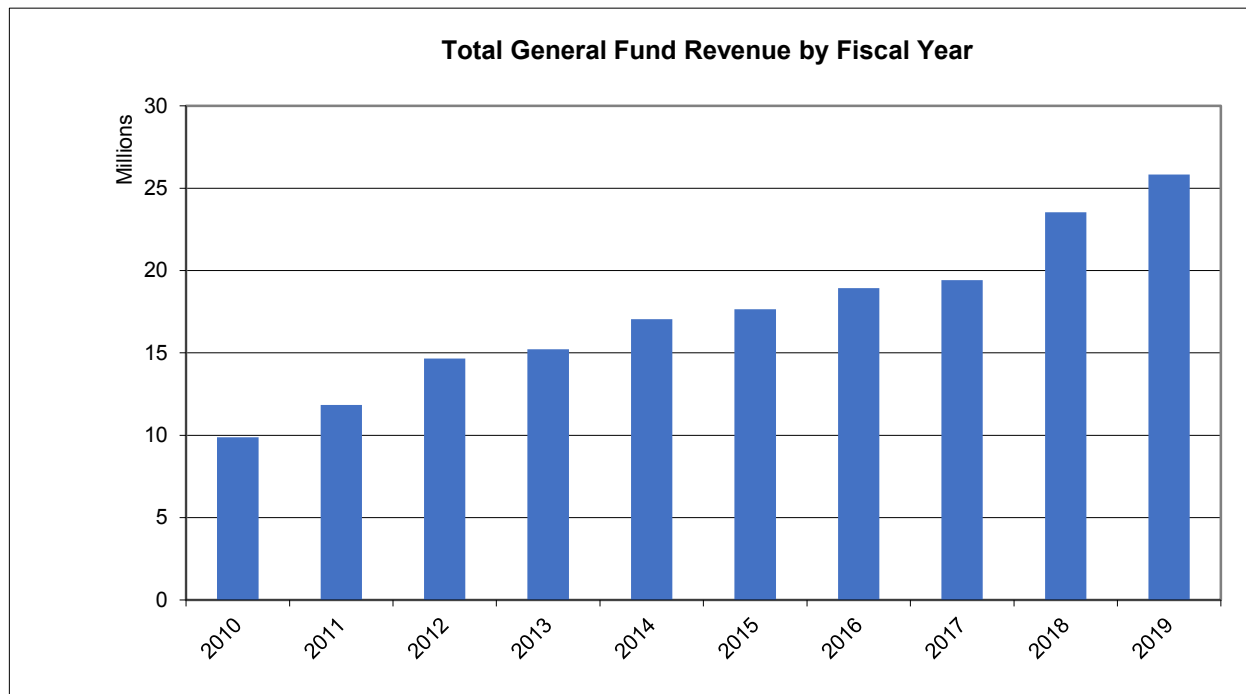


Source: City of Marina Financial Statements

City of Marina
General Fund Revenues
Last Ten Fiscal Years

TABLE 6

Fiscal Year Ended June 30	Taxes	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Chrg for Svcs Grants & Program Income	Investment Earnings	Other	Total *
2010	8,319,884	301,608	168,832	734,270	186,820	160,189	9,871,603
2011	8,818,660	144,424	188,465	2,514,634	72,122	98,391	11,836,696
2012	10,893,271	189,415	187,808	3,215,947	54,237	122,609	14,663,287
2013	11,217,950	277,547	189,423	3,410,660	30,124	96,392	15,222,096
2014	12,065,088	444,470	195,743	4,295,003	23,597	32,054	17,055,955
2015	12,668,923	515,123	194,540	4,016,197	26,961	236,379	17,658,123
2016 **	13,735,407	545,288	144,598	4,311,415	41,376	145,502	18,923,586
2017 ***	14,349,176	672,613	146,415	3,719,176	96,574	429,215	19,413,169
2018	16,071,829	2,127,179	106,116	3,455,823	242,670	1,531,133	23,534,750
2019	18,859,358	2,346,192	102,543	3,313,868	334,220	881,440	25,837,621



Source: City of Marina Financial Statements

* Excludes transfers in from other funds

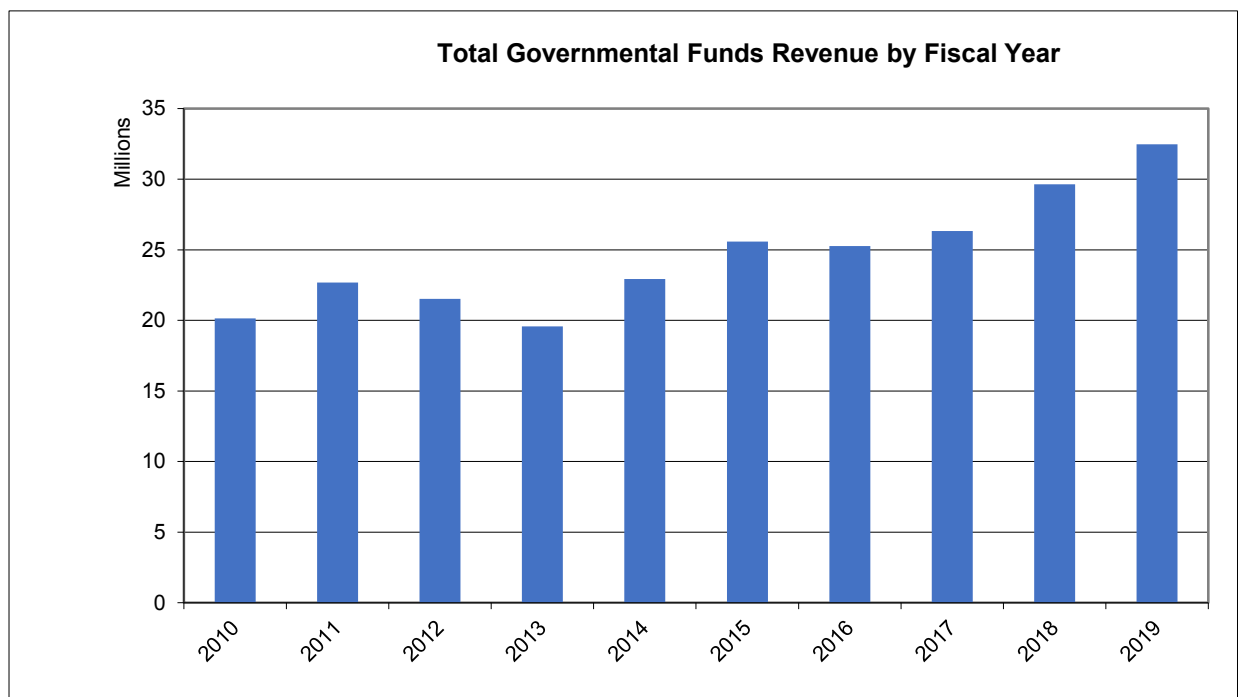
** Other excludes \$37.9 million non-cash capital assets transactions for consistency

*** Other excludes \$1.6 million non-cash capital assets transactions for consistency

City of Marina
All Governmental Funds Revenues
Last Ten Fiscal Years

TABLE 7

Fiscal Year Ended June 30	Taxes & Assessments	Licenses, Permits & Fees	Fines, Penalties and Forfeitures	Chrg for Svcs Grants & Program Income	Investment Earnings	Other	Total *
2010	12,517,983	301,608	168,832	6,460,974	204,777	489,392	20,143,566
2011	13,929,237	144,424	188,465	7,821,418	93,423	494,421	22,671,388
2012	13,873,137	189,415	187,808	7,018,767	66,685	180,324	21,516,136
2013	12,370,042	277,547	189,423	6,154,287	49,158	536,172	19,576,629
2014	13,403,846	444,470	195,743	8,730,551	38,287	108,332	22,921,229
2015	13,859,210	515,123	194,540	9,732,507	41,926	1,242,920	25,586,226
2016	** 14,776,278	545,288	144,598	7,964,471	75,584	1,751,986	25,258,205
2017	*** 15,622,866	672,613	146,415	9,189,649	149,622	546,503	26,327,668
2018	17,513,555	2,127,179	106,116	6,074,165	402,532	3,421,616	29,645,163
2019	21,359,063	2,346,192	102,543	5,136,602	613,259	2,908,808	32,466,467



Source: City of Marina Financial Statements

* Excludes interfund transfers in

** Other excludes \$37.9 million non-cash capital lease transactions for consistency

*** Other excludes \$1.6 million non-cash capital assets transactions for consistency

City of Marina
Total Outstanding Debt
Last Ten Fiscal Years

TABLE 8

	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
General obligation library refunding bonds	\$ 8,470,000	\$ 8,425,000	\$ 8,380,000	\$ 8,325,000	\$ 8,260,000	\$ 7,925,000	\$ 7,640,000	\$ 7,555,000	\$ 7,390,000	\$ 7,195,000
Pension obligation bonds	3,685,000	3,320,000	2,920,000	2,480,000	1,995,000	1,470,000	900,000	275,000	145,000	-
Total General Obligation Bonds	12,155,000	11,745,000	11,300,000	10,805,000	10,255,000	9,395,000	8,540,000	7,830,000	7,535,000	7,195,000
Revenue bonds - Abrams-B Housing	13,430,000	13,130,000	12,825,000	12,500,000	12,165,000	11,820,000	11,465,000	11,275,000	10,860,000	10,435,000
Redevelopment tax increment bonds	845,000	700,000	550,000	-	-	-	-	-	-	-
Limited obligation bonds - Marina Landing	700,000	540,000	370,000	190,000	-	-	-	-	-	-
Limited obligation bonds - Marina Greens	415,000	355,000	290,000	225,000	155,000	-	-	-	-	-
Total Limited Obligation & Revenue Bonds	15,390,000	14,725,000	14,035,000	12,915,000	12,320,000	11,820,000	11,465,000	11,275,000	10,860,000	10,435,000
Total Bonded Indebtedness	27,545,000	26,470,000	25,335,000	23,720,000	22,575,000	21,215,000	20,005,000	19,105,000	18,395,000	17,630,000
Compensated absences	1,425,532	1,379,559	1,269,238	1,297,518	1,273,047	1,137,080	1,223,211	1,289,557	1,234,374	1,374,294
Capital leases	70,448	48,265	24,807	234,410	164,532	92,774	18,767	-	-	663,156
Total Governmental Activities	29,040,980	27,897,824	26,629,045	25,251,928	24,012,579	22,444,854	21,246,978	20,394,557	19,629,374	19,667,450
Business-type Activities:										
Promissory note - Marina Municipal Airport	10,641	-	-	-	-	-	-	-	-	-
Promissory note - Preston Park Housing	-	-	-	-	-	-	35,950,000	35,950,000	35,950,000	35,950,000
Total Business-type Activities	10,641	-	-	-	-	-	35,950,000	35,950,000	35,950,000	35,950,000
Total Debt	\$ 29,051,621	\$ 27,897,824	\$ 26,629,045	\$ 25,251,928	\$ 24,012,579	\$ 22,444,854	\$ 57,196,978	\$ 56,344,557	\$ 55,579,374	\$ 55,617,450
Per Capita income ¹	\$ 24,771	\$ 24,352	\$ 23,976	\$ 25,106	\$ 25,101	\$ 24,773	\$ 25,327	\$ 26,525	\$ 28,168	\$ 29,705
Personal income ¹ (in thousands)	\$ 488,088	\$ 480,855	\$ 479,904	\$ 507,869	\$ 509,601	\$ 521,199	\$ 546,937	\$ 587,343	\$ 631,639	\$ 681,936
Debt as percentage of personal income	5.95%	5.80%	5.55%	4.97%	4.71%	4.31%	10.46%	9.59%	8.80%	8.16%
Population ²	19,704	19,746	20,016	20,229	20,302	21,039	21,595	22,143	22,424	22,957
Total debt per capita	1,474	1,413	1,330	1,248	1,183	1,067	2,649	2,545	2,479	2,423
Taxable Assessed value ³	1,481,046,684	1,423,367,545	1,418,009,510	1,414,994,415	1,461,630,562	1,561,125,061	1,642,092,991	1,803,719,945	1,924,857,463	2,168,132,130
Total Debt as % of assessed value	1.96%	1.96%	1.88%	1.78%	1.64%	1.44%	3.48%	3.12%	2.89%	2.57%

Notes:

Source: City of Marina Audited Financial Statements

(-) No data available

¹ MuniServices LLC (for 2018 estimated 2% increase from prior year) - Personal Income calculated by multiplying per capita income by total population (see ²)

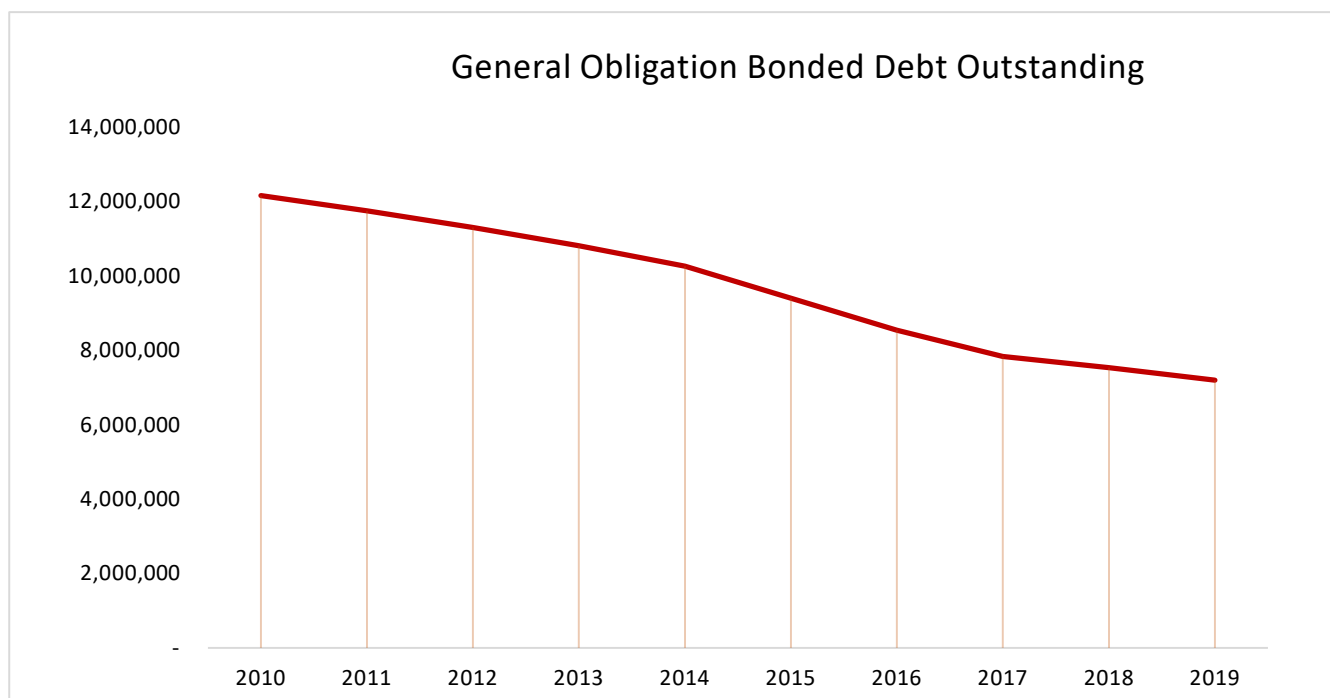
² California Department of Finance

³ Monterey County Tax Rate Books, as detailed by MuniServices LLC (see Table 11)

City of Marina
Bonded Debt
Last Ten Fiscal Years

TABLE 9

Fiscal Year Ended June 30	³ Total Bonded Debt	³ Less: Revenue Bonds	³ General Obligation Bonded Debt	G.O. Debt as a % of Assessed Value	G.O. Debt Per Capita	Taxable Assessed Value ¹	Population ²
2010	27,545,000	15,390,000	12,155,000	0.82%	617	1,481,046,684	19,704
2011	26,470,000	14,725,000	11,745,000	0.83%	595	1,423,367,545	19,746
2012	25,335,000	14,035,000	11,300,000	0.80%	565	1,418,009,510	20,016
2013	23,720,000	12,915,000	10,805,000	0.76%	534	1,414,994,415	20,229
2014	22,575,000	12,320,000	10,255,000	0.70%	505	1,461,630,562	20,302
2015	21,215,000	11,820,000	9,395,000	0.60%	447	1,561,125,061	21,039
2016	20,005,000	11,465,000	8,540,000	0.52%	395	1,642,092,991	21,595
2017	19,105,000	11,275,000	7,830,000	0.43%	354	1,803,719,945	22,143
2018	18,395,000	10,860,000	7,535,000	0.39%	336	1,924,857,463	22,424
2019	17,630,000	10,435,000	7,195,000	0.33%	313	2,168,132,130	22,957



Source: ¹ Monterey County Auditor-Controller Tax Rate Book

² California Department of Finance mid-fiscal year (e.g. 2008 population @ 1/1/2008)

³ City of Marina Audited Financial Statements

City of Marina

Demographic and Economic Statistics Last ten fiscal years

TABLE 10

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (4)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate(%) (3)	County Population (1)
2007-08	-	-	-	-	-	-	-	-
2008-09	-	-	-	-	-	-	-	-
2009-10	-	-	24,771	34.9	-	-	-	-
2010-11	19,445	473,525	24,352	35.3	-	-	-	435,878
2011-12	19,808	474,917	23,976	34.6	10,956	-	-	419,038
2012-13	19,996	502,020	25,106	35.5	10,730	-	-	420,668
2013-14	20,073	503,852	25,101	37.3	10,768	10.1%	6.0%	421,494
2014-15	20,268	502,099	24,773	36.5	10,653	7.6%	5.7%	425,756
2015-16	20,872	528,625	25,327	36.5	10,633	8.1%	6.1%	425,413
2016-17	21,528	571,030	26,525	36.9	10,732	7.6%	5.7%	442,365
2017-18	22,424	631,639	28,168	36.9	10,685	9.4%	3.1%	443,281
2018-19	22,957	681,936	29,705	36.8	10,658	4.7%	2.6%	445,414

Source: MuniServices, LLC / *an Avenu Insights & Analytics Company*

1.) Population Projections are provided by the California Department of Finance

2.) Income Data is derived from previous income adjusted for inflation.

3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

4.) Data provided by the United States Census Data Sets Tables.

**Student Enrollment reflects the total number of students enrolled in the Monterey Peninsula Unified School District.

Other school districts within the City are not accounted for in this statistic.

(-) No data available

City of Marina

Citywide Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

TABLE 11

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Other Property	Total Secured Property	Unsecured Property	Less Tax- exempt property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2010	1,034,362,331	228,199,698	223,946,417	1,486,508,446	64,427,609	69,889,371	1,481,046,684	0.195687	-	-
2011	1,011,659,739	216,019,932	206,206,101	1,433,885,772	62,143,683	72,661,910	1,423,367,545	0.195687	-	-
2012	999,890,473	210,602,668	221,165,490	1,431,658,631	60,668,484	74,317,605	1,418,009,510	0.195687	-	-
2013	1,021,168,922	210,455,067	205,553,290	1,437,177,279	58,276,233	80,459,097	1,414,994,415	0.195687	-	-
2014	1,042,168,418	214,316,449	236,797,577	1,493,282,444	57,910,086	89,561,968	1,461,630,562	0.195687	-	-
2015	1,119,179,396	230,300,136	241,538,459	1,591,017,991	60,026,223	89,919,153	1,561,125,061	0.195687	-	-
2016	1,191,143,317	235,961,520	271,722,544	1,698,827,381	60,963,585	117,697,975	1,642,092,991	0.195687	-	-
2017	1,304,549,843	239,333,525	323,669,510	1,867,552,878	70,591,640	134,424,573	1,803,719,945	0.195687	2,566,421,120	1.422849
2018	1,434,005,745	280,826,470	279,447,839	1,994,280,054	70,557,468	139,980,059	1,924,857,463	0.195687	4,227,144,827	2.196082
2019	1,624,632,460	299,834,075	324,295,905	2,248,762,440	68,650,466	149,280,776	2,168,132,130	0.195687	3,598,481,418	1.659715

Source: Monterey County Assessor data, MuniServices, LLC

(-) No data available

(1.) Total direct tax rate is represented by TRA 12-0041

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

*2017-18 is the city's first CAFR; thus prior year data is limited. Historical values have been updated to reflect consistent report methodology.

City of Marina

TABLE 12

Total Assessed Value of Property by Use Code, Citywide Last Ten Fiscal Years ended June 30,

Category	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Residential	1,034,362,331	1,011,659,739	999,890,473	1,021,168,922	1,042,168,418	1,119,179,396	1,191,143,317	1,304,549,843	1,434,005,745	1,624,632,460
Commercial	228,199,698	216,019,932	210,602,668	210,455,067	214,316,449	230,300,136	235,961,520	239,333,525	280,826,470	299,834,075
Vacant	111,885,105	94,866,048	105,625,465	88,707,295	91,495,277	92,842,928	113,779,359	159,784,721	86,517,557	107,563,261
Industrial	41,755,475	41,641,761	40,617,436	42,004,430	43,126,163	45,472,293	47,528,389	50,935,771	50,311,955	74,410,577
Professional	2,270,614	2,265,229	2,282,284	2,327,927	27,065,788	27,188,660	27,731,885	28,154,791	55,396,279	51,429,463
Miscellaneous	25,037,444	24,919,068	25,260,025	23,492,333	23,885,720	24,134,083	24,581,435	24,859,615	28,798,906	30,396,302
Unknown	10,145,485	10,002,616	10,631,936	10,941,213	11,523,829	11,910,872	18,220,975	18,563,065	14,390,755	14,745,873
Social	11,363,375	11,835,709	11,923,305	12,313,314	13,342,598	13,405,529	13,659,612	13,862,915	14,456,257	14,577,357
Rural	10,348,195	10,324,489	10,401,468	10,607,474	10,817,599	10,896,679	11,112,371	11,280,290	13,054,808	14,390,658
Institution	4,854,737	3,997,344	8,028,441	8,643,639	8,890,706	9,014,743	9,217,872	10,257,867	10,439,846	10,584,094
Recreation	6,285,987	6,353,837	6,395,130	6,515,665	6,649,897	6,672,672	5,890,646	5,970,475	6,081,476	6,198,320
Total Secured Value	1,486,508,446	1,433,885,772	1,431,658,631	1,437,177,279	1,493,282,444	1,591,017,991	1,698,827,381	1,867,552,878	1,994,280,054	2,248,762,440
Unsecured	64,427,609	62,143,683	60,668,484	58,276,233	57,910,086	60,026,223	60,963,585	70,591,640	70,557,468	68,650,466
Exemptions	69,889,371	72,661,910	74,317,605	80,459,097	89,561,968	89,919,153	117,697,975	134,424,573	139,980,059	149,280,776
Total Assessed Value	1,481,046,684	1,423,367,545	1,418,009,510	1,414,994,415	1,461,630,562	1,561,125,061	1,642,092,991	1,803,719,945	1,924,857,463	2,168,132,130

Source: Monterey County Assessor data, MuniServices, LLC
Use code categories are based on Monterey County Assessor's data

City of Marina

Direct and Overlapping Property Tax Rates Last Nine Fiscal Years ending June 30,

TABLE 13

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Basic City and County Levy										
Monterey County-Wide	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232	0.246232
County Library	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722	0.022722
City of Marina	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687	0.195687
Monterey County Office of Education	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664	0.026664
Monterey Pen Unified School District	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978	0.437978
Monterey Pen College	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299	0.047299
MCWRA Dist	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391	0.001391
Monterey Regional Park Dist	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593	0.011593
North Salinas Valley Mosquito Abater	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347	0.008347
Moss Landing Harbor Dist	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087	0.002087
TOTAL 1% BREAKOUT	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
City of Marina debt service	0.004390	0.004450	0.004260	0.004484	0.004684	0.004602	0.000000	0.000000	0.000000	0.000000
Marina Library 2002 Election Series 2005	0.026230	0.027680	0.027300	0.027716	0.028118	0.027962	0.000000	0.000000	0.000000	0.000000
Monterey Pen Coll 2002 Ser A & 2005 Refund	0.022410	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen Coll 2002 Ser B C & 2005 Refund	0.000000	0.021460	0.023570	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen Unif SD 2010 Election Series A	0.000000	0.000000	0.028790	0.027965	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen CCD 2002 Ser B C & 2005 Refund	0.000000	0.000000	0.000000	0.022367	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Monterey Pen CCD 2013 Refund	0.000000	0.000000	0.000000	0.000000	0.015772	0.032471	0.023039	0.000000	0.000000	0.000000
Monterey Pen USD 2010 Ser A & 2012 Election	0.000000	0.000000	0.000000	0.000000	0.021309	0.022774	0.000000	0.000000	0.000000	0.000000
Marina 2015 GO Refunding Bonds	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.022348	0.023068	0.021612	0.023200
Monterey Penn CCD 2002 BC & 2013 Ref AB & 2016 Ref	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.022336	0.021655	0.021187
Monterey Pen USD 2010 Ser A & B	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.030000	0.030000	0.028902	0.091957
TOTAL OVERRIDE RATE	0.053030	0.053590	0.083920	0.082532	0.069883	0.087809	0.075387	0.075404	0.072169	0.136344
Total Tax Rate	1.053030	1.053590	1.083920	1.082532	1.069883	1.087809	1.075387	1.075404	1.072169	1.136344

Source: County Auditor/Controller data, MuniServices, LLC

Rates are not adjusted for ERAF

TRA 12-004 is represented for this report

City of Marina

Principal Property Tax Payers Last Fiscal Year and Nine Years Ago

TABLE 14

Taxpayer	2018-19		2009-10	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Shea Homes Ltd.. Partnership	53,795,809	2.48%	39,526,896	2.67%
Hamstra Appleton Llc	49,863,490	2.30%		
Wathen Castanos Peterson Homes	36,096,443	1.66%		
Lv44 Ltd.. Partnership	36,069,086	1.66%	29,978,048	2.02%
Hhlp Sanctuary Assoc Llc	30,806,225	1.42%		
Target Corp	24,000,000	1.11%	23,384,653	1.58%
Community Hospital Properties	23,752,464	1.10%		
Wal Mart Real Estate Business	22,425,613	1.03%	19,767,600	1.33%
Cemex Inc.	20,260,899	0.93%	16,810,395	1.14%
Tate Michael J	17,562,459	0.81%	18,360,679	1.24%
Wc Marina Llc	17,494,908	0.81%		
Monterey Peninsula Hotels Grou	17,209,888	0.79%		
Marina Community Partners Llc	15,984,206	0.74%	49,531,568	3.34%
Alliance Residential Co Inc.	15,196,633	0.70%	9,477,646	0.64%
New Heritage Family Ltd.. Part	14,089,473	0.65%		
Sierra Pacific Properties Inc.	13,274,064	0.61%	8,795,970	0.59%
Valle Del Sol Properties Llc	13,055,517	0.60%		
189 Seaside Llc	11,477,520	0.53%		
Kohls Department Stores Inc.	11,261,701	0.52%	9,950,487	0.67%
Cypress Gates Inc.	10,173,713	0.47%	9,000,374	0.61%
Foux Anthony L Zimmerman Grego	9,486,000	0.44%		
Cypress Dunes Llc	9,171,780	0.42%		
Reservation Estates Apts L P	8,955,051	0.41%		
Marina Cypress Apts Llc	8,526,004	0.39%	7,685,000	0.52%
Net Lease Realty I Inc.	8,154,172	0.38%		
Cypress Marina Heights Lp			36,804,943	2.49%
Mdr-Tmi Llc			11,450,000	0.77%
Marina Hospitality Llc			11,281,169	0.76%
Worldmark The Club			8,540,508	0.58%
Els Properties Corporation			8,103,900	0.55%
Brooks William H			7,915,275	0.53%
State Street Bank Trust Compan			7,350,809	0.50%
Vega Nelson A & Susan J			7,060,790	0.48%
Marina Beach Inn Inc			6,872,779	0.46%
Marina Rv Llc			6,285,987	0.42%
Nehawandian Abolghassen & Pari			6,067,358	0.41%
Burch Roger A & Michele			5,845,123	0.39%
Chee Kyo Nam & Debbie K			5,689,240	0.38%
Total Top 25 Taxpayers	498,143,118	22.98%	371,537,197	25.09%
Total Taxable Value	2,168,132,130	100.00%	1,481,046,684	100.00%

Source: County Assessor data, MuniServices, LLC / *an Avenu Insights & Analytics Company*

City of Marina
Principal Employers
Current Fiscal Year

TABLE 15

Business Name	2018-19	
	Number of Employees	Percent of Total Employment (%)
Walmart Supercenter	208	1.60%
Monterey Peninsula USD*	189	1.45%
Target	171	1.32%
Monterey Regional Waste Mgmt Dist.	160	1.23%
Monterey One Water Treatment Plant**	94	0.72%
Scudder Roofing Company	85	0.65%
City of Marina	80	0.62%
Khol's	68	0.52%
Del Monte Meat CO	54	0.42%
Michaels Catering and Wildtime Deli (aka Chef's Fancy LLC)	51	0.39%
Total Top 10 Employers	1,160	8.92%
Total City Labor Force (1)	13,000	

Source: MuniServices, LLC / *an Avenu Insights & Analytics Company*

Results based on direct correspondence with city's local businesses.

2016-17 is the cities first CAFR publication, therefore prior year historical data is not available.

*Only schools located within the City of Marina.

** Includes Marina and Monterey location.

1.) Total City Labor Force provided by EDD Labor Force Data.

CITY OF MARINA

Table 16

2018-19 Assessed Valuation: \$2,181,411,755

	Total Debt 6/30/2019	% Applicable (1)	City's Share of Debt 6/30/19
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Hartnell Joint Community College District	\$203,621,667	0.12%	\$238,237
Monterey Peninsula Community College District	124,803,522	5.891	7,352,175
Monterey Peninsula Unified School District	231,313,610	16.561	38,307,847
North Monterey County Unified School District	32,525,000	0.579	188,320
City of Marina	7,195,000	100	<u>7,195,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$53,281,579
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Monterey County General Fund Obligations	\$161,193,744	3.27%	\$5,269,423
Monterey County Board of Education Certificates of Participation	1,415,000	3.269	46,256
North Monterey County Unified School District Certificates of Participation	4,975,000	0.579	28,805
Monterey County Water Resources Agency District, Zone 2C	21,860,000	3.269	<u>714,603</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$6,059,087
Less: Monterey County supported obligations			<u>1,310,863</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$4,748,224
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$13,560,000	100.00%	\$13,560,000
TOTAL DIRECT DEBT			\$7,195,000
TOTAL GROSS OVERLAPPING DEBT			\$65,705,666
TOTAL NET OVERLAPPING DEBT			\$64,394,803
GROSS COMBINED TOTAL DEBT			\$72,900,666 (2)
NET COMBINED TOTAL DEBT			\$71,589,803

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2018-19 Assessed Valuation:

Direct Debt (\$7,195,000)	0.33%
Total Direct and Overlapping Tax and Assessment Debt	2.44%
Total Direct Debt (\$7,195,000)	0.33%
Gross Combined Total Debt	3.34%
Net Combined Total Debt	3.28%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$651,102,305):

Total Overlapping Tax Increment Debt	2.08%
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AB:(\$500)

Source: County Auditor/Controller data, MuniServices, LLC



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
 GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

February 24, 2020

To the City Council
 City of Marina, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Marina for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 18, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Marina are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City of Marina adopted the following new accounting standards as of June 30, 2019:

GASB 83: Certain Asset Retirement Obligations

The adoption of GASB 83 did not have a significant impact on the financial position of the City of Marina.

We noted no transactions entered into by City of Marina during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciation allowance is based on the City's Capitalization Policy.

Management's estimate for the allowance for uncollectible receivables is based on management's specific identification of loans with long-term deferrals and non-current payments.

Management's estimate of the liability for the pension liability and Other- Post Employment Benefits is based on actuarially determined information.

We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached Schedule A summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The attached Schedule B summarizes adjustments that were detected as a result of audit procedures and corrected by management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 24, 2020

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and Budgetary Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Combining Financial Schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

Mann, Urrutia, Nelson CPAs

Mann, Urrutia, Nelson CPAs & Associates, LLP

CITY OF MARINA
SUMMARY OF PASSED AUDIT ADJUSTMENTS
June 30, 2019

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
<u>Current Year Differences</u>					
To adjust accrued wages payable		\$ (5,526)			\$ (5,526)
To adjust accrued payroll taxes payable		\$ (50,111)			\$ (50,111)
Total Income Statement Effect			\$ 55,637	\$ -	\$ (55,637)
Balance Sheet Effect	\$ -	\$ (55,637)	\$ 55,637		

CITY OF MARINA
SUMMARY OF AUDIT ADJUSTMENTS
June 30, 2019

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
<u>Current Year Differences</u>					
To adjust government-wide beginning fund balance to prior years financials.	\$ (2,141,895)	\$ (12,038,489)	\$ 10,938,284	\$ (375,306)	\$ 666,384
To record activity for contributed capital into airport fund.	\$ 324,700				\$ (324,700)
To defer business license revenue.		\$ 53,201		\$ (53,201)	
To correct Successor Agency tax revenue cash balance	\$ (958,546)	\$ (958,546)			
To reclassify fund 220 labor costs to public works fund					\$ 131,083
					\$ (131,083)
Correct group 900 adjustment		\$ 56,000			
		\$ (56,000)			
To correct group 900 wire transfer	\$ (394,546)	\$ (394,546)			
To correct group 900 held for accounts	\$ (6,950)	\$ (506,950)		\$ 500,000	
To liquidate interfund debt	\$ 137,343	\$ (137,343)			
	\$ (137,343)	\$ 137,343			
Adjust OPEP deferred outflows	\$ 76,872	\$ (76,872)			
	\$ (76,872)	\$ 76,872			
To record receivables and deferred inflows	\$ 348,734	\$ 348,734			
To record Dunes tax increment reimbursement payments	\$ (619,858)	\$ (309,929)		\$ (309,929)	
To accrued 2nd quarter sales tax	\$ 868,400			\$ 868,400	
To accrue grant revenue receivable	\$ 38,590			\$ 38,590	
	\$ 20,970			\$ 20,970	
To reclass prepaid insurance out of accounts receivable	\$ (229,965)				
	\$ 229,965				
To accrue bond premium in Fiduciary fund	\$ 1,252,792				\$ (1,252,792)
Total Income Statement Effect			\$ 1,600,632	\$ 689,524	\$ (911,108)
Balance Sheet Effect	\$ (1,267,609)	\$ (13,806,525)	\$ 12,538,916		



To City Council and Management
City of Marina

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Marina (the "City") as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered City of Marina's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Marina's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Marina's internal control.

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

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

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

Year-End Financial Close Procedures

- During our year-end audit procedures, as a result of our various testing procedures and questions to management, management identified 20 adjusting journal entries which needed to be entered to the original trial balance provided to us to begin our audit.
 - o Management needs to enhance the year-end financial close procedures for the City to ensure that all funds of the City have been accurately reconciled and all subsequent transactions have been considered and appropriately accounted for.
- Management Response:
 - o Management agrees that the number of adjusting journal entries were too high this year. However, the root cause of the problem stems from having a key management position vacant for over a year. Finance only has two professional staff. If one position is kept vacant for an extended period of time, the department's ability to function at a high level is diminished.

In addition, Finance will implement the following procedures to improve journal entry closings:

- 1. **Review of cash receipts.** Prior to closing the City's books, all cash receipts in excess of \$10,000 received during the accrual period (July 1 to August 31) will be reviewed to assure that revenues are appropriately accrued. Management was able to create this procedure this year and will do so in the future before the close of the City's books.
- 2. **Timely completion of bank reconciliations.** Although alternate work efforts were tried to complete the bank reconciliations until a new Supervising Accountant was hired, the hiring process and the difficulty of the task prevented the timely reconciliation of the audit. If the department is struggling with the process, it needs to be escalated such that alternate resource can be obtained to complete the bank reconciliations.
- 3. **Year-end fund management.** Each year, funds need to be evaluated and managed to assure that they are being used appropriately and are useful to decision-makers. This year's process carried past the close of the City's books. The year-end review needs to take place but be completed before the City closes its books and gives the record to the auditors for review.
- 4. **Improved management of grants.** Because grants are managed by departments, the departments do not necessarily ask for reimbursement by fiscal year. To improve the grant requests and close out, Finance must complete a grant status report by the end of May and assure that departments make grant reimbursement requests that correspond to the City's fiscal year end close.

Accounts Receivables

- During our testing of cash receipts received subsequent to year-end, out of a sample of 42 cash receipts, we identified two receipts which should have been recorded as receivables as of the June 30, 2019 year end. Even though this has no net effect on the fund balance for these items, due to the 60-day rule this affects the proper presentation of revenues on the statement of net position.
 - o As part of the City's year-end financial close procedures, management should design procedures to review all significant cash receipts received after year-end to identify any potential receivables to be recorded as of year-end.
- Management Response:
 - o As noted in the management comment above, management has created a procedure to overcome this problem.

We consider the following deficiencies in internal control to be control deficiencies:

Monthly Bank Reconciliations

- During our test of controls over monthly bank reconciliations, we noted that bank reconciliations were not prepared on a timely manner. We noted that bank reconciliations were being prepared as much as six months after the end of a month.
 - o Management should ensure that the bank reconciliations are prepared and reviewed within 30 days of the end of the month.
- Management Response:
 - o As noted in previous comments, staffing was an issue and has been addressed with the hiring of the Accounting Supervisor. Management agrees that timely bank reconciliations are a must and will be improved. A bank reconciliation workflow has been established that will also aid this improvement.

Employee Timesheet Preparation

- During our test of controls over payroll, we identified eight instances when a recreation instructor did not prepare or submit their own timesheet. In each of these eight instances it was noted that the instructor's time was both entered and approved by the same person.
 - o Management should ensure that all employee are preparing and submitting their own timesheets. Timesheets should be independently reviewed and approved by a supervisor who did not create the timesheet.
- Management Response:
 - o This is the second year that Rec Time Cards have been a concern. Last year, additional processes were implemented. Nevertheless, execution was not adequate. As a result, time clocks that require the time to be recorded each day will be implemented to assure Recreation employee time is adequately documented.

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

Mann, Urrutia, Nelson CPAs

Mann, Urrutia, Nelson CPAs & Associates, LLP
Sacramento, California
February 24, 2020

March 13, 2020

Item No. **11b**

Honorable Mayor and Members
Of the Marina City Council

City Council Meeting of
March 17, 2020

**CITY COUNCIL TO CONSIDER APPROVING A RESOLUTION
RATIFYING A PROCLAMATION OF A LOCAL EMERGENCY BY CITY
OF MARINA CITY MANAGER RELATED TO COVID-19
(CORONAVIRUS) AND DISCUSSION AND UPDATE OF CURRENT
SITUATION AND PROVIDE STAFF FURTHER DIRECTION**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2020-, ratifying a Proclamation of a Local Emergency by City of Marina City Manager Related to Covid-19 (Coronavirus); and discussion and update of current situation and provide staff further direction.

BACKGROUND:

Section 2.2 of the Marina Municipal Code empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity and the City Council is not in session. On March 13, 2020, the City Manager issued a Proclamation of a Local Emergency Related to Covid-19 (Coronavirus).

In issuing the Proclamation, the City Manager as the Director of Emergency Services of the City of Marina found that:

1. Conditions of extreme peril to the safety of persons has arisen within the City caused by the COVID-19 pandemic. There presently exists a public health emergency, as noted in Governor Newson's Executive Order N-25-20 dated March 12, 2020, National State of Emergency as issued by President Trump on March 13, 2020.
2. That the City Council of the City of Marina is not in session and cannot immediately be called into session.

Respectfully submitted,

Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA RATIFYING A
RESOLUTION OF A LOCAL EMERGENCY BY CITY OF MARINA CITY MANAGER
RELATED TO COVID-19 (CORONAVIRUS) AND DISCUSSION AND UPDATE OF
CURRENT SITUATION AND PROVIDE STAFF FURTHER DIRECTION

WHEREAS, Section 2.20.060 of Chapter 2.20 entitled “Disaster Council” of the Marina Municipal Code empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity and the City Council is not in session; and

WHEREAS, section 2.20.050 of the Marina Municipal Code designates the City Manager to be the Director of Emergency Services; and

WHEREAS, the City Manager as the Director of Emergency Services of the City of Marina hereby finds that:

1. The novel coronavirus (COVID-19) is a respiratory disease that may result in serious illness or death and is easily transmissible from person to person; and
2. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic; and
3. Conditions of extreme peril to the safety of persons have arisen within the City caused by the COVID-19 pandemic. On March 4, 2020, Governor Newsom proclaimed State of Emergency to exist in California as a result of the threat of COVID-19. There presently exists a public health emergency, as further addressed in Governor Newsom’s Executive Order N-25-20 dated March 12, 2020, and by a National State of Emergency declared by President Trump on March 13, 2020; and
4. The efforts required to prepare for, respond to, mitigate and recover from the spread of COVID-19 have imposed, and will continue to impose, extraordinary requirements and expenses on the City, requiring diversion of resources from day-to-day operations; and
5. In addition to the above facts, conditions or threatened conditions caused by COVID-19 including but not limited to potential isolation and quarantine of residents, employees, businesses, and public safety workers, give rise to conditions of extreme peril to the safety of persons and property within the City; and
6. These conditions are, or are likely to be, beyond the control of the services, personnel, equipment and facilities of the City of Marina; and
7. The City Council of the City of Marina is not in session and cannot immediately be called into session.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that a Local Emergency now exists throughout the City.

BE IT FURTHER RESOLVED AND ORDERED that during the existence of said Local Emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law, existing ordinances and resolutions, the City’s Emergency Plan, as well as this resolution and any subsequent emergency orders of the City Council in order to mitigate the effects of the Local Emergency.

BE IT FURTHER RESOLVED AND ORDERED, pursuant to Government Code sections 8634 and 8568, during the period of this emergency, the following procedures and formalities otherwise required of the City by ordinance or other local regulation shall be waived, where strict compliance would hinder or delay the mitigation effects of the emergency:

1. Entering into contracts;
2. Incurring obligations;
3. Employment of permanent and temporary workers;
4. Utilization of volunteer workers;
5. Appropriation and expenditure of public funds; and
6. Waiver of public funds when in the public interest.

IT IS FURTHER RESOLVED AND ORDERED that said Local Emergency shall continue by ratification of the City Council, until its termination is proclaimed by the City Council of the City.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of March 2020 by the following vote:

AYES, COUNCIL MEMBERS:

NOES, COUNCIL MEMBERS:

ABSENT, COUNCIL MEMBERS:

ABSTAIN, COUNCIL MEMBERS:

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk



**PROCLAMATION OF A LOCAL EMERGENCY BY
CITY OF MARINA CITY MANAGER RELATED TO COVID-19 (CORONAVIRUS)**

WHEREAS, Section 2.20.060 of Chapter 2.20 entitled "Disaster Council" of the Marina Municipal Code empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity and the City Council is not in session; and

WHEREAS, section 2.20.050 of the Marina Municipal Code designates the City Manager to be the Director of Emergency Services; and

WHEREAS, the City Manager as the Director of Emergency Services of the City of Marina hereby finds that:

1. The novel coronavirus (COVID-19) is a respiratory disease that may result in serious illness or death and is easily transmissible from person to person; and
2. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic; and
3. Conditions of extreme peril to the safety of persons have arisen within the City caused by the COVID-19 pandemic. On March 4, 2020, Governor Newsom proclaimed State of Emergency to exist in California as a result of the threat of COVID-19. There presently exists a public health emergency, as further addressed in Governor Newsom's Executive Order N-25-20 dated March 12, 2020, and by a National State of Emergency declared by President Trump on March 13, 2020; and
4. The efforts required to prepare for, respond to, mitigate and recover from the spread of COVID-19 have imposed, and will continue to impose, extraordinary requirements and expenses on the City, requiring diversion of resources from day-to-day operations; and
5. In addition to the above facts, conditions or threatened conditions caused by COVID-19 including but not limited to potential isolation and quarantine of residents, employees, businesses, and public safety workers, give rise to conditions of extreme peril to the safety of persons and property within the City; and
6. These conditions are, or are likely to be, beyond the control of the services, personnel, equipment and facilities of the City of Marina; and
7. The City Council of the City of Marina is not in session and cannot immediately be called into session.

BE IT FURTHER PROCLAIMED AND ORDERED that during the existence of said Local Emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law, existing ordinances and resolutions, the City's Emergency Plan, as well as this resolution and any subsequent emergency orders of the City Council in order to mitigate the effects of the Local Emergency.

BE IT FURTHER PROCLAIMED AND ORDERED, pursuant to Government Code sections 8634 and 8568, during the period of this emergency, the following procedures and formalities otherwise required of the City by ordinance or other local regulation shall be waived, where strict compliance would hinder or delay the mitigation effects of the emergency:

1. Entering into contracts;
2. Incurring obligations;
3. Employment of permanent and temporary workers;
4. Utilization of volunteer workers;
5. Appropriation and expenditure of public funds; and
6. Waiver of public funds when in the public interest.

IT IS FURTHER PROCLAIMED AND ORDERED that said Local Emergency that said Local Emergency shall continue by ratification of the City Council, until its termination is proclaimed by the City Council of the City.

March 13, 2020
Date and Time 4:30 pm

Layne Long
Layne Long, City Manager and
Director of Emergency Services