

AGENDA

**CITY COUNCIL
CITY OF IMPERIAL
200 WEST 9TH STREET
IMPERIAL, CA 92251-1637
MARCH 20, 2019
CLOSED SESSION 6:00 PM
OPEN SESSION 7:00 PM**

The Imperial City Council meetings, including public comments, are being live streamed on the City's social media pages. By remaining in the room you are giving your permission to be recorded.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE BUILDING & SAFETY DIRECTOR, (760) 355-1152. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING [28CFR 35.102-35.104 ADA TITLE II]

A. CITY COUNCIL CONVENES TO CLOSED SESSION AT 6:00 PM

This is a **CLOSED SESSION** in which the **COUNCIL** discusses matters in closed as opposed to open session. Only those matters authorized by the Brown Act as permissible **CLOSED SESSION** subjects will be discussed. They are as follows:

A-1. SUBJECT: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9
1 potential case

A-2. SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS (GC 54957.6)

Agency Negotiator: City Manager
Employee Organization: Teamsters Local #542

A-3. SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS (GC 54957.6)

Agency Negotiator: City Manager
Employee Organization: Imperial Police Officers' Association

A-4. SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS (GC 54957.6)

Agency Negotiator: City Manager
Employee Organization: Management, Supervisory, Professional, Confidential, and Police Sergeants.

B. CITY COUNCIL CONVENES TO OPEN SESSION AT 7:00 PM

ROLL CALL

PLEDGE OF ALLEGIANCE

ADJUSTMENTS TO THIS AGENDA

ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

C. PUBLIC APPEARANCES:

C-1. Matters not appearing on the agenda. If you wish to address the COUNCIL concerning any item within the COUNCIL'S jurisdiction, please raise your hand and be acknowledged by the MAYOR, and at that time state your name and address for the record. The MAYOR reserves the right to place a time limit on each person's presentation of three (3) minutes. It is requested that longer presentations be submitted to the Council in writing.

C-2. Matters appearing on the agenda. If you wish to address the COUNCIL concerning any item appearing on the agenda, please raise your hand and be acknowledged by the MAYOR, and at that time state your name and address for the record. The MAYOR reserves the right to place a time limit on each person's presentation of three (3) minutes.

D. CONSENT AGENDA:

All items appearing under "Consent Agenda" will be acted upon by the City Council by one motion without discussion. Should any Council member or other person request that any item be considered separately, that item will then be taken up at the time as determined by the MAYOR.

D-1. Approval of claims/warrants report.

D-2. Approval of minutes for the regular Council meeting of December 19, 2018 and January 2, 2019.

D-3. Confirmation of increase in trash rate by the Consumer Pricing Index (CPI) adjustment of 3.2% per contract with Republic Services (Allied Waste) effective July 1, 2019.

E. ACTION ITEMS: (DISCUSSION/ACTION – APPROVE-DISAPPROVE)

E-1. SUBJECT: DISCUSSION/ACTION: FACILITY USE AGREEMENT FOR IMPERIAL VALLEY CHALLENGER LITTLE LEAGUE.

1. APPROVE THE FACILITY USE AGREEMENT FOR THE IMPERIAL VALLEY CHALLENGER LITTLE LEAGUE.

E-2. SUBJECT: DISCUSSION/ACTION: FACILITY USE AGREEMENT FOR IMPERIAL VALLEY UNITED SOCCER ASSOCIATION.

1. APPROVE THE FACILITY USE AGREEMENT FOR THE IMPERIAL VALLEY UNITED SOCCER ASSOCIATION.

E-3. SUBJECT: DISCUSSION/ACTION: MAINTAINING LOCAL CONTROL OF ENERGY SOLUTIONS.

1. APPROVAL AND ADOPTION OF RESOLUTION NO. 2019-08, TO MAINTAIN LOCAL CONTROL OF ENERGY SOLUTIONS FOR CITY OF IMPERIAL RESIDENTS AND BUSINESSES.

E-4. SUBJECT: PRESENTATION/DISCUSSION/ACTION: OPPOSITION LETTER OF AB 854.

1. APPROVAL TO SUBMIT LETTER OF OPPOSITION REGARDING ASSEMBLY BILL 854 AS IT RELATES TO IMPERIAL IRRIGATION DISTRICT RETAIL ELECTRICAL SERVICE.

**E-5. SUBJECT: PRESENTATION/DISCUSSION/ACTION: MOKULELE AIRLINES
ROBERT MCKINNEY.**

1. PROVIDE DIRECTION IF NECESSARY.

**E-6. SUBJECT: DISCUSSION/ACTION: ACCEPTANCE OF FISCAL YEAR 2017/2018
AUDITS/FINANCIAL REPORTS/STATEMENTS.**

1. ACCEPTANCE OF FY 17/18 ANNUAL FINANCIAL REPORT.
2. ACCEPTANCE OF FY 17/18 SINGLE AUDIT REPORT.
3. ACCEPTANCE OF FY 17/18 TRANSPORTATION DEVELOPMENT ACT (TDA)
FUNDS FINANCIAL STATEMENTS.

E-7. SUBJECT: DISCUSSION/ACTION: LTA MEASURE D SALES TAX FUND AUDIT.

1. ACCEPT FOR FILING THE LTA MEASURE D SALES TAX FUND AUDIT FOR
THE FISCAL YEAR ENDING JUNE 30, 2018.

**E-8. SUBJECT: DISCUSSION/ACTION: BUSINESS CONSULTING AGREEMENT
BETWEEN CITY OF IMPERIAL AND DEVELOPMENT
MANAGEMENT GROUP, INC.**

1. APPROVAL OF PROFESSIONAL SERVICES AGREEMENT BETWEEN CITY
OF IMPERIAL AND DEVELOPMENT MANAGEMENT GROUP, INC. FOR
ECONOMIC DEVELOPMENT CONSULTING FOR A TWO YEAR TERM IN
THE AMOUNT OF \$96,000.00

**E-9. SUBJECT: DISCUSSION/ACTION: IMPERIAL FIRST SOUTHERN BAPTIST
CHURCH ANNUAL EASTER EGG HUNT.**

1. APPROVAL OF FIRST SOUTHERN BAPTIST CHURCH TO HOST ITS
ANNUAL EASTER EGG HUNT AT EAGER PARK ON APRIL 6, 2019 FROM
9:30 A.M. TO 1:30 P.M.

**E-10. SUBJECT: DISCUSSION/ACTION: RDO EQUIPMENT COMPANY DRIVE
GREEN EVENT.**

1. APPROVAL OF RDO EQUIPMENT COMPANY TO HOST ITS DRIVE GREEN
EVENT AT EAGER PARK ON APRIL 13, 2019 FROM 7:00 A.M. TO 12:00 P.M.

**E-11. SUBJECT: DISCUSSION/ACTION: STATE OF CALIFORNIA STATEWIDE
PARK PROGRAM GRANT.**

1. ADOPTION OF RESOLUTION NO. 2019-05, A RESOLUTION OF THE CITY
COUNCIL OF THE CITY OF IMPERIAL, APPROVING THE APPLICATION
FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY
REVITALIZATION PROGRAM GRANT FUNDS.

**E-12. SUBJECT: DISCUSSION/ACTION: SAVANNA RANCH RETENTION BASIN
FENCE.**

1. APPROVAL OF TYPE OF FENCING MATERIAL TO BE USED FOR REPLACEMENT OF 6 FOOT TALL WOODEN FENCE ALONG EAST SIDE PERIMETER OF SAVANNA RANCH RETENTION BASIN.

E-13. SUBJECT: DISCUSSION/ACTION: SKY RANCH BLOCK WALL REPAIRS.

1. ACCEPT PROJECT AS COMPLETED BY PYRAMID CONSTRUCTION AND AGGREGATES, INC. AND AUTHORIZE THE FILING OF THE NOTICE OF COMPLETION.

E-14. SUBJECT: DISCUSSION/ACTION: MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE TEAMSTERS LOCAL UNION #542 AND CITY OF IMPERIAL FOR THE TERM OF 2018-2020.

1. APPROVAL OF RESOLUTION NO. 2019-06, APPROVING AMENDMENTS TO THE MOU TO INCLUDE ARTICLE 5, SECTION 9 "EDUCATION PAY" AND ARTICLE 5, SECTION 10 "BILINGUAL PAY" AS PART OF THE MEMORANDUM OF UNDERSTANDING BETWEEN TEAMSTERS UNION LOCAL #542 AND THE CITY OF IMPERIAL

E-15. SUBJECT: DISCUSSION/ACTION: CITY OF IMPERIAL VOLUNTEER PROGRAM.

1. APPROVAL OF VOLUNTEER PROGRAM POLICY AND HANDBOOK.
2. ADOPTION OF RESOLUTION NO. 2019-07, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL, CALIFORNIA, PROVIDING WORKERS' COMPENSATION COVERAGE FOR CERTAIN CITY VOLUNTEERS PURSUANT TO THE PROVISIONS OF SECTION 3363.5 OF THE LABOR CODE.

E-16. SUBJECT: DISCUSSION/ACTION: RATIFICATION OF CONSIDERATION TO BE PAID FOR ACQUISITION OF RIGHT OF WAY FOR INSTALLATION OF WATER AND SEWER FACILITIES.

1. RATIFY PRIOR STAFF ACTION RELATING TO CONSIDERATION TO BE PAID FOR ACQUISITION OF RIGHT OF WAY.

E-17 SUBJECT: DISCUSSION/ACTION: HIGHWAY 86 RECONSTRUCTION PROJECT

1. AUTHORIZATION TO EXPEND CAPITAL IMPROVEMENT FUNDS IN THE AMOUNT OF \$175,000.00
2. AUTHORIZATION TO SEEK BIDS FOR THE DESIGN AND ENGINEERING OF HWY 86 BEAUTIFICATION AND RECONSTRUCTION.

E-18. SUBJECT: DISCUSSION/ACTION: CONSIDERATION TO CHANGE RECREATION SPECIALIST POSITION FROM PART-TIME TO FULL-TIME POSITION.

1. AUTHORIZE CHANGE OF RECREATION SPECIALIST POSITION FROM PART-TIME TO FULL-TIME.

E-19. SUBJECT: DISCUSSION/ACTION: UTILITY BILLING SOFTWARE SERVICE.

1. APPROVE DISBURSEMENT OF FUNDS FOR UTILITY BILLING SOFTWARE SERVICE – HARRIS COMPUTER MAINTENANCE IN THE AMOUNT OF \$16,755.78

E-20. SUBJECT: DISCUSSION/ACTION: DONATION OF MINI-EXPRESS ELECTRIC TRAIN.

1. ACCEPTANCE OF DONATION OF WATTMAN MINI-EXPRESS ELECTRIC TRAIN.

F. REPORTS:

F-1. SUBJECT: MAYOR AND COUNCIL MEMBER REPORTS.

F-2. SUBJECT: DEPARTMENT HEAD AND STAFF REPORTS

F-3. SUBJECT: CITY MANAGER REPORT.

ADJOURN CITY COUNCIL MEETING UNTIL THE NEXT REGULARLY SCHEDULED MEETING, WEDNESDAY, APRIL 3, 2019 AT 7:00 P.M.

NOTE: Any documents produced by the City and distributed to a majority of the City Council/Agency Board regarding any item on this agenda will be made available at the front counter at City Hall, located at 420 S. Imperial Avenue, during normal business hours

Check Register Report

Date: 03/01/2019

Time: 11:18 am

CITY OF IMPERIAL

BANK: UNION BANK

Page: 1

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86102	02/20/2019	Printed		028	IMPERIAL IRRIGATION DISTRICT		8,525.19

Check Register Report

Date: 03/01/2019

Time: 11:18 am

Page: 2

CITY OF IMPERIAL

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86107	02/20/2019	Printed		122	IMPERIAL STORES		643.38
86108	02/20/2019	Printed		3187	IMPERIAL TRUSS & LUMBER CO.		415.97
86109	02/20/2019	Printed		2099	IMPERIAL VALLEY OCCUPATIONAL M		115.00
86110	02/20/2019	Printed		350	IMPERIAL VALLEY PAINT CENTER		379.40
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86147	02/20/2019	Printed		1367	SHRED-IT		54.99
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86151	02/20/2019	Printed		104	TEAMSTERS, LOCAL 542		1,537.00
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86157	02/20/2019	Printed		944	UNITED WAY OF IMPERIAL COUNTY		7.00
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Check Register Report

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CITY OF IMPERIAL

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Page: 3

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86253	02/26/2019	Printed		5287	ANDREA STIFF-RIOS		160.75
86254	02/26/2019	Printed		412	DEVELOPMENT DESIGN &		6,240.00
86255	02/26/2019	Printed		4197	EAH, INC.		86,263.59
86256	02/26/2019	Printed		120	IMPERIAL COUNTY FIRE DEPT.		62,062.95
86258	02/26/2019	Printed		172	PYRAMID CONSTRUCTION		512,532.36
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86260	02/26/2019	Printed		024	THE HOLT GROUP, INC.		410.34
86261	02/26/2019	Printed		6260	TUSCANY NINE, INC.		238,963.99
86262	02/26/2019	Printed		4572	VEXER ENGINEERING		250.00
86263	02/26/2019	Printed		1132	WELLS FARGO BANK MN, N.A.		530,235.76
86264	02/28/2019	Printed		1701	ABEL HEREDIA		16.95
86265	02/28/2019	Printed		735	ACADEMI AWARDS & TROPHIES		570.48
86266	02/28/2019	Printed		6525	ADELE HOLLOWAY		98.25
86267	02/28/2019	Printed		5201	AIRMEDCARE NETWORK		26.00
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86274	02/28/2019	Printed		2081	ARAMARK UNIFORM SERVICE		2,731.95
86275	02/28/2019	Printed		6516	AURORA DELEON		1,212.60
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86282	02/28/2019	Printed		5649	CARLOS SOTO		305.20
86283	02/28/2019	Printed		4695	CARMEN FIERRO-GONZALEZ		17.03
86284	02/28/2019	Printed		132	COSTCO WHOLESALE		129.86
86285	02/28/2019	Printed		569	DESERT VETERINARY GROUP		222.00
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86287	02/28/2019	Printed		3386	DON EUHUS		83.47
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86291	02/28/2019	Printed		4215	ERIK SMITH		1,360.60
86292	02/28/2019	Printed		314	FRANCHISE TAX BOARD		131.00
86293	02/28/2019	Printed		6522	GRISelda ALVAREZ		129.74
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Check Register Report

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Time: 11:18 am

Page: 4

CITYOFIMPERIAL

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86301	02/28/2019	Printed		320	INTERNAL REVENUE SERVICE		250.00
86302	02/28/2019	Printed		6517	JAVIER ORNELAS JR		1,301.40
86303	02/28/2019	Printed		6144	JESSE COLLETT		515.90
86304	02/28/2019	Printed		6526	JESUS REYES		99.86
86305	02/28/2019	Printed		6524	JHOANA CAMACHO		144.34
86306	02/28/2019	Printed		2245	JULIAN PIE COMPANY		1,620.60
86307	02/28/2019	Printed		3245	JUPITER VENTURES I, LP		336,490.88
86308	02/28/2019	Printed		4161	LAS CHABELAS RESTAURANT		692.30
86309	02/28/2019	Printed		101	LINCOLN LIFE		1,925.81
86310	02/28/2019	Printed		6521	MAJID MANI, LLC		344.76
86311	02/28/2019	Printed		660	MARK GADDIS		184.65
86312	02/28/2019	Printed		6515	MICHAEL KITTEN		340.20
86313	02/28/2019	Printed		3998	NAPA		507.52
86314	02/28/2019	Printed		5683	NICHOLAS BARRICK		1,754.80
86315	02/28/2019	Printed		4481	O'REILLY		800.97
86316	02/28/2019	Printed		084	PITNEY BOWES PURCHASE POWER		400.00
86317	02/28/2019	Printed		3308	PREMIER PRODUCE CO.		766.80
86318	02/28/2019	Printed		3897	QT SANITATION		885.00
86319	02/28/2019	Printed		6150	REPUBLIC SERVICES, INC.		1,255.90
86320	02/28/2019	Printed		2564	ROGERS & ROGERS		118.31
86321	02/28/2019	Printed		3163	CHRYSLER JEEP		1,280.00
86322	02/28/2019	Printed		6514	SAFETY ORANGE		1,961.10
86323	02/28/2019	Printed		1297	SANDRA ZEPEDA		189.00
86324	02/28/2019	Printed		4569	SHRM		12,485.00
86325	02/28/2019	Printed		6523	SIERRA MATERIAL TESTING		111.07
86326	02/28/2019	Printed		2008	THE LARA FAMILY TRUST		32.53
86327	02/28/2019	Printed		944	UNITED PARCEL SERVICE		6.00
					UNITED WAY OF IMPERIAL COUNTY		

Total Checks: 186

Checks Total (excluding void checks):

2,162,743.44

Total Payments: 186

Bank Total (excluding void checks):

2,162,743.44

Total Payments: 186

Grand Total (excluding void checks):

2,162,743.44

Check Register Report

Date: 03/15/2019

Time: 11:04am

Page: 1

CITY OF IMPERIAL

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK Checks							
86329	03/07/2019	Printed		001	ATS LABS, INC.		3,692.00
86330	03/07/2019	Printed		4207	ALEXIS CHALUPNIK		93.96
86331	03/07/2019	Printed		6534	ALFREDO LOPEZ		90.05
86332	03/07/2019	Printed		2357	ALL VALLEY FENCE		15.03
86333	03/07/2019	Printed		195	ALLIED WASTE		11,087.64
86334	03/07/2019	Printed		6535	AMANDA GUERRERO		59.87
86335	03/07/2019	Printed		5956	AMAZON CAPITAL SERVICES		1,545.49
86336	03/07/2019	Printed		6532	ANITA MARTINEZ		14.38
86337	03/07/2019	Printed		1851	AT&T LONG DISTANCE		283.00
86338	03/07/2019	Printed		674	BRENNTAG		12,785.86
86339	03/07/2019	Printed		3029	CLAIREMONT EQUIPMENT		1,349.38
86340	03/07/2019	Printed		6538	CLAUDIA MARTINEZ		120.40
86341	03/07/2019	Printed		6222	CODE EXXPERS, LLC		562.50
86342	03/07/2019	Printed		514	CORE & MAIN LP		312.75
86343	03/07/2019	Printed		3132	D& RSUPPLY		20.47
86344	03/07/2019	Printed		1970	DC FROST ASSOCIATES, INC		5,814.31
86345	03/07/2019	Printed		412	DEVELOPMENT DESIGN &		8,320.00
86346	03/07/2019	Printed		517	DYNAMIC CONSULTING ENGINEERS		8,655.00
86347	03/07/2019	Printed		6126	EBSCO		459.83
86348	03/07/2019	Printed		5780	ESMERALDA MARTINEZ		21.35
86349	03/07/2019	Printed		1307	EXECUTIVE LANDSCAPE INC		28,400.00
86350	03/07/2019	Printed		5699	FELIX MEJIA		379.40
86351	03/07/2019	Printed		6533	GLORIA SANCHEZ		2.66
86352	03/07/2019	Printed		6081	GOLD COAST ENVIRONMENTAL		2,900.00
86353	03/07/2019	Printed		5791	HAL HAYS CONSTRUCTION		17,460.99
86354	03/07/2019	Printed		5791	HAL HAYS CONSTRUCTION		42,697.11
86355	03/07/2019	Printed		5791	HAL HAYS CONSTRUCTION		27,896.66
86356	03/07/2019	Printed		222	IMPERIAL COUNTY AIR POLLUTION		175.50
86357	03/07/2019	Printed		202	IMPERIAL COUNTY TREASURER		24,011.89
86358	03/07/2019	Printed		028	IMPERIAL IRRIGATION DISTRICT		33,749.33
86359	03/07/2019	Printed		221	IMPERIAL PRINTERS		602.80
86361	03/07/2019	Printed		122	IMPERIAL STORES		480.02
86363	03/07/2019	Printed		3187	IMPERIAL TRUSS & LUMBER CO.		861.59
86364	03/07/2019	Printed		642	JORDAN CENTRAL IMPLEMENT CO.		387.16
86365	03/07/2019	Printed		6536	JOSE RAMIREZ		10.87
86366	03/07/2019	Printed		868	K-C WELDING & RENTALS, INC.		403.59
86367	03/07/2019	Printed		2901	KIMBALL MIDWEST		544.31
86368	03/07/2019	Printed		1647	LA BRUCHERIE IRRIGATION SUPPLY		43.28
86369	03/07/2019	Printed		401	LOWE'S		1,083.25
86370	03/07/2019	Printed		5504	MATT BALZANO		390.50
86371	03/07/2019	Printed		2689	MAX SHEFFIELD		390.50
86374	03/07/2019	Printed		3998	NAPA		1,090.44
86375	03/07/2019	Printed		079	ONE SOURCE DISTRIBUTORS		13.07
86376	03/07/2019	Printed		6530	PEER SOFTWARE INC.		2,500.00
86377	03/07/2019	Printed		6529	PERLA VEGA		134.43
86378	03/07/2019	Printed		1776	PRECISION ELECTRIC CO. INC.		1,348.98
86379	03/07/2019	Printed		6531	R.E. SCHULTZ CONSTRUCTION, INC		56,079.45
86380	03/07/2019	Printed		6531	R.E. SCHULTZ CONSTRUCTION, INC		94,350.68
86381	03/07/2019	Printed		6531	R.E. SCHULTZ CONSTRUCTION, INC		129,372.42
86382	03/07/2019	Printed		133	RAIN FOR RENT		154.64
86383	03/07/2019	Printed		694	REXEL OF AMERICA, LLC		131.65
86384	03/07/2019	Printed		2564	ROGERS & ROGERS CHRYSLER JEEP		375.44

Check Register Report

Date: 03/15/2019
Time: 11:04am
Page: 2

CITY OF IMPERIAL

BANK: UNION BANK

Check number	Check Date	Status	Void/Stop Date	Vendor number	Vendor Name	Check Description	Amount
UNION BANK Checks							
86385	03/07/2019	Printed		6527	RYAN KOSEOR		85.48
86386	03/07/2019	Printed		6537	SCS ENGINEERS		1,474.81
86387	03/07/2019	Printed		1239	SHERWIN-WILLIAMS		145.14
86388	03/07/2019	Printed		135	SOCALGAS		71.70
86389	03/07/2019	Printed		091	STAPLES CREDIT PLAN		821.15
86390	03/07/2019	Printed		6193	STRADLING YOCCA CARLSON&RAUTH, SUPERIOR READY MIX		1,070.90
86391	03/07/2019	Printed		1265	CONCRETE LP		1,285.13
86392	03/07/2019	Printed		957	THE SOCO GROUP, INC		822.87
86393	03/07/2019	Printed		6528	TREMAYNE BUTTS		144.67
86394	03/07/2019	Printed		275	UNDERGROUND SERVICE ALERT OF		102.48
86395	03/07/2019	Printed		1100	USA BLUEBOOK		317.55
86396	03/07/2019	Printed		141	WAL-MART COMMUNITY		27.99
86397	03/07/2019	Printed		1715	WAXIE SANITARY SUPPLY		133.67
86398	03/07/2019	Printed		1968	WESTAIR GASES & EQUIPMENT		2,806.28
86399	03/07/2019	Printed		487	XPRESS LUBE		241.87
				Total Checks: 67		Checks Total (excluding void checks):	533,277.57
				Total Payments: 67		Bank Total (excluding void checks):	533,277.57
				Total Payments: 67		Grand Total (excluding void checks):	533,277.57

MINUTES

CITY COUNCIL CITY OF IMPERIAL DECEMBER 19, 2018

A. CITY COUNCIL CONVENES TO CLOSED SESSION AT 6:30 PM

COUNCIL MEMBERS PRESENT: AMPARANO, PECHTL, SAMPSON, TUCKER, AND DALE

**A-1 SUBJECT: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED
LITIGATION (54956.9 (d) (4))**

Significant exposure to litigation – (1 potential case)

ADJOURNED CLOSED SESSION

B. CITY COUNCIL CONVENED TO OPEN SESSION

COUNCIL MEMBERS PRESENT: AMPARANO, PECHTL, SAMPSON, TUCKER, AND
DALE

OTHER OFFICIALS PRESENT: CITY ATTORNEY MORITA, CITY MANAGER CHATWIN,
PUBLIC SERVICES DIRECTOR LOPER, FIRE CHIEF
ESTRADA, POLICE CHIEF BARRA, COMMUNITY
SERVICES DIRECTOR HALLER, I.T. DIRECTOR
ESTRADA, COMMUNITY DEVELOPMENT DIRECTOR
MORA, CITY CLERK JACKSON, AND P.I.O. CHALUPNIK

MAYOR DALE called the meeting to order at 7:00 PM and the Pledge of Allegiance was led by
Community Development Director Othon Mora.

ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION:

There was no reportable action taken in Closed Session.

C. PUBLIC APPEARANCES:

DEBORAH MCGARREY, Public Affairs Manager with So Cal Gas addressed council on efforts
proposed by the state to achieve the states' goal in reducing greenhouse gas emissions. So Cal Gas is
looking for support in the ability of local governments to keep the choice of energy solutions for
businesses and homeowners within local controls.

D. CONSENT AGENDA:

D-1. Approval of claims/warrants report.

Motion by PECHTL, seconded by AMPARANO to approve the Consent Agenda withholding warrants
85905 and 85110 for separate action.

AYES: AMPARANO, PECHTL, SAMPSON, TUCKER, AND DALE

NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

MOTION CARRIED 5-0

Motion by TUCKER, seconded by AMPARANO to approve warrant number 85905 payable to Darrell Pechtl.

AYES: AMPARANO, SAMPSON, TUCKER, AND DALE

NOES: NONE

ABSTAIN: PECHTL

ABSENT: NONE

MOTION CARRIED 4-0-1

Motion by AMPARANO, seconded by PECHTL to approve warrant number 85110 payable to JT Towing.

AYES: AMPARANO, PECHTL, SAMPSON, AND DALE

NOES: NONE

ABSTAIN: TUCKER

ABSENT: NONE

MOTION CARRIED 4-0-1

E. PUBLIC HEARINGS:

E-1 SUBJECT: PUBLIC HEARING – CITY OF IMPERIAL GENERAL PLAN HOUSING ELEMENT UPDATE

The Public Hearing was opened at 7:14 PM.

PLANNER TYLENDIA provided the staff report. The update addresses the housing needs for the city and outlines the goals of the element. Once adopted, the element will be submitted to the state.

There were no comments received either written or verbal.

Public Hearing closed at 7:30 PM

1. RESOLUTION NO. 2018-66, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL, CALIFORNIA ADOPTING THE 2014-2021 GENERAL PLAN HOUSING ELEMENT UPDATE.

Motion by AMPARANO, seconded by PECHTL to approve Resolution No. 2018-66.

AYES: AMPARANO, PECHTL, SAMPSON, TUCKER, AND DALE

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

MOTION CARRIED 5-0

F. ACTION ITEMS:

F-1. SUBJECT: REPORT ON STATUS OF EMERGENCY FOR REPAIRS TO THE SKY RANCH BLOCK WALL.

1. CONTINUE OR SUSPEND EMERGENCY AS NECESSARY FOR REPAIRS TO THE SKY RANCH BLOCK WALL.

Motion by PECHTL, seconded by TUCKER to continue the emergency.

AYES: AMPARANO, PECHTL, SAMPSON, TUCKER, AND DALE
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE MOTION CARRIED 5-0

F-2. SUBJECT: WATER TREATMENT PLANT – EQUIPMENT FOR GAC FILTERS

1. APPROVE PURCHASE OF ACTUATING VALVES FOR GAC FILTERS FROM CS-amsco IN THE AMOUNT OF \$24,100.00

Motion by PECHTL, seconded by TUCKER to approve the purchase of actuating valves as requested.

AYES: AMPARANO, PECHTL, SAMPSON, TUCKER, AND DALE
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE MOTION CARRIED 5-0

F-3. SUBJECT: PERSONNEL – HUMAN RESOURCES DIRECTOR POSITION

1. RECLASSIFICATION OF HUMAN RESOURCES DIRECTOR TO HUMAN RESOURCES ANALYST.

Motion by PECHTL, seconded by TUCKER to approve the reclassification of the position.

AYES: AMPARANO, PECHTL, SAMPSON, TUCKER, AND DALE
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE MOTION CARRIED 5-0

F-4. SUBJECT: RESULTS OF NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION.

1. CITY CLERK’S STATEMENT OF VOTE FOR THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION

CITY CLERK JACKSON recited the facts of the election. (See separate page).

2. RESOLUTION NO. 2018-67, RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL, CALIFORNIA RECITING THE FACTS OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 6, 2018, DECLARING THE RESULTS THEREOF AND SUCH OTHER MATTERS AS REQUIRED BY LAW.

Motion by AMPARANO seconded by PECHTL to approve Resolution No. 2018-67.

AYES: AMPARANO, PECHTL, SAMPSON, TUCKER, AND DALE
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE MOTION CARRIED 5-0

F-5. SUBJECT: RECOGNITION/PRESENTATION/COMMENTS IN TRIBUTE TO DEPARTING COUNCIL MEMBER BETTY SAMPSON

TOMAS OLIVA, Congressman Juan Vargas, 51st Congressional District, expressed gratitude to Betty Sampson for her service to the City of Imperial and recognized the growth of the city during her tenure.

F-6. SUBJECT: OATH OF OFFICE TO RE-ELECTED AND NEWLY ELECTED CITY COUNCIL MEMBERS

1. ADMINISTRATION OF OATHS OF OFFICE AND PRESENTATION OF CERTIFICATES OF ELECTION BY CITY CLERK JACKSON.

CITY CLERK JACKSON administered the Oath of Office to Council members Geoff Dale, James Tucker, and Karin Eugenio.

F-7. SUBJECT: REORGANIZATION OF CITY COUNCIL

1. CITY CLERK JACKSON OPENED NOMINATIONS FOR MAYOR

PECHTL nominated AMPARANO for Mayor and by unanimous vote was selected.

2. MAYOR AMPARANO ASSUMED CHAIR AND OPENED NOMINATIONS FOR MAYOR PRO-TEM

TUCKER nominated PECHTL for Mayor Pro tem and by a unanimous vote was selected.

F-8. SUBJECT: RECOGNITION OF OUTGOING MAYOR GEOFF DALE.

TOMAS OLIVA, Congressman Juan Vargas, 51st Congressional District, presented a certificate to Mr. Dale thanking him for service as Mayor and leadership this past year.

G. REPORTS:

G-1. SUBJECT: MAYOR AND COUNCIL MEMBER REPORTS.

DALE reported on participating in the Parade of Lights and attended the Market Day event.

PECHTL welcomed Karin Eugenio to the council and thanked Betty Sampson for her service. He reported on attending and participating in the recent Christmas events.

EUGENIO thanked all those who helped her with her election campaign and acknowledged Ms. Sampson for her service to the city.

AMPARANO reported on the various December events and thanked everyone for their work in planning and preparing for these and started that our city would not be who we are without them.

G-2. SUBJECT: DEPARTMENT HEAD AND STAFF REPORTS

CITY ATTORNEY MORITA, offered parting comments to Ms. Sampson, stating that during the entirety of her tenure she became the conscience of the council and performed great service to the city.

PUBLIC SERVICES DIRECTOR LOPER, reported his staff has been working on pumping out water from recent rains and reported that the first TTHM test results since the GAC system went on line are in compliance with state requirements.

POLICE CHIEF BARRA informed the council that he just completed his 1st year as chief and thanked his officers for doing a great job.

COMMUNITY SERVICES DIRECTOR HALLER reported on recent rains resulting in some retention basins still underwater.

COMMUNITY DEVELOPMENT DIRECTOR MORA thanked staff for their work on preparing the Housing Element; the transit park and Cambria park projects have been delayed slightly due to rains.

CITY CLERK JACKSON thanked Ms. Sampson for serving the community and always being a support and has enjoyed working with her.

CHAMBER CEO PARADIS reported that the Christmas events were successful and thanked Ms. Sampson for her support of the Chamber.

HAUGH, NAF PUBLIC AFFAIRS reported the US Navy's Blue Angels flight team will arrive on base January 3, 2019 to begin their winter training and that the air show is set for March 16, 2019.

G-3. SUBJECT: CITY MANAGER REPORT.

Reported his office is working on preparing for the Council retreat to be held next month.

CITY COUNCIL MEETING ADJOURNED AT 8:15 PM UNTIL THE NEXT REGULARLY SCHEDULED MEETING, WEDNESDAY, JANUARY 2, 2019 AT 7:00 P.M.

MINUTES
CITY COUNCIL
and
SUCCESSOR AGENCY to the
FORMER REDEVELOPMENT AGENCY
CITY OF IMPERIAL
JANUARY 2, 2019

A. CITY COUNCIL CONVENED TO OPEN SESSION

COUNCIL MEMBERS PRESENT: **DALE, EUGENIO AND AMPARANO**

COUNCIL MEMBERS ABSENT: **PECHTL AND TUCKER**

OTHER OFFICIALS PRESENT: **CITY ATTORNEY MORITA, CITY MANAGER
CHATWIN, PUBLIC SERVICES DIRECTOR
LOPER, FIRE CHIEF ESTRADA, COMMUNITY
SERVICES DIRECTOR HALLER, INFORMATION
TECHNOLOGY DIRECTOR ESTRADA, FINANCE
MANAGER GUTIERREZ, COMMUNITY
DEVELOPMENT DIRECTOR MORA, AND CITY
CLERK JACKSON**

MAYOR AMPARANO called the meeting to order at 7:00 PM and the Pledge of Allegiance was led by Police Chief Barra.

B. PUBLIC APPEARANCES:

Gary Metelski, Imperial resident addressed the council about a recent newspaper article regarding the Roadway Inn Hotel, questioning the police presence for routine fire inspection.

C. CONSENT AGENDA:

C-1. Approval of claims/warrants report.

C-2. Approval of Treasurers' Report for November 2018.

C-3. Approval of minutes for the regular Council meeting of November 7, 2018.

Motion by DALE, seconded by EUGENIO to approve the Consent Agenda as presented.

AYES: **DALE, EUGENIO, AND AMPARANO**

NOES: **NONE**

ABSTAIN: **NONE**

ABSENT: **PECHTL AND TUCKER**

MOTION CARRIED 3-0

D. ACTION ITEMS:

**D-1. SUBJECT: REPORT ON STATUS OF EMERGENCY FOR REPAIRS TO THE SKY
RANCH BLOCK WALL.**

1. CONTINUE OR SUSPEND EMERGENCY AS NECESSARY FOR REPAIRS TO THE SKY RANCH BLOCK WALL.

Motion by DALE, seconded by EUGENIO to continue the emergency.

AYES: DALE, EUGENIO, AND AMPARANO

NOES: NONE

ABSTAIN: NONE

ABSENT: PECHTL AND TUCKER MOTION CARRIED 3-0

D-2. SUBJECT: DEBT MANAGEMENT POLICY

1. APPROVAL OF DEBT MANAGEMENT POLICY FOR THE CITY OF IMPERIAL.

Motion by DALE, seconded by EUGENIO to approve the Debt Management Policy for the City of Imperial.

AYES: DALE, EUGENIO, AND AMPARANO

NOES: NONE

ABSTAIN: NONE

ABSENT: PECHTL AND TUCKER MOTION CARRIED 3-0

E. SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY:

E-1. SUBJECT: REVIEW OF ROPS (RECOGNIZED OBLIGATION PAYMENT SCHEDULE) FOR FY 19/20.

1. REVIEW AND APPROVE THE ROPS FOR THE PERIOD OF JULY 1, 2019 THROUGH JUNE 30, 2020 FOR SUBMITTAL TO THE OVERSIGHT BOARD FOR APPROVAL.

Motion by DALE, seconded by EUGENIO to approve the ROPS and forward same to the Oversight Board.

AYES: DALE, EUGENIO, AND AMPARANO

NOES: NONE

ABSTAIN: NONE

ABSENT: PECHTL AND TUCKER MOTION CARRIED 3-0

F. REPORTS:

F-1. SUBJECT: MAYOR AND COUNCIL MEMBER REPORTS.

AMPARANO wished all a great year in 2019.

F-2. SUBJECT: DEPARTMENT HEAD AND STAFF REPORTS

COMMUNITY DEVELOPMENT DIRECTOR MORA provided an update on the city's Housing Element.

KRIS HAUGH, PUBLIC AFFAIRS, NAF, reported that the Blue Angels Flight Demonstration team will arrive tomorrow, January 3, 2019 to begin their winter training.

F-3. SUBJECT: CITY MANAGER REPORT.

Reminded Council that we still need to set date for City Council Retreat. Looking to hold this at the end of January or early February.

CITY COUNCIL MEETING ADJOURNED AT 7:25 PM UNTIL THE NEXT REGULARLY SCHEDULED MEETING, WEDNESDAY, JANUARY 16, 2019 AT 7:00 P.M.



D-3

February 6, 2019

Mr. Stefan Chatwin
City Manager
City of Imperial
420 South Imperial Ave
Imperial, CA 92251

Dear Mr. Chatwin,

Republic Services is honored to provide integrated solid waste and recycling collection services for the City of Imperial. We have prepared for your review the solid waste rate adjustments based upon the formula within our Franchise Agreement.

Under the terms of our agreement, Republic Services is permitted a rate adjustment annually based on the Consumer Price Index for all urban consumers as published by the US Department of Labor, Bureau of Labor Statistics for the previous twelve-month period ending in December 31, 2018. I have attached a copy of the Consumer Price Index for your review

As per the Section 13, the following rate adjustment will apply effective July 1st 2019:

- Commercial and Roll-off construction and demolition rates will be subject to the annual CPI adjustment of 3.2 percent.
- Residential rates will be subject to the annual CPI adjustment of 3.2 percent. The current monthly rate is \$19.77 per resident. The new rate will be \$20.40.

Additionally, Republic Services is requesting to pass-through the additional cost associated with implementing an organics waste recycling program for 2019. We have attached supporting documentation for the anticipated cost increase and the corresponding price adjustments. This program will address the next step in meeting the requirements set forth in California Assembly Bill 1826 for organics recycling. Lastly, we will need to establish rates for the new services that will be required beginning January 1, 2020 as part of AB1826. This includes the recycling of yard waste from residents and the collection and recycling of organics from commercial businesses and multi-family residences.

Thank you for the privilege of allowing us to provide solid waste collection and recycling service to the residents of Imperial. Republic Services is proud to serve and continue its partnership with the community and City of Imperial. Please do not hesitate to contact me with any questions regarding this letter or the services we provide.

Sincerely,

A handwritten signature in black ink, appearing to read 'German Hernandez', with a long horizontal flourish extending to the right.

German Hernandez
Divisional Manager
ghernandez4@republicservices.com
(760) 337-2412

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE

December 2018

ALL ITEMS INDEXES

(1982-84=100 unless otherwise noted)

MONTHLY DATA	All Urban Consumers (CPI-U)							Urban Wage Earners and Clerical Workers (CPI-W)						
	Indexes				Percent Change			Indexes				Percent Change		
					Year ending							Year ending		
	Dec 2017	Nov 2018	Dec 2018	Dec 2018	Nov 2018	Dec 2018	Dec 2018	Dec 2017	Nov 2018	Dec 2018	Nov 2018	Dec 2018	Dec 2018	
U. S. City Average.....	246.524	252.038	251.233	251.233	2.2	1.9	-0.3	240.526	245.933	244.786	244.786	2.2	1.8	-0.5
(1967=100).....	738.477	754.992	752.584	752.584	-	-	-	716.454	732.561	729.142	729.142	-	-	-
Los Angeles-Long Beach-Anaheim.....	259.220	268.560	267.631	267.631	3.6	3.2	-0.3	249.854	259.064	258.101	258.101	3.8	3.3	-0.4
(1967=100).....	765.850	793.446	790.700	790.700	-	-	-	738.396	765.612	762.768	762.768	-	-	-
West	257.347	265.658	265.209	265.209	3.3	3.1	-0.2	249.055	257.604	256.879	256.879	3.5	3.1	-0.3
(Dec. 1977 = 100)	415.987	429.421	428.696	428.696	-	-	-	400.716	414.471	413.304	413.304	-	-	-
West - A*	265.009	273.769	273.507	273.507	3.4	3.2	-0.1	254.682	263.924	263.302	263.302	3.8	3.4	-0.2
(Dec. 1977 = 100)	432.135	446.419	445.991	445.991	-	-	-	412.281	427.242	426.235	426.235	-	-	-
West - B/C** (Dec. 1996=100).....	149.920	154.625	154.228	154.228	3.1	2.9	-0.3	149.595	154.456	153.954	153.954	3.1	2.9	-0.3
BI-MONTHLY DATA	All Urban Consumers (CPI-U)							Urban Wage Earners and Clerical Workers (CPI-W)						
	Indexes				Percent Change			Indexes				Percent Change		
					Year ending							Year ending		
	Dec 2017	Oct 2018	Dec 2018	Dec 2018	Oct 2018	Dec 2018	Dec 2018	Dec 2017	Oct 2018	Dec 2018	Oct 2018	Dec 2018	Dec 2018	
San Francisco-Oakland-Hayward.....	277.414	289.673	289.896	289.896	4.4	4.5	0.1	271.342	283.183	283.278	283.278	4.4	4.4	0.0
(1967=100).....	852.847	890.535	891.220	891.220	-	-	-	826.260	862.317	862.606	862.606	-	-	-
Seattle-Tacoma-Bellevue.....	265.850	272.805	273.293	273.293	3.1	2.8	0.2	262.485	269.719	269.470	269.470	3.3	2.7	-0.1
(1967=100).....	810.414	831.614	833.105	833.105	-	-	-	778.529	799.985	799.247	799.247	-	-	-

* A = greater than 2,500,000 population

** B/C = 2,500,000 population or less

Dash (-) = Not Available.

Release date Jan. 11, 2019. The next release is scheduled for Feb. 13, 2019.

Due to the 2018 geographic revision, Anchorage, Honolulu, Phoenix, San Diego, and Riverside area index numbers are published bi-monthly. Semi-annual averages can be accessed online at www.bls.gov/cpi/data.htm. The Portland CPI has been discontinued. Additional information on the geographic revision is available at www.bls.gov/regions/west/factsheet/2018cpirevision.htm. For questions, please contact us at BLSinfol@BLS.GOV or (415) 625-2270.

DATE SUBMITTED

02/27/19

SUBMITTED BY

Community Services
Department - E. Haller

DATE ACTION REQUIRED

03/06/19

COUNCIL ACTION (X)
PUBLIC HEARING REQUIRED ()
RESOLUTION ()
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()
CITY CLERK'S INITIALS 

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT:

DISCUSSION/ACTION:

FACILITY USE AGREEMENT FOR IMPERIAL VALLEY CHALLENGER LITTLE LEAGUE

DEPARTMENT INVOLVED: COMMUNITY SERVICES DEPARTMENT

BACKGROUND/SUMMARY:

Imperial Valley Challenger Little League is an adaptive baseball program for individuals with physical and intellectual challenges. The Little League Challenger Division accommodates players ages 4 to 18; or up to age 22 if still enrolled in school. The 2019 season will run through June 1, 2019. The I. V. Challenger Little League 2019 roster serves 25 players who reside throughout the Imperial County. To serve the public interest and to provide a Challenger Little League season in accordance with the terms of its charter, a facility use agreement is recommended in order to provide the league the right to use the City's baseball facility.

Please see attached Facility Use Agreement.

FISCAL IMPACT:

There is no significant fiscal impact.

FINANCE
INITIALS



STAFF RECOMMENDATION:

It is recommended to approve the Facility Use Agreement for I. V. Challenger Little League for its 2019 Baseball Season.

DEPT. INITIALS



MANAGER'S RECOMMENDATION:

CITY
MANAGER'S
INITIALS



MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REJECTED ()

DEFERRED ()

REFERRED TO:

CITY OF IMPERIAL

FACILITY USE AGREEMENT FOR IMPERIAL VALLEY CHALLENGER LITTLE LEAGUE

THIS AGREEMENT, made and entered into this 6th day of March, 2019, by and between the City of Imperial, a municipal corporation duly organized and existing under the laws of the State of California (hereinafter referred to as "AGENCY" and Imperial Valley Challenger Little League, (hereinafter referred to as "ORGANIZATION").

RECITALS:

- A. It is the AGENCY's desire to serve the public interest of the community by facilitating a program of organized youth sports; and
- B. ORGANIZATION has been duly chartered for the 2019 Little League season by Little League International. The goal and purpose of the ORGANIZATION is to provide a little league season in accordance with the terms of its charter.
- C. In consideration of the mutual covenants and conditions contained herein, the parties do hereby agree as follows:

I. TERM OF AGREEMENT

The AGENCY grants ORGANIZATION the right to use Evans Park (hereinafter "Subject Facility"), for a period of time, commencing March 7, 2019 and terminating June 1, 2019.

II. USE OF FACILITY

The ORGANIZATION shall have the non-exclusive right to use the Subject Facility. ORGANIZATION's right to use the Subject Facility will begin on the above stated date and upon submission of the following to the Agency:

- A. Facility Use Form.
- B. Complete list of names, addresses and telephone numbers of the current Board of Directors or other responsible persons of the ORGANIZATION.
- C. 501(c)(3) designation from the IRS or a nonprofit designation from the California Franchise Tax Board and/or the California Secretary of State.
- D. Master calendar of events.

- E. One copy of the Certificate of Insurance listing the AGENCY as an additional insured and a copy of all applicable endorsements.

The above requested documents must be submitted at least two weeks prior to use. If the documents are not submitted, the AGENCY may withhold use of the Subject Facility.

III. RESPONSIBILITY FOR ACTIVITIES

The ORGANIZATION shall provide the personnel necessary to supervise and conduct the activities as set forth in this Agreement at the Subject Facility, and shall furnish and supply any and all equipment and material, which may be necessary for such activities conducted at the Subject Facility. Athletic Field Lining and Marking - Permanent marking of athletic fields must be done with prior written approval of the AGENCY. Any user failing to comply with established guidelines and notification is subject to invoicing for all damages occurring to fields and termination of this Agreement.

IV. RESPONSIBILITY FOR SAID LEAGUES

- A. ORGANIZATION agrees to observe all rules and regulations as set forth in this Agreement.
- B. Modifications to Park Fields and Facilities - The removal, alteration, painting or addition to any facility or grounds, and construction of any kind to existing structures must be approved by AGENCY. This will include any proposed changes altering design or appearance of the existing landscape of demised premises. No trees, shrubs, or ground covers shall be planted, trimmed or removed without written consent from the AGENCY. Any requests to modify or improve park fields and facilities shall be submitted for approval to the Community Services Department, at least sixty (60) days prior to the date of any proposed changes.
- C. ORGANIZATION agrees to erect no fences or advertising matter of any kind on AGENCY grounds without prior approval by the Community Services Department (or applicable department).
- D. Closure of Fields - Fields may be scheduled for closure and rehabilitation to allow for recovery due to heavy usage. The dates and times of closure to be determined by the Community Services Departments.
- E. There will be no use of AGENCY athletic fields when facilities are unplayable due to rain or other conditions. Any user failing to comply with a decision to postpone use is subject to invoicing for all damages

occurring to the field and termination of this Agreement and the ability to use the Subject Facility.

- F. NO altering of sprinklers without authorization.
- G. Any damages to the Subject Facility or appurtenant AGENCY facilities caused by ORGANIZATION or its use of the Subject Facility, will be the ORGANIZATION's responsibility to replace or repair. In the event ORGANIZATION fails or refuses to replace or repair damage, AGENCY may cause such replacement and/or repair to be undertaken and ORGANIZATION agrees to reimburse AGENCY for the costs incurred to do so.
- H. All locks must be standard agency locks and must not be replaced by any other lock.
- I. All leagues are responsible for cleaning areas used, including daily trash produced by league or ORGANIZATION.
- J. Leagues are responsible for controlling their players and parents while using the Subject Facility.
- K. Any violation of this Agreement by ORGANIZATION and/or any league run by ORGANIZATION using the Subject Facility shall lose their privilege and use of the Subject Facility.

V. LEGAL RESPONSIBILITIES

The ORGANIZATION shall keep itself informed of Agency, State and Federal Laws, ordinances and regulations, which in any manner affect the performance of its activities pursuant to this Agreement. The ORGANIZATION shall at all times observe and comply with all such laws, ordinances and regulations. Neither the AGENCY, nor its officers, volunteers, attorneys, agents or employees shall be liable at law or in equity as a result of the ORGANIZATION's failure to comply with this section.

VI. USE OF PREMISES

- A. The Subject Facility shall be used only for those athletic events as set forth in Paragraph 2 above. ORGANIZATION shall not permit the Subject Facility or any part thereof to be used for:
 - 1. The conduct of any offensive, noisy or dangerous activity.
 - 2. The creation or maintenance of a public nuisance.
 - 3. Anything which fails to comply with public regulations or rules of any public authority at any time, applicable to the Subject Facility.

4. Any purpose or in any manner which will obstruct, interfere with or infringe upon the rights of the residents of adjoining properties.

VII. EXCLUSIVE RIGHT

This Agreement does not give the ORGANIZATION any right to the exclusive use of the Subject Facility, restrooms, or any other public facility. ORGANIZATION agrees that the rights herein granted shall not be assigned to or transferable to any persons, teams, or leagues.

VIII. MAINTENANCE

- B. ORGANIZATION shall be responsible for all damages or injury to property or equipment caused by the ORGANIZATION, its agents, employees, volunteers, participants and/or any other individual at the Subject Facility during ORGANIZATION's use of the Subject Facility.
- C. All maintenance such as field preparation, lining of the fields; marking of the fields, and set up of temporary equipment will be performed by ORGANIZATION.
- D. ORGANIZATION is responsible for the facility being free of trash and/or debris caused by group usage upon conclusion of each day's use.
- E. ORGANIZATION is required to report any damage to persons or property or acts of vandalism to the AGENCY immediately.

IX. INSPECTION

- F. ORGANIZATION shall inspect the Subject Facility prior to each use by ORGANIZATION to ensure that it is free from any defects and/or hazards that may pose a danger to participants, spectators and/or any other person who is at the Subject Facility as part of the ORGANIZATION's use of the Subject Facility. ORGANIZATION shall immediately notify AGENCY of any defect or hazard identified so that the AGENCY has sufficient time to warn of the defect or hazard and/or remediate the defect or hazard prior to ORGANIZATION's use of the Subject Facility. ORGANIZATION agrees that should it fail to conduct any such inspection and/or fail to timely notify AGENCY of any defect or hazard identified, ORGANIZATION shall be solely responsible for any damage or injury, whether to persons or property, arising from the defect or hazard.
- B. AGENCY shall have the right to enter the Subject Facility utilized

hereunder as needed. However, AGENCY's exercise of the right to enter shall not create any duty on the party of the AGENCY to inspect the Subject Facility for defects or hazards under Section A herein.

X. IMPROVEMENTS

The removal, alteration, or addition to any facility or grounds and construction of any kind to existing structures must be approved and performed by the AGENCY. This shall include any proposed changes that would alter the design or appearance of the existing landscape of the Subject Facility. No trees, shrub, or ground covers shall be planted, trimmed or removed without written consent from the AGENCY.

Furthermore, all requests for removal, alternation, or addition to any facility or grounds or for construction and painting of any kind to existing structures must be submitted to the AGENCY for consideration and review at least sixty (60) days prior to the date any proposed change(s) is needed.

Assistance by the ORGANIZATION, its agents, employees, or its participants with any such removal, alteration, addition, painting or construction shall be solely at the discretion and with prior written consent of the AGENCY.

Nothing in this section shall be interpreted as prohibiting the normal maintenance of the facility by the ORGANIZATION as specified in section

XI. TITLE TO IMPROVEMENTS

All alterations and additions to the Subject Facility or surrounding grounds and all construction of any kind to existing structures of the Subject Facility shall become the property of the AGENCY. Nothing contained in this paragraph shall authorize the ORGANIZATION to make or place any alterations, changes or improvements on the Subject Facility without the prior written consent of the AGENCY.

XII. SIGNS

Except as specifically set forth herein, no signs shall be erected on the Subject Facility unless written approval is obtained from the AGENCY. Such a request for approval shall be directed to the Community Services Director. Sponsor recognition signs may be installed at locations approved by AGENCY. All signs shall be removed upon termination of the 2019 little league season.

XIII. TERMINATION OF THIS AGREEMENT

ORGANIZATION or AGENCY may, at any time, terminate this Agreement by serving on the other party such written termination at least fifteen (15) days In advance of the effective date of such termination.

XIV. NOTICE

A. All notices respecting this Agreement shall be served by certified mail, postage prepaid, addressed as follows:

B. To AGENCY: City of Imperial
420 S. Imperial Ave.
Imperial, CA 92251
Attention: Community Services Director

C. To ORGANIZATION: Imperial Little League
580 Sunflower Way, Imperial, CA 92251
Attention: I.V. Challenger Little League
President

Notice shall be deemed to have been served seventy-two (72) hours after the same has been deposited in the United States Postal Service.

XV. ATTORNEYS FEES

Should any litigation or other legal action be commenced between the parties hereto to interpret or enforce the provisions of this Agreement, in addition to any other relief to which the party may be entitled in law or equity, the prevailing party in such litigation or legal action shall be entitled to recover costs of suit and reasonable attorney's fees.

XVI. GOVERNING LAW

This Agreement will be governed by and constructed in accordance with the laws of the State of California.

XVII. ASSIGNMENT

Neither this Agreement nor any duties, rights or obligations under this Agreement may be assigned by ORGANIZATION, either voluntarily or by operation of law without the express written consent of the AGENCY.

XVIII. INSURANCE

ORGANIZATION shall maintain insurance in conformance with the requirements set forth in Exhibit A. ORGANIZATION will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth herein, ORGANIZATION agrees to amend, supplement or endorse the existing coverage to do so.

ORGANIZATION acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to ORGANIZATION in excess of the limits and coverage identified in this Agreement and which is applicable to a given loss, claim or demand, will be equally available to AGENCY.

XIV. INDEMNIFICATION

ORGANIZATION shall indemnify, defend, and hold harmless AGENCY, its Board or City Council, members of boards and commissions, its officers, agents, employees and volunteers from and against any and all liability, claims, allegations, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, economic loss, death, personal injury, property damage, loss of use, or property loss. The ORGANIZATION's obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of ORGANIZATION, its officers, employees, agents, participants, representative or vendors. It is further agreed, ORGANIZATION's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent active or passive negligence on the part of AGENCY, its Board or City Council, or its officers, agents employees, and volunteers except for liability resulting from the sole negligence or willful misconduct of AGENCY, its officers, employees or agents relating to ORGANIZATION's use of the Subject Facility under this Agreement. In the event the AGENCY, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by AGENCY, ORGANIZATION shall have an immediate duty to defend the AGENCY at ORGANIZATION's cost or at AGENCY's option, to reimburse AGENCY for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

XX. INDEPENDENT CONTRACTOR

Volunteer administrators, volunteer coaches, parents, contractors, employees and/or officers and directors of the ORGANIZATION shall not be deemed to be employees or agents of the AGENCY as a result of the performance of this Agreement.

XXI. ENTIRE AGREEMENT OF THE PARTIES

This Agreement supersedes any and all agreements, either oral or written, between the parties hereto with respect to the use of the Subject Facility by ORGANIZATION and contains all of the covenants and conditions between the parties with respect to the use of the Subject Facility. Each party to this

Agreement acknowledges that no representations, inducements, promises or agreement, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement has been made by the parties. Modification of this Agreement can only be made in writing, signed by both parties to this Agreement.

ORGANIZATION: Imperial Little League

By: _____
Tony Ojeda, President

AGENCY: City of Imperial
A Municipal Corporation

Mayor

ATTEST:

Debra Jackson, City Clerk

APPROVED AS TO FORM:

Agency Attorney

By: _____
Dennis H. Morita, APC
City Attorney

EXHIBIT A

INSURANCE REQUIREMENTS

ORGANIZATION shall provide the following types and amounts of insurance:

General liability insurance. Organization shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Organization shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Vendor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

Umbrella or excess liability insurance. [Optional depending on limits required]. Organization shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrence of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Workers' compensation insurance. Organization shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

Organization shall submit to Agency, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

Other provisions or requirements

Proof of insurance. Organization shall provide certificates of insurance to Agency as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by Agency's Risk Manager prior to commencement of event. Current certification of insurance shall be kept on file with Agency at all times during the term of this contract. Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Organization shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the event hereunder by Organization, his agents, representatives, employees or volunteers.

Primary/noncontributing. Coverage provided by Organization shall be primary and any insurance or self-insurance procured or maintained by Agency shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Agency before the Agency's own insurance or self-insurance shall be called upon to protect it as a named insured.

Agency's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Agency will be promptly reimbursed by Organization. In the alternative, Agency may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Agency's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against Agency, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Vendor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Organization hereby waives its own right of recovery against Agency, and shall require similar written express waivers and insurance clauses from each of its sub-organizations.

Enforcement of contract provisions (non estoppel). Organization acknowledges and agrees that any actual or alleged failure on the part of the Agency to inform Organization of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section 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 as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Organization maintains higher limits than the minimums shown above, the Agency requires and shall be entitled to coverage for the higher limits maintained by the Organization. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Agency.

Notice of cancellation. Organization agrees to oblige its insurance agent or broker and insurers to provide to Agency with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that Agency and its officers, officials, employees, agents and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to AGENCY and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that (Organization's/sub-organization's) insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. Organization agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Organization, provide the same minimum insurance coverage and endorsements required of Organization. Organization agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Organization agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to Agency for review.

Agency's right to revise specifications. The Agency reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Organization ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Organization, the Agency and Organization may renegotiate Organization's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by Agency. Agency reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by Agency.

Timely notice of claims. Organization shall give Agency prompt and timely notice of claims made or suits instituted that arise out of or result from Organization's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Organization shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

Agenda Item No. E-2

DATE SUBMITTED 02/27/19
 SUBMITTED BY Community Services
Department
 DATE ACTION REQUIRED 03/06/19

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS 

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION:
 FACILITY USE AGREEMENT FOR IMPERIAL VALLEY UNITED SOCCER ASSOCIATION

DEPARTMENT INVOLVED: COMMUNITY SERVICES DEPARTMENT

BACKGROUND/SUMMARY:

The Imperial Valley United Soccer Association (IVUSA) is an organized sports program serving youth ages 4 through 14. IVUSA is a member of Cal South which is a Youth and Adult State Soccer Association for Southern California. The 2019 Spring Soccer Season is scheduled to begin March 7th and run through June 15th, 2019. The IVUSA President has reported that 300 of the soccer association's players are City of Imperial residents. To serve the public interest and to assist in providing a Spring soccer season, a facility use agreement is recommended in order to provide the league the right to use the City's retention basin adjacent to Joshua Tree Park. The retention basin has turf and lighting. Due to lighting concerns the lights will be limited for use Monday through Thursday until 8:30 p.m.

Please see attached Facility Use Agreement.

FISCAL IMPACT:

Not to exceed \$5,000.00.

FINANCE
INITIALS



STAFF RECOMMENDATION:

It is recommended to approve the Facility Use Agreement for Imperial Valley United Soccer Association for its 2019 Spring Season.

DEPT. INITIALS



MANAGER'S RECOMMENDATION:

CITY
MANAGER'S
INITIALS



MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REJECTED ()

DEFERRED ()

REFERRED TO:

**CITY OF IMPERIAL
FACILITY USE AGREEMENT FOR
IMPERIAL VALLEY UNITED SOCCER ASSOCIATION**

THIS AGREEMENT, made and entered into this 6th day of March, 2019, by and between the City of Imperial, a municipal corporation duly organized and existing under the laws of the State of California (hereinafter referred to as "AGENCY" and Imperial Valley United Soccer Association , (hereinafter referred to as "ORGANIZATION").

RECITALS:

- A. It Is the AGENCY's desire to serve the public interest of the community by facilitating a program of organized youth sports; and
- B. ORGANIZATION has been duly chartered for the 2019 Cal South Youth Soccer season by California State Soccer Association South. The goal and purpose of the ORGANIZATION is to provide a little league season in accordance with the terms of its charter.
- C. In consideration of the mutual covenants and conditions contained herein, the parties do hereby agree as follows:

I. TERM OF AGREEMENT

The AGENCY grants ORGANIZATION the right to use Joshua Tree Retention Basin (hereinafter "Subject Facility"), for a period of time, commencing March 7, 2019 and terminating June 15, 2019.

II. USE OF FACILITY

The ORGANIZATION shall have the non-exclusive right to use the Subject Facility. ORGANIZATION's right to use the Subject Facility will begin on the above stated date and upon submission of the following to the Agency:

- A. Facility Use Form.
- B. Complete list of names, addresses and telephone numbers of the current Board of Directors or other responsible persons of the ORGANIZATION.
- C. 501(c)(3) designation from the IRS or a nonprofit designation from the California Franchise Tax Board and/or the California Secretary of State.
- D. Master calendar of events.

- E. One copy of the Certificate of Insurance listing the AGENCY as an additional insured and a copy of all applicable endorsements.

The above requested documents must be submitted at least two weeks prior to use. If the documents are not submitted, the AGENCY may withhold use of the Subject Facility.

III. RESPONSIBILITY FOR ACTIVITIES

The ORGANIZATION shall provide the personnel necessary to supervise and conduct the activities as set forth in this Agreement at the Subject Facility, and shall furnish and supply any and all equipment and material, which may be necessary for such activities conducted at the Subject Facility. Athletic Field Lining and Marking - Permanent marking of athletic fields must be done with prior written approval of the AGENCY. Any user failing to comply with established guidelines and notification is subject to invoicing for all damages occurring to fields and termination of this Agreement.

IV. RESPONSIBILITY FOR SAID LEAGUES

- A. ORGANIZATION agrees to observe all rules and regulations as set forth in this Agreement.
- B. Modifications to Park Fields and Facilities - The removal, alteration, painting or addition to any facility or grounds, and construction of any kind to existing structures must be approved by AGENCY. This will include any proposed changes altering design or appearance of the existing landscape of demised premises. No trees, shrubs, or ground covers shall be planted, trimmed or removed without written consent from the AGENCY. Any requests to modify or improve park fields and facilities shall be submitted for approval to the Community Services Department, at least sixty (60) days prior to the date of any proposed changes.
- C. ORGANIZATION agrees to erect no fences or advertising matter of any kind on AGENCY grounds without prior approval by the Community Services Department (or applicable department).
- D. Closure of Fields - Fields may be scheduled for closure and rehabilitation to allow for recovery due to heavy usage. The dates and times of closure to be determined by the Community Services Departments.
- E. There will be no use of AGENCY athletic fields when facilities are unplayable due to rain or other conditions. Any user failing to comply with a decision to postpone use is subject to invoicing for all damages occurring to the field and termination of this Agreement and the ability to use the Subject Facility.

- F. NO altering of sprinklers without authorization.
- G. Any damages to the Subject Facility or appurtenant AGENCY facilities caused by ORGANIZATION or its use of the Subject Facility, will be the ORGANIZATION's responsibility to replace or repair. In the event ORGANIZATION fails or refuses to replace or repair damage, AGENCY may cause such replacement and/or repair to be undertaken and ORGANIZATION agrees to reimburse AGENCY for the costs incurred to do so.
- H. All locks must be standard agency locks and must not be replaced by any other lock.
- I. All leagues are responsible for cleaning areas used, including daily trash produced by league or ORGANIZATION.
- J. Leagues are responsible for controlling their players and parents while using the Subject Facility.
- K. Any violation of this Agreement by ORGANIZATION and/or any league run by ORGANIZATION using the Subject Facility shall lose their privilege and use of the Subject Facility.

V. LEGAL RESPONSIBILITIES

The ORGANIZATION shall keep itself informed of Agency, State and Federal Laws, ordinances and regulations, which in any manner affect the performance of its activities pursuant to this Agreement. The ORGANIZATION shall at all times observe and comply with all such laws, ordinances and regulations. Neither the AGENCY, nor its officers, volunteers, attorneys, agents or employees shall be liable at law or in equity as a result of the ORGANIZATION's failure to comply with this section.

VI. USE OF PREMISES

- A. The Subject Facility shall be used only for those athletic events as set forth in Paragraph 2 above. ORGANIZATION shall not permit the Subject Facility or any part thereof to be used for:
 - 1. The conduct of any offensive, noisy or dangerous activity.
 - 2. The creation or maintenance of a public nuisance.
 - 3. Anything which fails to comply with public regulations or rules of any public authority at any time, applicable to the Subject Facility.

4. Any purpose or in any manner which will obstruct, interfere with or infringe upon the rights of the residents of adjoining properties.

VII. EXCLUSIVE RIGHT

This Agreement does not give the ORGANIZATION any right to the exclusive use of the Subject Facility, restrooms, or any other public facility. ORGANIZATION agrees that the rights herein granted shall not be assigned to or transferable to any persons, teams, or leagues.

VIII. MAINTENANCE

- B. ORGANIZATION shall be responsible for all damages or injury to property or equipment caused by the ORGANIZATION, its agents, employees, volunteers, participants and/or any other individual at the Subject Facility during ORGANIZATION's use of the Subject Facility.
- C. All maintenance such as field preparation, lining of the fields; marking of the fields, and set up of temporary equipment will be performed by ORGANIZATION.
- D. ORGANIZATION is responsible for the facility being free of trash and/or debris caused by group usage upon conclusion of each day's use.
- E. ORGANIZATION is required to report any damage to persons or property or acts of vandalism to the AGENCY immediately.

IX. INSPECTION

- F. ORGANIZATION shall inspect the Subject Facility prior to each use by ORGANIZATION to ensure that it is free from any defects and/or hazards that may pose a danger to participants, spectators and/or any other person who is at the Subject Facility as part of the ORGANIZATION's use of the Subject Facility. ORGANIZATION shall immediately notify AGENCY of any defect or hazard identified so that the AGENCY has sufficient time to warn of the defect or hazard and/or remediate the defect or hazard prior to ORGANIZATION's use of the Subject Facility. ORGANIZATION agrees that should it fail to conduct any such inspection and/or fail to timely notify AGENCY of any defect or hazard identified, ORGANIZATION shall be solely responsible for any damage or injury, whether to persons or property, arising from the defect or hazard.
- B. AGENCY shall have the right to enter the Subject Facility utilized

hereunder as needed. However, AGENCY's exercise of the right to enter shall not create any duty on the party of the AGENCY to inspect the Subject Facility for defects or hazards under Section A herein.

X. IMPROVEMENTS

The removal, alteration, or addition to any facility or grounds and construction of any kind to existing structures must be approved and performed by the AGENCY. This shall include any proposed changes that would alter the design or appearance of the existing landscape of the Subject Facility. No trees, shrub, or ground covers shall be planted, trimmed or removed without written consent from the AGENCY.

Furthermore, all requests for removal, alternation, or addition to any facility or grounds or for construction and painting of any kind to existing structures must be submitted to the AGENCY for consideration and review at least sixty (60) days prior to the date any proposed change(s) is needed.

Assistance by the ORGANIZATION, its agents, employees, or its participants with any such removal, alteration, addition, painting or construction shall be solely at the discretion and with prior written consent of the AGENCY.

Nothing in this section shall be interpreted as prohibiting the normal maintenance of the facility by the ORGANIZATION as specified in section

XI. TITLE TO IMPROVEMENTS

All alterations and additions to the Subject Facility or surrounding grounds and all construction of any kind to existing structures of the Subject Facility shall become the property of the AGENCY. Nothing contained in this paragraph shall authorize the ORGANIZATION to make or place any alterations, changes or improvements on the Subject Facility without the prior written consent of the AGENCY.

XII. SIGNS

Except as specifically set forth herein, no signs shall be erected on the Subject Facility unless written approval is obtained from the AGENCY. Such a request for approval shall be directed to the Community Services Director. Sponsor recognition signs may be installed at locations approved by AGENCY. All signs shall be removed upon termination of the 2019 little league season.

XIII. TERMINATION OF THIS AGREEMENT

ORGANIZATION or AGENCY may, at any time, terminate this Agreement by serving on the other party such written termination at least fifteen (15) days In advance of the effective date of such termination.

XIV. NOTICE

A. All notices respecting this Agreement shall be served by certified mail, postage prepaid, addressed as follows:

B. To AGENCY: City of Imperial
420 S. Imperial Ave.
Imperial, CA 92251
Attention: Community Services Director

C. To ORGANIZATION: Imperial Valley United Soccer Association
677 Flying Cloud Drive West
Imperial, CA 92251
Attention: I.V. United Soccer Association
President

Notice shall be deemed to have been served seventy-two (72) hours after the same has been deposited in the United States Postal Service.

XV. ATTORNEYS FEES

Should any litigation or other legal action be commenced between the parties hereto to interpret or enforce the provisions of this Agreement, in addition to any other relief to which the party may be entitled in law or equity, the prevailing party in such litigation or legal action shall be entitled to recover costs of suit and reasonable attorney's fees.

XVI. GOVERNING LAW

This Agreement will be governed by and constructed in accordance with the laws of the State of California.

XVII. ASSIGNMENT

Neither this Agreement nor any duties, rights or obligations under this Agreement may be assigned by ORGANIZATION, either voluntarily or by operation of law without the express written consent of the AGENCY.

XVIII. INSURANCE

ORGANIZATION shall maintain insurance in conformance with the requirements set forth in Exhibit A. ORGANIZATION will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth

herein, ORGANIZATION agrees to amend, supplement or endorse the existing coverage to do so.

ORGANIZATION acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to ORGANIZATION in excess of the limits and coverage identified in this Agreement and which is applicable to a given loss, claim or demand, will be equally available to AGENCY.

XIV. INDEMNIFICATION

ORGANIZATION shall indemnify, defend, and hold harmless AGENCY, its Board or City Council, members of boards and commissions, its officers, agents, employees and volunteers from and against any and all liability, claims, allegations, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, economic loss, death, personal injury, property damage, loss of use, or property loss. The ORGANIZATION's obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of ORGANIZATION, its officers, employees, agents, participants, representative or vendors. It is further agreed, ORGANIZATION's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent active or passive negligence on the part of AGENCY, its Board or City Council, or its officers, agents employees, and volunteers except for liability resulting from the sole negligence or willful misconduct of AGENCY, its officers, employees or agents relating to ORGANIZATION's use of the Subject Facility under this Agreement. In the event the AGENCY, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by AGENCY, ORGANIZATION shall have an immediate duty to defend the AGENCY at ORGANIZATION's cost or at AGENCY's option, to reimburse AGENCY for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

XX. INDEPENDENT CONTRACTOR

Volunteer administrators, volunteer coaches, parents, contractors, employees and/or officers and directors of the ORGANIZATION shall not be deemed to be employees or agents of the AGENCY as a result of the performance of this Agreement.

XXI. ENTIRE AGREEMENT OF THE PARTIES

This Agreement supersedes any and all agreements, either oral or written, between the parties hereto with respect to the use of the Subject Facility by

ORGANIZATION and contains all of the covenants and conditions between the parties with respect to the use of the Subject Facility. Each party to this Agreement acknowledges that no representations, inducements, promises or agreement, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement has been made by the parties. Modification of this Agreement can only be made in writing, signed by both parties to this Agreement.

ORGANIZATION: Imperial Valley United Soccer Association

By: _____
Aracely Nuñez, President

AGENCY: City of Imperial
A Municipal Corporation

Robert Amparano, Mayor

ATTEST:

Debra Jackson, City Clerk

APPROVED AS TO FORM:

Agency Attorney

By: _____
Dennis H. Morita, APC
City Attorney

EXHIBIT A

INSURANCE REQUIREMENTS

ORGANIZATION shall provide the following types and amounts of insurance:

General liability insurance. Organization shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Organization shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Vendor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

Umbrella or excess liability insurance. [Optional depending on limits required]. Organization shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrence of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Workers' compensation insurance. Organization shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

Organization shall submit to Agency, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

Other provisions or requirements

Proof of insurance. Organization shall provide certificates of insurance to Agency as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by Agency's Risk Manager prior to commencement of event. Current certification of insurance shall be kept on file with Agency at all times during the term of this contract. Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Organization shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the event hereunder by Organization, his agents, representatives, employees or volunteers.

Primary/noncontributing. Coverage provided by Organization shall be primary and any insurance or self-insurance procured or maintained by Agency shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Agency before the Agency's own insurance or self-insurance shall be called upon to protect it as a named insured.

Agency's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Agency will be promptly reimbursed by Organization. In the alternative, Agency may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Agency's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against Agency, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Vendor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Organization hereby waives its own right of recovery against Agency, and shall require similar written express waivers and insurance clauses from each of its sub-organizations.

Enforcement of contract provisions (non estoppel). Organization acknowledges and agrees that any actual or alleged failure on the part of the Agency to inform Organization of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section 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 as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Organization maintains higher limits than the minimums shown above, the Agency requires and shall be entitled to coverage for the higher limits maintained by the Organization. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Agency.

Notice of cancellation. Organization agrees to oblige its insurance agent or broker and insurers to provide to Agency with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that Agency and its officers, officials, employees, agents and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to AGENCY and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that (Organization's/sub-organization's) insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. Organization agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Organization, provide the same minimum insurance coverage and endorsements required of Organization. Organization agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Organization agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to Agency for review.

Agency's right to revise specifications. The Agency reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Organization ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Organization, the Agency and Organization may renegotiate Organization's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by Agency. Agency reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by Agency.

Timely notice of claims. Organization shall give Agency prompt and timely notice of claims made or suits instituted that arise out of or result from Organization's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Organization shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.



REFERRED TO:

RESOLUTION NO. 2019 –

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF IMPERIAL,
STATE OF CALIFORNIA, TO MAINTAIN LOCAL CONTROL OF ENERGY
SOLUTIONS**

WHEREAS California's energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

WHEREAS the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state's climate goals; and

WHEREAS clean, affordable and reliable energy is crucial to the material health, safety and well-being of City of Imperial residents, particularly the most vulnerable, who live on fixed incomes, including the elderly and working families who are struggling financially; and

WHEREAS the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to our city's success in a highly competitive and increasingly regional and global marketplace; and

WHEREAS The City of Imperial, its residents and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

WHEREAS building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for City of Imperial residents and businesses; and

WHEREAS the City understands that relying on a single energy delivery system unnecessarily increases vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and

WHEREAS the City of Imperial understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses.

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

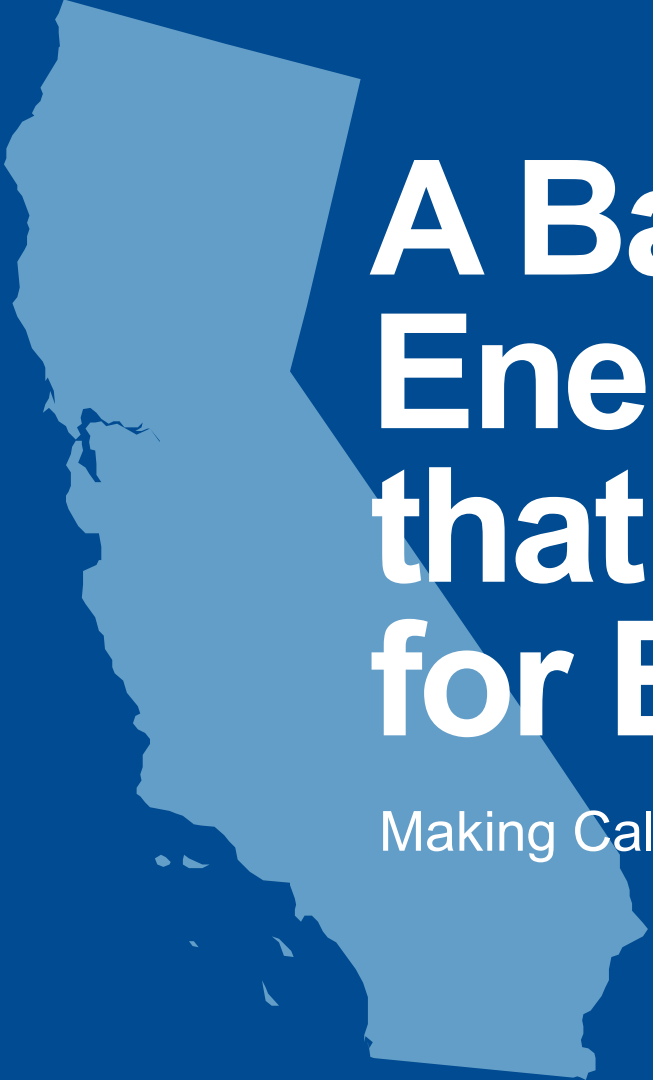
That the City supports balanced energy solutions that provide it with the decision-making authority and resources needed to achieve the state's climate goals, and opposes proposed state legislation and policy that eliminate local control by mandating technologies that can be used to power buildings and fuel vehicles, and also meet or exceed emissions reductions regulations.

PASSED AND ADOPTED ____ day of March 2019.

Robert Amparano, Mayor

ATTEST:

Debra Jackson, City Clerk



A Balanced Energy Approach that Can Work for Everyone

Making California's future **renewable**

Electrification sounds like a simple solution, but the challenges are big and complex

Governing Law – SB32

By 2030, reduce
GHG emissions

40%

below 1990 levels

**Storage
Reliability
Cost**

Consumers want choice

<10%

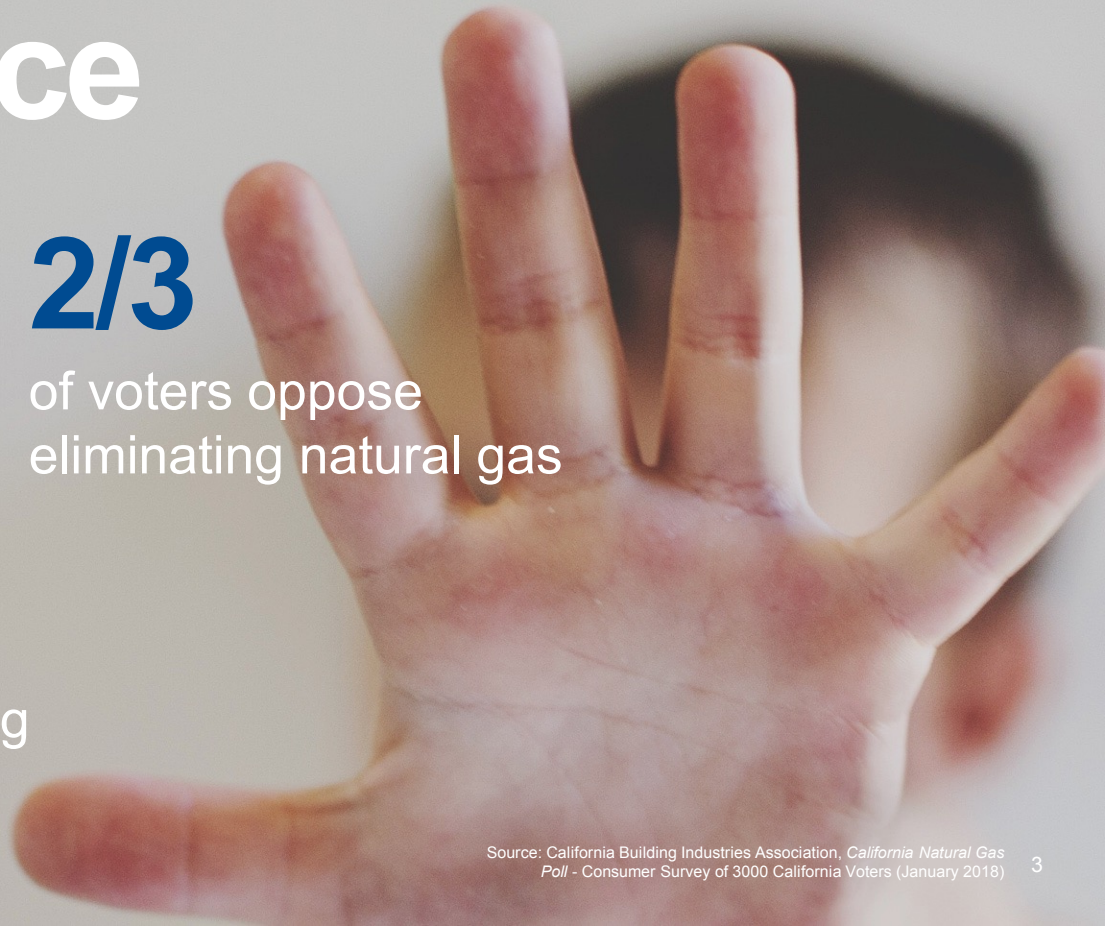
of voters would choose
an all-electric home

2/3

of voters oppose
eliminating natural gas

80%

of voters oppose prohibiting
the use of gas appliances



Electrification

will further burden people

Costing the typical

California family:

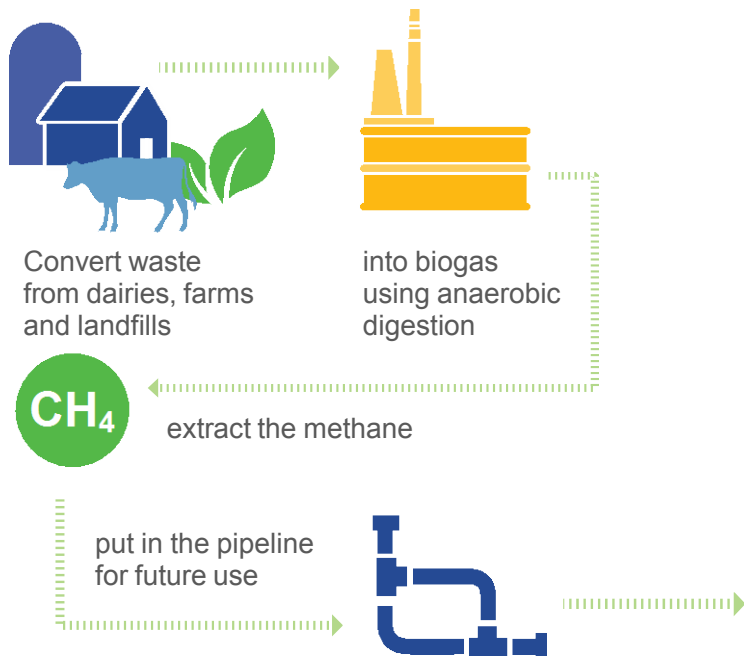
\$7,200

to retrofit
your home

\$388/yr

more in
energy bills

Renewable Natural Gas will help us reach our goals



Meet the same GHG reductions as the current plan to electrify 30% of homes and buildings with

5% RNG



Achieve the same GHG reductions as overhauling 100% of CA's buildings to all electricity with

16% RNG



Using RNG

3x or more

cost effective than ANY electrification scenario

The point



You shouldn't have to choose between doing what's right for the environment and what your family can afford.

**And with a
balanced energy
approach, you
don't have to.**

Here's what you can do



Pay attention
to the issue
and learn more



Use SoCalGas
Public Affairs
team as a
resource



Consider the
full and real
implications to
your community
members



Stand up for
local control –
don't let the
state mandate
building codes

3/13/19

CITY MANAGER'S
OFFICE

3/20/19

COUNCIL ACTION	(X)
PUBLIC HEARING REQUIRED	()
RESOLUTION	()
ORDINANCE 1 ST READING	()
ORDINANCE 2 ND READING	()
CITY CLERK'S INITIALS	

IMPERIAL CITY COUNCIL

AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: OPPOSITION LETTER TO AB 854

1. APPROVAL TO SUBMIT LETTER OF OPPOSITION REGARDING ASSEMBLY BILL 854 AS IT RELATES TO IMPERIAL IRRIGATION DISTRICT RETAIL ELECTRIC SERVICE

DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE

BACKGROUND/SUMMARY:

The City of Imperial is requesting the approval of the City Council to submit a letter of opposition to AB 854 as it relates to Imperial Irrigation District's Retail Electric Service. On February 20, 2019 Assemblymember Chad Hayes introduced AB 854 for consideration. AB 854 would require the membership of the existing IID Board of Directors to go from five (5) to eleven (11); adding six (6) additional director positions with the majority residing in Riverside County. Please see the attached information for further details in this matter. If approved, the letter will come from the Mayor of the City with copies provided to representatives Assemblymember Garcia and Senator Hueso.

FISCAL IMPACT: N/A

FINANCE
INITIALS

STAFF RECOMMENDATION: N/A

DEPT. INITIALS

MANAGER'S RECOMMENDATION: It is the City Manager's recommendation for the City Council to review and consider this letter in opposition to AB 854. IID is in strong opposition to the proposed legislation as the change would be detrimental to the Imperial County.

CITY
MANAGER's
INITIALS

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REJECTED ()

DEFERRED ()

REFERRED TO:

ASSEMBLY BILL

No. 854

Introduced by Assembly Member Mayes

February 20, 2019

An act to add Section 21562.7 to the Water Code, relating to irrigation districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 854, as introduced, Mayes. Imperial Irrigation District: retail electric service.

Existing law, the Irrigation District Law, with certain exceptions, requires a director on the board of an irrigation district that provides electricity for residents of the district to be a voter of the district and a resident of the division that the director represents. Existing law authorizes an irrigation district to sell, dispose of, and distribute electricity for use outside of the district's boundaries.

This bill would require the membership of the board of directors of the Imperial Irrigation District to increase from 5 to 11 members, with the 6 additional directors meeting certain qualifications, including that each be a resident of and qualified as eligible to vote in the County of Riverside. The bill would provide for the election of the additional directors at the 2020 general district election. The bill would authorize the district board to adopt a resolution decreasing the number of directors and the divisions from which they are elected from 11 to 5 if a public utility district is formed that provides electricity outside the territory of the Imperial Irrigation District and consists of a board of directors with a majority of seats representing the County of Riverside. By imposing new duties on an irrigation district, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Riverside and the Imperial Irrigation District.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to encourage an
- 2 irrigation district that provides retail electricity outside its
- 3 boundaries to allow representation of those extraterritorial
- 4 customers on the district's board of directors because these
- 5 customers have no ability to petition grievances to the district or
- 6 to the Public Utilities Commission.
- 7 SEC. 2. Section 21562.7 is added to the Water Code, to read:
- 8 21562.7. (a) This section applies to the Imperial Irrigation
- 9 District.
- 10 (b) Notwithstanding Sections 21100 and 21550 and Division 3
- 11 (commencing with Section 56000) of Title 5 of the Government
- 12 Code, the membership of the board of directors of the district and
- 13 the divisions from which they are elected shall increase from 5 to
- 14 11.
- 15 (c) Each of the six directors added to the board pursuant to this
- 16 section shall meet the following qualifications:
- 17 (1) Reside in the County of Riverside.
- 18 (2) Qualify as eligible to vote in the County of Riverside.
- 19 (3) Reside in the division the director represents at the time of
- 20 their nomination or appointment and through their entire term.
- 21 (d) The six directors shall be elected at the 2020 general district
- 22 election.
- 23 (e) If a public utility district is formed pursuant to Division 7
- 24 (commencing with Section 15501) of the Public Utilities Code
- 25 that provides electricity outside the territory of the Imperial

1 Irrigation District and consists of a board of directors with a
2 majority of seats representing the County of Riverside, the board
3 of the directors of the district may adopt a resolution that decreases
4 the number of directors and the divisions from which they are
5 elected from 11 to 5 upon the expiration of the terms of the
6 members of the board qualified pursuant to subdivision (c).

7 SEC. 3. The Legislature finds and declares that a special statute
8 is necessary and that a general statute cannot be made applicable
9 within the meaning of Section 16 of Article IV of the California
10 Constitution because of the unique circumstances in the County
11 of Riverside and the Imperial Irrigation District.

12 SEC. 4. If the Commission on State Mandates determines that
13 this act contains costs mandated by the state, reimbursement to
14 local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.



March 20, 2019

The Honorable Chad Mayes
California State Assembly
State Capitol, Suite 4098
Sacramento, CA 94249

CITY COUNCIL
Robert Amparano – Mayor
Darrell Pechtl – Mayor Pro Tem
Geoff Dale – Councilmember
Karin Eugenio – Councilmember
James Tucker – Councilmember

CITY CLERK
Debra Jackson

CITY TREASURER
Stacy Cox

CITY ATTORNEY
Dennis Morita

CITY MANAGER
Stefan T. Chatwin

RE: AB 854 - Strongly Opposed by the City of Imperial City Council

Dear Assembly Member Mayes,

The City of Imperial must respectfully oppose your AB 854. This legislation would bring about far-reaching and negative impacts to ratepayers and local governments of both the Imperial and Coachella Valleys at the behest of a very small group of constituents you represent in those areas. Furthermore, this bill ignores the long-standing relationships and legal agreements that exist and have resulted in affordable and reliable energy service to the people of those Valleys over the past 85 years.

The City of Imperial strives to be an economically vibrant and culturally rich community with a strong sense of identity, pride and prosperity. The Imperial Irrigation District (IID) has continued to provide reliable electric service to our residents at half the rates of other electric service providers. Municipalities like us depend on IID to deliver electrical and water resources without fail and regardless of circumstances.

It is important to recognize IID's energy service area covers only a small portion of eastern Riverside County, yet AB 854 would allow any registered voter of that County to serve on the eleven-member Board of Directors your bill seeks to establish. Moreover, your bill also requires that a majority of the total board seats be filled by those elected by from Riverside County.

Proponents of AB 854 have publicly stated they have no "representation" when referring to the IID. While this statement may grab headlines, it is not an accurate reflection of IID's customer service record or its ratepayer focused programs. IID has permanent offices in the city of La Quinta complete with a customer service center and full-time staff. The Board of Directors holds public meetings in the Imperial and Coachella Valleys and its Energy Consumers Advisory Committee is comprised of ratepayers from both Valleys.

Finally, it is our understanding the rights which allow IID to serve customers in the Coachella Valley are tied to complex water and energy legal agreements with the Coachella Valley Water District and Southern California Edison. The agreement with CVWD, for example, dates back to



1934 and requires IID to make annual royalty payments that it estimates have reached approximately \$45 million to date.

In closing, we urge you to closely consider the far-reaching and negative impacts of your legislation to all the communities served by IID and instead open a constructive dialogue with the principal parties to better understand their unique roles and responsibilities.

Sincerely,

Robert Amparano
Mayor of the City of Imperial

cc: Senator Ben Hueso, S.D. 40
Senator Jeff Stone, S.D. 28
Assembly Member Eduardo Garcia, A.D. 56

DATE SUBMITTED

03/14/2019

SUBMITTED BY

Council member Dale

DATE ACTION REQUIRED

03/20/2019

Agenda Item No

E-5

CITY COUNCIL ACTION (X)

PUBLIC HEARING REQUIRED ()

RESOLUTION ()

ORDINANCE 1ST READING ()

ORDINANCE 2ND READING ()

CITY CLERK'S INITIALS

46

**IMPERIAL CITY COUNCIL
AGENDA ITEM**

SUBJECT: PRESENTATION/DIRECTION: MOKULELE AIRLINES

1. PROVIDE DIRECTION AS NECESSARY

DEPARTMENT INVOLVED: City Council

BACKGROUND/SUMMARY:

Mr. Rob McKinney with Mokulele Airlines will provide a presentation to the City Council regarding airline operations in the Imperial Valley.

FISCAL IMPACT: None

STAFF RECOMMENDATION

MANAGER'S RECOMMENDATION:

MANAGER'S INITIAL _____

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REJECTED ()

DEFERRED ()

REFERRED TO:

DATE SUBMITTED

03/14/2019

SUBMITTED BY

Finance

DATE ACTION REQUIRED

03/20/2019**Agenda Item No****E-6**

CITY COUNCIL ACTION (X)

PUBLIC HEARING REQUIRED ()

RESOLUTION ()

ORDINANCE 1ST READING ()ORDINANCE 2ND READING ()

CITY CLERK'S INITIALS

**IMPERIAL CITY COUNCIL
AGENDA ITEM****SUBJECT: DISCUSSION/ACTION: ACCEPTANCE OF FISCAL YEAR 2017/2018
AUDITS/FINANCIAL REPORTS/STATEMENTS**

1. ACCEPTANCE OF FY 17/18 ANNUAL FINANCIAL REPORT
2. ACCEPTANCE OF FY 17/18 SINGLE AUDIT REPORT
3. ACCEPTANCE OF FY 17/18 TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS FINANCIAL STATEMENTS

DEPARTMENT INVOLVED: Finance

BACKGROUND/SUMMARY:

The City of Imperial's Financial Audits and Statements for Fiscal Year 2017/2018 have been completed by contracted firm Moss, Levy, & Hartzheim, LLP. Attached for Council's review and consideration, please find the various audits and reports for acceptance and filing.

Audits will be submitted to the State of California Department of Finance and other agencies as required by law.

A representative of Moss, Levy, & Hartzheim will be in attendance in order to present the audits and answer questions.

FISCAL IMPACT: None

STAFF RECOMMENDATION for the City Council to review and accept the three FY 17/18 Audits.

MANAGER'S RECOMMENDATION:

MANAGER'S INITIAL _____

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REFERRED TO:

REJECTED ()

DEFERRED ()

CITY OF IMPERIAL, CALIFORNIA

SINGLE AUDIT REPORT

June 30, 2018

City of Imperial

Single Audit Report

TABLE OF CONTENTS

	<u>Page</u>
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	1
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	9
Status of Prior Year's Findings	13



MOSS, LEVY & HARTZHEIM LLP

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**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 Honorable Mayor and Members of the City Council
of the City of Imperial
Imperial, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial (City), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 11, 2019.

Internal Control Over Financial Reporting

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

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. We did identify deficiencies in internal control (Finding 2018-1 through 2018-5) that we consider to be a significant deficiency.

Compliance and Other Matters

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

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.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 11, 2019



MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Imperial's (City) 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's major federal programs for the fiscal year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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'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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, 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 fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the City 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'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 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's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 11, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 11, 2019

City of Imperial

Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Entity ID Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development:				
<i>Passed through Programs From:</i>				
<i>State of California Department of Housing and Community Development:</i>				
Community Development Block Grant	14.218	N/A	\$ 298,637	
Total U.S. Department of Housing and Urban Development			298,637	
U.S. Department of Transportation:				
<i>Passed through Programs From:</i>				
<i>California Department of Transportation:</i>				
Highway Planning and Construction	20.205	STPL-5134(019)	670,861 *	
Highway Planning and Construction	20.205	N/A	1,639 *	
Highway Planning and Construction	20.205	N/A	4,201 *	
Highway Planning and Construction	20.205	RSTP-5134(019)	319,295 *	
Total U.S. Department of Transportation			995,996	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,294,633	\$ -

* Denotes major program

See accompanying notes to the schedule of expenditures of federal awards

City of Imperial

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

1. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, City of Imperial (City), and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within special revenue and capital projects funds of the City. The City utilizes the modified accrual method of accounting for the special revenue, and capital projects funds. The accompanying Schedule of Expenditures of Federal Awards (Schedule) has been prepared accordingly.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California is included in the Schedule.

The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

The City has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

3. PROGRAM DESCRIPTIONS

U. S. Department of Housing and Urban Development

Community Development Block Grant/Entitlement Grant

The Community Development Block Grant/Entitlement Grant provides funding for communities to undertake a wide range of community-based activities directed toward neighborhood revitalization, economic development, and community services, facilities, and improvements. Entitlement communities develop their programs and set their funding priorities in conformance with the statutory standards, program regulations, and other federal requirements. Specific activities that can be carried out with Community Development Block Grant (CDBG) funds include acquisition of real property; relocation; clearance and demolition; rehabilitation of residential and nonresidential structures; provision of public facilities and improvements, such as water and sewer facilities (which require reviews by the State single point of contact or a Regional Planning Agency in accordance with Executive Order 12372), streets, and neighborhood centers.

City of Imperial

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

3. PROGRAM DESCRIPTIONS (CONTINUED)

U. S. Department of Transportation

Highway Planning and Construction

The objective of the Highway Planning and Construction cluster is to: (1) assist states in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the national highway system, including interstate highways and most other public roads; (2) provide aid for the repair of roads following disasters; (3) foster safe highway design and replace or rehabilitate structurally deficient or functionally obsolete bridges; and (4) provide for other special purposes.

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered
to be material weaknesses?

 X Yes _____ None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered
to be material weaknesses?

_____ Yes X None reported

Type of auditor’s report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with Uniform Guidance,
Section 510 (a)

_____ Yes X No

Identification of major program:

CFDA Number

Name of Federal Program or Cluster

 20.205

Highway Planning and Construction

Dollar threshold used to distinguish between Type A
and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee:

_____ Yes X No

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section II – Findings – Financial Statement Audit

Significant Deficiencies

2018-1 Finding – Impact fee studies not updated in a timely manner

During our review of compliance, it was noted that the City's development impact fee studies from the fiscal year ended 2010 were not updated in a timely manner. California Government Code title 7, chapter 5, section 66001 requires that on the 5th year of the initial established of a development impact fee and every 5 years after, the City needs to 1)identify the purposes that the fees were put towards during the 5 year period 2)demonstrate the relationship between the fees and the purpose for which it was charged 3)identify the status and future status of current projects and/or new projects 4)update the estimated time of completion for projects.

Effect:

The City is not in compliance with California Government Code by not updating the impact fees in a timely manner.

Recommendation:

We recommend that the City ensure the impact fees studies be updated in a timely manner.

Management Report:

2018-2 Finding – Lack of control in the Human Resources and Payroll Departments:

During our review of internal controls, we noted a lack of controls in the Human Resources and Payroll Department. Specifically, payroll changes were being made by the payroll department prior to approval and documentation of approval by the HR department. In one case, we could not find an authorized payroll adjustment form for a salary increase already entered by the payroll department. In another case, required payroll changes were not made in a timely manner, requiring retroactive adjustments after the fact.

Effect:

A lack of control in the payroll and HR departments increases the risk that errors and irregularities may occur and go undetected. It could adversely affect the City's ability to initiate authorize, record or process report financial data reliably, which could lead to a misappropriation of funds.

Recommendation:

We recommend that the City ensure that wage changes and other personnel related changes should be approved and processed by the HR department prior to input and that all wage and payroll changes be made in a timely manner

Management Report:

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section II – Findings – Financial Statement Audit (Continued)

Significant Deficiencies (Continued)

2018-3 Finding – Credit card statements missing receipts:

During our test of employee credit card, we noted that 2 out of 2 credit card statements tested had missing credit card receipts.

Effect:

When an employee credit card is paid without all appropriate receipts attached, it is difficult to determine if all charges were appropriate and allowable.

Recommendation:

We recommend that the City ensure employee credit cards are only paid when all receipts have been obtained.

Management Report:

2018-4 Finding – City does not have an adopted Appropriation Limit:

The California Constitution Article XIII B requires that all California cities pass an appropriation limit (GANN Limit) for each fiscal year. City did not establish an appropriation limit in the initial year of adoption (1979) and has not adopted an appropriation in any subsequent year.

Effect:

By not passing an appropriation limit, the City is not in compliance with the California Constitution.

Recommendation:

We recommend that the City pass an appropriation limit based on the requirements of the California Constitution.

Management Report:

2018-5 Finding – Fixed asset schedule does not include adequate detail:

During our review of fixed assets, it was noted that the fixed assets schedule does not offer adequate detail as to the name, identifying numbers, vin number, or other information that is needed to be able to positively identify City assets.

Effect:

By not maintain adequate documentation for fixed assets, there is a greater chance of error going undetected or misappropriations going undetected that can lead to material misstatements.

Recommendation:

We recommend that the City perform a thorough fixed asset inventory and obtain and maintain a proper set of fixed asset records.

Management Report:

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

None reported in the current year.

CITY OF IMPERIAL
STATUS OF PRIOR YEAR'S FINDINGS
For the Fiscal Year Ended June 30, 2018

Section IV – Prior Year Findings – Financial Statement Audit

None reported in the prior year.

CITY OF IMPERIAL
STATUS OF PRIOR YEAR'S FINDINGS
For the Fiscal Year Ended June 30, 2018

Section IV – Prior Year Findings – Major Federal Award Programs Audit

None reported in the prior year.

DRAFT

CITY OF IMPERIAL
Annual Financial Report
Fiscal Year Ended June 30, 2018

CITY OF IMPERIAL
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

I. FINANCIAL SECTION

A. Independent Auditor's Report.....	1
B. Management's Discussion and Analysis.....	3
C. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Proprietary Funds:	
Statement of Net Position.....	26
Statement of Revenues, Expenses, and Changes in Net Position.....	27
Statement of Cash Flows	28
Fiduciary Funds:	
Statement of Fiduciary Net Position	31
Statement of Changes in Fiduciary Net Position.....	32
Notes to Basic Financial Statements.....	33
D. Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	58
LTA Measure D Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	59
Schedule of the City's Proportionate Share of the Net Pension Liability.....	60
Schedule of Pension Contributions.....	61
E. Other Supplemental Information	
Description of Nonmajor Governmental Funds.....	63
Combining Balance Sheet.....	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	72
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Traffic Safety Special Revenue Fund.....	78
Gas Tax Special Revenue Fund	79

CITY OF IMPERIAL
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

I. FINANCIAL SECTION (Continued)

E. Other Supplemental Information (Continued)

Nonmajor Governmental Funds

Local Transportation Special Revenue Fund	80
Successor Agency Housing Special Revenue Fund	81
Public Safety Prop 172 Special Revenue Fund	82
COPS Grant 2017 Special Revenue Fund	83
COPS Grant 2014 Special Revenue Fund	84
COPS Grant 2016 Special Revenue Fund	85
CDBG HOME Special Revenue Fund	86
Housing Rehabilitation Special Revenue Fund	87
RLA Special Revenue Fund	88
Wildflower Landscaping and Lighting Special Revenue Fund	89
Paseo Del Sol Landscaping and Lighting Special Revenue Fund	90
Joshua Tree Street Improvement Special Revenue Fund	91
Library Donation Special Revenue Fund	92
COPS Grant 2015 Special Revenue Fund	93
Sky Ranch District Special Revenue Fund	94
Library Literacy Special Revenue Fund	95
General Housing Special Revenue Fund	96
Fire Impact Fee Special Revenue Fund	97
Police Impact Fee Special Revenue Fund	98
Administrative Impact Fee Special Revenue Fund	99
Library Impact Fee Special Revenue Fund	100
Park Impact Fee Special Revenue Fund	101
Circulation Impact Fee Special Revenue Fund	102
EDA Special Revenue Fund	103

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

The Members of the City Council of the
City of Imperial
Imperial, 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 Imperial, California (City) as of and for the fiscal year ended June 30, 2018, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial, California, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – LTA Measure D Special Revenue Fund, Schedule of Changes in the Net Pension Liability and Related Ratios, and Schedule of Pension Contributions on pages 60 through 62 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 Imperial's basic financial statements. The Budgetary Comparison Schedules for the Nonmajor Governmental Funds; and the Combining Financial Statements for the Nonmajor Governmental Funds listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Budgetary Comparison Schedules for the Nonmajor Governmental Funds, and the Combining Financial Statements for the Nonmajor Governmental Funds are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January XX, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
January XX, 2018

CITY OF IMPERIAL
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Investments	\$ 14,225,251	\$ 13,796,739	\$ 28,021,990
Cash and Investments with Fiscal Agent		2,203,915	2,203,915
Accounts Receivable	597,430	904,323	1,501,753
Notes Receivable	1,696,611		1,696,611
Inventory		85,923	85,923
Interest Receivable	14,489	12,884	27,373
Capital Assets, Not Being Depreciated	4,120,189	1,097,820	5,218,009
Capital Assets, Net of Accumulated Depreciation	23,286,794	16,804,751	40,091,545
Total Assets	<u>43,940,764</u>	<u>34,906,355</u>	<u>78,847,119</u>
Deferred Outflows of Resources:			
Pension	2,740,088	744,808	3,484,896
Total Deferred Outflows of Resource	<u>2,740,088</u>	<u>744,808</u>	<u>3,484,896</u>
Liabilities:			
Accounts Payable	1,287,296	126,744	1,414,040
Deposits Payable	1,018,784	481,191	1,499,975
Noncurrent Liabilities:			
Due Within One Year		1,562,368	1,562,368
Due in More Than One Year	3,715,760	15,999,329	19,715,089
Total Liabilities	<u>6,021,840</u>	<u>18,169,632</u>	<u>24,191,472</u>
Deferred Inflow of Resources:			
Pension	116,977	31,796	148,773
Total Deferred Inflow of Resources	<u>116,977</u>	<u>31,796</u>	<u>148,773</u>
Net Position:			
Net Investment in Capital Assets	27,406,983	1,291,158	28,698,141
Restricted for:			
Community Development	3,066,650		3,066,650
Public Works	5,655,728		5,655,728
Public Safety	948,208		948,208
Parks and Recreation	3,164,114		3,164,114
Unrestricted	300,352	16,158,577	16,458,929
Total Net Position	<u>\$ 40,542,035</u>	<u>\$ 17,449,735</u>	<u>\$ 57,991,770</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 2,398,084	\$ 2,522,983	\$ -	\$ -	
Public Safety	3,586,594	116,453	47,185	285,363	
Community Development	1,466,578	75,579	63,876		
Public Works	2,680,444	406,093	2,268,381	791,341	
Parks and Recreation	1,134,129	556,369		18,000	
Total Governmental Activities	11,265,829	3,677,477	2,379,442	1,094,704	
Business-type Activities:					
Water	3,760,281	4,501,439			
Sewer	4,292,512	5,721,025			
Total Business-type Activities	8,052,793	10,222,464			
Total Primary Government	\$ 19,318,622	\$ 13,899,941	\$ 2,379,442	\$ 1,094,704	

General Revenues:

Taxes:

Property Taxes
Sales and Use Taxes
Business License Taxes
Transient Occupancy Taxes
Franchise Taxes
Other Taxes
Licenses and Permits
Fines and Forfeitures
Use of Money and Property
Other Revenue

Transfers

Total General Revenues and Transfers

Change in net position

Net Position - Beginning of Fiscal Year

Prior Period Adjustments

Net Position - Beginning of Fiscal Year (restated)

Net Position - End of Fiscal Year

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position

Governmental Activities	Business- type Activities	Total
\$ 124,899	\$ -	\$ 124,899
(3,137,593)		(3,137,593)
(1,327,123)		(1,327,123)
785,371		785,371
(559,760)		(559,760)
(4,114,206)		(4,114,206)
	741,158	741,158
	1,428,513	1,428,513
	2,169,671	2,169,671
(4,114,206)	2,169,671	(1,944,535)
1,298,980		1,298,980
2,444,650		2,444,650
58,142		58,142
19,999		19,999
294,662		294,662
33,821		33,821
14,424		14,424
114,304		114,304
108,393	44,591	152,984
174,078		174,078
49,270	(49,270)	
4,610,723	(4,679)	4,606,044
496,517	2,164,992	2,661,509
20,771,808	15,819,589	36,591,397
19,273,710	(534,846)	18,738,864
40,045,518	15,284,743	55,330,261
\$ 40,542,035	\$ 17,449,735	\$ 57,991,770

CITY OF IMPERIAL
Balance Sheet
Governmental Funds
June 30, 2018

		<u>Special Revenue</u>	
	<u>General</u>	<u>LTA Measure D</u>	<u>Nonmajor Governmental Funds</u>
Assets:			
Cash and Investments	\$ 1,471,732	\$ 3,482,592	\$ 9,270,927
Accounts Receivable	527,913		69,517
Interest Receivable	4,025	3,252	7,212
Loans Receivable			1,696,611
Due from Other Funds	1,158,705		
Total Assets	<u>\$ 3,162,375</u>	<u>\$ 3,485,844</u>	<u>\$ 11,044,267</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 319,863	\$ 479,750	\$ 487,683
Deposit Payable	1,018,784		
Due to Other Funds			1,158,705
Total Liabilities	<u>1,338,647</u>	<u>479,750</u>	<u>1,646,388</u>
Deferred Inflows of Resources::			
Unearned revenue - loans			1,696,611
Total Deferred Inflows of Resources			<u>1,696,611</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,338,647</u>	<u>479,750</u>	<u>3,342,999</u>
Fund Balances:			
Restricted for:			
Community Development			3,164,114
Public Safety			948,208
Public Works		3,006,094	2,649,634
Parks and Recreation			2,562,965
Unassigned	1,823,728		(1,623,653)
Total Fund Balances	<u>1,823,728</u>	<u>3,006,094</u>	<u>7,701,268</u>
Total Liabilities and Fund Balances	<u>\$ 3,162,375</u>	<u>\$ 3,485,844</u>	<u>\$ 11,044,267</u>

The notes to the financial statements are an integral part of this statement.

**Total
Governmental
Funds**

\$	14,225,251
	597,430
	14,489
	1,696,611
	1,158,705
\$	<u>17,692,486</u>

\$	1,287,296
	1,018,784
	1,158,705
	<u>3,464,785</u>

	<u>1,696,611</u>
	<u>1,696,611</u>

	<u>5,161,396</u>
--	------------------

	3,164,114
	948,208
	5,655,728
	2,562,965
	200,075
	<u>12,531,090</u>
\$	<u>17,692,486</u>

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CITY OF IMPERIAL
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Total fund balances - governmental funds **\$ 12,531,090**

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	49,753,054	
Accumulated depreciation		<u>(22,346,071)</u>	27,406,983

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflow related to pension	2,740,088
Deferred inflow related to pension	(116,977)

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Net pension liability	(3,308,077)
Compensated absences payable	(407,683)

Certain notes receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds.

1,696,611

Total net position - governmental activities **\$ 40,542,035**

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

		<u>Special Revenue</u>	
	<u>General</u>	<u>LTA Measure D</u>	<u>Nonmajor Governmental Funds</u>
Revenues			
Property Taxes	\$ 1,298,980	\$ -	\$ -
Sales and Use Taxes	2,444,650	789,327	
Business License Taxes	58,142		
Transient Occupancy Tax	19,999		
Other Taxes	33,821		
Licenses and Permits	14,424		
Fines and Forfeitures	114,304		
Use of Money and Property	10,036	11,431	86,926
Charges for Services	2,773,421		904,057
Intergovernmental	1,526,239	279,665	878,914
Franchise tax	294,662		-
Other	76,803		97,275
Total Revenues	<u>8,665,481</u>	<u>1,080,423</u>	<u>1,967,172</u>
Expenditures			
Current:			
General Government	2,160,008		
Public Safety	3,345,272		97,571
Public Works	1,931,708	232,084	132,604
Parks and Recreation	880,849		253,280
Community Development	354,668		608,225
Capital Outlay		1,823,228	500,420
Total Expenditures	<u>8,672,505</u>	<u>2,055,312</u>	<u>1,592,100</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(7,024)</u>	<u>(974,889)</u>	<u>375,072</u>
Other Financing Sources (Uses):			
Transfers In	736,051		2,978
Transfers Out		(100,418)	(589,341)
Total Other Financing Sources (Uses)	<u>736,051</u>	<u>(100,418)</u>	<u>(586,363)</u>
Net Change in Fund Balances	729,027	(1,075,307)	(211,291)
Fund Balances - July 1, 2017	<u>1,094,701</u>	<u>4,081,401</u>	<u>7,912,559</u>
Fund Balances - June 30, 2018	<u>\$ 1,823,728</u>	<u>\$ 3,006,094</u>	<u>\$ 7,701,268</u>

The notes to the financial statements are an integral part of this statement.

Total Governmental Funds	
\$	1,298,980
	3,233,977
	58,142
	19,999
	33,821
	14,424
	114,304
	108,393
	3,677,478
	2,684,818
	294,662
	174,078
	<u>11,713,076</u>

	2,160,008
	3,442,843
	2,296,396
	1,134,129
	962,893
	<u>2,323,648</u>
	<u>12,319,917</u>

(606,841)

	739,029
	<u>(689,759)</u>
	<u>49,270</u>

(557,571)

13,088,661

\$ 12,531,090

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CITY OF IMPERIAL
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$	(557,571)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay was exceeded by depreciation in the current period.

Capital outlay	\$	2,083,352	
Depreciation expense		<u>(2,011,779)</u>	71,573

Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures.

Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued. (503,685)

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. (94,325)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. In addition, changes in Fiduciary Net Position and Total Pension Liability are deferred inflows and outflows and amortized. This is the difference between accrual-basis pension costs and actual employer contributions and amortization of deferred inflows and outflows in the current fiscal year.

1,580,525

Change in net position of governmental activities

\$ 496,517

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities-Enterprise Funds		
	Water Fund	Sewer Fund	Total
Assets			
Current Assets:			
Cash and Investments	\$ 5,471,140	\$ 8,325,599	\$ 13,796,739
Cash with Fiscal Agent	1,206,643	997,272	2,203,915
Accounts Receivable	513,148	391,175	904,323
Interest Receivable	5,109	7,775	12,884
Inventory	85,923		85,923
Total Current Assets	<u>7,281,963</u>	<u>9,721,821</u>	<u>17,003,784</u>
Noncurrent Assets:			
Capital Assets:			
Land	99,357	179,040	278,397
Machinery and Equipment	4,415,041	1,428,924	5,843,965
Infrastructure	22,358,681	21,268,740	43,627,421
Construction In Progress	819,423		819,423
Less:			
Accumulated Depreciation	(17,562,255)	(15,104,380)	(32,666,635)
Total Noncurrent Assets	<u>10,130,247</u>	<u>7,772,324</u>	<u>17,902,571</u>
Deferred Outflow of Resources:			
Pension	453,360	291,448	744,808
Total Deferred Outflow of Resources	<u>453,360</u>	<u>291,448</u>	<u>744,808</u>
Total Assets and Deferred Outflows of Resources	<u>17,865,570</u>	<u>17,785,593</u>	<u>35,651,163</u>
Liabilities			
Current Liabilities:			
Accounts Payable	75,139	51,605	126,744
Deposits Payable	220,963	260,228	481,191
Total Current Liabilities	<u>296,102</u>	<u>311,833</u>	<u>607,935</u>
Noncurrent Liabilities:			
Compensated Absences	22,891	28,194	51,085
Net Pension Liability	547,337	351,862	899,199
Due within One Year	906,212	656,156	1,562,368
Due in More Than One Year	7,512,226	7,536,819	15,049,045
Total Noncurrent Liabilities	<u>8,988,666</u>	<u>8,573,031</u>	<u>17,561,697</u>
Deferred Inflows of Resources:			
Pension	19,354	12,442	31,796
Total Deferred Inflows of Resources	<u>19,354</u>	<u>12,442</u>	<u>31,796</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,304,122</u>	<u>8,897,306</u>	<u>18,201,428</u>
Net Position			
Net Investment in Capital Assets	1,711,809	(420,651)	1,291,158
Unrestricted	6,849,639	9,308,938	16,158,577
Total Net Position	<u>\$ 8,561,448</u>	<u>\$ 8,888,287</u>	<u>\$ 17,449,735</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise funds		
	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 5,335,127	\$ 4,501,439	\$ 9,836,566
Other Operating Revenue	385,898		385,898
Total Operating Revenues	<u>5,721,025</u>	<u>4,501,439</u>	<u>10,222,464</u>
Operating Expenses:			
Personnel	696,638	618,816	1,315,454
Administrative	693,592	866,115	1,559,707
Materials and Supplies	764,530	65,967	830,497
Maintenance	415,133	326,213	741,346
Depreciation	1,375,464	1,546,867	2,922,331
Total Operating Expenses	<u>3,945,357</u>	<u>3,423,978</u>	<u>7,369,335</u>
Operating Income (loss)	<u>1,775,668</u>	<u>1,077,461</u>	<u>2,853,129</u>
Non-operating Revenues (Expenses):			
Interest Revenue	19,148	25,443	44,591
Interest Expense	(347,155)	(336,303)	(683,458)
Total Non-Operating Revenue (Expenses)	<u>(328,007)</u>	<u>(310,860)</u>	<u>(638,867)</u>
Income (Loss) before transfers	<u>1,447,661</u>	<u>766,601</u>	<u>2,214,262</u>
Transfers			
Transfers Out	(27,102)	(22,168)	(49,270)
Total Transfers	<u>(27,102)</u>	<u>(22,168)</u>	<u>(49,270)</u>
Change in Net Position	<u>1,420,559</u>	<u>744,433</u>	<u>2,164,992</u>
Net Position - Beginning of Fiscal Year	<u>7,403,393</u>	<u>8,416,196</u>	<u>15,819,589</u>
Prior Period Adjustments	<u>(262,504)</u>	<u>(272,342)</u>	<u>(534,846)</u>
Net Position - Beginning of the Fiscal Year, Restated	<u>7,140,889</u>	<u>8,143,854</u>	<u>15,284,743</u>
Net Position - End of Fiscal Year	<u>\$ 8,561,448</u>	<u>\$ 8,888,287</u>	<u>\$ 17,449,735</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Users	\$ 5,645,477	\$ 4,431,619	\$ 10,077,096
Cash Payments to Suppliers and Contractors	(1,779,281)	(1,250,705)	(3,029,986)
Cash Payments to Employees	(953,487)	(772,896)	(1,726,383)
Net Cash Provided (Used) By Operating Activities	2,912,709	2,408,018	5,320,727
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers Out	(27,102)	(22,168)	(49,270)
Net Cash Provided (Used) By Noncapital Financing Activities	(27,102)	(22,168)	(49,270)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	16,326	21,044	37,370
Net Cash Provided (Used) in Investing Activities	16,326	21,044	37,370
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Property, Plant, and Equipment	(946,354)	(99,357)	(1,045,711)
Principal Payments on Debt Borrowings	(830,000)	(625,000)	(1,455,000)
Interest Paid	(388,367)	(347,460)	(735,827)
Net Cash Provided (Used) In Capital and Related Financing Activities	(2,164,721)	(1,071,817)	(3,236,538)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	737,212	1,335,077	2,072,289
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	5,940,571	7,987,794	13,928,365
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	\$ 6,677,783	\$ 9,322,871	\$ 16,000,654
Reconciliation to Statement of Net Position:			
Cash and Investments	\$ 5,471,140	\$ 8,325,599	\$ 13,796,739
Cash with Fiscal Agent	1,206,643	997,272	2,203,915
	<u>\$ 6,677,783</u>	<u>\$ 9,322,871</u>	<u>\$ 16,000,654</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 1,775,668	\$ 1,077,461	\$ 2,853,129
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,375,464	1,546,867	2,922,331
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(75,548)	(69,820)	(145,368)
Increase (Decrease) in Accounts Payable	(2,108)	(3,929)	(6,037)
Increase (Decrease) in Compensated Absences	4,656	14,031	18,687
Increase (Decrease) in Net Pension Liability	(261,505)	(168,111)	(429,616)
Increase (Decrease) in Deposits Payable	96,082	11,519	107,601
Total Adjustments	1,137,041	1,330,557	2,467,598
Net Cash Provided (Used) By Operating Activities	<u>\$ 2,912,709</u>	<u>\$ 2,408,018</u>	<u>\$ 5,320,727</u>

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS

Agency Funds and Private Purpose Trust Funds are used to account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the City, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency fund and private purpose trust fund maintained by the City is presented below.

Agency Fund - This fund accounts for.....

RDA Successor Agency - This fund accounts for the former redevelopment agency.

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**CITY OF IMPERIAL
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2018**

	<u>Private Purpose Trust Fund</u>	
	<u>RDA</u>	
	<u>Successor Agency</u>	<u>Agency Fund</u>
ASSETS		
Cash and investments	\$ 1,848,013	\$ -
Cash and investments with fiscal agent		3,287,567
Interest receivable	1,726.00	
Loans receivable	501,073	
Capital assets, net of accumulated depreciation	<u>311,012</u>	
Total Assets	<u>2,661,824</u>	<u>\$ 3,287,567</u>
LIABILITIES		
Deposits payable	\$ -	\$ 3,287,587
Long-term debt, due within one year	750,000	
Long-term debt, due in more than one year	<u>19,190,000</u>	
Total Liabilities	<u>19,940,000</u>	<u>\$ 3,287,587</u>
NET POSITION		
Held in trust for others	<u>(17,278,176)</u>	
Total Net Position	<u>\$ (17,278,176)</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2018

	<u>Private Purpose Trust Fund</u>
	<u>RDA</u>
	<u>Successor</u>
	<u>Agency</u>
Additions:	
Intergovernmental	\$ 2,499,994
Interest	3,816
Total additions	<u>2,503,810</u>
Deductions:	
Community Development	66,832
Interest Expense	690,956
Contribution to City	<u>250,000</u>
Total deductions	<u>1,007,788</u>
Change in net position	1,496,022
Net Position - July 1, 2017	<u> </u>
Prior period adjustment	<u>(18,774,198)</u>
Net Position, July 1, 2017, Restated	<u>(18,774,198)</u>
Net Position - June 30, 2018	<u><u>\$ (17,278,176)</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Imperial is a municipal corporation governed by an elected five-member City Council who, in turn, elects one of its members to serve as the Mayor. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the City. The blended component units have a June 30 fiscal year end to coincide with the City's.

Blended Component Units. In May 1994, the Imperial Financing Authority (Authority) was formed in order to provide a funding vehicle for necessary street improvements within the City. The governing board of the Imperial Financing Authority is the City Council, and the City Manager acts as Executive Director. A separate financial report is not being issued for the Imperial Financing Authority. The activity of the Authority is reported in the General Debt Service Fund of the City.

The Imperial Community Facilities District (District) was formed in order to provide funding for necessary community development projects within the City. The City currently has six separate Districts: 2004-1 Victoria, 2004-2 Mayfield, 2004-3 Bratton, 2005-1 Springfield, 2006-Monterrey Park, 2006-2 Savannah Ranch.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

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 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net positions are available, unrestricted resources are used only after the restricted resources are depleted.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues, such as charges for services, and result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports four major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes activities such as public protection, public works and facilities, parks and recreation, and community development.
- The *LTA Measure D Special Revenue Fund* was established to account for all proceeds and expenditures associate with street and highway projects received as part of the local transportation authority Measure D sales tax.

The City reports the following two major enterprise funds:

- The *Water Fund* was established to account for the financial activity for the purpose of operation and maintenance of City's water utility. The costs of providing these services to the general public are financed or recovered through user charges.
- The *Sewer Fund* was established to account for the financial activity for the purpose of operation and maintenance of the City's sewer system including the wastewater treatment plant. The costs of providing these services to the general public are financed or recovered through user charges.

The City reports the following additional fund types:

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

Private Purpose Trust Fund accounts for the operations of the former redevelopment agency.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus

The government-wide, proprietary, and fiduciary funds financial statements except for Agency Funds (that have no measurement focus) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Property taxes, transient occupancy taxes, and interest are susceptible to accrual. Sales taxes collected and held by the state at fiscal year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

D. Assets, Liabilities, and Equity

1. Deposits and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. 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 monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

1. Deposits and Investments (Continued)

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

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. LAIF determines the fair value of its 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. 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.

Investments are stated at fair value in accordance with GASB Statement No.31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Short-term investments are reported at cost, which approximates fair value. The fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Interest, dividends, and realized and unrealized gains and losses, based on the specific identification method, are included in interest revenue when earned.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Imperial collects property taxes for the City and Agency. Tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1st to June 30th. One-half of the taxes on real property are due on November 1st; the second installment is due on March 1st. All taxes are delinquent, if unpaid by December 10th and April 10th respectively. Unsecured personal property taxes become due on July 1st of each year and are delinquent, if unpaid by August 31st.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2018.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets				Years
Buildings				30
Improvements other than buildings				30
Infrastructure				20 to 40
Utility systems				40 to 75
Vehicles				5 to 15
Computer equipment				7
Other equipment and furnishings				7

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. A portion of unused sick leave benefits, varying by employee bargaining unit, vests and is payable upon retirement. For proprietary funds, a current liability is reported for that portion of the estimated value of vacation and sick leave benefits to be used during the subsequent fiscal year, and the estimated value vacation of vested sick leave benefits of employees approaching or at their respective retirement ages. The balance is considered a long-term obligation.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

5. Compensated Absences (Continued)

A liability is accrued for all earned but unused leave benefits in the government-wide and enterprise fund statements. This liability will be liquidated as either additional cash payments in the event of employee termination or as part of budgeted salary expenditures if used by employees as compensated leave time while still employed by the City. In the fund financial statements governmental funds accrue current liabilities for material vacation leave benefits due on demand to governmental fund employees that have terminated prior to year-end. Non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Debt premiums and discounts are deferred and amortized over the life of the indebtedness using the straight line method. Notes payable are reported net of the applicable bond premium or discount.

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

7. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City, not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted resources first.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the City's funds that include amounts not contained in the other classifications.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution.

G. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

Statement No. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 88	"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 90	"Majority Equity Interest-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

a. General Budget Policies

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. All amendments made during the fiscal year are included in the budgetary amounts reported herein. The "appropriated budget" covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior fiscal years, which expenditures constitute legally authorized "non-appropriated budget". Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

3. Formal budgetary integration is employed as a management control device during the fiscal year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations which are encumbered lapse at fiscal year-end, and then are added to the following fiscal year's budgeted appropriations.
4. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. For the fiscal year ended June 30, 2018, there were no budgets adopted for the following funds: Traffic Congestion Relief, Dial-A-Ride, Asset Forfeiture, ED CDBG, Prop 1B, Police Tech Grant, Austin Worthington, AB 109, Community Services Grant, STPL, SB-1, and Prop 10 Library.

Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for these fund types.

B. Budget/USGAAP Reconciliation

No funds adopted project-length or budgetary basis budgets and, therefore, no schedule reconciling the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual to the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances has been prepared.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2018, the following funds had an excess of expenditures over appropriations.

Fund	Amount
<u>Nonmajor Governmental Fund:</u>	
Successor Agency Housing	\$ 5,211
COPS Grant 2014	5,306
COPS Grant 2016	32,455
Housing Rehabilitation	767,379
Park Impact Fees	227,465

The Traffic Congestion Relief, Dial-A-Ride, Asset Forfeiture, ED CDBG, Prop 1B, Police Tech Grant, Austin Worthington, AB 109, Community Services Grant, STPL, SB-1, and Prop 10 Library funds do not adopt a budget.

D. Deficit Fund Equity

At June 30, 2018, the following funds had an accumulated deficit:

Fund	Amount
<u>Nonmajor Governmental Fund:</u>	
Housing Rehabilitation	\$ 720,298
COPS Grant 2015	32
Prop 1B	164,419
Police Technology Grant	112,075
STPL	615,681
<u>Private Purpose Trust Fund:</u>	
RDA Successor Agency	17,278,176

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 28,021,990
Cash and investments with Fiscal Agents	2,203,915
Fiduciary funds:	
Cash and investments	1,848,013
Cash and investments with Fiscal Agents	3,287,567
Total cash and investments	\$ 35,361,485

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$	450
Deposits with financial institutions		23,634,411
Investments		<u>11,726,624</u>
Total cash and investments	\$	35,361,485

A. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City of Hughson (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Bonds issued by the City	N/A	None	None
US Treasury Obligations	5 years	None	None
Federal Agency Issues	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Bankers' Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	None	10%
Commercial Paper	270 days	25%	None
County Pool Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65 Million
Collateralized Bank Deposits	N/A	None	None
Mortgage Pass-through Securities	5 years	20%	None
Shares of Beneficial Interest by a JPA	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
State Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Money Market Mutual Fund	N/A	None	None
Bankers Acceptances	N/A	None	None
Commercial Paper	270 days	None	None
Certificates of Deposit	N/A	None	None
Repurchase Agreements	N/A	None	None
Investment Agreements	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

C. Disclosures 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 manages its exposure to interest rate risk 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.

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

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 24 Months	25-60 Months	More Than 60 Months
State Investment Pool (LAIF)	\$ 6,132,758	\$ 6,132,758	\$ -	\$ -	\$ -
Money Market Funds	5,491,482	5,491,482			
Certificates of Deposit	102,384	102,384			
	<u>\$ 11,726,624</u>	<u>\$ 11,726,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

E. 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 City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$ 6,132,758	N/A	\$ -	\$ -	\$ -	\$ -	\$ 6,132,758
Money Market Funds	5,491,482	N/A					5,491,482
Certificates of Deposit	102,384	N/A					102,384
Total	\$ 11,726,624		\$ -	\$ -	\$ -	\$ -	\$ 11,726,624

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than money market) that represent 5% or more of total City's investments.

G. 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's 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 governmental unit). The fair market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2018, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. 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 LAIF for the entire LAIF 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 are recorded on an amortized cost basis.

I. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The City did not have any investments applicable to recurring fair value measurements as of June 30, 2018.

NOTE 4 – INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". The following presents a summary of current interfund balances at June 30, 2018:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Governmental Fund:		Nonmajor Governmental Fund:	
General Fund	\$ 1,158,705	COPS Grant 2016 Fund	\$ 1,250
		CDBG HOME Grant Fund	10,578
		Housing Rehabilitation Fund	255,257
		COPS Grant 2015 Fund	125
		Prop 1B Fund	164,419
		Police Technology Grant Fund	112,075
		STPL Fund	615,001
Totals	\$ 1,158,705	Totals	\$ 1,158,705

B. Transfers between Funds

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. All inter-fund transfers between individual government funds have been eliminated on the government-wide statements. The following schedule briefly summarizes the City's transfer activity for the fiscal year ended June 30, 2018:

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 – INTERFUND TRANSACTIONS (CONTINUED)

B. Transfers between Funds (Continued)

Fund	Transfers-in	Transfers-out
Major Governmental Funds:		
General Fund	\$ 736,051	\$ -
LTA Measure D		100,418
Major Enterprise Funds:		
Water Fund		27,102
Sewer Fund		22,168
Nonmajor Governmental Funds:		
Traffic Safety Special Revenue Fund		2,500
Gas Tax Special Revenue Fund		345,088
Local Transportation Special Revenue Fund		5,000
Public Safety Prop 172 Special Revenue Fund		72,890
COPS Grant 2017 Special Revenue Fund	2,978	2,500
COPS Grant 2014 Special Revenue Fund		2,978
COPS Grant 2016 Special Revenue Fund		44,292
Housing Rehabilitation Special Revenue Fund		5,000
RLA Special Revenue Fund		18,750
Wildflower Landscaping and Lighting Special Revenue Fund		7,100
Paseo Del Sol Landscaping and Lighting Special Revenue Fund		14,900
COPS Grant 2015 Special Revenue Fund		19,488
Sky Ranch District Special Revenue Fund		27,375
Library Literacy Special Revenue Fund		13,480
Housing General Special Revenue Fund		8,000
Totals	<u>\$ 739,029</u>	<u>\$ 739,029</u>

NOTE 5 – CAPITAL ASSETS

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

	Balance at July 1, 2017	Additions	Deletions	Transfers	Balance at June 30, 2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,329,400	\$ -	\$ -	\$ -	\$ 3,329,400
Construction in progress		790,789			790,789
Total capital assets, not being depreciated	<u>3,329,400</u>	<u>790,789</u>			<u>4,120,189</u>
Capital assets, being depreciated:					
Machinery and Equipment	6,613,558				6,613,558
Infrastructure	37,726,744	1,292,563			39,019,307
Total capital assets being depreciated	<u>44,340,302</u>	<u>1,292,563</u>			<u>45,632,865</u>
Less accumulated depreciation for:					
Machinery and Equipment	(5,362,603)	(566,976)			(5,929,579)
Infrastructure	(14,971,689)	(1,444,803)			(16,416,492)
Total accumulated depreciation	<u>(20,334,292)</u>	<u>(2,011,779)</u>			<u>(22,346,071)</u>
Total capital assets, being depreciated, net	<u>24,006,010</u>	<u>(719,216)</u>			<u>23,286,794</u>
Governmental activities capital assets, net	<u>\$ 27,335,410</u>	<u>\$ 71,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,406,983</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Capital Asset activity for the fiscal year ended June 30, 2018 was as follows (continued):

	Balance at July 1, 2017	Additions	Deletions	Transfers	Balance at June 30, 2018
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 79,683	\$ 198,714	\$ -	\$ -	\$ 278,397
Construction in progress		819,423			819,423
Total capital assets, not being depreciated	<u>79,683</u>	<u>1,018,137</u>			<u>1,097,820</u>
Capital assets, being depreciated:					
Buildings and Improvements	18,408,424				18,408,424
Machinery and Equipment	5,816,389	27,574			5,843,963
Infrastructure	25,218,997				25,218,997
Total capital assets, being depreciated	<u>49,443,810</u>	<u>27,574</u>			<u>49,471,384</u>
Less accumulated depreciation for:					
Buildings and Improvements	(13,170,968)	(695,078)			(13,866,046)
Machinery and Equipment	(3,593,728)	(696,085)			(4,289,813)
Infrastructure	(12,979,607)	(1,531,168)			(14,510,775)
Total accumulated depreciation	<u>(29,744,303)</u>	<u>(2,922,331)</u>			<u>(32,666,634)</u>
Total capital assets, being depreciated, net	<u>19,699,507</u>	<u>(2,894,757)</u>			<u>16,804,750</u>
Business-type activities capital assets, net	<u>\$ 19,779,190</u>	<u>\$ (1,876,620)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,902,570</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 670,593
Public Works	670,593
Public Safety	<u>670,593</u>
Total depreciation expense – governmental functions	<u>\$ 2,011,779</u>

Depreciation expense was charged to business-type functions as follows:

Water	\$ 1,375,464
Sewer	<u>1,546,867</u>
Total depreciation expense – business-type functions	<u>\$ 2,922,331</u>

NOTE 6 – NOTES RECEIVABLE

The City has established a number of housing assistance loan programs using HOME Investment Partnerships Program grant funds. These loans consist of several loans for first-time home buyers assistance and home rehabilitation assistance loans for qualified persons. The City also utilizes Community Development Block Grant (CDBG) to provide business assistance loans and home rehabilitation loans to qualified persons.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – LONG-TERM LIABILITIES

The following is a schedule of long-term liabilities for Governmental Activities and Business-type Activities for the fiscal year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Repayments	Balance at June 30, 2018	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 313,358	\$ 94,325	\$ -	\$ 407,683	\$ -
Total	\$ 313,358	\$ 94,325	\$ -	\$ 407,683	\$ -
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 18,235	\$ 4,656	\$ -	\$ 22,891	\$ -
2005 Certificates of participation	1,650,000		(55,000)	1,595,000	60,000
2012 Certificates of participation	7,255,000		(775,000)	6,480,000	805,000
2012 Certificates of participation premium	384,650		(41,212)	343,438	41,212
Wastewater Fund:					
Compensated absences	14,163	14,031		28,194	
2005 Certificates of participation	2,180,000		(75,000)	2,105,000	80,000
2012 Certificates of participation	6,545,000		(550,000)	5,995,000	565,000
2012 Certificates of participation premium	104,131		(11,156)	92,975	11,156
Total	\$ 18,151,179	\$ 18,687	\$ (1,507,368)	\$ 16,662,498	\$ 1,562,368

1. Business -type Activities – Water/Wastewater Parity 2005 COP

On November 1, 2005, the City issued the Parity 2005 certificates of participation in the amount of \$2,160,000 for the water facility and \$2,845,000 for the wastewater facility. The proceeds were used to finance certain capital improvements to the City's water and wastewater systems. Interest will be payable semi-annually on April and October 15 commencing on April 15, 2006. As of June 30, 2018, the balances remaining for Water and Wastewater Refunding are \$1,650,000, and \$2,180,000 respectively.

Annual debt service requirements for the certificates are shown below:

Fiscal Year Ended June 30,	2005 Certificates of Participation - Water		
	Principal	Interest	Total
2019	\$ 60,000	\$ 73,132	\$ 133,132
2020	60,000	70,582	130,582
2021	65,000	67,862	132,862
2022	65,000	64,969	129,969
2023	70,000	61,931	131,931
2024-2028	405,000	256,423	661,423
2029-2033	505,000	148,556	653,556
2034-2038	365,000	26,721	391,721
	<u>\$ 1,595,000</u>	<u>\$ 770,176</u>	<u>\$ 2,365,176</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

1. Business -type Activities – Water/Wastewater Parity 2005 COP (Continued)

Fiscal Year Ended June 30,	2005 Certificates of Participation - Water		
	Principal	Interest	Total
2019	\$ 80,000	\$ 96,480	\$ 176,480
2020	80,000	93,080	173,080
2021	85,000	89,490	174,490
2022	90,000	85,595	175,595
2023	95,000	81,433	176,433
2024-2028	525,000	337,587	862,587
2029-2033	665,000	197,248	862,248
2034-2038	485,000	35,271	520,271
	<u>\$ 2,105,000</u>	<u>\$ 1,016,184</u>	<u>\$ 3,121,184</u>

2. Business -type Activities – Water/Wastewater 2012 COP

On April 1, 2012, the City issued the 2012 certificates of participation in the amount of \$10,065,000 for the water facility and \$8,550,000 for the wastewater facility. The proceeds of the sale will be used together with other available moneys to provide funds to the City to prepay and defease on a current basis the City's Refunding Certificates of Participation Series 2001 of which \$7,190,000 (water) and \$4,995,000 remained outstanding, and to finance certain capital improvements to the City's water and wastewater system, to fund a reserve fund for the Bonds, and to pay certain costs of issuing the Bonds. Interest will be payable semi-annually on April and October 15 commencing on October 15, 2012. As of June 30, 2018, the balances remaining for Water and Wastewater Refunding are \$6,480,000 and \$5,995,000 respectively.

Annual debt service requirements for the Installment Notes Payable are shown below:

Fiscal Year Ended June 30,	2012 Certificates of Participation - Water		
	Principal	Interest	Total
2019	\$ 805,000	\$ 96,480	\$ 901,480
2020	845,000	93,080	938,080
2021	885,000	89,490	974,490
2022	595,000	85,595	680,595
2023	615,000	81,433	696,433
2024-2028	2,735,000	337,587	3,072,587
	<u>\$ 6,480,000</u>	<u>\$ 783,665</u>	<u>\$ 7,263,665</u>

Fiscal Year Ended June 30,	2012 Certificates of Participation - Sewer		
	Principal	Interest	Total
2019	\$ 565,000	\$ 236,825	\$ 801,825
2020	580,000	213,850	793,850
2021	610,000	184,100	794,100
2022	640,000	158,450	798,450
2023	660,000	136,500	796,500
2024-2028	2,940,000	256,273	3,196,273
	<u>\$ 5,995,000</u>	<u>\$ 1,185,998</u>	<u>\$ 7,180,998</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

3. Compensated Absences

The City's policy relating to compensated absences is described in Note (1). Compensated absences are liquidated primarily by the general fund and proprietary funds. The total amount outstanding at June 30, 2018, was \$407,683 for governmental activities and \$51,085 for business-type activities.

NOTE 8 – RISK MANAGEMENT

California Joint Powers Insurance Authority (CJPIA)

The City is a member of the California Joint Powers Insurance Authority's (Authority) Joint Liability Protection and worker's compensation coverage programs. The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Audited financial statements for the Authority are available from Finance Director, at California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California 90623.

NOTE 9 – CONTINGENT LIABILITIES

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

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

The City does not offer any other post-employment benefits.

NOTE 11 – PENSION PLAN

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 Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. 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.

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, cost sharing defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN

A. General Information about the Pension Plan (Continued)

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

A. General Information about the Pension Plan (Continued)

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

	City Misc Plan		City Safety Plan	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50	62
Monthly benefits, as a % of eligible compensation	2.00%	2.00%	3.0%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%	9.00%	11.50%
Required employer contribution rates	6.709%	6.237%	13.813%	6.237%

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.

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

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

Proportionate Share of Net Pension Liability	
Misc. Plan	Safety Plan
\$ 1,829,307	\$ 2,377,969

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	City Miscellaneous Plan	City Safety Plan
Proportion - June 30, 2016	0.04310%	0.04135%
Proportion - June 30, 2017	0.04640%	0.03980%
Change - Increase (Decrease)	0.00331%	-0.00156%

For the fiscal year ended June 30, 2018, the City recognized pension expense of \$298,675. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	324,247	
Net differences between projected and actual earnings on pension plan investments	159,072	
Difference between actual vs proportionate contribution		(124,014)
Changes in assumptions	660,478	
Difference in actual experience		(24,759)
Adjustment due to differences in proportions	2,341,099	
Total	<u>3,484,896</u>	<u>(148,773)</u>

\$324,247 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	
2019	\$ 977,493
2020	1,228,287
2021	899,924
2022	(93,828)
Total	<u>\$ 3,011,876</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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

	Miscellaneous	Safety
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30%-14.20% (1)	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

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

	<u>Discount Rate -1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate +1%</u>
	6.15%	7.15%	8.15%
Employer's Net Pension Liability - Miscellaneous	3,103,317	1,829,307	774,149
Employer's Net Pension Liability - Safety	3,463,746	2,377,969	1,490,401
Employer's Net Pension Liability - Total	<u>6,567,063</u>	<u>4,207,276</u>	<u>2,264,550</u>

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 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 2012-04.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as of the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

A. Capital assets of the Successor Agency as of June 30, 2018 consisted of the following:

	July 1, 2017 Balance	Additions	Deletions	June 30, 2018 Balance
Capital assets, not being depreciated:				
Land	\$ 311,012	\$ -	\$ -	\$ 311,012
Total capital assets, not being depreciated	311,012			311,012
Total capital assets, net	\$ 311,012	\$ -	\$ -	\$ 311,012

B. Long-term debt of the Successor Agency as of June 30, 2018, consisted of the following:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within one year
2016 A Series Tax Allocation Bond	\$ 5,835,000	\$ -	\$ (220,000)	\$ 5,615,000	\$ 225,000
2016 B Series Tax Allocation Bond	14,845,000		(520,000)	14,325,000	525,000
Totals	\$ 20,680,000	\$ -	\$ (740,000)	\$ 19,940,000	\$ 750,000

2016 Series A Tax Allocation Bonds

On May 18, 2016, the Successor Agency of the City of Imperial (the "Agency") issued \$6,050,000 refunding the 2005 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on June 30, 2037. As of June 30, 2018, the outstanding principal balance is \$5,615,000.

Fiscal Year Ended June 30,	2016 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2019	\$ 225,000	\$ 192,675	\$ 417,675
2020	225,000	187,050	412,050
2021	225,000	182,550	407,550
2022	245,000	177,850	422,850
2023	250,000	172,900	422,900
2024-2028	1,315,000	759,800	2,074,800
2029-2033	1,600,000	470,800	2,070,800
2034-2038	1,530,000	125,400	1,655,400
	<u>\$ 5,615,000</u>	<u>\$ 2,269,025</u>	<u>\$ 7,884,025</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

2016 Series B Tax Allocation Bonds

On May 18, 2016, the Successor Agency of the City of Imperial (the "Agency") issued \$15,145,000 refunding the 2008 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on June 30, 2037. As of June 30, 2018, the outstanding principal balance is \$14,325,000.

Fiscal Year Ended June 30,	2016 Series B Tax Allocation Bonds		
	Principal	Interest	Total
2019	\$ 525,000	\$ 477,118	\$ 1,002,118
2020	530,000	468,543	998,543
2021	545,000	458,456	1,003,456
2022	550,000	446,818	996,818
2023	560,000	433,631	993,631
2024-2028	3,070,000	1,911,468	4,981,468
2029-2033	3,620,000	1,335,022	4,955,022
2034-2038	4,925,000	550,300	5,475,300
	<u>\$ 14,325,000</u>	<u>\$ 6,081,356</u>	<u>\$ 20,406,356</u>

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

Prior period adjustments of (\$262,504) and (272,342) were made in the Water and Sewer funds respectively due to issuance costs not longer being amortized over the life of the debt but being recognized in the period of issuance.

Prior period adjustment of (\$18,774,198) was made in the private purpose trust fund and respectively successor agency funds due to the misclassification of successor agency funds as special revenue funds in the prior fiscal year and long term debt not being recognized in the successor agency statements.

Prior period adjustment of \$20,680,000 was made on the statement of activities due to the misclassification of long term debt associated with the successor agency being recognized as part of governmental activities in the prior fiscal year.

Prior period adjustment of (\$1,406,290) was made on the statement of activities due to the inclusion of certain successor agency funds as part of governmental activities.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF IMPERIAL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property Taxes	\$ 1,709,320	\$ 1,709,320	\$ 1,298,980	\$ (410,340)
Sales and Use Taxes	2,035,000	2,035,000	2,444,650	409,650
Business License Taxes	51,000	51,000	58,142	7,142
Transient Occupancy Tax	20,000	20,000	19,999	(1)
Other Taxes	35,000	35,000	33,821	(1,179)
Licenses and Permits	61,000	61,000	14,424	(46,576)
Fines and Forfeitures	95,500	95,500	114,304	18,804
Use of Money and Property	3,000	3,000	10,036	7,036
Charges for Services	2,144,280	2,144,280	2,773,421	629,141
Intergovernmental	1,659,338	1,659,338	1,526,239	(133,099)
Franchise tax	260,000	260,000	294,662	34,662
Other	242,650	242,650	76,803	(165,847)
Total Revenues	8,316,088	8,316,088	8,665,481	349,393
Expenditures				
Current				
General Government	3,356,420	3,356,420	2,160,008	1,196,412
Public Safety	3,507,257	3,507,257	3,345,272	161,985
Public Works	1,162,959	1,162,959	1,931,708	(768,749)
Parks and Recreation	793,306	793,306	880,849	(87,543)
Community Development	608,591	608,591	354,668	253,923
Total Expenditures	9,428,533	9,428,533	8,672,505	756,028
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,112,445)	(1,112,445)	(7,024)	1,105,421
Other Financing Sources (uses):				
Transfers In	1,164,011	1,164,011	736,051	(427,960)
Total Other Financing Sources (Uses)	1,164,011	1,164,011	736,051	(427,960)
Net Change in Fund Balance	51,566	51,566	729,027	677,461
Fund Balance - July 1, 2017	1,094,701	1,094,701	1,094,701	
Fund Balance - June 30, 2018	\$ 1,146,267	\$ 1,146,267	\$ 1,823,728	\$ 677,461

**CITY OF IMPERIAL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LTA MEASURE D SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Sales and Use Taxes	\$ 910,000	\$ 910,000	\$ 789,327	\$ (120,673)
Use of Money and Property	3,000	3,000	11,431	8,431
Intergovernmental			279,665	279,665
Total Revenues	913,000	913,000	1,080,423	167,423
Expenditures				
Current				
Public Works	106,500	106,500	232,084	(125,584)
Capital Outlay	3,032,200	3,032,200	1,823,228	1,208,972
Total Expenditures	3,138,700	3,138,700	2,055,312	1,083,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,225,700)	(2,225,700)	(974,889)	1,250,811
Other Financing Sources (uses):				
Transfers Out	(125,418)	(125,418)	(100,418)	25,000
Total Other Financing Sources (Uses)	(125,418)	(125,418)	(100,418)	25,000
Net Change in Fund Balance	(2,351,118)	(2,351,118)	(1,075,307)	1,275,811
Fund Balance - July 1, 2017	4,081,401	4,081,401	4,081,401	
Fund Balance - June 30, 2018	\$ 1,730,283	\$ 1,730,283	\$ 3,006,094	\$ 1,275,811

**CITY OF IMPERIAL
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2018**

Cost Sharing Defined Benefit Pension Plans

Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years*

	June 30, 2018		June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Proportion of the net pension liability	0.04640%	0.03980%	0.04310%	0.04135%	0.03591%	0.04491%	0.05532%	0.04857%
Proportionate share of the net pension liability	\$ 1,829,307	\$ 2,377,969	\$ 1,497,198	\$ 2,141,864	\$ 985,073	\$ 1,850,541	\$ 1,367,153	\$ 1,821,888
Covered-employee payroll	\$ 1,926,480	\$ 1,022,595	\$ 1,739,004	\$ 1,059,307	\$ 1,642,544	\$ 1,032,855	\$ 1,651,054	\$ 1,075,212
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	94.96%	232.54%	86.10%	202.19%	59.97%	179.17%	82.80%	169.44%
Plan's fiduciary net position	\$ 7,433,062	\$ 5,382,173	\$ 6,695,486	\$ 4,662,680	\$ 6,449,768	\$ 5,357,528	\$ 5,663,481	\$ 5,067,491
Plan's total pension liability	\$ 9,262,369	\$ 7,760,142	\$ 8,192,684	\$ 6,804,544	\$ 7,434,841	\$ 7,208,069	\$ 7,030,634	\$ 6,889,379
Plan fiduciary net position as a percentage of total pension liability	80.25%	69.36%	81.73%	68.52%	86.75%	74.33%	80.55%	73.56%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

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

**CITY OF IMPERIAL
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2018**

Cost Sharing Defined Benefit Pension Plans

Schedule of Contributions – Last 10 Years*

	June 30, 2018		June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Contractual required contribution (actuarially determined)	\$ 146,000	\$ 152,674	\$ 249,335	\$ 161,109	\$ 223,103	\$ 182,273	\$ 313,414	\$ 374,623
Contributions in relation to the actuarially determined contributions	(146,000)	(152,674)	(249,335)	(161,109)	(223,103)	(182,273)	(313,414)	(374,623)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,926,480	\$ 1,022,595	\$ 1,739,004	\$ 1,059,307	\$ 1,642,544	\$ 1,032,855	\$ 1,651,054	\$ 1,075,212
Contributions as a percentage of covered employee payroll	7.58%	14.93%	14.34%	15.21%	13.58%	17.65%	18.98%	34.84%

Notes to Schedule

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2012 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

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OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The Traffic Congestion Relief Fund was established to account for TCRF funding for streets and road projects to ease congestion.

The Traffic Safety Fund was established to account money received for traffics safety programs.

The Gas Tax Fund was established to account for state gas tax revenues based on population. The revenues may be expended only for street and road repair, maintenance, design, construction, and traffic signal design and installation.

The Local Transportation Fund was established to funding received for local transportation capital projects.

The Dial-A-Ride Fund was established to account for monies received as part of the TDA paratransit program.

The Successor Housing Fund was established to account for the housing loan and housing rehabilitation loans as part of the former redevelopment agency.

The Public Safety Prop 172 Fund was established to account Prop 172 public safety funds received by the City.

The COPS Grant 2017 Fund was established to account for monies received as part of the 2017 COPS police hiring grant from the United States Department of Justice.

The Asset Forfeiture Fund was established to account for monies received from asset seizures in the City's jurisdiction. The monies are to be spent on police protection and enforcement.

The Asset Forfeiture Fund was established to account for monies received from asset seizures in the City's jurisdiction. The monies are to be spent on police protection and enforcement.

The COPS Grant 2014 Fund was established to account for monies received as part of the 2014 COPS police hiring grant from the United States Department of Justice.

The COPS Grant 2016 Fund was established to account for monies received as part of the 2016 COPS police hiring grant from the United States Department of Justice.

The CDBG HOME Fund was established to account for federal grants under the Housing and Community Development Act, to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

The Housing Rehabilitation Fund was established to account for funds to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

The ED CDBG Grants Fund was established to account for federal planning grants under the Housing and Community Development Act.

The RLA Fund was established to bridge the gap between old development and new development where Landscaping and Lighting Districts are not set up.

The Wildflower Landscaping and Lighting Fund was established to account for revenues received and expenditures made for projects and maintenance within the Wildflower Landscaping and Light District.

The Paseo Del Sol Landscaping and Lighting Fund was established to account for revenues received and expenditures made for projects and maintenance within the Paseo Del Sol Landscaping and Light District.

The Joshua Tree Street Improvement Fund established to account for revenues received and expenditures made for Joshua Tree Street Improvement project.

The Library Donation Fund was established to account for donations received at the library.

The COPS Grant 2015 Fund was established to account for monies received as part of the 2015 COPS police hiring grant from the United States Department of Justice.

The Sky Ranch District Fund was established to account for revenues received and expenditures made for projects and maintenance within the Sky Ranch District.

The Prop 1B Fund was established to account for Prop 1B funds.

The Library Literacy Fund was established to account for funds received and expenditures as part of the library literacy program.

The Police Technology Grant Fund was established to account for funds received part of police technology grants.

The Austin Worthington Roads Fund was established to account for xxxxxx

The AB 109 Fund was established to account for funds received and expended as part assembly bill AB 109 from the California Department of Correction and Rehabilitation.

The Community Services Grant Fund was established to account for community services grants.

The General Housing Fund was established to account program revenue and costs associated with general housing programs.

The Fire Impact Fees Fund was established to account fire impact fees.

The Police Impact Fees Fund was established to account fire impact fees.

The Administrative Impact Fees Fund was established to account fire impact fees.

The Library Impact Fees Fund was established to account fire impact fees.

The Park Impact Fees Fund was established to account fire impact fees.

The Circulation Impact Fees Fund was established to account fire impact fees.

The STPL Fund was established to account for funds received and expended for highway planning and construction projects.

The EDA Fund was established xxxxxx

The SB 1 Fund was established to account for funds provided for street projects as part of California Senate Bill 1.

The Prop 10 Library Fund was established to account for funds received as part Prop 10 for future library projects.

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue Funds				
	Traffic Congestion Relief	Traffic Safety	Gas Tax	Local Transportation	Dial-A- Ride
Assets					
Cash and Investments	\$ 21,221	\$ 4,110	\$ 348,811	\$ 394,802	\$ 14,607
Accounts Receivable				49,682	
Interest Receivable		4	326	369	
Loans Receivable					
Total Assets	<u>\$ 21,221</u>	<u>\$ 4,114</u>	<u>\$ 349,137</u>	<u>\$ 444,853</u>	<u>\$ 14,607</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ 22,559	\$ -
Due To Other Funds					
Total Liabilities				<u>22,559</u>	
Deferred Inflows of Resources:					
Unearned Revenue - Loans					
Total Deferred Inflows of Resources					
Total Liabilities and Deferred Inflows of Resources				<u>22,559</u>	
Fund Balances (Deficits)					
Restricted	21,221	4,114	349,137	422,294	14,607
Unassigned					
Total Fund Balances (Deficits)	<u>21,221</u>	<u>4,114</u>	<u>349,137</u>	<u>422,294</u>	<u>14,607</u>
Total Liabilities and Fund Balances	<u>\$ 21,221</u>	<u>\$ 4,114</u>	<u>\$ 349,137</u>	<u>\$ 444,853</u>	<u>\$ 14,607</u>

Special Revenue Funds

Successor Housing	Public Safety Prop 172	Cops Grant 2017	Asset Forfeiture	Cops Grant 2014	Cops Grant 2016	CDBG HOME Grant	Housing Rehab
\$ 1,403,165	\$ 87,379	\$ 100,022	\$ 4,677	\$ 9,175	\$ -	\$ -	\$ -
19,835							
1,022	82		4	7			
189,980						781,745	330,810
<u>\$ 1,614,002</u>	<u>\$ 87,461</u>	<u>\$ 100,022</u>	<u>\$ 4,681</u>	<u>\$ 9,182</u>	<u>\$ -</u>	<u>\$ 781,745</u>	<u>\$ 330,810</u>
\$ 83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,041
					1,250	10,578	255,257
83					1,250	10,578	720,298
189,980						781,745	330,810
189,980						781,745	330,810
190,063					1,250	792,323	1,051,108
1,423,939	87,461	100,022	4,681	9,182	(1,250)	(10,578)	(720,298)
1,423,939	87,461	100,022	4,681	9,182	(1,250)	(10,578)	(720,298)
<u>\$ 1,614,002</u>	<u>\$ 87,461</u>	<u>\$ 100,022</u>	<u>\$ 4,681</u>	<u>\$ 9,182</u>	<u>\$ -</u>	<u>\$ 781,745</u>	<u>\$ 330,810</u>

Continued

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
(CONTINUED)

	Special Revenue Funds				
	ED CDBG	RLA	Wildflower Landscape Lighting	Paseo Del Sol Landscape Lighting	Joshua Tree Street Improvement
Assets					
Cash and Investments	\$ 50	\$ 9,577	\$ 83,463	\$ 141,633	\$ 31,287
Accounts Receivable					
Interest Receivable		9	78	132	
Loans Receivable		202,639			
Total Assets	\$ 50	\$ 212,225	\$ 83,541	\$ 141,765	\$ 31,287
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Unearned Revenue - Loans		202,639			
Total Deferred Inflows of Resource:		202,639			
Total Liabilities and Deferred Inflows of Resources		202,639			
Fund Balances (Deficits)					
Restricted	50	9,586	83,541	141,765	31,287
Unassigned					
Total Fund Balances (Deficits)	50	9,586	83,541	141,765	31,287
Total Liabilities and Fund Balances	\$ 50	\$ 212,225	\$ 83,541	\$ 141,765	\$ 31,287

Special Revenue Funds

Library Donation	Cops Grant 2015	Sky Ranch District	Prop 1B	Library Literacy	Police Technology Grant	Austin Worthington	AB 109 Funding
\$ 3,403	\$ -	\$ 1,060,582	\$ -	\$ 75,616	\$ -	\$ 95,750	\$ 839
	93	990		71			
<u>\$ 3,403</u>	<u>\$ 93</u>	<u>\$ 1,061,572</u>	<u>\$ -</u>	<u>\$ 75,687</u>	<u>\$ -</u>	<u>\$ 95,750</u>	<u>\$ 839</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	125		164,419		112,075		
	125		164,419		112,075		
	125		164,419		112,075		
3,403		1,061,572		75,687		95,750	839
	(32)		(164,419)		(112,075)		
<u>3,403</u>	<u>(32)</u>	<u>1,061,572</u>	<u>(164,419)</u>	<u>75,687</u>	<u>(112,075)</u>	<u>95,750</u>	<u>839</u>
<u>\$ 3,403</u>	<u>\$ 93</u>	<u>\$ 1,061,572</u>	<u>\$ -</u>	<u>\$ 75,687</u>	<u>\$ -</u>	<u>\$ 95,750</u>	<u>\$ 839</u>

Continued

**CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
(CONTINUED)**

	Special Revenue Funds				
	Community Services Grant	General Housing	Fire Impact Fees	Police Impact Fees	Admin Impact Fees
Assets					
Cash and Investments	\$ 5,624	\$ 481,284	\$ 49,759	\$ 696,407	\$ 640,352
Accounts Receivable					
Interest Receivable			46	650	598
Loans Receivable		191,437			
Total Assets	<u>\$ 5,624</u>	<u>\$ 672,721</u>	<u>\$ 49,805</u>	<u>\$ 697,057</u>	<u>\$ 640,950</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Unearned Revenue - Loans		191,437			
Total Deferred Inflows of Resources		<u>191,437</u>			
Total Liabilities and Deferred Inflows of Resources		<u>191,437</u>			
Fund Balances (Deficits)					
Restricted	5,624	481,284	49,805	697,057	640,950
Unassigned					
Total Fund Balances (Deficits)	<u>5,624</u>	<u>481,284</u>	<u>49,805</u>	<u>697,057</u>	<u>640,950</u>
Total Liabilities and Fund Balances	<u>\$ 5,624</u>	<u>\$ 672,721</u>	<u>\$ 49,805</u>	<u>\$ 697,057</u>	<u>\$ 640,950</u>

Special Revenue Funds							Total Nonmajor Governmental Funds
Library Impact Fees	Park Impact Fees	Circulation Impact Fees	STPL	EDA	SB 1	Prop 10 Library	
\$ 505,290	\$ 1,974,618	\$ 353,273		\$ 602,681	\$ 69,819	\$ 1,651	\$ 9,270,927
							69,517
472	1,843	330			85	1	7,212
							1,696,611
<u>\$ 505,762</u>	<u>\$ 1,976,461</u>	<u>\$ 353,603</u>	<u>\$ -</u>	<u>\$ 602,681</u>	<u>\$ 69,904</u>	<u>\$ 1,652</u>	<u>\$ 11,044,267</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,683
			615,001				1,158,705
			615,001				1,646,388
							1,696,611
							1,696,611
			615,001				3,342,999
505,762	1,976,461	353,603	(615,001)	602,681	69,904	1,652	9,324,921
							(1,623,653)
<u>505,762</u>	<u>1,976,461</u>	<u>353,603</u>	<u>(615,001)</u>	<u>602,681</u>	<u>69,904</u>	<u>1,652</u>	<u>7,701,268</u>
<u>\$ 505,762</u>	<u>\$ 1,976,461</u>	<u>\$ 353,603</u>	<u>\$ -</u>	<u>\$ 602,681</u>	<u>\$ 69,904</u>	<u>\$ 1,652</u>	<u>\$ 11,044,267</u>

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds				
	Traffic Congestion Relief	Traffic Safety	Gas Tax	Local Transportation	Dial-A- Ride
Revenues:					
Use of Money and Property	\$ -	\$ 12	\$ 1,080	\$ 1,464	\$ -
Charges for Services		2,431			
Intergovernmental	21,211		371,001	49,682	
Other					
Total Revenues	<u>21,211</u>	<u>2,443</u>	<u>372,081</u>	<u>51,146</u>	
Expenditures:					
Current:					
Community Development					
Public Safety					
Public Works				22,086	
Parks and Recreation					
Capital Outlay				201,783	
Total Expenditures				<u>223,869</u>	
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>21,211</u>	<u>2,443</u>	<u>372,081</u>	<u>(172,723)</u>	
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(2,500)	(345,088)	(5,000)	
Total Other Financing Sources (Uses)		<u>(2,500)</u>	<u>(345,088)</u>	<u>(5,000)</u>	
Net Change in Fund Balances	21,211	(57)	26,993	(177,723)	
Fund Balances - July 1, 2017	<u>10</u>	<u>4,171</u>	<u>322,144</u>	<u>600,017</u>	<u>14,607</u>
Fund Balances - June 30, 2018	<u>\$ 21,221</u>	<u>\$ 4,114</u>	<u>\$ 349,137</u>	<u>\$ 422,294</u>	<u>\$ 14,607</u>

Special Revenue Funds							
Successor Housing	Public Safety Prop 172	Cops Grant 2017	Asset Forfeiture	Cops Grant 2014	Cops Grant 2016	CDBG HOME Grant	Housing Rehab
\$ 30,589	\$ 232	\$ 25	\$ 10 2,328	\$ 47	\$ 14	\$ 10,851	\$ 1,993
	143,338	100,000			41,177	55,427	2,448
<u>30,589</u>	<u>143,570</u>	<u>100,025</u>	<u>2,338</u>	<u>47</u>	<u>41,191</u>	<u>66,278</u>	<u>4,441</u>
6,711		44,675		18,848	32,455		468,742
							298,637
<u>6,711</u>		<u>44,675</u>		<u>18,848</u>	<u>32,455</u>		<u>767,379</u>
<u>23,878</u>	<u>143,570</u>	<u>55,350</u>	<u>2,338</u>	<u>(18,801)</u>	<u>8,736</u>	<u>66,278</u>	<u>(762,938)</u>
	(72,890)	2,978 (2,500)		(2,978)	(44,292)		(5,000)
	(72,890)	478		(2,978)	(44,292)		(5,000)
23,878	70,680	55,828	2,338	(21,779)	(35,556)	66,278	(767,938)
<u>1,400,061</u>	<u>16,781</u>	<u>44,194</u>	<u>2,343</u>	<u>30,961</u>	<u>34,306</u>	<u>(76,856)</u>	<u>47,640</u>
<u>\$ 1,423,939</u>	<u>\$ 87,461</u>	<u>\$ 100,022</u>	<u>\$ 4,681</u>	<u>\$ 9,182</u>	<u>\$ (1,250)</u>	<u>\$ (10,578)</u>	<u>\$ (720,298)</u>

Continued

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018
(CONTINUED)

	ED CDBG	RLA	Special Revenue Funds		
			Wildflower Landscape Lighting	Paseo Del Sol Landscape Lighting	Joshua Tree Street Improvement
Revenues:					
Use of Money and Property	\$ -	\$ 4,394	\$ 222	\$ 403	\$ -
Charges for Services		7,030	50,254	45,338	
Intergovernmental					
Other					
Total Revenues		11,424	50,476	45,741	
Expenditures:					
Current:					
Community Development					
Public Safety					
Public Works			9,728	3,729	
Parks and Recreation					
Capital Outlay					
Total Expenditures			9,728	3,729	
Excess (Deficiency) of Revenues over (Under) Expenditures		11,424	40,748	42,012	
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(18,750)	(7,100)	(14,900)	
Total Other Financing Sources (Uses)		(18,750)	(7,100)	(14,900)	
Net Change in Fund Balances		(7,326)	33,648	27,112	
Fund Balances - July 1, 2017	50	16,912	49,893	114,653	31,287
Fund Balances - June 30, 2018	\$ 50	\$ 9,586	\$ 83,541	\$ 141,765	\$ 31,287

Special Revenue Funds

Library Donation	Cops Grant 2015	Sky Ranch District	Prop 1B	Library Literacy	Police Technology Grant	Austin Worthington	AB 109 Funding
\$ -	\$ 114	\$ 3,140	\$ -	\$ 234	\$ -	\$ -	\$ -
	848	210,700		18,000			
1,050							
1,050	962	213,840		18,234			
	1,593						
100		97,061		715			
100	1,593	97,061		715			
950	(631)	116,779		17,519			
	(19,488)	(27,375)		(13,480)			
	(19,488)	(27,375)		(13,480)			
950	(20,119)	89,404		4,039			
2,453	20,087	972,168	(164,419)	71,648	(112,075)	95,750	839
\$ 3,403	\$ (32)	\$ 1,061,572	\$ (164,419)	\$ 75,687	\$ (112,075)	\$ 95,750	\$ 839

Continued

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018
(CONTINUED)

	Special Revenue Funds				
	Community Services Grant	General Housing	Fire Impact Fees	Police Impact Fees	Admin Impact Fees
Revenues:					
Use of Money and Property	\$ -	\$ 5,382	\$ 765	\$ 3,386	\$ 3,222
Charges for Services		22,188	26,710	50,923	53,391
Intergovernmental	6,000				
Other					
Total Revenues	<u>6,000</u>	<u>27,570</u>	<u>27,475</u>	<u>54,309</u>	<u>56,613</u>
Expenditures:					
Current:					
Community Development	376	111,934			
Public Safety					
Public Works					
Parks and Recreation					
Capital Outlay					
Total Expenditures	<u>376</u>	<u>111,934</u>			
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>5,624</u>	<u>(84,364)</u>	<u>27,475</u>	<u>54,309</u>	<u>56,613</u>
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(8,000)			
Total Other Financing Sources (Uses)		<u>(8,000)</u>			
Net Change in Fund Balances	5,624	(92,364)	27,475	54,309	56,613
Fund Balances - July 1, 2017		573,648	22,330	642,748	584,337
Fund Balances - June 30, 2018	<u>\$ 5,624</u>	<u>\$ 481,284</u>	<u>\$ 49,805</u>	<u>\$ 697,057</u>	<u>\$ 640,950</u>

Special Revenue Funds							Total Nonmajor Governmental Funds
Library Impact Fees	Park Impact Fees	Circulation Impact Fees	STPL	EDA	SB 1	Prop 10 Library	
\$ 2,804	\$ 13,564	\$ 2,855	\$ -	\$ -	\$ 122	\$ 2	\$ 86,926
50,780	289,994	90,340				1,650	904,057
					69,782		878,914
	4,640	91,585					97,275
53,584	308,198	184,780			69,904	1,652	1,967,172
				20,462			608,225
							97,571
							132,604
	252,465						253,280
							500,420
	252,465			20,462			1,592,100
53,584	55,733	184,780		(20,462)	69,904	1,652	375,072
							2,978
							(589,341)
							(586,363)
53,584	55,733	184,780		(20,462)	69,904	1,652	(211,291)
452,178	1,920,728	168,823	(615,001)	623,143			7,912,559
\$ 505,762	\$ 1,976,461	\$ 353,603	\$ (615,001)	\$ 602,681	\$ 69,904	\$ 1,652	\$ 7,701,268

CITY OF IMPERIAL
 TRAFFIC SAFETY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 5	\$ 12	\$ 7
Charges For Services	4,100	2,431	(1,669)
Total Revenues	<u>4,105</u>	<u>2,443</u>	<u>(1,662)</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(2,500)</u>	<u>(2,500)</u>	
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>(2,500)</u>	
Net Change in Fund Balance	1,605	(57)	(1,662)
Fund Balance - July 1, 2017	<u>4,171</u>	<u>4,171</u>	
Fund Balance - June 30, 2018	<u><u>\$ 5,776</u></u>	<u><u>\$ 4,114</u></u>	<u><u>\$ (1,662)</u></u>

CITY OF IMPERIAL
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 400	\$ 1,080	\$ 680
Intergovernmental	387,268	371,001	(16,267)
Total Revenues	387,668	372,081	(15,587)
Other Financing Sources (Uses):			
Transfers Out	(345,088)	(345,088)	
Total Other Financing Sources (Uses)	(345,088)	(345,088)	
Net Change in Fund Balance	42,580	26,993	(15,587)
Fund Balance - July 1, 2017	322,144	322,144	
Fund Balance - June 30, 2018	\$ 364,724	\$ 349,137	\$ (15,587)

CITY OF IMPERIAL
LOCAL TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 200	\$ 1,464	\$ 1,264
Intergovernmental	28,841	49,682	20,841
Total Revenues	29,041	51,146	22,105
Expenditures:			
Current:			
Public Works	453,000	22,086	430,914
Capital Outlay	186,000	201,783	(15,783)
Total Expenditures	639,000	223,869	415,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(609,959)	(172,723)	437,236
Other Financing Sources (Uses):			
Transfers Out	(5,000)	(5,000)	
Total Other Financing Sources (Uses)	(5,000)	(5,000)	
Net Change in Fund Balance	(614,959)	(177,723)	437,236
Fund Balance - July 1, 2017	600,017	600,017	
Fund Balance - June 30, 2018	\$ (14,942)	\$ 422,294	\$ 437,236

CITY OF IMPERIAL
 SUCCESSOR AGENCY HOUSING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 18,000	\$ 30,589	\$ 12,589
Total Revenues	<u>18,000</u>	<u>30,589</u>	<u>12,589</u>
Expenditures:			
Current:			
Community Development	<u>1,500</u>	<u>6,711</u>	<u>(5,211)</u>
Total Expenditures	<u>1,500</u>	<u>6,711</u>	<u>(5,211)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,500</u>	<u>23,878</u>	<u>7,378</u>
Net Change in Fund Balance	16,500	23,878	7,378
Fund Balance - July 1, 2017	<u>1,400,061</u>	<u>1,400,061</u>	
Fund Balance - June 30, 2018	<u>\$ 1,416,561</u>	<u>\$ 1,423,939</u>	<u>\$ 7,378</u>

CITY OF IMPERIAL
PUBLIC SAFETY PROP 172 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ -	\$ 232	\$ 232
Intergovernmental	80,000	143,338	63,338
Total Revenues	80,000	143,570	63,570
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,000	143,570	63,570
Other Financing Sources (Uses):			
Transfers Out	(72,890)	(72,890)	
Total Other Financing Sources (Uses)	(72,890)	(72,890)	
Net Change in Fund Balance	7,110	70,680	63,570
Fund Balance - July 1, 2017	16,781	16,781	
Fund Balance - June 30, 2018	\$ 23,891	\$ 87,461	\$ 63,570

CITY OF IMPERIAL
COPS GRANT 2017 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ -	\$ 25	\$ 25
Intergovernmental	29,816	100,000	70,184
Total Revenues	29,816	100,025	70,209
Expenditures:			
Current:			
Public Safety	66,532	44,675	21,857
Total Expenditures	66,532	44,675	21,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,716)	55,350	92,066
Other Financing Sources (Uses):			
Transfers In		2,978	2,978
Transfers Out	(17,500)	(2,500)	15,000
Total Other Financing Sources (Uses)	(17,500)	478	17,978
Net Change in Fund Balance	(54,216)	55,828	110,044
Fund Balance - July 1, 2017	44,194	44,194	
Fund Balance - June 30, 2018	\$ (10,022)	\$ 100,022	\$ 110,044

CITY OF IMPERIAL
COPS GRANT 2014 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 5	\$ 47	\$ 42
Total Revenues	5	47	42
Expenditures:			
Current:			
Public Safety	13,500	18,848	(5,348)
Total Expenditures	13,500	18,848	(5,348)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,495)	(18,801)	(5,306)
Other Financing Sources (Uses):			
Transfers Out		(2,978)	(2,978)
Total Other Financing Sources (Uses)		(2,978)	(2,978)
Net Change in Fund Balance	(13,495)	(21,779)	(8,284)
Fund Balance - July 1, 2017	30,961	30,961	
Fund Balance - June 30, 2018	\$ 17,466	\$ 9,182	\$ (8,284)

CITY OF IMPERIAL
COPS GRANT 2016 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ -	\$ 14	\$ 14
Intergovernmental	41,177	41,177	
Total Revenues	41,177	41,191	14
Expenditures:			
Current:			
Public Safety		32,455	(32,455)
Total Expenditures		32,455	(32,455)
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,177	8,736	(32,441)
Other Financing Sources (Uses):			
Transfers Out	(56,417)	(44,292)	12,125
Total Other Financing Sources (Uses)	(56,417)	(44,292)	12,125
Net Change in Fund Balance	(15,240)	(35,556)	(20,316)
Fund Balance - July 1, 2017	34,306	34,306	
Fund Balance - June 30, 2018	\$ 19,066	\$ (1,250)	\$ (20,316)

CITY OF IMPERIAL
CDBG HOME SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 600	\$ 10,851	\$ 10,251
Intergovernmental	800	55,427	54,627
Total Revenues	<u>1,400</u>	<u>66,278</u>	<u>64,878</u>
Net Change in Fund Balance	1,400	66,278	64,878
Fund Balance - July 1, 2017	<u>(76,856)</u>	<u>(76,856)</u>	
Fund Balance - June 30, 2018	<u>\$ (75,456)</u>	<u>\$ (10,578)</u>	<u>\$ 64,878</u>

CITY OF IMPERIAL
HOUSING REHABILITATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 996	\$ 1,993	\$ 997
Intergovernmental	4,100	2,448	(1,652)
Total Revenues	<u>5,096</u>	<u>4,441</u>	<u>(655)</u>
Expenditures:			
Current:			
Community Development		468,742	(468,742)
Capital Outlay		298,637	(298,637)
Total Expenditures		<u>767,379</u>	<u>(767,379)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,096</u>	<u>(762,938)</u>	<u>(768,034)</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(50,000)</u>	<u>(5,000)</u>	<u>45,000</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(5,000)</u>	<u>45,000</u>
Net Change in Fund Balance	(44,904)	(767,938)	(723,034)
Fund Balance - July 1, 2017	<u>600,017</u>	<u>600,017</u>	
Fund Balance - June 30, 2018	<u>\$ 555,113</u>	<u>\$ (167,921)</u>	<u>\$ (723,034)</u>

CITY OF IMPERIAL
 RLA SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 3,000	\$ 4,394	\$ 1,394
Charges for Services	16,500	7,030	(9,470)
Total Revenues	19,500	11,424	(8,076)
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,500	11,424	(8,076)
Other Financing Sources (Uses):			
Transfers Out	(60,000)	(18,750)	41,250
Total Other Financing Sources (Uses)	(60,000)	(18,750)	41,250
Net Change in Fund Balance	(40,500)	(7,326)	33,174
Fund Balance - July 1, 2017	16,912	16,912	
Fund Balance - June 30, 2018	\$ (23,588)	\$ 9,586	\$ 33,174

CITY OF IMPERIAL
WILDFLOWER LANDSCAPING AND LIGHTING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 50	\$ 222	\$ 172
Charges for Services	39,400	50,254	10,854
Total Revenues	<u>39,450</u>	<u>50,476</u>	<u>11,026</u>
Expenditures:			
Current:			
Public Works	12,600	9,728	2,872
Total Expenditures	<u>12,600</u>	<u>9,728</u>	<u>2,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,850</u>	<u>40,748</u>	<u>13,898</u>
Other Financing Sources (Uses):			
Transfers Out	(7,100)	(7,100)	
Total Other Financing Sources (Uses)	<u>(7,100)</u>	<u>(7,100)</u>	
Net Change in Fund Balance	19,750	33,648	13,898
Fund Balance - July 1, 2017	<u>49,893</u>	<u>49,893</u>	
Fund Balance - June 30, 2018	<u>\$ 69,643</u>	<u>\$ 83,541</u>	<u>\$ 13,898</u>

CITY OF IMPERIAL
PASEO DEL SOL LANDSCAPING AND LIGHTING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 150	\$ 403	\$ 253
Charges for Services	39,400	45,338	5,938
Total Revenues	39,550	45,741	6,191
Expenditures:			
Current:			
Public Works	6,600	3,729	2,871
Total Expenditures	6,600	3,729	2,871
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,950	42,012	9,062
Other Financing Sources (Uses):			
Transfers Out	(14,900)	(14,900)	
Total Other Financing Sources (Uses)	(14,900)	(14,900)	
Net Change in Fund Balance	18,050	27,112	9,062
Fund Balance - July 1, 2017	114,653	114,653	
Fund Balance - June 30, 2018	\$ 132,703	\$ 141,765	\$ 9,062

CITY OF IMPERIAL
JOSHUA TREE STREET IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 20	\$ -	\$ (20)
Total Revenues	20		(20)
Expenditures:			
Capital Outlay	31,307		31,307
Total Expenditures	31,307		31,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,287)		31,287
Net Change in Fund Balance	(31,287)		31,287
Fund Balance - July 1, 2017	31,287	31,287	
Fund Balance - June 30, 2018	\$ -	\$ 31,287	\$ 31,287

CITY OF IMPERIAL
LIBRARY DONATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 1,000	\$ 1,050	\$ 50
Total Revenues	<u>1,000</u>	<u>1,050</u>	<u>50</u>
Expenditures:			
Current:			
Parks and Recreation	1,000	100	900
Total Expenditures	<u>1,000</u>	<u>100</u>	<u>900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>950</u>	<u>950</u>
Net Change in Fund Balance		950	950
Fund Balance - July 1, 2017	<u>2,453</u>	<u>2,453</u>	
Fund Balance - June 30, 2018	<u>\$ 2,453</u>	<u>\$ 3,403</u>	<u>\$ 950</u>

CITY OF IMPERIAL
COPS GRANT 2015 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 10	\$ 114	\$ 104
Intergovernmental	848	848	
Total Revenues	858	962	104
Expenditures:			
Current:			
Public Safety	2,268	1,593	675
Total Expenditures	2,268	1,593	675
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,410)	(631)	779
Other Financing Sources (Uses):			
Transfers Out	(21,073)	(19,488)	1,585
Total Other Financing Sources (Uses)	(21,073)	(19,488)	1,585
Net Change in Fund Balance	(22,483)	(20,119)	2,364
Fund Balance - July 1, 2017	20,087	20,087	
Fund Balance - June 30, 2018	\$ (2,396)	\$ (32)	\$ 2,364

CITY OF IMPERIAL
 SKY RANCH DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 2,000	\$ 3,140	\$ 1,140
Charges for Services	218,000	210,700	(7,300)
Total Revenues	220,000	213,840	(6,160)
Expenditures:			
Current:			
Public Works	92,100	97,061	(4,961)
Capital Outlay	537,000		537,000
Total Expenditures	629,100	97,061	532,039
Excess (Deficiency) of Revenues Over (Under) Expenditures	(409,100)	116,779	525,879
Other Financing Sources (Uses):			
Transfers Out	(27,375)	(27,375)	
Total Other Financing Sources (Uses)	(27,375)	(27,375)	
Net Change in Fund Balance	(436,475)	89,404	525,879
Fund Balance - July 1, 2017	972,168	972,168	
Fund Balance - June 30, 2018	\$ 535,693	\$ 1,061,572	\$ 525,879

CITY OF IMPERIAL
LIBRARY LITERACY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 50	\$ 234	\$ 184
Intergovernmental	30,000	18,000	(12,000)
Total Revenues	30,050	18,234	(11,816)
Expenditures:			
Current:			
Parks and Recreation	60,000	715	59,285
Total Expenditures	60,000	715	59,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,950)	17,519	47,469
Other Financing Sources (Uses):			
Transfers Out	(13,480)	(13,480)	
Total Other Financing Sources (Uses)	(13,480)	(13,480)	
Net Change in Fund Balance	(43,430)	4,039	47,469
Fund Balance - July 1, 2017	71,648	71,648	
Fund Balance - June 30, 2018	\$ 28,218	\$ 75,687	\$ 47,469

CITY OF IMPERIAL
GENERAL HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 500	\$ 5,382	\$ 4,882
Charges for Services	100,000	22,188	(77,812)
Total Revenues	100,500	27,570	(72,930)
Expenditures:			
Current:			
Community Development	450,000	111,934	338,066
Total Expenditures	450,000	111,934	338,066
Excess (Deficiency) of Revenues Over (Under) Expenditures	(349,500)	(84,364)	265,136
Other Financing Sources (Uses):			
Transfers Out	(8,000)	(8,000)	
Total Other Financing Sources (Uses)	(8,000)	(8,000)	
Net Change in Fund Balance	(357,500)	(92,364)	265,136
Fund Balance - July 1, 2017	573,648	573,648	
Fund Balance - June 30, 2018	\$ 216,148	\$ 481,284	\$ 265,136

CITY OF IMPERIAL
FIRE IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 10	\$ 765	\$ 755
Charges for Services	15,000	26,710	11,710
Total Revenues	15,010	27,475	12,465
Expenditures:			
Current:			
Public Safety	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,510	27,475	14,965
Net Change in Fund Balance	12,510	27,475	14,965
Fund Balance - July 1, 2017	22,330	22,330	
Fund Balance - June 30, 2018	\$ 34,840	\$ 49,805	\$ 14,965

CITY OF IMPERIAL
POLICE IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 1,000	\$ 3,386	\$ 2,386
Charges for Services	45,000	50,923	5,923
Total Revenues	46,000	54,309	8,309
Expenditures:			
Current:			
Public Safety	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,500	54,309	10,809
Net Change in Fund Balance	43,500	54,309	10,809
Fund Balance - July 1, 2017	642,748	642,748	
Fund Balance - June 30, 2018	\$ 686,248	\$ 697,057	\$ 10,809

CITY OF IMPERIAL
ADMINISTRATION IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 800	\$ 3,222	\$ 2,422
Charges for Services	45,000	53,391	8,391
Total Revenues	45,800	56,613	10,813
Expenditures:			
Current:			
Community Development	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,300	56,613	13,313
Net Change in Fund Balance	43,300	56,613	13,313
Fund Balance - July 1, 2017	584,337	584,337	
Fund Balance - June 30, 2018	\$ 627,637	\$ 640,950	\$ 13,313

CITY OF IMPERIAL
LIBRARY IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 700	\$ 2,804	\$ 2,104
Charges for Services	30,000	50,780	20,780
Total Revenues	30,700	53,584	22,884
Expenditures:			
Current:			
Parks and Recreation	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,200	53,584	25,384
Net Change in Fund Balance	28,200	53,584	25,384
Fund Balance - July 1, 2017	452,178	452,178	
Fund Balance - June 30, 2018	\$ 480,378	\$ 505,762	\$ 25,384

CITY OF IMPERIAL
PARK IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 2,500	\$ 13,564	\$ 11,064
Charges for Services	180,000	289,994	109,994
Other		4,640	4,640
Total Revenues	182,500	308,198	125,698
Expenditures:			
Current:			
Parks and Recreation	25,000	252,465	(227,465)
Total Expenditures	25,000	252,465	(227,465)
Excess (Deficiency) of Revenues Over (Under) Expenditures	157,500	55,733	(101,767)
Other Financing Sources (Uses):			
Transfers Out	(38,000)		38,000
Total Other Financing Sources (Uses)	(38,000)		38,000
Net Change in Fund Balance	119,500	55,733	(63,767)
Fund Balance - July 1, 2017	1,920,728	1,920,728	
Fund Balance - June 30, 2018	\$ 2,040,228	\$ 1,976,461	\$ (63,767)

CITY OF IMPERIAL
CIRCULATION IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 200	\$ 2,855	\$ 2,655
Charges for Services	90,000	90,340	340
Other		91,585	91,585
Total Revenues	90,200	184,780	94,580
Expenditures:			
Current:			
Public Works	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,700	184,780	97,080
Net Change in Fund Balance	87,700	184,780	97,080
Fund Balance - July 1, 2017	168,823	168,823	
Fund Balance - June 30, 2018	\$ 256,523	\$ 353,603	\$ 97,080

CITY OF IMPERIAL
EDA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,600,000	\$ -	\$ (1,600,000)
Total Revenues	<u>1,600,000</u>		<u>(1,600,000)</u>
Expenditures:			
Current:			
Community Development	<u>2,281,772</u>	<u>20,462</u>	<u>2,261,310</u>
Total Expenditures	<u>2,281,772</u>	<u>20,462</u>	<u>2,261,310</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(681,772)</u>	<u>(20,462)</u>	<u>661,310</u>
Net Change in Fund Balance	(681,772)	(20,462)	661,310
Fund Balance - July 1, 2017	<u>623,143</u>	<u>623,143</u>	
Fund Balance - June 30, 2018	<u>\$ (58,629)</u>	<u>\$ 602,681</u>	<u>\$ 661,310</u>

CITY OF IMPERIAL
TRANSPORTATION DEVELOPMENT ACT FUNDS
FINANCIAL STATEMENTS

June 30, 2018

CITY OF IMPERIAL

TRANSPORTATION DEVELOPMENT ACT FUNDS

TABLE OF CONTENTS

June 30, 2018

	<u>Page</u>
LOCAL TRANSPORTATION FUND – NON -TRANSIT	
Independent Auditor’s Report	1
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balances	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 8(a)	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 8(e)	6
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 3	7
Notes to Financial Statements	8
LOCAL TRANSPORTATION FUND	
Independent Auditor’s Report	9
Statement of Net Position	11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13
Notes to Financial Statements	14
Schedule of Findings and Questioned Costs	16
Schedule of Prior Year Findings and Questioned Costs	17

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND – NON-TRANSIT
June 30, 2018



MOSS, LEVY & HARTZHEIM LLP

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INDEPENDENT AUDITOR'S REPORT

City of Imperial
Imperial, California

Report on the Financial Statement

We have audited the financial statements of the Local Transportation Fund Non-Transit of the City of Imperial, California (City) as of and for the fiscal year ended June 30, 2018, which collectively comprise the Local Transportation Fund Non-Transit financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Our audit was also conducted for the purpose of determining compliance with the Transportation Development Act Section 99400 (a), the California Code of Regulations, and the rules and regulations of the Imperial Valley Association of Governments. In our audit, we performed, to the extent applicable, the tasks contained in Section 6664 of Title 21 of the California Code of Regulations.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Local Transportation Fund Non-Transit as of June 30, 2018, and the changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, the funds allocated and received by the Local Transportation Fund Non-Transit were expended and accounted for in conformance with the applicable laws, rules, and regulations of the Transportation Development Act, the California Code of Regulations, and the allocation instructions of the Imperial Valley Association of Governments.

Emphasis of Matter

The financial statements present only the Local Transportation Fund Non-Transit of the City of Imperial and do not purport to, and do not, present fairly the financial position of the City of Imperial as of June 30, 2018, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 13, 2019

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
BALANCE SHEET
June 30, 2018

	Local Streets and Roads Fund Article 8(a)	Bus Benches and Shelters Fund Article 8(e)	Pedestrians and Bicycles Fund Article 3	Totals
<u>ASSETS</u>				
Cash and investments	\$ 379,099	\$ 15,704	\$ -	\$ 394,803
Accounts receivable		7,803	41,879	49,682
Due from other funds	16,931			16,931
Interest receivable	369			369
TOTAL ASSETS	\$ 396,399	\$ 23,507	\$ 41,879	\$ 461,785
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 11,922	\$ -	\$ 10,637	\$ 22,559
Due to other funds			16,931	16,931
TOTAL LIABILITIES	11,922		27,568	39,490
<u>FUND EQUITY</u>				
Fund balances - restricted for transportation	384,477	23,507	14,311	422,295
TOTAL FUND EQUITY	384,477	23,507	14,311	422,295
TOTAL LIABILITIES AND FUND EQUITY	\$ 396,399	\$ 23,507	\$ 41,879	\$ 461,785

See accompanying notes to financial statements

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2018

	Local Streets and Roads Fund Article 8(a)	Bus Benches and Shelters Fund Article 8(e)	Pedestrians and Bicycles Fund Article 3	Totals
<u>REVENUES</u>				
Use of money and property	\$ 1,317	\$ 88	\$ 59	\$ 1,464
Intergovernmental - TDA/LTF		7,803	41,879	49,682
TOTAL REVENUES	1,317	7,891	41,938	51,146
<u>EXPENDITURES</u>				
Transportation	17,427	150	211,291	228,868
TOTAL EXPENDITURES	17,427	150	211,291	228,868
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,110)	7,741	(169,353)	(177,722)
Fund balances, July 1, 2017	400,587	15,766	183,664	600,017
Fund balances, June 30, 2018	<u>\$ 384,477</u>	<u>\$ 23,507</u>	<u>\$ 14,311</u>	<u>\$ 422,295</u>

See accompanying notes to financial statements

CITY OF IMPERIAL
 LOCAL TRANSPORTATION FUND – NON-TRANSIT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – ARTICLE 8 (a)
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 200	\$ 1,317	\$ 1,117
TOTAL REVENUES	200	1,317	1,117
<u>EXPENDITURES</u>			
Transportation	411,000	17,427	393,573
TOTAL EXPENDITURES	411,000	17,427	393,573
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(410,800)	(16,110)	394,690
Fund balance, July 1, 2017	400,587	400,587	
Fund balance, June 30, 2018	\$ (10,213)	\$ 384,477	\$ 394,690

See accompanying notes to financial statements

CITY OF IMPERIAL
 LOCAL TRANSPORTATION FUND – NON-TRANSIT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – ARTICLE 8 (e)
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 88	\$ 88
Intergovernmental - TDA/LTF	7,679	7,803	124
 TOTAL REVENUES	 7,679	 7,891	 212
<u>EXPENDITURES</u>			
Transportation		150	(150)
 TOTAL EXPENDITURES		 150	 (150)
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 7,679	 7,741	 62
 Fund balance, July 1, 2017	 15,766	 15,766	
 Fund balance, June 30, 2018	 \$ 23,445	 \$ 23,507	 \$ 62

See accompanying notes to financial statements

CITY OF IMPERIAL
 LOCAL TRANSPORTATION FUND – NON-TRANSIT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – ARTICLE 3
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ -	\$ 59	\$ 59
Intergovernmental - TDA/LTF	21,162	41,879	20,717
 TOTAL REVENUES	 21,162	 41,938	 20,776
<u>EXPENDITURES</u>			
Transportation	228,000	211,291	16,709
 TOTAL EXPENDITURES	 228,000	 211,291	 16,709
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (206,838)	 (169,353)	 37,485
 Fund balance, July 1, 2017	 (329)	 183,664	 183,993
 Fund balance, June 30, 2018	 \$ (207,167)	 \$ 14,311	 \$ 221,478

See accompanying notes to financial statements

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Local Transportation Funds-Non-Transit are special revenue funds of the City of Imperial (City) and the financial statements of the funds are included in the basic financial statements of the City.

Basis of Accounting

The Local Transportation Funds-Non-Transit are accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

NOTE 2 INTERGOVERNMENTAL ALLOCATIONS – TDA/LTF

The City was allocated the following funds:

<u>Article</u>	<u>Fund</u>	<u>Section</u>		
8(e)	LTF	99233.3	\$	7,803
3	LTF	99234		<u>41,879</u>
			\$	<u>49,682</u>

NOTE 3 INTERNAL ACCOUNTING CONTROL

As part of our audit, a study was performed of the City's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements. No material weaknesses in internal control were discovered.

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND

June 30, 2018



MOSS, LEVY & HARTZHEIM LLP

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INDEPENDENT AUDITOR'S REPORT

City of Imperial
Imperial, California

Report on the Financial Statement

We have audited the financial statements of the Local Transportation Fund of the City of Imperial, California (City) as of and for the fiscal year ended June 30, 2018, which collectively comprise the Local Transportation Fund financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Our audit was also conducted for the purpose of determining compliance with the Transportation Development Act Section 99400 (c), the California Code of Regulations, and the rules and regulations of the Imperial Valley Association of Governments. In our audit, we performed, to the extent applicable, the tasks contained in Section 6664 of Title 21 of the California Code of Regulations.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Local Transportation Fund, as of June 30, 2018, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, the funds allocated and received by the Local Transportation Fund were expended and accounted for in conformance with the applicable laws, rules, and regulations of the Transportation Development Act, the California Code of Regulations, and the allocation instructions of the Imperial Valley Association of Governments.

Emphasis of Matter

The financial statements present only the Local Transportation Fund of the City of Imperial and do not purport to, and do not, present fairly the financial position of the City of Imperial as of June 30, 2018, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 13, 2019

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND
STATEMENT OF NET POSITION
June 30, 2018

ASSETS

Cash and cash equivalents	<u>\$ 14,607</u>
TOTAL ASSETS	<u>14,607</u>

NET POSITION

Restricted for transportation	<u>14,607</u>
<u>NET POSITION</u>	<u><u>\$ 14,607</u></u>

See accompanying notes to financial statements

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2018

OPERATING REVENUES:

Fares and other fees	<u>\$ -</u>
TOTAL OPERATING REVENUES	<u> </u>
CHANGE IN NET POSITION	
NET POSITION AT BEGINNING OF FISCAL YEAR	<u>14,607</u>
NET POSITION AT END OF FISCAL YEAR	<u>\$ 14,607</u>

See accompanying notes to financial statements

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from users	\$ -
Cash payments to suppliers and contractors	<u> </u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u> </u>
--	-----------------------------

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, BEGINNING OF THE FISCAL YEAR	<u>14,607</u>
---	---------------

CASH AND CASH EQUIVALENTS, END OF THE FISCAL YEAR	<u>\$ 14,607</u>
---	------------------

RECONCILIATION TO STATEMENT OF NET POSITION:

Cash and investments	<u>\$ 14,607</u>
----------------------	------------------

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income (loss)	<u>\$ -</u>
-------------------------	-------------

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>
--	-------------

See accompanying notes to financial statements

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Local Transportation Fund is an enterprise fund of the City of Imperial (City) and the financial statements of the fund are included in the basic financial statements of the City.

Basis of Accounting

The Local Transportation Fund is accounted for using the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Amounts Due from Other Governments

Generally, amounts due from other governments are recorded as revenues when received. However, when the expense of the fund is the prime factor for determining eligibility for grants, revenue is accrued when the expenses have been incurred on an approved grant.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Local Transportation Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 2 INTERGOVERNMENTAL EXPENSE

The City used to provide a demand response transportation service for the general public within the city limits of Imperial, California. Transit services have ceased as of the fiscal year ended June 30, 2017.

NOTE 3 INTERNAL ACCOUNTING CONTROL

As part of our audit, a study was performed of the City's system of internal accounting control to the extent considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements. No material weaknesses in internal control were discovered.

NOTE 4 FARE REVENUE RATIOS 2017-2018

The Local Transportation Fund has ceased transit operations as of the fiscal year ended June 30, 2017 and the fare revenue ratio requirement does not apply for the fiscal year end June 30, 2018.

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 CAPITAL RESERVES

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the required fare, local support, and the amount received during the fiscal year from a City or County to which the operator has provided service beyond its boundaries. Net excess at June 30, 2018 and 2017 were:

	<u>Operating Funds</u>	
	<u>2018</u>	<u>2017</u>
TDA unearned excess revenue	\$ 14,607	\$ 14,601
Revenue:		
Interest	<u> </u>	<u>6</u>
Net Change	<u>14,607</u>	<u>6</u>
Net TDA excess unearned revenue	<u>\$ 14,607</u>	<u>\$ 14,607</u>

Funds which have been drawn down by the City of Imperial cannot be held in their own account for more than three years minus the time such monies remain reserved in the LTF. The City is in compliance with the California Code of Regulations (CCR) section 6634.

NOTE 6 CESSATION OF TRANSIT OPERATIONS

The Local Transportation Fund has ceased transit operations as of the fiscal year ended June 30, 2017. Excess funds have been returned to the funding source.

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

No Findings Noted

CITY OF IMPERIAL
LOCAL TRANSPORTATION FUND
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

No Findings Noted

CITY OF IMPERIAL
Annual Financial Report
Fiscal Year Ended June 30, 2018

CITY OF IMPERIAL
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

I. FINANCIAL SECTION

A. Independent Auditor's Report.....	1
B. Management's Discussion and Analysis.....	3
C. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds:	
Statement of Net Position.....	26
Statement of Revenues, Expenses, and Changes in Net Position.....	27
Statement of Cash Flows	28
Fiduciary Funds:	
Statement of Fiduciary Net Position	31
Statement of Changes in Fiduciary Net Position.....	32
Notes to Basic Financial Statements.....	33
D. Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	58
LTA Measure D Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	59
Schedule of the City's Proportionate Share of the Net Pension Liability.....	60
Schedule of Pension Contributions.....	61
E. Other Supplemental Information	
Description of Nonmajor Governmental Funds.....	63
Combining Balance Sheet.....	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	72
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Traffic Safety Special Revenue Fund.....	78
Gas Tax Special Revenue Fund	79

CITY OF IMPERIAL
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

I. FINANCIAL SECTION (Continued)

E. Other Supplemental Information (Continued)

Nonmajor Governmental Funds

Local Transportation Special Revenue Fund	80
Successor Agency Housing Special Revenue Fund	81
Public Safety Prop 172 Special Revenue Fund	82
COPS Grant 2017 Special Revenue Fund	83
COPS Grant 2014 Special Revenue Fund	84
COPS Grant 2016 Special Revenue Fund	85
CDBG HOME Special Revenue Fund	86
Housing Rehabilitation Special Revenue Fund	87
RLA Special Revenue Fund	88
Wildflower Landscaping and Lighting Special Revenue Fund	89
Paseo Del Sol Landscaping and Lighting Special Revenue Fund	90
Joshua Tree Street Improvement Special Revenue Fund	91
Library Donation Special Revenue Fund	92
COPS Grant 2015 Special Revenue Fund	93
Sky Ranch District Special Revenue Fund	94
Library Literacy Special Revenue Fund	95
General Housing Special Revenue Fund	96
Fire Impact Fee Special Revenue Fund	97
Police Impact Fee Special Revenue Fund	98
Administrative Impact Fee Special Revenue Fund	99
Library Impact Fee Special Revenue Fund	100
Park Impact Fee Special Revenue Fund	101
Circulation Impact Fee Special Revenue Fund	102
EDA Special Revenue Fund	103

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

The Members of the City Council of the
City of Imperial
Imperial, 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 Imperial, California (City) as of and for the fiscal year ended June 30, 2018, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial, California, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – LTA Measure D Special Revenue Fund, Schedule of Changes in the Net Pension Liability and Related Ratios, and Schedule of Pension Contributions on pages 58 through 61 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 Imperial's basic financial statements. The Budgetary Comparison Schedules for the Nonmajor Governmental Funds; and the Combining Financial Statements for the Nonmajor Governmental Funds listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Budgetary Comparison Schedules for the Nonmajor Governmental Funds, and the Combining Financial Statements for the Nonmajor Governmental Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP
Culver City, California
March 11, 2019

**CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This discussion and analysis provides an overview of the City of Imperial's financial performance for the fiscal year ended June 30, 2018. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standard Board (GASB). We encourage our readers to consider this information in conjunction with the information provided in the accompanying basic financial statements and notes. The City's fiscal highlights are presented below:

FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year ended June 30, 2018 include the following:

Government-wide:

- The City's total net position was \$57,991,770 as of June 30, 2018. Of this total, \$40,542,035 was governmental net position and \$17,449,735 was business-type net position.
- Governmental revenues include program revenues of \$7,151,623 and general revenues and transfers of \$4,610,723 for a total of \$11,762,346.
- Governmental expenses were \$11,265,829.
- Business-type program revenues, transfers and interest were \$10,222,464 while business-type expenses were \$8,052,793.

Fund Level:

- Governmental fund balances *decreased* \$557,571 in fiscal year 2018.
- Governmental fund revenues *increased* \$653,922 in fiscal year 2018.
- Governmental fund expenditures *increased* \$2,084,450 in fiscal year 2018.

General Fund:

- General Fund revenues of \$8,665,481 were \$624,427 *higher* than the prior year.
- General Fund expenditures of \$8,672,505 represented a *decrease* of \$706,102 over the prior year.
- General Fund fund balance of \$1,823,728 as of June 30, 2018, *increased* by \$729,027 from 2017 fiscal year's fund balance of \$1,094,701.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is divided into five parts:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to these financial statements
4. Required supplementary information
5. Other supplemental information

Government-wide Financial Statements

The Government-wide financial statements provide a longer-term view of the City's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations.

CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The Statement of Activities provides information about all the City's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net positions for the fiscal year.

All of the City's activities are grouped into governmental activities and business-type activities, as explained below. The amounts in the Statement of Net Position and the Statement of Activities are separated into governmental activities and business-type activities in order to provide a summary of these two activities for the City as a whole.

Government-wide financial statements are prepared on the accrual basis, which mean they measure the flow of all economic resources of the City as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities – All of the City's basic services are considered to be governmental activities. These services are supported by the general City revenues such as taxes, and by specific program revenues such as user fees and charges.

Business-type Activities – The City's enterprise activities of water and sewer are reported in this area. Unlike governmental services, these services are supported by charges paid by users based on the amount of service they use.

Fund Financial Statements

The fund financial statements report on the City's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The fund financial statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

The fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds account for the major financial activities of the City and are presented individually, while the activities of non-major funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. The concept of major funds, and the determination of which funds are major, was established by the Governmental Accounting Standards Board (GASB) Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present detail of these non-major funds. Major funds present the major activities of the City for the fiscal year, and may change from year to year as a result of changes in the pattern of the City's activities.

Fund financial statements include governmental and proprietary funds as discussed below.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund financial statements.

Proprietary funds financial statements are prepared on the full accrual basis and includes all of their assets and liabilities, current and long-term.

CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

This analysis focuses on the net positions and changes in net positions of the City as a whole. Tables 1, 2 and 3 focus on the City's Governmental Statement of Net Position and Statements of Activities, while Table 4 focuses on the City's Business-type Statement of Net Position and Statement of Activities.

Table 1

	Governmental Activities 2018	Governmental Activities 2017
<u>Assets</u>		
Cash and investments	\$ 14,225,251	\$ 17,876,171
Other assets	2,308,530	3,009,246
Capital assets, net	27,406,983	27,335,410
Total Assets	43,940,764	48,220,827
<u>Deferred Outflows of Resources</u>		
Pension	2,740,088	901,090
Total Def. Outflows	2,740,088	901,090
<u>Liabilities</u>		
Long term liabilities	3,715,760	23,114,663
Other liabilities	2,306,080	4,930,170
Total Liabilities	6,021,840	28,044,833
<u>Deferred Inflows of Resources</u>		
Pension	116,977	305,276
Total Def. Inflows	116,977	305,276
<u>Net Position</u>		
Net investment in capital assets	27,406,983	4,698,750
Restricted	12,834,700	11,432,016
Unrestricted	300,352	4,641,042
Total Net Position	\$ 40,542,035	\$ 20,771,808

The City's governmental net position amounted to \$40,542,035 as of June 30, 2018, an *increase* of \$19,770,227 over 2017. This increase in the change in net position is reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The City's net position as of June 30, 2018 comprised the following:

Cash and investments comprised **\$14,225,251**. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements.

Receivables comprised **\$611,919** of current receivables and loans receivable of **\$1,696,611** that is due over longer periods of time as explained the Notes.

Capital assets of **\$27,406,983** net of depreciation charges, which included all the City's capital assets used in governmental activities.

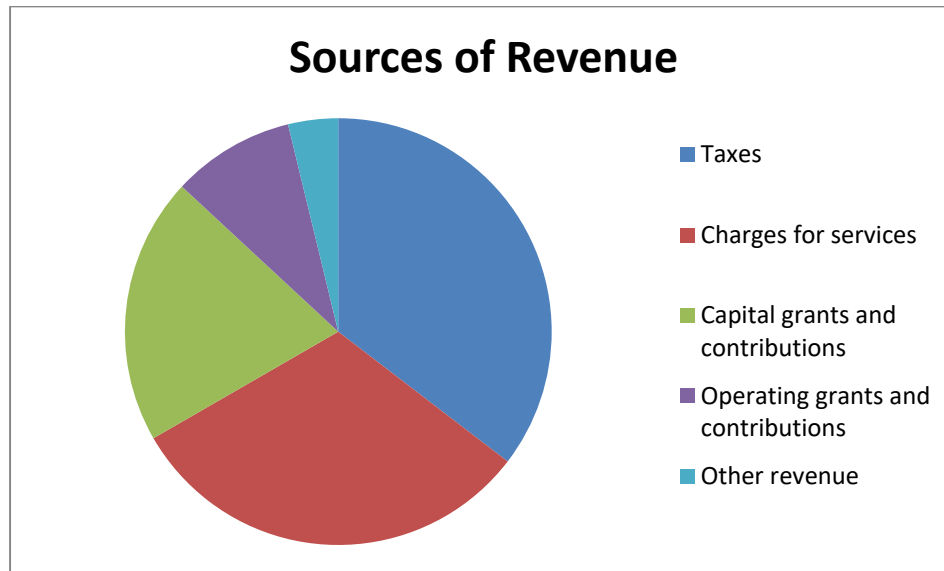
Current liabilities, including accounts payable, claims and other amounts due currently, totaled **\$2,306,080**.

Long-term liabilities of **\$3,715,760**. The debt is related to the City's Net Pension Liability and compensated absences.

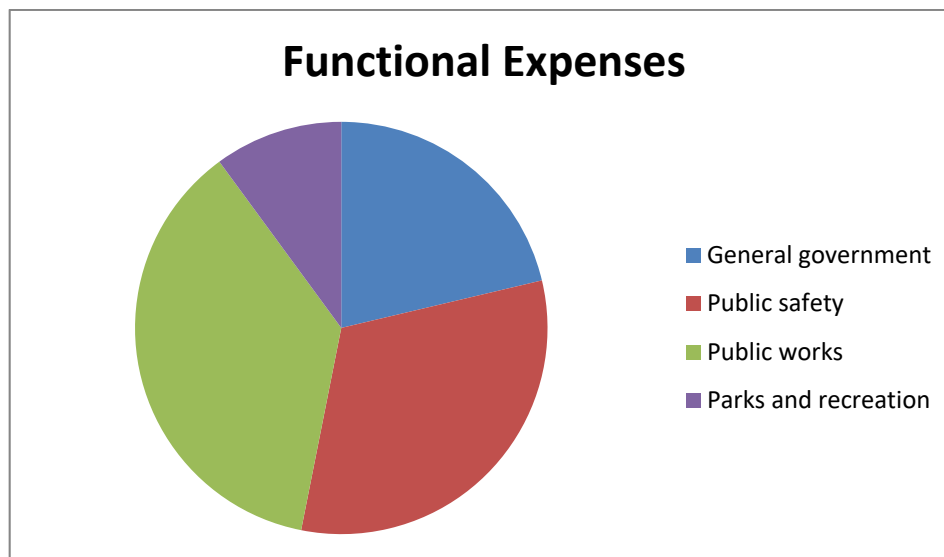
CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net investment in capital assets of **\$27,406,983**, representing the City's investment in capital assets used in governmental activities, net of accumulated depreciation and amounts borrowed to finance those investments.

Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants or other legal requirements or restrictions, was **\$300,352** as of June 30, 2018.



As the Sources of Revenue chart above shows, \$4,164,678, or 35.41% of the City's fiscal year 2018 governmental activities revenue came from taxes, while \$3,677,477, or 31.26% came from charges for services, \$2,379,442 or 20.23%, came from capital grants and contributions, \$1,094,704 or 9.31% came from operating grants and contributions, and the remainder came from a variety of sources.



The Functional Expenses chart above includes only current year expenses; it does not include capital outlays, which are added to the City's capital assets. As the chart shows, general government was \$2,398,084, or 21.29%, of total governmental expenses, public safety was \$3,586,594, or 31.84%, public works was \$4,147,022, or 36.80%, parks and recreation was \$1,134,129, or 10.07%.

The Statements of Activities presents program revenues and expenses and general revenues in detail. All of these elements in the changes in governmental net position are summarized below.

CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Table 2
CHANGE IN GOVERNMENTAL NET POSITION

	Governmental Activities 2018	Governmental Activities 2017
<u>Expenses</u>		
General government	\$ 2,398,084	\$ 4,213,590
Public safety	3,586,594	2,679,704
Public works	4,147,022	2,317,343
Parks and recreation	1,134,129	1,094,989
Total Expenses	11,265,829	10,305,626
<u>Revenues</u>		
<u>Program revenues</u>		
Charges for services	3,677,477	2,531,833
Operating grants and contributions	2,379,442	812,572
Capital grants and contributions	1,094,704	4,258,944
Total program revenues	7,151,623	7,603,349
<u>General revenues and transfers</u>		
Taxes	4,164,678	5,236,839
Other revenue	174,078	8,323
Use of money and transfers	157,663	243,490
Fines and forfeitures	114,304	20,568
Total general revenues and transfers	4,610,723	5,509,220
Total Revenues and Transfers	11,762,346	13,112,569
Change in Net Position	\$ 496,517	\$ 2,806,943

As Table 2 above shows, \$7,151,623 or 60.80%, of the City's fiscal year 2018 governmental revenue, came from program revenues and \$4,610,723, or 39.20%, came from general revenues such as taxes and interest and transfers. Program revenues were composed of charges for services of \$3,677,477, which included permit revenues, fees and charges used to fund expenses incurred in providing services; \$2,379,442 of operating grants and contributions, which included gas tax revenues and housing and police grants; and capital grants and contributions of \$1,094,704, that consisted mainly of street project grants and impact fees restricted to capital outlay.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Table 3 presents the net expense or revenue of each of the City's governmental activities, including interest on long-term liabilities. Net expense is defined as total program cost less the revenues generated by those specific activities.

**CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Table 3
GOVERNMENTAL ACTIVITIES

	<u>Net Revenue (Expense) from Services 2018</u>	<u>Net Revenue (Expense) from Services 2017</u>
General government	\$ 124,899	\$ (2,842,184)
Public safety	(3,137,593)	(2,082,779)
Community development	(1,327,123)	2,546,060
Public works	785,371	70,252
Parks and recreation	(559,760)	(393,626)
Total	<u><u>\$ (4,114,206)</u></u>	<u><u>\$ (2,702,277)</u></u>

BUSINESS-TYPE ACTIVITIES

The Statement of Net Position and Statement of Activities present a summary of the City's Business-type activities that are composed of the City's enterprise funds.

Table 4
BUSINESS-TYPE NET POSITION AT JUNE 30, 2018

	<u>Business-type Activities 2018</u>	<u>Business-type Activities 2017</u>
<u>Assets</u>		
Cash and investments	\$ 16,000,654	\$ 13,928,365
Other assets	1,003,130	1,385,388
Capital assets, net	17,902,571	19,779,190
Total Assets	<u>34,906,355</u>	<u>35,092,943</u>
<u>Deferred Outflows of Resources</u>		
Pension	744,808	63,834
Total Def. Outflows	<u>744,808</u>	<u>63,834</u>
<u>Liabilities</u>		
Long term liabilities	15,999,329	17,473,936
Other liabilities	2,170,303	1,961,371
Total Liabilities	<u>18,169,632</u>	<u>19,435,307</u>
<u>Deferred Inflows of Resources</u>		
Pension	31,796	(98,120)
Total Def. Inflows	<u>31,796</u>	<u>(98,120)</u>
<u>Net Position</u>		
Net investment in capital assets	3,495,073	4,393,995
Unrestricted	13,954,662	11,425,595
Total Net Position	<u><u>\$ 17,449,735</u></u>	<u><u>\$ 15,819,590</u></u>

The net position of business-type activities increased by \$1,630,146 in fiscal year 2018.

CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Table 5
CHANGE IN BUSINESS-TYPE NET POSITION

	Business-type Activities 2018	Business-type Activities 2017
Expenses		
Water	\$ 3,760,281	\$ 4,184,841
Sewer	4,292,512	3,759,951
Total Expenses	<u>8,052,793</u>	<u>7,944,792</u>
Revenues		
Program revenues		
Charges for services	10,222,464	8,929,139
Total program revenues	<u>10,222,464</u>	<u>8,929,139</u>
General revenues and transfers		
Use of money and property	44,591	20,175
Transfers	(49,270)	(20,568)
Total general revenues and transfers	<u>(4,679)</u>	<u>(393)</u>
Total Revenues and Transfers	<u>10,217,785</u>	<u>8,928,746</u>
Change in Net Position	<u>\$ 2,164,992</u>	<u>\$ 983,954</u>

Table 6
BUSINESS-TYPE ACTIVITIES

	Net Revenue (Expense) from Services 2018	Net Revenue (Expense) from Services 2017
Water	\$ 741,158	\$ 453,807
Sewer	1,428,513	530,540
Total	<u>\$ 2,169,671</u>	<u>\$ 984,347</u>

ANALYSIS OF MAJOR FUNDS

Governmental Funds

General Fund

General Fund revenue was **\$8,665,481**, an increase of **\$624,427** from the prior year and due primarily to increase in intergovernmental revenue, and charges for services, and permits. Actual revenues were greater than budgeted by **\$349,393**. Tax revenues increased **\$301,089** during the fiscal year primarily due to increasing sales tax revenue. Property taxes decreased by **\$244,987**.

General Fund expenditures were **\$8,672,505**, a decrease of **\$706,102** from the prior year. Expenditures decreased mainly due to decreasing expenses in general government, parks and recreation, and community development.

As of June 30, 2018 the General Fund's fund balance totaled **\$1,823,728**.

CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Proprietary Funds

Water Fund

Operating revenues increased by **\$1,082,377** in fiscal year 2018 and expenses increased by **\$212,371** resulting in operating income of **\$1,775,668**. Charges for water services increased due to an increase in water usage and an increase in water rates due to the Proposition 218 water rate increase in January 2018. This increase in revenue was necessary to make current and future debt service payments.

As of June 30, 2018, the fund's net position increased by **\$1,158,055** to a new total of **\$8,561,448**. Of this amount, **\$2,918,452** was net investment in capital assets, and **\$5,462,996** was unrestricted.

Sewer Fund

Operating revenues increased by **\$210,948** in fiscal year 2018 and expenses increased by **\$62,687** resulting in operating income of **\$1,077,461**. Charges for sewer services increased due to the Proposition 218 sewer rate increase in January 2018. This increase in revenue was necessary to make current and future debt service payments.

As of June 30, 2018, the fund's net position increased by **\$472,091** to a new total of **\$8,888,287**. Of this amount, **\$576,621** was net investment in capital assets, and **\$8,311,666** was unrestricted.

CAPITAL ASSETS

GASB No. 34 required the City to record all its capital assets including infrastructure, which was not recorded prior to GASB No. 34. Infrastructure includes roads, bridges, signals and similar assets used by the entire population.

In fiscal year 2018, the City reported the cost of all its infrastructure assets and computed the amounts of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal year 2018, the cost of infrastructure and other capital assets recorded on the City's financial statements is as shown in Table 7 on the following page.

CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Table 7

	Balance at July 1, 2017	Additions	Deletions	Transfers	Balance at June 30, 2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,329,400	\$ -	\$ -	\$ -	\$ 3,329,400
Construction in progress		790,789			790,789
Total capital assets, not being depreciated	3,329,400	790,789			4,120,189
Capital assets, being depreciated:					
Machinery and Equipment	6,613,558				6,613,558
Infrastructure	37,726,744	1,292,563			39,019,307
Total capital assets being depreciated	44,340,302	1,292,563			45,632,865
Less accumulated depreciation for:					
Machinery and Equipment	(5,362,603)	(566,976)			(5,929,579)
Infrastructure	(14,971,689)	(1,444,803)			(16,416,492)
Total accumulated depreciation	(20,334,292)	(2,011,779)			(22,346,071)
Total capital assets, being depreciated, net	24,006,010	(719,216)			23,286,794
Governmental activities capital assets, net	\$ 27,335,410	\$ 71,573	\$ -	\$ -	\$ 27,406,983
	Balance at	Additions	Deletions	Transfers	Balance at
	July 1, 2017				June 30, 2018
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 79,683	\$ 198,714	\$ -	\$ -	\$ 278,397
Construction in progress		819,423			819,423
Total capital assets, not being depreciated	79,683	1,018,137			1,097,820
Capital assets, being depreciated:					
Buildings and Improvements	18,408,424				18,408,424
Machinery and Equipment	5,816,389	27,574			5,843,963
Infrastructure	25,218,997				25,218,997
Total capital assets, being depreciated	49,443,810	27,574			49,471,384
Less accumulated depreciation for:					
Buildings and Improvements	(13,170,968)	(695,078)			(13,866,046)
Machinery and Equipment	(3,593,728)	(696,085)			(4,289,813)
Infrastructure	(12,979,607)	(1,531,168)			(14,510,775)
Total accumulated depreciation	(29,744,303)	(2,922,331)			(32,666,634)
Total capital assets, being depreciated, net	19,699,507	(2,894,757)			16,804,750
Business-type activities capital assets, net	\$ 19,779,190	\$ (1,876,620)	\$ -	\$ -	\$ 17,902,570

Details on capital assets, current year additions and construction in progress can be found in the Notes.

The City depreciates all its capital assets over their estimated useful lives, as required by GASB No. 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in the Notes to the financial statements.

CITY OF IMPERIAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

DEBT ADMINISTRATION

The City issued no new bonded debt in fiscal year 2018. The City made all scheduled repayments of existing debt. The City's debt issues are discussed in detail in Note 7 of the financial statements. The City's debt balances as of June 30 were as follows:

Table 8
LONG-TERM LIABILITIES

	Balance at June 30, 2017	Additions	Repayments	Balance at June 30, 2018	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 313,358	\$ 94,325	\$ -	\$ 407,683	\$ -
Total	<u>\$ 313,358</u>	<u>\$ 94,325</u>	<u>\$ -</u>	<u>\$ 407,683</u>	<u>\$ -</u>
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 18,235	\$ 4,656	\$ -	\$ 22,891	\$ -
2005 Certificates of participation	1,650,000		(55,000)	1,595,000	60,000
2012 Certificates of participation	7,255,000		(775,000)	6,480,000	805,000
2012 Certificates of participation premium	384,650		(41,212)	343,438	41,212
Wastewater Fund:					
Compensated absences	14,163	14,031		28,194	
2005 Certificates of participation	2,180,000		(75,000)	2,105,000	80,000
2012 Certificates of participation	6,545,000		(550,000)	5,995,000	565,000
2012 Certificates of participation premium	104,131		(11,156)	92,975	11,156
Total	<u>\$ 18,151,179</u>	<u>\$ 18,687</u>	<u>\$ (1,507,368)</u>	<u>\$ 16,662,498</u>	<u>\$ 1,562,368</u>

ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The City continues to see a slowly improving economy along with a gradual increase in economic activity throughout the community. Property assessment remains stable, and building continues within the Community. Imperial's diverse land use has helped to continue a growth pattern that has resulted in economic strength for the City and a stable housing market. Overall, the City continues to be in a favorable position among target markets and surrounding jurisdictions. Imperial's sales tax revenue has stabilized and the City continues to reach out to prospective and current business owners to continue to strengthen the City's tax base.

Overall the City's financial position remains in good condition. In the upcoming year, the City estimates the sales and property tax will remain flat with expected increases in operating and personnel costs. The City continues to maintain a fiscally responsible and conservative approach to its fiscal management and will continue to monitor the economic activity of the City.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the City's finances. Questions about this report should be directed to the City of Imperial, 420 South Imperial Avenue, Imperial, CA 92251.

BASIC FINANCIAL STATEMENTS

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CITY OF IMPERIAL
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Investments	\$ 14,225,251	\$ 13,796,739	\$ 28,021,990
Cash and Investments with Fiscal Agent		2,203,915	2,203,915
Accounts Receivable	597,430	904,323	1,501,753
Notes Receivable	1,696,611		1,696,611
Inventory		85,923	85,923
Interest Receivable	14,489	12,884	27,373
Capital Assets, Not Being Depreciated	4,120,189	1,097,820	5,218,009
Capital Assets, Net of Accumulated Depreciation	23,286,794	16,804,751	40,091,545
Total Assets	<u>43,940,764</u>	<u>34,906,355</u>	<u>78,847,119</u>
Deferred Outflows of Resources:			
Pension related	2,740,088	744,808	3,484,896
Total Deferred Outflows of Resources	<u>2,740,088</u>	<u>744,808</u>	<u>3,484,896</u>
Liabilities:			
Accounts Payable	1,287,296	126,744	1,414,040
Deposits Payable	1,018,784	481,191	1,499,975
Noncurrent Liabilities:			
Due Within One Year		1,562,368	1,562,368
Due in More Than One Year	3,715,760	15,999,329	19,715,089
Total Liabilities	<u>6,021,840</u>	<u>18,169,632</u>	<u>24,191,472</u>
Deferred Inflow of Resources:			
Pension related	116,977	31,796	148,773
Total Deferred Inflow of Resources	<u>116,977</u>	<u>31,796</u>	<u>148,773</u>
Net Position:			
Net Investment in Capital Assets	27,406,983	3,495,073	30,902,056
Restricted for:			
Community Development	3,066,650		3,066,650
Public Works	5,655,728		5,655,728
Public Safety	948,208		948,208
Parks and Recreation	3,164,114		3,164,114
Unrestricted	300,352	13,954,662	14,255,014
Total Net Position	<u>\$ 40,542,035</u>	<u>\$ 17,449,735</u>	<u>\$ 57,991,770</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 2,398,084	\$ 2,522,983	\$ -	\$ -
Public Safety	3,586,594	116,453	47,185	285,363
Community Development	1,466,578	75,579	63,876	
Public Works	2,680,444	406,093	2,268,381	791,341
Parks and Recreation	1,134,129	556,369		18,000
Total Governmental Activities	11,265,829	3,677,477	2,379,442	1,094,704
Business-type Activities:				
Water	3,760,281	4,501,439		
Sewer	4,292,512	5,721,025		
Total Business-type Activities	8,052,793	10,222,464		
Total Primary Government	\$ 19,318,622	\$ 13,899,941	\$ 2,379,442	\$ 1,094,704

General Revenues:

Taxes:

Property Taxes

Sales and Use Taxes

Business License Taxes

Transient Occupancy Taxes

Franchise Taxes

Other Taxes

Licenses and Permits

Fines and Forfeitures

Use of Money and Property

Other Revenue

Transfers

Total General Revenues and Transfers

Change in net position

Net Position - Beginning of Fiscal Year

Prior Period Adjustments

Net Position - Beginning of Fiscal Year (restated)

Net Position - End of Fiscal Year

The notes to the financial statements are an integral part of this statement.

<u>Net (Expenses) Revenues and Changes in Net Position</u>		
<u>Governmental</u>	<u>Business-</u>	
<u>Activities</u>	<u>type</u>	<u>Total</u>
<u>Activities</u>	<u>Activities</u>	
\$ 124,899	\$ -	\$ 124,899
(3,137,593)		(3,137,593)
(1,327,123)		(1,327,123)
785,371		785,371
(559,760)		(559,760)
<u>(4,114,206)</u>		<u>(4,114,206)</u>
	741,158	741,158
	<u>1,428,513</u>	<u>1,428,513</u>
	2,169,671	2,169,671
<u>(4,114,206)</u>	<u>2,169,671</u>	<u>(1,944,535)</u>
1,298,980		1,298,980
2,444,650		2,444,650
58,142		58,142
19,999		19,999
294,662		294,662
33,821		33,821
14,424		14,424
114,304		114,304
108,393	44,591	152,984
174,078		174,078
49,270	(49,270)	
<u>4,610,723</u>	<u>(4,679)</u>	<u>4,606,044</u>
<u>496,517</u>	<u>2,164,992</u>	<u>2,661,509</u>
20,771,808	15,819,589	36,591,397
<u>19,273,710</u>	<u>(534,846)</u>	<u>18,738,864</u>
<u>40,045,518</u>	<u>15,284,743</u>	<u>55,330,261</u>
<u>\$ 40,542,035</u>	<u>\$ 17,449,735</u>	<u>\$ 57,991,770</u>

CITY OF IMPERIAL
Balance Sheet
Governmental Funds
June 30, 2018

		<u>Special Revenue</u>	
	<u>General</u>	<u>LTA Measure D</u>	<u>Nonmajor Governmental Funds</u>
Assets:			
Cash and Investments	\$ 1,471,732	\$ 3,482,592	\$ 9,270,927
Accounts Receivable	527,913		69,517
Interest Receivable	4,025	3,252	7,212
Loans Receivable			1,696,611
Due from Other Funds	1,158,705		
Total Assets	<u>\$ 3,162,375</u>	<u>\$ 3,485,844</u>	<u>\$ 11,044,267</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 319,863	\$ 479,750	\$ 487,683
Deposits Payable	1,018,784		
Due to Other Funds			1,158,705
Total Liabilities	<u>1,338,647</u>	<u>479,750</u>	<u>1,646,388</u>
Deferred Inflows of Resources::			
Loans Related			1,696,611
Total Deferred Inflows of Resources			<u>1,696,611</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,338,647</u>	<u>479,750</u>	<u>3,342,999</u>
Fund Balances:			
Restricted for:			
Community Development			3,164,114
Public Safety			948,208
Public Works		3,006,094	2,649,634
Parks and Recreation			2,562,965
Unassigned	1,823,728		(1,623,653)
Total Fund Balances	<u>1,823,728</u>	<u>3,006,094</u>	<u>7,701,268</u>
Total Liabilities and Fund Balances	<u>\$ 3,162,375</u>	<u>\$ 3,485,844</u>	<u>\$ 11,044,267</u>

The notes to the financial statements are an integral part of this statement.

Total Governmental Funds	
\$	14,225,251
	597,430
	14,489
	1,696,611
	1,158,705
\$	<u>17,692,486</u>

\$	1,287,296
	1,018,784
	<u>1,158,705</u>
	<u>3,464,785</u>

	<u>1,696,611</u>
	<u>1,696,611</u>
	<u>5,161,396</u>

	3,164,114
	948,208
	5,655,728
	2,562,965
	<u>200,075</u>
	<u>12,531,090</u>
\$	<u>17,692,486</u>

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CITY OF IMPERIAL
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Total fund balances - governmental funds	\$ 12,531,090
---	---------------

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$ 49,753,054	
Accumulated depreciation	<u>(22,346,071)</u>	27,406,983

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflow related to pension	2,740,088
Deferred inflow related to pension	(116,977)

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Net pension liability	(3,308,077)
Compensated absences payable	(407,683)

Certain notes receivable are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.

	<u>1,696,611</u>
--	------------------

Total net position - governmental activities	<u><u>\$ 40,542,035</u></u>
---	-----------------------------

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

		<u>Special Revenue</u>	
	<u>General</u>	<u>LTA Measure D</u>	<u>Nonmajor Governmental Funds</u>
Revenues			
Property Taxes	\$ 1,298,980	\$ -	\$ -
Sales and Use Taxes	2,444,650	789,327	
Business License Taxes	58,142		
Transient Occupancy Tax	19,999		
Other Taxes	33,821		
Licenses and Permits	14,424		
Fines and Forfeitures	114,304		
Use of Money and Property	10,036	11,431	86,926
Charges for Services	2,773,421		904,057
Intergovernmental	1,526,239	279,665	878,914
Franchise tax	294,662		
Other	76,803		97,275
Total Revenues	<u>8,665,481</u>	<u>1,080,423</u>	<u>1,967,172</u>
Expenditures			
Current:			
General Government	2,160,008		
Public Safety	3,345,272		97,571
Public Works	1,931,708	232,084	132,604
Parks and Recreation	880,849		253,280
Community Development	354,668		608,225
Capital Outlay		1,823,228	500,420
Total Expenditures	<u>8,672,505</u>	<u>2,055,312</u>	<u>1,592,100</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(7,024)</u>	<u>(974,889)</u>	<u>375,072</u>
Other Financing Sources (Uses):			
Transfers In	736,051		2,978
Transfers Out		(100,418)	(589,341)
Total Other Financing Sources (Uses)	<u>736,051</u>	<u>(100,418)</u>	<u>(586,363)</u>
Net Change in Fund Balances	729,027	(1,075,307)	(211,291)
Fund Balances - July 1, 2017	<u>1,094,701</u>	<u>4,081,401</u>	<u>7,912,559</u>
Fund Balances - June 30, 2018	<u>\$ 1,823,728</u>	<u>\$ 3,006,094</u>	<u>\$ 7,701,268</u>

The notes to the financial statements are an integral part of this statement.

**Total
Governmental
Funds**

\$	1,298,980
	3,233,977
	58,142
	19,999
	33,821
	14,424
	114,304
	108,393
	3,677,478
	2,684,818
	294,662
	174,078
	11,713,076

	2,160,008
	3,442,843
	2,296,396
	1,134,129
	962,893
	2,323,648
	12,319,917

	(606,841)

	739,029
	(689,759)
	49,270

	(557,571)
--	-----------

	13,088,661

\$	12,531,090

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CITY OF IMPERIAL
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$	(557,571)
---	----	-----------

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

	\$	2,083,352	
Capital outlay			
Depreciation expense		(2,011,779)	71,573

Certain notes receivable are reported in the governmental funds as expenditures and then, offset by a deferred revenue, as they are not available to pay current expenditures. Likewise, when the note is collected, it is reflected in revenue. This is the net change between notes receivable collected and issued.		(503,685)
--	--	-----------

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.		(94,325)
---	--	----------

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. In addition, changes in Fiduciary Net Position and Total Pension Liability are deferred inflows and outflows and amortized. This is the difference between accrual-basis pension costs and actual employer contributions and amortization of deferred inflows and outflows in the current fiscal year.		1,580,525
---	--	-----------

Change in net position of governmental activities	\$	496,517
--	-----------	----------------

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities-Enterprise Funds		
	Water Fund	Sewer Fund	Total
Assets			
Current Assets:			
Cash and Investments	\$ 5,471,140	\$ 8,325,599	\$ 13,796,739
Cash and Investments with Fiscal Agent	1,206,643	997,272	2,203,915
Accounts Receivable	513,148	391,175	904,323
Interest Receivable	5,109	7,775	12,884
Inventory	85,923		85,923
Total Current Assets	<u>7,281,963</u>	<u>9,721,821</u>	<u>17,003,784</u>
Noncurrent Assets:			
Capital Assets:			
Land	99,357	179,040	278,397
Machinery and Equipment	4,415,041	1,428,924	5,843,965
Infrastructure	22,358,681	21,268,740	43,627,421
Construction In Progress	819,423		819,423
Less:			
Accumulated Depreciation	<u>(17,562,255)</u>	<u>(15,104,380)</u>	<u>(32,666,635)</u>
Total Noncurrent Assets	<u>10,130,247</u>	<u>7,772,324</u>	<u>17,902,571</u>
Deferred Outflow of Resources:			
Pension related	453,360	291,448	744,808
Total Deferred Outflow of Resources	<u>453,360</u>	<u>291,448</u>	<u>744,808</u>
Total Assets and Deferred Outflows of Resources	<u>17,865,570</u>	<u>17,785,593</u>	<u>35,651,163</u>
Liabilities			
Current Liabilities:			
Accounts Payable	75,139	51,605	126,744
Deposits Payable	220,963	260,228	481,191
Long Term Debt - Due within One Year	906,212	656,156	1,562,368
Total Current Liabilities	<u>1,202,314</u>	<u>967,989</u>	<u>2,170,303</u>
Noncurrent Liabilities:			
Compensated Absences	22,891	28,194	51,085
Net Pension Liability	547,337	351,862	899,199
Due in More Than One Year	7,512,226	7,536,819	15,049,045
Total Noncurrent Liabilities	<u>8,082,454</u>	<u>7,916,875</u>	<u>15,999,329</u>
Deferred Inflows of Resources:			
Pension related	19,354	12,442	31,796
Total Deferred Inflows of Resources	<u>19,354</u>	<u>12,442</u>	<u>31,796</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,304,122</u>	<u>8,897,306</u>	<u>18,201,428</u>
Net Position			
Net Investment in Capital Assets	2,918,452	576,621	3,495,073
Unrestricted	5,642,996	8,311,666	13,954,662
Total Net Position	<u>\$ 8,561,448</u>	<u>\$ 8,888,287</u>	<u>\$ 17,449,735</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise funds		
	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 5,335,127	\$ 4,501,439	\$ 9,836,566
Other Operating Revenue	385,898		385,898
Total Operating Revenues	<u>5,721,025</u>	<u>4,501,439</u>	<u>10,222,464</u>
Operating Expenses:			
Personnel	696,638	618,816	1,315,454
Administrative	693,592	866,115	1,559,707
Materials and Supplies	764,530	65,967	830,497
Maintenance	415,133	326,213	741,346
Depreciation	1,375,464	1,546,867	2,922,331
Total Operating Expenses	<u>3,945,357</u>	<u>3,423,978</u>	<u>7,369,335</u>
Operating Income (loss)	<u>1,775,668</u>	<u>1,077,461</u>	<u>2,853,129</u>
Non-operating Revenues (Expenses):			
Interest Revenue	19,148	25,443	44,591
Interest Expense	(347,155)	(336,303)	(683,458)
Total Non-Operating Revenue (Expenses)	<u>(328,007)</u>	<u>(310,860)</u>	<u>(638,867)</u>
Income (Loss) before transfers	<u>1,447,661</u>	<u>766,601</u>	<u>2,214,262</u>
Transfers			
Transfers Out	(27,102)	(22,168)	(49,270)
Total Transfers	<u>(27,102)</u>	<u>(22,168)</u>	<u>(49,270)</u>
Change in Net Position	<u>1,420,559</u>	<u>744,433</u>	<u>2,164,992</u>
Net Position - Beginning of Fiscal Year	7,403,393	8,416,196	15,819,589
Prior Period Adjustments	<u>(262,504)</u>	<u>(272,342)</u>	<u>(534,846)</u>
Net Position - Beginning of the Fiscal Year, Restated	<u>7,140,889</u>	<u>8,143,854</u>	<u>15,284,743</u>
Net Position - End of Fiscal Year	<u>\$ 8,561,448</u>	<u>\$ 8,888,287</u>	<u>\$ 17,449,735</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Users	\$ 5,645,477	\$ 4,431,619	\$ 10,077,096
Cash Payments to Suppliers and Contractors	(1,779,281)	(1,250,705)	(3,029,986)
Cash Payments to Employees	(953,487)	(772,896)	(1,726,383)
Net Cash Provided (Used) By Operating Activities	2,912,709	2,408,018	5,320,727
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers Out	(27,102)	(22,168)	(49,270)
Net Cash Provided (Used) By Noncapital Financing Activities	(27,102)	(22,168)	(49,270)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	16,326	21,044	37,370
Net Cash Provided (Used) in Investing Activities	16,326	21,044	37,370
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Property, Plant, and Equipment	(946,354)	(99,357)	(1,045,711)
Principal Payments on Debt Borrowings	(830,000)	(625,000)	(1,455,000)
Interest Paid	(388,367)	(347,460)	(735,827)
Net Cash Provided (Used) In Capital and Related Financing Activities	(2,164,721)	(1,071,817)	(3,236,538)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	737,212	1,335,077	2,072,289
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	5,940,571	7,987,794	13,928,365
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	\$ 6,677,783	\$ 9,322,871	\$ 16,000,654
Reconciliation to Statement of Net Position:			
Cash and Investments	\$ 5,471,140	\$ 8,325,599	\$ 13,796,739
Cash and Investments with Fiscal Agent	1,206,643	997,272	2,203,915
	\$ 6,677,783	\$ 9,322,871	\$ 16,000,654
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 1,775,668	\$ 1,077,461	\$ 2,853,129
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,375,464	1,546,867	2,922,331
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(75,548)	(69,820)	(145,368)
Increase (Decrease) in Accounts Payable	(2,108)	(3,929)	(6,037)
Increase (Decrease) in Compensated Absences	4,656	14,031	18,687
Increase (Decrease) in Net Pension Liability	(261,505)	(168,111)	(429,616)
Increase (Decrease) in Deposits Payable	96,082	11,519	107,601
Total Adjustments	1,137,041	1,330,557	2,467,598
Net Cash Provided (Used) By Operating Activities	\$ 2,912,709	\$ 2,408,018	\$ 5,320,727

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS

Agency Funds and Private Purpose Trust Funds are used to account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the City, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency fund and private purpose trust fund maintained by the City is presented below.

Agency Fund - This fund holds assets and liabilities for CFDs.

RDA Successor Agency - This fund accounts for the former redevelopment agency.

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CITY OF IMPERIAL
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2018

	<u>Private Purpose Trust Fund</u>	
	<u>RDA</u>	
	<u>Successor Agency</u>	<u>Agency Fund</u>
ASSETS		
Cash and investments	\$ 1,848,013	\$ -
Cash and investments with fiscal agent		3,287,567
Interest receivable	1,726	
Loans receivable	501,073	
Capital assets, net of accumulated depreciation	<u>311,012</u>	
Total Assets	<u>2,661,824</u>	<u>\$ 3,287,567</u>
LIABILITIES		
Deposits payable	\$ -	\$ 3,287,587
Long-term debt, due within one year	750,000	
Long-term debt, due in more than one year	<u>19,190,000</u>	
Total Liabilities	<u>19,940,000</u>	<u>\$ 3,287,587</u>
NET POSITION		
Held in trust for others	<u>(17,278,176)</u>	
Total Net Position	<u>\$ (17,278,176)</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF IMPERIAL
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2018**

	Private Purpose Trust Fund RDA Successor Agency
Additions:	
Intergovernmental	\$ 2,499,994
Interest	3,816
Total additions	<u>2,503,810</u>
Deductions:	
Community Development	66,832
Interest Expense	690,956
Contribution to City	<u>250,000</u>
Total deductions	<u>1,007,788</u>
Change in net position	<u>1,496,022</u>
Net Position - July 1, 2017	
Prior period adjustment	<u>(18,774,198)</u>
Net Position, July 1, 2017, Restated	<u>(18,774,198)</u>
Net Position - June 30, 2018	<u><u>\$ (17,278,176)</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Imperial is a municipal corporation governed by an elected five-member City Council who, in turn, elects one of its members to serve as the Mayor. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the City. The blended component units have a June 30 fiscal year end to coincide with the City's.

Blended Component Units. In May 1994, the Imperial Financing Authority (Authority) was formed in order to provide a funding vehicle for necessary street improvements within the City. The governing board of the Imperial Financing Authority is the City Council, and the City Manager acts as Executive Director. A separate financial report is not being issued for the Imperial Financing Authority. The activity of the Authority is reported in the General Fund of the City.

The Imperial Community Facilities District (District) was formed in order to provide funding for necessary community development projects within the City. The City currently has six separate Districts: 2004-1 Victoria, 2004-2 Mayfield, 2004-3 Bratton, 2005-1 Springfield, 2006-Monterrey Park, and 2006-2 Savannah Ranch.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

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 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net positions are available, unrestricted resources are used only after the restricted resources are depleted.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues from *Nonoperating*, such as charges for services, as they result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports two major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes activities such as public protection, public works and facilities, parks and recreation, and community development.
- The *LTA Measure D Special Revenue Fund* was established to account for all proceeds and expenditures associate with street and highway projects received as part of the local transportation authority Measure D sales tax.

The City reports the following two major enterprise funds:

- The *Water Fund* was established to account for the financial activity for the purpose of operation and maintenance of City's water utility. The costs of providing these services to the general public are financed or recovered through user charges.
- The *Sewer Fund* was established to account for the financial activity for the purpose of operation and maintenance of the City's sewer system including the wastewater treatment plant. The costs of providing these services to the general public are financed or recovered through user charges.

The City reports the following additional fund types:

Fiduciary Funds

Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

Private Purpose Trust Fund accounts for the operations of the former redevelopment agency.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus

The government-wide, proprietary, and fiduciary funds financial statements except for Agency Funds (that have no measurement focus) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Property taxes, transient occupancy taxes, and interest are susceptible to accrual. Sales taxes collected and held by the state at fiscal year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

D. Assets, Liabilities, and Equity

1. Deposits and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. 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 monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

1. Deposits and Investments (Continued)

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

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. LAIF determines the fair value of its 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. 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.

Investments are stated at fair value in accordance with GASB Statement No.31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Short-term investments are reported at cost, which approximates fair value. The fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Interest, dividends, and realized and unrealized gains and losses, based on the specific identification method, are included in interest revenue when earned.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Imperial collects property taxes for the City and Agency. Tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1st to June 30th. One-half of the taxes on real property are due on November 1st; the second installment is due on March 1st. All taxes are delinquent, if unpaid by December 10th and April 10th respectively. Unsecured personal property taxes become due on July 1st of each year and are delinquent, if unpaid by August 31st.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2018.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets				Years
Buildings				30
Improvements other than buildings				30
Infrastructure				20 to 40
Utility systems				40 to 75
Vehicles				5 to 15
Computer equipment				7
Other equipment and furnishings				7

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. A portion of unused sick leave benefits, varying by employee bargaining unit, vests and is payable upon retirement.

For proprietary funds, a current liability is reported for that portion of the estimated value of vacation and sick leave benefits to be used during the subsequent fiscal year, and the estimated value of vacation vested sick leave benefits of employees approaching or at their respective retirement ages. The balance is considered a long-term obligation.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

5. Compensated Absences (Continued)

A liability is accrued for all earned but unused leave benefits in the government-wide and enterprise fund statements. This liability will be liquidated as either additional cash payments in the event of employee termination or as part of budgeted salary expenditures if used by employees as compensated leave time while still employed by the City. In the fund financial statements, governmental funds accrue current liabilities for material vacation leave benefits due on demand to governmental fund employees that have terminated prior to year-end. Non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Debt premiums and discounts are deferred and amortized over the life of the indebtedness using the straight line method. Notes payable are reported net of the applicable bond premium or discount.

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

7. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City, not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted resources first.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the City's funds that include amounts not contained in the other classifications.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution.

G. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

Statement No. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 88	"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 90	"Majority Equity Interest-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

a. General Budget Policies

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. All amendments made during the fiscal year are included in the budgetary amounts reported herein. The “appropriated budget” covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior fiscal years, which expenditures constitute legally authorized “non-appropriated budget”. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

3. Formal budgetary integration is employed as a management control device during the fiscal year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations which are encumbered, lapse at fiscal year-end, and then are added to the following fiscal year’s budgeted appropriations.
4. Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. For the fiscal year ended June 30, 2018, there were no budgets adopted for the following funds: Traffic Congestion Relief, Dial-A-Ride, Asset Forfeiture, ED CDBG, Prop 1B, Police Technology Grant, Austin Worthington, AB 109, Community Services Grant, STPL, SB-1, and Prop 10 Library.

Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for these fund types.

B. Budget/USGAAP Reconciliation

No funds adopted project-length or budgetary basis budgets and, therefore, no schedule reconciling the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual to the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances has been prepared.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2018, the following funds had an excess of expenditures over appropriations.

Fund	Amount
<u>Nonmajor Governmental Funds:</u>	
Successor Agency Housing	\$ 5,211
COPS Grant 2014	5,348
COPS Grant 2016	32,455
Housing Rehabilitation	767,379
Park Impact Fees	227,465

The Traffic Congestion Relief, Dial-A-Ride, Asset Forfeiture, ED CDBG, Prop 1B, Police Tech Grant, Austin Worthington, AB 109, Community Services Grant, STPL, SB-1, and Prop 10 Library funds do not adopt a budget.

D. Deficit Fund Equity

At June 30, 2018, the following funds had an accumulated deficit:

Fund	Amount
<u>Nonmajor Governmental Funds:</u>	
COPS Grant 2016	\$ 1,250
CDBG HOME Grant	10,578
Housing Rehabilitation	720,298
COPS Grant 2015	32
Prop 1B	164,419
Police Technology Grant	112,075
STPL	615,001
<u>Private Purpose Trust Fund:</u>	
RDA Successor Agency	17,278,176

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 28,021,990
Cash and investments with fiscal agents	2,203,915
Fiduciary funds:	
Cash and investments	1,848,013
Cash and investments with fiscal agents	3,287,567
Total cash and investments	<u>\$ 35,361,485</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$ 450
Deposits with financial institutions	23,634,411
Investments	11,726,624
Total cash and investments	<u>\$ 35,361,485</u>

A. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City of Imperial (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Bonds issued by the City	N/A	None	None
US Treasury Obligations	5 years	None	None
Federal Agency Issues	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Bankers' Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	None	10%
Commercial Paper	270 days	25%	None
County Pool Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65 Million
Collateralized Bank Deposits	N/A	None	None
Mortgage Pass-through Securities	5 years	20%	None
Shares of Beneficial Interest by a JPA	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the Investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
State Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Money Market Mutual Fund	N/A	None	None
Bankers Acceptances	N/A	None	None
Commercial Paper	270 days	None	None
Certificates of Deposit	N/A	None	None
Repurchase Agreements	N/A	None	None
Investment Agreements	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

C. Disclosures 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 manages its exposure to interest rate risk 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.

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

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool (LAIF)	\$ 6,132,758	\$ 6,132,758	\$ -	\$ -	\$ -
Money Market Funds	5,491,482	5,491,482			
Certificates of Deposit	102,384	102,384			
	<u>\$ 11,726,624</u>	<u>\$ 11,726,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

E. 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 City's investment policy, or debt agreements, and the actual rating, as of fiscal year end, for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$ 6,132,758	N/A	\$ -	\$ -	\$ -	\$ -	\$ 6,132,758
Money Market Funds	5,491,482	N/A					5,491,482
Certificates of Deposit	102,384	N/A					102,384
Total	<u>\$ 11,726,624</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,726,624</u>

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than money market) that represent 5% or more of total City's investments.

G. 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's 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 governmental unit). The fair market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2018, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. 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 LAIF for the entire LAIF 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 are recorded on an amortized cost basis.

I. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The City did not have any investments applicable to recurring fair value measurements as of June 30, 2018.

NOTE 4 – INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". The following presents a summary of current interfund balances at June 30, 2018:

Receivable Fund	Amount	Payable Fund	Amount
Major Governmental Fund:		Nonmajor Governmental Funds:	?
General Fund	\$ 1,158,705	COPS Grant 2016 Fund	\$ 1,250
		CDBG HOME Grant Fund	10,578
		Housing Rehabilitation Fund	255,257
		COPS Grant 2015 Fund	125
		Prop 1B Fund	164,419
		Police Technology Grant Fund	112,075
		STPL Fund	615,001
Totals	<u>\$ 1,158,705</u>	Totals	<u>\$ 1,158,705</u>

B. Transfers between Funds

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. All inter-fund transfers between individual government funds have been eliminated on the government-wide statements. The following schedule briefly summarizes the City's transfer activity for the fiscal year ended June 30, 2018:

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 – INTERFUND TRANSACTIONS (CONTINUED)

B. Transfers between Funds (Continued)

Fund	Transfers-in	Transfers-out
Major Governmental Funds:		
General Fund	\$ 736,051	\$ -
LTA Measure D		100,418
Major Enterprise Funds:		
Water Fund		27,102
Sewer Fund		22,168
Nonmajor Governmental Funds:		
Traffic Safety Special Revenue Fund		2,500
Gas Tax Special Revenue Fund		345,088
Local Transportation Special Revenue Fund		5,000
Public Safety Prop 172 Special Revenue Fund		72,890
COPS Grant 2017 Special Revenue Fund	2,978	2,500
COPS Grant 2014 Special Revenue Fund		2,978
COPS Grant 2016 Special Revenue Fund		44,292
Housing Rehabilitation Special Revenue Fund		5,000
RLA Special Revenue Fund		18,750
Wildflower Landscaping and Lighting Special Revenue Fund		7,100
Paseo Del Sol Landscaping and Lighting Special Revenue Fund		14,900
COPS Grant 2015 Special Revenue Fund		19,488
Sky Ranch District Special Revenue Fund		27,375
Library Literacy Special Revenue Fund		13,480
Housing General Special Revenue Fund		8,000
Totals	<u>\$ 739,029</u>	<u>\$ 739,029</u>

NOTE 5 – CAPITAL ASSETS

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

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,329,400	\$ -	\$ -	\$ 3,329,400
Construction in progress		790,789		790,789
Total capital assets, not being depreciated	<u>3,329,400</u>	<u>790,789</u>		<u>4,120,189</u>
Capital assets, being depreciated:				
Machinery and Equipment	6,613,558			6,613,558
Infrastructure	37,726,744	1,292,563		39,019,307
Total capital assets being depreciated	<u>44,340,302</u>	<u>1,292,563</u>		<u>45,632,865</u>
Less accumulated depreciation for:				
Machinery and Equipment	(5,362,603)	(566,976)		(5,929,579)
Infrastructure	(14,971,689)	(1,444,803)		(16,416,492)
Total accumulated depreciation	<u>(20,334,292)</u>	<u>(2,011,779)</u>		<u>(22,346,071)</u>
Total capital assets, being depreciated, net	<u>24,006,010</u>	<u>(719,216)</u>		<u>23,286,794</u>
Governmental activities capital assets, net	<u>\$ 27,335,410</u>	<u>\$ 71,573</u>	<u>\$ -</u>	<u>\$ 27,406,983</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Capital Asset activity for the fiscal year ended June 30, 2018 was as follows (continued):

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 79,683	\$ 198,714	\$ -	\$ 278,397
Construction in progress		819,423		819,423
Total capital assets, not being depreciated	<u>79,683</u>	<u>1,018,137</u>		<u>1,097,820</u>
Capital assets, being depreciated:				
Buildings and Improvements	18,408,424			18,408,424
Machinery and Equipment	5,816,389	27,574		5,843,963
Infrastructure	25,218,997			25,218,997
Total capital assets, being depreciated	<u>49,443,810</u>	<u>27,574</u>		<u>49,471,384</u>
Less accumulated depreciation for:				
Buildings and Improvements	(13,170,968)	(695,078)		(13,866,046)
Machinery and Equipment	(3,593,728)	(696,085)		(4,289,813)
Infrastructure	(12,979,607)	(1,531,168)		(14,510,775)
Total accumulated depreciation	<u>(29,744,303)</u>	<u>(2,922,331)</u>		<u>(32,666,634)</u>
Total capital assets, being depreciated, net	<u>19,699,507</u>	<u>(2,894,757)</u>		<u>16,804,750</u>
Business-type activities capital assets, net	<u>\$ 19,779,190</u>	<u>\$ (1,876,620)</u>	<u>\$ -</u>	<u>\$ 17,902,570</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 670,593
Public Works	670,593
Public Safety	<u>670,593</u>
Total depreciation expense – governmental functions	<u>\$ 2,011,779</u>

Depreciation expense was charged to business-type functions as follows:

Water	\$ 1,375,464
Sewer	<u>1,546,867</u>
Total depreciation expense – business-type functions	<u>\$ 2,922,331</u>

NOTE 6 – NOTES RECEIVABLE

The City has established a number of housing assistance loan programs using HOME Investment Partnerships Program grant funds. These loans consist of several loans for first-time home buyers assistance and home rehabilitation assistance loans for qualified persons. The City also utilizes Community Development Block Grant (CDBG) to provide business assistance loans and home rehabilitation loans to qualified persons.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – LONG-TERM LIABILITIES

The following is a schedule of long-term liabilities for Governmental Activities and Business-type Activities for the fiscal year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Repayments	Balance at June 30, 2018	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 313,358	\$ 94,325	\$ -	\$ 407,683	\$ -
Total	<u>\$ 313,358</u>	<u>\$ 94,325</u>	<u>\$ -</u>	<u>\$ 407,683</u>	<u>\$ -</u>
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 18,235	\$ 4,656	\$ -	\$ 22,891	\$ -
2005 Certificates of participation	1,650,000		(55,000)	1,595,000	60,000
2012 Certificates of participation	7,255,000		(775,000)	6,480,000	805,000
2012 Certificates of participation premium	384,650		(41,212)	343,438	41,212
Wastewater Fund:					
Compensated absences	14,163	14,031		28,194	
2005 Certificates of participation	2,180,000		(75,000)	2,105,000	80,000
2012 Certificates of participation	6,545,000		(550,000)	5,995,000	565,000
2012 Certificates of participation premium	104,131		(11,156)	92,975	11,156
Total	<u>\$ 18,151,179</u>	<u>\$ 18,687</u>	<u>\$ (1,507,368)</u>	<u>\$ 16,662,498</u>	<u>\$ 1,562,368</u>

1. Business -type Activities – Water/Wastewater Parity 2005 COP

On November 1, 2005, the City issued the Parity 2005 certificates of participation in the amount of \$2,160,000 for the water facility and \$2,845,000 for the wastewater facility. The proceeds were used to finance certain capital improvements to the City's water and wastewater systems. Interest will be payable semi-annually on April and October 15 commencing on April 15, 2006. As of June 30, 2018, the balances remaining for Water and Wastewater Refunding are \$1,595,000, and \$2,105,000 respectively.

Annual debt service requirements for the certificates are shown below:

Fiscal Year Ended June 30,	2005 Certificates of Participation - Water		
	Principal	Interest	Total
2019	\$ 60,000	\$ 73,132	\$ 133,132
2020	60,000	70,582	130,582
2021	65,000	67,862	132,862
2022	65,000	64,969	129,969
2023	70,000	61,931	131,931
2024-2028	405,000	256,423	661,423
2029-2033	505,000	148,556	653,556
2034-2038	365,000	26,721	391,721
	<u>\$ 1,595,000</u>	<u>\$ 770,176</u>	<u>\$ 2,365,176</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

1. Business -type Activities – Water/Wastewater Parity 2005 COP (Continued)

Fiscal Year Ended June 30,	2005 Certificates of Participation - Wastewater		
	Principal	Interest	Total
2019	\$ 80,000	\$ 96,480	\$ 176,480
2020	80,000	93,080	173,080
2021	85,000	89,490	174,490
2022	90,000	85,595	175,595
2023	95,000	81,433	176,433
2024-2028	525,000	337,587	862,587
2029-2033	665,000	197,248	862,248
2034-2038	485,000	35,271	520,271
	<u>\$ 2,105,000</u>	<u>\$ 1,016,184</u>	<u>\$ 3,121,184</u>

2. Business -type Activities – Water/Wastewater 2012 COP

On April 1, 2012, the City issued the 2012 certificates of participation in the amount of \$10,065,000 for the water facility and \$8,550,000 for the wastewater facility. The proceeds of the sale were used together with other available moneys to provide funds to the City to prepay and defease on a current basis the City's Refunding Certificates of Participation Series 2001 of which \$7,190,000 (water) and \$4,995,000 remained outstanding, and to finance certain capital improvements to the City's water and wastewater system, to fund a reserve fund for the Bonds, and to pay certain costs of issuing the Bonds. Interest is payable semi-annually on April and October 15 commencing on October 15, 2012. As of June 30, 2018, the balances remaining for Water and Wastewater Refunding are \$6,480,000 and \$5,995,000 respectively.

Annual debt service requirements for the Installment Notes Payable are shown below:

Fiscal Year Ended June 30,	2012 Certificates of Participation - Water		
	Principal	Interest	Total
2019	\$ 805,000	\$ 96,480	\$ 901,480
2020	845,000	93,080	938,080
2021	885,000	89,490	974,490
2022	595,000	85,595	680,595
2023	615,000	81,433	696,433
2024-2028	2,735,000	337,587	3,072,587
	<u>\$ 6,480,000</u>	<u>\$ 783,665</u>	<u>\$ 7,263,665</u>

Fiscal Year Ended June 30,	2012 Certificates of Participation - Wastewater		
	Principal	Interest	Total
2019	\$ 565,000	\$ 236,825	\$ 801,825
2020	580,000	213,850	793,850
2021	610,000	184,100	794,100
2022	640,000	158,450	798,450
2023	660,000	136,500	796,500
2024-2028	2,940,000	256,273	3,196,273
	<u>\$ 5,995,000</u>	<u>\$ 1,185,998</u>	<u>\$ 7,180,998</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

3. Compensated Absences

The City's policy relating to compensated absences is described in Note (1). Compensated absences are liquidated primarily by the general fund and proprietary funds. The total amount outstanding at June 30, 2018, was \$407,683 for governmental activities and \$51,085 for business-type activities.

NOTE 8 – RISK MANAGEMENT

California Joint Powers Insurance Authority (CJPIA)

The City is a member of the California Joint Powers Insurance Authority's (Authority) Joint Liability Protection and worker's compensation coverage programs. The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Audited financial statements for the Authority are available from Finance Director, at California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California 90623.

NOTE 9 – CONTINGENT LIABILITIES

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

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

The City does not offer any other post-employment benefits.

NOTE 11 – PENSION PLAN

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 Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. 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.

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, cost sharing defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN

A. General Information about the Pension Plan (Continued)

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	City Misc Plan		City Safety Plan	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50	62
Monthly benefits, as a % of eligible compensation	2.00%	2.00%	3.0%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%	9.00%	11.50%
Required employer contribution rates	6.709%	6.237%	13.813%	6.237%

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.

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

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

Proportionate Share of Net Pension Liability	
Misc. Plan	Safety Plan
<u>\$ 1,829,307</u>	<u>\$ 2,377,969</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	City Miscellaneous Plan	City Safety Plan
Proportion - June 30, 2016	0.04310%	0.04135%
Proportion - June 30, 2017	0.04640%	0.03980%
Change - Increase (Decrease)	0.00331%	-0.00156%

For the fiscal year ended June 30, 2018, the City recognized pension expense of \$298,675. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 324,247	\$ -
Net differences between projected and actual earnings on pension plan investments	159,072	
Difference between actual vs proportionate contribution		(124,014)
Changes in assumptions	660,478	
Difference in actual experience		(24,759)
Adjustment due to differences in proportions	2,341,099	
Total	<u>\$ 3,484,896</u>	<u>\$ (148,773)</u>

\$324,247 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Amount
2019	\$ 977,493
2020	1,228,287
2021	899,924
2022	(93,828)
Total	<u>\$ 3,011,876</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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

	Miscellaneous	Safety
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30%-14.20% (1)	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – PENSION PLAN (Continued)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's 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%	Current Discount Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Employer's Net Pension Liability - Miscellaneous	\$ 3,103,317	\$ 1,829,307	\$ 774,149
Employer's Net Pension Liability - Safety	3,463,746	2,377,969	1,490,401
Employer's Net Pension Liability - Total	<u>\$ 6,567,063</u>	<u>\$ 4,207,276</u>	<u>\$ 2,264,550</u>

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 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 2012-04.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as of the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

A. Capital assets of the Successor Agency as of June 30, 2018 consisted of the following:

	July 1, 2017 Balance	Additions	Deletions	June 30, 2018 Balance
Capital assets, not being depreciated:				
Land	\$ 311,012	\$ -	\$ -	\$ 311,012
Total capital assets, not being depreciated	311,012			311,012
Total capital assets, net	\$ 311,012	\$ -	\$ -	\$ 311,012

B. Long-term debt of the Successor Agency as of June 30, 2018, consisted of the following:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within one year
2016 A Series Tax Allocation Bond	\$ 5,835,000	\$ -	\$ (220,000)	\$ 5,615,000	\$ 225,000
2016 B Series Tax Allocation Bond	14,845,000		(520,000)	14,325,000	525,000
Totals	\$ 20,680,000	\$ -	\$ (740,000)	\$ 19,940,000	\$ 750,000

2016 Series A Tax Allocation Bonds

On May 18, 2016, the Successor Agency of the City of Imperial (the "Agency") issued \$6,050,000 refunding the 2005 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on June 1, 2037 and ranges from 2% to 4%. As of June 30, 2018, the outstanding principal balance is \$5,615,000.

Fiscal Year Ended June 30,	2016 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2019	\$ 225,000	\$ 192,675	\$ 417,675
2020	225,000	187,050	412,050
2021	225,000	182,550	407,550
2022	245,000	177,850	422,850
2023	250,000	172,900	422,900
2024-2028	1,315,000	759,800	2,074,800
2029-2033	1,600,000	470,800	2,070,800
2034-2038	1,530,000	125,400	1,655,400
	\$ 5,615,000	\$ 2,269,025	\$ 7,884,025

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

2016 Series B Tax Allocation Bonds

On May 18, 2016, the Successor Agency of the City of Imperial (the "Agency") issued \$15,145,000 refunding the 2008 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on June 1, 2037 and ranges from 0.75% to 4%. As of June 30, 2018, the outstanding principal balance is \$14,325,000.

Fiscal Year Ended June 30,	2016 Series B Tax Allocation Bonds		
	Principal	Interest	Total
2019	\$ 525,000	\$ 477,118	\$ 1,002,118
2020	530,000	468,543	998,543
2021	545,000	458,456	1,003,456
2022	550,000	446,818	996,818
2023	560,000	433,631	993,631
2024-2028	3,070,000	1,911,468	4,981,468
2029-2033	3,620,000	1,335,022	4,955,022
2034-2038	4,925,000	550,300	5,475,300
	<u>\$ 14,325,000</u>	<u>\$ 6,081,356</u>	<u>\$ 20,406,356</u>

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

Prior period adjustments of (\$262,504) and (\$272,342) were made in the Water and Sewer funds respectively due to issuance costs no longer being amortized over the life of the debt but being recognized in the period of issuance.

Prior period adjustment of (\$18,774,198) was made in the private purpose trust fund and respectively successor agency funds due to the misclassification of successor agency funds as special revenue funds in the prior fiscal year and long term debt not being recognized in the successor agency statements.

Prior period adjustment of \$20,680,000 was made on the statement of activities due to the misclassification of long term debt associated with the successor agency being recognized as part of governmental activities in the prior fiscal year.

Prior period adjustment of (\$1,406,290) was made on the statement of activities due to the inclusion of certain successor agency funds as part of governmental activities.

REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF IMPERIAL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 1,709,320	\$ 1,709,320	\$ 1,298,980	\$ (410,340)
Sales and Use Taxes	2,035,000	2,035,000	2,444,650	409,650
Business License Taxes	51,000	51,000	58,142	7,142
Transient Occupancy Tax	20,000	20,000	19,999	(1)
Other Taxes	35,000	35,000	33,821	(1,179)
Licenses and Permits	61,000	61,000	14,424	(46,576)
Fines and Forfeitures	95,500	95,500	114,304	18,804
Use of Money and Property	3,000	3,000	10,036	7,036
Charges for Services	2,144,280	2,144,280	2,773,421	629,141
Intergovernmental	1,659,338	1,659,338	1,526,239	(133,099)
Franchise tax	260,000	260,000	294,662	34,662
Other	242,650	242,650	76,803	(165,847)
Total Revenues	<u>8,316,088</u>	<u>8,316,088</u>	<u>8,665,481</u>	<u>349,393</u>
Expenditures				
Current				
General Government	3,356,420	3,356,420	2,160,008	1,196,412
Public Safety	3,507,257	3,507,257	3,345,272	161,985
Public Works	1,162,959	1,162,959	1,931,708	(768,749)
Parks and Recreation	793,306	793,306	880,849	(87,543)
Community Development	608,591	608,591	354,668	253,923
Total Expenditures	<u>9,428,533</u>	<u>9,428,533</u>	<u>8,672,505</u>	<u>756,028</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,112,445)</u>	<u>(1,112,445)</u>	<u>(7,024)</u>	<u>1,105,421</u>
Other Financing Sources (uses):				
Transfers In	<u>1,164,011</u>	<u>1,164,011</u>	<u>736,051</u>	<u>(427,960)</u>
Total Other Financing Sources (Uses)	<u>1,164,011</u>	<u>1,164,011</u>	<u>736,051</u>	<u>(427,960)</u>
Net Change in Fund Balance	51,566	51,566	729,027	677,461
Fund Balance - July 1, 2017	<u>1,094,701</u>	<u>1,094,701</u>	<u>1,094,701</u>	
Fund Balance - June 30, 2018	<u>\$ 1,146,267</u>	<u>\$ 1,146,267</u>	<u>\$ 1,823,728</u>	<u>\$ 677,461</u>

**CITY OF IMPERIAL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LTA MEASURE D SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Sales and Use Taxes	\$ 910,000	\$ 910,000	\$ 789,327	\$ (120,673)
Use of Money and Property	3,000	3,000	11,431	8,431
Intergovernmental			279,665	279,665
Total Revenues	<u>913,000</u>	<u>913,000</u>	<u>1,080,423</u>	<u>167,423</u>
Expenditures				
Current				
Public Works	106,500	106,500	232,084	(125,584)
Capital Outlay	<u>3,032,200</u>	<u>3,032,200</u>	<u>1,823,228</u>	<u>1,208,972</u>
Total Expenditures	<u>3,138,700</u>	<u>3,138,700</u>	<u>2,055,312</u>	<u>1,083,388</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,225,700)</u>	<u>(2,225,700)</u>	<u>(974,889)</u>	<u>1,250,811</u>
Other Financing Sources (uses):				
Transfers Out	<u>(125,418)</u>	<u>(125,418)</u>	<u>(100,418)</u>	<u>25,000</u>
Total Other Financing Sources (Uses)	<u>(125,418)</u>	<u>(125,418)</u>	<u>(100,418)</u>	<u>25,000</u>
Net Change in Fund Balance	(2,351,118)	(2,351,118)	(1,075,307)	1,275,811
Fund Balance - July 1, 2017	<u>4,081,401</u>	<u>4,081,401</u>	<u>4,081,401</u>	
Fund Balance - June 30, 2018	<u>\$ 1,730,283</u>	<u>\$ 1,730,283</u>	<u>\$ 3,006,094</u>	<u>\$ 1,275,811</u>

**CITY OF IMPERIAL
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2018**

Cost Sharing Defined Benefit Pension Plans

Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years*

	June 30, 2018		June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Proportion of the net pension liability	0.04640%	0.03980%	0.04310%	0.04135%	0.03591%	0.04491%	0.05532%	0.04857%
Proportionate share of the net pension liability	\$ 1,829,307	\$ 2,377,969	\$ 1,497,198	\$ 2,141,864	\$ 985,073	\$ 1,850,541	\$ 1,367,153	\$ 1,821,888
Covered-employee payroll	\$ 1,926,480	\$ 1,022,595	\$ 1,739,004	\$ 1,059,307	\$ 1,642,544	\$ 1,032,855	\$ 1,651,054	\$ 1,075,212
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	94.96%	232.54%	86.10%	202.19%	59.97%	179.17%	82.80%	169.44%
Plan's fiduciary net position	\$ 7,433,062	\$ 5,382,173	\$ 6,695,486	\$ 4,662,680	\$ 6,449,768	\$ 5,357,528	\$ 5,663,481	\$ 5,067,491
Plan's total pension liability	\$ 9,262,369	\$ 7,760,142	\$ 8,192,684	\$ 6,804,544	\$ 7,434,841	\$ 7,208,069	\$ 7,030,634	\$ 6,889,379
Plan fiduciary net position as a percentage of total pension liability	80.25%	69.36%	81.73%	68.52%	86.75%	74.33%	80.55%	73.56%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

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

**CITY OF IMPERIAL
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2018**

Cost Sharing Defined Benefit Pension Plans

Schedule of Contributions – Last 10 Years*

	June 30, 2018		June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Contractual required contribution (actuarially determined)	\$ 146,000	\$ 152,674	\$ 249,335	\$ 161,109	\$ 223,103	\$ 182,273	\$ 313,414	\$ 374,623
Contributions in relation to the actuarially determined contributions	(146,000)	(152,674)	(249,335)	(161,109)	(223,103)	(182,273)	(313,414)	(374,623)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,926,480	\$1,022,595	\$ 1,739,004	\$1,059,307	\$ 1,642,544	\$ 1,032,855	\$ 1,651,054	\$ 1,075,212
Contributions as a percentage of covered employee payroll	7.58%	14.93%	14.34%	15.21%	13.58%	17.65%	18.98%	34.84%

Notes to Schedule

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2012 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

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OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The Traffic Congestion Relief Fund was established to account for TCRF funding for streets and road projects to ease congestion.

The Traffic Safety Fund was established to account money received for traffics safety programs.

The Gas Tax Fund was established to account for state gas tax revenues based on population. The revenues may be expended only for street and road repair, maintenance, design, construction, and traffic signal design and installation.

The Local Transportation Fund was established to funding received for local transportation capital projects.

The Dial-A-Ride Fund was established to account for monies received as part of the TDA paratransit program.

The Successor Housing Fund was established to account for the housing loan and housing rehabilitation loans as part of the former redevelopment agency.

The Public Safety Prop 172 Fund was established to account for Prop 172 public safety funds received by the City and dedicated to local public safety.

The COPS Grant 2017 Fund was established to account for monies received as part of the 2017 COPS police hiring grant from the United States Department of Justice.

The Asset Forfeiture Fund was established to account for monies received from asset seizures in the City's jurisdiction. The monies are to be spent on police protection and enforcement.

The COPS Grant 2014 Fund was established to account for monies received as part of the 2014 COPS police hiring grant from the United States Department of Justice.

The COPS Grant 2016 Fund was established to account for monies received as part of the 2016 COPS police hiring grant from the United States Department of Justice.

The CDBG HOME Fund was established to account for federal grants under the Housing and Community Development Act, to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

The Housing Rehabilitation Fund was established to account for funds to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

The ED CDBG Grants Fund was established to account for federal planning grants under the Housing and Community Development Act.

The RLA Fund was established to bridge the gap between old development and new development where Landscaping and Lighting Districts are not set up.

The Wildflower Landscaping and Lighting Fund was established to account for revenues received and expenditures made for projects and maintenance within the Wildflower Landscaping and Lighting District.

The Paseo Del Sol Landscaping and Lighting Fund was established to account for revenues received and expenditures made for projects and maintenance within the Paseo Del Sol Landscaping and Lighting District.

The Joshua Tree Street Improvement Fund established to account for revenues received and expenditures made for Joshua Tree Street Improvement project.

The Library Donation Fund was established to account for donations received at the library.

The COPS Grant 2015 Fund was established to account for monies received as part of the 2015 COPS police hiring grant from the United States Department of Justice.

The Sky Ranch District Fund was established to account for revenues received and expenditures made for projects and maintenance within the Sky Ranch District.

The Prop 1B Fund was established to account for Prop 1B funds that are used for local streets and roads.

The Library Literacy Fund was established to account for funds received and expended as part of the library literacy program.

The Police Technology Grant Fund was established to account for funds received as part of police technology grants.

The Austin Worthington Roads Fund was established to account for costs related to Austin Worthington Roads projects.

The AB 109 Fund was established to account for funds received and expended as part of assembly bill AB 109 from the California Department of Correction and Rehabilitation.

The Community Services Grant Fund was established to account for community services grants.

The General Housing Fund was established to account program revenue and costs associated with general housing programs.

The Fire Impact Fees Fund was established to account for fire impact fees.

The Police Impact Fees Fund was established to account for police impact fees.

The Administrative Impact Fees Fund was established to account for administrative impact fees.

The Library Impact Fees Fund was established to account for library impact fees.

The Park Impact Fees Fund was established to account for park impact fees.

The Circulation Impact Fees Fund was established to account for circulation impact fees.

The STPL Fund was established to account for funds received and expended for highway planning and construction projects.

The EDA Fund was established for funds received for Economic Development Administration programs.

The SB 1 Fund was established to account for funds provided for street projects as part of California Senate Bill 1.

The Prop 10 Library Fund was established to account for funds received as part of Prop 10 for future library projects.

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue Funds				
	Traffic Congestion Relief	Traffic Safety	Gas Tax	Local Transportation	Dial-A- Ride
Assets					
Cash and Investments	\$ 21,221	\$ 4,110	\$ 348,811	\$ 394,802	\$ 14,607
Accounts Receivable				49,682	
Interest Receivable		4	326	369	
Loans Receivable					
Total Assets	<u>\$ 21,221</u>	<u>\$ 4,114</u>	<u>\$ 349,137</u>	<u>\$ 444,853</u>	<u>\$ 14,607</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ 22,559	\$ -
Due To Other Funds					
Total Liabilities				<u>22,559</u>	
Deferred Inflows of Resources:					
Loans Related					
Total Deferred Inflows of Resources					
Total Liabilities and Deferred Inflows of Resources				<u>22,559</u>	
Fund Balances (Deficits)					
Restricted	21,221	4,114	349,137	422,294	14,607
Unassigned					
Total Fund Balances (Deficits)	<u>21,221</u>	<u>4,114</u>	<u>349,137</u>	<u>422,294</u>	<u>14,607</u>
Total Liabilities and Fund Balances	<u>\$ 21,221</u>	<u>\$ 4,114</u>	<u>\$ 349,137</u>	<u>\$ 444,853</u>	<u>\$ 14,607</u>

Special Revenue Funds

Successor Housing	Public Safety Prop 172	Cops Grant 2017	Asset Forfeiture	Cops Grant 2014	Cops Grant 2016	CDBG HOME Grant	Housing Rehab
\$ 1,403,165	\$ 87,379	\$ 100,022	\$ 4,677	\$ 9,175	\$ -	\$ -	\$ -
19,835							
1,022	82		4	7			
189,980						781,745	330,810
<u>\$ 1,614,002</u>	<u>\$ 87,461</u>	<u>\$ 100,022</u>	<u>\$ 4,681</u>	<u>\$ 9,182</u>	<u>\$ -</u>	<u>\$ 781,745</u>	<u>\$ 330,810</u>
\$ 83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,041
					1,250	10,578	255,257
83					1,250	10,578	720,298
189,980						781,745	330,810
189,980						781,745	330,810
190,063					1,250	792,323	1,051,108
1,423,939	87,461	100,022	4,681	9,182	(1,250)	(10,578)	(720,298)
1,423,939	87,461	100,022	4,681	9,182	(1,250)	(10,578)	(720,298)
<u>\$ 1,614,002</u>	<u>\$ 87,461</u>	<u>\$ 100,022</u>	<u>\$ 4,681</u>	<u>\$ 9,182</u>	<u>\$ -</u>	<u>\$ 781,745</u>	<u>\$ 330,810</u>

Continued

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
(CONTINUED)

	Special Revenue Funds				
	ED CDBG	RLA	Wildflower Landscape Lighting	Paseo Del Sol Landscape Lighting	Joshua Tree Street Improvement
Assets					
Cash and Investments	\$ 50	\$ 9,577	\$ 83,463	\$ 141,633	\$ 31,287
Accounts Receivable					
Interest Receivable		9	78	132	
Loans Receivable		202,639			
Total Assets	<u>\$ 50</u>	<u>\$ 212,225</u>	<u>\$ 83,541</u>	<u>\$ 141,765</u>	<u>\$ 31,287</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Loans Related		202,639			
Total Deferred Inflows of Resources		202,639			
Total Liabilities and Deferred Inflows of Resources		202,639			
Fund Balances (Deficits)					
Restricted	50	9,586	83,541	141,765	31,287
Unassigned					
Total Fund Balances (Deficits)	<u>50</u>	<u>9,586</u>	<u>83,541</u>	<u>141,765</u>	<u>31,287</u>
Total Liabilities and Fund Balances	<u>\$ 50</u>	<u>\$ 212,225</u>	<u>\$ 83,541</u>	<u>\$ 141,765</u>	<u>\$ 31,287</u>

Special Revenue Funds

Library Donation	Cops Grant 2015	Sky Ranch District	Prop 1B	Library Literacy	Police Technology Grant	Austin Worthington	AB 109 Funding
\$ 3,403	\$ -	\$ 1,060,582	\$ -	\$ 75,616	\$ -	\$ 95,750	\$ 839
	93	990		71			
<u>\$ 3,403</u>	<u>\$ 93</u>	<u>\$ 1,061,572</u>	<u>\$ -</u>	<u>\$ 75,687</u>	<u>\$ -</u>	<u>\$ 95,750</u>	<u>\$ 839</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	125		164,419		112,075		
	125		164,419		112,075		
	125		164,419		112,075		
3,403		1,061,572		75,687		95,750	839
	(32)		(164,419)		(112,075)		
3,403	(32)	1,061,572	(164,419)	75,687	(112,075)	95,750	839
<u>\$ 3,403</u>	<u>\$ 93</u>	<u>\$ 1,061,572</u>	<u>\$ -</u>	<u>\$ 75,687</u>	<u>\$ -</u>	<u>\$ 95,750</u>	<u>\$ 839</u>

Continued

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018
(CONTINUED)

	Special Revenue Funds				
	Community Services Grant	General Housing	Fire Impact Fees	Police Impact Fees	Admin Impact Fees
Assets					
Cash and Investments	\$ 5,624	\$ 481,284	\$ 49,759	\$ 696,407	\$ 640,352
Accounts Receivable					
Interest Receivable			46	650	598
Loans Receivable		191,437			
Total Assets	<u>\$ 5,624</u>	<u>\$ 672,721</u>	<u>\$ 49,805</u>	<u>\$ 697,057</u>	<u>\$ 640,950</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Loans Related		191,437			
Total Deferred Inflows of Resources		191,437			
Total Liabilities and Deferred Inflows of Resources		191,437			
Fund Balances (Deficits)					
Restricted	5,624	481,284	49,805	697,057	640,950
Unassigned					
Total Fund Balances (Deficits)	<u>5,624</u>	<u>481,284</u>	<u>49,805</u>	<u>697,057</u>	<u>640,950</u>
Total Liabilities and Fund Balances	<u>\$ 5,624</u>	<u>\$ 672,721</u>	<u>\$ 49,805</u>	<u>\$ 697,057</u>	<u>\$ 640,950</u>

Special Revenue Funds							Total Nonmajor Governmental Funds
Library Impact Fees	Park Impact Fees	Circulation Impact Fees	STPL	EDA	SB 1	Prop 10 Library	
\$ 505,290	\$ 1,974,618	\$ 353,273	\$ -	\$ 602,681	\$ 69,819	\$ 1,651	\$ 9,270,927
							69,517
472	1,843	330			85	1	7,212
							1,696,611
<u>\$ 505,762</u>	<u>\$ 1,976,461</u>	<u>\$ 353,603</u>	<u>\$ -</u>	<u>\$ 602,681</u>	<u>\$ 69,904</u>	<u>\$ 1,652</u>	<u>\$ 11,044,267</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,683
			615,001				1,158,705
			615,001				1,646,388
							1,696,611
							1,696,611
			615,001				3,342,999
505,762	1,976,461	353,603	(615,001)	602,681	69,904	1,652	9,324,921
							(1,623,653)
505,762	1,976,461	353,603	(615,001)	602,681	69,904	1,652	7,701,268
<u>\$ 505,762</u>	<u>\$ 1,976,461</u>	<u>\$ 353,603</u>	<u>\$ -</u>	<u>\$ 602,681</u>	<u>\$ 69,904</u>	<u>\$ 1,652</u>	<u>\$ 11,044,267</u>

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds				
	Traffic Congestion Relief	Traffic Safety	Gas Tax	Local Transportation	Dial-A- Ride
Revenues:					
Use of Money and Property	\$ -	\$ 12	\$ 1,080	\$ 1,464	\$ -
Charges for Services		2,431			
Intergovernmental	21,211		371,001	49,682	
Other					
Total Revenues	<u>21,211</u>	<u>2,443</u>	<u>372,081</u>	<u>51,146</u>	
Expenditures:					
Current:					
Community Development					
Public Safety					
Public Works				22,086	
Parks and Recreation					
Capital Outlay				201,783	
Total Expenditures				<u>223,869</u>	
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>21,211</u>	<u>2,443</u>	<u>372,081</u>	<u>(172,723)</u>	
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(2,500)	(345,088)	(5,000)	
Total Other Financing Sources (Uses)		<u>(2,500)</u>	<u>(345,088)</u>	<u>(5,000)</u>	
Net Change in Fund Balances	21,211	(57)	26,993	(177,723)	
Fund Balances - July 1, 2017	<u>10</u>	<u>4,171</u>	<u>322,144</u>	<u>600,017</u>	<u>14,607</u>
Fund Balances - June 30, 2018	<u>\$ 21,221</u>	<u>\$ 4,114</u>	<u>\$ 349,137</u>	<u>\$ 422,294</u>	<u>\$ 14,607</u>

Special Revenue Funds							
Successor Housing	Public Safety Prop 172	Cops Grant 2017	Asset Forfeiture	Cops Grant 2014	Cops Grant 2016	CDBG HOME Grant	Housing Rehab
\$ 30,589	\$ 232	\$ 25	\$ 10 2,328	\$ 47	\$ 14	\$ 10,851	\$ 1,993
	143,338	100,000			41,177	55,427	2,448
<u>30,589</u>	<u>143,570</u>	<u>100,025</u>	<u>2,338</u>	<u>47</u>	<u>41,191</u>	<u>66,278</u>	<u>4,441</u>
6,711		44,675		18,848	32,455		468,742
							298,637
<u>6,711</u>		<u>44,675</u>		<u>18,848</u>	<u>32,455</u>		<u>767,379</u>
<u>23,878</u>	<u>143,570</u>	<u>55,350</u>	<u>2,338</u>	<u>(18,801)</u>	<u>8,736</u>	<u>66,278</u>	<u>(762,938)</u>
	(72,890)	2,978 (2,500)		(2,978)	(44,292)		(5,000)
	(72,890)	478		(2,978)	(44,292)		(5,000)
23,878	70,680	55,828	2,338	(21,779)	(35,556)	66,278	(767,938)
<u>1,400,061</u>	<u>16,781</u>	<u>44,194</u>	<u>2,343</u>	<u>30,961</u>	<u>34,306</u>	<u>(76,856)</u>	<u>47,640</u>
<u>\$ 1,423,939</u>	<u>\$ 87,461</u>	<u>\$ 100,022</u>	<u>\$ 4,681</u>	<u>\$ 9,182</u>	<u>\$ (1,250)</u>	<u>\$ (10,578)</u>	<u>\$ (720,298)</u>

Continued

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018
(CONTINUED)

	Special Revenue Funds				
	ED CDBG	RLA	Wildflower Landscape Lighting	Paseo Del Sol Landscape Lighting	Joshua Tree Street Improvement
Revenues:					
Use of Money and Property	\$ -	\$ 4,394	\$ 222	\$ 403	\$ -
Charges for Services		7,030	50,254	45,338	
Intergovernmental					
Other					
Total Revenues		<u>11,424</u>	<u>50,476</u>	<u>45,741</u>	
Expenditures:					
Current:					
Community Development					
Public Safety					
Public Works			9,728	3,729	
Parks and Recreation					
Capital Outlay					
Total Expenditures			<u>9,728</u>	<u>3,729</u>	
Excess (Deficiency) of Revenues over (Under) Expenditures		<u>11,424</u>	<u>40,748</u>	<u>42,012</u>	
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(18,750)	(7,100)	(14,900)	
Total Other Financing Sources (Uses)		<u>(18,750)</u>	<u>(7,100)</u>	<u>(14,900)</u>	
Net Change in Fund Balances		(7,326)	33,648	27,112	
Fund Balances - July 1, 2017	<u>50</u>	<u>16,912</u>	<u>49,893</u>	<u>114,653</u>	<u>31,287</u>
Fund Balances - June 30, 2018	<u>\$ 50</u>	<u>\$ 9,586</u>	<u>\$ 83,541</u>	<u>\$ 141,765</u>	<u>\$ 31,287</u>

Special Revenue Funds

Library Donation	Cops Grant 2015	Sky Ranch District	Prop 1B	Library Literacy	Police Technology Grant	Austin Worthington	AB 109 Funding
\$ -	\$ 114	\$ 3,140	\$ -	\$ 234	\$ -	\$ -	\$ -
	848	210,700		18,000			
1,050							
1,050	962	213,840		18,234			
	1,593						
100		97,061		715			
100	1,593	97,061		715			
950	(631)	116,779		17,519			
	(19,488)	(27,375)		(13,480)			
	(19,488)	(27,375)		(13,480)			
950	(20,119)	89,404		4,039			
2,453	20,087	972,168	(164,419)	71,648	(112,075)	95,750	839
\$ 3,403	\$ (32)	\$ 1,061,572	\$ (164,419)	\$ 75,687	\$ (112,075)	\$ 95,750	\$ 839

Continued

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018
(CONTINUED)

	Special Revenue Funds				
	Community Services Grant	General Housing	Fire Impact Fees	Police Impact Fees	Admin Impact Fees
Revenues:					
Use of Money and Property	\$ -	\$ 5,382	\$ 765	\$ 3,386	\$ 3,222
Charges for Services		22,188	26,710	50,923	53,391
Intergovernmental	6,000				
Other					
Total Revenues	<u>6,000</u>	<u>27,570</u>	<u>27,475</u>	<u>54,309</u>	<u>56,613</u>
Expenditures:					
Current:					
Community Development	376	111,934			
Public Safety					
Public Works					
Parks and Recreation					
Capital Outlay					
Total Expenditures	<u>376</u>	<u>111,934</u>			
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>5,624</u>	<u>(84,364)</u>	<u>27,475</u>	<u>54,309</u>	<u>56,613</u>
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(8,000)			
Total Other Financing Sources (Uses)		<u>(8,000)</u>			
Net Change in Fund Balances	5,624	(92,364)	27,475	54,309	56,613
Fund Balances - July 1, 2017		<u>573,648</u>	<u>22,330</u>	<u>642,748</u>	<u>584,337</u>
Fund Balances - June 30, 2018	<u>\$ 5,624</u>	<u>\$ 481,284</u>	<u>\$ 49,805</u>	<u>\$ 697,057</u>	<u>\$ 640,950</u>

Special Revenue Funds							Total Nonmajor Governmental Funds
Library Impact Fees	Park Impact Fees	Circulation Impact Fees	STPL	EDA	SB 1	Prop 10 Library	
\$ 2,804	\$ 13,564	\$ 2,855	\$ -	\$ -	\$ 122	\$ 2	\$ 86,926
50,780	289,994	90,340				1,650	904,057
					69,782		878,914
	4,640	91,585					97,275
53,584	308,198	184,780			69,904	1,652	1,967,172
				20,462			608,225
							97,571
							132,604
	252,465						253,280
							500,420
	252,465			20,462			1,592,100
53,584	55,733	184,780		(20,462)	69,904	1,652	375,072
							2,978
							(589,341)
							(586,363)
53,584	55,733	184,780		(20,462)	69,904	1,652	(211,291)
452,178	1,920,728	168,823	(615,001)	623,143			7,912,559
\$ 505,762	\$ 1,976,461	\$ 353,603	\$ (615,001)	\$ 602,681	\$ 69,904	\$ 1,652	\$ 7,701,268

CITY OF IMPERIAL
 TRAFFIC SAFETY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 5	\$ 12	\$ 7
Charges For Services	4,100	2,431	(1,669)
Total Revenues	<u>4,105</u>	<u>2,443</u>	<u>(1,662)</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(2,500)</u>	<u>(2,500)</u>	
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>(2,500)</u>	
Net Change in Fund Balance	1,605	(57)	(1,662)
Fund Balance - July 1, 2017	<u>4,171</u>	<u>4,171</u>	
Fund Balance - June 30, 2018	<u><u>\$ 5,776</u></u>	<u><u>\$ 4,114</u></u>	<u><u>\$ (1,662)</u></u>

CITY OF IMPERIAL
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 400	\$ 1,080	\$ 680
Intergovernmental	387,268	371,001	(16,267)
Total Revenues	<u>387,668</u>	<u>372,081</u>	<u>(15,587)</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(345,088)</u>	<u>(345,088)</u>	
Total Other Financing Sources (Uses)	<u>(345,088)</u>	<u>(345,088)</u>	
Net Change in Fund Balance	42,580	26,993	(15,587)
Fund Balance - July 1, 2017	<u>322,144</u>	<u>322,144</u>	
Fund Balance - June 30, 2018	<u><u>\$ 364,724</u></u>	<u><u>\$ 349,137</u></u>	<u><u>\$ (15,587)</u></u>

CITY OF IMPERIAL
 LOCAL TRANSPORTATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 200	\$ 1,464	\$ 1,264
Intergovernmental	28,841	49,682	20,841
Total Revenues	29,041	51,146	22,105
Expenditures:			
Current:			
Public Works	453,000	22,086	430,914
Capital Outlay	186,000	201,783	(15,783)
Total Expenditures	639,000	223,869	415,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(609,959)	(172,723)	437,236
Other Financing Sources (Uses):			
Transfers Out	(5,000)	(5,000)	
Total Other Financing Sources (Uses)	(5,000)	(5,000)	
Net Change in Fund Balance	(614,959)	(177,723)	437,236
Fund Balance - July 1, 2017	600,017	600,017	
Fund Balance - June 30, 2018	\$ (14,942)	\$ 422,294	\$ 437,236

CITY OF IMPERIAL
 SUCCESSOR AGENCY HOUSING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 18,000	\$ 30,589	\$ 12,589
Total Revenues	<u>18,000</u>	<u>30,589</u>	<u>12,589</u>
Expenditures:			
Current:			
Community Development	1,500	6,711	(5,211)
Total Expenditures	<u>1,500</u>	<u>6,711</u>	<u>(5,211)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,500</u>	<u>23,878</u>	<u>7,378</u>
Net Change in Fund Balance	16,500	23,878	7,378
Fund Balance - July 1, 2017	<u>1,400,061</u>	<u>1,400,061</u>	
Fund Balance - June 30, 2018	<u>\$ 1,416,561</u>	<u>\$ 1,423,939</u>	<u>\$ 7,378</u>

CITY OF IMPERIAL
PUBLIC SAFETY PROP 172 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ -	\$ 232	\$ 232
Intergovernmental	80,000	143,338	63,338
Total Revenues	80,000	143,570	63,570
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,000	143,570	63,570
Other Financing Sources (Uses):			
Transfers Out	(72,890)	(72,890)	
Total Other Financing Sources (Uses)	(72,890)	(72,890)	
Net Change in Fund Balance	7,110	70,680	63,570
Fund Balance - July 1, 2017	16,781	16,781	
Fund Balance - June 30, 2018	\$ 23,891	\$ 87,461	\$ 63,570

CITY OF IMPERIAL
COPS GRANT 2017 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ -	\$ 25	\$ 25
Intergovernmental	29,816	100,000	70,184
Total Revenues	29,816	100,025	70,209
Expenditures:			
Current:			
Public Safety	66,532	44,675	21,857
Total Expenditures	66,532	44,675	21,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,716)	55,350	92,066
Other Financing Sources (Uses):			
Transfers In		2,978	2,978
Transfers Out	(17,500)	(2,500)	15,000
Total Other Financing Sources (Uses)	(17,500)	478	17,978
Net Change in Fund Balance	(54,216)	55,828	110,044
Fund Balance - July 1, 2017	44,194	44,194	
Fund Balance - June 30, 2018	\$ (10,022)	\$ 100,022	\$ 110,044

CITY OF IMPERIAL
COPS GRANT 2014 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 5	\$ 47	\$ 42
Total Revenues	<u>5</u>	<u>47</u>	<u>42</u>
Expenditures:			
Current:			
Public Safety	<u>13,500</u>	<u>18,848</u>	<u>(5,348)</u>
Total Expenditures	<u>13,500</u>	<u>18,848</u>	<u>(5,348)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,495)</u>	<u>(18,801)</u>	<u>(5,306)</u>
Other Financing Sources (Uses):			
Transfers Out	<u></u>	<u>(2,978)</u>	<u>(2,978)</u>
Total Other Financing Sources (Uses)	<u></u>	<u>(2,978)</u>	<u>(2,978)</u>
Net Change in Fund Balance	(13,495)	(21,779)	(8,284)
Fund Balance - July 1, 2017	<u>30,961</u>	<u>30,961</u>	
Fund Balance - June 30, 2018	<u>\$ 17,466</u>	<u>\$ 9,182</u>	<u>\$ (8,284)</u>

CITY OF IMPERIAL
COPS GRANT 2016 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ -	\$ 14	\$ 14
Intergovernmental	41,177	41,177	
Total Revenues	41,177	41,191	14
Expenditures:			
Current:			
Public Safety		32,455	(32,455)
Total Expenditures		32,455	(32,455)
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,177	8,736	(32,441)
Other Financing Sources (Uses):			
Transfers Out	(56,417)	(44,292)	12,125
Total Other Financing Sources (Uses)	(56,417)	(44,292)	12,125
Net Change in Fund Balance	(15,240)	(35,556)	(20,316)
Fund Balance - July 1, 2017	34,306	34,306	
Fund Balance - June 30, 2018	\$ 19,066	\$ (1,250)	\$ (20,316)

CITY OF IMPERIAL
CDBG HOME SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 600	\$ 10,851	\$ 10,251
Intergovernmental	800	55,427	54,627
Total Revenues	<u>1,400</u>	<u>66,278</u>	<u>64,878</u>
Net Change in Fund Balance	1,400	66,278	64,878
Fund Balance - July 1, 2017	<u>(76,856)</u>	<u>(76,856)</u>	
Fund Balance - June 30, 2018	<u>\$ (75,456)</u>	<u>\$ (10,578)</u>	<u>\$ 64,878</u>

CITY OF IMPERIAL
HOUSING REHABILITATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 996	\$ 1,993	\$ 997
Intergovernmental	4,100	2,448	(1,652)
Total Revenues	<u>5,096</u>	<u>4,441</u>	<u>(655)</u>
Expenditures:			
Current:			
Community Development		468,742	(468,742)
Capital Outlay		298,637	(298,637)
Total Expenditures		<u>767,379</u>	<u>(767,379)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,096</u>	<u>(762,938)</u>	<u>(768,034)</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(50,000)</u>	<u>(5,000)</u>	<u>45,000</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(5,000)</u>	<u>45,000</u>
Net Change in Fund Balance	(44,904)	(767,938)	(723,034)
Fund Balance - July 1, 2017	<u>47,640</u>	<u>47,640</u>	
Fund Balance - June 30, 2018	<u>\$ 2,736</u>	<u>\$ (720,298)</u>	<u>\$ (723,034)</u>

CITY OF IMPERIAL
 RLA SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 3,000	\$ 4,394	\$ 1,394
Charges for Services	16,500	7,030	(9,470)
Total Revenues	19,500	11,424	(8,076)
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,500	11,424	(8,076)
Other Financing Sources (Uses):			
Transfers Out	(60,000)	(18,750)	41,250
Total Other Financing Sources (Uses)	(60,000)	(18,750)	41,250
Net Change in Fund Balance	(40,500)	(7,326)	33,174
Fund Balance - July 1, 2017	16,912	16,912	
Fund Balance - June 30, 2018	\$ (23,588)	\$ 9,586	\$ 33,174

CITY OF IMPERIAL
WILDFLOWER LANDSCAPING AND LIGHTING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 50	\$ 222	\$ 172
Charges for Services	39,400	50,254	10,854
Total Revenues	39,450	50,476	11,026
Expenditures:			
Current:			
Public Works	12,600	9,728	2,872
Total Expenditures	12,600	9,728	2,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,850	40,748	13,898
Other Financing Sources (Uses):			
Transfers Out	(7,100)	(7,100)	
Total Other Financing Sources (Uses)	(7,100)	(7,100)	
Net Change in Fund Balance	19,750	33,648	13,898
Fund Balance - July 1, 2017	49,893	49,893	
Fund Balance - June 30, 2018	\$ 69,643	\$ 83,541	\$ 13,898

CITY OF IMPERIAL
PASEO DEL SOL LANDSCAPING AND LIGHTING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 150	\$ 403	\$ 253
Charges for Services	39,400	45,338	5,938
Total Revenues	<u>39,550</u>	<u>45,741</u>	<u>6,191</u>
Expenditures:			
Current:			
Public Works	<u>6,600</u>	<u>3,729</u>	<u>2,871</u>
Total Expenditures	<u>6,600</u>	<u>3,729</u>	<u>2,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,950</u>	<u>42,012</u>	<u>9,062</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(14,900)</u>	<u>(14,900)</u>	
Total Other Financing Sources (Uses)	<u>(14,900)</u>	<u>(14,900)</u>	
Net Change in Fund Balance	18,050	27,112	9,062
Fund Balance - July 1, 2017	<u>114,653</u>	<u>114,653</u>	
Fund Balance - June 30, 2018	<u><u>\$ 132,703</u></u>	<u><u>\$ 141,765</u></u>	<u><u>\$ 9,062</u></u>

CITY OF IMPERIAL
JOSHUA TREE STREET IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 20	\$ -	\$ (20)
Total Revenues	<u>20</u>		<u>(20)</u>
Expenditures:			
Capital Outlay	<u>31,307</u>		<u>31,307</u>
Total Expenditures	<u>31,307</u>		<u>31,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,287)</u>		<u>31,287</u>
Net Change in Fund Balance	(31,287)		31,287
Fund Balance - July 1, 2017	<u>31,287</u>	<u>31,287</u>	
Fund Balance - June 30, 2018	<u><u>\$ -</u></u>	<u><u>\$ 31,287</u></u>	<u><u>\$ 31,287</u></u>

CITY OF IMPERIAL
LIBRARY DONATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 1,000	\$ 1,050	\$ 50
Total Revenues	<u>1,000</u>	<u>1,050</u>	<u>50</u>
Expenditures:			
Current:			
Parks and Recreation	1,000	100	900
Total Expenditures	<u>1,000</u>	<u>100</u>	<u>900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>950</u>	<u>950</u>
Net Change in Fund Balance		950	950
Fund Balance - July 1, 2017	<u>2,453</u>	<u>2,453</u>	
Fund Balance - June 30, 2018	<u><u>\$ 2,453</u></u>	<u><u>\$ 3,403</u></u>	<u><u>\$ 950</u></u>

CITY OF IMPERIAL
COPS GRANT 2015 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 10	\$ 114	\$ 104
Intergovernmental	848	848	
Total Revenues	858	962	104
Expenditures:			
Current:			
Public Safety	2,268	1,593	675
Total Expenditures	2,268	1,593	675
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,410)	(631)	779
Other Financing Sources (Uses):			
Transfers Out	(21,073)	(19,488)	1,585
Total Other Financing Sources (Uses)	(21,073)	(19,488)	1,585
Net Change in Fund Balance	(22,483)	(20,119)	2,364
Fund Balance - July 1, 2017	20,087	20,087	
Fund Balance - June 30, 2018	\$ (2,396)	\$ (32)	\$ 2,364

CITY OF IMPERIAL
 SKY RANCH DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 2,000	\$ 3,140	\$ 1,140
Charges for Services	218,000	210,700	(7,300)
Total Revenues	220,000	213,840	(6,160)
Expenditures:			
Current:			
Public Works	92,100	97,061	(4,961)
Capital Outlay	537,000		537,000
Total Expenditures	629,100	97,061	532,039
Excess (Deficiency) of Revenues Over (Under) Expenditures	(409,100)	116,779	525,879
Other Financing Sources (Uses):			
Transfers Out	(27,375)	(27,375)	
Total Other Financing Sources (Uses)	(27,375)	(27,375)	
Net Change in Fund Balance	(436,475)	89,404	525,879
Fund Balance - July 1, 2017	972,168	972,168	
Fund Balance - June 30, 2018	\$ 535,693	\$ 1,061,572	\$ 525,879

CITY OF IMPERIAL
LIBRARY LITERACY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 50	\$ 234	\$ 184
Intergovernmental	30,000	18,000	(12,000)
Total Revenues	30,050	18,234	(11,816)
Expenditures:			
Current:			
Parks and Recreation	60,000	715	59,285
Total Expenditures	60,000	715	59,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,950)	17,519	47,469
Other Financing Sources (Uses):			
Transfers Out	(13,480)	(13,480)	
Total Other Financing Sources (Uses)	(13,480)	(13,480)	
Net Change in Fund Balance	(43,430)	4,039	47,469
Fund Balance - July 1, 2017	71,648	71,648	
Fund Balance - June 30, 2018	\$ 28,218	\$ 75,687	\$ 47,469

CITY OF IMPERIAL
GENERAL HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 500	\$ 5,382	\$ 4,882
Charges for Services	100,000	22,188	(77,812)
Total Revenues	100,500	27,570	(72,930)
Expenditures:			
Current:			
Community Development	450,000	111,934	338,066
Total Expenditures	450,000	111,934	338,066
Excess (Deficiency) of Revenues Over (Under) Expenditures	(349,500)	(84,364)	265,136
Other Financing Sources (Uses):			
Transfers Out	(8,000)	(8,000)	
Total Other Financing Sources (Uses)	(8,000)	(8,000)	
Net Change in Fund Balance	(357,500)	(92,364)	265,136
Fund Balance - July 1, 2017	573,648	573,648	
Fund Balance - June 30, 2018	\$ 216,148	\$ 481,284	\$ 265,136

CITY OF IMPERIAL
FIRE IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 10	\$ 765	\$ 755
Charges for Services	15,000	26,710	11,710
Total Revenues	15,010	27,475	12,465
Expenditures:			
Current:			
Public Safety	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,510	27,475	14,965
Net Change in Fund Balance	12,510	27,475	14,965
Fund Balance - July 1, 2017	22,330	22,330	
Fund Balance - June 30, 2018	\$ 34,840	\$ 49,805	\$ 14,965

CITY OF IMPERIAL
POLICE IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 1,000	\$ 3,386	\$ 2,386
Charges for Services	45,000	50,923	5,923
Total Revenues	46,000	54,309	8,309
Expenditures:			
Current:			
Public Safety	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,500	54,309	10,809
Net Change in Fund Balance	43,500	54,309	10,809
Fund Balance - July 1, 2017	642,748	642,748	
Fund Balance - June 30, 2018	\$ 686,248	\$ 697,057	\$ 10,809

CITY OF IMPERIAL
ADMINISTRATION IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 800	\$ 3,222	\$ 2,422
Charges for Services	45,000	53,391	8,391
Total Revenues	45,800	56,613	10,813
Expenditures:			
Current:			
Community Development	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,300	56,613	13,313
Net Change in Fund Balance	43,300	56,613	13,313
Fund Balance - July 1, 2017	584,337	584,337	
Fund Balance - June 30, 2018	\$ 627,637	\$ 640,950	\$ 13,313

CITY OF IMPERIAL
LIBRARY IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 700	\$ 2,804	\$ 2,104
Charges for Services	30,000	50,780	20,780
Total Revenues	30,700	53,584	22,884
Expenditures:			
Current:			
Parks and Recreation	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,200	53,584	25,384
Net Change in Fund Balance	28,200	53,584	25,384
Fund Balance - July 1, 2017	452,178	452,178	
Fund Balance - June 30, 2018	\$ 480,378	\$ 505,762	\$ 25,384

CITY OF IMPERIAL
PARK IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 2,500	\$ 13,564	\$ 11,064
Charges for Services	180,000	289,994	109,994
Other		4,640	4,640
Total Revenues	<u>182,500</u>	<u>308,198</u>	<u>125,698</u>
Expenditures:			
Current:			
Parks and Recreation	<u>25,000</u>	<u>252,465</u>	<u>(227,465)</u>
Total Expenditures	<u>25,000</u>	<u>252,465</u>	<u>(227,465)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>157,500</u>	<u>55,733</u>	<u>(101,767)</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(38,000)</u>		<u>38,000</u>
Total Other Financing Sources (Uses)	<u>(38,000)</u>		<u>38,000</u>
Net Change in Fund Balance	119,500	55,733	(63,767)
Fund Balance - July 1, 2017	<u>1,920,728</u>	<u>1,920,728</u>	
Fund Balance - June 30, 2018	<u>\$ 2,040,228</u>	<u>\$ 1,976,461</u>	<u>\$ (63,767)</u>

CITY OF IMPERIAL
CIRCULATION IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Use of Money and Property	\$ 200	\$ 2,855	\$ 2,655
Charges for Services	90,000	90,340	340
Other		91,585	91,585
Total Revenues	90,200	184,780	94,580
Expenditures:			
Current:			
Public Works	2,500		2,500
Total Expenditures	2,500		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,700	184,780	97,080
Net Change in Fund Balance	87,700	184,780	97,080
Fund Balance - July 1, 2017	168,823	168,823	
Fund Balance - June 30, 2018	\$ 256,523	\$ 353,603	\$ 97,080

CITY OF IMPERIAL
EDA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,600,000	\$ -	\$ (1,600,000)
Total Revenues	<u>1,600,000</u>		<u>(1,600,000)</u>
Expenditures:			
Current:			
Community Development	<u>2,281,772</u>	<u>20,462</u>	<u>2,261,310</u>
Total Expenditures	<u>2,281,772</u>	<u>20,462</u>	<u>2,261,310</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(681,772)</u>	<u>(20,462)</u>	<u>661,310</u>
Net Change in Fund Balance	(681,772)	(20,462)	661,310
Fund Balance - July 1, 2017	<u>623,143</u>	<u>623,143</u>	
Fund Balance - June 30, 2018	<u>\$ (58,629)</u>	<u>\$ 602,681</u>	<u>\$ 661,310</u>

CITY OF IMPERIAL, CALIFORNIA

SINGLE AUDIT REPORT

June 30, 2018

City of Imperial

Single Audit Report

TABLE OF CONTENTS

	<u>Page</u>
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	1
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	9
Status of Prior Year's Findings	13



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**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 Honorable Mayor and Members of the City Council
of the City of Imperial
Imperial, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial (City), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 11, 2019.

Internal Control Over Financial Reporting

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

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. We did identify deficiencies in internal control (Finding 2018-1 through 2018-5) that we consider to be a significant deficiency.

Compliance and Other Matters

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

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.



Moss, Levy & Hartzheim, LLP
Culver City, California
March 11, 2019



MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Imperial's (City) 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's major federal programs for the fiscal year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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'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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, 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 fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the City 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'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 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's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 11, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 11, 2019

City of Imperial

Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Entity ID Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development:				
<i>Passed through Programs From:</i>				
<i>State of California Department of Housing and Community Development:</i>				
Community Development Block Grant	14.218	N/A	\$ 298,637	
Total U.S. Department of Housing and Urban Development			298,637	
U.S. Department of Transportation:				
<i>Passed through Programs From:</i>				
<i>California Department of Transportation:</i>				
Highway Planning and Construction	20.205	STPL-5134(019)	670,861	*
Highway Planning and Construction	20.205	N/A	1,639	*
Highway Planning and Construction	20.205	N/A	4,201	*
Highway Planning and Construction	20.205	RSTP-5134(019)	319,295	*
Total U.S. Department of Transportation			995,996	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,294,633	\$ -

* Denotes major program

See accompanying notes to the schedule of expenditures of federal awards

City of Imperial

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

1. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, City of Imperial (City), and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within special revenue and capital projects funds of the City. The City utilizes the modified accrual method of accounting for the special revenue, and capital projects funds. The accompanying Schedule of Expenditures of Federal Awards (Schedule) has been prepared accordingly.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California is included in the Schedule.

The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

The City has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

3. PROGRAM DESCRIPTIONS

U. S. Department of Housing and Urban Development

Community Development Block Grant/Entitlement Grant

The Community Development Block Grant/Entitlement Grant provides funding for communities to undertake a wide range of community-based activities directed toward neighborhood revitalization, economic development, and community services, facilities, and improvements. Entitlement communities develop their programs and set their funding priorities in conformance with the statutory standards, program regulations, and other federal requirements. Specific activities that can be carried out with Community Development Block Grant (CDBG) funds include acquisition of real property; relocation; clearance and demolition; rehabilitation of residential and nonresidential structures; provision of public facilities and improvements, such as water and sewer facilities (which require reviews by the State single point of contact or a Regional Planning Agency in accordance with Executive Order 12372), streets, and neighborhood centers.

City of Imperial

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

3. PROGRAM DESCRIPTIONS (CONTINUED)

U. S. Department of Transportation

Highway Planning and Construction

The objective of the Highway Planning and Construction cluster is to: (1) assist states in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the national highway system, including interstate highways and most other public roads; (2) provide aid for the repair of roads following disasters; (3) foster safe highway design and replace or rehabilitate structurally deficient or functionally obsolete bridges; and (4) provide for other special purposes.

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered
to be material weaknesses?

 X Yes _____ None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered
to be material weaknesses?

_____ Yes X None reported

Type of auditor’s report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with Uniform Guidance,
Section 510 (a)

_____ Yes X No

Identification of major program:

CFDA Number

Name of Federal Program or Cluster

20.205

Highway Planning and Construction

Dollar threshold used to distinguish between Type A
and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee:

_____ Yes X No

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section II – Findings – Financial Statement Audit

Significant Deficiencies

2018-1 Finding – Impact fee studies not updated in a timely manner

During our review of compliance, it was noted that the City's development impact fee studies from the fiscal year ended 2010 were not updated in a timely manner. California Government Code title 7, chapter 5, section 66001 requires that on the 5th year of the initial established of a development impact fee and every 5 years after, the City needs to 1)identify the purposes that the fees were put towards during the 5 year period 2)demonstrate the relationship between the fees and the purpose for which it was charged 3)identify the status and future status of current projects and/or new projects 4)update the estimated time of completion for projects.

Effect:

The City is not in compliance with California Government Code by not updating the impact fees in a timely manner.

Recommendation:

We recommend that the City ensure the impact fees studies be updated in a timely manner.

Management Report:

The City will ensure the Impact Fee Study is updated within the time required.

2018-2 Finding – Lack of control in the Human Resources and Payroll Departments:

During our review of internal controls, we noted a lack of controls in the Human Resources and Payroll Department. Specifically, payroll changes were being made by the payroll department prior to approval and documentation of approval by the HR department. In one case, we could not find an authorized payroll adjustment form for a salary increase already entered by the payroll department. In another case, required payroll changes were not made in a timely manner, requiring retroactive adjustments after the fact.

Effect:

A lack of control in the payroll and HR departments increases the risk that errors and irregularities may occur and go undetected. It could adversely affect the City's ability to initiate authorize, record or process report financial data reliably, which could lead to a misappropriation of funds.

Recommendation:

We recommend that the City ensure that wage changes and other personnel related changes should be approved and processed by the HR department prior to input and that all wage and payroll changes be made in a timely manner

Management Report:

The City will ensure appropriate paperwork is completed and that accruals are processed in a timely manner.

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section II – Findings – Financial Statement Audit (Continued)

Significant Deficiencies (Continued)

2018-3 Finding – Credit card statements missing receipts:

During our test of employee credit card, we noted that 2 out of 2 credit card statements tested had missing credit card receipts.

Effect:

When an employee credit card is paid without all appropriate receipts attached, it is difficult to determine if all charges were appropriate and allowable.

Recommendation:

We recommend that the City ensure employee credit cards are only paid when all receipts have been obtained.

Management Report:

The City will ensure the GANN Limit is adopted within the time required.

2018-4 Finding – City does not have an adopted Appropriation Limit:

The California Constitution Article XIII B requires that all California cities pass an appropriation limit (GANN Limit) for each fiscal year. City did not establish an appropriation limit in the initial year of adoption (1979) and has not adopted an appropriation in any subsequent year.

Effect:

By not passing an appropriation limit, the City is not in compliance with the California Constitution.

Recommendation:

We recommend that the City pass an appropriation limit based on the requirements of the California Constitution.

Management Report:

The City will ensure all credit card receipts are submitted prior to issuance of payment.

2018-5 Finding – Fixed asset schedule does not include adequate detail:

During our review of fixed assets, it was noted that the fixed assets schedule does not offer adequate detail as to the name, identifying numbers, vin number, or other information that is needed to be able to positively identify City assets.

Effect:

By not maintain adequate documentation for fixed assets, there is a greater chance of error going undetected or misappropriations going undetected that can lead to material misstatements.

Recommendation:

We recommend that the City perform a thorough fixed asset inventory and obtain and maintain a proper set of fixed asset records.

Management Report:

The City will ensure all fixed assets are recorded appropriately so detail information is available.

CITY OF IMPERIAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

None reported in the current year.

CITY OF IMPERIAL
STATUS OF PRIOR YEAR'S FINDINGS
For the Fiscal Year Ended June 30, 2018

Section IV – Prior Year Findings – Financial Statement Audit

None reported in the prior year.

CITY OF IMPERIAL
STATUS OF PRIOR YEAR'S FINDINGS
For the Fiscal Year Ended June 30, 2018

Section IV – Prior Year Findings – Major Federal Award Programs Audit

None reported in the prior year.

DATE SUBMITTED February 27, 2019

SUBMITTED BY Laura Gutierrez

DATE ACTION REQUIRED March 6, 2019

COUNCIL ACTION (x)

PUBLIC HEARING REQUIRED ()

RESOLUTION ()

ORDINANCE 1ST READING ()

ORDINANCE 2ND READING ()

CITY CLERK'S INITIALS ()

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: **DISCUSSION/ACTION – ACCPETANCE OF LTA MEASURE D SALES TAX FUND AUDIT.**

ACCEPTANCE OF LTA MEASURE D SALES TAX FUND AUDIT FOR THE FISCAL YEAR
ENDING JUNE 30, 2018.

DEPARTMENT INVOLVED: **FINANCE DEPARTMENT**

BACKGROUND/SUMMARY:

The audit was performed by The Pun Group. The auditing firm was contracted through the Imperial County Transportation Commission (ICTC) and the audit was presented on February 27, 2019 at their regular meeting to Receive, Approve, and File the audit with each corresponding agency.

LTA Measure D funds are distributed through the Imperial County Transportation Commission. These funds are received through a ½ cent transportation sales tax adopted in 1989. Funds distributed are for the purpose of repair and rehabilitation of existing roadways, to reduce congestion and improve safely, and to provide construction of needed facilities. Expenditures must be in accordance with the approved plan or amended plan as submitted to the authority.

FISCAL IMPACT:

No fiscal impact.

F.O. INITIALS VP

STAFF RECOMMENDATION:

After review and consideration by the Finance Department, it is recommended that the City Council accept the LTA Measure D Sales Tax Fund audit for filing.

MANAGER'S RECOMMENDATION:

MANAGER'S INITIALS MD

After review and consideration by the City Manager, it is recommended that the City Council accept the LTA Measure D Sales Tax Fund audit.

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()
DISAPPROVED ()

REJECTED ()
DEFERRED ()

REFERRED TO:



Imperial County Local Transportation Authority

1503 N. Imperial Ave., Suite 104, El Centro, CA, 92243
Phone: 760-592-4494 | Fax: 760-592-4410

AGENDA

WEDNESDAY, FEBRUARY 27, 2019
6:00 PM or immediately after the ICTC meeting

County Administration Building, 2nd Floor
Board of Supervisors Chambers
940 W. Main St.
El Centro, CA 92243

CHAIRPERSON: ROBERT AMPARANO

EXECUTIVE DIRECTOR: MARK BAZA

Individuals wishing accessibility accommodations at this meeting, under the Americans with Disabilities Act (ADA), may request such accommodations to aid hearing, visual, or mobility impairment by contacting ICTC offices at (760) 592-4494. Please note that 48 hours advance notice will be necessary to honor your request.

I. CALL TO ORDER AND ROLL CALL

II. EMERGENCY ITEMS

- A. Discussion/Action of emergency items, if necessary.

III. PUBLIC COMMENTS

Any member of the public may address the Authority for a period not to exceed three minutes on any item of interest not on the agenda within the jurisdiction of the Authority. The Authority will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

IV. CONSENT CALENDAR

- A. Approval of LTA Board Draft Minutes for October 24, 2019 Page 4

V. REPORTS

- A. LTA Executive Director Report Page 7

VI. ACTION CALENDAR

- A. Fund Request to the Local Transportation Authority (LTA) – Calexico East Port of Entry Bridge Expansion Project Page 9

The ICTC Management Committee met on February 20, 2019 and forwards this item to the LTA Board for review and approval, after the receipt of public comment:

1. Approve the allocation for funding needed in the amount of \$1.844 Million for expansion of the Calexico East Port of Entry Bridge Expansion project, from the LTA 5% Regional Highway Set-Aside from the Measure D allocations; and,

2. Authorize the Executive Director to execute the necessary agreements between Caltrans, the Imperial County Local Transportation Authority, and the U.S. Department of Transportation.

B. Adoption of the Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2018 Page 16

The Pun Group will present an overview of the Audit.

The Local Taxpayer Supervising Committee (LTSC) or "Oversight Committee" met on February 21, 2019 and forwards this item to the LTA for their review and approval after public comment, if any:

- I. Receive, Approve and File the FY 2017-18 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calipatria, Calexico, El Centro, Holtville, Imperial, Westmorland, the County of Imperial and the ICLTA.

VII. ADJOURNMENT

A. Motion to Adjourn

City of Imperial Measure D Sales Tax Fund

Imperial, California

Financial Statement and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2018

City of Imperial
Measure D Sales Tax Fund
For the Year Ended June 30, 2018

Table of Contents

	<u>Page</u>
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
 Financial Statement:	
Statement of Revenues and Allowable Expenditures	5
Notes to the Financial Statement.....	9
 Other Reports:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with <i>Government Auditing Standards</i> and <i>Measure D Compliance Requirements</i>.....	15
 Other Information:	
Schedule of Assets, Liabilities and Fund Balance	19
Schedule of Revenues, Expenditures and Change in Fund Balance	20
Five Year Program of Projects	21

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial, California ("City") for the year ended June 30, 2018, and the related notes to the financial statement, 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 statement 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 statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement 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 Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund of the City of Imperial and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2018, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 19 through 21 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

The Pw Group, LLP

San Diego, California
February 26, 2019

FINANCIAL STATEMENT

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City of Imperial
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2018

Revenues:

Sales tax	\$ 789,327
Interest	11,431
Other	<u>13,477</u>
Total revenues	<u>814,235</u>

Expenditures:

Current:	
Road repairs and maintenance	<u>1,578,878</u>
Total expenditures	<u>1,578,878</u>

Revenues Over (Under) Expenditures	<u>(764,643)</u>
---	------------------

Other Financing Sources (Uses):

Proceeds from Issuance of Bonds	266,188
Transfer out to City for Measure D projects	<u>(100,418)</u>
Total Other Financing Sources (Uses)	<u>165,770</u>

Change in Fund Balance	<u><u>\$ (598,873)</u></u>
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NOTES TO THE FINANCIAL STATEMENTS

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City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the “Authority”) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Imperial has an established special revenue fund to account for revenues and expenditures related to Ordinance 1, 2008.

City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2018, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Imperial and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 1,254,758
Withheld for debt service	465,431
Net allocable sales tax	<u><u>\$ 789,327</u></u>

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note 4 – Transfers Out to City

The City recorded a transfer out of \$100,418 to reflect the reimbursement of costs incurred in another City fund for Measure D eligible projects.

Note 5 – Bond Proceeds

On May 1, 2012, the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The bond proceeds are held by the Authority until a reimbursement is requested by the City. During the year ended June 30, 2018, the City requested and received \$266,188 in bond proceeds.

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OTHER REPORTS

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

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, 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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial, California ("City"), for the year ended June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February 26, 2019. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), 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 instance of noncompliance which is required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California
Page 2

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.

The Pw Group, LLP

San Diego, California
February 26, 2019

OTHER INFORMATION
(unaudited)

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City of Imperial
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2018

Assets:

Cash and cash equivalent	\$ 3,482,592
Interest receivable	<u>3,252</u>
Total assets	<u><u>\$ 3,485,844</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	<u>\$ 3,315</u>
Total liabilities	<u>3,315</u>

Fund Balance:

Restricted	
Road repairs and maintenance	<u>3,482,529</u>
Total fund balance	<u>3,482,529</u>
Total liabilities and fund balance	<u><u>\$ 3,485,844</u></u>

City of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:

Sales tax	\$ 789,327
Interest	11,431
Other	<u>13,477</u>
Total revenues	<u>814,235</u>

Expenditures:

Current:	
Road repairs and maintenance	<u>1,578,878</u>
Total expenditures	<u>1,578,878</u>

Revenues Over (Under) Expenditures	<u>(764,643)</u>
---	------------------

Other Financing Sources (Uses):

Bond proceeds	266,188
Transfer out to City for Measure D projects	<u>(100,418)</u>
Total Other Financing Sources (Uses)	<u>165,770</u>

Change in Fund Balance	(598,873)
-------------------------------	-----------

Fund Balance:

Beginning of year	<u>4,081,402</u>
End of year	<u><u>\$ 3,482,529</u></u>

City of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018

STREET	LOCATION	PROJECT DESCRIPTION
Various Streets	Various Limits	Rehab/Maintenance
Town Core-	South of 15th Street, west of P Street, north of 1st Street and east of B Street	Const/Rehab/Maintenance
South West	South of Worthington Rd, west of Hwy 86, north of Treshill Rd, and east of Austin Rd	Const/Rehab/Maintenance
South East	South of Worthington Rd, west of Dogwood Rd, north of Treshill Rd, and east of Hwy 86	Const/Rehab/Maintenance
North West	North of Worthington Rd, West of Hwy 86, south of Larsen Rd, east of Austin Rd	Const/Rehab/Maintenance
North East	North of Worthington Rd, West of Dogwood Rd, south of Larsen Rd, and east of Hwy 86	Const/Rehab/Maintenance

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DATE SUBMITTED

2/27/2019

SUBMITTED BY

City Manager's
Office

DATE ACTION REQUIRED

3/06/2019

COUNCIL ACTION

PUBLIC HEARING REQUIRED

RESOLUTION

ORDINANCE 1ST READINGORDINANCE 2ND READING

CITY CLERK'S INITIALS

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IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: DEVELOPMENT MANAGEMENT GROUP, INC.

1. APPROVAL OF PROFESSIONAL SERVICES AGREEMENT BETWEEN CITY OF IMPERIAL AND DEVELOPMENT MANAGEMENT GROUP, INC. FOR ECONOMIC DEVELOPMENT CONSULTING FOR A TWO YEAR TERM IN THE AMOUNT OF \$96,000.00.

DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE

BACKGROUND/SUMMARY:

The City of Imperial continues to utilize the services of Development Management Group, Inc (DMG). Over the course of our contract, DMG has for retail recruitment and economic development for the purposes of expanding the goods and services market for Imperial residents. DMG shall serve as an economic ombudsman to the City of Imperial and those parties interested in making economic investments. In the role of ombudsman, DMG shall assist in shepherding projects through the entitlement and permit process. DMG shall be furnished with office, mobile phone and email contact information for all department heads in the City of Imperial and authorized alternate contacts. The City of Imperial shall endeavor to return all communication from DMG, Inc. regarding projects and clients (usually status-type or technical communication) four (4) business hours.

Please see the attached contract and exhibits for more information.

FISCAL IMPACT: Please note: The proposed contract is for the term of two calendar years. Therefore the total contract amount is split over the term of three fiscal years; including the remainder of FY 18-19.

Total Fiscal Impact Not to Exceed: \$96,000.00,

FINANCE
INITIALS



STAFF RECOMMENDATION: It is Staff's recommendation to approve the contract for the term of two calendars years between the City of Imperial and DMG, Inc.

DEPT. INITIALS



MANAGER'S RECOMMENDATION: It is the City Manager's recommendation to approve the agreement between DMG, Inc. for the term of two calendar years for Economic Development Consulting Services

CITY
MANAGER'S
INITIALS



MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REFERRED TO:

REJECTED ()

DEFERRED ()

AGREEMENT FOR PROFESSIONAL SERVICES

This ("AGREEMENT"), is made and effective as of March 20, 2019 between the CITY OF IMPERIAL, a municipal corporation ("AGENCY") and DEVELOPMENT MANAGEMENT GROUP, INC., a corporation ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

I. TERM

This AGREEMENT shall commence on March 20, 2019 and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2020 unless sooner terminated pursuant to the provisions of this AGREEMENT.

II. SERVICES

CONSULTANT shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. CONSULTANT shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. To the extent that Exhibit A is a proposal from CONSULTANT, such proposal is incorporated only for the description of the scope of services and no other terms and conditions from any such proposal shall apply to this AGREEMENT unless specifically agreed to in writing.

III. PERFORMANCE

CONSULTANT shall at all times faithfully, competently and to the best of his ability, experience, and talent, perform all tasks described herein. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONSULTANT hereunder in meeting its obligations under this AGREEMENT.

IV. AGENCY MANAGEMENT

Agency's MANAGER shall represent AGENCY in all matters pertaining to the administration of this AGREEMENT, review and approval of all products submitted by CONSULTANT, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to CONSULTANT. Agency's Manager shall be authorized to act on AGENCY's behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change CONSULTANT's compensation, subject to Section 5 hereof.

V. PAYMENT

- A. The AGENCY agrees to pay CONSULTANT a monthly retainer not to exceed \$4,000.00, This amount shall not exceed ninety six thousand dollars (\$96,000.00) for the total term of the AGREEMENT unless additional payment is approved as provided in this AGREEMENT.
- B. CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the Agency Manager. CONSULTANT shall be compensated for any additional services in the amounts and in the manner as agreed to by Agency Manager and CONSULTANT at the time AGENCY's written authorization is given to CONSULTANT for the performance of said services. The Agency Manager may approve additional work not to exceed ten percent (10%) of the amount of the AGREEMENT, but in no event shall such sum exceed ten-thousand dollars (\$10,000.00). Any additional work in excess of this amount shall be approved by the Governing Board.
- C. CONSULTANT will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the AGENCY disputes any of CONSULTANT's fees it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this AGREEMENT shall be made within forty-five (45) days of receipt of an invoice therefore.

VI. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- A. The AGENCY may at any time, for any reason, with or without cause, suspend or terminate this AGREEMENT, or any portion hereof, by serving upon the CONSULTANT at least sixty (60) days prior written notice. Upon receipt of said notice, the CONSULTANT shall immediately cease all work under this AGREEMENT, unless the notice provides otherwise. If the AGENCY suspends or terminates a portion of this AGREEMENT such suspension or termination shall not make void or invalidate the remainder of this AGREEMENT.
- B. In the event this AGREEMENT is terminated pursuant to this Section, the AGENCY shall pay to CONSULTANT the actual value of the work performed up to the time of termination, provided that the work performed is of value to the AGENCY. Upon termination of the AGREEMENT pursuant to this Section, the CONSULTANT will submit an invoice to the AGENCY pursuant to Section 5. AGENCY will have thirty (30) days for which to make payment to CONSULTANT for all work performed prior to termination.

VII. DEFAULT OF CONSULTANT

- A. The CONSULTANT's failure to comply with the provisions of this AGREEMENT shall constitute a default. In the event that CONSULTANT is in default for cause under the terms of this AGREEMENT, AGENCY shall have no obligation or duty to continue compensating CONSULTANT for any work performed after the date of default and can terminate this AGREEMENT immediately by written notice to the CONSULTANT. If such failure by the CONSULTANT to make progress in the performance of work hereunder arises out causes beyond the CONSULTANT's control, and without fault or negligence of the CONSULTANT, it shall not be considered a default.
- B. If the Agency Manager or his designee determines that the CONSULTANT is in default in the performance of any of the terms or conditions of this AGREEMENT, he shall cause to be served upon the CONSULTANT a written notice of the default. The CONSULTANT shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the CONSULTANT fails to cure its default within such period of time or fails to present the AGENCY with a written plan for the cure of the default, the AGENCY shall have the right, notwithstanding any other provision of this AGREEMENT, to terminate this AGREEMENT without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this AGREEMENT.

VIII. OWNERSHIP OF DOCUMENTS

- A. CONSULTANT shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by AGENCY that relate to the performance of services under this AGREEMENT. CONSULTANT shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide free access to the representatives of AGENCY or its designees at reasonable times to such books and records; shall give AGENCY the right to examine and audit said books and records; shall permit AGENCY to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this AGREEMENT. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.
- B. Upon completion of, or in the event of termination or suspension of this AGREEMENT, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the

course of providing the services to be performed pursuant to this AGREEMENT shall become the sole property of the AGENCY and may be used, reused, or otherwise disposed of by the AGENCY without the permission of the CONSULTANT. With respect to computer files, CONSULTANT shall make available to the AGENCY, at the CONSULTANT's office and upon reasonable written request by the AGENCY, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. CONSULTANT hereby grants to AGENCY all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by CONSULTANT in the course of providing the services under this AGREEMENT.

IX. INDEMNIFICATION AND DEFENSE

A. Indemnity

To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless AGENCY and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by the negligent or wrongful act, error or omission of CONSULTANT, its officers, agents, employees or subconsultants (or any agency or individual that CONSULTANT shall bear the legal liability thereof) in the performance of services under this AGREEMENT. CONSULTANT's duty to indemnify and hold harmless AGENCY shall not extend to the AGENCY's sole or active negligence.

B. Duty to defend

In the event the AGENCY, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this AGREEMENT, and upon demand by AGENCY, CONSULTANT shall defend the AGENCY at CONSULTANT's cost or at AGENCY's option, to reimburse AGENCY for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters to the extent the matters arise from, relate to or are caused by CONSULTANT's negligent acts, errors or omissions. Payment by AGENCY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and AGENCY, as to whether liability arises from the sole or active negligence of the AGENCY or its officers, employees, or agents, CONSULTANT will be obligated to pay for AGENCY's defense until such time as a final judgment has been entered adjudicating the AGENCY as solely or actively negligent. CONSULTANT will not be entitled in the absence of such a determination to any

reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

X. INSURANCE

CONSULTANT shall maintain prior to the beginning of and for the duration of this AGREEMENT insurance coverage as specified in Exhibit C attached to and part of this AGREEMENT.

XI. INDEPENDENT CONSULTANT

- A. CONSULTANT is and shall at all times remain as to the AGENCY a wholly independent consultant and/or independent contractor. The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither AGENCY nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the AGENCY. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against AGENCY, or bind AGENCY in any manner.
- B. No employee benefits shall be available to CONSULTANT in connection with the performance of this AGREEMENT. Except for the fees paid to CONSULTANT as provided in the AGREEMENT, AGENCY shall not pay salaries, wages, or other compensation to CONSULTANT for performing services hereunder for AGENCY. AGENCY shall not be liable for compensation or indemnification to CONSULTANT for injury or sickness arising out of performing services hereunder.

XII. LEGAL RESPONSIBILITIES

The CONSULTANT shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this AGREEMENT. The CONSULTANT shall at all times observe and comply with all such laws and regulations. The AGENCY, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this Section.

XIII. UNDUE INFLUENCE

CONSULTANT declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the AGENCY in connection with the award, terms or implementation of this AGREEMENT,

including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the AGENCY has or will receive compensation, directly or indirectly, from CONSULTANT, or from any officer, employee or agent of CONSULTANT, in connection with the award of this AGREEMENT or any work to be conducted as a result of this AGREEMENT. Violation of this Section shall be a material breach of this AGREEMENT entitling the AGENCY to any and all remedies at law or in equity.

XIV. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of AGENCY, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this AGREEMENT.

XV. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

- A. All information gained by CONSULTANT in performance of this AGREEMENT shall be considered confidential and shall not be released by CONSULTANT without AGENCY's prior written authorization. CONSULTANT, its officers, employees, agents, or subconsultants, shall not without written authorization from the Agency Manager or unless requested by the Agency Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this AGREEMENT or relating to any project or property located within the AGENCY. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives AGENCY notice of such court order or subpoena.
- B. CONSULTANT shall promptly notify AGENCY should CONSULTANT, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this AGREEMENT and the work performed there under or with respect to any project or property located within the AGENCY, unless the AGENCY is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless CONSULTANT is prohibited by law from informing the AGENCY of such Discovery. AGENCY retains the right, but has no obligation, to represent CONSULTANT and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless AGENCY is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to CONSULTANT in such proceeding, CONSULTANT agrees to cooperate fully with AGENCY and to provide the opportunity to review any response to

discovery requests provided by CONSULTANT. However, AGENCY's right to review any such response does not imply or mean the right by AGENCY to control, direct, or rewrite said response.

- C. CONSULTANT covenants that neither he/she nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly or indirectly, which will conflict in any manner or degree with the performance of their services hereunder. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having such interest shall be employed by them as an officer, employee, agent, or sub-consultant. CONSULTANT further covenants that CONSULTANT has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the AGENCY or the study area and further covenants and agrees that CONSULTANT and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the AGENCY or the study area prior to the completion of the work under this AGREEMENT.

XVI. NOTICES

Any notices which either party may desire to give to the other party under this AGREEMENT must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To AGENCY:	City of Imperial 420 S Imperial Avenue Imperial, CA 92251 Attention: Stefan T. Chatwin
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To CONSULTANT:	Development Management Group, Inc. 41-625 Eclectic Street, Suite D-2 Palm Desert, CA 92260 Attention: Michael Bracken
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XVII. ASSIGNMENT

The CONSULTANT shall not assign the performance of this AGREEMENT, nor any part thereof, nor any monies due hereunder, without prior written consent of the AGENCY. Because of the personal nature of the services to be rendered pursuant to this AGREEMENT, only CONSULTANT shall perform the services

described in this AGREEMENT. Michael Bracken may use assistants, under his/her direct supervision, to perform some of the services under this AGREEMENT. CONSULTANT shall provide AGENCY thirty (30) days' notice prior to the departure of Michael Bracken from CONSULTANT's employ. Should he/she leave CONSULTANT's employ, the AGENCY shall have the option to immediately terminate this AGREEMENT, within three (3) days of the close of said notice period. Upon termination of this Agreement, CONSULTANT's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the Governing Board and the CONSULTANT. Before retaining or contracting with any CONSULTANT for any services under this AGREEMENT, CONSULTANT shall provide AGENCY with the identity of the proposed CONSULTANT, a copy of the proposed written contract between CONSULTANT and such sub-consultant which shall include an indemnity provision similar to the one provided herein and identifying AGENCY as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed sub-consultant carries insurance at least equal to that required by this AGREEMENT or obtain a written waiver from AGENCY for such insurance.

XVIII. LICENSES

At all times during the term of this AGREEMENT, CONSULTANT shall have in full force and effect, all licenses required of it by law for the performance of the services described in this AGREEMENT.

XIX. GOVERNING LAW

The AGENCY and CONSULTANT understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this AGREEMENT and also govern the interpretation of this Agreement. Any litigation concerning this AGREEMENT shall take place in the municipal, superior, or federal district court with jurisdiction over the AGENCY.

XX. ENTIRE AGREEMENT

This AGREEMENT contains the entire understanding between the parties relating to the obligations of the parties described in this AGREEMENT. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this AGREEMENT or with respect to the terms and conditions of this AGREEMENT, are merged into this AGREEMENT and shall be of no further force or effect. Each party is entering into this AGREEMENT based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

XXI. WORK SCHEDULED/TIME OF COMPLETION

AGENCY and CONSULTANT agree that time is of the essence in this AGREEMENT. AGENCY and CONSULTANT further agree that CONSULTANT's failure to perform on or at the times set forth in this AGREEMENT will damage and injure AGENCY, but the extent of such damage and injury is difficult or speculative to ascertain. Consequently, AGENCY and CONSULTANT agree that any failure to perform by CONSULTANT at or within the times set forth herein shall result in liquidated damages. AGENCY and CONSULTANT agree that such sum is reasonable and fair. Furthermore, AGENCY and CONSULTANT agree that this AGREEMENT is subject to Government Code Section 53069.85 and that each party hereto is familiar with and understands the obligations of said Section of the Government Code.

XXII. CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

CONSULTANT is bound by the contents of CONSULTANT'S Proposal, Exhibit "D" hereto and incorporated herein by this reference. In the event of conflict, the requirements of AGENCY's Request for Proposals and this AGREEMENT shall take precedence over those contained in the CONSULTANT's proposals. The incorporation of the CONSULTANT's proposal shall be for the scope of services to be provided only, and any other terms and conditions included in such proposal shall have no force and effect on this AGREEMENT or the relationship between CONSULTANT and/or AGENCY, unless expressly agreed to in writing.

XXIII. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this AGREEMENT on behalf of CONSULTANT warrants and represents that he/she has the authority to execute this AGREEMENT on behalf of the CONSULTANT and has the authority to bind CONSULTANT to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

CONSULTANT

DEVELOPMENT MANAGEMENT GROUP, INC.

By: _____
MICHAEL BRACKEN, OWNER

CITY OF IMPERIAL
A Municipal Corporation

ATTEST:

APPROVED AS TO FORM:
DENNIS MORITA, CITY ATTORNEY

By: _____

Rev. 1/18

EXHIBIT A

TASKS TO BE PERFORMED

1. DMG shall create, build and maintain relationships with:

Economic Development Committee/Commission
Chamber of Commerce/Hotelier's Association/Visitor's Center
City Council
Community Development/Planning
Public Works/Engineering
Finance
City Manager's Office
Film Commission
City Attorney's Office
Other professional service consultants under contract

2. DMG shall create new relationships and ongoing communication lines with:

Real Estate Developers
Commercial and Residential Real Estate Brokers
Lending Sources (Banks and other Lending Institutions)
Retailers
Industrial Development Users
Renewable Energy Developers and Users
Additional Potential Businesses that may add to the Employment or Economic Base of the City of Imperial

3. Point of Contact

DMG shall serve as the initial point of contact for developers and businesses that seek to locate in the City of Imperial. DMG shall avail office and mobile phone contact along with email for use by said businesses to communicate with DMG.

4. Ombudsman

DMG shall serve as an economic ombudsman to the City of Imperial and those parties interested in making economic investments. In the role of ombudsman, DMG shall assist in shepherding projects through the entitlement and permit process. DMG shall be furnished with office, mobile phone and email contact information for all department heads in the City of Imperial and authorized alternate contacts. The City of Imperial shall endeavor to return all communication from DMG, Inc. regarding projects and clients (usually status-type or technical communication) four (4) business hours.

5. Sales & Marketing

DMG shall take the lead in the sales & marketing of the City of Imperial to targeted businesses, industries and professionals that could lead to economic investment in the City. This shall include, but not limited to industry groups (such as the International Council of Shopping Centers (and their members)), the Imperial Valley Economic Development Corporation, other identified regional/sub-regional economic development organizations and planning/hosting the annual Tour of Imperial.

6. Technical Assistance

On an as-needed basis, DMG shall work with identified persons and companies seeking to make economic investments in the City of Imperial and provide them with the names and contact information for persons and entities within the region that can assist them with their endeavors (such referrals could include architects, financial sources, EB-5 (foreign direct investors), accountants and other professional services). Referrals shall be made to those persons/entities in which there is no financial or business conflict between that entity and DMG. Additionally, where possible, DMG shall provide multiple referrals so that there is no preference shown.

7. Economic Impact Analysis

As projects move through the entitlement or permitting process, DMG shall produce an economic impact analysis (brief version) for said projects at the request of the City Manager and/or Community Development Director.

8. Demographics/Economic Updates

DMG shall avail a demographic analysis to the City Council, Chamber of Commerce and other business/community organizations in the City of Imperial on an annual basis. Further, DMG shall produce an annual economic brief for the City, Chamber and community utilizing available and generally respected third-party data.

9. Reporting/Invoicing

DMG shall create and provide a monthly invoice showing the number of hours worked on projects for the City of Imperial. Said invoices shall be paid within 30 days of receipt by the City.

Additionally, DMG shall provide the City of Imperial appropriate project updates either verbally (in the case of certain projects that may need additional confidentiality) or in writing on not less than a monthly basis. Further, DMG shall meet with the City Manager of the City of Imperial (by conference call or in person) at a minimum of once a month to discuss projects and updates.

10. Other Duties as Requested/Mutually Agreed

It is understood that Michael Bracken, as an individual and managing partner of Development Management Group, Inc. has extensive experience in both municipal management and economic development and as such he will avail himself to other duties that may be requested by the City Manager for the City of Imperial in which are mutually agreeable.

EXHIBIT B

PAYMENT SCHEDULE

The City shall pay consultant for the services described herein as follows:

Years 1 & 2 (2019 and 2020 Calendar Years):

DMG, Inc. shall be compensated at a monthly retainer of \$4,000 per month. It is expected that DMG, Inc. shall commit sufficient time on a monthly basis to economic development efforts to the City of Imperial. DMG, Inc. shall maintain appropriate timesheet documentation that will be available at the request of the City Attorney for the City of Imperial, CA. In general, DMG, Inc. shall average about 50 hours a month in this endeavor. Some months (especially those that involve business recruitment events) shall likely be more while others may reflect less hours.

DMG, Inc. will generally work remotely (in our offices in Palm Desert, CA or Carlsbad, CA) in an effort to be cost efficient. DMG, Inc. has significant experience in working in a remote environment utilizing conference calling, electronic mail, document storage and transfer services and communication software. To the extent that travel to the City of Imperial is needed (or to the business location of a particular potential business investor): DMG, Inc. will bill the City of Imperial appropriate mileage (as stated within the Internal Revenue Service regulations, currently 54 cents per mile).

DMG, Inc. shall be responsible for ancillary costs associated with certain office supply type materials in preparation for various projects (not inclusive of commercial-type designs or commercial scale/quality printing). All payments to Consultant shall be paid by the City of Imperial within thirty (30) days of submittal of an invoice and a signed United States Internal Revenue Service W-9.

DMG, Inc. does not bill separately for "retainer included expenses" which shall include travel to Las Vegas, Los Angeles or Phoenix for business recruitment events (ICSC-Las Vegas, ICSC-Los Angeles or The Lodging Conference). Retainer included expenses shall include transportation, hotel and meals to these three locations/events.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting CONSULTANT's indemnification of AGENCY, and prior to commencement of Work, CONSULTANT shall obtain, provide and maintain at its own expense during the term of this AGREEMENT, policies of insurance of the type and amounts described below and in a form satisfactory to AGENCY.

General liability insurance. CONSULTANT shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. CONSULTANT shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this AGREEMENT, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

Professional liability (errors & omissions) insurance. CONSULTANT shall maintain professional liability insurance that covers the Services to be performed in connection with this AGREEMENT, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this AGREEMENT and CONSULTANT agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this AGREEMENT.

Workers' compensation insurance. CONSULTANT shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

CONSULTANT shall submit to AGENCY, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of AGENCY, its officers, agents, employees and volunteers.

Umbrella or excess liability insurance. CONSULTANT shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrency of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

Proof of insurance. CONSULTANT shall provide certificates of insurance to AGENCY as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by Agency's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with AGENCY at all times during the term of this contract. AGENCY reserves the right to require complete, certified copies of all required insurance policies, at any time.

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

Primary/noncontributing. Coverage provided by CONSULTANT shall be primary and any insurance or self-insurance procured or maintained by AGENCY shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of AGENCY before the AGENCY's own insurance or self-insurance shall be called upon to protect it as a named insured.

Agency's rights of enforcement. In the event any policy of insurance required under this AGREEMENT does not comply with these specifications or is canceled and not replaced, AGENCY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by AGENCY will be promptly reimbursed by CONSULTANT or AGENCY will withhold amounts sufficient to pay premium from CONSULTANT payments. In the alternative, AGENCY may cancel this AGREEMENT.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI

(or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Agency's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against AGENCY, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow CONSULTANT or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONSULTANT hereby waives its own right of recovery against AGENCY, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). CONSULTANT acknowledges and agrees that any actual or alleged failure on the part of the AGENCY to inform CONSULTANT of non-compliance with any requirement imposes no additional obligations on the AGENCY nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section 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 as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the AGENCY requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the AGENCY.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to AGENCY with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that AGENCY and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to AGENCY and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. CONSULTANT agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by CONSULTANT, provide the same minimum insurance coverage and endorsements required of CONSULTANT. CONSULTANT agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONSULTANT agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to AGENCY for review.

Agency's right to revise specifications. The AGENCY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONSULTANT ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the CONSULTANT, the AGENCY and CONSULTANT may renegotiate CONSULTANT's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by AGENCY. AGENCY reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by AGENCY.

Timely notice of claims. CONSULTANT shall give AGENCY prompt and timely notice of claims made or suits instituted that arise out of or result from CONSULTANT's performance under this AGREEMENT, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. CONSULTANT shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

EXHIBIT D
CONSULTANT'S PROPOSAL

BUSINESS CONSULTING AGREEMENT

Mr. Stefan Chatwin, City Manager
City of Imperial, California
420 South Imperial Avenue
Imperial, CA 92251

RE: Business Consulting Agreement No. 010119: City of Imperial: Economic Development Consulting

Dear Mr. Chatwin:

Thank you for the opportunity to present to you this Business Consulting Agreement (BCA) to continue to provide economic development consulting services to the City of Imperial, California. The purpose of this BCA is to detail services that Development Management Group, Inc. will provide in assisting the City of Imperial with economic investment efforts to expand your local economy.

This document shall detail the agreement between the City of Imperial, a California Municipal Government (hereinafter referred to as "City") and Development Management Group, Inc. (hereinafter referred to as "Consultant").

This Agreement shall act as a Representation Authorization for purposes of meeting with appropriate and applicable officials for activities as directed by City in connection with the tasks described below.

Review of Previous Work

DMG, Inc. has had the privilege of working with the City of Imperial for the last couple of years. During that time, we have worked on the following initiatives/projects:

- a. Complete an Economic Development Strategic Plan for the City of Imperial.
- b. Completed Fiscal Impact Analysis of potential annexations into the City.
- c. Produce Annual Demographic/Market Analysis Briefs that are used to introduce the City/community to economic investors.
- d. Represented the City of Imperial at ICSC-Las Vegas (2), ICSC-Los Angeles (2) and The Lodging Conference (2).
- e. Served as a City Representative to communicate and work with the developer of the hotel project at the north end of the City.
- f. Served as the recruiter and ombudsperson for Pearson Winery.

- g. Served as the recruiter and ombudsperson for AutoZone.
- h. Serving as the City representative, recruiter and ombudsperson for the 15th Street Land currently in escrow with Halferty Development.
- i. Serving as the City representative, recruiter and ombudsperson working with the Colorado River Regional Water Quality Control District, Dollar General, Dynamic Development and Lundin Development in regards to the site at the corner of 6th Street and Highway 86 in Imperial (currently in escrow between Dollar General and Lundin Development).
- j. Serving as an ombudsperson for the proposed Fiesta Foods expansion into the City of Imperial.

Professional Services of DMG, Inc.

1. DMG, Inc. is qualified to complete demographic research for the City of Imperial and the surrounding market area.
2. DMG, Inc. is qualified to complete retail market opportunity analysis for the City of Imperial and the surrounding market area.
3. DMG, Inc. is qualified to prepare customized research for particular companies that the City of Imperial is targeting for location, expansion and/or relocation.
4. DMG, Inc. is qualified to make specific presentations to business prospects (retail, commercial and industrial) in support of efforts to attract additional investment into the community.
5. DMG, Inc. is qualified to complete economic, employment and fiscal impact analysis of proposed development projects in an effort to properly provide information to the residents, businesses, councilmembers and staff within the City of Imperial.
7. DMG, Inc. is qualified to complete appropriate preparation and represent the City of Imperial at industry trade-shows including the International Council of Shopping Centers (ICSC) Las Vegas International, San Diego Western Regional Conference(s) and other trade events for retail, commercial and industrial.
8. DMG, Inc. is qualified to provide customized market research for a variety of industries (in addition to retail, which is specified above).
9. DMG, Inc. is qualified to provide ombudsman services to the City of Imperial serving as a go-between and on-going communicator between the City and a developer/development project.
10. DMG, Inc. is qualified to provide economic development training to community members, business leaders, councilmembers and staff (DMG, Inc. has previously designed a 2-3 hour certification course that has been presented over 10 times in various communities).
11. DMG, Inc. is able to provide other economic development and post-redevelopment related services as needed.

12. DMG, Inc. is both qualified and experienced in the creation and maintenance of relationships with both retailers and retail developers across Southern California and shall be responsible for properly introducing market and location opportunity to said contacts on behalf of the City of Imperial.

13. DMG, Inc. is qualified and experienced in the implementation of an Economic Development Strategic Plan to attract economic investment.

Hold Harmless

Development Management Group, Inc. shall hold the City of Imperial harmless regarding any claims resulting from personal injury or automobile accidents.

Termination

DMG, Inc. is proposing the above as a two-year agreement. If it is determined that DMG, Inc. has not or is not able to perform the work in this Agreement, the City of Imperial shall have the right to terminate this Agreement with sixty (60) days written notice. At such time, Consultant shall have the right to submit an invoice for work performed to date along with the actual work performed to the City of Imperial. The City of Imperial shall have thirty (30) days for which to make payment to Consultant for all work performed prior to termination.

Compensation and Retainer Included Expenses

The City shall pay consultant for the services described herein as follows:

Years 1 & 2 (2019 and 2020 Calendar Years):

DMG, Inc. shall be compensated at a monthly retainer of \$4,000 per month. It is expected that DMG, Inc. shall commit sufficient time on a monthly basis to economic development efforts to the City of Imperial. DMG, Inc. shall maintain appropriate timesheet documentation that will be available at the request of the City Attorney for the City of Imperial, CA. In general, DMG, Inc. shall average about 50 hours a month in this endeavor. Some months (especially those that involve business recruitment events) shall likely be more while others may reflect less hours.

DMG, Inc. will generally work remotely (in our offices in Palm Desert, CA or Carlsbad, CA) in an effort to be cost efficient. DMG, Inc. has significant experience in working in a remote environment utilizing conference calling, electronic mail, document storage and transfer services and communication software. To the extent that travel to the City of Imperial is needed (or to the business location of a particular potential business investor): DMG, Inc. will bill the City of Imperial appropriate mileage (as stated within the Internal Revenue Service regulations, currently 54 cents per mile).

DMG, Inc. shall be responsible for ancillary costs associated with certain office supply type materials in preparation for various projects (not inclusive of commercial-type designs or commercial scale/quality printing). All payments to Consultant shall be paid by the City of Imperial within thirty (30) days of submittal of an invoice and a signed United States Internal Revenue Service W-9.

DMG, Inc. does not bill separately for “retainer included expenses” which shall include travel to Las Vegas, Los Angeles or Phoenix for business recruitment events (ICSC-Las Vegas, ICSC-Los Angeles or The Lodging Conference). Retainer included expenses shall include transportation, hotel and meals to these three locations/events.

Additionally, DMG, Inc. does represent multiple (non-competitive clients) and is able to provide an economy of scale for certain presence at ICSC-Las Vegas and ICSC-Los Angeles and is able to offer partnering into meeting space/trade show booth without requesting any additional compensation.

In regards to The Lodging Conference, the City may choose to participate in a booth partnership with other (non-competitive cities) at a proportionate cost to the overall booth cost (split between the number of cities sharing the expense). This is an optional event and will be discussed with the City Manager or designee at appropriate time(s).

Certainty of Fee Arrangement and Contract Limit

DMG, Inc. shall commit to the proposed fee arrangement being in place until December 31, 2020. Any services provided after the date listed above shall be done by mutual agreement of the City of Imperial and Development Management Group, Inc.

Conflict Procedures & Disclosures

DMG, Inc. is a highly experienced economic development consulting firm and does have both active and inactive clients throughout Southern California. Within Imperial County specifically, we are on a pre-qualified list of economists with the County of Imperial and from time to time have completed Fiscal/Employment and Economic Analysis on behalf of the County. Further in the past, we have been used as a consultant with the Imperial Valley Economic Development Corporation on projects related to regional economic development.

In the event that there is a potential conflict whereby a particular community DMG, Inc. is working on behalf of and a specific business client (that is negotiating or comparing multiple communities represented by DMG, Inc.), DMG, Inc. shall offer to represent the first community that identified that particular client to DMG, Inc.

Additionally, it is disclosed that the Managing Partner of Development Management Group, Inc. (Mr. Michael Bracken) serves on the Board of Directors of Community Valley Bank, a publically traded financial institution headquartered in Imperial County. Further his direct

ownership (inclusive of both stock and stock options) does not exceed 5% of total bank ownership.

Reporting/Communication

DMG, Inc. shall produce on a minimum of a monthly basis, a Project Status Report (PSR). DMG, Inc. also proposes one or two monthly conference calls (generally lasting 15-30 minutes) for which to discuss progress and prospects.

DMG, Inc. proposes that all work done under this Agreement would be done with direct communication with the City of Imperial City Manager with the proviso that DMG, Inc. is able to communicate directly with department directors as appropriate when serving in an ombudsman (ombudsperson) role.

Insurance

Development Management Group, Inc. shall have a Certificate of Liability Insurance (ACORD) with the City of Imperial named as additional insured prior to commencement of any work under this Agreement. DMG, Inc. respectfully requests that the City of Imperial accept the following insurance limits as satisfactory based on the professional services being provided.

Professional Error & Omission (minimum \$1,000,000)

Commercial General Liability (minimum \$2,000,000)

Automotive and Automobile Liability (minimum \$1,000,000)

SCOPE OF WORK

11. DMG shall create, build and maintain relationships with:

Economic Development Committee/Commission

Chamber of Commerce/Hotelier's Association/Visitor's Center

City Council

Community Development/Planning

Public Works/Engineering

Finance

City Manager's Office

Film Commission

City Attorney's Office

Other professional service consultants under contract

12. DMG shall create new relationships and ongoing communication lines with:

Real Estate Developers

Commercial and Residential Real Estate Brokers

Lending Sources (Banks and other Lending Institutions)

Retailers

Industrial Development Users

Renewable Energy Developers and Users

Additional Potential Businesses that may add to the Employment or Economic Base of the City of Imperial

13. Point of Contact

DMG shall serve as the initial point of contact for developers and businesses that seek to locate in the City of Imperial. DMG shall avail office and mobile phone contact along with email for use by said businesses to communicate with DMG.

14. Ombudsman

DMG shall serve as an economic ombudsman to the City of Imperial and those parties interested in making economic investments. In the role of ombudsman, DMG shall assist in shepherding projects through the entitlement and permit process. DMG shall be furnished with office, mobile phone and email contact information for all department heads in the City of Imperial and authorized alternate contacts. The City of Imperial shall endeavor to return all communication from DMG, Inc. regarding projects and clients (usually status-type or technical communication) four (4) business hours.

15. Sales & Marketing

DMG shall take the lead in the sales & marketing of the City of Imperial to targeted businesses, industries and professionals that could lead to economic investment in the City. This shall include, but not limited to industry groups (such as the International Council of Shopping Centers (and their members)), the Imperial Valley Economic Development Corporation, other identified regional/sub-regional economic development organizations and planning/hosting the annual Tour of Imperial.

16. Technical Assistance

On an as-needed basis, DMG shall work with identified persons and companies seeking to make economic investments in the City of Imperial and provide them with the names and contact information for persons and entities within the region that can assist them with their endeavors (such referrals could include architects, financial sources, EB-5 (foreign direct investors), accountants and other professional services). Referrals shall be made to those persons/entities in which there is no financial or business conflict between that entity and DMG. Additionally, where possible, DMG shall provide multiple referrals so that there is no preference shown.

17. Economic Impact Analysis

As projects move through the entitlement or permitting process, DMG shall produce an economic impact analysis (brief version) for said projects at the request of the City Manager and/or Community Development Director.

18. Demographics/Economic Updates

DMG shall avail a demographic analysis to the City Council, Chamber of Commerce and other business/community organizations in the City of Imperial on an annual basis. Further, DMG shall produce an annual economic brief for the City, Chamber and community utilizing available and generally respected third-party data.

19. Reporting/Invoicing

DMG shall create and provide a monthly invoice showing the number of hours worked on projects for the City of Imperial. Said invoices shall be paid within 30 days of receipt by the City.

Additionally, DMG shall provide the City of Imperial appropriate project updates either verbally (in the case of certain projects that may need additional confidentiality) or in writing on not less than a monthly basis. Further, DMG shall meet with the City Manager of the City of Imperial (by conference call or in person) at a minimum of once a month to discuss projects and updates.

20. Other Duties as Requested/Mutually Agreed

It is understood that Michael Bracken, as an individual and managing partner of Development Management Group, Inc. has extensive experience in both municipal management and economic development and as such he will avail himself to other duties that may be requested by the City Manager for the City of Imperial in which are mutually agreeable.

Introduction:

Development Management Group Inc.



MARCH 20, 2019

Background

- ▶ Founded in 2003
- ▶ Specialize in Economic Development, Fiscal/Economic Impact Analysis, Market Analysis
- ▶ Experience with Private and Public Client
- ▶ Serve as Economist for County of Imperial (EIA/JIA/FIA)
- ▶ Serve as Economist to Southern California Association of Governments (SCAG)
- ▶ DMG, Inc. has received professional recognition from CALED
 - ▶ Three-time Award of Excellence recipient
 - ▶ Seven-time Award of Merit recipient

Disclosures

- ▶ Michael Bracken serves as a founder and member of the Board of Directors of Community Valley Bank
- ▶ DMG, Inc. does complete Fiscal Impact/Market Analysis work for the County of Imperial (on an as-needed basis)
- ▶ DMG, Inc. serves SCAG as the “Region’s Economist” specializing in the Imperial County/Mexicali Valley economies
- ▶ DMG, Inc. (during period of contract) will NOT represent another City in the region without express consent of City of Imperial

Relationship with City of Imperial

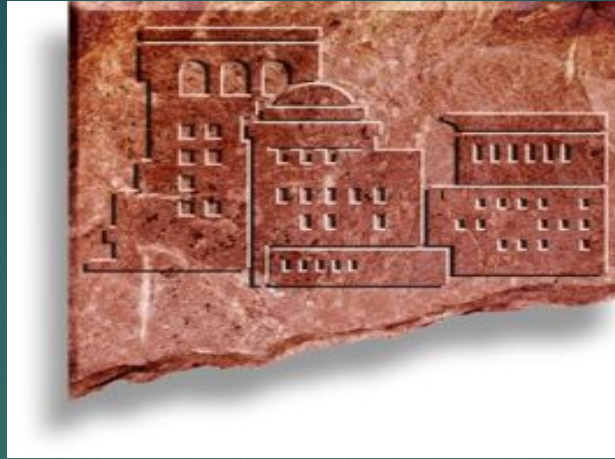
- ▶ Provided Services to City of Imperial for 5+ Years
 - ▶ Fiscal Impact (Annexations)
 - ▶ Retail Recruitment Services
- ▶ Recruitment of AutoZone
- ▶ Recruitment of Pearson Brothers Winery
- ▶ Worked to Acquire Clean/Clear Certification on Downtown Site with State Water Board (6th & Imperial)
- ▶ Represented City of Imperial at ICSC (Las Vegas and San Diego) last 3 Years introducing City to 50+ retailers, brokers, developers
- ▶ Coordinated FAM Tour of Brokers/Developers
- ▶ Created 5-Year Economic Development Strategic Plan

Current Projects

- ▶ Lundin Development Retail Project (6th & Imperial)
- ▶ Halferty Development Retail Project (14th & Imperial)
- ▶ Hotel Project
- ▶ Commercial Bakery
- ▶ Hemp Production-Related Businesses
- ▶ Neckel Road & Imperial
- ▶ Economic Analysis (Park Grant) – Pending

DMG, Inc. Services Agreement

- ▶ 2-Year Retainer Agreement
- ▶ Active Recruitment Role for Retail/Industrial/Office/Hospitality
- ▶ Project Management/Ombudsman Role with Economic Investors
- ▶ Representing City of Imperial for Opportunities to Recruit Economic Investors
- ▶ Includes:
 - ▶ ICSC-Las Vegas
 - ▶ ICSC-Los Angeles (San Diego starting in 2020)
 - ▶ Lodging Conference-Phoenix
 - ▶ Market Demographics (Market Brief)
- ▶ DMG, Inc. Carries Insurance: General Liability, Errors & Omissions, Commercial Liability



Development Management Group ,Inc. economic development ■ fiscal & economic analysis

41-625 Eclectic Street, Suite D-2
Palm Desert, CA 92260
Office: (760) 346-8820 * Mobile: (760) 272-9136
Fax: (760) 346-8887
michael@dmgeconomics.com
www.dmgeconomics.com

E-9

2/27/19

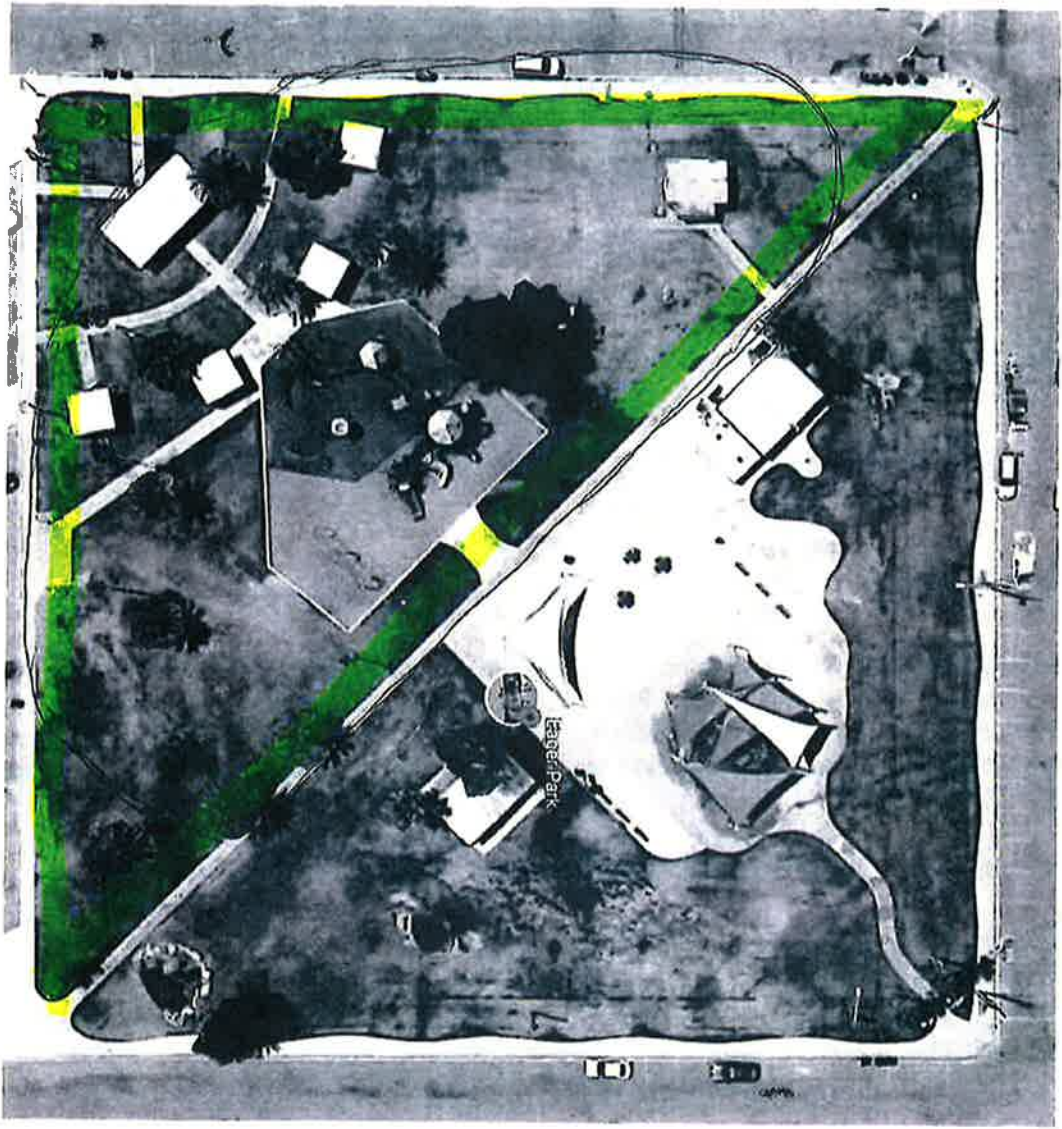
COMMUNITY
SERVICES

3/6/19

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SUBJECT: DISCUSSION/ACTION: FIRST SOUTHERN BAPTIST ANNUAL EASTER EGG HUNT													
I. APPROVAL OF FIRST SOUTHERN BAPTIST TO HOST ITS ANNUAL EASTER EGG HUNT AT EAGER PARK ON APRIL 6TH, 2019													
DEPARTMENT INVOLVED: COMMUNITY SERVICES													
BACKGROUND/SUMMARY: The First Southern Baptist Church in Imperial is hosting its Annual Easter Egg Hunt on Saturday, April 6th, 2019. They are requesting use of Eager Park for this event. The Annual Easter Egg Hunt is open to the public. The event is scheduled to take place from 9:30AM until 1:30PM, including set up and tear down. This event is anticipated to have 80 people in attendance (45 children), being about 75% City of Imperial residents. The Special Event Committee received the special event application on February 27th, 2019. To review the map of the Easter Egg Hunt requested area of Eager Park, please see attachment.													
FISCAL IMPACT: There is no significant fiscal impact.	FINANCE INITIALS 												
STAFF RECOMMENDATION: It is the department's recommendation to approve the First Southern Baptist Church in Imperial to host its Annual Easter Egg Hunt at Eager Park on April 6 th , 2019 from 9:30 am – 1:30 pm.	DEPT. INITIALS 												
MANAGER'S RECOMMENDATION:	CITY MANAGER'S INITIALS 												
MOTION:													
SECONDED: AYES: NAYES: ABSENT:	<table border="0"> <tr> <td>APPROVED</td> <td>()</td> <td>REJECTED</td> <td>()</td> </tr> <tr> <td>DISAPPROVED</td> <td>()</td> <td>DEFERRED</td> <td>()</td> </tr> <tr> <td colspan="4">REFERRED TO:</td> </tr> </table>	APPROVED	()	REJECTED	()	DISAPPROVED	()	DEFERRED	()	REFERRED TO:			
APPROVED	()	REJECTED	()										
DISAPPROVED	()	DEFERRED	()										
REFERRED TO:													



DATE SUBMITTED

2/27/19

SUBMITTED BY

COMMUNITY
SERVICES

DATE ACTION REQUIRED

3/6/19

COUNCIL ACTION (X)
PUBLIC HEARING REQUIRED ()
RESOLUTION ()
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()
CITY CLERK'S INITIALS JS

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT:

DISCUSSION/ACTION: RDO DRIVE GREEN EVENT

1. APPROVAL OF RDO EQUIPMENT CO. TO HOST ITS DRIVE GREEN EVENT AT EAGER PARK ON APRIL 13TH, 2019

DEPARTMENT INVOLVED: COMMUNITY SERVICES

BACKGROUND/SUMMARY:

RDO Equipment Co is requesting to host a public event, Drive Green Event, on Saturday, April 13th, 2019 at Eager Park. The event is scheduled to take place from 7:00AM until 12:00PM, including set up and tear down. RDO has requested that the East lawn by the Splash Pad not be mowed for one week prior to the event in order to demonstrate their lawn mowing equipment.

RDO Equipment Co. has provided a certificate of insurance naming the City of Imperial as additionally insured.

The special event application was submitted on February 27th, 2019.

To review the map of the requested area of Eager Park, please see attachment.

FISCAL IMPACT:

There is no significant fiscal impact.

FINANCE
INITIALS

JS

STAFF RECOMMENDATION: It is the department's recommendation to approve RDO Equipment Co's request to host its Drive Green Event at Eager Park on April 13th, 2019 from 7:00 AM – 12:00 PM.

DEPT. INITIALS

JS

MANAGER'S RECOMMENDATION:

CITY
MANAGER'S
INITIALS

JS

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()
DISAPPROVED ()

REJECTED ()
DEFERRED ()

REFERRED TO:



DATE SUBMITTED 2/27/19
 SUBMITTED BY CITY MANAGER'S OFFICE
 DATE ACTION REQUIRED 3/6/2019

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION (X)
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS [Signature]

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: STATE OF CALIFORNIA STATEWIDE PARK PROGRAM GRANT 1. ADOPTION OF RESOLUTION NO. 2019- 05 APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS.	
DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE	
BACKGROUND/SUMMARY: The City of Imperial staff requests Council's approval of Resolution 2019- 05 to apply for the Statewide Park Development and Community Revitalization Program Grant Opportunity for the City's Community Park Project.	
FISCAL IMPACT: N/A	FINANCE INITIALS <u>[Signature]</u>
STAFF RECOMMENDATION: It is staff's recommendation for the Council to adopt the resolution allowing City staff to apply for the SPP Round 3 funding.	DEPT. INITIALS <u>[Signature]</u>
MANAGER'S RECOMMENDATION: n/a	CITY MANAGER'S INITIALS <u>[Signature]</u>
MOTION: SECONDED: AYES: NAYES: ABSENT: APPROVED () DISAPPROVED () REFERRED TO: REJECTED () DEFERRED ()	

RESOLUTION NO. 2019-05

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Imperial HEREBY: Approves the filing of an application for the IMPERIAL COMMUNITY PARK PROJECT; and

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the CITY MANAGER to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

APPROVED AND ADOPTED at a Regular meeting of the City Council of the City of Imperial,
this 6th day of March, 2019.

P. Robert Amparano, Mayor

ATTEST:

Debra Jackson, City Clerk

DATE SUBMITTED

2/27/19

SUBMITTED BY

COMMUNITY
SERVICES

DATE ACTION REQUIRED

3/6/19

COUNCIL ACTION

(X)

PUBLIC HEARING REQUIRED

()

RESOLUTION

()

ORDINANCE 1ST READING

()

ORDINANCE 2ND READING

()

CITY CLERK'S INITIALS



IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: APPROVAL FOR FENCE BUILDING FOR SAVANNA RANCH RETENTION BASIN

DEPARTMENT INVOLVED: COMMUNITY SERVICES

BACKGROUND/SUMMARY:

On February 12, 2019, the City Council provided direction to seek estimates for the building of a 420 foot section of 6 foot tall wooden fence along the east side perimeter of Savanna Ranch Retention Basin.

As of February 27, 2019, estimates have been submitted for various types of fencing including: Privacy Chain Linked Fence, Ornamental Iron Fence, Vinyl Privacy Fence, Ornamental Iron and Wood Fence (see attached photos for examples).

As of this date, the option for the 12" concrete curbing was submitted (see attached).

FISCAL IMPACT:

Options range from \$11,547 to \$84,000 (see attached breakdown for specifications).

FINANCE
INITIALS



STAFF RECOMMENDATION: Staff recommends the Council review the submitted information and determine which fencing option they deem appropriate.

DEPT. INITIALS



MANAGER'S RECOMMENDATION:

CITY
MANAGER'S
INITIALS



MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REJECTED ()

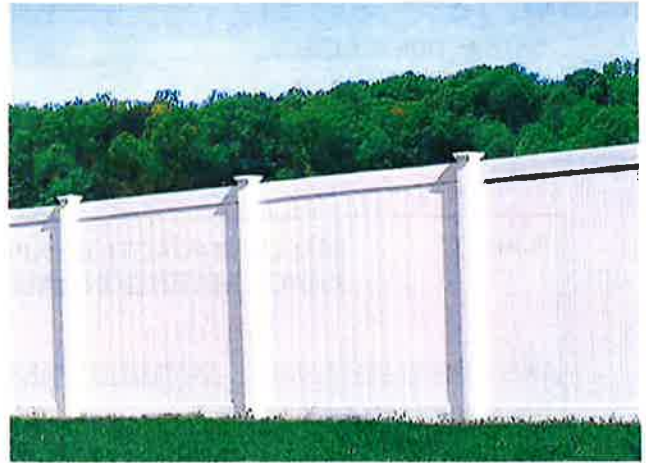
DEFERRED ()

REFERRED TO:



Privacy Chain Link Fence

\$11,547 – \$17,000



White Vinyl Privacy Fence

\$16,424 – \$31,500



Ornamental Iron Fence

\$16,329 – \$27,300



Ornamental Iron and Wood Fence

\$13,633 – \$84,000



Imagery ©2019 Google, Map data ©2019 Google 100 ft

DATE SUBMITTED

02/27/19

SUBMITTED BY

Community Services
Department - E. Haller

DATE ACTION REQUIRED

03/06/19

COUNCIL ACTION (X)
PUBLIC HEARING REQUIRED ()
RESOLUTION ()
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()
CITY CLERK'S INITIALS 

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: SKY RANCH BLOCK WALL REPAIRS

1. ACCEPTANCE OF COMPLETED WORK

DEPARTMENT INVOLVED: COMMUNITY SERVICES DEPARTMENT

BACKGROUND/SUMMARY:

City Council approved Resolution NO. 2018-65 declaring City structure Sky Ranch Concrete Masonry Wall as an emergency. The City received one quote and awarded the contract to Pyramid Construction and Aggregates, Inc. All work was completed per Construction Services Agreement. The repairs/replacement of the wall was successfully completed on February 5, 2019.

FISCAL IMPACT:

\$68,000 as approved by Council on November 7, 2018.

FINANCE
INITIALS



STAFF RECOMMENDATION:

Staff recommends City Council to accept the closing of the project.

DEPT. INITIALS



MANAGER'S RECOMMENDATION:

CITY
MANAGER'S
INITIALS



MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

DISAPPROVED ()

REJECTED ()

DEFERRED ()

REFERRED TO:



SKY RANCH CONCRETE MASONRY WALL PROJECT



SKY RANCH CONCRETE MASONRY WALL PROJECT COMPLETED FEBRUARY 6, 2019

DATE SUBMITTED 2/28/19
 SUBMITTED BY CITY MANAGER'S OFFICE
 DATE ACTION REQUIRED 3/06/19

COUNCIL ACTION (x)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION (x)
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS DB

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: TEAMSTERS UNION LOCAL #542

Res 2019-06

1. ADOPTION OF ARTICLE 5, SECTION 9 "EDUCATION PAY" AS PART OF THE MEMORANDUM OF UNDERSTANDING BETWEEN TEAMSTERS UNION LOCAL #542 AND THE CITY OF IMPERIAL; AND
2. ADOPTION OF ARTICLE 5, SECTION 10 "BILINGUAL PAY" AS PART OF THE MEMORANDUM OF UNDERSTANDING BETWEEN TEAMSTERS UNION LOCAL #542 AND THE CITY OF IMPERIAL.

DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE

BACKGROUND/SUMMARY:

The City of Imperial has completed the Meet and Confer obligation with Teamsters Union Local #542. As such we the City has reached an understanding and asks the Council to consider the adoption of Article 5, Sections 9 and 10 into the Memorandum of Understanding between the Teamsters and City of Imperial for the term of 2018-2020. Please see the language attached to this staff report.

FISCAL IMPACT:

Potential Fiscal Impact for Education Pay: \$136,000.00
Potential Fiscal Impact for Bilingual Pay: \$81,600.00

FINANCE
INITIALS

DB

STAFF RECOMMENDATION: It is staff's recommendation to adopt the terms set forth in Article 5, Sections 9 and 10 for the term of 2018-2020.

DEPT. INITIALS

DB

MANAGER'S APPROVAL

CITY
MANAGER'S
INITIALS

DB

MOTION:

SECONDED:
 AYES:
 NAYES:
 ABSENT:

APPROVED ()
 DISAPPROVED ()

REJECTED ()
 DEFERRED ()

REFERRED TO:

Section 9. Education Pay: Employees shall be eligible for reimbursement of up to one thousand five hundred dollars (\$1500.00) per year for tuition reimbursement and five hundred dollars (\$500.00) for textbooks pending approval of their individual professional development plan by the City Manager; effective July 1, 2019. Allotment shall be renewed July 1 of each year.

1. Tuition Reimbursement- Employees who in their sole discretion want to broaden their knowledge by pursuing higher education or a vocational certification on their off-duty hours may receive reimbursement for expenses as provided herein.

Under this program, reimbursement is available for regular –full time employees who are performing their job in a satisfactory manner.

Expenses for tuition and textbooks, under this program will be reimbursed subject to the approval of their individual professional development plan submitted to Human Resources and approved by the City Manager.

Continuing education under this program is defined as postsecondary college level course work necessary to obtain a diploma or degree. Reimbursement will be subject to the following criteria:

- Approval of Employee's Professional Development Plan;
 - Employees may request assistance from Human Resources to complete and submit plan for City Manager's approval.
- That a degree or certificate is sought;
- Applicability of the degree or certification to future positions in the organization;
- Courses may not be taken during the employee's regular working hours. Exceptions require appropriate approval.
- Completion of the course must be verified with a grade of "C" or better.
- If the employee withdraws from a course, the employee will be responsible for any expenses incurred.
- The employee must remain an active-regular employee through conclusion of the course.

Reimbursement Procedure:

Employee must complete and submit a professional development reimbursement form to his/her department head. If approved, department head will submit to City Manager for approval;

- If approved by the City Manager a copy of the approved form will be returned to the employee. Approval of the City Manager may be contingent upon interview with employee;

- The employee then makes all registration arrangements and pays for tuition and books /materials;
- After completion of the session/semester the employee will provide Human Resources with the proof of their attendance and their final grade received in the class.
- Human resources will prepare a claim form for any reimbursement due the employee. The employee will receive reimbursement of monies within fourteen (14) days of submitting claim form.

2. Vocational Certification-Program(s)

The City encourages employees to broaden their knowledge and improve their skills in their City occupational field or area to improve their on-the-job performance, and increase their overall value to the City by obtaining a certificate of completion or graduation through licensing and vocational programs.

Reimbursement is available for active - regular employees who are performing their job in a satisfactory manner and request for reimbursement are subject to the approval of the department head and the City Manager.

Certifications contemplated under this program are defined as courses of study that are specifically related to the employee's presently assigned position but not required by the City.

Reimbursement Procedure:

- Employee completes professional development reimbursement request form and submits to the department head for approval;
- If approved by the City Manager a copy of the approved form will be returned to the employee. Approval of the City Manager may be contingent upon interview with employee;
- The employee then makes all registration arrangements and pays for tuition and books;
- The employee then makes all registration arrangements and pays for tuition and books/materials;
- After completion of the course, the employee will provide Human Resources with the certificate.

Human resources will prepare a claim form for any reimbursement due the employee. The employee will receive reimbursement of monies within fourteen (14) days of submitting claim form.

Section 10. Bilingual Pay Employees will be eligible to receive a bilingual stipend of up to \$50.00 (\$25.00 for Oral Proficiency and \$25.00 for Written Proficiency) per pay period upon becoming certified in a foreign language, hereby specified as Spanish, through a City-administered exam testing oral

and/or written proficiency provided that the position occupied has been "designated" to receive such pay by the Department Head and City Manager. In order to be eligible, the use of a foreign language must be a necessary part of their daily work activities and used for work purposes of communicating with the general public. Designated Positions are hereby identified as:

Accounting Assistant I/II/III
Animal Control Officer
Building Official
Code Enforcement Officer
General Office Clerk
Human Resource Analyst
Library Assistant I/II/III
Park Superintendent
Planning Technician
Police Records Clerk
Police Senior Records Clerk
Police Officer
Public Information Officer
Recreation Specialist

Examinations: Eligible employees who desire to receive bilingual pay may request to be examined for proficiency in a foreign language by submitting a memorandum to their department head. The department head must sign the memorandum to certify that the use of a foreign language is a necessary part of their daily work activities and used for work purposes in communication with the public. The memorandum should then be forwarded to the City Manager for final approval. The City will provide testing at the beginning of each calendar year. Tests will be arranged by the City Manager's Office. Once an employee has become certified in a foreign language, he/she is not required to retest in order to remain eligible.

Expectations: Employees receiving bilingual pay are expected to translate for employee(s) who are not bilingual in the event such services are needed, even if the employee needing assistance is not from the same department or work unit.

RESOLUTION NO. 2019-06

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL
APPROVING AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING
WITH TEAMSTERS LOCAL 542
FOR FISCAL YEARS 2018-2020**

WHEREAS, there is a memorandum of understanding ("MOU") between the City of Imperial and the Teamsters Local 152 ("Teamsters") which was approved by the City Council; and

WHEREAS, the parties have met and conferred concerning an amendment to the MOU and have reached agreement on the terms for the period of July 1, 2018 through June 30, 2020; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Imperial hereby approves an amendment to the MOU as set forth in the attached exhibit.

PASSED, APPROVED AND ADOPTED at as adjourned regular meeting of the City Council of the City of Imperial held on the 6th day of March, 2019.

P. Robert Amparano, Mayor

ATTEST:

Debra Jackson, City Clerk

DATE SUBMITTED 2/27/2019
 SUBMITTED BY CITY MANAGER'S OFFICE
 DATE ACTION REQUIRED 3/6/2019

COUNCIL ACTION (x)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION (x)
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS 

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: CITY OF IMPERIAL VOLUNTEER PROGRAM 1. APPROVAL OF CITY OF IMPERIAL VOLUNTEER PROGRAM POLICY AND HANDBOOK; AND 2. ADOPTION AND APPROVAL OF RESOLUTION NO. 2019- 07 <u>07</u> TO APPROVE PROVIDING WORKER'S COMPENSATION COVERAGE FOR CERTAIN CITY VOLUNTEERS PURSUANT TO THE PROVISIONS OF SECTION 3363.5 OF THE LABOR CODE.	
DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE	
BACKGROUND/SUMMARY: In efforts to update the City of Imperial Volunteer Program Policy and Application process, staff is requesting the City Council approve the revised Volunteer Program Policy and Handbook and adopt and approve Resolution NO. 2019- 07 <u>07</u> . Necessary updates to the City's workers' compensation coverage for certain volunteers, as well as age brackets, have been made to the policy. Attached for review and reference is the draft Volunteer Manual.	
FISCAL IMPACT: N/A	FINANCE INITIALS 
STAFF RECOMMENDATION: It is Staff's recommendation to adopt the referenced policy and resolution to better serve the community and potential volunteers.	DEPT. INITIALS 
MANAGER'S APPROVAL:	CITY MANAGER'S INITIALS 
MOTION: SECONDED: AYES: NAYES: ABSENT: APPROVED () DISAPPROVED () REFERRED TO: REJECTED () DEFERRED ()	

Volunteer Manual

Document Sections:

Letter to Prospective Volunteer	Section A
Volunteer Application	Section B
Minor Application	Section C
Resolution to Extend Workers' Compensation	Section D
Acknowledgement of Workers' Compensation	Section E
Waiver and Release; No Workers' Compensation	Section F
Volunteer Handbook	Section G
Volunteer Agreement	Section H
Volunteer Service Statement	Section I
Volunteer Bill of Rights	Section J
Performance Review	Section K
Expense Claim Form	Section L
Time Sheet	Section M
Volunteer Request Form	Section N
Risk Management Checklist	Section O
Volunteer Protection Act of 1997	Attachment A

Dear prospective volunteer:

We are grateful for your interest in volunteering. You and the many other volunteers at work on our various Agency programs and projects have the power to improve the quality of life in our community.

Attached is an application for the Agency volunteer program and a general interest form. We ask you to complete these so that we can make every effort to offer assignments that meet your interest and needs. Additionally, you will have an opportunity to review the job description for any assignment and interview the supervisor before you commit your time and energy.

We also want to make you aware that we have established program policies and procedures that protect volunteers, citizens and the Agency. Depending upon the type of assignment you undertake, the procedures may include fingerprinting and background checks, DMV record review and liability waivers, among others. We will make you aware of any such requirements at the time of your initial interview.

Again, thank you for your willingness to work toward improving our community. We look forward to welcoming you to the volunteer program.

Sincerely,

City Manager's Office – Human Resources Division
City of Imperial

VOLUNTEER PROGRAM APPLICATION

Name: _____

Address: _____

City: _____ State: _____ ZIP: _____

Daytime Phone: _____ Evening Phone: _____

Occupation: _____

Special Skills, Talents and Languages:

Emergency Contact: _____ Phone: _____

Do you have a driver's license? _____ Transportation? _____

Have you ever been convicted of a violation or attempted violation of Section 243.4 of the Penal Code, a sex offense against a minor, or of any felony, which requires registration pursuant to Section 290 of the Penal Code? _____ Yes _____ No

How did you become interested in the volunteer program?

Assignments Preferred: _____

Previous Volunteer Experience: _____

Other Applicable Experience: _____

Certification or Licenses Held: _____

Hours Available:

Sunday _____ Monday _____ Tuesday _____

Wednesday _____ Thursday _____ Friday _____

Saturday _____

Do you have any limitations related to health or physical ability? If so, please explain:

Applicant Signature: _____ Date: _____

Completion of the Remainder of this Form is Optional

Volunteers are recruited and selected on their interests, skills, knowledge and abilities. A diverse corps of volunteers is both necessary and desirable. The program office uses the following demographic information to meet diversity goals.

Please Check One:

_____ Black (Not Hispanic) _____ White (Not Hispanic) _____ Hispanic

_____ American Indian or Alaskan Native _____ Asian or Pacific Islander

Please Check One:

_____ 18-25 _____ 26-35 _____ 36-45 _____ 46-55

_____ 56-65 _____ Over 65

**VOLUNTEER PROGRAM
MINOR (AGES 15-17) APPLICATION**

Name: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone: _____ Date of Birth (Month/Day/Year): _____

Names of Parents or Guardians: _____

Parents' or Guardians' Daytime Phone: _____

Emergency Contact: _____ Phone: _____

Have you ever been convicted of a violation or attempted violation of Section 243.4 of the Penal Code, a sex offense against a minor, or of any felony, which requires registration pursuant to Section 290 of the Penal Code? _____ Yes _____ No

School: _____ Grade: _____

Career Interests:

Special Skills, Talents and Languages:

How did you become interested in the volunteer program?

Assignments Preferred: _____

Previous Volunteer Experience: _____

Other Applicable Experience: _____

Hours Available:

Sunday _____ Monday _____ Tuesday _____

Wednesday _____ Thursday _____ Friday _____

Saturday _____

Do you have any limitations related to health or physical ability? If so, please explain:

Applicant Signature: _____ Date: _____

Parent or Guardian Signature: _____ Date: _____

Completion of the Remainder of this Form is Optional

Volunteers are recruited and selected on their interests, skills, knowledge and abilities. A diverse corps of volunteers is both necessary and desirable. The program office uses the following demographic information to meet diversity goals.

Please Check One:

_____ Black (Not Hispanic) _____ White (Not Hispanic) _____ Hispanic

_____ American Indian or Alaskan Native _____ Asian or Pacific Islander

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____, CALIFORNIA, PROVIDING WORKERS' COMPENSATION COVERAGE FOR CERTAIN CITY VOLUNTEERS PURSUANT TO THE PROVISIONS OF SECTION 3363.5 OF THE LABOR CODE.

WHEREAS, the City of _____ finds its best interest will be served by utilizing volunteers in the provision of certain government services; and

WHEREAS, said volunteers should be eligible for workers' compensation coverage while on duty;

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

1. Find and determine that the public interest is best served by providing workers' compensation coverage for City volunteer workers as specified by the City Manager; and

2. Provide eligibility for said volunteers for workers' compensation benefits which will be applicable during the time the person actually performs volunteer services, provided, however, that the rights of volunteers shall be limited as set forth in the Labor Code.

PASSED, APPROVED AND ADOPTED THIS _____ day of _____, 20____.

Mayor

ATTEST:

City Clerk

Note: Use this form if your agency has adopted a resolution providing workers' compensation to volunteers.

VOLUNTEER PROGRAM ACKNOWLEDGEMENT OF WORKERS' COMPENSATION

I hereby acknowledge that as a volunteer for the Agency in the capacity of _____, I am not an employee of the Agency, but that I am covered under the Agency's workers' compensation plan since the Agency has adopted a resolution extending workers' compensation coverage to certain volunteers in specified categories pursuant to Labor Code Section 3363.5.

As a volunteer who is covered under the Agency's workers' compensation plan, I expressly agree and acknowledge that workers' compensation is my exclusive remedy for any injury suffered while performing said volunteer duties, and that I cannot and will not seek to bring any other claim or actions of any type whatsoever against the Agency, its employees, officers, agencies, other volunteers and officials.

Date: _____

Signature: _____

Print Name: _____

Parent or Guardian Signature (if minor):

Witness: _____

Note: Use this form if your agency has not adopted a resolution providing workers' compensation to volunteers.

VOLUNTEER PROGRAM WAIVER AND RELEASE

I hereby acknowledge that as a volunteer for the Agency in the capacity of _____, I am not an employee of the Agency and that I am not covered under the Agency's workers' compensation plan. I intend to perform voluntary services for the Agency without compensation.

As a condition of performing the above referenced volunteer duties, I hereby knowingly and unequivocally waive, release and discharge any and all rights that I, my heirs, assigns, agents or other representatives may have or which hereafter may accrue to me, to file any claim, lawsuit and/or any other cause of action against the Agency, its employees, officers, agencies, other volunteers and officials as a result of performing said volunteer services. In granting this full and complete release and waiver of liability on the part of the Agency, I specifically waive California Civil Code Section 1542, which states:

A general release does not extend to claims, which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected his settlement with the debtor.

I expressly desire to release the Agency, its employees, officers, agencies, other volunteers and officials from any financial responsibility to me for any personal injury and/or property damage I may incur as a result of my voluntary services, even when it results from the negligence, both active and passive, of the Agency and/or its employees.

I understand that accidents and injuries can arise out of my volunteer activities; knowing the risk, nevertheless, I hereby agree to assume those risks and to release and to hold harmless the Agency, its employees, officers, agencies, other volunteers and officials,

who (through negligence or carelessness) might otherwise be liable to me (or my heirs, assigns, agents or other representatives) for damages.

No promise, inducement, or agreement has been made to me to induce me to release the Agency from liability for any personal injury and/or property damage incurred by me as a result of my voluntary services, nor has any promise, inducement, or agreement been made to me in return for the express waiver of rights referred to above.

Declaration of Witness

The above individual, in my presence, acknowledged that he/she had read and fully understood the meaning and consequences of the Waiver and Release of All Claims, and he/she signed it in my presence.

Date: _____

Signature: _____

Print Name: _____

Parent or Guardian Signature (if minor):

Witness: _____

VOLUNTEER PROGRAM VOLUNTEER HANDBOOK

I. OVERVIEW

The volunteer program is designed to coordinate and manage all volunteer efforts, which support existing services provided to the community. The program addresses community service needs, while placing special emphasis on the Agency's priorities. With this in mind, it is important to effectively match individuals and others interested in providing volunteer services to Agency departments that have exciting and fun work opportunities.

The purpose of this handbook is to provide guidance and direction to staff and volunteers alike. As you begin volunteering for the Agency, you may have questions. This handbook is intended to help you answer those questions and to give you the information necessary to help make your time spent volunteering a positive experience.

II. MISSION

The Agency's volunteer program is committed to encouraging community participation and the comprehensive coordination of volunteers to enhance municipal services.

The volunteer program objectives are:

- A. To develop a reliable and varied skilled network of human resources to support the delivery of services to the community.
- B. To provide opportunities for all segments of the community to participate in local government.
- C. To bring together volunteer resources and augment municipal services including, but not limited to the following areas: recreation and leisure services, park maintenance, literacy improvement, gang and substance prevention, public safety, information and service referrals, and maintenance of Agency facilities and other public grounds.

III. OFFICE OF VOLUNTEER SERVICES

The Coordinator of Volunteer Services is located within the Human Resources Department, and is responsible for coordination of staff and volunteers so that their combined efforts jointly enrich and expand opportunities for the delivery of quality services to the community. The Coordinator of Volunteer Services is responsible for planning the effective use of volunteers, assisting staff in identifying productive and creative roles, recruiting suitable volunteers, and tracking and evaluating their contribution to the Agency.

IV. BECOMING A VOLUNTEER

We are pleased that you have expressed interest in becoming a volunteer with the Agency. Others like you have volunteered for many reasons, including learning new skills, meeting new people or making a difference in our community.

Each volunteer must complete an initial information form and liability waiver form. It is important for us to know of any medical conditions which may affect your volunteering. If you are a minor, your parents must also sign these forms. No one may volunteer unless a completed liability waiver form is on file Human Resources Department.

All volunteers go through a formal screening process and must be accepted by the Agency as a volunteer. The amount of screening will depend upon the type of volunteer opportunity you choose. A minimum of two references will be contacted. Also, a motor vehicle driving record check and/or a criminal record background check may occur.

Upon completion of the screening process, you will receive an orientation from the Coordinator of Volunteer Services. You will also receive specific training from the staff member to whom you will report.

V. BEING A VOLUNTEER

A. Agency Policies

There are several Agency policies that apply to volunteers. Please refer to the Section VI for highlighted information regarding these issues and policies. Complete copies of these policies are available in the Human Resources Department.

B. Insurance

Liability insurance is provided to you as a volunteer for the Agency. As a volunteer, you are covered by the Agency's general liability policy so long as you are acting within the scope and course of your assigned duties.

Automobile insurance follows the automobile. If you are driving an Agency vehicle, Agency insurance will be in effect. Likewise, if you are driving your own vehicle, even while on Agency business, your automobile insurance will be applicable on a primary basis per the California Vehicle Code, CVC 17152.

We conduct a motor vehicle driving record check for all volunteers who drive as part of their volunteer work, so we ask that you provide proof of

insurance and a copy of your driver's license to the Human Resources Department if this applies to you.

C. Expenses

Volunteers are reimbursed for expenses which have been pre-approved by your supervisor. Mileage will also be reimbursed if pre-approved by your supervisor. You may, however, claim a mileage tax deduction instead of taking the reimbursement. Please consult with your accountant or the Internal Revenue Service for current mileage reimbursement rates or tax benefits. If you do choose to claim mileage, you will be required to complete the Agency's mileage reimbursement form and obtain approval from your supervisor before payment can be made to you.

You may also be eligible for a number of other tax benefits as a volunteer under the general charitable contribution deduction of the Internal Revenue Code. Deductions are explained in Internal Revenue Service Publication Number 526, Income Tax Deduction for Contributions. A copy of this document is available in the Human Resources Department. Please be sure and check with your tax advisor or the Internal Revenue Service for specific deductions allowed, as the Agency does not provide this service.

D. Volunteer Hours

The Agency must keep track of the hours you volunteer to assure coverage under our self-insured liability and workers' compensation programs. Time records are used to determine how service levels have increased and which services have been enhanced by volunteers. Timesheets are to be filled out each time a volunteer works, at the end of the month, or whenever stipulated by the supervisor. Each volunteer is asked to follow this practice. Volunteers might also want to maintain this record to document their experience and commitment.

E. Placement and Schedules

Work schedules of volunteers are diverse and varied depending on the department, program and or location of volunteers. Volunteers should work with their supervisor to set a schedule that is mutually acceptable. If a volunteer cannot make it to his or her assignment on a scheduled day, the volunteer should notify his or her job supervisor as soon as possible.

F. Volunteer Duties

A description of your assignment will be developed prior to your volunteer placement so that you are provided a clear, complete and current description of the duties and responsibilities of your assignment. In

addition, a listing of volunteer assignment qualifications, a designated work space and supervisor will also be provided.

You may not perform professional services for which certification is required, unless you already hold the appropriate certificate or license, and have received approval from the Coordinator of Volunteer Services. Upon seeking approval, please make sure to provide copies of any certificates or licenses, including any special driving licenses, first aid or CPR certification.

G. Problem Solving

If a problem should arise concerning any condition of your volunteering with the Agency, you should attempt to reconcile the matter with your supervisor. All volunteers are encouraged to attempt to settle problems or issues requiring attention within the department to which the volunteer is assigned. However, if you feel that a workable agreement or a satisfactory solution to your problem has not been reached from discussion within the department, then notify the Coordinator of Volunteer Services.

H. Other Responsibilities

1. Keep your work commitment.
2. Inform your supervisor if you have a planned absence.
3. Accept training and participate in other job development activities.
4. Adhere to all confidential requirements in the course of carrying out duties and responsibilities.
5. Never use job knowledge or contacts for personal gain.
6. Treat citizens, co-workers and others with respect.
7. Be aware of procedures and rules, including safety rules.
8. Report all on-the-job accidents and injuries to your supervisor immediately.
9. Report any unsafe practices or procedures to your supervisor.
10. Cooperate and assist in the investigation of any work accident.
11. Follow personal hygiene and grooming habits, as well as manner of dress, that allow you to safely complete volunteer duties.

12. Obtain and wear/use any specialized safety clothing or equipment.
13. Wear seat belts when driving on Agency business.
14. Be cooperative by accepting instructions, guidance, and suggestions from staff.

If you have questions about any of this information, you should speak with your supervisor or the Coordinator of Volunteer Services.

I. Recognition

Because we feel that volunteers are invaluable resources, various awards and activities are planned each year, and are part of our efforts to recognize volunteers for helping make our community a better place to live. Please inquire with the Human Resources Department to find out more information.

VI. AGENCY POLICIES

A. Risk Management

Risk management explores safety risks involved in work and volunteer tasks. The Coordinator of Volunteer Services and the Risk Manager work together to minimize any potential risks to the volunteer or Agency. This means that before volunteers begin their service, the supervisor is responsible for informing the volunteer of safe work practices as required for all employees. Any injury to the volunteer or losses to any third party which involved a volunteer must be reported and processed in accordance with existing Agency policies on matters of this nature.

B. Accidents in Agency Vehicles

In the event of an accident involving an Agency vehicle or your own vehicle, you should immediately contact the local police. You are also responsible for immediately notifying your supervisor, who will help you complete an accident investigation form along with any other required documents.

Any volunteer, during the course of volunteering, involved in a serious motor vehicle accident may be required to take a urine, blood or breath test to determine whether or not that volunteer's ability to drive was impaired by alcohol or a controlled substance as defined by state statutes. For purposes of this policy, a serious accident is defined as one that injures someone, or where property damage exceeds \$750.

C. Smoking

Smoking is prohibited in all Agency facilities, including all Agency vehicles. Volunteers and employees who wish to smoke may do so outside the building.

D. Alcohol

Volunteers shall not consume or possess alcoholic beverages on conducting any Agency business or on any Agency premises. Volunteers who violate this policy are subject to immediate dismissal.

E. Drugs

Any volunteer who uses, brings, possesses or is suspected of being under the influence of any form of narcotic, drug, or hallucinogen, except prescribed drugs and under the direction of a physician, is subject to immediate dismissal. In addition, any volunteer who transfers, sells, or attempts to sell same on Agency property or while on Agency business, at any time, is subject to immediate dismissal.

F. Software Piracy

The Agency complies with all copyright laws for software programs installed and used on Agency-owned computers. Volunteers are expected to adhere to the Agency's policy, which includes prohibiting the use of unauthorized copies of software on Agency computers; prohibiting the installation of software on Agency computers that was not purchased through appropriate Agency policies; and understanding that all computers, software and computer information is Agency property. Therefore, all who use Agency computers cannot assume any right to privacy in such use.

G. Volunteers Serving Minors and Elderly Populations

The Agency will exercise appropriate care in the placement of volunteers into positions serving populations that include minors, the elderly or the frail, and individuals with disabilities. Depending on the nature of the assignment, volunteers may be required to be fingerprinted and submit to a background check. You will be informed if fingerprinting is required for your position. Volunteers who do not agree to the required screening may be refused an assignment.

H. Harassment

All Agency workers have a right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive or disruptive. Consistent with the Agency's respect for the rights

and dignity of each employee and volunteer, harassment based on race, color, religion, sex, national origin, age, disability, sexual orientation or any characteristic protected by law, will not be sanctioned or tolerated.

I. Dismissal

Volunteers who do not adhere to the rules, policies and regulations of the Agency, or fail to perform their assignments satisfactorily, are subject to dismissal. A volunteer may be dismissed at any time. The Agency reserves the right to request that a volunteer leave immediately if circumstances warrant such action.

J. Attendance Policy

Volunteers are expected to always be prompt and on time in reporting for their assignment. Being late may inconvenience those who are counting on your presence. If unforeseen circumstances make you late, please notify your supervisor in advance. For those times when you are ill and unable to work, call your supervisor or department as early in the day as possible. Failure to appear for your shift without notifying your staff supervisor may result in your dismissal from the volunteer program.

K. Use of Minor Volunteers

Because of various liability concerns, the Agency does not encourage the use of volunteers who are under 15 years of age.

VII. CODE OF ETHICS

We encourage you to read and practice the following code of ethics for volunteers:

As a volunteer, I realize that I am subject to a code of ethics similar to that which binds the professionals in the fields in which I work. Like them, I assume certain responsibilities and expect to account for what I do in terms of what I am expected to do.

- A. I will keep confidential matters confidential.
- B. I interpret 'volunteer' to mean that I have agreed to work without compensation, but having been accepted as a worker, I expect to do my work according to standards.
- C. I promise to work with an attitude of open-mindedness; to be willing to be trained for the assignment; to bring to the assignment interest and attention.

- D. I realize that I may have personal and educational qualities that my co-workers may not have and that I should use these to enrich the projects which we are working on together.
- E. I realize, also, that I may lack personal or educational qualities that my co-workers have, but I will not let this make me feel inadequate, but will contribute to the team with the assets that I have.
- F. I understand that I am expected to live up to my work commitment, and I will give ample notice if I cannot fulfill it.
- G. I believe that my attitude toward volunteer work should be professional.
- H. I believe that I have an obligation to my work, to those who direct it, to my colleagues, to those for whom it is done, and to the public.

VIII. VOLUNTEER RIGHTS

Each volunteer in the Agency is viewed as an important part of the organization's ability to get the job done. As a volunteer you are accorded rights as individuals and volunteers. Below are some of the rights volunteers may expect during their tenure with the Agency. In addition, please refer to Attachment A, the Volunteer Protection Act of 1997.

- A. Volunteers are to be treated with respect and courtesy.
- B. Volunteers are to receive proper training for the job to be done.
- C. Volunteers are to be informed about any reimbursement policy, e.g. for the use of private cars, etc.
- D. Volunteers are not to be discriminated against because of race, ethnicity, religion, gender, age, handicap, marital status, family, or sexual orientation.
- E. Volunteers will receive information on issues regarding legal protection, liability and other concerns.
- F. Volunteers will be recognized for their efforts in providing program services.
- G. Volunteers will be treated as co-workers.
- H. Volunteers will know as much about the organization as possible.
- I. Volunteers will be evaluated and receive recognition.

VOLUNTEER PROGRAM VOLUNTEER AGREEMENT

The Agency gratefully accepts _____ into its volunteer program. The Human Resources Department will do its very best to make the volunteer's experience productive, fun and rewarding. To that end, this agreement addresses the commitments made by the Agency and the volunteer.

The Human Resources Department commits to the following:

- To provide training and support for the volunteer so that he or she may be confident in the assignment.
- To provide diligent guidance, supervision and feedback on performance.
- To respect the skills, individual needs and dignity of the volunteer.
- To be receptive to comments and suggestions from the volunteer.
- To treat the volunteer as an equal co-worker with paid staff, jointly responsible for the completion of the Agency's mission.

The volunteer commits to the following:

- To perform assigned duties to the best of his or her ability, and to inform the Agency if changes in his or her situation or health would interfere with the safe and timely performance of these duties.
- To adhere to Agency rules, policies and procedures, including recordkeeping and confidentiality of Agency and client information.
- To meet time and duty commitments, or to provide adequate notice so that alternative arrangements can be made.

Agreed to:

Volunteer: _____ Date: _____

Coordinator: _____ Date: _____

VOLUNTEER PROGRAM VOLUNTEER SERVICE STATEMENT

In performing the service specified in my volunteer job description, I acknowledge:

- I have attended the Agency's volunteer orientation program and have been given a copy of the Volunteer Manual, which includes a volunteer handbook, my job description, policies and procedures and safety information;
- I have acquainted myself with what is required to perform my tasks, and represent that I have the skill and ability to perform them and know of no reason, medical or otherwise, which would prevent me from performing the tasks required;
- I will adhere to the safety training provided by the supervisor and assume full responsibility for my own safety;
- I will perform my volunteer service in compliance with the standards and specifications established for my position.

Volunteer's Signature: _____ Date: _____

VOLUNTEER PROGRAM VOLUNTEER BILL OF RIGHTS

On behalf of the citizens of the Agency, the mayor and city council affirm that members of the corps of volunteers have the right to:

Meaningful work which meets their interests and needs;

Respect for the individual's skills and dignity;

Recognition of their contributions;

Confidentiality in all personal matters and records;

Accurate records of volunteer service;

Equal partnership with paid staff team members;

A published job description for each assignment;

Orientation to the volunteer program and specific job training;

Guidance and support of a program supervisor;

Frequent communication and performance feedback;

Ability to change assignments;

A place for discussing for issues and suggestions;

An open door with the Coordinator of Volunteer Services.

VOLUNTEER PROGRAM PERFORMANCE REVIEW

Name: _____ Date: _____

Assignment: _____

How many hours has the volunteer worked in this assignment? _____

Check the level which best describes the volunteer's performance:

	Excellent	Good	Fair	Poor
Dependability	_____	_____	_____	_____
Ability to Perform Duties	_____	_____	_____	_____
Quality of Work	_____	_____	_____	_____
Initiative	_____	_____	_____	_____
Attitude Toward Job	_____	_____	_____	_____
Attitude Toward Others	_____	_____	_____	_____
Overall Suitability for the Job	_____	_____	_____	_____

Comments:

Prepared by: _____ Date: _____

Volunteer's Signature: _____ Date: _____

VOLUNTEER PROGRAM EXPENSE CLAIM FORM

Volunteer: _____ Supervisor: _____

Assignment: _____ Department: _____

Date of Expense	Description of Expense	Amount

Volunteer Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Charge Account: _____ Date Paid: _____

Attach Receipts for all Listed Expenses

VOLUNTEER PROGRAM TIME SHEET

Name: _____ Supervisor: _____

Assignment: _____ Department: _____

Month: _____

Enter the total number of volunteer hours worked for each day. Total all hours worked in each week, and enter it in the "Total" column.

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Total
Week 1								
Week 2								
Week 3								
Week 4								
Week 5								

Volunteer Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

VOLUNTEER PROGRAM VOLUNTEER REQUEST FORM

Department: _____

Contact for Volunteer Position: _____

Phone: _____

Email: _____

Person Completing this Form: _____

Check one:

____ Long-Term Volunteer ____ Short-Term Volunteer ____ Group Volunteer Project

Brief Job Description:

Volunteer's Position Title:

Volunteer will be Supervised by:

Will the volunteer supervisor be readily available to the volunteer? ____ Yes ____ No

Start Date: _____ Finish Date: _____

Location of Volunteer Assignment:

1. What will the volunteer be doing? Please be as clear as possible and list the activities. NOTE: You may attach your own job description for Question 1; however, Questions 2 through 12 must be completed on this form.
[Sample job descriptions are available through the Human Resources Department]

2. What are the minimal qualifications/skills needed for the volunteer position?

3. What orientation and training will the volunteer receive?

4. Will the volunteer supervise anyone else? ____ Yes ____ No
If yes, please explain:

5. Number Requested: ____ Minimum Hours: ____ Per (period): ____

Weekday

__ Mornings

__ Afternoons

__ Evenings

Saturday

__ Mornings

__ Afternoons

__ Evenings

Sunday

__ Mornings

__ Afternoons

__ Evenings

Schedule details: _____

6. Is this position appropriate for individuals who have been assigned community service through the Department of Corrections for low-level offenders?
____ Yes ____ No

7. This Project Is Appropriate For:
_____ Individuals _____ Groups _____ Adults _____ Youth _____ Families

Minimum Age: _____

8. Is free parking available? _____ Yes _____ No

If not, what is the cost? _____

9. Will the volunteer report to a location on a bus route? _____ Yes _____ No

How far is it to the closest bus stop? _____

10. If the volunteer is there over mealtime, will a meal be provided at no charge?
_____ Yes _____ No

11. Is this site accessible to people with disabilities? _____ Yes _____ No

Please list any difficult areas (e.g.: narrow hallways, stairs, no elevator, uneven walkways, long walks, non-accessible bathrooms, lifting, carrying, computer work, transportation, etc.):

12. What screening procedures are required for the volunteer applying for this position?

- _____ Background Check
- _____ Auto Insurance Verification
- _____ Driver's License Verification
- _____ DMV Report
- _____ References
- _____ Other (Please Specify):

VOLUNTEER PROGRAM RISK MANAGEMENT CHECKLIST

Volunteer Name: _____

Anticipated Dates of Volunteer Service: _____

- ☐ Volunteer Application Completed [Date: _____]
- ☐ Volunteer Agreement Signed [Date: _____]
- ☐ Volunteer Acknowledgment of Worker's Compensation Signed [Date: _____]
- ☐ Volunteer Waiver and Release Signed [Date: _____]
- ☐ Volunteer Service Statement Signed [Date: _____]
- ☐ Volunteer Manual Provided to Volunteer [Date: _____]
- ☐ License Verification Obtained [Date: _____]
- ☐ Certification Verification Obtained (copy attached) [Date: _____]
- ☐ Health/Physical Issues Addressed and Reviewed (medical notes/records attached, if necessary) [Date: _____]

ATTACHMENT A VOLUNTEER PROTECTION ACT OF 1997

This is the text of Public Law 105-19; the Volunteer Protection Act of 1997 as signed into law by President Clinton on June 18, 1997:

One Hundred Fifth Congress of the United States of America

At The First Session

Begun and held at the City of Washington on Tuesday, the seventh day of January, one thousand nine hundred and ninety-seven.

An Act

To provide certain protections to volunteers, nonprofit organizations, and governmental entities in lawsuits based on the activities of volunteers. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

Section 1. Short Title

This Act may be cited as the 'Volunteer Protection Act of 1997'.

Section 2. Findings And Purpose

(a) Findings. The Congress finds and declares that:

- (1) The willingness of volunteers to offer their services is deterred by the potential for liability actions against them;
- (2) As a result, many nonprofit public and private organizations and governmental entities, including voluntary associations, social service agencies, educational institutions, and other civic programs, have been adversely affected by the withdrawal of volunteers from boards of directors and service in other capacities;
- (3) The contribution of these programs to their communities is thereby diminished, resulting in fewer and higher cost programs than would be obtainable if volunteers were participating;
- (4) Because Federal funds are expended on useful and cost-effective social service programs, many of which are national in scope, depend heavily on volunteer participation, and represent some of the most successful public-private partnerships, protection of volunteerism through clarification and limitation of the personal liability risks assumed by the volunteer in connection with such participation is an appropriate subject for Federal legislation;

(5) Services and goods provided by volunteers and nonprofit organizations would often otherwise be provided by private entities that operate in interstate commerce;

(6) Due to high liability costs and unwarranted litigation costs, volunteers and nonprofit organizations face higher costs in purchasing insurance, through interstate insurance markets, to cover their activities; and

(7) Clarifying and limiting the liability risk assumed by volunteers is an appropriate subject for Federal legislation because:

(A) Of the national scope of the problems created by the legitimate fears of volunteers about frivolous, arbitrary, or capricious lawsuits;

(B) The citizens of the United States depend on, and the Federal Government expends funds on, and provides tax exemptions and other consideration to, numerous social programs that depend on the services of volunteers;

(C) It is in the interest of the Federal Government to encourage the continued operation of volunteer service organizations and contributions of volunteers because the Federal Government lacks the capacity to carry out all of the services provided by such organizations and volunteers; and

(D)(i) Liability reform for volunteers, will promote the free flow of goods and services, lessen burdens on interstate commerce and uphold constitutionally protected due process rights; and (ii) therefore, liability reform is an appropriate use of the powers contained in article 1, section 8, clause 3 of the United States Constitution, and the fourteenth amendment to the United States Constitution.

(b) Purpose. The purpose of this Act is to promote the interests of social service program beneficiaries and taxpayers and to sustain the availability of programs, nonprofit organizations, and governmental entities that depend on volunteer contributions by reforming the laws to provide certain protections from liability abuses related to volunteers serving nonprofit organizations and governmental entities.

Section 3. Preemption And Election of State Non-applicability

(a) Preemption. This Act preempts the laws of any State to the extent that such laws are inconsistent with this Act, except that this Act shall not preempt any State law that provides additional protection from liability relating to volunteers or to any category of volunteers in the performance of services for a nonprofit organization or governmental entity.

(b) Election Of State Regarding Non-applicability. This Act shall not apply to any civil action in a State court against a volunteer in which all parties are citizens of the State if

such State enacts a statute in accordance with State requirements for enacting legislation:

- (1) Citing the authority of this subsection;
- (2) Declaring the election of such State that this Act shall not apply, as of a date certain, to such civil action in the State; and
- (3) Containing no other provisions.

Section 4. Limitation On Liability For Volunteers

(a) Liability Protection For Volunteers. Except as provided in subsections (b) and (d), no volunteer of a nonprofit organization or governmental entity shall be liable for harm caused by an act or omission of the volunteer on behalf of the organization or entity if:

- (1) The volunteer was acting within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity at the time of the act or omission;
- (2) If appropriate or required, the volunteer was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity;
- (3) The harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer; and
- (4) The harm was not caused by the volunteer operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to:
 - (A) Possess an operator's license; or
 - (B) Maintain insurance.

(b) Concerning Responsibility Of Volunteers To Organizations And Entities. Nothing in this section shall be construed to affect any civil action brought by any nonprofit organization or any governmental entity against any volunteer of such organization or entity.

(c) No Effect On Liability Of Organization Or Entity. Nothing in this section shall be construed to affect the liability of any nonprofit organization or governmental entity with respect to harm caused to any person.

(d) Exceptions To Volunteer Liability Protection. If the laws of a State limit volunteer liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a nonprofit organization or governmental entity to adhere to risk management procedures, including mandatory training of volunteers.

(2) A State law that makes the organization or entity liable for the acts or omissions of its volunteers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(4) A State law that makes a limitation of liability applicable only if the nonprofit organization or governmental entity provides a financially secure source of recovery for individuals who suffer harm as a result of actions taken by a volunteer on behalf of the organization or entity. A financially secure source of recovery may be an insurance policy within specified limits, comparable coverage from a risk pooling mechanism, equivalent assets, or alternative arrangements that satisfy the State that the organization or entity will be able to pay for losses up to a specified amount.

Separate standards for different types of liability exposure may be specified.

(e) Limitation On Punitive Damages Based On The Actions Of Volunteers:

(1) General Rule. Punitive damages may not be awarded against a volunteer in an action brought for harm based on the action of a volunteer acting within the scope of the volunteer's responsibilities to a nonprofit organization or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such volunteer which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) Construction. Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(f) Exceptions To Limitations On Liability:

(1) In General. The limitations on the liability of a volunteer under this Act shall not apply to any misconduct that:

(A) Constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18) for which the defendant has been convicted in any court;

(B) Constitutes a hate crime (as that term is used in the Hate Crime Statistics Act (28 U.S.C. 534 note));

(C) Involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

(D) Involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

(E) Where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) Rule Of Construction. Nothing in this subsection shall be construed to effect subsection (a)(3) or (e).

Section 5. Liability For Non-economic Loss

(a) General Rule. In any civil action against a volunteer, based on an action of a volunteer acting within the scope of the volunteer's responsibilities to a nonprofit organization or governmental entity, the liability of the volunteer for non-economic loss shall be determined in accordance with subsection (b).

(b) Amount Of Liability:

(1) In General. Each defendant who is a volunteer, shall be liable only for the amount of non economic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) Percentage Of Responsibility. For purposes of determining the amount of non-economic loss allocated to a defendant who is a volunteer under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

Section 6. Definitions

For purposes of this Act:

(1) Economic Loss. The term 'economic loss' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) Harm. The term 'harm' includes physical, nonphysical, economic, and non-economic losses.

(3) Non-economic Losses. The term 'non-economic losses' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other non-pecuniary losses of any kind or nature.

(4) Nonprofit Organization. The term 'nonprofit organization' means:

(A) Any organization which is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note); or

(B) Any not-for-profit organization which is organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note).

(5) State. The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) Volunteer. The term 'volunteer' means an individual performing services for a nonprofit organization or a governmental entity who does not receive:

(A) Compensation (other than reasonable reimbursement or allowance for expenses actually incurred); or

(B) Any other thing of value in lieu of compensation, in excess of \$500 per year, and such term includes a volunteer serving as a director, officer, trustee, or direct service volunteer.

Section 7. Effective Date

(a) In General. This Act shall take effect 90 days after the date of enactment of this Act.

(b) Application. This Act applies to any claim for harm caused by an act or omission of a volunteer where that claim is filed on or after the effective date of this Act but only if the harm that is the subject of the claim or the conduct that caused such harm occurred after such effective date.

RESOLUTION NO. 2019-07

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL,
CALIFORNIA, PROVIDING WORKERS' COMPENSATION COVERAGE
FOR CERTAIN CITY VOLUNTEERS PURSUANT TO THE PROVISIONS
OF SECTION 3363.5 OF THE LABOR CODE.**

WHEREAS, the City of Imperial finds its best interest will be served by utilizing volunteers in the provision of certain government services; and

WHEREAS, said volunteers should be eligible for workers' compensation coverage while on duty;

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

1. Find and determine that the public interest is best served by providing workers' compensation coverage for City volunteer workers as specified by the City Manager; and

2. Provide eligibility for said volunteers for workers' compensation benefits which will be applicable during the time the person actually performs volunteer services, provided, however, that the rights of volunteers shall be limited as set forth in the Labor Code.

PASSED, APPROVED AND ADOPTED at a Regular meeting of the City Council of the City of Imperial this 6th day of March, 2019.

P. Robert Amparano, Mayor

ATTEST:

Debra Jackson, City Clerk

DATE SUBMITTED February 27, 2019
SUBMITTED BY City Attorney/Community Development
DATE ACTION REQUIRED March 6, 2019

COUNCIL ACTION ☒
PUBLIC HEARING REQUIRED ☐
RESOLUTION ☐
ORDINANCE 1ST READING ☐
ORDINANCE 2ND READING ☐
CITY CLERK'S INITIALS 

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: Ratification of consideration to be paid for acquisition of right of way for installation of water and sewer facilities.

DEPARTMENT INVOLVED: Community Development/City Attorney

BACKGROUND/SUMMARY: This action involves property located on the west side of Clark road/P Street north of Aten. The property is currently in the unincorporated area of the County of Imperial. During the course of discussion between the city and property owner concerning annexation, the city determined that it needed right of way for the installation of water and sewer lines. Those discussions culminated in a grant of easement from the property owner in exchange for a credit of one EDU for water and one EDU for sewer. The council approved the consideration and accepted the grant of easement during a council meeting of May 6, 2015. The city later determined that additional right of way was necessary and, on May 18, 2016, the council accepted a grant of easement for additional right of way. Staff at the time determined that appropriate compensation for the additional right of way would be \$20,000.00 and that the owner would realize said payment in the form of building permit credit.

FISCAL IMPACT: Water and wastewater capital improvement accounts in an amount not to exceed \$20,000.00.

F.O. INITIALS _____

STAFF RECOMMENDATION: Ratify prior staff action relating to consideration to be paid for acquisition of right of way.

MANAGER'S RECOMMENDATION:

MANAGER'S INITIALS 

MOTION:

SECONDED:	APPROVED ☐	REJECTED ☐
AYES:	DISAPPROVED ☐	DEFERRED ☐
NAYES:		
ABSENT:	REFERRED TO:	

DATE SUBMITTED

3/13/19

SUBMITTED BY

CITY MANAGER'S
OFFICE

DATE ACTION REQUIRED

3/20/19

COUNCIL ACTION ☒ X
PUBLIC HEARING REQUIRED ☐ (
RESOLUTION ☐ (
ORDINANCE 1ST READING ☐ (
ORDINANCE 2ND READING ☐ (
CITY CLERK'S INITIALS ☒ (

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: HIGHWAY 86

1. AUTHORIZATION TO EXPEND CAPITAL IMPROVEMENT FUNDS IN THE AMOUNT OF \$175,000.00;
2. AUTHORIZATION TO SEEK BIDS FOR THE DESIGN AND ENGINEERING OF HWY 86 BEAUTIFICATION AND RECONSTRUCTION;

DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE/COMMUNITY DEVELOPMENT

BACKGROUND/SUMMARY:

Mayor & Council, staff is requesting the use capital improvement funds as approved in the 2018-2019 municipal budget for the design and engineering of the HWY 86 Reconstruction Project. This request is in preparation of the City's BUILD Grant Application with the U.S. Department of Transportation. The U.S. DOT will be announcing the next round of NOFA this Spring. It is the City's intention to apply for the competitive process for the HWY 86 Reconstruction Project. The design will include left turn pockets along within 12th, 10th, 6th, and 4th street intersections and active transportation features that connect to our neighboring jurisdictions.

FISCAL IMPACT: Not to Exceed \$175,000.00 as approved in the 2018-2019 Municipal Budget

FINANCE
INITIALS

DD

STAFF RECOMMENDATION: It is staff recommendation to approve the authorization to expend CIP funds in preparation for the City's BUILD Grant Application.

DEPT. INITIALS

al

MANAGER'S APPROVAL:

CITY
MANAGER'S
INITIALS

e

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ☐ (

DISAPPROVED ☐ (

REJECTED ☐ (

DEFERRED ☐ (

REFERRED TO:

Project No.	Project Name	Description	2018 - 2019 Adopted Budget	General Fund (01)	Local Transportation (06)	LTA Measure D (08)	Signal Time Improvement (04)	Sky Bench Landmark Initiative (05)	Water (50)	Water Capacity (51)	Wastewater (55)	Park Impact Fees (68)	SB 01 (81)	FTA	PTMSEA	Notes / Consultant:
1.0	BUILDINGS		\$													
	Air Conditioner Replacements	Maintenance	\$31,500	\$31,500												
	City Hall General Electrical	Maintenance	\$3,000	\$3,000												
	City Hall Mice Building Improvements	Maintenance	\$6,000	\$6,000												
	City Hall Phase II Improvements	Maintenance	\$7,000	\$7,000												
	Library Glass Doors	Maintenance	\$10,000	\$10,000												
	Water / Wastewater North N Property	Improvements	\$20,000						\$10,000							
2.0	INFRASTRUCTURE															
	Storm Water - Motors Replace	Maintenance	\$25,000	\$25,000												
	Storm Water - Pumps Replace	Maintenance	\$28,000	\$28,000												
	Yucca Rebuild	Maintenance	\$13,000	\$13,000												
3.0	PARKS															
	Pour in Place for Parks	Project	\$50,000	\$50,000												
	SkyBench park lighting, and repair of block wall	Project	\$120,000		\$290,000											
	Transit Park	Project	\$1,288,250						\$120,000			65,000		747,000	186,340	
4.0	STREETS															
	Asen Blvd Intersection Improvement (Clark)	Rehab and reconstruction	\$670,000	\$670,000												
	Asen Blvd Intersection Improvement (Cross)	Rehab and reconstruction	\$480,000	\$480,000												
	Burl Shelter	Construction	\$16,000	\$16,000												
	Drainage Hwy B6	Project	\$75,000	\$75,000												
	Highway 66 Beautification	Rehab and reconstruction	\$100,000	\$100,000												
	Joshua Tree Street Improvement Beautification	Maintenance	\$31,307	\$31,307												
	Roadway Rehab / Overlay	Rehab and reconstruction	\$600,000	\$600,000	\$400,000											
	Sidewalk and ADA Ramps Phase II	Maintenance	\$450,000	\$450,000	\$450,000											
	Storm Drain North West Quadrant Phase I	Project	\$102,634										102,634			
5.0	WATER															
	TTHM Filter Media	Project	\$400,000	\$400,000					\$400,000							
	TTHM Filters Equipment	Project	\$1,400,000							\$1,400,000						
6.0	WASTEWATER															
	Drying need repairs	Maintenance	\$40,000	\$40,000							\$40,000					
	Electrical Upgrades	Maintenance	\$35,000	\$35,000							\$35,000					
	Gear Boxes	Maintenance	\$40,000	\$40,000							\$40,000					
	Ngators	Maintenance	\$60,000	\$60,000							\$60,000					
	NPD	Maintenance	\$15,000	\$15,000							\$15,000					
	SCADA alarm improvements	Maintenance	\$50,000	\$50,000							\$50,000					
	Trojan Filler	Maintenance	\$100,000	\$100,000							\$100,000					
	UV System	Project	\$100,000								\$100,000					
	Man Hole Pipeline (Smart Covers)	Project	\$100,000								\$100,000					
7.0	OTHER															
	1 Ton Truck w/ crane	Vehicle	\$92,000	\$92,000												
	3/4 Ton Truck	Vehicle	\$58,000	\$58,000					\$59,050	\$1,400,000	\$2,800	\$5,000	\$102,634	\$747,000	\$186,350	
	Copier Lease - City Hall	Equipment	\$10,000	\$10,000					\$29,000		\$29,000					
	Copier Lease - Library	Equipment	\$4,300	\$4,300												
	Flatbed Conversion	Equipment	\$8,000	\$8,000					\$8,000							
	IT Hardware	Equipment	\$13,566	\$13,566												
	Library Books	Other	\$8,500	\$8,500												
	Loop Detector	Equipment	\$23,000	\$23,000												
	Loop Detector	Equipment	\$23,000	\$23,000												
	Mint Excavator	Equipment	\$48,500	\$48,500												
	Service Truck	Vehicle	\$60,000	\$60,000					\$24,250		\$24,250					
	Street Signal Cameras	Vehicle	\$45,000	\$45,000					\$45,000		\$30,000					
	Trailbed Trailer	Equipment	\$8,600	\$2,800	\$416,000	\$2,265,000	\$31,307	\$120,000	\$2,800	\$1,400,000	\$2,800	\$5,000	\$102,634	\$747,000	\$186,350	
			\$57,973,957	\$247,566	\$416,000	\$2,265,000	\$31,307	\$120,000	\$549,050	\$1,400,000	\$668,050	\$5,000	\$102,634	\$747,000	\$186,350	
		TOTAL CAPITAL IMPROVEMENTS:		General Fund (01)	Local Transportation (06)	LTA Measure D (08)	Signal Time Improvement (04)	Sky Bench Landmark Initiative (05)	Water (50)	Water Capacity (51)	Wastewater (55)	Park Impact Fees (68)	SB 01 (81)	FTA	PTMSEA	

Agenda Item No. E-18

DATE SUBMITTED

3/12/19

SUBMITTED BY

COMMUNITY
SERVICES -
E. HALLER

DATE ACTION REQUIRED

3/20/19

COUNCIL ACTION (X)

PUBLIC HEARING REQUIRED ()

RESOLUTION ()

ORDINANCE 1ST READING ()

ORDINANCE 2ND READING ()

CITY CLERK'S INITIALS 

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: CONSIDERATION TO CHANGE RECREATION SPECIALIST POSITION FROM PART-TIME TO FULL-TIME POSITION

1. AUTHORIZE CHANGE OF RECREATION SPECIALIST POSITION FROM PART-TIME TO FULL-TIME

DEPARTMENT INVOLVED: COMMUNITY SERVICES

BACKGROUND/SUMMARY:

The Community Services Department currently has one full-time Recreation Coordinator and one part-time Recreation Specialist allocated for the Recreation Division. The division provides customer service for the Community Services Department providing public information and assistance with park reservations, program registrations, and Imperial Market Days vendor registrations. The Recreation Division is also responsible for the development and coordination of special events, recreation and aquatic programs in addition to the creation of marketing and promotional materials. Due to the significant volume of activity within the office of Community Services there is a need for at least two full-time positions dedicated to the Community Services office and Recreation Services. It is requested that Council consider changing the Recreation Specialist position from part-time to full-time. The full-time Recreation Specialist position will be non-exempt and represented under Teamsters.

Please see attached documents for additional information.

FISCAL IMPACT:

There is no significant fiscal impact.

FINANCE
INITIALS



STAFF RECOMMENDATION:

The department recommends the City to authorize the change of the Recreation Specialist position from part-time to full-time.

DEPT. INITIALS



MANAGER'S RECOMMENDATION:

CITY
MANAGER'S
INITIALS



MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ()

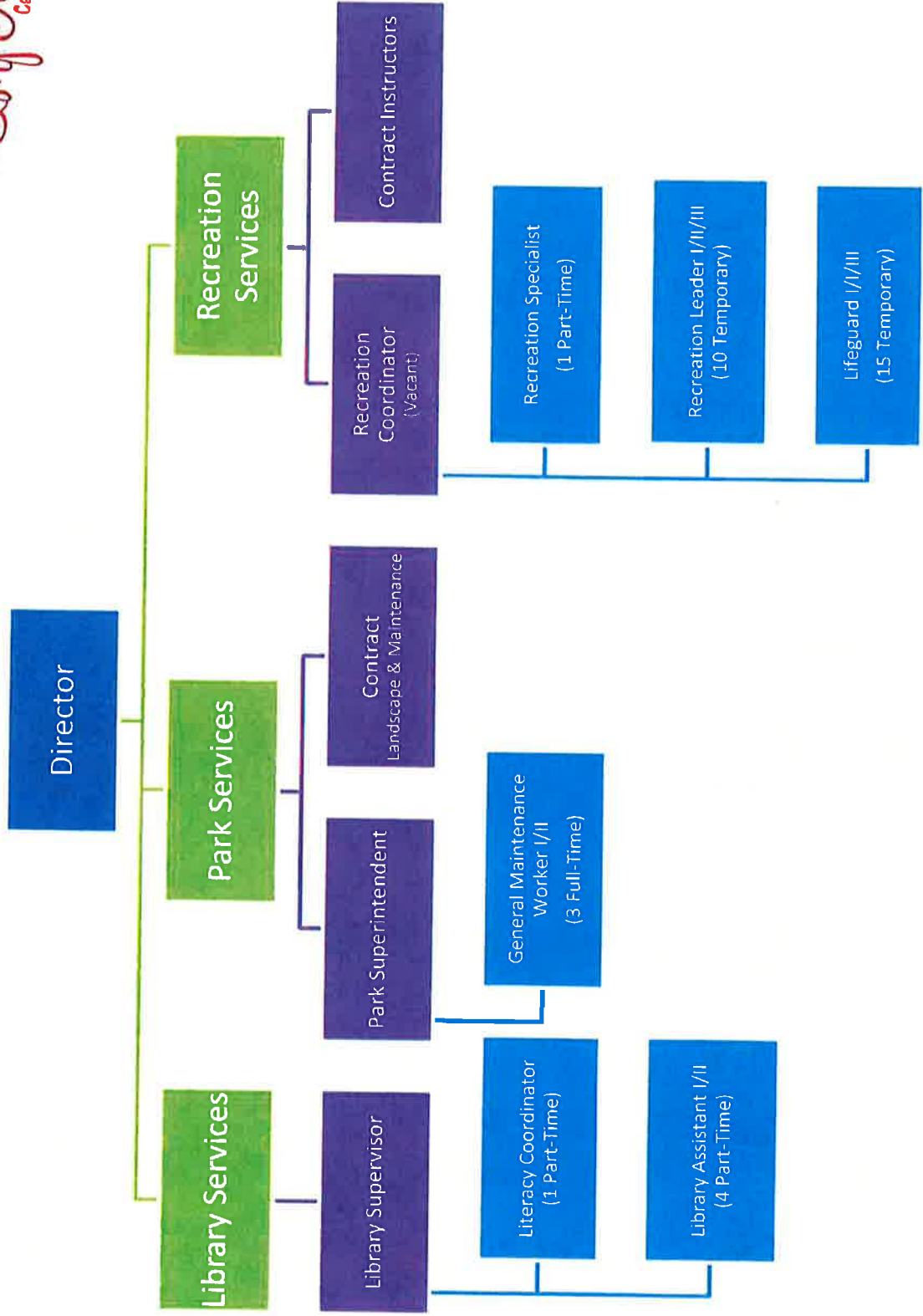
DISAPPROVED ()

REJECTED ()

DEFERRED ()

REFERRED TO:

Community Services



Class Title: RECREATION SPECIALIST

Bargaining Unit: This is a non-union position

Class Code: 2014-2002

Salary: \$14.62 - \$20.57 Hourly
\$1,169.60 - \$1,645.60 Biweekly
\$30,409.60 - \$42,785.60 Annually

Under direction, assists in the development and conducting of recreational program activities and services for the community; assists to coordinate special activities and/or city events to promote the benefits of the COMMUNITY SERVICES DEPARTMENT; performs related work as required.

Duties:

Duties may include, but are not limited to, the following: assist in the development of city events and recreation activities and services for the community; meet and work with community groups to promote and stimulate city events and recreation programs; has daily contact with the public and maintains excellent customer services; keeps records and prepares reports; assists in developing marketing and promotional materials and correspondence to support recreation and city events. May assist with the updating of the city's website, social media and e-newsletter; may be required to work weekends and holidays.

Performs other related tasks as requested or assigned.

Qualifications:

Knowledge of: Principles and practices of public recreation. Instructional techniques and methods for recreation activities. Record keeping and reporting procedures. First aid practices and techniques. Ability to: Understand and carry out oral and written instruction. Meet and deal effectively with the public. Learn and perform assigned tasks. Instruct and lead group recreation activities.

EDUCATION/EXPERIENCE

Two or more years of college-level course work in a related field and six months (paid or volunteer) experience as a group activity worker or instructor.

Additional Information:

LICENSE REQUIRED: Valid California Driver's License.

PHYSICAL DEMANDS: The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the employee is frequently required to walk, sit and talk or hear. The employee is occasionally required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb or balance; stoop, kneel, crouch, or crawl. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, color vision, and the ability to adjust focus.

WORK ENVIRONMENT: While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee is occasionally exposed to wet, hot and cool conditions. The noise level in the work environment is moderate while inside a facility, and loud while in the field.

**CITY OF IMPERIAL
SALARY SCHEDULE - PART-TIME CLASSIFICATIONS
FISCAL YEAR 2018 - 2019**

<u>RANGE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
11	12.28	12.46	12.65	12.84	13.03
12	12.59	12.78	12.97	13.16	13.36
13	12.90	13.10	13.29	13.49	13.69
14	13.22	13.42	13.62	13.83	14.04
15	13.55	13.76	13.96	14.17	14.39
16	12.94	13.13	13.33	13.53	13.73
17	13.26	13.46	13.66	13.87	14.08
18	13.60	13.80	14.01	14.22	14.43
19	13.93	14.14	14.36	14.57	14.79
20	14.28	14.50	14.72	14.94	15.16
21	14.64	14.86	15.08	15.31	15.54

COMMUNITY SERVICES

<i>Library Assistant I</i>	11
<i>Library Assistant II</i>	13
<i>Literacy Coordinator</i>	16
<i>Recreational Specialist</i>	21

5.8% Salary Adjustment

City Manager approval on 01/09/19

- added the Rec Specialist

**CITY OF IMPERIAL
TEAMSTERS SALARY SCHEDULE
FISCAL YEAR 2018 - 2019**

<u>RANGE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>	<u>STEP 7</u>	<u>10 YR STEP 8</u>
55	14.66	15.40	16.17	16.98	17.82	18.72	19.65	20.63
56	15.11	15.86	16.66	17.49	18.36	19.28	20.25	21.26
57	15.31	16.08	16.88	17.72	18.61	19.54	20.52	21.54
58	15.70	16.49	17.31	18.18	19.08	20.04	21.04	22.09
59	16.10	16.91	17.75	18.64	19.57	20.55	21.58	22.66
60	16.50	17.33	18.20	19.11	20.06	21.06	22.12	23.22
61	16.88	17.72	18.60	19.54	20.51	21.54	22.61	23.74
62	17.27	18.13	19.04	19.99	20.99	22.04	23.14	24.30
63	17.71	18.60	19.53	20.50	21.53	22.60	23.73	24.92
64	18.16	19.06	20.02	21.02	22.07	23.17	24.33	25.55
65	18.62	19.55	20.53	21.56	22.63	23.77	24.96	26.20
66	19.13	20.08	21.09	22.14	23.25	24.41	25.63	26.91
67	19.56	20.54	21.57	22.65	23.78	24.97	26.22	27.53
68	20.03	21.03	22.08	23.18	24.34	25.56	26.84	28.18
69	20.56	21.58	22.66	23.80	24.99	26.24	27.55	28.93
70	21.05	22.11	23.21	24.37	25.59	26.87	28.21	29.63
71	21.68	22.76	23.90	25.09	26.35	27.67	29.05	30.50
72	22.13	23.24	24.40	25.62	26.90	28.25	29.66	31.14
73	22.66	23.80	24.99	26.23	27.55	28.92	30.37	31.89
74	23.23	24.39	25.61	26.89	28.24	29.65	31.13	32.69
75	23.78	24.97	26.22	27.53	28.91	30.35	31.87	33.47
76	24.38	25.60	26.87	28.22	29.63	31.11	32.67	34.30
77	25.00	26.25	27.56	28.94	30.39	31.91	33.50	35.18
78	25.62	26.90	28.25	29.66	31.14	32.70	34.34	36.05
79	26.47	27.79	29.18	30.64	32.18	33.78	35.47	37.25
80	26.87	28.22	29.63	31.11	32.66	34.30	36.01	37.81

5.8 Salary Adjustment

Implementation as of 1st payday July 2018

Updated 09/10/18 - Finance Department

DATE SUBMITTED

03/13/2019

SUBMITTED BY

R. Alejandro Estrada

DATE ACTION REQUIRED

03/20/2019

COUNCIL ACTION (x)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS (8)

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: 1. APPROVE DISBURSEMENT OF FUNDS FOR UTILITY BILLING SOFTWARE SERVICE HARRIS COMPUTER MAINTENANCE IN THE AMOUNT OF \$16,755.78;													
DEPARTMENT INVOLVED: DEPARTMENT OF INFORMATION TECHNOLOGY													
BACKGROUND/SUMMARY: As part of the maintenance service agreement fees that we have included in the Information Technology Budget for 2018 - 2019. We have received an invoice on February 28, 2018, from Harris Computer Systems for the annual maintenance service of i-nHance System (Utility Billing System) in the amount of \$16,755.78. We budgeted for this service the amount of 15,994.16 The remaining balance of 761.62 will come out of savings I.T. Budget.													
FISCAL IMPACT: 16,755.78	FINANCE INITIALS 												
STAFF RECOMMENDATION: It is staffs recommendation to approve the disbursement of funds for the utility billing software maintenance service.	DEPT. INITIALS 												
MANAGER'S RECOMMENDATION: The City Manager agrees with staffs recommendation.	CITY MANAGER's INITIALS 												
MOTION:													
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">SECONDED:</td> <td style="width: 33%;">APPROVED ()</td> <td style="width: 33%;">REJECTED ()</td> </tr> <tr> <td>AYES:</td> <td>DISAPPROVED ()</td> <td>DEFERRED ()</td> </tr> <tr> <td>NAYES:</td> <td></td> <td></td> </tr> <tr> <td>ABSENT:</td> <td>REFERRED TO:</td> <td></td> </tr> </table>		SECONDED:	APPROVED ()	REJECTED ()	AYES:	DISAPPROVED ()	DEFERRED ()	NAYES:			ABSENT:	REFERRED TO:	
SECONDED:	APPROVED ()	REJECTED ()											
AYES:	DISAPPROVED ()	DEFERRED ()											
NAYES:													
ABSENT:	REFERRED TO:												



Invoice

MN00115722

Date

2/28/2019

Page

1 of 1

Remit To: Harris Computer Systems
62133 Collections Center Drive
Chicago, IL 60693-0621

Bill to

Imperial, City of
Accounts Payable
420 S Imperial Avenue
Imperial, CA 92251
USA

Ship To

Imperial, City of
Accounts Payable
420 S Imperial Avenue
Imperial, CA 92251
USA

PO Number	Customer No.	Salesperson ID	Shipping Method	Payment Terms
	IMP31		DELIVERY	MN MAY

Ordered	Item Number	Description	Unit Price	Ext Price
1.00	INHANCE IUS	IUS Annual Support: 5/1/2019 to 4/30/2020	US\$16,755.78	US\$16,755.78
Invoice Questions? Please call Wendy Hao at 613-226-5511 ext 2499 OR e-mail WHao@harriscomputer.com			Subtotal	US\$16,755.78
			Misc	US\$0.00
			Tax	US\$0.00
			Freight	US\$0.00
			Trade Discount	US\$0.00
			Total	US\$16,755.78

DATE SUBMITTED 3/12/19
 SUBMITTED BY COMMUNITY SERVICES – E. HALLER
 DATE ACTION REQUIRED 3/20/19

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS 

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: DONATION OF MINI-EXPRESS ELECTRIC TRAIN 1. ACCEPTANCE OF DONATION OF WATTMAN MINI-EXPRESS ELECTRIC TRAIN					
DEPARTMENT INVOLVED: COMMUNITY SERVICES					
BACKGROUND/SUMMARY: The Family Treehouse Project, Inc. filed a Certificate of Dissolution on February 28, 2015 and ceased operations as of June 30, 2015. The wish of the board was not to sell off the assets but to provide them to community programs which could benefit from the transfer. One of the Family Treehouse assets was a Wattman Mini-Express Electric Train which was purchased on February 12, 2008 in the amount of \$77,290. On July 3, 2015 the Family Treehouse Board requested the train to be transferred to the Child Abuse Prevention (CAP) Council to be used at the Annual Children's Fair, community markets and benefit events. The train has been in storage and the CAP Council has taken action to donate the Mini-Express Train to the City of Imperial. CAP Council has requested that the City provide free train rides at its Annual Children's Fair. In addition, the Department of Community Services will utilize the train at Imperial Market Days to provide free rides to children and families. The train will also be used for programs at the Library, Community Center, Parks and Special Events. The Wattman Mini-Express trackless train is a 4-car configuration which includes one locomotive, one coal car, two passenger cars, and one caboose. The current value is estimated at \$20,000. The train is currently stored at the City "Fire Barn" where the Parks Division stores its equipment. Maintenance cost is estimated to be minimal with monthly general maintenance. Please see attached documents for additional information.					
FISCAL IMPACT: There is no significant fiscal impact.	FINANCE INITIALS 				
STAFF RECOMMENDATION: The department recommends the City to accept the donation of the train.	DEPT. INITIALS 				
MANAGER'S RECOMMENDATION:	CITY MANAGER'S INITIALS 				
MOTION: <table style="width: 100%;"> <tr> <td style="width: 50%;"> SECONDED: AYES: NAYES: ABSENT: </td> <td style="width: 50%;"> <table style="width: 100%;"> <tr> <td style="width: 50%;"> APPROVED () DISAPPROVED () REFERRED TO: </td> <td style="width: 50%;"> REJECTED () DEFERRED () </td> </tr> </table> </td> </tr> </table>		SECONDED: AYES: NAYES: ABSENT:	<table style="width: 100%;"> <tr> <td style="width: 50%;"> APPROVED () DISAPPROVED () REFERRED TO: </td> <td style="width: 50%;"> REJECTED () DEFERRED () </td> </tr> </table>	APPROVED () DISAPPROVED () REFERRED TO:	REJECTED () DEFERRED ()
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Wattman
TRAINS & TRAMS

QUIET AND ENVIRONMENTALLY
FRIENDLY ELECTRIC VEHICLES!



THE MINI EXPRESS



www.wattman.ca
(514) 674-0789 • 1-877-472-8026

PRICE LIST

All pricing based in Canadian dollars



MINI EXPRESS

effective May 15, 2007

***Canadian to foreign currency Exchange rate:		1,000	Qty	ORDER	
Canadian \$	Foreign			Canadian \$	Foreign
Complete train 48-volts Locomotive + 4 cars		53,000 \$	1	53,000 \$	53,000.00
EXTRA INDIVIDUAL UNITS					
Locomotive (48 Volts)	23,500 \$	23,500.00	0	0 \$	0.00
Coal car	8,000 \$	8,000.00	0	0 \$	0.00
Passenger 1	8,000 \$	8,000.00	0	0 \$	0.00
Passenger 2	8,000 \$	8,000.00	0	0 \$	0.00
Caboose	8,000 \$	8,000.00	0	0 \$	0.00
Zoo Edition	8,000 \$	8,000.00	0	0 \$	0.00
TRAIN OPTIONS	1,000 \$	1,000.00	0	0 \$	0.00
<u>Sound and Audio Packages: (see bottom for details)</u>					
Sound in Motion - (Steam engine sounds coming from loco speakers)	1,500 \$	1,500.00	0	0 \$	0.00
Audio to loco speakers (not available with Sound in Motion package)	500 \$	500.00	0	0 \$	0.00
Audio to each of the 4 wagons (available with Sound in Motion package)	1,400 \$	1,400.00	0	0 \$	0.00
Special paint and customization (on per quote basis only)		0.00	0	0 \$	0.00
Smoke machine	1,500 \$	1,500.00	0	0 \$	0.00
Microphone (choice of gooseneck or headset)	150 \$	150.00	0	0 \$	0.00
Advertising frames (each)	140 \$	140.00	0	0 \$	0.00
ACCESSORIES					
Covers (per car)	175 \$	175.00	0	0 \$	0.00
Little train station	2,000 \$	2,000.00	0	0 \$	0.00
Railroad Crossing signals (2 lights)	950 \$	950.00	0	0 \$	0.00
Conductor's cap (included w initial purchase)	13 \$	13.00	0	0 \$	0.00
Conductor's overall (included w initial purchase)	78 \$	78.00	0	0 \$	0.00
Misc.	0 \$	0.00	0	0 \$	0.00
		Sub-Total		53,000 \$	53,000.00
PREPARATION (For complete train)	750 \$	750.00	1	750 \$	750.00
FREIGHT (To be determined on quote)	0 \$	0.00	0	0 \$	0.00
		Total:		53,750 \$	53,750.00

Standard colors: Locomotive and coal car colors are coordinated and color scheme will vary with production cycles.

Standard passenger car colors: yellow, green & blue. Caboose color is always red.

Custom color schemes are available will be quoted on a per order basis.

Sound and Audio Package explanations:

Sound in Motion: This is a complete package that includes all hardware & firmware. As the train moves, steam engine sounds are emitted. The sounds are conditioned by the speed of the train. As the train moves faster, the sounds get quicker. Braking sounds are emitted as the train prepares to stop. Conductor can add bells & whistles and can control the volume of these sounds.

Audio to Loco Speakers: This consist of an amplifier with 2 frontal jacks; one for an IPOD, the other for a microphone. Each jack has an independent volume control. This allows the blend of music (via Ipod) and narration (via microphone). This package is not available with *Sound in Motion* package since the 2 front speakers are already occupied delivering the train sounds.

Audio to each of the 4 wagons: Same as above and is available with *Sound in Motion* package. All music and narrations are directed to each individual wagon. When combined with *Sound in motion*, the train sounds, music and narration can all be heard.

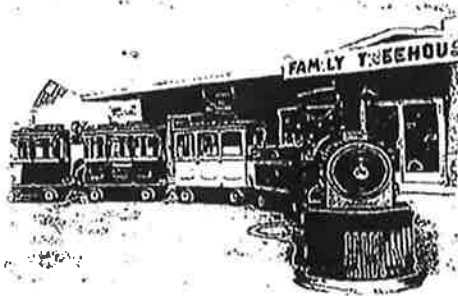
The purpose of this interactive price list is to help international customers have pricing in their own currency.

Wattman requires payment in Canadian or US currency. Wattman will determine Canadian to US currency exchange rate.

When payments are in US\$, the conversion rate that will be applied will be that of the day of the transactions (deposit and full payment). Wattman will communicate the conversion rate to customer prior to wire transfer.

Attachment B
Proposed Distribution of Assets

1. A 16 foot Wattman Amusement Train is requested to be transferred to the *Child Abuse Prevention Council* under FEIN Tax ID# 95-3422004 which is operated under Ms. Yvette Garcia. It is to be used to at various children's fairs, community markets, and benefit events.



2. Children's play equipment, toys, furniture, teacher resources, and educational supplies is requested to be transferred to the Municipality of the City of El Centro Community Services/Park and Recreation Division under the Direction of Marcela Piedra. The equipment is to be used for children's programs, specifically "HALF PINT" and other youth development services.





**Sponsored by Imperial County Child Abuse Prevention Council,
Imperial County Office of Education, El Centro Parks & Recreation**
With assistance from TKO Entertainment and Los Vigilantes

