

AMENDED AGENDA



**Brawley City Council &
Successor Agency to Brawley
Community Redevelopment Agency
Regular Meeting Agenda
Tuesday, February 21, 2017 @ 6:00 PM
City Council Chambers
383 Main Street
Brawley, California 92227**

Sam Couchman, Mayor
Helen M. Noriega, Mayor Pro-Tempore
Norma Kastner-Jauregui, Council Member
George A. Nava, Council Member
Donald L. Wharton, Council Member

Alma Benavides, City Clerk
Ruby D. Walla, City Treasurer
William S. Smerdon, City Attorney
Rosanna Bayon Moore, City Manager/
Executive Director

CALL TO ORDER

ROLL CALL

INVOCATION Pastor Jim Doudy, Valley Baptist Church

PLEDGE OF ALLEGIANCE

1. APPROVAL OF AGENDA

2. PUBLIC APPEARANCES/COMMENTS (Not to exceed 4 minutes) this is the time for the public to address the Council **on any item not appearing on the agenda** that is within the subject matter jurisdiction of the City Council. The Mayor will recognize you and when you come to the microphone, please state your name for the record. You are not allowed to make personal attacks on individuals or make comments which are slanderous or which may invade an individual's personal privacy. **Please direct your questions and comments to the City Council.**

a. Introduction of Brawley Police Officers Dean Beckwith and Jon Dellinger by Police Chief Michael Crankshaw

3. CONSENT AGENDA Items are approved by one motion. Council Members or members of the public may request consent items be considered separately at a time determined by the Mayor.

a. Approve Accounts Payable: February 2, 2017 **Pgs 5-16**
February 3, 2017 **Pg 17**
February 8, 2017 **Pgs 18-33**

b. Approve City Council Minutes: December 21, 2016 **Pgs 34-38**
January 17, 2017 **Pgs 39-43**

c. Approve 2nd Reading of Ordinance No. 2017-01: Ordinance of the City Council of the City of Brawley, California Amending the Brawley Municipal Code to Change the Zoning Designation for Specified Properties. **Pgs 44-46**

d. Authorize to Proceed with a Lease Agreement with AM Copiers Inc. for a Folding and Inserting Machine with a 60-Month Lease of \$325.00 per Month. **Pgs 47-52**

e. Approve Travel of Fire Captain to Attend the Fire Mechanics Academy in Sacramento, California from April 2, 2017 through April 5, 2017. **Pgs 53-55**

4. REGULAR BUSINESS

a. Discussion and Potential Action to Co-Sponsor the "Consulado Movil Event" to be Held on Saturday, March 11, 2017 and Saturday, September 23, 2017 from 9am-4pm at Del Rio Community Room. **Pgs 56-58**

- b. Discussion and Potential Action to Adopt Resolution No. 2017- : Resolution of the City Council of the City of Brawley, California Amending the Fiscal Year 2016/2017 City of Brawley Budget for the Fire Department in the Amount of \$69,124.41. **Pgs 59-63**
- c. Discussion and Potential Action to Authorize Resolution No. 2017- : Resolution of the City of Brawley, California Authorizing the Issuance of Pension Obligation Bonds to Refinance the Outstanding Pension Fund Obligation of the City to the California Public Employees' Retirement System, Approving the Form of and Authorizing the Execution and Delivery of a Trust Agreement, and Authorizing a Validation Action and Other Matters Relating Thereto. **Pgs 64-127**
- d. Discussion and Potential Action to Accept the Audited Financial Statements for the City of Brawley for the Fiscal Year Ended June 30, 2016. **Pgs 128-236**
- e. Status Update for One World Beef Located at 57 Shank Road.

5. DEPARTMENTAL REPORTS

- a. Utility Users Tax Overview by Finance Director Ruby Walla **Pg 237**

6. CITY TREASURER'S REPORT

7. CITY COUNCIL MEMBER REPORTS

8. CITY MANAGER REPORT

- a. Brawley Mobile Home Park Update **Pgs 238-239**

9. CITY ATTORNEY REPORT

- a. Discussion and Staff Direction re: Utility Users Tax, City Treasurer and Change of Terms of Elected Office for the City of Brawley

10. CITY CLERK REPORT

11. CLOSED SESSION

- a. EXISTING LITIGATION (California Government Code §54956.9)
Conference with Legal Counsel
Name of Case: Brawley Oak Glen Land, LLC, et al. v. City of Brawley
- b. POTENTIAL LITIGATION (California Government Code §54956.9)
Conference with Legal Counsel
One (1) Potential Case

- c. REAL PROPERTY NEGOTIATIONS (California Government Code §54956.8)
Conference with Real Property Negotiator
Address: APN 049-023-007-000, 129, 135, 137, 139 and 141 South 8th Street,
Brawley, CA
Negotiator: City Manager
Negotiating Parties: William Albert Haendiges
Under Negotiation: Rate and Terms

- d. PERSONNEL MATTERS (California Government Code §54957)
Public Employee Appointment to the Position of Public Works Director

ADJOURNMENT Next Regular Meeting, **March 7, 2017 @ 6:00 PM**, 383 Main Street, Brawley, California. Supporting Documents are available for public review in the Office of the City Clerk, 383 Main Street, Brawley, California 92227 - Monday through Friday during Regular Business Hours; Individuals who require special accommodations are requested to give 48 hours prior notice. Contact: Office of the City Clerk @ 760-351-3080.

Alma Benavides, City Clerk

Check Register Report

Date: 02/02/2017

Time: 11:56 AM

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City of Brawley

Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
310	02/02/2017	Printed	B411	BSN SPORTS, LLC	Pitcher's Rubber Mat	97.83
311	02/02/2017	Printed	C544	CANON FINANCIAL SERVICES, INC	Copier Lease/Library	2,630.81
312	02/02/2017	Printed	O880	OFFICE DEPOT, INC.	Pop-Up Notes	65.58
313	02/02/2017	Printed	S689	STAPLES ADVANTAGE	Mouse, Toners	717.80
314	02/02/2017	Printed	U411	U.S. HEALTHWORKS MEDICAL	POST Medical Evaluation	671.00
315	02/02/2017	Printed	V079	VERIZON WIRELESS SERVICES L	Mobile Broadband/Police	668.22
316	02/02/2017	Printed	Z125	ZEP SALES & SERVICE	Shop Towels	184.15
					Checks Total (excluding void checks):	5,035.39
					7	
44043	02/02/2017	Printed	A414	AIRWAVE COMMUNICATIONS ENT INC	Engrave Radio	43.00
44044	02/02/2017	Printed	A187	ALL-VALLEY FENCE & SUPPLY	Fence Hinges/Meserve Park	86.20
44045	02/02/2017	Printed	A126	ALSCO AMERICAN LINEN DIV.	Cleaning Services - Shop	220.02
44046	02/02/2017	Printed	B232	BIOMETRICS4ALL, INC.	Relay Fees 12/1-12/31/16	8.25
44047	02/02/2017	Printed	B269	BRAWLEY TRACTOR PARTS	Filters/Streets #28	23.45
44048	02/02/2017	Printed	B960	TYMIKA BROWN	BB Referee - Jan. 25	48.00
44049	02/02/2017	Printed	C1012	CABLE AND CONNECTIVITY	Back-Ups	196.61
44050	02/02/2017	Printed	C1095	RIANNA MICHELLE CARRILLO	BB Scorekeeper 1/21-1/25	154.00
44051	02/02/2017	Printed	C056	DANIEL CASTRO	BB Referee 1/24	16.00
44052	02/02/2017	Printed	C186	CRAWFORD & CO	Work Stations	6,431.73
44053	02/02/2017	Printed	C596	CURTIS ROADRUNNER LOCK & SAFE	Replace Rim Cylinder/Teen Ctr	157.80
44054	02/02/2017	Printed	D144	DANIELS TIRE SERVICE	Oil Change/P.D. #P152	123.18
44055	02/02/2017	Printed	D602	DESERT AUTO PLAZA	2017 Chevrolet Silverado 1Wt	38,289.71
44056	02/02/2017	Printed	M291	OSCAR ESCALANTE	Re-issue Ck#43984/Earthquake	203.52
44057	02/02/2017	Printed	F904	KAREN FARNESE	Reimb. Gun Light Batteries,	173.83
44058	02/02/2017	Printed	F542	FERGUSON ENTERPRISES, INC.	Lavatory, Bowl/Gonzales	1,856.27
44059	02/02/2017	Printed	G515	ABRAHAM GARCIA	BB Referee 1/24, 1/25/, 1/26	96.00
44060	02/02/2017	Printed	G536	GRAFFIK INDUSTRIES, INC.	Screenprint Coaches Basketball	110.98
44061	02/02/2017	Printed	G216	DAYJANE A GRANBERRY	Basketball Referee 1/25	76.00
44062	02/02/2017	Printed	G1002	BRANDEN GUTIERREZ	Basketball Referee 1/21	48.00
44063	02/02/2017	Printed	H119	HAAKER EQUIPMENT CO., INC.	Tank Door Seal/#104 Sewer Main	586.41
44064	02/02/2017	Printed	H182	HACH COMPANY, INC.	Pocket Chlorimeter	775.18
44065	02/02/2017	Printed	H158	HD SUPPLY WATERWORKS, LTD	Registers	6,455.95
44066	02/02/2017	Printed	H444	HI-TECH E.V.S., INC.	Thermal Relief Valve	446.46
44067	02/02/2017	Printed	H103	THE HOLMAN GROUP	Feb 2017 Employee Assistance	594.32
44068	02/02/2017	Printed	I203	I.C. COMMUNITY & ECONOMIC	IV Foreign Trade Zone 2016-17	1,784.18
44069	02/02/2017	Printed	I778	IMPERIAL COUNTY BEHAVORIAL	Background Investigation	165.40
44070	02/02/2017	Void	02/02/2017		Void Check	0.00
44071	02/02/2017	Void	02/02/2017		Void Check	0.00
44072	02/02/2017	Void	02/02/2017		Void Check	0.00
44073	02/02/2017	Printed	I301	IMPERIAL HARDWARE CO., INC.	Level, Sanitizer	2,491.85
44074	02/02/2017	Printed	I608	IMPERIAL TRUSS & LUMBER CO	Studs, Vents/Meserve Restroom	322.85
44075	02/02/2017	Printed	J380	JADE SECURITY SYSTEMS, INC.	Security Monitoring/Station #2	54.98
44076	02/02/2017	Printed	J123	JORGENSON LOCKERS	High Security Lockers	7,255.00
44077	02/02/2017	Printed	K154	K-C WELDING RENTALS, INC.	Cutting Wheels/Restroom Rehab	218.65
44078	02/02/2017	Printed	K797	KEARNY MESA AUTOMOTIVE CO.	Credit/Core Return	358.38
44079	02/02/2017	Printed	J777	JOON KIM	Reimburse Cuff Case	73.92
44080	02/02/2017	Printed	L223	LANDMARK CONSULTANTS, INC.	Soil Sampling/Alyce Gereaux	1,776.25
44081	02/02/2017	Printed	L425	THE LIGHTHOUSE, INC.	Toggle Switches, Caps/PD	87.58
44082	02/02/2017	Printed	M423	MAD GRAPHIX, INC.	Install Graphics/PD Vehicle	43.20
44083	02/02/2017	Printed	M019	ANGEL MALDONADO	Basketball Referee 1/23, 1/26	128.00
44084	02/02/2017	Printed	M789	MALLORY FIRE INC.	Back Support, Gloves	214.77
44085	02/02/2017	Printed	M351	SUSAN MANGER	Reimb.Children's Fair Supplies	370.38
44086	02/02/2017	Printed	M1137	TODD GABRIEL MARQUEZ	Basketball Referee 1/21, 1/24	64.00
44087	02/02/2017	Printed	M004	MCNEECE BROS OIL COMPANY	Fuel/Parks	1,405.97

Check Register Report

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Time: 11:56 AM

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City of Brawley

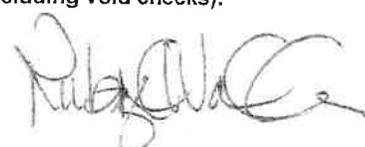
Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
44088	02/02/2017	Printed	M936	MUNICIPAL CODE CORPORATION	Supplemental Pages, Update	289.60
44089	02/02/2017	Printed	N045	NORTHEND AUTOPARTS, INC.	Fuel Filter/#28 Streets	146.80
44090	02/02/2017	Printed	0567	JIM O'MALLEY PLUMBING	Gaskets, Couplings, Tees	198.50
44091	02/02/2017	Printed	O233	O'REILLY AUTO PARTS	Deodorant Packs/Parks Trucks	5.30
44092	02/02/2017	Printed	O113	OK RUBBER TIRES	Tires/#3951 Fire Dept	502.30
44093	02/02/2017	Printed	O901	ORANGE COMMERCIAL CREDIT	Microbiology Analysis/WTP	1,490.00
44094	02/02/2017	Printed	O875	KALI ORFF	Reimburse Fuel	43.90
44095	02/02/2017	Printed	O701	MATTHEW ORTIZ	Basketball Referee 1/21	32.00
44096	02/02/2017	Printed	P221	CHARLES PERAZA	Travel Advance/2017 Fire House	481.10
44097	02/02/2017	Printed	P110	PESTMASTER SERVICES	Pest Control/Admin Bldg	65.00
44098	02/02/2017	Printed	P442	PHOENIX UNIFORMS, INC.	Boots/Green	173.10
44099	02/02/2017	Printed	P255	PITNEY BOWES PURCHASE POWER	Postage Refill	338.20
44100	02/02/2017	Printed	R300	RCD	Safety & Security Equipment	7,395.00
44101	02/02/2017	Printed	R163	RDO EQUIPMENT CO.	Meter Box	16.50
44102	02/02/2017	Printed	S379	JAYMI SANCHEZ	Basketball Scorekeeper 1/21-23	165.00
44103	02/02/2017	Printed	S045	BRANDON SELF	Basketball Referee 1/21, 1/24	64.00
44104	02/02/2017	Printed	S007	SIGMA-ALDRICH, INC.	Chemical Test Kit	323.40
44105	02/02/2017	Printed	S803	SOUTHWEST WINDOW CLEANING	Window Cleaning/Admin Bldg	90.00
44106	02/02/2017	Printed	S849	STILLS ELECTRIC	Repair Security Lights/PW Yard	1,836.40
44107	02/02/2017	Printed	U404	UNIFIRST CORPORATION	Uniforms/C Duarte	2,159.20
44108	02/02/2017	Printed	U777	UTILITY SYSTEMS SCIENCE &	Annual Flow Meter Services	648.00
44109	02/02/2017	Printed	W221	WAL-MART STORES, INC. #01-1555	Paint Supplies	307.80
44110	02/02/2017	Printed	W135	WAXIE SANITARY SUPPLY	Toilet Paper, Trash Bags	429.70
44111	02/02/2017	Printed	W250	WESTAIR GASES & EQUIPMENT INC	Cylinder Rental/Station #2	283.20
44112	02/02/2017	Printed	W551	WESTERN GROWERS INSURANCE SVCS	Safety Training/Public Works	2,116.00
44113	02/02/2017	Printed	Z668	STEVEN ZAJDEL	Basketball Referee 1/21-1/26	176.00
44114	02/02/2017	Printed	Z954	RACHEL ZEPEDA	Basketball Scorekeeper 1/21-26	121.00

72

Checks Total (excluding void checks): 93,934.14

79

Grand Total (excluding void checks): 98,969.53



Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
Fund: 101 General Fund							
Dept: 111.000 City Council							
101-111.000-750.200	VERIZON WIRELESS		Ipad Mobile Broadband	315	01/15/2017	02/02/2017	114.03
							<u>114.03</u>
						Total Dept. City Council:	114.03
Dept: 112.000 City Clerk							
101-112.000-730.200	Technical MUNICIPAL CODE	00280786	Supplemental Pages, Update	44088	01/17/2017	02/02/2017	289.64
							<u>289.64</u>
						Total Dept. City Clerk:	289.64
Dept: 131.000 City Manager							
101-131.000-750.200	VERIZON WIRELESS		Ipad Mobile Broadband	315	01/15/2017	02/02/2017	38.01
							<u>38.01</u>
						Total Dept. City Manager:	38.01
Dept: 153.000 Personnel							
101-153.000-750.200	BIOMETRICS4ALL, INC.///		Relay Fees 12/1-12/31/16	44046	01/01/2017	02/02/2017	8.25
							<u>8.25</u>
						Total Dept. Personnel:	8.25
Dept: 181.000 Information							
101-181.000-750.200	VERIZON WIRELESS		Ipad Mobile Broadband	315	01/15/2017	02/02/2017	38.01
							<u>38.01</u>
						Total Dept. Information technology:	38.01
Dept: 191.000 Non-departmental							
101-191.000-730.200	Technical PESTMASTER SERVICES///	1389486	Pest Control/Admin Bldg	44097	01/25/2017	02/02/2017	35.00
							<u>35.00</u>
101-191.000-740.200	Cleaning SOUTHWEST WINDOW	2228	Window Cleaning/Admin Bldg	44105	01/23/2017	02/02/2017	90.00
							<u>90.00</u>
101-191.000-750.600	I.C. COMMUNITY &		IV Foreign Trade Zone 2016-17	44068	01/12/2017	02/02/2017	1,784.18
							<u>1,784.18</u>
						Total Dept. Non-departmental:	1,909.18
Dept: 211.000 Police Protection							
101-211.000-720.100	Office STAPLES ADVANTAGE///		Binders, Memos, Pencils	313	01/07/2017	02/02/2017	131.95
	STAPLES ADVANTAGE///		Credit/Return Binders, Memos	313	01/14/2017	02/02/2017	-131.95
	STAPLES ADVANTAGE///		Sanitizers, Toner, Pencils	313	01/07/2017	02/02/2017	552.99
	STAPLES ADVANTAGE///		Mouse, Toners	313	01/07/2017	02/02/2017	204.22
							<u>757.21</u>
101-211.000-720.500	Electrical IMPERIAL HARDWARE CO.,	466380/2	Return Bulbs	44073	01/26/2017	02/02/2017	-9.78
	IMPERIAL HARDWARE CO.,	466367/2	Halogen Bulb	44073	01/26/2017	02/02/2017	9.78
	IMPERIAL HARDWARE CO.,	465769/2	LED Bulbs	44073	01/20/2017	02/02/2017	88.50

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
							88.50
101-211.000-720.900	FARNESE/KAREN//		Reimb. Gun Light Batteries,	44057	01/26/2017	02/02/2017	126.76
							126.76
101-211.000-721.100	Uniforms KIM/JOON//	S234156	Reimburse Cuff Case	44079	01/18/2017	02/02/2017	73.92
	PHOENIX UNIFORMS, INC.///	982727	Boots/Green	44098	12/20/2016	02/02/2017	107.95
							181.87
101-211.000-721.200	Other FARNESE/KAREN//		Reimb. Gun Light Batteries,	44057	01/26/2017	02/02/2017	47.07
	MALLORY FIRE INC.///	4199035	Gloves	44084	01/11/2017	02/02/2017	130.26
							177.33
101-211.000-725.400	Fuel ORFF/KALI//	5165	Reimburse Fuel	44094	01/24/2017	02/02/2017	43.94
							43.94
101-211.000-730.100	Professional IMPERIAL COUNTY	16/1002	Background Investigation	44069	01/17/2017	02/02/2017	165.40
	U.S. HEALTHWORKS		POST Medical Evaluation	314	01/13/2017	02/02/2017	671.00
							836.40
101-211.000-730.200	Technical AIRWAVE COMMUNICATIONS	431236	Engrave Radio	44043	01/18/2017	02/02/2017	43.00
	MAD GRAPHIX, INC.///	5252	Install Graphics/PD Vehicle	44082	01/21/2017	02/02/2017	43.20
	PHOENIX UNIFORMS, INC.///	982739	Sew Radio Case	44098	01/17/2017	02/02/2017	65.23
							151.43
101-211.000-740.400	Rent CANON FINANCIAL	16898624	Copier Lease/Police Dept.	311	01/13/2017	02/02/2017	61.82
							61.82
101-211.000-750.200	VERIZON WIRELESS		Mobile Broadband/Police	315	01/15/2017	02/02/2017	478.17
							478.17
101-211.000-750.210	Postage PITNEY BOWES PURCHASE		Postage Refill	44099	01/17/2017	02/02/2017	338.24
							338.24
							Total Dept. Police Protection: 3,241.67
Dept: 211.300 Graffiti Abatement							
101-211.300-721.200	Other WAL-MART STORES, INC.	06919	Paint Supplies	44109	01/25/2017	02/02/2017	39.82
	WAL-MART STORES, INC.	00542	Paint Supplies	44109	01/19/2017	02/02/2017	43.01
							82.83
							Total Dept. Graffiti Abatement: 82.83
Dept: 221.000 Fire Department							
101-221.000-720.500	Electrical IMPERIAL HARDWARE CO.,	464699/2	Switch Plate, Receptacle	44073	01/10/2017	02/02/2017	10.63
							10.63
101-221.000-721.900	Small tools & HI-TECH E.V.S., INC.///	156001	Thermal Relief Valve	44066	01/11/2017	02/02/2017	446.46
							446.46
101-221.000-740.400	Rent WESTAIR GASES &	80119639	Cylinder Rental/Station #1	44111	12/31/2016	02/02/2017	173.73

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
							173.73
101-221.000-750.400	Travel PERAZA/CHARLES//		Travel Advance/2017 Fire House	44096	01/31/2017	02/02/2017	461.17
							461.17
101-221.000-750.500	Training PERAZA/CHARLES//		Travel Advance/2017 Fire House	44096	01/31/2017	02/02/2017	20.00
							20.00
Total Dept. Fire Department:							1,111.99
Dept: 221.100 Fire Station #2							
101-221.100-721.200	Other						
	IMPERIAL HARDWARE CO.,	4674774/2	Spray Paint	44073	01/11/2017	02/02/2017	4.47
	IMPERIAL HARDWARE CO.,	465570/2	Spray Paint	44073	01/18/2017	02/02/2017	6.96
	IMPERIAL HARDWARE CO.,	465367/2	Hose End, Coupling	44073	01/17/2017	02/02/2017	5.96
	IMPERIAL HARDWARE CO.,	465463/2	Sleeves, Brass Fittings/#3991	44073	01/17/2017	02/02/2017	5.13
	IMPERIAL HARDWARE CO.,	465723/2	Male Hose, Female Hose	44073	01/19/2017	02/02/2017	10.18
	IMPERIAL HARDWARE CO.,	463655/2	Electrical Receptacles	44073	12/29/2016	02/02/2017	35.51
	IMPERIAL HARDWARE CO.,	463657/2	Return Electrical Receptacles	44073	12/29/2016	02/02/2017	-35.51
	IMPERIAL HARDWARE CO.,	463658/2	Electrical Receptacles	44073	12/29/2016	02/02/2017	35.51
							68.21
101-221.100-730.200	Technical JADE SECURITY SYSTEMS,	0128065	Security Monitoring/Station #2	44075	01/10/2017	02/02/2017	54.98
							54.98
101-221.100-740.100	Repair & CANON FINANCIAL	16919175	Copier Lease, Usage/FD #2	311	01/13/2017	02/02/2017	12.84
							12.84
101-221.100-740.400	Rent CANON FINANCIAL WESTAIR GASES &	16919175 80119638	Copier Lease, Usage/FD #2 Cylinder Rental/Station #2	311 44111	01/13/2017 12/31/2016	02/02/2017 02/02/2017	72.64 109.56
							182.20
Total Dept. Fire Station #2:							318.23
Dept: 231.000 Building Inspection							
101-231.000-750.400	Travel ESCALANTE/OSCAR//		Re-issue Ck#43984/Earthquake	44056	01/31/2017	02/02/2017	203.52
							203.52
Total Dept. Building Inspection:							203.52
Dept: 311.000 Engineering							
101-311.000-720.100	Office OFFICE DEPOT, INC./// OFFICE DEPOT, INC.///		Pens, Envelopes Pop-Up Notes	312 312	01/16/2017 01/14/2017	02/02/2017 02/02/2017	43.98 21.60
							65.58
101-311.000-730.100	Professional LANDMARK CONSULTANTS,	LE1316-96	Soil Sampling/Alyce Gereaux	44080	01/11/2017	02/02/2017	1,776.25
							1,776.25
101-311.000-740.100	Repair & CANON FINANCIAL STILLS ELECTRIC/// STILLS ELECTRIC///	16898625 5347 5415	P.W. Copier Lease, Usage Repair Security Lights/PW Yard Repair Security Lights/PW Yard	311 44106 44106	01/13/2017 12/19/2016 12/27/2016	02/02/2017 02/02/2017 02/02/2017	580.01 674.12 756.30
							2,010.43
101-311.000-740.200	Cleaning ALSCO AMERICAN LINEN		Cleaning Services-Public Works	44045	01/23/2017	02/02/2017	26.12

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
							26.12
101-311.000-740.400	Rent CANON FINANCIAL	16898625	P.W. Copier Lease, Usage	311	01/13/2017	02/02/2017	540.00
							540.00
							Total Dept. Engineering: 4,418.38
Dept: 511.000 Parks							
101-511.000-720.500	Electrical IMPERIAL HARDWARE CO.,	465798/2	Lampholder, Bulb	44073	01/20/2017	02/02/2017	7.62
							7.62
101-511.000-720.600	Plumbing IMPERIAL HARDWARE CO.,	465473/2	PVC Adaptor, Bushing, Tape	44073	01/18/2017	02/02/2017	43.09
							43.09
101-511.000-721.100	Uniforms K-C WELDING RENTALS, UNIFIRST CORPORATION/// UNIFIRST CORPORATION///	73763	Safety Boots/A Navarros Uniforms/D Siqueiroz Uniforms/C Duarte	44077 44107 44107	01/24/2017 01/12/2017 01/12/2017	02/02/2017 02/02/2017 02/02/2017	193.94 230.99 230.99
							655.92
101-511.000-721.200	Other IMPERIAL HARDWARE CO., IMPERIAL HARDWARE CO., O'REILLY AUTO PARTS///	465628/2 465658/2	Block, Rope, Tape, Wire Paint/Memorial Wall Deodorant Packs/Parks Trucks	44073 44073 44091	01/19/2017 01/19/2017 01/19/2017	02/02/2017 02/02/2017 02/02/2017	29.64 38.60 5.38
							73.62
101-511.000-725.400	Fuel MCNEECE BROS OIL	843546	Fuel/Parks	44087	12/31/2016	02/02/2017	690.48
							690.48
101-511.000-800.300							
	FERGUSON ENTERPRISES,	4221997	Lavatory, Rebuild Kit/Hinojosa	44058	01/13/2017	02/02/2017	639.85
	FERGUSON ENTERPRISES,	4234274	Lavatory Faucets/Hinojosa	44058	01/17/2017	02/02/2017	323.20
	FERGUSON ENTERPRISES,	4170179	Lavatory, Bowl/Gonzales	44058	01/17/2017	02/02/2017	893.22
	IMPERIAL HARDWARE CO.,	465750/2	Plugs/Hinojosa Park Rehab	44073	01/20/2017	02/02/2017	9.77
	IMPERIAL HARDWARE CO.,	465763/2	Bolts, Washers/Hinojosa Park	44073	01/20/2017	02/02/2017	4.57
	IMPERIAL HARDWARE CO.,	465942/2	Toilet Seats/Restroom Rehabs	44073	01/23/2017	02/02/2017	182.10
	IMPERIAL HARDWARE CO.,	465966/2	Toilet Bowl Ring	44073	01/31/2017	02/02/2017	5.65
	IMPERIAL HARDWARE CO.,	465997/2	Rod, Nuts, Washers/Gonzales	44073	01/23/2017	02/02/2017	16.67
	IMPERIAL HARDWARE CO.,	466027/2	Paint/Restroom Rehab	44073	01/23/2017	02/02/2017	837.21
	IMPERIAL HARDWARE CO.,	466089/2	Nuts, Anchors/Gonzales Park	44073	01/24/2017	02/02/2017	15.73
	IMPERIAL HARDWARE CO.,	466129/2	Flat Washers, Bolts/Gonzales	44073	01/24/2017	02/02/2017	5.64
	IMPERIAL HARDWARE CO.,		Washers, Nuts, Rods	44073	01/25/2017	02/02/2017	23.91
	K-C WELDING RENTALS,	14695	Cutting Wheels/Restroom Rehab	44077	01/25/2017	02/02/2017	24.71
	O'MALLEY PLUMBING/JIM//	92386	Grid Strainer/Gonzales Park	44090	01/23/2017	02/02/2017	79.47
	O'MALLEY PLUMBING/JIM//	91509	Gaskets, Couplings, Tees	44090	01/25/2017	02/02/2017	101.83
							3,163.53
							Total Dept. Parks: 4,634.26
Dept: 521.000 Recreation & Lions							
101-521.000-720.100	Office STAPLES ADVANTAGE///		Credit/Return Tape	313	12/31/2016	02/02/2017	-39.41
							-39.41
101-521.000-720.800	Janitorial WAL-MART STORES, INC.	00788	Dusters, Trash Bags, Tissue	44109	01/20/2017	02/02/2017	66.41
							66.41
101-521.000-721.100	Uniforms WAL-MART STORES, INC.	00788	Dusters, Trash Bags, Tissue	44109	01/20/2017	02/02/2017	83.16

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
							83.16
101-521.000-721.200	Other						
	IMPERIAL HARDWARE CO.,	465937/2	Keys for Youth Building	44073	01/23/2017	02/02/2017	16.74
	IMPERIAL HARDWARE CO.,	466251/2	Adhesive Spray, Sealant, Bit	44073	01/25/2017	02/02/2017	69.62
	WAL-MART STORES, INC.	00788	Dusters, Trash Bags, Tissue	44109	01/20/2017	02/02/2017	75.44
							161.80
101-521.000-740.100	Repair &						
	CANON FINANCIAL	1689862	Copier Usage/Parks & Rec. Dept	311	01/13/2017	02/02/2017	630.10
	CURTIS ROADRUNNER LOCK	16702	Replace Rim Cylinder/Teen Ctr	44053	01/19/2017	02/02/2017	157.80
							787.90
101-521.000-740.200	Cleaning						
	ALSCO AMERICAN LINEN		Cleaning Services-Lions Center	44045	01/23/2017	02/02/2017	27.00
							27.00
101-521.000-740.400	Rent						
	CANON FINANCIAL	16898628	Fax Board Lease Agreement	311	01/13/2017	02/02/2017	14.90
	CANON FINANCIAL	16898626	Copier Lease/Parks & Rec. Dept	311	01/13/2017	02/02/2017	178.20
							193.10
Total Dept. Recreation & Lions Center:							1,279.96
Dept: 521.100 Recreation Leagues							
101-521.100-721.200	Other						
	BSN SPORTS, LLC///	98640740	Basketball Jersey	310	01/10/2017	02/02/2017	18.32
							18.32
101-521.100-721.900	Small tools &						
	BSN SPORTS, LLC///	98645402	Pitcher's Rubber Mat	310	01/11/2017	02/02/2017	79.51
							79.51
101-521.100-730.200	Technical						
	BROWN/TYMIKA//		BB Referee - Jan. 25	44048	01/27/2017	02/02/2017	48.00
	CARRILLO/RIANNA		BB Scorekeeper 1/21-1/25	44050	01/31/2017	02/02/2017	154.00
	CASTRO/DANIEL//		BB Referee 1/24	44051	01/31/2017	02/02/2017	16.00
	GARCIA/ABRAHAM//		BB Referee 1/24, 1/25/, 1/26	44059	01/26/2017	02/02/2017	96.00
	GRAFFIK INDUSTRIES, INC.///	4132	Screenprint Coaches Basketball	44060	01/24/2017	02/02/2017	110.98
	GRANBERRY/DAYJANE A//		Basketball Referee 1/25	44061	01/31/2017	02/02/2017	76.00
	GUTIERREZ/BRANDEN//		Basketball Referee 1/21	44062	01/31/2017	02/02/2017	48.00
	MALDONADO/ANGEL//		Basketball Referee 1/23, 1/26	44083	01/26/2017	02/02/2017	128.00
	MARQUEZ/TODD GABRIEL//		Basketball Referee 1/21, 1/24	44086	01/24/2017	02/02/2017	64.00
	ORTIZ/MATTHEW///		Basketball Referee 1/21	44095	01/21/2017	02/02/2017	32.00
	SANCHEZ/JAYM///		Basketball Scorekeeper 1/21-23	44102	01/23/2017	02/02/2017	165.00
	SELF/BRANDON//		Basketball Referee 1/21, 1/24	44103	01/24/2017	02/02/2017	64.00
	ZAJDEL/STEVEN//		Basketball Referee 1/21-1/26	44113	01/26/2017	02/02/2017	176.00
	ZEPEDA/RACHEL//		Basketball Scorekeeper 1/21-26	44114	01/26/2017	02/02/2017	121.00
							1,298.98
Total Dept. Recreation Leagues:							1,396.81
Dept: 522.000 Senior Citizens							
101-522.000-720.800	Janitorial						
	WAXIE SANITARY SUPPLY///	76444143	Toilet Paper, Trash Bags	44110	01/10/2017	02/02/2017	429.76
							429.76
101-522.000-730.200	Technical						
	PESTMASTER SERVICES///	1389100	Pest Control/Sr Center	44097	01/11/2017	02/02/2017	30.00
							30.00
Total Dept. Senior Citizens Center:							459.76

Dept: 551.000 Library

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
101-551.000-721.200	Other MANGER/SUSAN//		Reimb.Children's Fair Supplies	44085	01/31/2017	02/02/2017	370.38
							370.38
101-551.000-740.400	Rent CANON FINANCIAL	16898623	Copier Lease/Library	311	01/13/2017	02/02/2017	367.12
							367.12
Total Dept. Library:							737.50
Total Fund General Fund:							20,282.03
Fund: 211 Gas Tax							
Dept: 312.000 Street Maintenance							
211-312.000-721.100	Uniforms UNIFIRST CORPORATION///		Uniforms/R Rosales	44107	01/12/2017	02/02/2017	245.69
							245.69
211-312.000-725.400	Fuel MCNEECE BROS OIL	843546	Fuel/Parks	44087	12/31/2016	02/02/2017	67.42
							67.42
211-312.000-740.100	Repair & STILLS ELECTRIC///	5315	Street Light Repair/Main St	44106	12/15/2016	02/02/2017	406.00
							406.00
Total Dept. Street Maintenance &							719.11
Total Fund Gas Tax:							719.11
Fund: 213 SB 821 - Ped. & Bic.							
Dept: 313.000 Bicycle &							
213-313.000-721.200	Other IMPERIAL HARDWARE CO.,	465658/2	Paint/Memorial Wall	44073	01/19/2017	02/02/2017	12.05
							12.05
Total Dept. Bicycle & Pedestrian Fac.:							12.05
Total Fund SB 821 - Ped. &							12.05
Fund: 222 Law Enforcement							
Dept: 211.200 Asset							
222-211.200-721.900	Small tools & CRAWFORD & CO///	3161	Work Stations	44052	01/17/2017	02/02/2017	6,431.73
							6,431.73
Total Dept. Asset Forfeiture-Federal:							6,431.73
Dept: 211.500 Stonegarden Grant							
222-211.500-800.400	Equipment RCD///	6348	Safety & Security Equipment	44100	01/25/2017	02/02/2017	7,395.00
							7,395.00
222-211.500-800.500	Vehicles DESERT AUTO PLAZA///		2017 Chevrolet Silverado 1Wt	44055	12/20/2016	02/02/2017	38,289.71
							38,289.71
Total Dept. Stonegarden Grant:							45,684.71
Total Fund Law							52,116.44

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
Dept: 211.400 Police facilities							
451-211.400-800.400	Equipment JORGENSEN LOCKERS///	S033018	High Security Lockers	44076	10/27/2016	02/02/2017	7,255.00
							7,255.00
Total Dept. Police facilities:							7,255.00
 Dept: 521.400 Recreational							
451-521.400-800.200	Buildings ALL-VALLEY FENCE & IMPERIAL HARDWARE CO., IMPERIAL HARDWARE CO., IMPERIAL TRUSS & LUMBER	4300D 465780/2 466155/2 B13590	Fence Hinges/Meserve Park Nails, Studs/Meserve Restroom Padlocks, Bolts, Anchors Studs, Vents/Meserve Restroom	44044 44073 44073 44074	01/19/2017 01/20/2017 01/24/2017 01/23/2017	02/02/2017 02/02/2017 02/02/2017 02/02/2017	86.20 82.10 48.70 322.89
							539.89
Total Dept. Recreational facilities:							539.89
Total Fund Developer							7,794.89
 Fund: 501 Water							
Dept: 321.000 Water Treatment							
501-321.000-721.100	Uniforms UNIFIRST CORPORATION/// UNIFIRST CORPORATION/// UNIFIRST CORPORATION/// UNIFIRST CORPORATION///		Uniforms/F Rodriguez Uniforms/R Orozco Uniforms/R Walker Uniforms/M Valenzuela	44107 44107 44107 44107	01/12/2017 01/12/2017 01/12/2017 01/12/2017	02/02/2017 02/02/2017 02/02/2017 02/02/2017	176.73 203.26 190.46 256.13
							826.58
501-321.000-721.200	Other HACH COMPANY, INC./// HACH COMPANY, INC./// MCNEECE BROS OIL	10268015 10281245 161068	DPD Free Refill Vial Pocket Chlorimeter Morlina Oil For Mixers	44064 44064 44087	01/11/2017 01/19/2017 12/06/2016	02/02/2017 02/02/2017 02/02/2017	309.70 465.48 522.87
							1,298.05
501-321.000-721.900	Small tools & CABLE AND CONNECTIVITY///	24030	Back-Ups	44049	01/06/2017	02/02/2017	196.61
							196.61
501-321.000-725.400	Fuel MCNEECE BROS OIL	843546	Fuel/Parks	44087	12/31/2016	02/02/2017	96.31
							96.31
501-321.000-730.200	Technical ORANGE COMMERCIAL ORANGE COMMERCIAL ORANGE COMMERCIAL	8534 8549 8476	Microbiology Analysis/WTP Microbiology Analysis/WTP Microbiology Analysis/WTP	44093 44093 44093	01/09/2017 01/31/2017 01/16/2017	02/02/2017 02/02/2017 02/02/2017	271.00 271.00 271.00
							813.00
501-321.000-740.400	Rent CANON FINANCIAL	16898627	Copier Lease	311	01/13/2017	02/02/2017	173.18
							173.18
501-321.000-750.500	Training WESTERN GROWERS WESTERN GROWERS	1938 1938	Safety Training/Public Works Safety Training/Public Works	44112 44112	12/30/2016 12/30/2016	02/02/2017 02/02/2017	529.00 793.50
							1,322.50
Total Dept. Water Treatment:							4,726.23
 Dept: 322.000 Water Distribution							
501-322.000-720.600	Plumbing						

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
	HD SUPPLY WATERWORKS,		Brass Fittings	44065	01/06/2017	02/02/2017	979.18
	HD SUPPLY WATERWORKS,		Ball Valves	44065	01/20/2017	02/02/2017	382.13
	HD SUPPLY WATERWORKS,		Curb Stops	44065	01/20/2017	02/02/2017	677.79
	HD SUPPLY WATERWORKS,		Registers	44065	01/23/2017	02/02/2017	4,416.89
	O'MALLEY PLUMBING/JIM//	92363	PVC Fittings	44090	01/19/2017	02/02/2017	17.24
	RDO EQUIPMENT CO.///	J223932	Meter Box	44101	01/25/2017	02/02/2017	16.58
							6,489.81
501-322.000-721.100	Uniforms						
	UNIFIRST CORPORATION///		Uniforms/B Limon	44107	01/12/2017	02/02/2017	221.79
	UNIFIRST CORPORATION///		Uniforms/J Galvan	44107	01/12/2017	02/02/2017	252.87
							474.66
501-322.000-721.200	Other						
	IMPERIAL HARDWARE CO.,	466315/2	Cleaners, Sanitizer	44073	01/26/2017	02/02/2017	14.43
	IMPERIAL HARDWARE CO.,	466196/2	Tools, Pail	44073	01/25/2017	02/02/2017	21.17
	IMPERIAL HARDWARE CO.,	466349/2	Level, Sanitizer	44073	01/26/2017	02/02/2017	1.48
							37.08
501-322.000-721.900	Small tools &						
	IMPERIAL HARDWARE CO.,	466197/2	Socket Set	44073	01/25/2017	02/02/2017	215.42
	IMPERIAL HARDWARE CO.,	466196/2	Tools, Pail	44073	01/25/2017	02/02/2017	17.18
	IMPERIAL HARDWARE CO.,	466109/2	Sledge Hammer	44073	01/24/2017	02/02/2017	34.84
	IMPERIAL HARDWARE CO.,	466349/2	Level, Sanitizer	44073	01/26/2017	02/02/2017	21.74
							289.18
							Total Dept. Water Distribution: 7,290.73
							Total Fund Water: 12,016.96
Fund: 511 Wastewater							
Dept: 331.000 Wastewater							
511-331.000-720.500	Electrical						
	IMPERIAL HARDWARE CO.,	466114/2	Light Bulbs, Puller, Chisel	44073	01/24/2017	02/02/2017	14.88
							14.88
511-331.000-721.200	Other						
	IMPERIAL HARDWARE CO.,	466389/2	Batteries, Gloves	44073	01/26/2017	02/02/2017	18.96
	IMPERIAL HARDWARE CO.,	465671/2	Keys	44073	01/19/2017	02/02/2017	4.18
	MALLORY FIRE INC.///	4201665	Back Support, Gloves	44084	01/18/2017	02/02/2017	84.45
							107.59
511-331.000-721.900	Small tools &						
	IMPERIAL HARDWARE CO.,	466114/2	Light Bulbs, Puller, Chisel	44073	01/24/2017	02/02/2017	63.71
							63.71
511-331.000-750.200							
	UTILITY SYSTEMS SCIENCE		Annual Flow Meter Services	44108	01/23/2017	02/02/2017	648.00
							648.00
							Total Dept. Wastewater Collection: 834.18
Dept: 332.000 Wastewater							
511-332.000-720.300	Chemicals						
	SIGMA-ALDRICH, INC.		Reagents	44104	11/22/2016	02/02/2017	234.34
	SIGMA-ALDRICH, INC.		Chemical Test Kit	44104	12/01/2016	02/02/2017	89.12
							323.46
511-332.000-720.700	Construction						
	IMPERIAL HARDWARE CO.,	465823/2	Metal Roofing, Shade, Washers	44073	01/20/2017	02/02/2017	405.46
							405.46
511-332.000-721.100	Uniforms						
	UNIFIRST CORPORATION///		Uniforms/S Olvera	44107	01/12/2017	02/02/2017	150.33

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
							150.33
511-332,000-721.900	Small tools & IMPERIAL HARDWARE CO.,	345680/2	Hammer Drill	44073	01/20/2017	02/02/2017	21.54
							21.54
511-332,000-730.200	Technical ORANGE COMMERCIAL	8544	Microbiology Analysis/WWTP	44093	01/16/2017	02/02/2017	677.00
							677.00
511-332,000-740.200	Cleaning ALSCO AMERICAN LINEN		Cleaning Services/WWTP	44045	01/23/2017	02/02/2017	108.12
							108.12
511-332,000-750.500	Training WESTERN GROWERS	1938	Safety Training/Public Works	44112	12/30/2016	02/02/2017	793.50
							793.50
Total Dept. Wastewater treatment:							2,479.41
Total Fund Wastewater:							3,313.59
Fund: 531 Airport							
Dept: 351.000 Airport							
531-351.000-725.400	Fuel MCNEECE BROS OIL	843546	Fuel/Parks	44087	12/31/2016	02/02/2017	28.89
							28.89
Total Dept. Airport:							28.89
Total Fund Airport:							28.89
Fund: 601 Maintenance							
Dept: 801.000 Vehicle							
601-801,000-720.400	Automotive BRAWLEY TRACTOR	0011904	Filters/Streets #28	44047	01/19/2017	02/02/2017	23.45
	HAAKER EQUIPMENT CO.,	C28461	Tank Door Seal/#104 Sewer Main	44063	01/20/2017	02/02/2017	586.41
	KEARNY MESA AUTOMOTIVE	449633	Belt, Tensioner, Pulleys/#28	44078	01/17/2017	02/02/2017	417.16
	KEARNY MESA AUTOMOTIVE	443889	Connector/#211	44078	11/15/2016	02/02/2017	41.25
	KEARNY MESA AUTOMOTIVE	443838	Molding/#208	44078	11/15/2016	02/02/2017	61.97
	KEARNY MESA AUTOMOTIVE		Credit/Core Return	44078	11/10/2016	02/02/2017	-162.00
	LIGHTHOUSE, INC./THE//	0312207	Toggle Switches, Caps/PD	44081	01/18/2017	02/02/2017	87.58
	NORTHEND AUTOPARTS,	578577	Fuel Filter/#28 Streets	44089	01/19/2017	02/02/2017	28.94
							1,084.76
601-801,000-720.410	Tires OK RUBBER TIRES///	54326	Tires/#3951 Fire Dept	44092	01/19/2017	02/02/2017	502.31
							502.31
601-801,000-720.500	Electrical NORTHEND AUTOPARTS,	578405	Battery/#75 WTP	44089	01/17/2017	02/02/2017	117.92
							117.92
601-801,000-721.200	Other IMPERIAL HARDWARE CO.,	465554/2	Propane Gas/Forklift #19	44073	01/18/2017	02/02/2017	20.15
	ZEP SALES & SERVICE///		Shop Towels	316	01/12/2017	02/02/2017	184.15
							204.30
601-801,000-740.100	Repair & DANIELS TIRE SERVICE///		Oil Change/P.D. #A161	44054	01/09/2017	02/02/2017	88.14
	DANIELS TIRE SERVICE///		Oil Change/P.D. #P152	44054	01/10/2017	02/02/2017	35.04
							123.18

City of Brawley

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
601-801.000-740.200	Cleaning						
	ALSCO AMERICAN LINEN		Uniform Cleaning Services-Shop	44045	01/23/2017	02/02/2017	25.32
	ALSCO AMERICAN LINEN		Cleaning Services - Shop	44045	01/23/2017	02/02/2017	33.46
							58.78
							Total Dept. Vehicle Maintenance Shop: 2,091.25
							Total Fund Maintenance: 2,091.25
Fund: 602 Risk Management							
Dept: 814.000 Employee Health							
602-814.000-750.100	Insurance						
	HOLMAN GROUP/THE//	2011250	Feb 2017 Employee Assistance	44067	02/01/2017	02/02/2017	594.32
							594.32
							Total Dept. Employee Health Benefits: 594.32
							Total Fund Risk 594.32
							Grand Total: 98,969.53

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Date: 02/03/2017
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Check Number	Check Date		Vendor Number	Vendor Name	Check Description	Amount
44115	02/03/2017	Printed	A368	AFLAC INC.	Cancer, ICU, Disability	2,845.33
44116	02/03/2017	Printed	A017	AMERICAN EXPRESS	AP Credit Card Payment 1/28/17	79,422.61
44117	02/03/2017	Printed	C110	COLUMBUS BANK & TRUST COMPA	Unreimbursed Medical	526.90
44118	02/03/2017	Printed	F680	FRANCHISE TAX BOARD	Deductions	831.87
44119	02/03/2017	Printed	G387	KRISTINA D. GREEN(BAILEY)	Deductions	175.00
44120	02/03/2017	Printed	N944	NATIONAL PLAN COORDINATORS	Deferred Comp Plan #340233-01	4,996.33
44121	02/03/2017	Printed	N187	NATIONWIDE RETIREMENT SOLUTION	Deferred Comp Entity #05270	165.00
44122	02/03/2017	Printed	S325	SUN COMMUNITY FED. CREDIT UNIO	Credit Union Deductions	1,121.00
44123	02/03/2017	Printed	U660	UNITED STATES TREASURY	Deductions	177.50
44124	02/03/2017	Printed	U761	UNITED STATES TREASURY	Deductions	200.00
44125	02/03/2017	Printed	U110	UNITED WAY OF IMPERIAL COUNTY	United Way Deductions	25.00

Total Checks: 11

Checks Total (excluding void checks):

90,486.54

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Date: 02/08/2017

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Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
317	02/08/2017	Printed	A012	AMAZON.COM LLC	Replenish ZipBooks Account	3,000.00
318	02/08/2017	Printed	A785	AT&T	U-Verse Internet 1/24-2/23/17	155.00
319	02/08/2017	Printed	B411	BSN SPORTS, LLC	Basketball Jerseys	35.56
320	02/08/2017	Printed	C544	CANON FINANCIAL SERVICES, INC	Copier Lease, Usage	563.71
321	02/08/2017	Printed	D679	DESERT SUN PUBLISHING LLC	Ad/CareerBuilder.com	2,126.24
322	02/08/2017	Printed	D178	DIRECTV	Acct# 007659085 01/15-02/14/17	152.52
323	02/08/2017	Printed	F105	FEDERAL EXPRESS CORP.	Mailings/City Clerk	40.77
324	02/08/2017	Printed	M730	MALLORY SAFETY & SUPPLY LLC	Fire Extinguisher, Spill Kit	617.40
325	02/08/2017	Printed	M275	MSC INDUSTRIAL SUPPLY CO, INC.	Hammer Drill, Drill Bit	330.51
326	02/08/2017	Printed	U411	U.S. HEALTHWORKS MEDICAL	POST Medical Evaluation	671.00
327	02/08/2017	Printed	U630	UNITED PARCEL SERVICE, INC	Mailings/Engineering	116.16
12					Checks Total (excluding void checks):	7,808.87

44126	02/08/2017	Printed	B364	360 BUSINESS PRODUCTS	Copy Paper	68.31
44127	02/08/2017	Printed	A306	ABC SUPPLY CO.,INC.	Nails/Meserve Park Restroom	36.37
44128	02/08/2017	Printed	A633	ACE UNIFORMS & ACCESSORIES	Adjustable Radio Holders	155.49
44129	02/08/2017	Printed	A126	ALSCO AMERICAN LINEN DIV.	Cleaning Services-Admin Bldg	326.07
44130	02/08/2017	Printed	A901	AT&T-CALNET 3	Telephone Services 12/20-1/19	2,840.85
44131	02/08/2017	Printed	A592	AUTO ZONE, INC. #2804	Electrical Tape	59.11
44132	02/08/2017	Printed	B232	BIOMETRICS4ALL, INC.	Relay Fees 1/1-1/31/17	24.00
44133	02/08/2017	Printed	B269	BROWLEY TRACTOR PARTS	Bolts, Washer/Sewer Truck #104	109.94
44134	02/08/2017	Printed	B747	BRENNTAG PACIFIC INC.	Hydrochloric Acid, Sodium Hypo	1,704.93
44135	02/08/2017	Printed	B960	TYMIKA BROWN	BB Referee 1/28, 2/1	112.00
44136	02/08/2017	Printed	C312	CA PUBLIC EMP. RETIREMENT SYST	Feb. 2017 Medical Insurance	92,887.72
44137	02/08/2017	Printed	C796	CAL STRIPE, INC	Bicycle Improvements Spec. No.	157,875.57
44138	02/08/2017	Printed	C1095	RIANNA MICHELLE CARRILLO	BB Scorekeeper 1/28-2/1	154.00
44139	02/08/2017	Printed	C056	DANIEL CASTRO	BB Referee 01/31/17	16.00
44140	02/08/2017	Printed	C275	CDW GOVERNMENT, INC.	SCADA Electronic Components	81.02
44141	02/08/2017	Printed	C093	CIT	City Hall Phone System	150.54
44142	02/08/2017	Printed	C491	EMMA CORDOVA	Refund Deposit/151 N. Palm Ave	202.62
44143	02/08/2017	Printed	C489	CPRS	Membership Dues/P. Dorsey	170.00
44144	02/08/2017	Printed	D144	DANIELS TIRE SERVICE	Oil Change, Brakes/ACO #206	233.53
44145	02/08/2017	Printed	D402	DAPPER TIRE CO., INC.	Tires/P.D. #P154	546.57
44146	02/08/2017	Printed	D385	DC FROST ASSOCIATES, INC.	Rope Assembly/UV Lamps	937.45
44147	02/08/2017	Printed	D103	DELTA DENTAL	Dental Insurance - Feb. 2017	8,301.73
44148	02/08/2017	Printed	D397	DION INTERNATIONAL TRUCKS, LLC	Repair Antilock, Check Engine	885.72
44149	02/08/2017	Printed	D707	DPREP	Internal Affairs Investigation	338.00
44150	02/08/2017	Printed	E145	ELMS EQUIPMENT	Repair Chainsaw	144.31
44151	02/08/2017	Printed	E398	EMPIRE SOUTHWEST LLC	Generator Inspection/WTP	1,816.67
44152	02/08/2017	Void	02/08/2017		Void Check	0.00
44153	02/08/2017	Void	02/08/2017		Void Check	0.00
44154	02/08/2017	Void	02/08/2017		Void Check	0.00
44155	02/08/2017	Void	02/08/2017		Void Check	0.00
44156	02/08/2017	Void	02/08/2017		Void Check	0.00
44157	02/08/2017	Void	02/08/2017		Void Check	0.00
44158	02/08/2017	Void	02/08/2017		Void Check	0.00
44159	02/08/2017	Void	02/08/2017		Void Check	0.00
44160	02/08/2017	Void	02/08/2017		Void Check	0.00
44161	02/08/2017	Void	02/08/2017		Void Check	0.00
44162	02/08/2017	Void	02/08/2017		Void Check	0.00
44163	02/08/2017	Void	02/08/2017		Void Check	0.00
44164	02/08/2017	Void	02/08/2017		Void Check	0.00
44165	02/08/2017	Void	02/08/2017		Void Check	0.00

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Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
44166	02/08/2017	Void	02/08/2017		Void Check	0.00
44167	02/08/2017	Void	02/08/2017		Void Check	0.00
44168	02/08/2017	Void	02/08/2017		Void Check	0.00
44169	02/08/2017	Void	02/08/2017		Void Check	0.00
44170	02/08/2017	Void	02/08/2017		Void Check	0.00
44171	02/08/2017	Void	02/08/2017		Void Check	0.00
44172	02/08/2017	Void	02/08/2017		Void Check	0.00
44173	02/08/2017	Void	02/08/2017		Void Check	0.00
44174	02/08/2017	Void	02/08/2017		Void Check	0.00
44175	02/08/2017	Void	02/08/2017		Void Check	0.00
44176	02/08/2017	Void	02/08/2017		Void Check	0.00
44177	02/08/2017	Void	02/08/2017		Void Check	0.00
44178	02/08/2017	Void	02/08/2017		Void Check	0.00
44179	02/08/2017	Void	02/08/2017		Void Check	0.00
44180	02/08/2017	Void	02/08/2017		Void Check	0.00
44181	02/08/2017	Void	02/08/2017		Void Check	0.00
44182	02/08/2017	Void	02/08/2017		Void Check	0.00
44183	02/08/2017	Void	02/08/2017		Void Check	0.00
44184	02/08/2017	Void	02/08/2017		Void Check	0.00
44185	02/08/2017	Void	02/08/2017		Void Check	0.00
44186	02/08/2017	Void	02/08/2017		Void Check	0.00
44187	02/08/2017	Void	02/08/2017		Void Check	0.00
44188	02/08/2017	Void	02/08/2017		Void Check	0.00
44189	02/08/2017	Void	02/08/2017		Void Check	0.00
44190	02/08/2017	Void	02/08/2017		Void Check	0.00
44191	02/08/2017	Void	02/08/2017		Void Check	0.00
44192	02/08/2017	Void	02/08/2017		Void Check	0.00
44193	02/08/2017	Void	02/08/2017		Void Check	0.00
44194	02/08/2017	Void	02/08/2017		Void Check	0.00
44195	02/08/2017	Void	02/08/2017		Void Check	0.00
44196	02/08/2017	Void	02/08/2017		Void Check	0.00
44197	02/08/2017	Void	02/08/2017		Void Check	0.00
44198	02/08/2017	Void	02/08/2017		Void Check	0.00
44199	02/08/2017	Printed	F231	FARMERS LAND LEVELING INC.	Retention/1st St Pedestrian	29,860.71
44200	02/08/2017	Printed	F542	FERGUSON ENTERPRISES, INC.	Toilet Bowl/Hinojosa Park	1,803.80
44201	02/08/2017	Printed	F949	FORENSIC TECHNOLOGIES, INC	Pre-Employment Polygraph	200.00
44202	02/08/2017	Printed	G515	ABRAHAM GARCIA	BB Referee 1/31-2/2	144.00
44203	02/08/2017	Printed	G216	DAYJANE A GRANBERRY	BB Scorekeeper 2/2	156.00
44204	02/08/2017	Printed	G774	GROSSMAN PSYCHOLOGICAL ASSOC	Pre-Employment Psych Exams	900.00
44205	02/08/2017	Printed	H119	HAAKER EQUIPMENT CO., INC.	Flat Drain Hose/#104 & #105	113.98
44206	02/08/2017	Printed	H324	HDR ENGINEERING, INC.	Industrial Pretreatment	1,805.05
44207	02/08/2017	Printed	H377	HYDRAULICS & BEARING SUPPLY IN	Gauge	37.71
44208	02/08/2017	Printed	I447	I. V. TERMITES & PEST CONTRO	Pest Control/F.D. #1	29.00
44209	02/08/2017	Void	02/08/2017		Void Check	0.00
44210	02/08/2017	Void	02/08/2017		Void Check	0.00
44211	02/08/2017	Void	02/08/2017		Void Check	0.00
44212	02/08/2017	Void	02/08/2017		Void Check	0.00
44213	02/08/2017	Printed	I301	IMPERIAL HARDWARE CO., INC.	Batteries	2,277.16
44214	02/08/2017	Printed	I103	IMPERIAL IRRIGATION DISTRIC	Power Bills 12/28/16-1/26/17	48,831.73
44215	02/08/2017	Printed	I608	IMPERIAL TRUSS & LUMBER CO	Super Bar/Parks Truck #47	476.47
44216	02/08/2017	Printed	K154	K-C WELDING RENTALS, INC.	Needle Cage, Washers, Nuts	384.63
44217	02/08/2017	Printed	L659	LIFE-ASSIST, INC	Medical Supplies	108.28
44218	02/08/2017	Printed	L425	THE LIGHTHOUSE, INC.	Wire Tires, Heat Shrink Tube	134.02
44219	02/08/2017	Printed	M019	ANGEL MALDONADO	BB Referee 1/28, 1/31	192.00

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Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
44220	02/08/2017	Printed	M004	MCNEECE BROS OIL COMPANY	Fuel/Fire Dept.	1,587.43
44221	2/8/2017	Printed	M804	MYLO JANITORIAL	Cleaning Services - Jan. 2017	7,476.00
44222	02/08/2017	Printed	N161	NEWCASTLE FARMS, LLC.	Fabricate Tool	673.38
44223	02/08/2017	Printed	N045	NORTHEND AUTOPARTS, INC.	Glue/Sewer Truck #104	126.49
44224	02/08/2017	Printed	0567	JIM O'MALLEY PLUMBING	Tee/Meserve Park	122.89
44225	02/08/2017	Printed	O698	OJEDA INDUSTRIES	Refund B.L. #4103 Overpmt	9.00
44226	02/08/2017	Printed	O901	ORANGE COMMERCIAL CREDIT	Iron, Aluminum Analysis/WTP	3,666.00
44227	02/08/2017	Printed	P243	PETTY CASH-FIRE DEPT.	Petty Cash	54.35
44228	02/08/2017	Printed	P903	PRINCIPAL FINANCIAL GROUP	Life Insurance - February 2017	3,754.66
44229	02/08/2017	Printed	P104	PUBLIC EMPLOYEES RETIREMENT	PERS 01/17/2017-01/30/2017	56,169.96
44230	02/08/2017	Printed	R357	JONATHAN RAFAEL RAMIRO	Refund Deposit/322 Driftwood	202.14
44231	02/08/2017	Printed	R177	RDO WATER	Timers/Lion's Center Grounds	209.25
44232	02/08/2017	Printed	S379	JAYMI SANCHEZ	BB Scorekeeper 1/28-2/2	209.00
44233	02/08/2017	Printed	S364	BRANDON MATTHEW SELF JR.	BB Referee 1/28, 1/31	64.00
44234	02/08/2017	Printed	S087	SILVERSTRAND CONSTRUCTION	Alyce Gereaux Park Renovation	408,827.30
44235	02/08/2017	Printed	S885	SIRCHIE FINGERPRINT LABORATORI	Print Pads	83.49
44236	02/08/2017	Printed	S760	SPECTRUM ADVERTISING	Video Tape Countil Mtg 01/17	500.00
44237	02/08/2017	Printed	S849	STILLS ELECTRIC	Troubleshoot Pedestal Power/	873.39
44238	02/08/2017	Printed	S366	STOFFEL ELECTRIC	Replaced Flocculator Switch	417.50
44239	02/08/2017	Printed	U674	UTILITY SERVICE CO., INC.	Purchase & Install 2 Reservoir	29,666.00
44240	02/08/2017	Printed	V506	VALLEY PETROLEUM EQUIPMENT INC	Replaced Meter Gear Lock	358.82
44241	02/08/2017	Printed	V452	VISION SERVICE PLAN (CA), I	February Vision Insurance	2,001.46
44242	02/08/2017	Printed	W135	WAXIE SANITARY SUPPLY	Trashbags, Toilet Paper	676.36
44243	02/08/2017	Printed	Z668	STEVEN ZAJDEL	BB Referee 1/30/17	64.00
44244	02/08/2017	Printed	Z264	RAQUEL A ZEPEDA	BB Scorekeeper 1/28, 1/31	77.00
			119		Checks Total (excluding void checks):	875,502.93
			119		Bank Total (excluding void checks):	875,502.93
			131		Grand Total (excluding void checks):	883,311.80



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Fund: 101 General Fund							
Dept: 000.000							
101-000.000-205.307	Fee - SB OJEDA INDUSTRIES///		Refund B.L. #4103 Overpmt	44225	02/07/2017	02/08/2017	1.00
							1.00
Total Dept. 000000:							1.00
Dept: 110.000 General Revenues							
101-110.000-410.800	Business OJEDA INDUSTRIES///		Refund B.L. #4103 Overpmt	44225	02/07/2017	02/08/2017	8.00
							8.00
Total Dept. General Revenues:							8.00
Dept: 111.000 City Council							
101-111.000-730.200	Technical SPECTRUM ADVERTISING///	13097	Video Tape Countil Mtg 01/17	44236	01/19/2017	02/08/2017	500.00
							500.00
Total Dept. City Council:							500.00
Dept: 112.000 City Clerk							
101-112.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	399.35
							399.35
101-112.000-750.210	Postage FEDERAL EXPRESS CORP./// UNITED PARCEL SERVICE,	5-688-73752	Mailings/City Clerk Mailings/City Clerk	323 327	01/27/2017 01/21/2017	02/08/2017 02/08/2017	6.06 12.96
							19.02
Total Dept. City Clerk:							418.37
Dept: 131.000 City Manager							
101-131.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	480.19
							480.19
Total Dept. City Manager:							480.19
Dept: 151.000 Finance							
101-151.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	1,118.87
							1,118.87
101-151.000-740.100	Repair & CANON FINANCIAL CIT///	16898629 29739187	Copier Lease, Usage City Hall Phone System	320 44141	01/13/2017 01/21/2017	02/08/2017 02/08/2017	168.46 75.27
							243.73
101-151.000-740.400	Rent CANON FINANCIAL	16898629	Copier Lease, Usage	320	01/13/2017	02/08/2017	113.40
							113.40
101-151.000-750.200	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	35.58
							35.58
101-151.000-750.210	Postage FEDERAL EXPRESS CORP.///	5-681-94894	Mailings/Finance Dept.	323	01/20/2017	02/08/2017	34.71
							34.71
Total Dept. Finance:							1,546.29

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Dept: 152.000 Utility Billing							
101-152.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	450.61
							450.61
101-152.000-740.100	Repair & CANON FINANCIAL CIT///	16898629	Copier Lease, Usage	320	01/13/2017	02/08/2017	168.45
		29739187	City Hall Phone System	44141	01/21/2017	02/08/2017	75.27
							243.72
101-152.000-740.400	Rent CANON FINANCIAL	16898629	Copier Lease, Usage	320	01/13/2017	02/08/2017	113.40
							113.40
Total Dept. Utility Billing:							807.73
Dept: 153.000 Personnel							
101-153.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	283.23
							283.23
101-153.000-750.200	BIOMETRICS4ALL, INC.///		Relay Fees 1/1-1/31/17	44132	02/01/2017	02/08/2017	24.00
							24.00
101-153.000-750.300	Advertising & DESERT SUN PUBLISHING		Ad/CareerBuilder.com	321	02/07/2017	02/08/2017	2,126.24
							2,126.24
Total Dept. Personnel:							2,433.47
Dept: 171.000 Planning							
101-171.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	399.22
							399.22
101-171.000-750.200	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	166.32
							166.32
Total Dept. Planning:							565.54
Dept: 181.000 Information							
101-181.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	183.23
							183.23
Total Dept. Information technology:							183.23
Dept: 191.000 Non-departmental							
101-191.000-725.200	Electricity IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	514.32
							514.32
101-191.000-740.200	Cleaning ALSCO AMERICAN LINEN ALSCO AMERICAN LINEN MYLO JANITORIAL///		Cleaning Services/City Hall	44129	01/30/2017	02/08/2017	18.05
			Cleaning Services-Admin Bldg	44129	01/30/2017	02/08/2017	15.00
		5069741	Cleaning Services - Jan. 2017	44221	01/30/2017	02/08/2017	776.00
							809.05
101-191.000-750.200	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	176.59
							176.59

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Total Dept. Non-departmental:							1,499.96
Dept: 211.000 Police Protection							
101-211.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	11,171.54
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	2,017.15
							13,188.69
101-211.000-720.500	Electrical						
	IMPERIAL HARDWARE CO.,	466506/2	Undercabinet Light	44213	01/27/2017	02/08/2017	29.79
	IMPERIAL HARDWARE CO.,	466703/2	Return Undercabinet Light	44213	01/30/2017	02/08/2017	-29.79
	IMPERIAL HARDWARE CO.,	466493/2	Undercabinet Light, Ext. Cord	44213	01/27/2017	02/08/2017	8.92
	IMPERIAL HARDWARE CO.,	466504/2	Return Undercabinet Light	44213	01/27/2017	02/08/2017	-5.39
							3.53
101-211.000-721.100	Uniforms						
	ACE UNIFORMS &	18989	Adjustable Radio Holders	44128	12/23/2016	02/08/2017	155.49
							155.49
101-211.000-721.200	Other						
	SIRCHIE FINGERPRINT	0286093-IN	Print Pads	44235	01/22/2017	02/08/2017	83.49
							83.49
101-211.000-725.200	Electricity						
	IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	651.57
							651.57
101-211.000-730.100	Professional						
	FORENSIC TECHNOLOGIES,	1092	Pre-Employment Polygraph	44201	01/31/2017	02/08/2017	200.00
	GROSSMAN	01022017	Pre-Employment Psych Exams	44204	02/01/2017	02/08/2017	900.00
	U.S. HEALTHWORKS		POST Medical Evaluation	326	01/20/2017	02/08/2017	671.00
							1,771.00
101-211.000-740.200	Cleaning						
	ALSCO AMERICAN LINEN		Cleaning Services-P.D.	44129	01/30/2017	02/08/2017	135.03
	MYLO JANITORIAL///	5069741	Cleaning Services - Jan. 2017	44221	01/30/2017	02/08/2017	3,150.00
							3,285.03
101-211.000-750.200							
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	460.08
							460.08
101-211.000-750.510							
	DPREP///		Internal Affairs Investigation	44149	02/07/2017	02/08/2017	338.00
							338.00
Total Dept. Police Protection:							19,936.88
Dept: 221.000 Fire Department							
101-221.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	7,693.85
							7,693.85
101-221.000-720.400	Automotive						
	NORTHEND AUTOPARTS,	578504	Automotive Lamp	44223	01/18/2017	02/08/2017	4.70
							4.70
101-221.000-721.110	Food and						
	PETTY CASH-FIRE DEPT.///		Petty Cash	44227	02/07/2017	02/08/2017	54.35
							54.35
101-221.000-721.200	Other						
	AUTO ZONE, INC. #2804///		Glue	44131	01/26/2017	02/08/2017	5.67
	AUTO ZONE, INC. #2804///		Electrical Tape	44131	01/27/2017	02/08/2017	4.50

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	LIFE-ASSIST, INC	782206	Medical Supplies	44217	01/20/2017	02/08/2017	108.28
							118.45
101-221.000-721.900	Small tools & HYDRAULICS & BEARING	54776	Gauge	44207	01/31/2017	02/08/2017	37.71
	IMPERIAL HARDWARE CO.,	465803/2	Tools, Hardware	44213	01/20/2017	02/08/2017	18.54
	NORTHEND AUTOPARTS,	578837	Creeper	44223	01/23/2017	02/08/2017	107.74
							163.99
101-221.000-725.400	Fuel						
	IMPERIAL HARDWARE CO.,	466392/2	50/50 Fuel	44213	01/26/2017	02/08/2017	14.04
	MCNEECE BROS OIL	842767	Fuel/Fire Dept.	44220	11/30/2016	02/08/2017	1,587.43
							1,601.47
101-221.000-730.200	Technical						
	I. V. TERMITE & PEST	0241235	Pest Control/F.D. #1	44208	01/27/2017	02/08/2017	29.00
	NEWCASTLE FARMS, LLC.	5159	Fabricate Tool	44222	01/18/2017	02/08/2017	673.38
							702.38
101-221.000-750.200							
	AT&T		U-Verse Internet 1/17-2/16/17	318	02/06/2017	02/08/2017	50.00
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	154.59
	DIRECTV		Acct# 007659085 01/15-02/14/17	322	01/16/2017	02/08/2017	152.52
							357.11
							Total Dept. Fire Department: 10,696.30
Dept: 221.100 Fire Station #2							
101-221.100-721.200	Other						
	AUTO ZONE, INC. #2804///		Car Wash Soap	44131	01/28/2017	02/08/2017	7.13
	IMPERIAL HARDWARE CO.,	466071/2	Nozzle, Hose Mender Ends	44213	01/23/2017	02/08/2017	20.98
	IMPERIAL HARDWARE CO.,	466647/2	Batteries	44213	01/28/2017	02/08/2017	9.00
	K-C WELDING RENTALS,	14663	Needle Cage, Washers, Nuts	44216	01/20/2017	02/08/2017	14.54
							51.65
101-221.100-750.200							
	AT&T		U-Verse Internet 1/24-2/23/17	318	02/06/2017	02/08/2017	50.00
							50.00
							Total Dept. Fire Station #2: 101.65
Dept: 231.000 Building Inspection							
101-231.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	751.90
							751.90
101-231.000-750.200							
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	107.39
							107.39
							Total Dept. Building Inspection: 859.29
Dept: 241.000 Animal Control							
101-241.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	133.23
							133.23
101-241.000-720.800	Janitorial						
	IMPERIAL HARDWARE CO.,	466790/2	Dish Soap, Beach, Gloves	44213	01/30/2017	02/08/2017	42.99
							42.99
101-241.000-721.200	Other						
	IMPERIAL HARDWARE CO.,	467047/2	Air Freshener, Soap, Glue	44213	02/01/2017	02/08/2017	40.32
							40.32

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101-241.000-740.200	Cleaning						
	ALSCO AMERICAN LINEN		Uniform Cleaning Services/ACO	44129	01/30/2017	02/08/2017	9.58
	ALSCO AMERICAN LINEN		Uniform Cleaning Services/ACO	44129	01/23/2017	02/08/2017	9.58
							19.16
							Total Dept. Animal Control: 235.70
Dept: 311.000 Engineering							
101-311.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	1,014.31
							1,014.31
101-311.000-740.200	Cleaning						
	MYLO JANITORIAL///	5069741	Cleaning Services - Jan. 2017	44221	01/30/2017	02/08/2017	690.00
							690.00
101-311.000-750.200							
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	772.97
							772.97
101-311.000-750.210	Postage						
	UNITED PARCEL SERVICE,		Mailings/Engineering	327	01/26/2017	02/08/2017	103.20
							103.20
							Total Dept. Engineering: 2,580.48
Dept: 411.000 Community							
101-411.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	279.12
							279.12
101-411.000-750.200							
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	107.40
							107.40
							Total Dept. Community Development: 386.52
Dept: 511.000 Parks							
101-511.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	903.71
							903.71
101-511.000-721.200	Other						
	IMPERIAL HARDWARE CO.,	463572/2	Bolts, Washers/Pat Williams	44213	12/29/2016	02/08/2017	3.55
	IMPERIAL HARDWARE CO.,	466852/2	Straw Hats	44213	01/31/2017	02/08/2017	17.77
	O'MALLEY PLUMBING/JIM//	91956	Channel Locks	44224	01/27/2017	02/08/2017	31.19
							52.51
101-511.000-721.900	Small tools &						
	IMPERIAL TRUSS & LUMBER	B13758	Super Bar/Parks Truck #47	44215	01/31/2017	02/08/2017	20.47
							20.47
101-511.000-725.200	Electricity						
	IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	1,284.17
							1,284.17
101-511.000-730.200	Technical						
	STILLS ELECTRIC///	5420	Troubleshoot Pedestal Power/	44237	01/27/2017	02/08/2017	315.00
							315.00
101-511.000-740.100	Repair &						
	ELMS EQUIPMENT///		Repair Chainsaw	44150	01/19/2017	02/08/2017	144.31
							144.31

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101-511.000-800.300	FERGUSON ENTERPRISES,	4236700	Urinal/Gonzales Park	44200	01/24/2017	02/08/2017	165.45
	FERGUSON ENTERPRISES,	4256805	Urinal/Hinojosa Park	44200	01/24/2017	02/08/2017	165.45
	FERGUSON ENTERPRISES,	4256974	Cutter, Trap/Gonzales Park	44200	01/24/2017	02/08/2017	239.12
	FERGUSON ENTERPRISES,	4221997-1	Toilets Bowls, Wax Ring	44200	01/20/2017	02/08/2017	506.58
	FERGUSON ENTERPRISES,	4246861	Vacuum Breaker/Hinojosa Park	44200	01/20/2017	02/08/2017	120.69
	FERGUSON ENTERPRISES,	4221997-2	Toilet Bowl/Hinojosa Park	44200	01/24/2017	02/08/2017	136.17
	IMPERIAL HARDWARE CO.,	466076/2	Drill Bits/Restroom Rehab	44213	01/24/2017	02/08/2017	19.15
	IMPERIAL HARDWARE CO.,	466324/2	Sink, Joints-Gonzales/Hinojosa	44213	01/26/2017	02/08/2017	13.05
	IMPERIAL HARDWARE CO.,	466390/2	Caulk, Couplings-Gonzales/Hino	44213	01/26/2017	02/08/2017	28.77
	IMPERIAL HARDWARE CO.,	466449/2	Anchors, Couplings/Gonzales	44213	01/27/2017	02/08/2017	11.08
	IMPERIAL HARDWARE CO.,	466828/2	Paint/Parks Restroom Rehab	44213	01/31/2017	02/08/2017	837.21
	K-C WELDING RENTALS,	14718	Drill Rental-Gonzales/Hinojosa	44216	01/26/2017	02/08/2017	315.14
	O'MALLEY PLUMBING/JIM//	91955	Sloan F Saw/Gonzales Park	44224	01/27/2017	02/08/2017	22.58
							2,580.44
						Total Dept. Parks:	5,300.61
Dept: 521.000 Recreation & Lions							
101-521.000-710.300 PERS	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	402.78
							402.78
101-521.000-720.100 Office	360 BUSINESS PRODUCTS///		Copy Paper	44126	01/27/2017	02/08/2017	68.31
							68.31
101-521.000-720.300 Chemicals	BRENTAG PACIFIC INC.///	BPI251619	Drum Return	44134	01/23/2017	02/08/2017	-80.00
	BRENTAG PACIFIC INC.///	BPI696028	Hydrochloric Acid, Sodium Hypo	44134	01/23/2017	02/08/2017	1,784.93
	IMPERIAL HARDWARE CO.,	466406/2	Markers, Bags, Sprinkler	44213	01/26/2017	02/08/2017	34.45
							1,739.38
101-521.000-720.600 Plumbing	IMPERIAL HARDWARE CO.,	466406/2	Markers, Bags, Sprinkler	44213	01/26/2017	02/08/2017	12.57
	RDO WATER	J23001	Timers/Lion's Center Grounds	44231	01/27/2017	02/08/2017	209.25
							221.82
101-521.000-720.800 Janitorial	IMPERIAL HARDWARE CO.,	466406/2	Markers, Bags, Sprinkler	44213	01/26/2017	02/08/2017	6.99
	IMPERIAL HARDWARE CO.,	466535/2	Return Window Cleaner	44213	01/27/2017	02/08/2017	-6.45
	IMPERIAL HARDWARE CO.,	466536/2	Trashbags, Padlock	44213	01/27/2017	02/08/2017	68.79
	WAXIE SANITARY SUPPLY///	76471336	Trashbags, Toilet Paper	44242	01/24/2017	02/08/2017	676.36
							745.69
101-521.000-721.200 Other	IMPERIAL HARDWARE CO.,	466406/2	Markers, Bags, Sprinkler	44213	01/26/2017	02/08/2017	4.53
	IMPERIAL HARDWARE CO.,	466536/2	Trashbags, Padlock	44213	01/27/2017	02/08/2017	16.85
							21.38
101-521.000-725.200 Electricity	IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	3,170.59
							3,170.59
101-521.000-740.200 Cleaning	ALSCO AMERICAN LINEN		Cleaning Services/Lions Center	44129	01/30/2017	02/08/2017	27.00
							27.00
101-521.000-750.200	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	118.29
							118.29
101-521.000-750.600	CPRS///		Membership Dues/P. Dorsey	44143	01/27/2017	02/08/2017	170.00

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							170.00
Total Dept. Recreation & Lions Center:							6,685.24
Dept: 521.100 Recreation Leagues							
101-521.100-721.200	Other						
	BSN SPORTS, LLC///	98669289	Basketball Jerseys	319	01/19/2017	02/08/2017	35.56
							35.56
101-521.100-730.200	Technical						
	BROWN/TYMIKA//		BB Referee 1/28, 2/1	44135	02/06/2017	02/08/2017	112.00
	CARRILLO/RIANNA		BB Scorekeeper 1/28-2/1	44138	02/07/2017	02/08/2017	154.00
	CASTRO/DANIEL//		BB Referee 01/31/17	44139	02/07/2017	02/08/2017	16.00
	GARCIA/ABRAHAM//		BB Referee 1/31-2/2	44202	02/07/2017	02/08/2017	144.00
	GRANBERRY/DAYJANE A//		BB Referee 1/28, 2/1	44203	02/07/2017	02/08/2017	112.00
	GRANBERRY/DAYJANE A//		BB Scorekeeper 2/2	44203	02/07/2017	02/08/2017	44.00
	MALDONADO/ANGEL//		BB Referee 1/30, 2/2	44219	02/07/2017	02/08/2017	128.00
	MALDONADO/ANGEL//		BB Referee 1/28, 1/31	44219	02/07/2017	02/08/2017	64.00
	SANCHEZ/JAYMI//		BB Scorekeeper 1/28-2/2	44232	02/07/2017	02/08/2017	209.00
	SELF JR./BRANDON		BB Referee 1/28, 1/31	44233	02/07/2017	02/08/2017	64.00
	ZAJDEL/STEVEN//		BB Referee 1/30/17	44243	02/07/2017	02/08/2017	64.00
	ZEPEDA/RAQUEL A//		BB Scorekeeper 1/28, 1/31	44244	02/03/2017	02/08/2017	77.00
							1,188.00
Total Dept. Recreation Leagues:							1,223.56
Dept: 522.000 Senior Citizens							
101-522.000-721.200	Other						
	IMPERIAL HARDWARE CO.,	466950/2	Keys	44213	02/01/2017	02/08/2017	10.46
							10.46
101-522.000-750.200							
	AT&T		U-Verse Internet 1/24-2/23/17	318	02/06/2017	02/08/2017	55.00
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	24.16
							79.16
Total Dept. Senior Citizens Center:							89.62
Dept: 551.000 Library							
101-551.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	794.25
							794.25
101-551.000-720.200	Books and						
	AMAZON.COM LLC///		Replenish ZipBooks Account	317	02/06/2017	02/08/2017	3,000.00
							3,000.00
101-551.000-725.200	Electricity						
	IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	514.33
							514.33
101-551.000-740.200	Cleaning						
	MYLO JANITORIAL///	5069741	Cleaning Services - Jan, 2017	44221	01/30/2017	02/08/2017	1,900.00
							1,900.00
101-551.000-750.200							
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	81.80
							81.80
Total Dept. Library:							6,290.38
Dept: 551.100 Library Grant -							
101-551.100-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	328.82

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							<u>328.82</u>
Total Dept. Library Grant - LAMBS:							328.82
Total Fund General Fund:							63,158.83
Fund: 211 Gas Tax							
Dept: 312.000 Street Maintenance							
211-312.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	550.11
							<u>550.11</u>
211-312.000-720.700	Construction						
	FARMERS LAND LEVELING	22792	Cold Mix Asphalt	44199	12/27/2016	02/08/2017	6,614.93
							<u>6,614.93</u>
Total Dept. Street Maintenance &							7,165.04
Total Fund Gas Tax:							7,165.04
Fund: 213 SB 821 - Ped. & Bic.							
Dept: 313.000 Bicycle &							
213-313.000-710.300	P E R S						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	9.18
							<u>9.18</u>
Total Dept. Bicycle & Pedestrian Fac.:							9.18
Total Fund SB 821 - Ped. &							9.18
Fund: 243 CFD 05-1 Victoria Park							
Dept: 195.000 Comm Fac Dist							
243-195.000-725.200	Electricity						
	IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	16.08
							<u>16.08</u>
Total Dept. Comm Fac Dist:							16.08
Total Fund CFD 05-1							16.08
Fund: 411 Capital Projects - Parks							
Dept: 000.000							
411-000.000-201.514	Retention -						
	SILVERSTRAND	8	Alyce Gereaux Park Renovation	44234	02/07/2017	02/08/2017	-21,517.22
							<u>-21,517.22</u>
Total Dept. 000000:							-21,517.22
Dept: 512.010 Alyce Gereaux Park							
411-512.010-800.300							
	SILVERSTRAND	8	Alyce Gereaux Park Renovation	44234	02/07/2017	02/08/2017	430,344.52
							<u>430,344.52</u>
Total Dept. Alyce Gereaux Park							430,344.52
Total Fund Capital Projects							408,827.30

Fund: 421 Capital Projects -
Dept: 000.000
 421-000.000-201.507 Retention -

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	CAL STRIPE, INC///	16148-F	Street Stripping Phase II	44137	02/02/2017	02/08/2017	-5,464.12
	CAL STRIPE, INC///	16164-F	Bicycle Improvements Spec. No.	44137	02/02/2017	02/08/2017	-2,845.12
							-8,309.24
421-000.000-201.553	Contract						
	FARMERS LAND LEVELING	22790	Retention/1st St Pedestrian	44199	12/15/2016	02/08/2017	16,630.84
							16,630.84
						Total Dept. 000000:	8,321.60
Dept: 310.000	Street Projects						
421-310.000-800.300							
	CAL STRIPE, INC///	16148-F	Street Stripping Phase II	44137	02/02/2017	02/08/2017	109,282.38
	CAL STRIPE, INC///	16164-F	Bicycle Improvements Spec. No.	44137	02/02/2017	02/08/2017	56,902.43
							166,184.81
						Total Dept. Street Projects:	166,184.81
						Total Fund Capital Projects	174,506.41
Fund: 451	Developer						
Dept: 521.400	Recreational						
451-521.400-800.200	Buildings						
	ABC SUPPLY CO.,INC.///	56468915	Nails/Meserve Park Restroom	44127	01/27/2017	02/08/2017	36.37
	FERGUSON ENTERPRISES,	4273922	Sink Mounts/Meserve Park	44200	01/27/2017	02/08/2017	224.12
	FERGUSON ENTERPRISES,	4273993	Wax Rings/Meserve Park	44200	01/27/2017	02/08/2017	23.52
	FERGUSON ENTERPRISES,	4246924	Handicap Bars/Meserve Park	44200	01/20/2017	02/08/2017	222.70
	IMPERIAL HARDWARE CO.,	465983/2	Hammer Bit/Meserve Park	44213	01/23/2017	02/08/2017	6.63
	IMPERIAL HARDWARE CO.,	466115/2	Hammer Bit, Anchors/Meserve	44213	01/24/2017	02/08/2017	50.61
	IMPERIAL HARDWARE CO.,	466226/2	Brushes, Hammer Bit/Meserve	44213	01/25/2017	02/08/2017	27.65
	IMPERIAL HARDWARE CO.,	466267/2	Anchors/Meserve Park	44213	01/25/2017	02/08/2017	7.26
	IMPERIAL HARDWARE CO.,	466314/2	Hurricane Ties, Chalk/Meserve	44213	01/26/2017	02/08/2017	59.17
	IMPERIAL HARDWARE CO.,	466399/2	Chalk, Paint/Meserve Park	44213	01/26/2017	02/08/2017	41.38
	IMPERIAL HARDWARE CO.,	466575/2	Solder, Adapter/Meserve	44213	01/28/2017	02/08/2017	74.32
	IMPERIAL HARDWARE CO.,	466582/2	Bolts, Washers/Meserve	44213	01/28/2017	02/08/2017	207.56
	IMPERIAL HARDWARE CO.,	466583/2	Furring Strips/Meserve Park	44213	01/28/2017	02/08/2017	21.44
	IMPERIAL HARDWARE CO.,	466600/2	Faucet Adapters/Meserve	44213	01/28/2017	02/08/2017	6.06
	IMPERIAL HARDWARE CO.,	466604/2	Plywood/Meserve Park	44213	01/28/2017	02/08/2017	19.89
	IMPERIAL HARDWARE CO.,	466622/2	Door Pull, Bolt/Meserve Park	44213	01/28/2017	02/08/2017	69.90
	IMPERIAL HARDWARE CO.,	466623/2	Furring Strips/Meserve Park	44213	01/28/2017	02/08/2017	21.44
	IMPERIAL HARDWARE CO.,	466631/2	Flathead/Meserve Park	44213	01/28/2017	02/08/2017	13.99
	IMPERIAL HARDWARE CO.,	466719/2	Nail, Plywood/Meserve Park	44213	01/30/2017	02/08/2017	102.82
	IMPERIAL HARDWARE CO.,	466821/2	Bolts/Meserve Park	44213	01/31/2017	02/08/2017	11.70
	IMPERIAL HARDWARE CO.,	466827/2	Knockdown Spray/Meserve Park	44213	01/31/2017	02/08/2017	31.24
	IMPERIAL HARDWARE CO.,	746054/5	Furring Strips, Signs/Meserve	44213	02/01/2017	02/08/2017	97.06
	IMPERIAL HARDWARE CO.,	466984/2	Bit, Pipe, Bolts/Meserve Park	44213	02/01/2017	02/08/2017	22.37
	IMPERIAL TRUSS & LUMBER	B13656	Brackets, Plywood, Lumber	44215	01/27/2017	02/08/2017	456.00
	K-C WELDING RENTALS,	14741	Metal Bars/Meserve Park	44216	01/30/2017	02/08/2017	78.44
	K-C WELDING RENTALS,	14743	Return Flat Bars	44216	01/30/2017	02/08/2017	-23.49
	O'MALLEY PLUMBING/JIM//	91519	Grid Strainer/Meserve Park	44224	01/31/2017	02/08/2017	47.20
	O'MALLEY PLUMBING/JIM//	91521	Tubular Trap	44224	01/31/2017	02/08/2017	8.62
	O'MALLEY PLUMBING/JIM//	91523	Plugs/Meserve Park	44224	02/01/2017	02/08/2017	7.97
	O'MALLEY PLUMBING/JIM//	91530	Tee/Meserve Park	44224	02/01/2017	02/08/2017	5.33
							1,979.27
						Total Dept. Recreational facilities:	1,979.27
						Total Fund Developer	1,979.27

Fund: 501 Water

Dept: 000.000

501-000.000-205.200 Water

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	CORDOVA/EMMA//		Refund Deposit/151 N. Palm Ave	44142	01/30/2017	02/08/2017	202.62
	RAMIRO/JONATHAN RAFAEL//		Refund Deposit/322 Driftwood	44230	01/30/2017	02/08/2017	202.14
							404.76
						Total Dept. 000000:	404.76
Dept: 321.000	Water Treatment						
501-321.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	1,436.77
							1,436.77
501-321.000-720.700	Construction FARMERS LAND LEVELING	22792	Cold Mix Asphalt	44199	12/27/2016	02/08/2017	6,614.94
							6,614.94
501-321.000-721.200	Other						
	IMPERIAL HARDWARE CO.,	463339/2	Air Filters	44213	12/27/2016	02/08/2017	53.89
	IMPERIAL HARDWARE CO.,	466108/2	Cleaner, Brushes, Batteries	44213	01/24/2017	02/08/2017	44.41
	IMPERIAL HARDWARE CO.,	466752/2	Paint, Detergent, Nuts	44213	01/30/2017	02/08/2017	19.87
	IMPERIAL HARDWARE CO.,	466791/2	Washers, Bolts	44213	01/30/2017	02/08/2017	3.05
	IMPERIAL HARDWARE CO.,	466809/2	A/C Filters	44213	01/30/2017	02/08/2017	10.34
	MALLORY SAFETY & SUPPLY	4203224	Fire Extinguisher, Spill Kit	324	01/20/2017	02/08/2017	208.72
							340.28
501-321.000-721.900	Small tools & MSC INDUSTRIAL SUPPLY		Hammer Drill, Drill Bit	325	01/11/2017	02/08/2017	330.51
							330.51
501-321.000-730.200	Technical						
	EMPIRE SOUTHWEST LLC///		Generator Inspection/Airport	44151	11/22/2016	02/08/2017	221.00
	EMPIRE SOUTHWEST LLC///		Generator Inspection/WTP	44151	11/22/2016	02/08/2017	221.00
	ORANGE COMMERCIAL	8563	Microbiology Analysis/WTP	44226	01/23/2017	02/08/2017	271.00
	ORANGE COMMERCIAL	8568	Iron, Aluminum Analysis/WTP	44226	01/23/2017	02/08/2017	2,745.00
							3,458.00
501-321.000-740.100	Repair &						
	EMPIRE SOUTHWEST LLC///		Repair Generator/Airport Tank	44151	01/27/2017	02/08/2017	1,374.67
	STOFFEL ELECTRIC///	366	Replaced Flocculator Switch	44238	01/28/2017	02/08/2017	417.50
	UTILITY SERVICE CO., INC.///	413094	Purchase & Install 2 Reservoir	44239	01/20/2017	02/08/2017	14,833.00
	UTILITY SERVICE CO., INC.///	413095	Purchase & Install 2 Reservoir	44239	01/20/2017	02/08/2017	14,833.00
							31,458.17
501-321.000-740.200	Cleaning						
	ALSCO AMERICAN LINEN		Cleaning Services-WTP	44129	01/30/2017	02/08/2017	53.05
	MYLO JANITORIAL///	5069741	Cleaning Services - Jan. 2017	44221	01/30/2017	02/08/2017	510.00
							563.05
501-321.000-750.200							
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	365.50
							365.50
						Total Dept. Water Treatment:	44,567.22
Dept: 322.000	Water Distribution						
501-322.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	1,005.71
							1,005.71
501-322.000-721.200	Other						
	MALLORY SAFETY & SUPPLY	4203237	Gloves	324	01/20/2017	02/08/2017	171.84
							171.84
501-322.000-725.200	Electricity						
	IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	938.83

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Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
							938.83
501-322.000-750.200	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	98.55
							98.55
Total Dept. Water Distribution:							2,214.93
Total Fund Water:							47,186.91
Fund: 511 Wastewater							
Dept: 331.000 Wastewater							
511-331.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	506.08
							506.08
511-331.000-720.500	Electrical STILLS ELECTRIC///	5433	Amp Breaker/Lift Station #1	44237	01/30/2017	02/08/2017	433.39
							433.39
511-331.000-721.200	Other MALLORY SAFETY & SUPPLY	4204091	Gloves	324	01/23/2017	02/08/2017	236.84
							236.84
511-331.000-725.200	Electricity IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	523.87
							523.87
511-331.000-750.200	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	39.54
							39.54
Total Dept. Wastewater Collection:							1,739.72
Dept: 332.000 Wastewater							
511-332.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	1,057.85
							1,057.85
511-332.000-721.200	Other DC FROST ASSOCIATES,	10820	Rope Assembly/UV Lamps	44146	01/27/2017	02/08/2017	937.45
							937.45
511-332.000-721.900	Small tools & CDW GOVERNMENT, INC.///		SCADA Electronic Components	44140	01/18/2017	02/08/2017	81.02
							81.02
511-332.000-725.200	Electricity IMPERIAL IRRIGATION		Power Bills 12/28/16-1/26/17	44214	01/30/2017	02/08/2017	41,217.97
							41,217.97
511-332.000-730.100	Professional HDR ENGINEERING, INC.///		Industrial Pretreatment	44206	01/27/2016	02/08/2017	1,805.05
							1,805.05
511-332.000-730.200	Technical ORANGE COMMERCIAL	8555	Microbiology Analysis/WWTP	44226	01/23/2017	02/08/2017	650.00
							650.00
511-332.000-740.200	Cleaning MYLO JANITORIAL///	5069741	Cleaning Services - Jan. 2017	44221	01/30/2017	02/08/2017	450.00
							450.00
511-332.000-750.200							

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Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	92.96
							<u>92.96</u>
						Total Dept. Wastewater treatment:	46,292.30
						Total Fund Wastewater:	48,032.02
Fund: 531	Airport						
Dept: 351.000	Airport						
531-351.000-740.100	Repair & VALLEY PETROLEUM	39992	Replaced Meter Gear Lock	44240	01/20/2017	02/08/2017	358.82
							<u>358.82</u>
						Total Dept. Airport:	358.82
						Total Fund Airport:	358.82
Fund: 601	Maintenance						
Dept: 801.000	Vehicle						
601-801.000-710.300	P E R S PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	461.15
							<u>461.15</u>
601-801.000-720.400	Automotive BRAWLEY TRACTOR	0012186	Filters/F.D. #3991	44133	01/30/2017	02/08/2017	98.30
	BRAWLEY TRACTOR	0012146	Bolts, Washer/Sewer Truck #104	44133	01/27/2017	02/08/2017	11.64
	HAAKER EQUIPMENT CO.,	C28707	Flat Drain Hose/#104 & #105	44205	01/27/2017	02/08/2017	113.98
	LIGHTHOUSE, INC./THE//	0315097	Back-Up Alarms, Relays	44218	01/30/2017	02/08/2017	53.96
	LIGHTHOUSE, INC./THE//	0311169	Wire Tires, Heat Shrink Tube	44218	01/13/2017	02/08/2017	80.06
							<u>357.94</u>
601-801.000-720.410	Tires DAPPER TIRE CO., INC.///	44141722	Tires/P.D. #P154	44145	02/02/2017	02/08/2017	546.57
							<u>546.57</u>
601-801.000-721.200	Other AUTO ZONE, INC. #2804///		Oil Absorbent/Shop	44131	01/26/2017	02/08/2017	41.81
	IMPERIAL HARDWARE CO.,	466456/2	Keys/Shop #19	44213	01/27/2017	02/08/2017	18.08
	IMPERIAL HARDWARE CO.,	466540/2	Keys/Streets #201	44213	01/27/2017	02/08/2017	6.86
	NORTHEND AUTOPARTS,	579099	Glue/Sewer Truck #104	44223	01/26/2017	02/08/2017	14.05
							<u>80.80</u>
601-801.000-740.100	Repair & DANIELS TIRE SERVICE///		Oil Change, Brakes/ACO #206	44144	01/27/2017	02/08/2017	233.53
	DION INTERNATIONAL		Repair Antilock, Check Engine	44148	01/24/2017	02/08/2017	885.72
							<u>1,119.25</u>
601-801.000-740.200	Cleaning ALSCO AMERICAN LINEN		Uniform Cleaning Services/Shop	44129	01/30/2017	02/08/2017	25.32
	ALSCO AMERICAN LINEN		Cleaning Services/Shop	44129	01/30/2017	02/08/2017	33.46
							<u>58.78</u>
601-801.000-750.200	AT&T-CALNET 3///		Telephone Services 12/20-1/19	44130	01/20/2017	02/08/2017	39.13
							<u>39.13</u>
						Total Dept. Vehicle Maintenance Shop:	2,663.62
Dept: 802.000	Grounds & Facility						
601-802.000-740.100	Repair & STILLS ELECTRIC///	5419	Repair Lighting Fixture	44237	01/27/2017	02/08/2017	125.00
							<u>125.00</u>

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Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Check Date	Amount
Total Dept. Grounds & Facility							125.00
Total Fund Maintenance:							2,788.62
Fund: 602 Risk Management							
Dept: 000.000							
602-000.000-200.034	Health						
	CA PUBLIC EMP.		Feb. 2017 Medical Insurance	44136	01/18/2017	02/08/2017	92,887.72
	DELTA DENTAL//		Dental Insurance - Feb. 2017	44147	02/01/2017	02/08/2017	8,301.73
	PRINCIPAL FINANCIAL		Life Insurance - February 2017	44228	01/18/2017	02/08/2017	3,754.66
	VISION SERVICE PLAN (CA),		February Vision Insurance	44241	01/19/2017	02/08/2017	2,001.46
Total Dept. 000000:							106,945.57
Total Fund Risk							106,945.57
Fund: 802 Payroll Clearing							
Dept: 000.000							
802-000.000-200.008	Retirement						
	PUBLIC EMPLOYEES		PERS 01/17/2017-01/30/2017	44229	02/07/2017	02/08/2017	22,337.75
Total Dept. 000000:							22,337.75
Total Fund Payroll							22,337.75
Grand Total:							883,311.80

**CITY OF BRAWLEY
December 20, 2016**

The City Council of the City of Brawley, California met in regular session at 6:00 PM, Council Chambers, 383 Main, Brawley, California, the date, time and place duly established for the holding of said meeting. The City Clerk attests to the posting of the agenda pursuant to G.C. §54954.2.

The meeting was called to order by **Mayor Couchman @ 6:00 PM**

PRESENT: Couchman, Kastner-Jauregui, Nava, Noriega, Wharton
ABSENT: None

Invocation was offered by **Jim Pazan, First Presbyterian Church**

Pledge of Allegiance was led by **CM Wharton**

1. APPROVAL OF AGENDA

The agenda was **approved** as submitted. m/s/c Noriega/Kastner-Jauregui 5-0

2. PUBLIC APPEARANCES/COMMENTS

- a. **Jose Angel, Executive Director for the Regional Water Quality Control Board Region 7**, updated the City Council on Board activities. During the last board meeting, a Mitigated Negative Declaration was adopted for a proposed change to the method of treatment and disposal for the One World Beef Slaughter House. The staff has prepared a draft permit which is out for a 30 day comment period. A public information meeting is being scheduled for the community of Brawley to come and submit comments and concerns. The meeting will be held on January 4th, 2017 at the Del Rio Branch Library, 1501 I Street starting at 5:30PM. The One World Beef Slaughter House will be on the next agenda for the Regional Water Quality Control Board meeting which will take place on January 19th, 2017, at the Brawley City Council Chambers starting at 9:00AM. Mr. Angel also reported that they are recommending to their board to lift the current cease and desist order against the City the City of Brawley. City of Brawley staff comments were appreciated.

CM Noriega asked Mr. Angel if there have been any concerns regarding odor having to do with One World Beef.

Mr. Angel stated that there have been concerns regarding odor and that the Regional Water Quality Control Board is taking measures in order to delineate responsibilities. He informed the City Council that the Regional Board had not been previously involved in regulating the Beef Plant but to please give the Regional Board the chance to do their job and let them address concerns of the citizens. Mr. Angel would like everyone to know that they have an office in El Centro for any concerns or complaints that need their attention.

CM Nava thanked Mr. Angel for coming to the City and assisting staff. Mr. Angel was asked to consider rescinding the cease and desist order currently imposed on the City.

Eric Brandt, Brawley resident updated the City Council on One World Beef. It has successfully completed three weeks of operation. He mentioned that there are 162 individuals working at the plans. The Brawley Beef brand is back and will be available for sale at various places.

CM Noriega asked if there will be tours of the plant and he said yes at a later time. City Council can come visit the plant anytime.

- b. **Michael Crankshaw, Police Chief**, recognized retiring Police Agent Arnold Valdez for his 30 years of employment with the Brawley Police Department. Officer Valdez was presented with a plaque and his spouse was presented with flowers.
- c. **Shirley Bonillas, Personnel & Risk Administrator**, recognized Retiree Mr. Andrew Escobar for his 9 years of employment with the City of Brawley at the Wastewater Plant. Andrew Escobar was presented with a plaque and his spouse was presented with flowers.
- d. **Shirley Bonillas, Personnel & Risk Administrator**, introduced newly promoted Police Sergeant Dane Wilkinson, plus new employees: Communications Dispatcher Cecilia Leslie, Information Systems Manager Armando Garibay and Associate Civil Engineer Andres Miramontez.
- e. **Chuck Peraza, Fire Chief**, introduced new full time employee Brawley Firefighter Joshua Colunga.
- f. **Steven Swift, Biker from Oregon** invited City Council to an event that will be outside the Brawley Public Library in honor of cancer awareness, which will take place on January 3, 2017 starting at 8am.
- g. **Tim Kelley, Executive Director of Imperial Valley Economic Development Corporation** asked for a follow up in regards to the Brownfield EPA grant that IVEDC applied for in a prior year. He expressed interest in another application process with the deadline of 22nd of December.

CM Bayon Moore informed Mr. Kelley that she had made follow-up contact with Mr. Wilcock regarding the requested support letter and the challenges of providing in kind support in light of staffing constraints. At the time, Mr. Wilcock suggested he may revise the approach but she had not received follow-up communication of that as of yet.

Mr. Kelley informed City Council that IVEDC does not wish to be a burden to the City. Rather, IVEDC aims to look at creating opportunities for the City.

CM Bayon Moore stated that EPA has been very interested in partnering with the City but it has been challenging at times to get property owners to see the opportunities that are available to them. There is skepticism when working with regulators even when the City emphasizes that this is not part of an enforcement effort.

Mayor Couchman informed Mr. Kelley that they will work on a letter as soon as possible.

Mr. Kelley provided an update on the Small Business Development Center. A letter of intent to award the contract to Imperial Regional Alliance was received. Judy Dang will be promoted to be the Acting Manager

for the Imperial Regional Alliance. Some of the requirements have already been met which is fundraising and the other is to hire by April 1.

- 3. CONSENT AGENDA** Items are approved by one motion. Council Members or members of the public may request consent items be considered separately at a time determined by the Mayor.

The consent agenda was **approved** as submitted. m/s/c Nava/ Kastner-Jauregui 5-0

AYES: Couchman, Kastner-Jauregui, Nava, Noriega, Wharton
NAYES: None
ABSENT: None
ABSTAIN: None

- a. **Approved** Accounts Payable: November 30, 2016
December 08, 2016

4. PUBLIC HEARING

- a. Updated Guidelines for the Housing Rehabilitation Program for Owner Occupied Residential Housing.

Staff Report – Rosanna Bayon Moore, City Manager

These guidelines conform to current State of California Housing and Community Development (HCD) requirements and include all three funding sources, CDBG, HOME, and CalHome. HCD has requested that all grantees approve the guidelines template. Following HCD’s approval of the draft guidelines, City staff will bring the final document back to the City Council for approval.

OPEN PUBLIC HEARING @ 7:09pm

No comments were received

CLOSE PUBLIC HEARING @ 7:10pm

5. REGULAR BUSINESS

- a. Discussion and Potential Action to Amend the Joint Use Agreement Between Imperial County Office of Education and City of Brawley for Facilities Located at 1501 I Street and Approve a City Council Budget Adjustment Resolution in the Amount of \$12,757 from the General Fund.

The City Council **approved** the Amendment of the Joint Use Agreement between Imperial County Office of Education and the City of Brawley for Facilities located at 1501 I Street. m/s/c Nava/Noriega 5-0

- b. Discussion and Potential Action to Approve the Agreement for Funding Between the Imperial County Air Pollution Control District (ICAPCD) and the City of Brawley in the Amount of \$200,000 from the Rule 310 Operational Development Fee Program.

The City Council **approved** the Agreement for Funding between the Imperial County Air Pollution Control District (ICAPCD) and the City of Brawley in the Amount of \$200,000 from the Rule 310 Operational Development Fee Program. m/s/c Noriega/Kastner-Jauregui 5-0

- c. Discussion and Potential Action re: the MAG Coalition's Request to Sponsor the Anti-Gang Awareness Family Health & Outreach Fair, 7.3K Run/1.73 Mile Walk.

The City Council **approved** the Request to Sponsor the Anti-Gang Awareness Family Health & Outreach Fair, 7.3K Run/1.73 Mile Walk. m/s/c Noriega/Kastner-Jauregui 5-0

6. INFORMATIONAL REPORTS

- a. Record of Building Permits for October 2016, Prepared by Francisco Soto, Chief Building Official Soto
- b. Notification of Allied Waste Solid Waste Rate Adjustment per Franchise Agreement with an Effective Date of January 1, 2017

7. CITY COUNCIL MEMBER REPORTS

- Noriega:** Attended Annual Tree Lighting Ceremony, traveled to Bombay Beach, met with Santa at the Elks Club and visited with all the children who were decorating cookies. Commended the Elks Club for their community work. Wished everyone happy and blessed holidays.
- Kastner-Jauregui:** Attended Annual Tree Lighting Ceremony, Bicycle Giveaway Fundraiser at Las Chabelas Restaurant, Student Assembly at Desert Valley High School. Toured the Salton Sea and IID Battery Storage Facility.
- Wharton:** Received recognition from the Sheriff's Department for volunteer work. Wished all staff, family and friends Happy Holidays.
- Nava:** Attended Annual Tree Lighting Ceremony, congratulated CM Wharton on recent recognitions, participated at Barbara Worth Junior High Career Day, met with the Mayor and some business interests that are looking to potentially establish themselves in the City, working with Tim Kelley and Ryan Kelley in regards to the Film Commission to see growth in that industry. Wished everyone happy holidays.
- Couchman:** Attended Annual Tree Lighting Ceremony, Ribbon Cutting Ceremony for the New Solar Plant in Calipatria, Barbara Worth Junior High Career Day, Chamber of Commerce Party, and also met with potential businesses seeking information in regards to establishing themselves in the City of Brawley.

8. CITY MANAGER REPORT

- a. Provided an update on efforts involving the Imperial Valley Velo Club and a future video vignette promoting safe bicycle travel.

- b. Imperial County Public Health Department is beginning orientation for the "Point in Time Count" of the homeless population throughout Imperial County. The homeless population continues to be a concern expressed by community members in the City. City staff will be participating in the count and the collection of data may help the City get better acquainted with assisting with future address of related topics.

9. CITY ATTORNEY REPORT None to report

10. CITY CLERK REPORT None to report

11. CLOSED SESSION

POTENTIAL LITIGATION

- a. Conference with Legal Counsel Potential Litigation – Three (3) Cases (California Government Code §54956.9)

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- a. Paramo vs. City of Brawley

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

- a. Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section §54956.9: One (1) Case

PERSONNEL MATTERS (G.C. §54957)

- a. Public Employee Appointment to the Position of Police Chief
- b. Public Employee Appointment to the Position of Public Works Director

ADJOURNMENT @ 7:40pm

Alma Benavides, City Clerk

**CITY OF BRAWLEY
January 17, 2017**

The City Council of the City of Brawley, California met in a regular session at 6:00 PM, Council Chambers, 383 Main, Brawley, California, the date, time and place duly established for the holding of said meeting. The City Clerk attests to the posting of the agenda pursuant to G.C. §54954.2.

The meeting was called to order by **Mayor Couchman @ 6:00 PM**

PRESENT: Couchman, Kastner-Jauregui, Nava, Noriega, Wharton
ABSENT: None

Invocation was offered by **Pastor Tom Charlton, Full Gospel Church**

Pledge of Allegiance was led by **CM Wharton**

1. APPROVAL OF AGENDA

The agenda was **approved** as submitted. m/s/c Nava/Kastner-Jauregui 5-0

2. PUBLIC APPEARANCES/COMMENTS

- a. **Shirley Bonillas, Personnel & Risk Management Administrator**, introduced Gustavo Rodriquez, newly Promoted Chief Operator of the City of Brawley Wastewater Treatment Plant and Alfredo Navarro, Parks Maintenance Worker.
- b. **Ryan Kelley, County Board of Supervisor District #4**, updated the City Council on County Employees working in Brawley.

3. CONSENT AGENDA Items are approved by one motion. Council Members or members of the public may request consent items be considered separately at a time determined by the Mayor.

The consent agenda was **approved** as submitted. m/s/c Wharton/Noriega 5-0

AYES: Couchman, Kastner-Jauregui, Nava, Noriega, Wharton
NAYES: None
ABSENT: None
ABSTAIN: None

- a. **Approved Accounts Payable:** December 16, 2016
December 21, 2016
December 22, 2016
January 5, 2016
January 6, 2017
- b. **Approved City Council Minutes:** December 1, 2016

- c. **Adopted** Resolution No. 2017-01: Resolution of the City Council of the City of Brawley, California Acting in Its Capacity as the Successor Agency for the Brawley Community Redevelopment Agency Approving the Recognized Obligation Payment Schedule for the Period of July 1, 2017 through June 30, 2018 and approving certain related actions.
- d. **Approved** Action to Authorize the Purchase of a Raw Water Variable Frequency Drive (VFD) from Stoffel Electric for an Amount Not to Exceed \$21,856.01.
- e. **Adopted** Resolution No. 2017-02: Resolution of the City Council of the City of Brawley, California in the Amount of \$5,000 for the Fiscal Year 2016/17 City Manager Professional Services Budget.
- f. **Adopted** Resolution No. 2017-03: Resolution of the City Council of the City of Brawley, California in the Amount of \$10,000 for the Fiscal Year 2016/17 City Council Contributions Budget.

4. REGULAR BUSINESS

- a. Discussion and Potential Action to Award Project No. 2016-04 South Palm Avenue Asphalt Rehabilitation Project to Hazard Construction Company in the Amount of \$590,600.

The City Council **approved** the Award of Project No. 2016-04 South Palm Avenue Asphalt Rehabilitation Project to Hazard Construction Company in the Amount of \$590,600. m/s/c Noriega/Kastner-Jauregui 5-0

- b. Discussion and Potential Action to Authorize Resolution No. 2017-04: Resolution of the City Council of the City of Brawley, California Authorizing Staff and Consultants to Prepare Necessary Documentation and to File a Validation Action to Refinance the Outstanding Pension Obligations of the City to the California Public Employees Retirement System.

Staff Report – Ruby Walla, Finance Director/City Treasurer

The CalPERS Side Fund was originally established following the City of Brawley’s 2003 CalPERS Actual Variation. At the time, the City of Brawley joined in a risk pool in which the unfunded pension benefits were deemed a liability. The liability was the basis for creation of the Side Fund. The Side Fund, in essence, amortized the City’s unfunded pension liability over time and set contributions based on an original term of 10 years.

The proposed action is required in order to deem the bonds as refunding bonds. The process takes approximately 120 days and would be primarily shepherded by Bond Counsel. In order to begin the process, an executed agreement between the City of Brawley and Bond Counsel is necessary. Following the authorization engagement of Bond Counsel, the Underwriter and Financial Advisor, bond closing is anticipated by June 15, 2017 in time to realize savings for next fiscal year.

The City Council **adopted** Resolution No. 2017-04: Resolution of the City Council of the City of Brawley, California Authorizing Staff and Consultants to Prepare Necessary Documentation and to file a Validation Action to Refinance the Outstanding Pension Obligations of the City to the California Public Employees Retirement System. m/s/c Wharton/Noriega 5-0

- c. Discussion and Potential Action re: Mayoral Appointments to City Council Members to Boards, Commissions and Committees.

MAYORAL APPOINTMENTS TO

BOARDS, COMMISSIONS & COMMITTEES WITH COUNCIL REPRESENTATION

January 17, 2017

	<u>DELEGATE</u>	<u>ALTERNATE</u>
<u>Brawley Chamber of Commerce Board of Directors</u>	Couchman	Noriega
<u>Imperial County Air Pollution District Board of Directors</u>	Couchman	Kastner-Jauregui
<u>Imperial County Emergency Food & Shelter Program (EFSP)</u>	Kastner-Jauregui	Noriega
<u>Imperial County Film Commission</u>	Nava	Noriega
<u>Imperial County Transportation Commission (ICTC)</u>	Nava	Wharton
<u>Imperial County Local Transportation Authority (LTA)</u>	Nava	Wharton
<u>Imperial County Service Authority for Freeway Emergencies (SAFE)</u>	Nava	Wharton
<u>League of California Cities</u>	Wharton	Kastner-Jauregui
<u>North County Coalition of the Arts (NOCCA)</u>	Noriega	Nava
<u>Imperial County Community & Economic Development</u>	Couchman	Nava
<u>Abandoned Vehicle Abatement Joint Powers Authority (AVAJPA)</u>	Soto	Gaste
<u>California Joint Powers Insurance Authority (CJPIA)</u>	Nava	Noriega
<u>Southern California Assn. of Governments (SCAG)</u>	Nava	Wharton
<u>General Assembly Delegate</u>		
<u>Association of California Cities Allied with Prisons (ACCAP)</u>	Noriega	Nava

CITY COUNCIL APPOINTED BOARDS, COMMISSIONS & COMMITTEES

	<u>LIAISON</u>	<u>ALTERNATE</u>
<u>Airport Advisory Commission</u>	Wharton	Couchman
<u>Imperial Valley Housing Authority</u>	Kastner-Jauregui	Noriega
<u>Library Board of Trustees</u>	Noriega	Couchman
<u>Parks & Recreation Advisory Commission/Youth Commission</u>	Noriega	Kastner-Jauregui
<u>Planning Commission</u>	Noriega	Kastner-Jauregui

With the **consensus** of all Council Members, the appointments remained the same as last year.

5. DEPARTMENTAL REPORTS

- a. 2017 Farmers Market Series – Pat Dorsey, Parks & Recreation Director

6. INFORMATIONAL ITEMS

- a. Attendance Summary & Minutes for City of Brawley Boards/Commissions from July 1 thru December 31, 2016.
 - 1) Brawley Airport Advisory Commission
 - 2) Brawley Business Advisory Committee
 - 3) Brawley Oversight Board-Successor Agency to the Brawley RDA
 - 4) Brawley Parks & Recreation Commission
 - 5) Brawley Planning Committee
 - 6) Brawley Public Library Board of Trustees
- b. Summary of Building Permits for November 2016 – Francisco Soto, Building Official

7. CITY COUNCIL MEMBER REPORTS

- CM Noriega** Attended Living Tree Event, MAG Coalition, Chamber Mixer at MVP & Associates, La Fresa and State Farm.
- CM Kastner-Jauregui** Attended Living Tree, Chamber Block Mixer, Martin Luther King Celebration where Katy Santillan and Luis Olmedo were honored and Senior Center meeting.
- CM Wharton** Enjoyed the holidays with family, attended Business Expo, Aviation Day in Imperial where the airplane rides were rescheduled due to the weather, and the Airport Advisory Commission Meeting at which improvements to the airport, specifically Executive Hangars, were discussed.
- CM Nava** Wished everyone a happy New Year to everyone. Attended COLAB meeting and met with Luis Plancarte, met with Erik Ortega, IID District #4. An economic development roundtable is scheduled for later in the week. Thanked staff for their hard work.
- Mayor Couchman** Attended Living Tree Event, Chamber Mixer, Civil War re-enactment canceled due to rain. Looking forward to the upcoming retirement parties for Agt. Valdez, Sgt. Monita and Eddie Sanchez.

8. CITY MANAGER REPORT

- 1) Alyce Gereaux Park is moving forward.
- 2) California Regional Water Quality Control Board will hold a meeting in City Council Chambers on Thursday, January 19, 2017.
- 3) With regard to 1st Street Improvements from Main to A Streets, address of dim lighting in the area is in discussion with IID.

9. CITY ATTORNEY REPORT None to report

10. CITY CLERK REPORT None to report

11. CLOSED SESSION

POTENTIAL LITIGATION

- a. Conference with Legal Counsel Potential Litigation – Three (3) Cases (California Government Code §54956.9)
- b. Joint Powers Authority (JPA) for Insurance Claims Discussions

The Legislative Body, as a Member of a Joint Powers Authority formed for purposes of insurance pooling pursuant to G.C. Section 6500 et seq., will meet in closed session to discuss claims for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the Joint Powers Agency or a Local Agency Member of the Authority. There are twenty-three (23) Potential Claims (G.C. 54956.9)

REAL PROPERTY NEGOTIATIONS

- a. Conference with Real Property Negotiator – (California Government Code §54956.8)
Address: APN 049-023-007-000, 129, 135, 137, 139 and 141 South 8th Street, Brawley, CA
Negotiator: City Manager/City Attorney
Negotiating Parties: County of Imperial
Under Negotiation: Rate and Terms

ADJOURNMENT @ 6:48pm

Alma Benavides, City Clerk

ORDINANCE NO. 2017-01

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BRAWLEY,
CALIFORNIA, AMENDING THE BRAWLEY MUNICIPAL CODE TO CHANGE
THE ZONING DESIGNATION FOR SPECIFIED PROPERTIES

THE CITY COUNCIL OF THE CITY OF BRAWLEY, CALIFORNIA, DOES ORDAIN AS
FOLLOWS:

SECTION 1: The zoning map adopted at Chapter 27, Article III, Section
27.60 of the Brawley Municipal Code is hereby amended as follows:

Parcel 1 of C.O.C. of Lots 12, 13, 14 and a portion of Lots 19, 20, 21,
Brawley Subdivision No. 1, City of Brawley, County of Imperial, State
of California, APN 047-480-039

1. The current zoning for the Property is R-3. The zoning for
the Property enacted by this ordinance is R-3 (Residential
Medium Density), C-P (Service and Professional) as shown in
the table below and depicted in Exhibit "A" for the
following described property.

APN	ZONE CLASSIFICATION	
	As Amended by this Ordinance	Existing
047-480-039	R-3 (Residential Medium Density), C-P (Service and Professional)	R-2 (Residential Low Density)

SECTION 2: Effective Date. This Ordinance shall take effect and shall
be in force thirty (30) days after the date of its adoption and prior to the
expiration of fifteen (15) days from the passage thereof, shall be published
at least once in the Imperial Valley Press, a newspaper of general
circulation, printed and published in the County of Imperial, State of
California, together with the names of the members of the City Council voting
for and against the same.

APPROVED, PASSED AND ADOPTED at a regular meeting of the City Council
held on the 21st day of February, 2017.

CITY OF BRAWLEY, CALIFORNIA

Sam Couchman, Mayor

ATTEST:

Alma Benavides, City Clerk

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL)
CITY OF BRAWLEY)

1st Reading

I, ALMA BENAVIDES, City Clerk of the City of Brawley, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2017-01 was passed and adopted by the City Council of the City of Brawley, California, at a regular meeting held on the 7th day of February, 2017 and that it was so adopted by the following roll call vote: m/s/c Nava/Noriega 5-0

AYES: Couchman, Kastner-Jauregui, Nava, Noriega, Wharton
NAYES: None
ABSTAIN: None
ABSENT: None

DATED: February 7, 2017

Alma Benavides, City Clerk

2nd Reading & Adoption

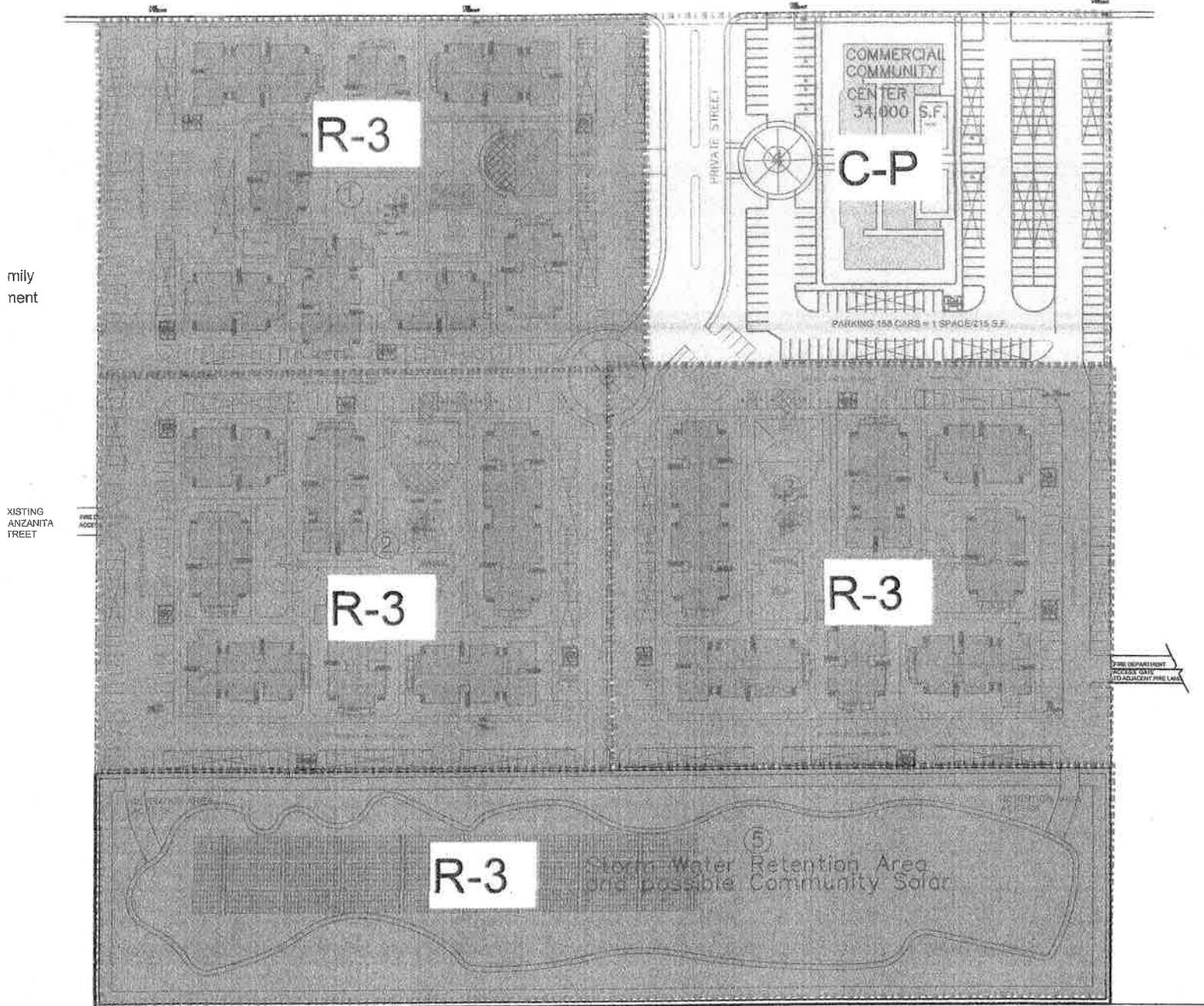
I, ALMA BENAVIDES, City Clerk of the City of Brawley, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2017-01 was passed and adopted by the City Council of the City of Brawley, California, at a regular meeting held on the 21st day of February, 2017 and that it was so adopted by the following roll call vote:

AYES:
NAYES:
ABSTAIN:
ABSENT:

DATED: February 21, 2017

Alma Benavides, City Clerk

C STREET



mily
nent

EXISTING
ANZANITA
STREET

FIRE DEPARTMENT
ACCESS ONLY
NO ADJACENT PROBLEMS



PROPOSED CHANGE OF ZONE - ZC16-03

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: February 21, 2017
City Manager: RBM

PREPARED BY: Ruby D. Walla, Finance Director/City Treasurer

PRESENTED BY: Ruby D. Walla, Finance Director/City Treasurer

SUBJECT: Finance Department (Utility Billing) Lease Agreement with AM Copiers Inc. for a Folding and Inserting Machine

CITY MANAGER RECOMMENDATION: Authorize 60-month lease agreement with AM Copiers Inc. for folding and inserting machine.

DISCUSSION: The City of Brawley Finance Department administers the Utility Billing function for the City. The Department processes approximately 5,600 bills per month. In December 2011, the Finance Department entered into a lease with Pitney Bowes for a folding and inserting machine to streamline office processes. The equipment enables staff to process bills in a more efficient manner by eliminating manual folding and stuffing of utility bills.

The current lease with Pitney Bowes is expired. Staff has requested and received the following quotes:

AM Copiers	60-month lease	\$325.00 per month	\$19,500.00
Annual Maintenance fee \$750			

Pitney Bowes	60-month lease	\$329.41 per month	\$19,764.60
Annual Maintenance fee included			

Canon Financial Services Not a vendor of this type of equipment

Staff is recommending approval to proceed with the proposed lease with AM Copiers Inc. AM Copiers is a local business of Imperial County. While the annual maintenance fee is higher, the 4 hour or less response time for service calls and maintenance are of great value and benefit to the City's operations by keeping business interruptions to a minimum. Pitney Bowes' response times from outside of County limits have been experienced as 24-48 hours.

FISCAL IMPACT: Utility Billing Department Budget
101-152.000-740.400 (Rent)

ATTACHMENTS: Proposal – AM Copiers
Proposal – Pitney Bowes



(760) 352-6007
301 Wake Avenue Suite 313
El Centro, CA 92243
www.amcopiers.com

Date: 1/16/17
Business Name: City of Brawley
Contact Person: Ruby
Address: 383 W. Main St. Brawley, CA 92227.
Phone Number: 760-344-8941
Email: rwalla@brawley-ca.gov

FOREMAX 6204 Advanced 2

FORMAX, A DIVISION OF BESCORP, INC : Folder inserter capable of processing up to 15,000 pieces per month with 2 full sheet feeders and 1 business reply envelope feeder that can fold and insert up to 5 pages, 3 from 1 feeder and 2 from the other and a business reply envelope automatically.

Monthly Lease Payment Options:

48 Months \$386.00

60 Months \$325.00

Optional Annual Maintenance Contract Cost for: \$750.00

*****Free Delivery*****

Standard Features:

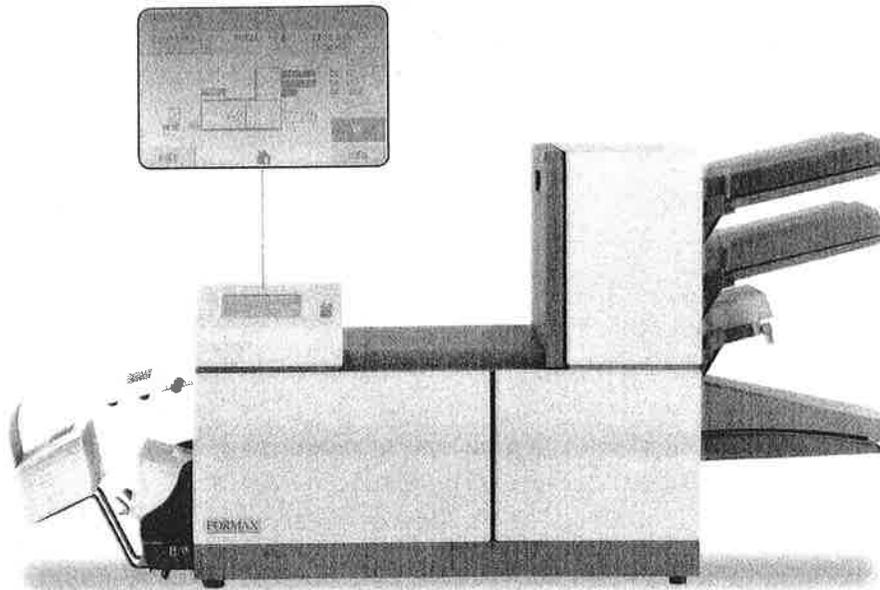
- One or two fully-automatic sheet feeders
- One automatic insert/BRE feeder - FD 6204 Advanced 1 & 2
- User friendly color touchscreen display with job wizard step-by-step setup guides
- Fifteen programmable fold applications
- AutoSet™ one-touch setup
- Fully automatic adjustments
- Seal and non-seal capabilities
- Tip-to-tip envelope sealing for enhanced security
- Two counters: One resettable for addition and batch counting and one non-resettable
- Four adjustable insert fingers
- Double document detection
- Folds and inserts up to five sheets of paper
- Fold types: C, V, Z and Double Parallel, No Fold
- Clamshell design for easy access to paper path

Abilities:

- Folds and/or inserts sheets, business reply envelopes and cards automatically in almost any combination
- Multifeeding: Allows for a set number of pieces (1-3) to be pulled from one feeder, then collated, folded and inserted automatically
- Folding only without inserting
- Daily Mail mode for inserting stapled sets

Options:

- OMR: Optical Mark Recognition, up to 5 sheets (FD 6204 Advanced 2 only)
- Front or Rear Side Exit Tray
- Short Feed Trays
- Cabinet
- 402 Series Jogger: Reduces static electricity from forms and aligns them for proper feeding



FD 6204-Advanced 2

The Advanced Office Mailing Solution

The 6204 Series brings advanced folding & inserting technology and flexibility to the office environment. A large, color touchscreen control panel with wizard job feature easily guides operators through setup and operation. AutoSet™ allows for one-touch setup of new jobs by automatically measuring paper lengths, envelope sizes and fold lengths. Recurring and frequent jobs run in AutoSet™ can also be stored as one of 15 jobs accessed with the push of a button. The powerful folding system enables the 6204 Series to accurately fold up to five sheets of paper at the same time.

Four configurations are available to meet your processing needs. The FD 6204-Basic 1 offers one automatic sheet feeder. The FD 6204-Basic 2 model is equipped with two automatic sheet feeders. The FD 6204-Advanced 1 model has one sheet feeder and one insert/BRE feeder. The FD 6204-Advanced 2 comes with two sheet feeders and one insert/BRE feeder.

The 6204 Series Inserters offer the power and reliability of larger machines with the ease of operation expected and required for the office environment.

Flexible

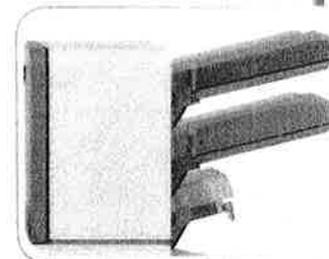
The 6204 Series is available in four configurations and can process a variety of documents up to 14" long, including checks, invoices, newsletters and business reply envelopes. Two sheet feeders and one insert/BRE feeder allow for a number of jobs to be automatically processed including: 1 sheet, 1 sheet and a BRE, 2 sheets, or 2 sheets and a BRE. An optional front or rear side exit tray can be added to maximize operator productivity. The daily mail feature allows for various mailings to be processed in stapled and non-stapled sets.



User-friendly color touchscreen control panel

Powerful

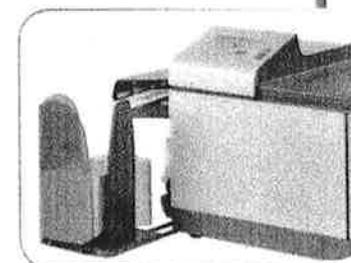
The 6204 Series processes at a rate of up to 2,200 pieces per hour and can hold up to 325 sheets in each feeder. Feeders can be refilled on-the-fly allowing for continuous operation. The cascade mode maximizes production of the Basic 2 and Advanced 2 by filling both sheet feeders with the same documents. When one feeder empties the other automatically starts feeding. This allows for a total input capacity of up to 650 sheets. The enhanced folding system is capable of folding and inserting up to five documents at one time.



2 sheet feeders and 1 insert/BRE feeder

Secure

The 6204 Series has double document detectors located at each feed station to ensure document integrity. These are electromechanical detectors, and are unaffected by dust, smudges or paper color. The optional OMR software and hardware (available only on the FD 6204-Advanced 2) allow for the automatic insertion of varying multiple page documents, up to 5 sheets. OMR determines which documents go together into each envelope, eliminating the tedious task of manually collating, folding and inserting.



Optional side exit tray

Easy to Operate

The user-friendly color touchscreen gives step-by-step prompts and guidance with job wizard assistance, while the AutoSet™ feature automatically detects and sets paper length, fold type, envelope size, fold length and double document detection. To make operation even easier, up to fifteen frequent and recurring jobs can be programmed for access with the touch of a button. The convenient drop-in feed system and easy-access paper paths increase efficiency and maximize output.



402 Series Jogger - option reduces static electricity from forms and aligns them for proper feeding

Specifications

Feed Hoppers:	Up to 325 sheets or approx. 45 BRE's
Speed:	Up to 2,200 pieces per hour
Duty Cycle:	Up to 15,000 pieces per month
Paper Size*:	Sheet Feeder: 3.5" - 14" L x 5" - 9" W Insert/BRE Feeder: 3.5" - 6" L x 5.1" - 9" W
Envelope Size*:	6.3" - 9.8" W x 3.5" - 6.4" H
Dimensions:	47.2" L x 20.5" H x 16.5" D
Weight:	Approx. 165 lbs
Voltage:	100 - 120 Volts AC 50/60Hz
Safety Certifications:	UL approved

* Paper & envelope specifications may vary. All media must be tested.

Formax - New Hampshire, USA

www.formax.com

Local Dealer:

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: February 21, 2017

City Manager:

RBW

PREPARED BY: Chuck Peraza, Fire Chief

PRESENTED BY: Chuck Peraza, Fire Chief

SUBJECT: Travel Authorization for Fire Captain to Attend Fire Mechanic Academy in Sacramento, CA

CITY MANAGER RECOMMENDATION: Authorize travel request of over five hundred (500) miles for Fire Captain to travel to the Fire Mechanic Academy in Sacramento, CA from April 2, 2017 through April 5, 2017.

Discussion: Per the City of Brawley's Travel Policy, City Council approval is requested for a Fire Captain to travel beyond five (500) miles to the Fire Mechanics Academy. The training provides a course in fire engine pump testing dynamics. Fire engine pump testing is required on an annual basis to meet national fire standards. The course will provide designated staff with the skills and knowledge to ensure that the Brawley Fire Department complies with safety standards and policies for City owned equipment. Designated staff aim to implement a fire pump testing program for the Department to be modeled based on training content.

FISCAL IMPACT: Estimated at \$1,401 for total cost of training registration (\$360), travel (flight and mileage), lodging and per diem

ATTACHMENTS: California Fire Mechanics Academy Course Excerpt

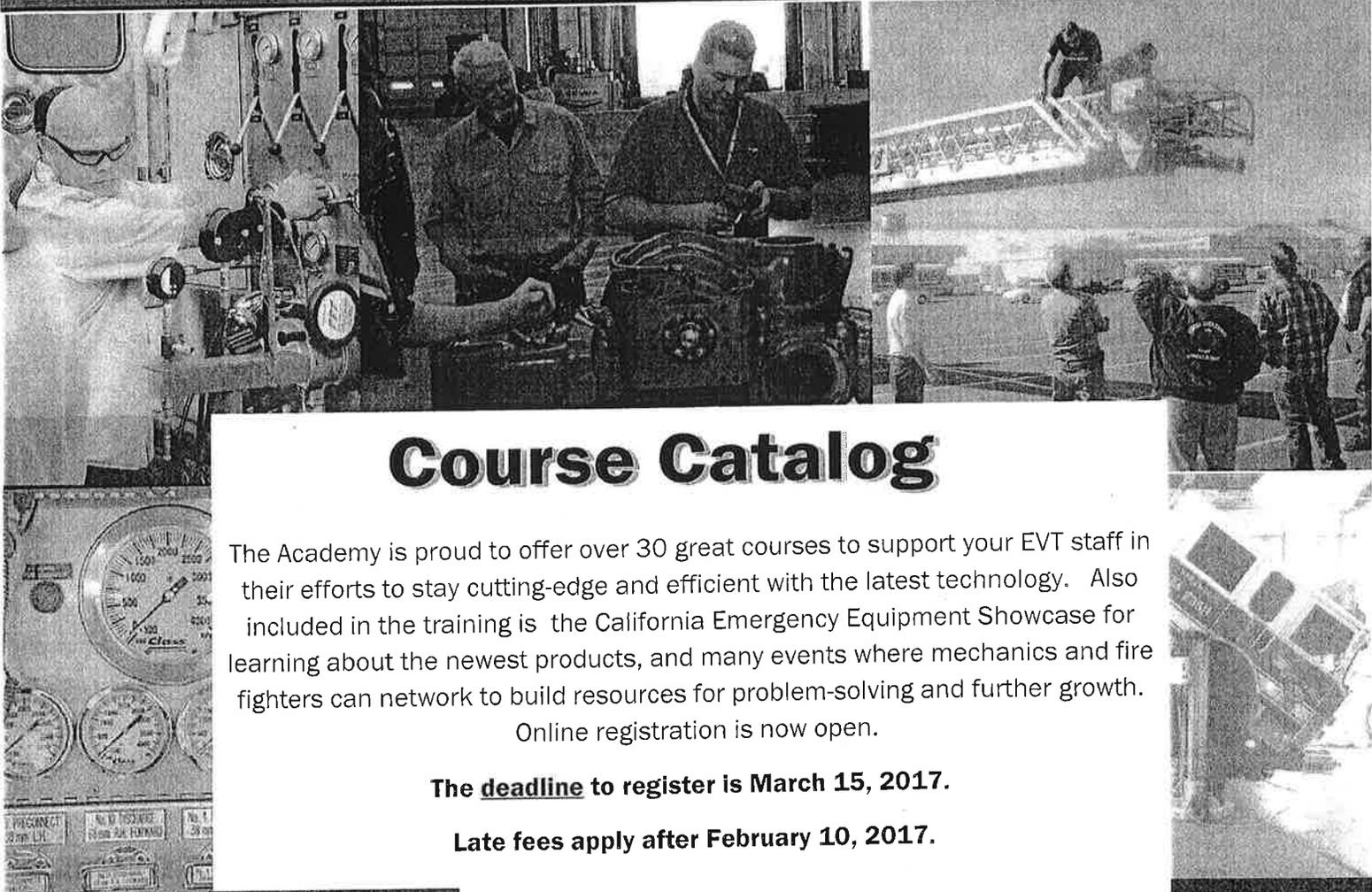
Premier Technical Training for the Fire Mechanic, Firefighter and Fleet Professional



2017 Spring Academy

April 2 - 7, 2017

McClellan Conference Center
Sacramento, CA

A collage of black and white photographs showing various fire service activities. On the left, a person in a white protective suit works with equipment. In the center, two men work on a large engine. On the right, a firefighter is on a ladder, and another group is gathered around a piece of equipment. At the bottom left, there are several gauges and meters from a vehicle dashboard.

Course Catalog

The Academy is proud to offer over 30 great courses to support your EVT staff in their efforts to stay cutting-edge and efficient with the latest technology. Also included in the training is the California Emergency Equipment Showcase for learning about the newest products, and many events where mechanics and fire fighters can network to build resources for problem-solving and further growth.

Online registration is now open.

The deadline to register is March 15, 2017.

Late fees apply after February 10, 2017.

New for 2017

**Six new courses including:
Preventative Maintenance for Fire Apparatus,
Alternative Fueled Vehicle Safety,
Title 13 Lighting Packages & Installation**

CONTINUING EDUCATION CLASSES

FF-501

KNOWING YOUR APPARATUS

Monday-Friday

36 hours

This class will provide a detailed review of the primary operating systems of fire apparatus and troubleshooting techniques the operator can perform. The class will review the special requirements, needs and issues of fire service equipment and enhance the student's ability to provide more detailed information to the fire service mechanic. It will also cover the role of the apparatus operator dealing with emergency response equipment and the goal to be operationally ready at all times.

Instructor: Boyd Clegg *Boyd has always had a passion for teaching as well as working on anything mechanical. Boyd started his mechanical career as a smog and headlight technician and general mechanic. His fire service quest began in 1975 as a volunteer with the San Ramon Fire Department. He was hired in 1978 as a full time firefighter and did all their own equipment maintenance and repair. He advanced from Firefighter to Engineer, Captain and on to Battalion Chief prior to retirement in 2005. He continues serving his community as a volunteer firefighter for the Vacaville Fire Protection District and serves as Assistant Chief with that agency. Other classes he has taught include Rescue Systems, Auto Extrication, Pump Operations, Automotive Electrical Systems and Fire Ground Operations.*

FF-502

FIRE PUMP TESTING

Monday-Tuesday

16 hours

This course is designed as an entry level course to acquaint students with the principles, theories and operational pump testing requirements for all pumping fire apparatus. This course provides a working knowledge of common pump types and related accessories. Practical hands on experience will improve your ability to analyze pump performance and implement correct inspection, repair and maintenance procedures. Class includes hands on demonstration as students will perform an actual annual service pump test on apparatus provided. Procedures and techniques used to perform the various NFPA recommended pump tests will be conducted at the draft pit.

Notes: Each student shall provide proper PPE as required by their agency: i.e. Boots, gloves, helmet, hearing and eye protection are recommended. A handheld calculator is also recommended for this class. Students will need to provide their own transportation to the test pit sites.

Instructor: Eric Haus *Eric Haus is a Captain with the SacMetro Fire Department. He is a gifted instructor with a passion for teaching in the hands-on environment.*

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: February 21, 2017

City Manager: RBm

PREPARED BY: Patricia A. Dorsey, Parks & Recreation Director

PRESENTED BY: Patricia A. Dorsey, Parks & Recreation Director

SUBJECT: Request to Co-Sponsor Mobile Consulate Event at Del Rio Community Center

CITY MANAGER RECOMMENDATION: Consider approval, provided that all requirements of the Guidelines for Use of Public Facilities are met.

DISCUSSION: The Mexican Consulate in El Centro provides services to Mexican nationals who need assistance with a wide range of topics, including Mexican passports, Consular IDs, birth certificates, information on immigration, family, civil and penal law, education services and scholarships. The Mobile Consulate aims to bring services to an easily accessible location and encourage resolution of common issues affecting local residents.

Use of City facilities normally requires completion of an application and agreement. Charges and cleaning deposits apply to use. It is noted that when events occur outside of regular working hours, the City incurs costs outside of normal operating budgets.

The Mexican Consulate requests that the City Council consider a waiver of applicable fees and act as a co-sponsor of the event. Through co-sponsorship, the City would carry risk and liability for the event by waiver of event insurance typically required by the facility user.

FISCAL IMPACT: Waiver results in loss of typical facility charge of \$200 (8hrs X \$25.00 = \$200.00) and cleaning/damage deposit of \$300

ATTACHMENTS: City Application & Agreement; Correspondence from Mexican Consulate dated February 2, 2017



CITY OF BRAWLEY

LIONS MEMORIAL CENTER
225 A STREET
BRAWLEY, CALIFORNIA
92227
PHONE 344-5675

DEPARTMENT OF PARKS
AND
RECREATION

CITY OF BRAWLEY PARKS, RECREATION AND COMMUNITY SERVICES APPLICATION AND AGREEMENT

FOR THE USE OF CITY-OWNED PARKS AND RECREATIONAL FACILITIES

ACTIVITY DATE (S) 03/11/2017 ACTIVITY Mobile Consulate
NAME OF APPLICANT Carlos Flores ADDRESS 408 Heber Ave, 92231 Calexico, CA
HOME PHONE _____ WORK PHONE 760 357 3863
ORGANIZATION Consulate of Mexico NON-PROFIT # _____

Will this activity be a fund-raiser? Yes No
Admission fee, entry fee or donation? Yes No
If yes, where will the proceeds go? _____

FACILITY REQUESTED

- Lions Center Gymnasium
- Lions Center Conf. Room
- Lions Center Kitchen
- Lions Center Entire Facility
- Lions Center Pool
- Senior Center Main Hall
- Senior Center Meeting Room
- Senior Center Kitchen
- Senior Center Entire Facility
- Cattle Call Large Arena
- Horseshow Ring
- Cattle Call Entire Facility
- Park _____
- Teen Center Recreation Room
- Teen Center Kitchen
- Del Rio Community Center Room

TIMES AND ATTENDANCE

Approx. attendance 50 Adults
30 Minors
Set-up & Starting Friday 10 March 11:00 AM AM/PM
Guests Arrive at _____ AM/PM
Ending & Clean-up Saturday 11 March 5 AM/PM
Total Hours _____

I WOULD LIKE TO USE THE FOLLOWING EQUIPMENT:

10 # Tables _____ Other
50 # Chairs _____
4 Trash Cans _____

I, the undersigned, shall indemnify, defend, and hold harmless the City of Brawley, its officers, employees, and agents from any and all losses, costs, expenses, claims, liabilities, actions, or damages, including liability for injuries to any person or persons or damage to property arising at any time during and/or arising out of in any way connected with Permittee's use or occupancy of the Facility and adjoining property, unless solely caused by the gross negligence or willful misconduct of the City of Brawley, its officers, employees or agents.

I, the undersigned, have read the City of Brawley Use and Rental Information, the above statement, and the facility regulations on the reverse side of this permit, understand them fully, and agree to abide by them.

APPLICANT'S SIGNATURE [Signature]
TITLE Consul of Mexico DATE 02/03/2017

STAFF NOTES:

CHARGES AND DEPOSITS PRIORITY _____

APPLICATION: APPROVED DENIED BY: _____
EMPLOYEE REQUIRED

FACILITY	HRS	CHARGE	TOTAL	DATE:
<input type="checkbox"/> Lions Center	@	\$ _____	\$ _____	
<input type="checkbox"/> Senior Center	@	\$ _____	\$ _____	
<input type="checkbox"/> Cattle Call	@	\$ _____	\$ _____	
<input type="checkbox"/> Parks	@	\$ _____	\$ _____	
<input type="checkbox"/> Lions Pool	@	\$ _____	\$ _____	
<input type="checkbox"/> Teen Center	@	\$ _____	\$ _____	
<input type="checkbox"/> Del Rio Community Center	@	\$ _____	\$ _____	

NEEDED: Security
 Insurance
 Council Approval

Refundable Deposit _____ \$ Paid On _____ #
Total Fees _____ \$ Paid On _____ #

- CC Parks
- Recreation
- Senior Citizens
- Buildings
- _____

Refund Approval Yes No
Amount of Refund: _____
Entered on Calendar
Copies issued by: _____
5 Employee: _____



Mexican Consulate in Calexico
Calexico, California February 2nd 2017

Hon. Sam Couchman
Mayor of the City and Hon. Council Members
Brawley, CA.

I would like to take this opportunity to express to you our sincere gratitude for your support and collaboration that made possible the "Consulado Movil" on Saturday November 19th at "Del Rio "Branch Library at the City of Brawley, CA.

The objective of the **Mobile Consulate** is to provide all of our services to the Community outside our office in a safe, convenient and technically feasible location in the City of Brawley, CA.

During the Mobile Consulate we will provide the following services to the Community:

- a) Mexican Passport
- b) Consular ID
- c) Certified true copy of Birth Certificate
- d) Birth Certificate (Double Nationality)
- e) Voting ID for Mexican nationals
- f) Information on immigration, family, civil and penal law
- g) Information on education services and scholarships
- h) Health Fair by our "Ventanilla de Salud" Program and other Community Service Agencies in Imperial County

We would like to request your support for our **Mobile Consulate Program 2017** in the City of Brawley. On this regard, we have schedule two Mobile events on the following dates: Saturday 11th of March and Saturday 23rd of September 2017.

We look forward to your support in order to held this community events at "Del Rio Branch Library" or at any other suitable venue you authorize in the City of Brawley, CA.

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: February 21, 2017
City Manager: RBW

PREPARED BY: Chuck Peraza, Fire Chief

PRESENTED BY: Chuck Peraza, Fire Chief

SUBJECT: Budget Adjustment for Unanticipated Reimbursement from the State of California for Soberanes, CA Fire in Monterey County

CITY MANAGER RECOMMENDATION: Approve Resolution No. 2016-___: Resolution of the City Council of the City of Brawley, CA Amending the Fiscal Year 2016/2017 City of Brawley Budget for the Fire Department in the amount of \$69,124.41.

DISCUSSION: Approval is requested to amend the budget for the Brawley Fire Department to reflect receipt of reimbursement from the State of California for a mutual aid request to deploy resources to the Soberanes Fire in Monterey County, CA. Brawley Fire Department personnel and equipment were deployed to Monterey County, CA for a wildfire incident strike team. A fire engine was sent with four firefighters for the days of July 26, 2016 through August 6, 2016. The State of California has reimbursed the City for the costs associated with salaries and apparatus use in the amount of \$69,124.41.

This incident occurred during the current Fiscal Year 2016-2017. The sum of \$22,078 will be used to reimburse the City for associated overtime expenses and \$300 will be used to offset the Department's fuel budget line item. The remaining balance is proposed for assignment to Fire Department line items associated with Repair & Maintenance Services and Small Tools & Minor Equipment.

FISCAL IMPACT: Revenue increase of \$69,124.41.00 to offset overtime and fuel costs incurred

ATTACHMENTS: Copy of State of California check; Reimbursement Invoice; Resolution No. 2017-___: Resolution of the City Council of the City of Brawley, CA Amending the Fiscal Year 2016/2017 City of Brawley Budget for the Fire Dept.



STATE OF CALIFORNIA

WARRANT NUMBER

07-347262

THE TREASURER OF THE STATE WILL PAY OUT OF THE

FUND NO. FUND NAME
0001 GENERAL FUND

IDENTIFICATION NO.

3540 MO. DAY, YR.
01 12 2017

90-1342/1211

07347262

TO: 347262
BRAWLEY FD

DOLLARS CENTS
\$**69124 41

CALIFORNIA STATE CONTROLLER

Betty T. Yee
BETTY T. YEE

FORM 04-08 (2-97) CONTROLLERS WARRANT

⑆112113423⑆ 073472625⑈

ATTENDANCE ADVICE

VENDOR-ID

PAGE 1

STATE OF CALIFORNIA
DOF

10/02 (REV. 4/98)

0000802300-01

THE ENCLOSED WARRANT IS IN PAYMENT OF THE INVOICES SHOWN BELOW

RTMENT NAME

ORG. CODE

INVOICE DATE

INVOICE NUMBER

INVOICE AMOUNT

RPT

FORESTRY AND FIRE PROTECTION

3540

12/01/16

005 CHINNEY

RTMENT ADDRESS

CLAIM SCHED. NO.

59124 41

P O BOX 944246

CA 94244-2446

60256998

SACRAMENTO

OR

BRAWLEY YD

1505 JONES STREET

BRAWLEY CA 92227

RYMI INQUIRIES: (916)653-7334

SAL. TAX ID NO. OR SSAN

RP TYPE

TAX YR

TOTAL REPORTED TO IRS

TOTAL PAYMENT

69124 41

00

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BRAWLEY, CALIFORNIA AMENDING THE FISCAL YEAR
2016/2017 CITY OF BRAWLEY BUDGET.

Amendment No. 2017-07: Department: Fire Department

WHEREAS, Minute Order dated June 21, 2016 adopted the Fiscal Year 2016-2017 City of Brawley Budget and appropriated expenses on a cost center basis; and

WHEREAS, adjustments to the FY 2016-2017 General Fund Budget have been determined to be necessary.

THEREFORE, BE IT RESOLVED, that the FY 2016-2017 City of Brawley Budget is hereby amended as follows:

REVENUE

BUDGET NUMBERS	ACCOUNT NAME	INCREASE	DECREASE
101-221.000-440.310	State Reimbursement	\$69,124.41	
		TOTAL	\$69,124.41

EXPENDITURES

BUDGET NUMBERS	ACCOUNT NAME	INCREASE	DECREASE
101-221.000-700.300	Overtime	\$22,078.00	
101-221.000-725.300	Fuel	\$ 300.00	
101-221.100-740.100	Repair & Maintenance Services	\$ 9,500.00	
101-221.000-721.900	Small Tools and Equipment	\$37,246.41	
		TOTAL	\$69,124.41

REASON: The unexpected revenue is from a wildland fire in Monterey County, CA. This fire occurred during the 2016-2017 FY. Overtime, repair & maintenance and fuel budgets will be reimbursed. The remaining amount will be used to purchase needed fire equipment.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Brawley City Council held February 21, 2017.

CITY OF BRAWLEY, CALIFORNIA

Sam Couchman, Mayor

ATTEST:

Alma Benavides, City Clerk

STATE OF CALIFORNIA}
COUNTY OF IMPERIAL}
CITY OF BRAWLEY}

I, **ALMA BENAVIDES**, City Clerk of the City of Brawley, California, **DO HEREBY CERTIFY** that the foregoing Resolution No. 2017- was passed and adopted by the City Council of the City of Brawley, California, at an adjourned regular meeting held on the 21st day of February, 2017 and that it was so adopted by the following roll call vote:

AYES:

NAYES:

ABSTAIN:

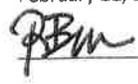
ABSENT:

DATED: February 21, 2017

Alma Benavides, City Clerk

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: February 21, 2017

City Manager: 

PREPARED BY: Ruby D. Walla, Finance Director/City Treasurer

PRESENTED BY: Ruby D. Walla, Finance Director/City Treasurer

SUBJECT: Issuance of Pension Obligation Bonds for the Funding of Certain Payments to the California Public Employees' Retirement System for Retired Safety and Miscellaneous Employees

CITY MANAGER RECOMMENDATION: Adopt the attached City Council Resolution: Resolution of the City Council of the City of Brawley, California Authorizing the Issuance of Pension Obligation Bonds to Refinance the Outstanding Pension Fund Obligation of the City to the California Public Employees' Retirement System, Approving the Form of and Authorizing the Execution and Delivery of a Trust Agreement, and Authorizing a Validation Action and Other Matters Relating Thereto.

DISCUSSION: The City Council of the City (the "City Council") adopted a retirement plan pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"). The Retirement Law obligates the City to:

- (1) Make annual contributions to the System, to fund pension benefits for its employees,
- (2) Amortize the unfunded accrued actuarial liability with respect to such pension benefits, and
- (3) Appropriate funds for the purposes described in (1) and (2).

The City is obligated to make certain payments to the California Public Employees' Retirement System in respect of the Pension Obligation under the Retirement Law and the PERS Contract. The issuance of the proposed Bonds to refund the Pension Obligations of the Safety Plan, CalPERS (ID 6719424797) and Miscellaneous Plan (ID 6719424797), and the other actions contemplated by the Resolution are anticipated to result in savings based on current actuarial assumptions. Attachment 2 is a savings analysis.

The Bonds will constitute an obligation imposed by law, pursuant to the Constitution of the State of California and the Retirement Law and an obligation of the City not limited as to payment from any special source of funds. The Pension Obligation Bonds will not, however, constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

In connection with the Bonds, the Resolution authorizes a validation action to be brought by the City under Section 860 of the California Code of Civil Procedure. A validation action is a typical step with respect to the issuance of pension obligation bonds, where the issuer is asserting that the obligation under the Retirement Law is one imposed by law. Bond Counsel has advised that a validation action is recommended in connection with the Bonds.

FISCAL IMPACT: None at this time

ATTACHMENTS: Resolution, Validation Complaint, Trust Agreement

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRAWLEY, CALIFORNIA AUTHORIZING THE ISSUANCE OF PENSION OBLIGATION BONDS TO REFINANCE THE OUTSTANDING PENSION FUND OBLIGATION OF THE CITY TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, AND AUTHORIZING A VALIDATION ACTION AND OTHER MATTERS RELATING THERETO.

WHEREAS, the City Council (the "City Council") of the City of Brawley (the "City") adopted a retirement plan pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"); and

WHEREAS, the Retirement Law obligates the City to (1) make annual contributions to the California Public Employees' Retirement System (the "System"), to fund pension benefits for its employees, (2) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (3) appropriate funds for the purposes described in (1) and (2); and

WHEREAS, the City is obligated to make certain payments to the System in respect of retired safety and miscellaneous employees under the program of the System which amortizes such obligations over a fixed period of time (the "Pension Obligation") which obligation is evidenced by a contract or contracts with the System with respect to public safety employees and miscellaneous employees of the City, as heretofore and hereafter amended from time to time (collectively, the "PERS Contract"); and

WHEREAS, the City desires to issue bonds (the "Pension Obligation Bonds") in an aggregate principal amount not to exceed the Pension Obligation in full as of the date of issuance of the Pension Obligation Bonds, plus an additional amount to pay costs of issuance of the Pension Obligation Bonds, for the purpose of refunding the PERS Contract and thereby providing funds to the System in payment of the Pension Obligation; and

WHEREAS, there is on file with the City Council the proposed form of Trust Agreement (the "Trust Agreement") to be entered into between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), relating to the Pension Obligation Bonds, including the forms of Bonds attached thereto as an exhibit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRAWLEY AS FOLLOWS:

This City Council hereby finds and declares that the issuance of the Pension Obligation Bonds to refund the Pension Obligations of the Safety Plan, CalPERS (ID 6719424797) and Miscellaneous Plan (ID 6719424797), and the other actions contemplated by this Resolution are in the best interests of the City and are anticipated to result in savings based on current actuarial assumptions.

This City Council hereby authorizes and approves the issuance of the Pension Obligation Bonds and hereby authorizes and directs the City Manager to execute the Pension Obligation Bonds, and to cause the Pension Obligation Bonds to be authenticated and delivered in accordance with the Trust Agreement. The Pension Obligation Bonds shall

be in substantially the form attached to the Trust Agreement, with such changes therein, deletions therefrom and additions thereto as the City Manager shall approve, such approval to be conclusively evidenced by the execution and delivery of the Pension Obligation Bonds; the Pension Obligation Bonds shall be issued as current interest fixed rate bonds, provided, however, that the aggregate initial principal amount of the Pension Obligation Bonds shall not exceed (i) the lesser of \$19,500,000 or (ii) the amount of the Pension Obligation (as confirmed by the System) remaining unpaid on the Safety Plan and Miscellaneous Plan described above on the date of issuance of the Pension Obligation Bonds, plus an additional amount to pay costs of issuance of the Pension Obligation Bonds, original issue discount, and underwriter's discount on the Pension Obligation Bonds (such underwriter's discount, excluding original issue discount, not to exceed eight-tenths percent (0.8%) of the aggregate principal amount of the Pension Obligation Bonds; the maximum interest rate on the Pension Obligation Bonds shall not exceed six percent (6%) per annum; and the Pension Obligation Bonds shall mature not later than thirty (30) years following their date of issuance. In addition, the Pension Obligation Bonds shall be issued only if the net present value savings as a result of the refunding of the Pension Obligation being refunded is at least five percent (5%) of the amount of the Pension Obligation being refunded. The Pension Obligation Bonds shall constitute an obligation imposed by law, pursuant to the Constitution of the State of California and the Retirement Law and an obligation of the City not limited as to payment from any special source of funds. The Pension Obligation Bonds shall not, however, constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

The proposed form of Trust Agreement, between the City and the Trustee, on file with the City Clerk, is hereby approved. The City Manager, the Finance Director and the City Clerk (the "Authorized Representatives") are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute and deliver the Trust Agreement, substantially in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required by a municipal bond insurer, if any) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Trust Agreement.

If an Authorized Representative determines that it will be advantageous to the City to purchase municipal bond insurance or secure other credit or liquidity enhancement with respect to some or all of the Pension Obligation Bonds, such Authorized Representative or his designee is hereby authorized to do so at market rates.

The Authorized Representatives of the City are, and each of them hereby is, authorized and directed to do any and all things, including bringing a validation action under Section 860 of the California Code of Civil Procedure and to take any and all actions (including any required publications of summons or other notice) and execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and the Trust Agreement and otherwise to carry out,

give effect to and comply with the terms and intent of this Resolution and the Trust Agreement. A draft of the Complaint for Validation is attached.

This Resolution shall take effect from and after its date of adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Brawley City Council held on February 21, 2017.

CITY OF BRAWLEY, CALIFORNIA

Sam Couchman, Mayor

ATTEST:

Alma Benavides, City Clerk

**STATE OF CALIFORNIA
COUNTY OF IMPERIAL
CITY OF BRAWLEY**

I, **ALMA BENAVIDES**, City Clerk of the City of Brawley, California, **DO HEREBY CERTIFY** that the foregoing Resolution No. 2017- was passed and adopted by the City Council of the City of Brawley, California, at a regular meeting held on the 21st day of February 2017, and that it was so adopted by the following roll call vote: m/s/c

**AYES:
NAYES:
ABSTAIN:
ABSENT:**

DATED: February 21, 2017

Alma Benavides, City Clerk

1 **NORTON ROSE FULBRIGHT US LLP**
2 JOHN C. GRAY (BAR NO. 267686)
3 555 South Flower Street
4 Forty-First Floor
5 Los Angeles, California 90071
6 Telephone: (213) 892-9200
7 Facsimile: (213) 892-9494
8 john.gray@nortonrosefulbright.com

9 Attorneys for Plaintiff
10 CITY OF BRAWLEY

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF IMPERIAL

13 CITY OF BRAWLEY,
14 Plaintiff,

15 v.

16 ALL PERSONS INTERESTED IN THE
17 MATTER OF THE ISSUANCE AND SALE
18 OF BONDS FOR THE PURPOSE OF
19 REFUNDING CERTAIN OBLIGATIONS
20 THAT THE CITY OF BRAWLEY OWES TO
21 THE PUBLIC EMPLOYEES' RETIREMENT
22 SYSTEM ARISING UNDER PERS
23 CONTRACT AND THE PUBLIC
24 EMPLOYEES RETIREMENT LAW, AND
25 ALL PROCEEDINGS LEADING THERETO,

26 Defendants.

Case No.

COMPLAINT

1. Validation
(Cal. Civ. Proc. Code § 860 *et seq.*;
Cal. Govt. Code § 53511)

[Fee Exemption, Cal. Govt. Code § 6103]

[TIME SENSITIVE – PRIORITY
Cal. Code Civ. Proc. § 867]

COMPLAINT

27 Plaintiff City of Brawley (the “City”) brings this in rem validation action against all
28 interested persons pursuant to California Code of Civil Procedure section 860 *et seq.* and
Government Code section 53511. The City alleges as follows:

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Nature of the Action

1. This is a validation action brought pursuant to California Code of Civil Procedure Section 860 *et seq.* (the "Validation Statute") and Government Code section 53511 to obtain an order from this Court declaring the validity of:

- bonds to be issued to refund certain obligations the City owes to the Public Employees' Retirement System (the "Pension Obligation Bonds");
- a trust agreement ("Trust Agreement") to be entered into by the City and a financial institution, as trustee, to carry out the bond issuance;
- a resolution authorizing and approving the issuance, execution, and delivery of the Pension Obligation Bonds, and the Trust Agreement, and any and all contracts and agreements executed and delivered in connection thereto (the "Resolution"); and
- certain related proceedings and other matters.

All of these matters arise in connection with the City's pre-existing obligation to the Public Employees Retirement System (the "System"), as described below.

The Parties

2. The City is and was at all times mentioned herein a municipal corporation duly organized and existing under the laws and Constitution of the State of California (the "State"). The City is a local public agency authorized to bring this action under the Validation Statute and Government Code section 53511.

3. The governing body of the City is the City Council of the City of Brawley (the "City Council"), which has its principal place of business in Imperial County, California.

4. Defendants are all persons interested in the proceedings leading up to and including the adoption of the Resolution, the execution and delivery of the Trust Agreement, any related contracts and agreements, and the issuance of bonds related thereto.

5. Venue is proper in the Superior Court of California for the County of Imperial pursuant to Code of Civil Procedure section 860.

1 **The Issuance Of The Bonds**

2 17. The City is authorized under California Government Code Sections 53570 and
3 53584 to provide for the refunding of its obligations by issuing bonds or other evidences of
4 indebtedness and applying the proceeds of such to the retirement of the Pension Obligation,
5 which includes the Pension Liability.

6 18. The Pension Obligation Bonds will be substantially in the form or forms set forth
7 in the Trust Agreement, with such changes therein, deletions therefrom, and additions thereto as
8 authorized in the Resolution.

9 19. As authorized and approved in the Resolution, the City will issue and sell the
10 Pension Obligation Bonds for the purpose of refunding and applying the proceeds of such bonds
11 to refund all or a portion of its Pension Obligation, and to pay costs of issuance, underwriter's
12 discount, and original issue discount, if any, in connection with the Pension Obligation Bonds.

13 20. The Pension Obligation Bonds will be in an aggregate principal amount which
14 shall not exceed the amount of the Pension Liability remaining unpaid on the date of issuance, as
15 confirmed by the System or the City's actuary, plus any underwriter's discount, original issue
16 discount, and costs of issuance.

17 21. A portion of the proceeds of the Pension Obligation Bonds will be applied to pay
18 the costs of issuance, including any underwriter's discount, original issue discount, and [bond
19 insurance premiums].

20 22. As authorized in the Resolution, the Pension Obligation Bonds may be issued as
21 current interest fixed rate bonds. The maximum interest rate on each series of Pension Obligation
22 Bonds shall not exceed _____ per annum. The Pension Obligation Bonds shall mature
23 not later than [] years from the date of their issuance.

24 **The Trust Agreement**

25 23. The Resolution approved the form of, and authorized the City to execute and
26 deliver, the Trust Agreement, pursuant to which the proceeds from the sale of the Pension
27 Obligation Bonds will be deposited with a trustee, which in turn will remit such proceeds to the
28 System to refund all or a portion of the Pension Obligation.

1 24. The Trust Agreement establishes the terms and conditions upon which the Pension
2 Obligation Bonds shall be issued and the Pension Obligation refunded.

3 25. The Trust Agreement will be substantially in the form presented to the City
4 Council, with such changes therein, deletions therefrom and additions thereto as authorized in the
5 Resolution.

6 26. The Resolution also authorized the City to execute and deliver bond insurance or
7 other credit enhancement agreements.

8 27. The Pension Obligation Bonds and any and all contracts and agreements related
9 thereto, including but not limited to the Trust Agreement, relate to and constitute a protected
10 category of employment obligations excluded from consideration under the Constitutional debt
11 limitation, Article XVI, Section 18 of the California Constitution.

12 28. The Pension Obligation Bonds and any and all contracts and agreements related
13 thereto, including but not limited to the Trust Agreement, relate to and constitute the refunding of
14 a pre-existing obligation imposed by law exempt from the debt limitation of Article XVI, Section
15 18 of the California Constitution.

16 **Statutory Authorization For This Validation Proceeding**

17 29. Code of Civil Procedure section 860 provides that a public agency, such as the
18 City, may bring an *in rem* action to determine the validity of any matter which under any other
19 law is authorized to be determined pursuant to the Validation Statute.

20 30. Government Code section 53511 provides that a local agency may bring an action
21 to determine the validity of its bonds, warrants, contracts, obligations or evidence of indebtedness
22 pursuant to the Validation Statute. The City is a local public agency authorized to bring an action
23 under the Validation Statute pursuant to Government Code section 53510.

24 31. The Validation Statute provides that the action shall be brought in the Superior
25 Court of the county in which the principal office of the agency is located. The principal office of
26 the City is located in Imperial County, California.

27 32. This action is properly brought by the City as an *in rem* proceeding pursuant to
28 Government Code section 53511 and Code of Civil Procedure section 860 for the judicial

1 examination, approval, and confirmation of the validity of the proceedings described above, the
2 Resolution, the issuance and sale of the Pension Obligation Bonds, the execution and delivery of
3 the Trust Agreement, and any other related contracts or agreements authorized or contemplated
4 by the City.

5 33. All such proceedings by and for the City and the provisions of the Resolution, the
6 Pension Obligation Bonds, the Trust Agreement, and any other related contracts or agreements
7 authorized or contemplated by the City, were, are, and will be in conformity with the applicable
8 provisions of all laws and enactments at any time in force or controlling upon such proceedings,
9 whether imposed by charter, law, constitution, statute or ordinance, whether federal or state, and
10 were, are and will be fully in conformity with all applicable requirements of all regulatory bodies,
11 agencies or officials having or asserting authority over said proceedings or any part thereof.

12 **Article XVI, Section 18 of the California Constitution**

13 34. Article XVI, Section 18 of the California Constitution provides in part:

14 No county, city, town, township, board of education, or school district, shall incur
15 any indebtedness or liability in any manner or for any purpose exceeding in any
16 year the income and revenue provided for such year, without the assent of two-
thirds of the voters of the public entity voting at an election to be held for that
purpose. . . .

17 35. The debt limitation set forth in Article XVI, Section 18 does not to apply to
18 obligations imposed by law.

19 36. Deferred compensation obligations, such as the City's Pension Obligation, are a
20 protected category of employment obligations excluded from consideration under the debt
21 limitation set forth in Article XVI, Section 18.

22 37. Refunding an existing obligation, such as the Pension Obligation, does not create a
23 new or different liability for purposes of the debt limitation set forth in Article XVI, Section 18;
24 instead, it merely evidences a change in form of the existing liability.

25 **FIRST CAUSE OF ACTION**

26 **(Validation)**

27 38. The City realleges and incorporates by reference the allegations above as though
28 fully set forth herein.

1 39. The Retirement Law imposes a statutory duty upon the City to provide funding for
2 retirement benefits for City employees and former employees.

3 40. The City has evidenced its Pension Obligation in the PERS Contract. The PERS
4 Contract is a legal and enforceable obligation of the City.

5 41. The Pension Obligation Bonds will be issued and sold to refund all or a portion of
6 the Pension Obligation, in fulfillment of the City's obligation to fund the retirement benefits for
7 City employees and former employees.

8 42. The Pension Obligation Bonds do not constitute a general obligation or
9 indebtedness of the City for which the City is obligated to levy or pledge any form of taxation or
10 for which the City has levied or pledged any form of taxation.

11 43. The PERS Contract, the Pension Obligation, the Pension Obligation Bonds, and
12 the Trust Agreement relate to and constitute a protected class of obligations excluded from
13 consideration under the debt limitation.

14 44. All proceedings by and for the City in connection with the Resolution, the Pension
15 Obligation Bonds, the Trust Agreement, any supplemental trust agreements, and any other related
16 contracts or agreements authorized or contemplated by the City, were and are valid and legal,
17 and were and are in conformity with the applicable provisions of all laws and enactments at any
18 time in force or controlling upon such proceedings, whether imposed by charter, law, constitution,
19 statute or ordinance, whether federal, state, or local, including the provisions of Article XVI,
20 Section 18 of the California Constitution.

21 45. All conditions, things, and acts required by law to exist, happen, or be performed
22 precedent to the adoption of the Resolution, and the terms and conditions thereof, including the
23 authorization for the issuance and sale of the Pension Obligation Bonds, the execution and
24 delivery of the Trust Agreement and any supplemental trust agreements, and any other related
25 contracts or agreements authorized or contemplated by the City, have existed, happened, and
26 been performed in the time, form, and manner required by law.

27 46. The City has the authority under the California Constitution and California law to:
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- a) provide for the refunding of all or a portion of the Pension Obligation, by executing and delivering the Trust Agreement and any other related contracts or agreements, and issuing the Pension Obligation Bonds, and
- b) apply the proceeds of the Pension Obligation Bonds to the refunding of all or a portion of the Pension Obligation, including the Pension Liability, or any then-outstanding Pension Obligation Bonds, and the payment of costs of issuing the Pension Obligation Bonds.

47. Upon execution and delivery thereof, the Pension Obligation Bonds, agreements executed and delivered in connection therewith will be valid, legal, and binding, including the Trust Agreement, any supplemental trust agreements, and any and all contracts and obligations enforceable in accordance with their terms.

48. The City's incurrence of any and all indebtedness and/or liability in connection with the Pension Obligation and the Pension Obligation Bonds, and all contracts and agreements related thereto, including the Trust Agreement and supplemental trust agreements, is exempt from and not subject to the debt limitation set forth in Article XVI, Section 18 of the California Constitution.

49. This action is properly brought under Government Code section 53511 and the Validation Statute.

PRAYER FOR RELIEF

The City prays for relief as follows:

50. That judgment be entered on the First Cause of Action determining that:
- a. this action is properly brought under California Government Code section 53511 and the Validation Statute in the Superior Court for the County of Imperial;
 - b. all proceedings by and for the City in connection with the Resolution, the Pension Obligation Bonds, the Trust Agreement, any supplemental trust

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agreements, and any other related contracts or agreements authorized or contemplated by the City, were and are valid and legal, and were and are in conformity with the applicable provisions of all laws and enactments at any time in force or controlling upon such proceedings;

c. all conditions, things, and acts required by law to exist, happen, or be performed precedent to the adoption of the Resolution, and the terms and conditions thereof, including the authorization for the issuance and sale of the Pension Obligation Bonds, the execution and delivery of the Trust Agreement, any supplemental trust agreements, and any other related contracts or agreements authorized or contemplated by the City, have existed, happened, and been performed in the time, form, and manner required by law;

d. the City has the authority under the California Constitution and California law to:

- provide for the refunding of all or a portion of the Pension Obligation by executing and delivering the Trust Agreement and any other related contracts or agreements, and issuing the Pension Obligation Bonds; and
- apply the proceeds of the Pension Obligation Bonds to the refunding of all or a portion of the Pension Obligation and the payment of costs of issuing the Pension Obligation Bonds;

e. upon execution and delivery thereof, the Pension Obligation Bonds, the Trust Agreement, any supplemental trust agreements, and any and all contracts and agreements executed and delivered in connection therewith will be valid, legal, and binding obligations of the City;

f. the Pension Obligation Bonds, any and all contracts and agreements executed and delivered in connection therewith, including the Trust

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Agreement and any supplemental trust agreements, are valid and binding obligations of the City exempt from and not subject to the debt limitation set forth in Article XVI, Section 18 of the California Constitution; and
g. the City's incurrence of any and all indebtedness and/or liability in connection with the Pension Obligation and the Pension Obligation Bonds and all contracts and agreements related thereto, including the Trust Agreement and any supplemental trust agreements, is exempt from and not subject to the debt limitation set forth in Article XVI, Section 18 of the California Constitution.

51. That the Court permanently enjoin and restrain all persons from the institution of any action or proceeding challenging, *inter alia*, the validity of the Pension Obligation, the Resolution, the Trust Agreement and any supplemental trust agreements, or any related contracts and agreements, the issuance and sale of the Pension Obligation Bonds, or any matters herein adjudicated or which could have been adjudicated in this action;

52. For costs incurred herein; and

53. For such other and further relief as the Court may deem just and proper.

Dated: February __, 2017

NORTON ROSE FULBRIGHT US LLP
JOHN C. GRAY

By _____
JOHN C. GRAY
Attorneys for Plaintiff
CITY OF BRAWLEY

TRUST AGREEMENT

between the

CITY OF BRAWLEY

and

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as Trustee

Dated as of _____ 1, 2017

City of Brawley

Taxable Pension Obligation Bonds

Series 2017

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THIS TRUST AGREEMENT made and entered into as of _____ 1, 2017 (the "Trust Agreement") by and between THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as Trustee (the "Trustee") and the CITY OF BRAWLEY (the "City"), a duly organized, validly existing and operating municipal corporation, under the laws of the State of California.

WITNESSETH:

WHEREAS, the City is obligated by the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"), to make payments to the California Public Employees' Retirement System (the "System") relating to pension benefits accruing to the System's members; and

WHEREAS, the City is obligated to make certain payments to the System in respect of retired safety and miscellaneous employees under the Pension Programs of the System which amortizes such obligations over a fixed period of time (the "Pension Obligation") which obligation is evidenced by a contract or contracts with the System with respect to public safety employees and miscellaneous employees of the City, as heretofore and hereafter amended from time to time (collectively, the "PERS Contract"); and

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") to issue bonds for the purpose of refunding any evidence of indebtedness of the City; and

WHEREAS, for the purpose of refunding the City's obligations to the System evidenced by the PERS Contract and thereby providing funds to the System in payment of the Pension Obligation, the City has determined to issue its City of Brawley Taxable Pension Obligation Bonds, Series 2017, in the aggregate principal amount of \$_____ (the "Series 2017 Bonds" and, collectively with Additional Bonds, the "Bonds"), all pursuant to and secured by this Trust Agreement providing for the issuance of Bonds, all in the manner provided herein; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, the City has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the City payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the

performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

Act

The term “Act” means Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California.

Additional Bonds

The term “Additional Bonds” means all Bonds of the City authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III.

Aggregate Principal Amount

The term “Aggregate Principal Amount” means, as of any date of calculation, the principal amount of the Bonds referred to.

Authorized Denominations

The term “Authorized Denominations” means \$5,000 principal amount or any integral multiple thereof.

Authorized Representatives

The term “Authorized Representatives” means the Mayor, the City Manager and the Finance Director of the City of Brawley.

Beneficial Owner

The term “Beneficial Owner” means the beneficial owner of each such Bond, determined under the rules of DTC.

Bond Fund

The term "Bond Fund" means the Bond Fund established in Section 4.01(b) of this Trust Agreement.

Bond Insurance Policy

The term "Bond Insurance Policy" means the municipal bond insurance policy issued by the Bond Insurer, if any, insuring the payment when due of principal of and interest on a Series of Bonds as provided therein.

Bond Insurer

The term "Bond Insurer" shall mean the provider, if any, of a Bond Insurance Policy, or any successor thereto.

Bonds

The term "Bonds" means the Series 2017 Bonds and all Additional Bonds.

Business Day

The term "Business Day" means any day other than a Saturday or Sunday or day upon which the Trustee is authorized by law to remain closed.

Certificate of the City

The term "Certificate of the City" means an instrument in writing signed by any one of the Authorized Representatives of the City or such officer's designee, or by any other officer of the City duly authorized by the City Council of the City in writing to the Trustee for that purpose. If and to the extent required by the provisions of Section 10.07, each Certificate of the City shall include the statements provided for in Section 10.07.

City Contribution

The term "City Contribution" means the amount of \$_____, to be transferred by the City to the Trustee to be deposited in the Refunding Fund.

Closing Date for the Series 2017 Bonds

The term "Closing Date" means the date on which the Series 2017 Bonds are delivered to the original purchaser for the Series 2017 Bonds.

Continuing Disclosure Certificate

The term Continuing Disclosure Certificate shall mean that certain Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2017 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Corporate Trust Office

The term “Corporate Trust Office” means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the City, initially being in Los Angeles, California. The Trustee may designate in writing to the City and the Holder such other office or agency from time to time for purposes of registration, transfer, exchange, payment or redemption of Bonds.

Costs of Issuance

The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and expenses of the underwriter or placement agent, fees and charges for preparation, execution and safekeeping of the Bonds, premiums for bond insurance, if any, and any other cost, charge or fee in connection with the original execution and delivery of the Bonds.

Costs of Issuance Fund

The term “Costs of Issuance Fund” means the Costs of Issuance Fund established in Section 2.12(b) of this Trust Agreement.

Defeasance Securities

The term “Defeasance Securities” means:

- (1) Cash; and
- (2) Obligations of or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including:
 - U.S. Treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA)
 - State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

DTC

The term "DTC" means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds including any such successor appointed pursuant to Section 2.07 hereof.

Financial Newspaper

The term "Financial Newspaper" means The Wall Street Journal or The Bond Buyer, or any other newspaper or journal printed in the English language, publishing financial news and selected by the Trustee, who shall be under no liability by reason of such selection.

Fiscal Year

The term "Fiscal Year" means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its fiscal year in accordance with applicable law.

Holder

The term "Holder" means any person who shall be the registered owner of any Outstanding Bond.

Independent Certified Public Accountant

The term "Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the City, and who, or each of whom --

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the City;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the City; and

(3) is not connected with the City as a member, officer or employee of the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the City.

Interest Account

The term "Interest Account" means the account by that name established in Section 4.02 of this Trust Agreement.

Interest Payment Date

The term "Interest Payment Date" means each ____ 1 and ____ 1, commencing ____ 1, 2017.

City

The term "City" means the City of Brawley, California.

MSRB

The term "MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

Opinion of Counsel

The term "Opinion of Counsel" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

Outstanding

The term "Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 7.02) all Bonds except

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 9.01; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City pursuant hereto.

Permitted Investments

The term "Permitted Investments" means any of the following to the extent permitted by the laws of the State:

- (1) Defeasance Securities;

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer;

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Ratings Services and which mature not more than three hundred sixty (360) calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Ratings Services and which matures not more than two hundred seventy (270) calendar days after the date of purchase;

(6) Investments in a money market fund rated at the time of purchase "AAAm" or "AAAm-G" or better by Standard & Poor's Ratings Services, including funds for which the Trustee or its affiliates provide investment advisory or other management services;

(7) Pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor

prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated at the time of purchase, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Standard & Poor's Ratings Services or any successors thereto; or

(B) which are fully secured as to interest and principal and redemption premiums, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such interest and principal and redemption premiums, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premiums, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Municipal obligations rated at the time of purchase "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by Standard & Poor's Ratings Services;

(9) Investment agreements approved in writing by the Bond Insurer (supported by appropriate opinions of counsel);

(10) The Local Agency Investment Fund (as that term is defined in Section 16429.1 of the Government Code of the State, as such Section may be amended or recodified from time to time); and

(11) Other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer.

The value of the above investments shall be determined as follows:

(b) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers;

(c) As to certificates of deposit and bankers' acceptances, the face amount thereof, plus accrued interest thereon; and

(d) As to any investment not specified above, the value thereof established by prior agreement among the City, the Trustee and, if applicable, the Bond Insurer.

Principal Account

The term "Principal Account" means the account by that name established in Section 4.02 of this Trust Agreement.

PERS Contract

The term "PERS Contract" means the contract dated _____ and amended on _____ and _____ between the City and the System, as heretofore and hereafter amended from time to time.

Principal Amount

The term "Principal Amount" means as to any Bond, the principal amount thereof.

Principal Payment Date

The term "Principal Payment Date" means each _____ 1, commencing _____ 1, 201__.

Rating Agencies

The term "Rating Agencies" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or, in the event that Standard & Poor's Ratings Services no longer maintains a rating on the Bonds, any other nationally recognized bond rating agency then maintaining a rating on the Bonds, but, in each instance, only so long as Standard & Poor's Ratings Services or other nationally recognized rating agency then maintains a rating on the Bonds.

Record Date

The term "Record Date" means the close of business on the 15th day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

Refunding Fund

The term "Refunding Fund" means the fund by that name established in Section 2.12(a) of this Trust Agreement.

Representation Letter

The term "Representation Letter" means the Letter of Representations from the City and the Trustee to DTC, or any successor securities depository for the Bonds.

Retirement Law

The term "Retirement Law" means the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended.

Serial Bonds

The term "Serial Bonds" means Bonds for which no sinking fund payments are provided.

Series

The term "Series" means all of the Bonds designated as being within a certain series, regardless of variations in maturity date, interest rate, redemption and other provisions, and any Bonds thereafter issued in transfer or exchange for such Bonds pursuant to this Trust Agreement.

Series 2017 Bonds

The term "Series 2017 Bonds" means the Bonds of the City of that Series designation authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.02(a) hereof.

State

The term "State" means the State of California.

Surplus Account

The term "Surplus Account" means the account by that name established in Section 4.02 of this Trust Agreement.

Supplemental Trust Agreement

The term "Supplemental Trust Agreement" means any trust agreement then in full force and effect which has been duly executed and delivered by the City and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

System

The term "System" means the California Public Employees' Retirement System.

Term Bonds

The term "Term Bonds" means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Trust Agreement

The term "Trust Agreement" means this Trust Agreement, dated as of _____ 1, 2017, between the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

Trustee

The term "Trustee" means The Bank of New York Trust Company, N.A., or any other association or corporation which may at any time be substituted in its place as provided in Section 6.01.

Underwriter

The term "Underwriter" means BOK Financial Securities, Inc.

Written Request of the City

The term "Written Request of the City" means an instrument in writing signed by any one of the Authorized Representatives of the City or such officer's designee, or by any other officer of the City duly authorized by the City Council of the City in writing to the Trustee for that purpose.

Section 1.02. Trust Agreement Constitutes Contract. In consideration of the acceptance of the Bonds by the Holders thereof, the Trust Agreement shall be deemed to be and shall constitute a contract among the City, the Trustee and the Holders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to provide for the payment of the interest on, principal of, and redemption premium (if any) on, all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the City shall be for the equal and proportionate benefit, protection and security of all Holders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

ISSUANCE OF SERIES 2015A BONDS; GENERAL BOND PROVISIONS

Section 2.01. Authorization and Purpose of Series 2017 Bonds. The City has reviewed all proceedings heretofore taken relative to the authorization of the Series 2017 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2017 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the City is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2017 Bonds in the form and manner and for the purpose provided herein and that the Series 2017 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Section 2.02. Terms of the Series 2017 Bonds; General Bond Provisions. The Series 2017 Bonds shall be designated "City of Brawley Taxable Pension Obligation Bonds, Series

2017” and shall be in the aggregate principal amount of \$_____. The Series 2017 Bonds shall be dated the date of original delivery, shall be issued only in fully registered form in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Series 2017 Bonds maturing at any one time), and shall mature on the dates and in the principal amounts and bear interest at the rates as set forth in the following table:

<u>Payment Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Rate of</u> <u>Interest</u>
---	-----------------------------------	-----------------------------------

* Final Maturity

The Series 2017 Bonds shall bear interest at the rates (based on a 360-day year of twelve 30-day months) set forth above, payable on the Interest Payment Dates for the Series 2017 Bonds. The Series 2017 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date or during the period from the sixteenth day of the month preceding an Interest Payment Date to such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Record Date, in which event they shall bear interest from their dated date; provided, however, that if at the time of authentication of any Series 2017 Bond interest is then in default on the Outstanding Series 2017 Bonds, such Series 2017 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2017 Bonds. Payment of interest on the Series 2017 Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Series 2017 Bonds registration books kept by the Trustee pursuant to Section 2.08 as the registered owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first-class mail to such registered owner at the address as it appears in such books; provided that upon the written request of a Holder of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. Any such written request shall remain in effect until rescinded in writing by the Holder.

The principal of the Series 2017 Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee. Payment of the principal of the Series 2017 Bonds shall be made upon the surrender thereof at maturity or on redemption prior to maturity at the Corporate Trust Office of the Trustee.

Section 2.03. Redemption of Series 2017 Bonds.

(a) **Optional Redemption.** The Series 2017 Bonds are subject to optional redemption, on any date prior to their maturity, in whole or in part, with maturities to be designated by the City, at a redemption price equal to 100 percent of the principal amount of such Series 2017 Bonds, [plus the Make-Whole Premium (as defined below), if any, plus the accrued interest, if any, thereon to the redemption date].

[The “Make-Whole Premium” with respect to any Series 2017 Bond to be redeemed shall be equal to the excess, if any, of the sum of the present values, calculated as of the redemption date, of (i) each interest payment that, but for such redemption, would have been payable on the Series 2017 Bond or portion thereof being redeemed on each Interest Payment Date occurring after the redemption date (excluding any accrued interest for the period prior to the redemption date), and (ii) the principal amount that, but for such redemption, would have been payable at the final maturity of the Series 2017 Bond being redeemed, divided by the principal amount of the Series 2017 Bond being redeemed.

The present values of interest and principal payments referred to in the definition of “Make-Whole Premium” shall be determined in accordance with generally accepted principles of financial analysis. These present values shall be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption to the redemption date at a discount rate equal to the “Comparable Treasury Yield” (as defined below) plus 30 basis points. The Make-Whole Premium will be calculated by an independent investment banking institution or independent financial advisor of national standing appointed by the City.

For purposes of determining the Make-Whole Premium, “Comparable Treasury Yield” means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Securities that have a constant maturity that corresponds to the remaining term to maturity of the Series 2017 Bonds, calculated to the nearest 1/12th of a year. The Comparable Treasury Yield shall be determined as of the third Business Day immediately preceding the applicable redemption date.

The weekly average yields of United States Treasury Securities shall be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated “H.15(519) Selected Interest Rates” or any successor release (the “H.15 Statistical Release”). If the H.15 Statistical Release sets forth a weekly average yield for United States Treasury Securities having a constant maturity that is the same as the remaining term calculated as set forth above, then the comparable treasury yield shall be equal to such weekly average yield. Otherwise, the comparable treasury yield shall be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury Securities that have a constant maturity closest to and less than

the remaining term (in each case as set forth in the H.15 Statistical Release or any successor release). Any weekly average yields calculated by interpolation shall be rounded to the nearest 1/100th of one percent, with any figure of 1/200th of one percent or above being rounded upward. If weekly average yields for United States Treasury Securities are not available in the H.15 Statistical Release, then the comparable treasury yield shall be calculated by interpolation of comparable rates selected by an independent investment banker or independent financial advisor appointed by the City, in the manner described above.]

(b) Mandatory Sinking Fund Redemption. The Series 2017 Term Bonds maturing on _____ 1, _____ are subject to mandatory sinking fund redemption on the dates and in the amounts specified below, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount of such term bonds to be so redeemed and the dates therefor shall be as follows:

Redemption Date (_____ 1)	Principal Amount
------------------------------	---------------------

* Maturity Date

(c) Selection of Bonds for Redemption. If less than all of the outstanding Series 2017 Bonds are to be redeemed prior to maturity, redemption payments will be made on a pro rata basis to each holder in whose name such Series 2017 Bonds are registered at the close of business on the fifteenth day of the calendar month immediately preceding the redemption date. The City will select the portions of the Series 2017 Bonds equal to \$5,000 or any integral multiple thereof to be redeemed on a pro rata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the Series 2017 Bonds are held in book-entry form, the selection for redemption of such Series 2017 Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the portions of the Series 2017 Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

It is the City's intent that the redemption allocations described herein with respect to the Series 2017 Bonds be made on a pro rata pass-through distribution of principal basis. However, the City can provide no assurance that DTC, the Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis.

"Pro rata" means, in connection with any mandatory sinking fund redemption or any optional redemption in part, with respect to the allocation of amounts to be redeemed,

the application to such amounts of a fraction, the numerator of which is equal to the amount of the specific maturity of the Series 2017 Bonds held by a holder of such Bonds, and the denominator of which is equal to the total amount of such maturity of Series 2017 Bonds, then Outstanding.

(d) Notice of Redemption. Notice of redemption shall be mailed by first class mail by the Trustee, on behalf and at the expense of the City, not less than 30 nor more than 60 days prior to the redemption date to the respective Holders of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. The Trustee shall also provide such additional notice of redemption of Bonds at the time and as may be required by the MSRB. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the Series and date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that such redemption may be rescinded by the City and that, unless such redemption is so rescinded, and provided that on said date funds are available for payment in full of the Bonds then called for redemption, on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice pursuant to this Section to any one or more of the Information Services or Securities Depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Holder to receive any redemption notice mailed to such Holder and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The City shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Section 2.04. Form of Bonds. The Bonds and the authentication endorsement and assignment to appear thereon shall be substantially in the forms set forth in Exhibit A or Exhibit B attached hereto, as appropriate, and by this reference herein incorporated and in the forms set forth in a Supplemental Trust Agreement.

Section 2.05. Execution of Bonds. The City Manager is hereby authorized and directed to execute each of the Bonds on behalf of the City and the City Clerk of the City is hereby authorized and directed to countersign each of the Bonds on behalf of the City. The signatures of such City Manager and City Clerk may be by printed, lithographed, engraved or otherwise

reproduced by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 2.06. Transfer and Payment of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bonds for cancellation at the Corporate Trustee Office of the Trustee, accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same series and maturity for a like aggregate principal amount. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the City. The Trustee shall require the payment by the Holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The City and the Trustee may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bonds shall be overdue or not, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on, principal of, and redemption premium (if any) on, such Bonds shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bonds to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 2.03.

Section 2.07. Book-Entry Bonds. Notwithstanding any provision of this Trust Agreement to the contrary, the transfer provisions of Section 2.06 hereof do not apply if the ownership of the Bonds is in book-entry form.

(a) Except as provided in subparagraph (d) of this Section 2.07, the registered Holder of all of the Bonds shall be DTC, and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Notwithstanding anything to the contrary contained in this Trust Agreement, payment of interest with respect to any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede

& Co. on the Interest Payment Date for the Bonds at the address indicated on the Record Date or special record date for Cede & Co. in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.09 hereof or as otherwise provided in the Representation Letter.

(b) The Bonds shall be initially executed and delivered in the form of separate single fully registered Bonds in the amount of each separate stated maturity of the Bonds. Upon initial execution and delivery, the ownership of such Bonds shall be registered in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.09 hereof in the name of Cede & Co., as nominee of DTC. The Trustee and the City shall treat DTC (or its nominee) as the sole and exclusive Holder of the Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders under this Trust Agreement, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever, and neither the Trustee nor the City shall be affected by any notice to the contrary. Neither the Trustee nor the City shall have any responsibility or obligation to any person claiming a beneficial ownership interest in the Bonds under or through DTC, or any other person which is not shown on the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.09 hereof as being an Holder, with respect to (i) the accuracy of any records maintained by DTC; (ii) the payment by DTC of any amount of the principal, premium, if any, or interest on the Bonds; (iii) any notice which is permitted or required to be given to Holders under this Trust Agreement or the selection by DTC of any person to receive payment in the event of a partial redemption of the Bonds; or (iv) any consent given or other action taken by DTC as Holder. The Trustee shall pay all principal, premium, if any, and interest on the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions of (d) below, no person other than DTC shall receive an executed Bond representing the right to receive principal, premium, if any and interest pursuant to this Trust Agreement. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the term "Cede & Co." in this Trust Agreement shall refer to such new nominee of DTC.

(c) In order to qualify the Bonds for DTC's book-entry system, the City and the Trustee (if required) will execute, countersign and deliver to DTC the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 2.07 or in any other way impose upon the Trustee or the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Holders, as shown on the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof.

(d) In the event (i) DTC, including any successor as securities depository for the Bonds, determines not to continue to act as securities depository for the Bonds, or (ii) the City determines that the incumbent securities depository shall no longer so act and delivers a written certificate to the Trustee to that effect, then the City will discontinue the book-entry system with the incumbent securities depository for the Bonds. If the City determines to replace the

incumbent securities depository for the Bonds with another qualified securities depository, the City shall prepare or direct the preparation of a new single, separate fully registered Bond for the aggregate outstanding principal amount of Bonds of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the City, the Trustee and the successor securities depository for the Bonds as are not inconsistent with the terms of this Trust Agreement. If the City fails to identify another qualified successor securities depository for the Bonds to replace the incumbent securities depository, then the Bonds shall no longer be restricted to being registered in the Bond registration books required to be kept by the Trustee pursuant to the provisions of Section 2.08 hereof in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Bonds, or its nominee, shall designate. In such event the City shall execute and deliver a sufficient quantity of Bonds as to carry out the transfers and exchanges provided in this Section and Sections 2.06 and 2.10 hereof. All such Bonds shall be in fully registered form in denominations authorized by this Trust Agreement.

(e) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest on such Bond and all notices with respect to such Bonds shall be made and given, respectively, as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to Holders pursuant to this Trust Agreement by the City or the Trustee with respect to any consent or other action to be taken by Holder, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Section 2.08. Exchange of Bonds. Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same series and maturity of other Authorized Denominations. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the City. The Trustee shall require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 2.03.

Section 2.09. Bond Registration Books. The Trustee will keep at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds which shall during normal business hours be open to inspection by the City, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

Section 2.10. Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated the Trustee at the expense of the Holder shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but

only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Holder, shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section and of the expenses which may be incurred by the City and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same series secured by this Trust Agreement. Neither the City nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder; but both the original and replacement Bond shall be treated as one and the same.

Section 2.11. Temporary Bonds. The Bonds issued under this Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the City, in accordance with the terms of the Act. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

Section 2.12. Procedure for the Issuance of Series 2017 Bonds; Application of Bond Proceeds; City Contribution. At any time after the sale of the Series 2017 Bonds in accordance with the Act, the City shall execute the Series 2017 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2017 Bonds shall be authenticated and delivered by the Trustee to the Underwriter of the Series 2017 Bonds upon the Certificate of the City. The proceeds of the purchase of the Series 2017 Bonds and the City Contribution shall be applied to pay Costs of Issuance and the obligation of the City to the System pursuant to the Retirement Law, as set forth in the Certificate of the City.

(a) The Trustee shall deposit \$_____ of proceeds of the Series 2017 Bonds and the City Contribution in the amount of \$_____ in the Refunding Fund. On the Closing Date for such Bonds, the Trustee shall promptly transfer all amounts in the Refunding Fund to the System.

(b) The Trustee shall deposit \$_____ in the Costs of Issuance Fund, which fund the City hereby agrees to maintain with the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the Series 2017 Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six months following the Closing Date for the Series 2017 Bonds or upon the earlier Written Request of the City, any remaining balance in the Costs of Issuance Fund shall be transferred to the Interest Account.

Upon receipt of the purchase price of Additional Bonds, if any, the Trustee shall set aside and deposit the proceeds received from such sale as set forth in the Supplemental Trust Agreement authorizing such Additional Bonds, which proceeds may be deposited in the following respective accounts or funds:

(c) The Trustee shall deposit the amount, if any, set forth in the Supplemental Trust Agreement authorizing such Additional Bonds in the Refunding Fund. On the Closing Date for such Bonds, the Trustee shall promptly transfer all amounts in the Refunding Fund to the System or to refund Bonds, as set forth in the Supplemental Trust Agreement authorizing such Additional Bonds.

(d) The Trustee shall deposit the amount, if any, set forth in the Supplemental Trust Agreement authorizing such Additional Bonds in the Costs of Issuance Fund, which fund the City hereby agrees to maintain with the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the Additional Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six months following the Closing Date for the Additional Bonds or upon the earlier Written Request of the City, any remaining balance in the Costs of Issuance Fund shall be transferred to the Interest Account.

Section 2.13. Validity of Bonds. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

ARTICLE III

ISSUANCE OF ADDITIONAL BONDS

Section 3.01. Conditions for the Issuance of Additional Bonds. The City may at any time issue Additional Bonds on a parity with the Series 2017 Bonds, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The City shall be in compliance with all agreements and covenants contained herein.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Act and shall have been provided for by a Supplemental Trust Agreement which shall specify the following:

(1) The purpose for which such Additional Bonds are to be issued; provided that such Additional Bonds shall be applied solely for (i) the purpose of satisfying any obligation to make payments to the System pursuant to the Retirement Law relating to pension benefits accruing to the System's members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding;

(2) The authorized principal amount and designation of such Additional Bonds;

(3) The date and the maturity dates of and the sinking fund payment dates, if any, for such Additional Bonds;

(4) The interest payment dates for such Additional Bonds;

(5) The denomination or denominations of and method of numbering such Additional Bonds;

(6) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(7) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Interest Account hereinafter referred to; and

(8) Such other provisions (including the requirements of a book- entry Bond registration system, if any) as are necessary or appropriate and not inconsistent herewith.

Section 3.02. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, the City shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be delivered by the Trustee to the purchaser thereof upon the Written Request of the City, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Additional Bonds by the Trustee:

(a) An executed copy of the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds;

(b) A Written Request of the City as to the delivery of such Additional Bonds;

(c) An Opinion of Counsel to the effect that (1) the City has executed and delivered the Supplemental Trust Agreement, and the Supplemental Trust Agreement is valid and binding upon the City and (2) such Additional Bonds are valid and binding obligations of the City;

(d) A Certificate of the City stating that all requirements of Article III have been complied with and containing any other such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such Additional Bonds contained herein;

(e) Such further documents, money or securities as are required by the provisions of the Supplemental Trust Agreement providing for the issuance of such Additional Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Bond Fund; Deposits to Bond Fund.

(a) In order to meet the City's obligations under the Retirement Law, the City shall deposit or cause to be deposited with the Trustee on or before _____ 1 of each Fiscal Year (or such other date as provided in a Supplemental Trust Agreement) the amount which, together with moneys transferred pursuant to Section 4.02(c) hereof, is sufficient to pay the City's debt service obligations on the Bonds payable during such Fiscal Year. In addition, in the event debt service is payable on the Bonds in [July] of any year, the deposit made pursuant to this Section 4.01(a) shall also include an amount equal to debt service on the Bonds payable in July of the next succeeding Fiscal Year.

(b) All amounts payable by the City hereunder shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which fund is hereby created and shall be held in trust by the Trustee.

Section 4.02. Allocation of Moneys in Bond Fund. On or before each Interest Payment Date or date fixed for redemption of Bonds, the Trustee shall transfer from the Bond Fund, in immediately available funds, for deposit into the following respective accounts (each of which is hereby created and which the Trustee shall maintain in trust separate and distinct from the other funds and accounts established hereunder), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of funds sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any account subsequent in priority:

- (a) Interest Account,
- (b) Principal Account, and
- (c) Surplus Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section.

(a) Interest Account. On each Interest Payment Date, the Trustee shall set aside from the Bond Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

No deposit need be made in the Interest Account if the amount contained therein is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(b) Principal Account. On or before each Principal Payment Date, the Trustee shall set aside from the Bond Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such Principal Payment Date into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such Principal Payment Date.

No deposit need be made in the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such Principal Payment Date plus the aggregate amount of all sinking fund payments required to be made on such Principal Payment Date for all Outstanding Term Bonds.

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each series and maturity, designated as the "Sinking Account" (the "Sinking Account"), inserting therein the series and maturity (if more than one such account is established for such series) designation of such Bonds. With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article II; provided that, at any time prior to giving such notice of such redemption, the Trustee may upon the Written Request of the City, apply moneys in such Sinking Account to the purchase for cancellation of Term Bonds of such series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), as may be directed by the City, except that the purchase price (excluding accrued interest) shall not exceed the redemption price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding said mandatory sinking account payment date, the Trustee has purchased Term Bonds of such series and maturity with moneys in such Sinking Account, such Bonds so purchased shall be applied, to the extent of the full principal amount thereof, as applicable, to reduce said mandatory sinking account payment.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, as applicable, as they shall become due and payable, whether at maturity or redemption, except that any money in any sinking fund account

shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

(c) Surplus Account. On the Business Day following the last Interest Payment Date of each Fiscal Year, or on such other date as provided in a Supplemental Trust Agreement, any moneys remaining in the Bond Fund shall be deposited by the Trustee in the Surplus Account. So long as no Event of Default has occurred and is continuing, moneys deposited in the Surplus Account shall be transferred by the Trustee to or upon the order of the City, as specified in a Written Request of the City.

Section 4.03. Deposit and Investments of Money in Accounts and Funds. All money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the City. If no Written Request of the City is received, the Trustee shall invest funds held by it in Permitted Investments described in clause 6 of the definition thereof. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. All interest, profits and other income received from any money so invested shall be deposited in the Bond Fund. The Trustee shall have no liability or responsibility for any loss resulting from any investment made or sold in accordance with the provisions of this Article IV, except for any loss due to the negligence or willful misconduct of the Trustee. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charge therefor. The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City agrees it will not receive such confirmations from the Trustee to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE V

COVENANTS OF THE CITY

Section 5.01. Punctual Payment and Performance. The City will punctually pay the interest on and the principal of and redemption premiums, if any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the City contained herein and in the Bonds.

Section 5.02. Extension of Payment of Bonds. The City shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the City

to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 5.03. Additional Debt. The City expressly reserves the right to enter into one or more other agreements or indentures for any of its purposes, and reserves the right to issue other obligations for such purposes.

Section 5.04. Power to Issue Bonds. The City is duly authorized pursuant to law to issue the Bonds and to enter into this Trust Agreement. The Bonds and the provisions of this Trust Agreement are the legal, valid and binding obligations of the City in accordance with their terms. The Bonds constitute obligations imposed by law.

Section 5.05. Accounting Records and Reports. The City will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of moneys on deposit in the funds and accounts established hereunder.

Section 5.06. Prosecution and Defense of Suits. The City will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent involving the failure of the City to fulfill its obligations hereunder; provided that the Trustee or any affected Holder at its election may appear in and defend any such suit, action or proceeding. The City, to the extent permitted by law, will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the City, and will indemnify and hold harmless the Trustee against any attorney's fees or other expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence, willful misconduct or breach of duty by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

Section 5.07. Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Holder, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Holders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

Section 5.08. Waiver of Laws. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the City to the extent permitted by law.

Section 5.09. Compliance with Continuing Disclosure Certificate. The City has undertaken responsibility for compliance with continuing disclosure requirements with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Trust Agreement, failure of the

City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Holders of at least 25% aggregate principal amount in Outstanding Bonds, and upon receipt of indemnification satisfactory to it, shall) or any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE VI

THE TRUSTEE

Section 6.01. The Trustee. The Bank of New York Trust Company, N.A., shall serve as the Trustee for the Bonds for the purpose of receiving all money which the City is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment at the Corporate Trust Office of the Trustee with the rights and obligations provided herein. The City agrees that it will at all times maintain a Trustee having a corporate trust office in Los Angeles or San Francisco, California.

The City may at any time, unless there exists any event of default as defined in Section 8.01, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least one fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the City and by mailing to the Holders notice of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the City and shall destroy such Bonds and a certificate of destruction shall be delivered to the City. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing of all events of default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any event of default (that has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 6.02. Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the City, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or breach of duty.

The Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and such Holder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in Aggregate Principal Amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Holders pursuant to the provisions of this Trust Agreement unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Holders for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, shall not be answerable for the negligence or misconduct or any such attorney-in-fact, agent or receiver appointed by it in accordance with the standards specified above. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

Whether or not therein expressly so provided, every provision of this Trust Agreement, or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the City), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the City, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall have no responsibility, opinion, or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee hereunder and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor hereunder, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 6.03. Compensation and Indemnification of Trustee. The City covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the City will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct, including the negligence or willful misconduct of any of its officers, directors, agents or employees. The City, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense incurred without negligence, willful misconduct or bad faith on the part of the Trustee, (i) arising out of or in connection with the acceptance or administration of the trusts created hereby or the exercise or performance of any of its powers or duties hereunder, and (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Bonds, including costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the City under this Section shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

ARTICLE VII

AMENDMENT OF THE TRUST AGREEMENT

Section 7.01. Amendment of the Trust Agreement. The Trust Agreement and the rights and obligations of the City and of the Holders may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Holders of a majority in Aggregate Principal Amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02, are filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, or extend the time of payment on any Bond without the express written consent of the Holder of such Bond, or (2) reduce the percentage of Bonds required for the written consent to any such amendment.

The Trust Agreement and the rights and obligations of the City and of the Holders may also be amended at any time by a Supplemental Trust Agreement which shall become binding

upon adoption without the consent of any Holders, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel, for any purpose that will not materially adversely affect the interests of the Holders, including (without limitation) for any one or more of the following purposes --

(a) to add to the agreements and covenants required herein to be performed by the City other agreements and covenants thereafter to be performed by the City, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved herein to or conferred herein on the City;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein and in any Supplemental Trust Agreement or in regard to questions arising hereunder which the City may deem desirable or necessary and not inconsistent herewith;

(c) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in Article III (which shall be deemed not to adversely affect Holders);

(d) to modify, amend or add to the provisions herein or in any Supplemental Trust Agreement to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statutes hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by such statute or similar statute; or

(e) to modify, amend or supplement this Trust Agreement and any Supplemental Trust Agreement in any manner that does not materially adversely affect the interest of Holders of Bonds.

The Trustee shall not be required to enter into or consent to any supplemental trust agreement which, in the sole judgment of the Trustee, may adversely affect the rights, obligations, powers, privileges, indemnities and immunities provided the Trustee herein.

Section 7.02. Disqualified Bonds. Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds may bear a notation by endorsement in form approved by the City as to such action, and in that case upon demand of the Holder of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Holder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Holder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

Section 7.04. Amendment by Mutual Consent. The provisions of this article shall not prevent any Holder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 7.05. Attorney's Opinion Regarding Supplemental Agreements. The Trustee may obtain an opinion of counsel that any amendments or supplements to the Trust Agreement complies with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

Section 8.01. Events of Default. If one or more of the following events (herein called "events of default") shall happen, that is to say:

(a) if default shall be made by the City in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the City in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the City in the performance of any of the agreements or covenants required herein to be performed by the City, and such default shall have continued for a period of sixty (60) days after the City shall have been given notice in writing of such default by the Trustee or the Holders of not less than twenty-five (25%) in Aggregate Principal Amount of the Bonds at the time Outstanding, specifying such default and requiring the same to be remedied, provided, however, if the default stated in the notice can be corrected, but not within the applicable period, the Trustee and such Holders shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property;

then and in each and every such case during the continuance of such event of default the Trustee may, and upon the written request of the Holders of not less than fifty one percent (51%) in aggregate principal amount of the Bonds then Outstanding shall, by notice in writing to the City, declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable,

anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Holders of any such event of default which is continuing.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the City shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration, with interest at the rate borne by such Bonds on such overdue interest, principal, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of interest on and principal of the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Holders of not less than fifty one percent (51%) in aggregate principal amount of Bonds then Outstanding, by written notice to the City and to the Trustee, may on behalf of the Holders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All moneys in the accounts and funds provided in Sections 2.12 and 4.01 hereof, and in such accounts and funds provided in each Supplemental Trust Agreement authorizing Additional Bonds, upon the date of the declaration of acceleration by the Trustee as provided in Section 8.01 and all amounts in the funds and accounts thereafter received by the City hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this article and incurred in and about the performance of its powers and duties under this Trust Agreement, including reasonable compensation to their accountants and counsel, and to the payment of the costs and expenses of the Holders in providing for the declaration of such event of default, including reasonable compensation to its accountants and counsel; and

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with (to the extent permitted by law) interest on the overdue interest and principal at the rate borne by such Bonds, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and (to the extent permitted by law) interest on overdue interest, and principal without preference or priority among such interest, principal and interest on overdue interest, and principal ratably to the aggregate of such interest, principal, and interest on overdue interest and principal.

Section 8.03. Institution of Legal Proceedings by Trustee. If one or more of the events of default shall happen and be continuing, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) in Aggregate Principal Amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Holders of Bonds under this Trust Agreement by a

suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

Section 8.04. Non-Waiver. Nothing in this article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Holders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein, or shall affect or impair the right of such Holders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Holder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Holder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Holders by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Holders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the City, the Trustee and any Holder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.05. Actions by Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Holder shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Holders, whether or not the Trustee is a Holder, and the Trustee is hereby appointed (and the successive Holders, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Holders for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Holders as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

Section 8.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.07. Limitation on Holders' Right to Sue. No Holder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Holder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 8.01 hereunder; (b) the Holders of at least a majority in Aggregate Principal Amount of all the Bonds

then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Holders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any owner of Bonds of any remedy hereunder; it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of the Outstanding Bonds.

Section 8.08. Absolute Obligation of City. Nothing in this Section or in any other provision of this Trust Agreement or in the Bonds contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of, premium, if any and interest on the Bonds to the respective Holders of the Bonds at their respective due dates as herein provided.

ARTICLE IX

DEFEASANCE

Section 9.01. Discharge of Bonds.

(a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and shall pay or provide for the payment of all fees and expenses of the Trustee, then all agreements, covenants and other obligations of the City to the Holders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the interest on, principal of, and redemption premium (if any) on, such Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.03, (2) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Securities which are not subject to redemption prior to maturity (including any such Defeasance Securities issued or held in book-entry form on the books of the City or the Treasury

of the United States of America), the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Holders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

Section 9.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall not look to the Trustee for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Trustee may, and at the request of the City shall, at the expense of the City, cause to be published once a week for two (2) successive weeks in a Financial Newspaper of general circulation in Los Angeles and in San Francisco, California and in the same or a similar Financial Newspaper of general circulation in New York, New York a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than thirty (30) days after the date of the first publication of each such notice, the balance of such money then unclaimed will be returned to the City.

ARTICLE X

MISCELLANEOUS

Section 10.01. Benefits of the Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Trustee and the Holders any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Holders.

Section 10.02. Successor Is Deemed Included in All References to Predecessor. Whenever herein either the City or any member, officer or employee thereof or the Trustee is named or referred to, such reference shall be deemed to include the successor or assigns thereof, and all agreements and covenants required hereby to be performed by or on behalf of the City or the Trustee, or any member, officer or employee thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.03. Execution of Documents by Holders. Any declaration, request or other instrument which is permitted or required herein to be executed by Holders may be in one or more instruments of similar tenor and may be executed by Holders in person or by their attorneys appointed in writing. The fact and date of the execution by any Holder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond with respect to anything done or suffered to be done by the Trustee or the City in good faith and in accordance therewith.

Section 10.04. Waiver of Personal Liability. No member, officer or employee of the City or the City shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

Section 10.05. Acquisition of Bonds by City. All Bonds acquired by the City, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 10.06. Destruction of Cancelled Bonds. Whenever provision is made for the return to the City of any Bonds which have been cancelled pursuant to the provisions hereof, the Trustee shall destroy such Bonds and furnish to the City a certificate of such destruction.

Section 10.07. Content of Certificates. Every Certificate of the City with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with

respect to which is in the possession of the City, upon a representation by an officer or officers of the City unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 10.08. Publication for Successive Weeks. Any publication required to be made hereunder for successive weeks in a Financial Newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same Financial Newspaper for any subsequent publication, but may be made on different Business Days or in different Financial Newspapers, as the case may be.

Section 10.09. Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Holders. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

Section 10.10. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City:

Attention: Ruby D. Walla
Finance Director
City of Brawley
400 Main Street
Brawley, CA 92227

If to the Trustee:

Attention: Corporate Trust Department
The Bank of New York Trust Company, N.A.
400 South Hope Street, Suite 400
Los Angeles, CA 90071

Section 10.11. Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.12. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Holders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The City and the Trustee hereby declare that they would have executed and delivered the Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.13. Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 10.14. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 10.15. CUSIP Numbers. Neither the Trustee nor the City shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Holders and that neither City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 10.16.

IN WITNESS WHEREOF, the CITY OF BRAWLEY has caused this Trust Agreement to be signed in its name by the Authorized Representative and THE BANK OF NEW YORK TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by the officer thereunder duly authorized, all as of the day and year first above written.

CITY OF BRAWLEY

By: _____
City Manager

THE BANK OF NEW YORK TRUST, N.A.,
as Trustee

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND
CITY OF BRAWLEY
TAXABLE PENSION OBLIGATION BONDS
SERIES 2016

No. R- _____

§

THE OBLIGATIONS OF THE CITY OF BRAWLEY HEREUNDER, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE OBLIGATIONS OF THE CITY OF BRAWLEY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTER CLAIM. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY OF BRAWLEY FOR WHICH THE CITY OF BRAWLEY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY OF BRAWLEY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY OF BRAWLEY TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY OF BRAWLEY, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Interest Rate	Maturity Date	Original <u>Issue Date</u>	<u>CUSIP</u>
------------------	------------------	-------------------------------	--------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

The CITY OF BRAWLEY, duly organized and validly existing under and pursuant to the Constitution and laws of the State of California (the "City"), for value received hereby, promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an Interest Payment Date or following the close of business on the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") to such Interest Payment Date, in which event it shall bear interest from such Interest

Payment Date, or unless this Bond is authenticated prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from the original issue date specified

above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on March 1, 2016, and semiannually thereafter on each ___1 and _____1 (each an "Interest Payment Date"). Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed on the Interest Payment Date by first-class mail to the registered owner hereof; provided that upon the written request of a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee (as hereinafter defined) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America at the Corporate Trust Office The Bank of New York Trust Company, N.A., National Association, as Trustee.

This Bond is one of a duly authorized issue of bonds of the City designated as its "Taxable Pension Obligation Bonds, Series 2017" (the "Bonds") in aggregate principal amount of _____ million _____ (\$_____), all of like tenor and date (except for variations relating to numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a trust agreement, dated as of _____1, 2017 (the "Trust Agreement"), between the City and The Bank of New York Trust Company, N.A., as trustee (the "Trustee") (copies of which are on file at the Corporate Trust Office of the Trustee).

Under the Trust Agreement, Additional Bonds and other obligations may be issued on a parity with the Bonds, but subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. The Bonds and any bonds or other obligations issued on a parity with the Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"). Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption on the dates, at the redemption prices and pursuant to the terms set forth in the Trust Agreement. Notice of redemption of any Bonds or any portions thereof shall be given as set forth in the Trust Agreement. Failure by the Trustee to give notice pursuant to the Trust Agreement to any one or more of the Information Services, or the insufficiency of any such notice or the failure of any registered owner to receive any redemption notice mailed to such registered owner or any immaterial defect in the notice so mailed shall not affect the sufficiency of the proceedings for the redemption of any Bonds.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly

authorized attorney upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount of authorized denominations will be issued to the transferee in exchange therefor. The City and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Brawley has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the City Manager and to be countersigned by the facsimile signature of the City Clerk of the City of Brawley, and has caused this Bond to be dated as of the original issue date specified above.

CITY OF BRAWLEY

By _____
City Manager

Countersigned

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____, 2017.

THE BANK OF NEW YORK TRUST
COMPANY, N.A., as Trustee

By _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: February 21, 2017
City Manager: 

PREPARED BY: Ruby D. Walla, Finance Director

PRESENTED BY: Ruby D. Walla, Finance Director

SUBJECT: FY 2015/2016 Audited Financial Statements

CITY MANAGER RECOMMENDATION: Review and accept the audited financial statements for the City of Brawley for the Fiscal Year ended June 30, 2016.

DISCUSSION: The City of Brawley has completed its various audits for the Fiscal Year ended June 30, 2016. The audits were conducted by the Certified Public Accounting Firm of Christy White Associates. The audit reports prepared consisted of the Annual Report, Single Audit Report, and Transportation Development Act Report. The City was audited on its governmental activities, business type activities, each major fund and the aggregate fund information for the City of Brawley. Audits were conducted 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 auditors' responsibility is to express an opinion on the presentation of the City of Brawley's financial statements. The opinion provided was unmodified, the highest opinion that auditors can give on the financial statements.

"In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2016"

The City's financials reflect no audit findings for the June 30, 2016 audit period.

At the close of Fiscal Year 2016, the General Fund reports to have used \$1,248,741 of its reserve fund balance, decreasing the General Fund Balance to \$3,667,614 (as stated on page 22 of the Annual Financial Report). This amount encompasses \$305,922 in capital project expenditures and the remaining amount of \$942,819 as the shortfall of revenue received for the Fiscal Year. It was identified that revenue projection for Sales & Use Tax had been overstated and did not take into consideration the wind-down of the Triple-Flip expiration.

Throughout the Fiscal Year 2016, City staff continued to work within approved budgets, processing budget adjustments when necessary to keep expenditure line items balanced. The General Fund Reserve percentage is 24% of operational expenditures in the current Fiscal Year, adequate when compared to similar governmental units. It is noted that the General Fund Reserve decreased 25% compared to the prior fiscal year, due to decreased General Fund revenues such as Sales and Use Taxes.

The City is projected to use reserves of \$213,940 for operational expenditures in the current Fiscal Year (FY 2017) according to the adopted budget. The sum of \$975,833 from the General Fund Reserve has been allocated for the penalty payment and approved capital projects. Expenditures outside of the approved budget have come before the City Council for approval which may cause the use of General Fund Reserve. In considering the current General Fund Preservation Policy in place of 15% of expenditures, the City will maintain the 15% reserve balance of \$2,303,355 (based off current year projected expenditures of \$15,355,703).

FISCAL IMPACT: N/A

ATTACHMENTS: Annual Financial Report, Single Audit Report, Transportation Development Act Report

CITY OF BRAWLEY
Brawley, California

Annual Financial Report
For the Fiscal Year Ended June 30, 2016

CITY OF BRAWLEY
Brawley, California

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CITY OF BRAWLEY
Brawley, California

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
City of Brawley
Brawley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, as of and for the year end June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Brawley'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 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Christy White, CPA

Michael Ash, CPA

Heather Rubio

SAN DIEGO
LOS ANGELES
SAN FRANCISCO/BAY AREA

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San Diego, CA 92103

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fax: 619.260.9085
www.christywhite.com

Licensed by the California
State Board of Accountancy

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brawley's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City of Brawley's financial statements for the year ended June 30, 2016, from which such partial information was derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2017 on our consideration of the City of Brawley'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 of Brawley's internal control over financial reporting and compliance.

Christy White Associates

San Diego, California
January 27, 2017

**CITY OF BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The City of Brawley, California (the City) is located in the County of Imperial in the southeastern part of the State of California. The City is situated approximately 210 miles southeast of Los Angeles and 30 miles north of the international border with Mexico. Brawley is a general law city incorporated in 1908 as a Council/Manager form of government with a population of approximately 28,000 residents.

Overall, the City weathered notable challenges in Fiscal Year 2016 with regard to the City of Brawley's revenue horizon. General Fund revenues underperformed to projections by \$887,002 for several reasons. Actual Sales Tax revenues were \$736,815 less than estimated. When accounting for the "Triple Flip" wind-down, wind-down projections were duplicated and, therefore, overstated. With fuel as the driving component of Sales Tax generation, price fluctuations negatively affected the City's actual General Fund revenue performance against revenue projections. Utility User Tax revenues underperformed by 10% as a result of water conservation measures and other factors.

FINANCIAL HIGHLIGHTS

Financial highlights of fiscal year ended June 30, 2016 include the following:

Government-wide:

- The City's total net position was \$98,366,594 as of June 30, 2016. Of this total, \$37,996,407 was governmental net position and \$60,370,187 was business-type net position.
- Government-wide revenues include program revenues of \$13,468,763 and general revenues and transfers of \$10,071,440, for a total of \$23,540,203.
- Government-wide expenses were \$22,103,575.
- Business-type program revenues, interest and transfers were \$13,625,206 while business-type expenses were \$12,149,885.

Fund Level:

- Governmental fund balances *decreased* \$774,478 in fiscal year 2016.
- Governmental fund revenues *increased* \$1,308,958 in fiscal year 2016 due to increased intergovernmental revenue.
- Governmental fund expenditures *increased* \$2,520,986 in fiscal year 2016 mainly due to a large increase in public safety costs in addition to spending on capital project funded by intergovernmental revenue.

General Fund:

- General Fund revenues *decreased* \$224,829 in fiscal year 2016 due to small decreases in franchise tax and transient occupancy tax along with interest.
- General Fund expenditures *increased* \$1,197,867 in fiscal year 2016 mainly due to a large increase in public safety costs.
- General Fund fund balance *decreased* \$1,248,741 in fiscal year 2016.

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 BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 wastewater 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.

In the City's case, there are two major governmental funds in addition to the General Fund: Economics and Community Development Special Revenue Fund, and SB 325 Special Revenue Fund.

The City reports 3 major enterprise funds

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 BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2016	Governmental Activities 2015
<u>Assets</u>		
Cash and investments	\$ 23,200,605	\$ 25,151,066
Other assets	12,388,228	11,203,000
Capital assets, net	31,888,223	30,780,503
Total Assets	67,477,056	67,134,569
<u>Deferred Outflows of Resources</u>		
Adjustments		66,930
Contributions	1,975,235	1,695,602
Total Def. Outflows	1,975,235	1,752,532
<u>Liabilities</u>		
Long term liabilities	16,944,350	16,122,140
Other liabilities	3,504,161	3,400,941
Total Liabilities	20,448,511	19,523,081
<u>Deferred Inflows of Resources</u>		
Unearned revenue	9,314,806	9,272,727
Pension earnings	1,692,567	3,531,514
Total Def. Inflows	11,007,373	12,804,241
<u>Net Position</u>		
Net investment in capital assets	31,868,697	30,742,723
Restricted	16,993,663	16,585,831
Unrestricted	(10,865,953)	(10,768,775)
Total Net Position	\$ 37,996,407	\$ 36,559,779

The City's governmental net position amounted to \$37,996,407 as of June 30, 2016, an increase of \$1,436,628 from 2015. This decrease 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, 2016 comprised the following:

Cash and investments comprised \$23,200,605. 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 \$2,625,856 of current receivables and loans receivable of \$7,730,483 that is due over longer periods of time as explained the Notes.

Capital assets of \$31,888,223 net of depreciation charges, which included all the City's capital assets used in governmental activities.

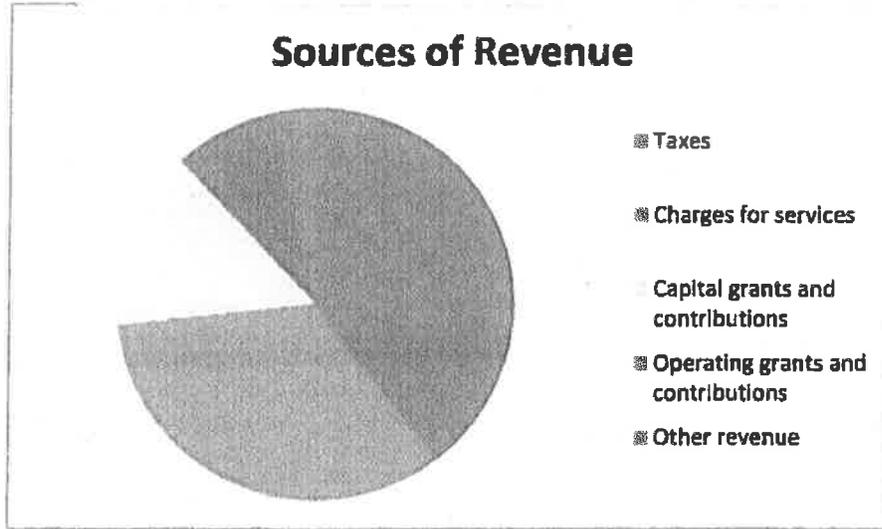
Current liabilities, including accounts payable, claims and other amounts due currently, totaled \$3,504,161.

Long-term liabilities of \$16,944,350 includes the net pension liability but not the current portion of long term debt.

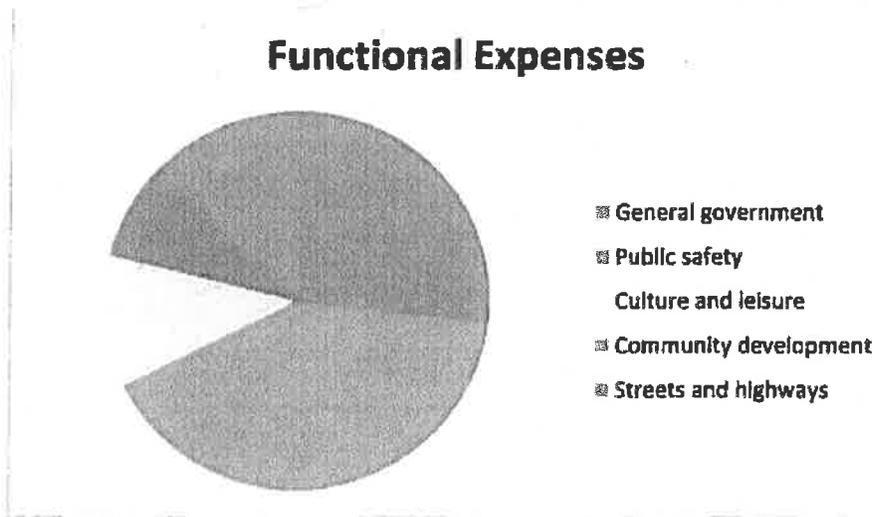
**CITY OF BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net investment in capital assets of \$31,868,697, 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 positions that can be used to finance day to day operations without constraints established by debt covenants or other legal requirements or restrictions, was \$ (10,865,953) as of June 30, 2016 due to the introduction of the net pension liability.



As the Sources of Revenue chart above shows, \$9,367,091, or 39% of the City's fiscal year 2016 governmental activities revenue came from taxes, while \$8,027,492, or 34% came from charges for services, \$3,508,496 or 15%, came from capital grants and contributions, \$1,832,775 or 8% came from operating grants and contributions, and the remainder came from a variety of sources including interest revenue.



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 \$5,873,993, or 27%, of total governmental expenses, public safety was \$8,976,880, or 41%, culture and leisure was \$2,488,816, or 11%, community development was \$1,954,299, or 8%, and streets and highways was \$2,609,987 or 13%.

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 BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Table 2
CHANGE IN GOVERNMENTAL NET POSITION**

	Governmental Activities 2016	Governmental Activities 2015
<u>Expenses</u>		
General government	\$ 5,873,993	\$ 6,457,778
Public safety	8,976,680	8,862,015
Culture and leisure	2,488,616	2,543,112
Community development	1,954,299	2,171,056
Streets and highways	2,809,987	3,221,537
Total Expenses	22,103,575	23,255,498
<u>Revenues</u>		
<u>Program revenues</u>		
Charges for services	8,027,492	7,379,567
Operating grants and contributions	1,932,775	2,400,372
Capital grants and contributions	3,508,496	2,575,502
Total program revenues	13,468,763	12,355,441
<u>General revenues and transfers</u>		
Taxes	9,367,091	9,384,589
Use of money and property	571,798	851,955
Other revenue	552,376	584,597
Transfers	(419,826)	
Total general revenues and transfers	10,071,440	10,801,141
Total Revenues and Transfers	23,540,203	23,156,582
Change in Net Position	\$ 1,436,628	\$ (98,916)

As Table 2 above shows, \$13,468,763 or 57%, of the City's fiscal year 2016 governmental revenue, came from program revenues and \$10,071,440, or 43%, came from general revenues such as taxes and interest and transfers. Program revenues were composed of charges for services of \$8,027,492, which included permit revenues, fees and charges used to fund expenses incurred in providing services; \$1,932,775 of operating grants and contributions, which included gas tax revenues and housing and police grants; and capital grants and contributions of \$3,508,496, that consisted mainly of street project grants and developer 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 BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Table 3
GOVERNMENTAL ACTIVITIES**

	<u>Net Revenue (Expense) from Services 2016</u>	<u>Net Revenue (Expense) from Services 2015</u>
General government	\$ (1,077,762)	\$ (3,861,146)
Public safety	(7,330,216)	(6,887,483)
Community development	(1,256,814)	(1,635,228)
Public works	918,783	1,122,443
Parks and recreation	111,197	361,337
Total	\$ (8,634,812)	\$ (10,900,057)

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, 2016**

	<u>Business-type Activities 2016</u>	<u>Business-type Activities 2015</u>
<u>Assets</u>		
Cash and investments	\$ 15,104,161	\$ 16,480,196
Other assets	1,592,810	764,384
Capital assets, net	67,737,332	68,080,661
Total Assets	84,434,303	85,325,241
<u>Deferred Outflows of Resources</u>		
Adjustments		7,997
Contributions	243,859	201,388
Total Def. Outflows	243,859	209,385
<u>Liabilities</u>		
Long term liabilities	20,747,364	22,587,760
Other liabilities	3,351,650	3,462,651
Total Liabilities	24,099,014	26,050,411
<u>Deferred Inflows of Resources</u>		
Pension earnings	208,961	421,929
Total Def. Inflows	208,961	421,929
<u>Net Position</u>		
Net investment in capital assets	45,653,661	44,147,547
Restricted	458,566	618,780
Unrestricted	14,257,980	14,295,958
Total Net Position	\$ 60,370,187	\$ 59,062,286

The net position of business-type activities increased by \$1,307,901 in fiscal year 2016.

**CITY OF BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

BUSINESS-TYPE ACTIVITIES (continued)

**Table 5
CHANGE IN BUSINESS-TYPE NET POSITION**

	<u>Net Revenue (Expense) from Services 2016</u>	<u>Net Revenue (Expense) from Services 2015</u>
Water	\$ (298,143)	\$ (662,045)
Wastewater	810,878	355,536
Solid Waste	(3,282)	8,587
Airport	<u>131,634</u>	<u>238,156</u>
Total	<u>\$ 642,887</u>	<u>\$ (59,766)</u>

ANALYSIS OF MAJOR FUNDS

Governmental Funds

General Fund

General Fund revenues increased slightly during the current fiscal and while expenditures increased in relation to the previous fiscal year. Total revenues were lower than budgeted by \$105,742 due large part to utility user taxes not being as high as budgeted. Other tax revenues were similar to the prior fiscal year. Charges for services, licenses and permits were also similar to the operating results of the prior fiscal year.

General Fund expenditures were \$15,400,015, an increase of \$1,197,867 from the prior year. Expenditures increased mainly due to rising public safety contract costs that were much higher than even budgeted.

As of June 30, 2016 the General Fund's fund balance totaled \$3,667,614. The unassigned portion of \$3,609,872 of the fund balances represents available liquid resources.

Economics and Community Development Special Revenue Fund

This fund is utilized to track deferred loans receivable. Funds were utilized during this fiscal year from this fund for a fire engine.

SB 325 Special Revenue Fund

This fund accounts for the revenue received by the City under SB 325 for public transportation. Funds are still being held for future projects and there were no significant activities during the fiscal year.

**CITY OF BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ANALYSIS OF MAJOR FUNDS (continued)

Proprietary Funds

Water Fund

Operating revenues remained largely unchanged (\$79,182 increase) in fiscal year 2016 and expenses decreased by \$725,047 resulting in a net operating gain of \$32,929. This change was largely due to decrease of supplies and material costs.

The fund's net position decreased by \$88,705 to a new total of \$20,459,604. Of this amount, \$16,136,753 was net investment in capital assets.

Wastewater Fund

Operating revenues increased \$138,946 in the fiscal year 2016. Operating expenses decreased by \$81,033. The fund's net position increased by \$1,309,846 in fiscal year 2016. There weren't any significant changes in operations during the current fiscal year.

As of June 30, 2016, the fund's net position was \$32,881,250, of which \$22,718,246 was net investment in capital assets, \$458,566 was restricted for debt service and \$9,704,438 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.

The City performs a thorough review and inventory of its capital assets at the end of every fiscal year and records all additions and retirements of capital assets at that time. In addition, all assets are appropriately depreciated at that time.

In fiscal year 2016, 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 2016, the cost of infrastructure and other capital assets recorded on the City's financial statements is as shown in Table 6 on the following page.

**CITY OF BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Table 6

	Balance as of July 1, 2015	Additions	Deletions	Transfers	Balance as of June 30, 2016
Governmental Activities					
Nondepreciable capital assets					
Land	\$ 966,706	\$ -	\$ -	\$ -	\$ 966,706
Construction in progress	2,289,904	612,232			2,902,136
Total nondepreciable capital assets	3,256,610	612,232			3,868,842
Depreciable capital assets					
Equipment	9,145,598	657,615			9,803,213
Buildings	12,036,575				12,036,575
Improvements other than buildings	12,525,978	2,651,642			15,177,620
Infrastructure	20,314,587				20,314,587
Total depreciable capital assets	54,022,738	3,309,257			57,331,995
Less accumulated depreciation					
Equipment	(6,455,515)	(495,250)			(6,950,765)
Buildings	(3,470,356)	(390,031)			(3,860,387)
Improvements other than buildings	(4,960,633)	(698,318)			(5,658,951)
Infrastructure	(11,612,340)	(1,230,171)			(12,842,511)
Total accumulated depreciation	(26,498,844)	(2,813,770)			(29,312,614)
Net depreciable capital assets	27,523,894	495,487			28,019,381
Net capital assets	\$ 30,780,504	\$ 1,107,719	\$ -	\$ -	\$ 31,888,223

Table 7

	Balance as of July 1, 2015	Additions	Deletions	Transfers	Balance as of June 30, 2016
Business-type Activities					
Nondepreciable capital assets					
Land	\$ 37,076	\$ -	\$ -	\$ -	\$ 37,076
Construction in progress	106,544	1,226,921			1,333,465
Total nondepreciable capital assets	143,620	1,226,921			1,370,541
Depreciable capital assets					
Equipment	3,003,661	232,466			3,236,127
Buildings	56,462,194				56,462,194
Improvements other than buildings	10,728,091	967,524			11,695,615
Conveyance systems	34,823,573				34,823,573
Total depreciable capital assets	105,017,519	1,199,990			106,217,509
Less accumulated depreciation					
Equipment	(2,007,397)	(141,578)			(2,148,975)
Buildings	(16,360,850)	(1,421,164)			(17,782,014)
Improvements other than buildings	(3,333,109)	(482,428)			(3,815,537)
Conveyance systems	(15,379,122)	(725,070)			(16,104,192)
Total accumulated depreciation	(37,080,478)	(2,770,240)			(39,850,718)
Net depreciable capital assets	67,937,041	(1,570,250)			66,366,791
Net capital assets	\$ 68,080,661	\$ (343,329)	\$ -	\$ -	\$ 67,737,332

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 BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DEBT ADMINISTRATION

The City issued no new bonded debt in fiscal year 2016. The City made all scheduled repayments of existing debt. The City's debt issues are discussed in detail in Notes of the financial statements. The City's debt balances as of June 30 were as follows:

**Table B
LONG-TERM LIABILITIES**

	Balance as of July 1, 2015	Additions	Reductions	Balance as of June 30, 2016	Due Within One Year
Governmental Activities:					
Capital lease	37,870		(18,344)	19,526	19,526
Net pension liability	14,824,206	840,578		15,664,784	
Compensated absences	1,278,498	193,610	(193,610)	1,278,498	
Total long-term liabilities	\$ 16,140,574	\$ 1,034,188	\$ (211,954)	\$ 16,962,808	\$ 19,526

	Balance as of July 1, 2015	Additions	Reductions	Balance as of June 30, 2016	Due Within One Year
Business-type Activities:					
Contracts payable	\$ 7,816,016	\$ -	\$ (1,159,765)	\$ 6,656,251	\$ 1,164,014
Deferred gain	524,440		(148,228)	376,212	124,806
Unamortized discount	(795,917)		223,975	(571,942)	(189,520)
Certificates of participation	220,000		(220,000)		
Unamortized discount	(1,108)		1,108		
MFC Note payable	2,350,000		(170,000)	2,180,000	230,991
Unamortized premium	11,584		(2,166)	9,418	2,020
Bonds payable	39,300		(19,100)	20,200	20,200
CSWRCB Loan	12,635,167		(685,500)	11,949,667	692,355
Net pension liability	1,771,129	162,812		1,933,941	
Compensated absences	221,820	40,544	(40,544)	221,820	
Total long-term liabilities	\$ 24,792,431	\$ 203,356	\$ (2,220,220)	\$ 22,775,567	\$ 2,044,866

**CITY OF BRAWLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ECONOMIC CONDITION, OUTLOOK AND ACTIVITY

The City of Brawley confronted challenges in the 2016 Fiscal Year. During the 2016 Fiscal Year, the City of Brawley implemented a Proposition 218 process and approved rate increases for both water and wastewater services. The adopted rate structure identifies accounts by meter size rather than the number of units, distinguishing customers on the basis of capacity for service. New rates became effective on March 1, 2016. A universal consumption rate was established for all customer types. Rate changes influence future revenue projections for Water and Sewer Enterprise Funds, in addition to revenue projections associated with the Utility User Tax and the General Fund.

The City continues to advance economic development and quality of life initiatives within its jurisdictional boundaries by delivering highly responsive public services, offering available water and wastewater capacity and providing consistent and reliable public services. Although financially constrained, the City diligently undertakes the annual budget process to maximize utilization of available resources, pursue strategic directives, and deliver the highest levels of services possible for the community. The City continues to focus on sustaining and improving service levels, optimizing the performance of investments, pursuing cost saving measures and efficiency initiatives. Fiscal Year 2017 is anticipated to yield modest but steady building permit activity in the residential and commercial real estate areas. As construction activity continues and assessed valuations increase, the City looks forward to future economic growth. Results of an efficiency study to be undertaken in Fiscal Year 2017 have the potential to improve Enterprise, Utility User Tax and General Fund revenue streams in the future.

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 Brawley, 383 W. Main Street, Brawley, CA.

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CITY OF BRAWLEY
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 23,129,441	\$ 14,634,080	\$ 37,763,521
Restricted cash and investments with fiscal agents	71,164	470,081	541,245
Accounts receivable	590,373	751,347	1,341,720
Interest receivable	547,669	30,658	578,327
Notes receivable	7,730,483		7,730,483
Internal balances	590,438	(590,438)	
Due from other governments	1,487,814	1,401,243	2,889,057
Prepaid expenses	1,441,451		1,441,451
Capital assets not being depreciated	3,868,843	1,070,200	4,939,043
Capital assets, net of accumulated depreciation	28,019,380	66,667,132	94,686,512
Total assets	67,477,056	84,434,303	151,911,359
DEFERRED OUTFLOWS OF RESOURCES			
Differences due to changes in proportionate share of NPL City's pension contributions subsequent to the measurement date	1,975,235	243,859	2,219,094
Total deferred outflows of resources	1,975,235	243,859	2,219,094
LIABILITIES			
Accounts payable	836,738	606,337	1,443,075
Accrued interest payable	626	36,696	37,322
Deposits payable	2,648,453	663,751	3,312,204
Unearned revenue			
Noncurrent liabilities:			
Due within one year	18,344	2,044,866	2,063,210
Due in more than one year	16,944,350	20,747,364	37,691,714
Total liabilities	20,448,511	24,099,014	44,547,525
DEFERRED INFLOWS OF RESOURCES			
Actuarially determined differences related to pension	1,692,567	208,961	1,901,528
Unearned revenue	9,314,806		9,314,806
Total deferred inflows of resources	11,007,373	208,961	11,216,334
NET POSITION			
Net investment in capital assets	31,868,697	45,653,661	77,522,358
Restricted for:			
Public safety	495,458		495,458
Community development	11,029,532		11,029,532
Culture and leisure	57,742		57,742
Debt service		458,566	458,566
Streets and roads	5,410,931		5,410,931
Unrestricted	(10,865,953)	14,257,960	3,392,007
Total net position	\$ 37,996,407	\$ 60,370,187	\$ 98,366,594

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental Activities:				
General government	\$ 5,873,993	\$ 4,171,118	\$ 99,658	\$ 525,455
Public safety	8,976,680	725,123	452,055	469,286
Culture and leisure	2,488,616	410,522	125,455	695,825
Community development	1,954,299	1,522,185	498,752	852,145
Streets and highways	2,809,987	1,198,544	756,855	965,785
Total governmental activities	22,103,575	8,027,492	1,932,775	3,508,496
Business-type Activities:				
Water	5,630,763	5,334,620		
Wastewater	4,512,625	4,730,972		592,331
Solid Waste	1,342,032	1,338,750		
Airport	664,465			796,099
Total business-type activities	12,149,885	11,404,342		1,388,430
Total primary government	\$ 34,253,460	\$ 19,431,834	\$ 1,932,775	\$ 4,896,926

General Revenues:

Taxes:

Utility users taxes

Transient lodging taxes

Franchise taxes

Business license taxes

Intergovernmental (unrestricted):

Shared property taxes

Shared sales and use taxes

Motor vehicle license fees

Other

Use of money and property

Transfers

Total general revenues

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

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,077,762)	\$ -	\$ (1,077,762)
(7,330,216)		(7,330,216)
(1,256,814)		(1,256,814)
918,783		918,783
111,197		111,197
<u>(8,634,812)</u>		<u>(8,634,812)</u>
	(296,143)	(296,143)
	810,678	810,678
	(3,282)	(3,282)
	<u>131,634</u>	<u>131,634</u>
	<u>642,887</u>	<u>642,887</u>
<u>(8,634,812)</u>	<u>642,887</u>	<u>(7,991,925)</u>
1,695,929		1,695,929
340,506		340,506
599,042		599,042
49,901		49,901
3,690,635		3,690,635
2,980,477		2,980,477
10,601		10,601
552,376		552,376
571,799	412,608	984,407
<u>(419,826)</u>	<u>419,826</u>	
<u>10,071,440</u>	<u>832,434</u>	<u>10,903,874</u>
1,436,628	1,475,321	2,911,949
<u>36,559,779</u>	<u>59,062,286</u>	<u>95,622,065</u>
	(167,420)	(167,420)
<u>36,559,779</u>	<u>58,894,866</u>	<u>95,454,645</u>
<u>\$ 37,996,407</u>	<u>\$ 60,370,187</u>	<u>\$ 98,366,594</u>

CITY OF BRAWLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	Economic & Community Development	SB 325
ASSETS			
Cash and investments	\$ 3,271,740	\$ -	\$ 9,515,341
Restricted cash and investments with fiscal agents		9,606	
Interest receivable	2,322	1,367	18,011
Accounts receivable	51,252		
Due from other governments	1,075,156	17,436	
Due from other funds	2,019,148		
Notes receivable		7,730,483	
Total assets	\$ 6,419,618	\$ 7,758,892	\$ 9,533,352
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 396,177	\$ -	\$ 4,426
Deposits payable	2,322,111		326,342
Due to other funds		89,095	
Total liabilities	2,718,288	89,095	330,768
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	33,716		9,000,000
Total deferred inflows of resources	33,716		9,000,000
Total liabilities and deferred inflows of resources	2,752,004	89,095	9,330,768
Fund balances:			
Restricted for:			
Streets and roads			202,584
Public safety			
Community development		7,669,797	
Assessment districts			
Parks and recreation			
Library	57,742		
Unassigned	3,609,872		
Total fund balances	3,667,614	7,669,797	202,584
Total liabilities, deferred inflows of resources and fund balances	\$ 6,419,618	\$ 7,758,892	\$ 9,533,352

See Notes to Basic Financial Statements

Other Governmental Funds	Total Governmental Funds
\$ 9,462,864	\$ 22,249,945
61,558	71,164
11,477	33,177
2,822	54,074
228,413	1,321,005
	2,019,148
	7,730,483
<u>\$ 9,767,134</u>	<u>\$ 33,478,996</u>

\$ 382,159	\$ 782,762
	2,648,453
46,177	135,272
<u>428,336</u>	<u>3,566,487</u>
281,090	9,314,806
281,090	9,314,806
<u>709,426</u>	<u>12,881,293</u>

5,208,347	5,410,931
495,458	495,458
2,857,947	10,527,744
501,788	501,788
	57,742
(5,832)	3,604,040
<u>9,057,708</u>	<u>20,597,703</u>
<u>\$ 9,767,134</u>	<u>\$ 33,478,996</u>

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CITY OF BRAWLEY
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2016

Fund balances of governmental funds	\$ 20,597,703
Amounts reported for governmental activities in the statement of net position are different because:	
Certain receivables are not available to pay for current period expenditures and, therefore are not reported as governmental fund assets.	536,299
Capital assets net of accumulated depreciation have not been included as financial resources in the governmental funds.	30,126,829
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.	
City's pension contributions subsequent to the measurement date	1,975,235
Actuarially determined differences related to pension	(1,692,567)
Long-term debt and compensated absences have not been included in the governmental funds.	
Long-term debt	(19,526)
Net pension liability	(15,664,785)
Compensated absences	(1,257,407)
Interest on long-term debt is not recognized until the period in which it matures and is paid. In government-wide statement of net position, it is recognized in the period that it is incurred.	(626)
Internal service funds are used by management to charge the costs of certain activities, such as maintenance and risk management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	2,882,534
In governmental funds, certain accrued interest receivable on notes receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	<u>512,718</u>
Net position of governmental activities	<u>\$ 37,996,407</u>

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

	General	Economic & Community Development	SB 325
REVENUES			
Taxes:			
Utility users	\$ 1,695,929	\$ -	\$ -
Transient lodging	340,506		
Franchise	599,042		
Business license	49,901		
Property			
Licenses and permits	13,041		
Fines and forfeitures	55,712		
Use of money and property	51,867	51,793	68,637
Intergovernmental	7,234,089		
Charges for services	3,694,910		
Miscellaneous	293,760		
Total revenues	14,028,757	51,793	68,637
EXPENDITURES			
Current:			
General government	2,412,426		
Public safety	8,888,206		
Culture and leisure	2,281,851		
Community development	1,524,752	150,302	
Transportation			
Capital outlay	292,780	536,411	
Total expenditures	15,400,015	686,713	
Excess of revenues over (under) expenditures	(1,371,258)	(634,920)	68,637
OTHER FINANCING SOURCES (USES)			
Transfers in	122,517		
Transfers out		(419,826)	
Total other financing sources (uses)	122,517	(419,826)	
Net change in fund balances	(1,248,741)	(1,054,746)	68,637
Fund Balances - July 1, 2015	4,916,355	8,724,543	133,947
Fund Balances - June 30, 2016	<u>\$ 3,667,614</u>	<u>\$ 7,669,797</u>	<u>\$ 202,584</u>

See Notes to Basic Financial Statements

Other Governmental Funds	Totals
\$	\$
	1,695,929
	340,506
	599,042
	49,901
160,643	160,643
	13,041
	55,712
43,783	216,080
4,888,765	12,122,854
1,108,303	4,803,213
29,350	323,110
<u>6,230,844</u>	<u>20,380,031</u>
	2,412,426
198,275	9,086,481
35,897	2,317,748
73,275	1,748,329
1,361,536	1,361,536
2,978,972	3,808,163
<u>4,647,955</u>	<u>20,734,683</u>
<u>1,582,889</u>	<u>(354,652)</u>
	122,517
<u>(122,517)</u>	<u>(542,343)</u>
<u>(122,517)</u>	<u>(419,826)</u>
1,460,372	(774,478)
<u>7,597,336</u>	<u>21,372,181</u>
<u>\$ 9,057,708</u>	<u>\$ 20,597,703</u>

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CITY OF BRAWLEY
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, 2016

Net change in fund balances - total governmental funds	\$ (774,478)
Amounts reported for governmental activities in the statement of activities differ because:	
Governmental funds report capital outlay 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 depreciation exceeds capital outlay in the current period.	965,436
Interest accrued on certain notes receivable are not reported as revenue on the governmental funds as they do not provide the City with current financial resources. When the interest is collected when the note becomes due, the amounts will be reflect in revenue. This is the amount of additional interest accrued in the current period.	38,426
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.	
Repayment of capital lease	18,254
The amounts below included in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These are the current year changes:	
Interest payable	584
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. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:	1,221,071
Internal service funds are used by management to charge the costs of certain activities, such as maintenance and risk management, to individual funds. The net revenues (expenses) of the internal service funds is reported under governmental activities.	(32,665)
Change in net position of governmental activities	<u>\$ 1,436,628</u>

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016
with Comparative Statement as of June 30, 2015

	Business-type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
ASSETS				
Current Assets:				
Cash and investments	\$ 4,795,836	\$ 5,240,714	\$ 9,838,244	\$ 10,372,664
Accounts receivable, net	703,449	699,979	18,497	
Interest receivable	10,507	6,141	20,151	12,571
Due from other governments			592,331	2,947
Deferred charges				
Prepaid expenditures				
Total current assets	<u>5,509,792</u>	<u>5,946,834</u>	<u>10,469,223</u>	<u>10,388,182</u>
Noncurrent Assets:				
Restricted cash and investments with fiscal agents			470,081	637,501
Advances to other funds			1,319,636	1,401,223
Capital assets not being depreciated	115	115	1,068,135	141,557
Construction in progress				
Capital assets, net of accumulated depreciation	<u>26,183,476</u>	<u>27,013,004</u>	<u>33,686,944</u>	<u>34,374,553</u>
Total noncurrent assets	<u>26,183,591</u>	<u>27,013,119</u>	<u>36,544,796</u>	<u>36,554,834</u>
Deferred Outflows of Resources:				
Differences due to changes in proportionate share of NPL City's pension contributions subsequent to the measurement date		4,866		3,131
Total Deferred Outflows of Resources	<u>141,680</u>	<u>122,547</u>	<u>102,179</u>	<u>78,841</u>
Total assets and deferred outflows of resources	<u>31,835,063</u>	<u>33,087,366</u>	<u>47,116,198</u>	<u>47,024,988</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	407,855	275,628	185,758	205,189
Interest payable	25,181	40,801	11,515	18,721
Deposits payable	649,961	660,985	9,310	8,310
Deferred revenue				
Due to other funds				
Current portion of long term debt	<u>1,186,046</u>	<u>1,138,068</u>	<u>858,820</u>	<u>1,066,607</u>
Total current liabilities	<u>2,269,043</u>	<u>2,115,482</u>	<u>1,065,403</u>	<u>1,298,827</u>
Noncurrent liabilities:				
Compensated absences	124,219	109,252	114,259	112,568
Claims payable				
Contracts payable, net of deferred gain and unamortized discount	4,461,144	5,393,979	900,080	1,066,545
Certificates of participation, net of unamortized discount				
Note payable, net of unamortized premium	1,956,408	2,164,419		
Advances from other funds	1,319,636	1,401,223		
Net Pension Liability	1,123,604	1,077,753	810,337	693,376
Bonds payable		20,200	11,257,313	11,949,668
Total noncurrent liabilities	<u>8,985,011</u>	<u>10,166,826</u>	<u>13,081,989</u>	<u>13,822,157</u>
Deferred Inflows of Resources:				
Actuarially determined differences related to pension	121,405	256,749	87,556	165,180
Total Deferred Inflows of Resources	<u>121,405</u>	<u>256,749</u>	<u>87,556</u>	<u>165,180</u>
Total liabilities and deferred inflows of resources	<u>11,375,853</u>	<u>12,539,057</u>	<u>14,234,948</u>	<u>15,286,164</u>
NET POSITION				
Net investment in capital assets	16,136,753	15,817,477	22,718,246	21,778,638
Restricted for debt service			458,566	618,780
Unrestricted	<u>4,322,851</u>	<u>4,730,832</u>	<u>9,704,438</u>	<u>9,341,406</u>
Total net position	<u>\$ 20,459,604</u>	<u>\$ 20,518,309</u>	<u>\$ 32,881,250</u>	<u>\$ 31,738,824</u>

See Notes to Basic Financial Statements

Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
Solid Waste		Airport		Current Year	
Current Year	Prior Year	Current Year	Prior Year	Totals	
\$ 29,401	\$ 32,711	\$ -	\$ 229,317	\$ 14,634,080	\$ 879,496
				751,347	
			172	30,658	1,774
		808,912	9,863	1,401,243	166,809
					1,441,451
29,401	32,711	808,912	239,352	16,817,328	2,489,530
				470,081	
				1,319,636	
		1,950	1,950	1,070,200	
		6,796,712	6,549,482	66,567,132	1,761,394
		6,798,662	6,551,432	69,527,049	1,761,394
				243,859	
				243,859	
29,401	32,711	7,607,574	6,790,784	86,588,236	4,250,924
	28	12,724	43,794	606,337	47,294
		4,480	4,520	36,696	
		590,438		663,751	
				590,438	1,293,438
				2,044,866	
	28	607,642	48,314	3,942,088	1,340,732
				238,478	20,976
					6,682
				5,361,224	
				1,956,408	
				1,319,636	
				1,933,941	
				11,257,313	
				22,067,000	27,658
				208,961	
				208,961	
	28	607,642	48,314	26,218,049	1,368,390
		6,798,662	6,551,432	45,653,661	1,761,394
				458,566	
29,401	32,683	201,270	191,038	14,257,960	1,121,140
\$ 29,401	\$ 32,683	\$ 6,999,932	\$ 6,742,470	\$ 60,370,187	\$ 2,882,534

CITY OF BRAWLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2016

with Comparative Statements for the Fiscal Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
Operating Revenues:				
Charges for services (net of refunds)	\$ 5,334,620	\$ 5,255,438	\$ 4,730,972	\$ 4,592,026
Use of money and property				
Total operating revenues	5,334,620	5,255,438	4,730,972	4,592,026
Operating Expenses:				
Salary and benefits	1,305,672	1,303,009	844,058	752,085
Administration	339,900	362,700	295,900	273,500
Supplies and services	2,327,351	3,048,611	2,201,167	2,420,131
Depreciation	1,328,768	1,312,418	1,010,178	986,620
Total operating expenses	5,301,691	6,026,738	4,351,303	4,432,336
Operating income (loss)	32,929	(771,300)	379,669	159,690
Non-Operating Revenues (Expenses):				
Use of money and property	59,210	478,765	79,342	275,855
Amortization	148,228	170,936		
Intergovernmental revenue (expense)		409,563	592,331	387,887
Interest expense and fiscal charges	(329,072)	(300,308)	(161,322)	(192,041)
Total non-operating revenues (expenses)	(121,634)	758,956	510,351	471,701
Income (Loss) before transfers	(88,705)	(12,344)	890,020	631,391
Transfers:				
Transfers in			419,826	
Transfers out				
Changes in net position	(88,705)	(12,344)	1,309,846	631,391
Total Net Position - beginning	20,548,309	21,768,465	31,738,824	31,900,566
Prior Period Adjustments		(1,207,812)	(167,420)	(793,133)
Total Net Position - beginning, restated	20,548,309	20,560,653	31,571,404	31,107,433
Total Net Position - ending	\$20,459,604	\$20,548,309	\$32,881,250	\$31,738,824

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Funds
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior Year		
\$ 1,338,750	\$ 1,322,808	\$ -	\$ -	\$ 11,404,342	\$ 3,224,279
		124,891	138,575	124,891	310,418
<u>1,338,750</u>	<u>1,322,808</u>	<u>124,891</u>	<u>138,575</u>	<u>11,529,233</u>	<u>3,534,697</u>
		5,992	5,127	2,155,722	249,653
		3,800	6,400	639,600	
1,342,032	1,314,221	223,379	349,221	6,093,929	3,135,286
		431,294	245,860	2,770,240	189,298
<u>1,342,032</u>	<u>1,314,221</u>	<u>664,465</u>	<u>606,608</u>	<u>11,659,491</u>	<u>3,574,237</u>
<u>(3,282)</u>	<u>8,587</u>	<u>(539,574)</u>	<u>(468,033)</u>	<u>(130,258)</u>	<u>(39,540)</u>
		937	1,598	139,489	6,875
				148,228	
		796,099	844,764	1,388,430	
				(490,394)	
		<u>797,036</u>	<u>846,362</u>	<u>1,185,753</u>	<u>6,875</u>
<u>(3,282)</u>	<u>8,587</u>	<u>257,462</u>	<u>378,329</u>	<u>1,055,495</u>	<u>(32,665)</u>
				419,826	
<u>(3,282)</u>	<u>8,587</u>	<u>257,462</u>	<u>378,329</u>	<u>1,475,321</u>	<u>(32,665)</u>
32,683	24,096	6,742,470	6,364,141	59,062,286	2,915,199
				(167,420)	
<u>32,683</u>	<u>24,096</u>	<u>6,742,470</u>	<u>6,364,141</u>	<u>58,894,866</u>	<u>2,915,199</u>
<u>\$ 29,401</u>	<u>\$ 32,683</u>	<u>\$ 6,999,932</u>	<u>\$ 6,742,470</u>	<u>\$ 60,370,187</u>	<u>\$ 2,882,534</u>

CITY OF BRAWLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2016
with Comparative Statements for the Fiscal Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 5,320,126	\$ 5,453,848	\$ 4,713,475	\$ 4,592,026
Cash payments to suppliers for goods and services	(2,535,024)	(3,295,446)	(2,516,498)	(2,537,494)
Cash payments for employees and benefit programs	(1,394,465)	(1,346,829)	(823,237)	(766,081)
Net cash provided (used) by operating activities	<u>1,390,637</u>	<u>811,573</u>	<u>1,373,740</u>	<u>1,288,451</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers			419,826	
Interfund borrowing (repayment)	(81,587)	(102,308)	81,587	102,308
Net cash provided (used) by non-capital financing activities	<u>(81,587)</u>	<u>(102,308)</u>	<u>501,413</u>	<u>102,308</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental revenue (expense)		409,563	2,947	428,341
Purchase of capital assets	(499,241)	(227,934)	(1,249,146)	(602,169)
Loan repayment				
Principal paid on debt	(1,016,650)	(1,116,971)	(1,067,715)	(1,043,647)
Interest paid on debt and fiscal charges	(292,881)	(226,544)	(167,421)	(198,967)
Net cash provided (used) by capital and related financing activities	<u>(1,808,772)</u>	<u>(1,161,886)</u>	<u>(2,481,335)</u>	<u>(1,416,442)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	54,844	475,149	71,762	268,085
Net cash provided by investing activities	<u>54,844</u>	<u>475,149</u>	<u>71,762</u>	<u>268,085</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(444,878)</u>	<u>22,528</u>	<u>(534,420)</u>	<u>242,402</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>5,240,714</u>	<u>5,218,186</u>	<u>10,372,664</u>	<u>10,130,262</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 4,795,836</u>	<u>\$ 5,240,714</u>	<u>\$ 9,838,244</u>	<u>\$10,372,664</u>
Reconciliation to Statement of Net Position:				
Cash and investments	\$ 4,795,836	\$ 5,240,714	\$ 9,838,244	\$10,372,664
CASH AND CASH EQUIVALENTS	<u>\$ 4,795,836</u>	<u>\$ 5,240,714</u>	<u>\$ 9,838,244</u>	<u>\$10,372,664</u>

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Fund
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior Year		
\$ 1,342,060	\$ 1,301,961	\$ 124,891	\$ 138,575	\$11,500,552	\$ 3,534,697
(1,342,060)	(1,314,193)	(258,289)	(2,076,129)	(6,651,871)	(4,832,367)
		(5,992)	(5,127)	(2,223,694)	(249,968)
	(12,232)	(139,390)	(1,942,681)	2,624,987	(1,547,638)
		590,438	(494,445)	419,826	
				590,438	1,229,246
		590,438	(494,445)	1,010,264	1,229,246
	7080	(2,949)	3,202,041	(2)	570,049
		(678,524)	(537,066)	(2,426,911)	(331,581)
				(2,084,365)	120,633
				(460,302)	
	7,080	(681,473)	2,664,975	(4,971,580)	359,101
		1,108	1,468	127,714	6,626
		1,108	1,468	127,714	6,626
	(5,152)	(229,317)	229,317	(1,208,615)	47,335
	5,152	229,317		15,842,695	832,161
\$ -	\$ -	\$ -	\$ 229,317	\$14,634,080	\$ 879,496
\$ -	\$ -	\$ -	\$ 229,317	\$14,634,080	\$ 879,496
\$ -	\$ -	\$ -	\$ 229,317	\$14,634,080	\$ 879,496

(Continued)

CITY OF BRAWLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2016

with Comparative Statements for the Fiscal Year Ended June 30, 2015

(Continued)

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 32,929	\$ (771,300)	\$ 379,669	\$ 159,690
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,328,768	1,312,418	1,010,178	986,620
(Increase) decrease in accounts receivable	(3,470)	108,665	(18,497)	
Increase (decrease) in accounts payable and accrued liabilities	132,227	115,865	(19,431)	156,137
Increase (decrease) in compensated absences	14,967	(43,097)	1,691	2,553
Increase (decrease) net pension liability	(103,760)	(723)	19,130	(16,549)
Increase (decrease) in deposits payable	(11,024)	89,745	1,000	
Total adjustments	1,357,708	1,582,873	994,071	1,128,761
Net cash provided by (used by) operating activities	\$ 1,390,637	\$ 811,573	\$ 1,373,740	\$ 1,288,451

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Fund
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior year		
\$ (3,282)	\$ 8,587	\$ (539,574)	\$ (468,033)	\$ (130,258)	\$ (39,540)
		431,294	245,860	2,770,240	189,298
3,310	(20,847)			(18,657)	
(28)	28	(31,070)	(1,720,548)	81,698	(255,830)
				16,658	(115)
		(40)	40	(84,630)	
				(10,064)	
3,282	(20,819)	400,184	(1,474,648)	2,755,245	(1,508,098)
\$ -	\$ (12,232)	\$ (139,390)	\$ (1,942,681)	\$ 2,624,987	\$ (1,547,638)

CITY OF BRAWLEY
STATEMENT OF NET POSITION
FIDUCIARY FUND
June 30, 2016

	<u>Private Purpose Trust Fund</u>
	<u>RDA</u>
	<u>Successor Agency</u>
ASSETS	
Cash and investments	\$ 392,566
Interest receivable	514
Capital assets	<u>1,081,003</u>
Total Assets	<u>1,474,083</u>
LIABILITIES	
Accounts payable	18,343
Interest payable	57,040
Deposits payable	359
Long-term debt, due in more than one year	<u>4,751,631</u>
Total Liabilities	<u>4,827,373</u>
NET POSITION	
Unrestricted	<u>(3,353,290)</u>
Total Net Position	<u>\$ (3,353,290)</u>

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

CITY OF BRAWLEY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust Fund
	RDA
	Successor Agency
Additions:	
Tax increment	\$ 487,972
Other revenue	1,306
Total additions	489,278
Deductions:	
Community development	300
Cost of issuance	238,833
Interest	144,875
Contribution to the City	222,376
Total deductions	606,384
Change in net position	(117,106)
Net Position - July 1, 2015	(3,236,184)
Net Position - June 30, 2016	\$ (3,353,290)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Brawley (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applicable to governmental units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. Financial Reporting Entity

The City of Brawley is located in the southeastern part of the State of California, in the center of Imperial County, which with water provided by canal from the Colorado River, makes this one of the most fertile agricultural areas in the country. The City was incorporated on April 6, 1908, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities.

The City is governed by a five member Council, elected at large for four years on staggered schedules. The Council selects the Mayor from its members, generally for a one year term. The Council has hired a City Manager to administer the daily affairs of the City.

The services provided by the City include police, fire, street maintenance, parks, recreation, library, water, wastewater, solid waste, airport, housing, planning, building inspection, and general administrative services.

A key element of the City's financial management process is the preparation of the annual budget. Each year the City Manager presents to City Council a proposed budget, which includes all current balances and expected revenues and other financing sources of the City, and describes by department how those resources will be utilized. Under terms of various grant and financing agreements, the budget is to be adopted by the end of June, prior to the beginning of each fiscal year. The budget is adopted by motion of the City Council, and if amended, generally is done by resolution.

These basic financial statements present the financial status of the City and its component units, which are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Component unit financial statements may be obtained from the City's Department of Finance.

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the City's operations.

Brawley Public Improvement Corporation – The Brawley Public Improvement Corporation was formed in October 1986 to issue certificates of participation to finance the construction of a wastewater treatment facility and issued additional certificates of participation in 1997 to finance a new water treatment plant. The only financial activity of the Public Improvement Corporation is the issuance and repayment of the certificates of participation and receipt of lease payments from the City pursuant to lease agreements between the City and the Public Improvement Corporation. Although it is legally separate from the City, the Public Improvement Corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct public facilities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

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

Proprietary fund financial statements include a Statement of Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

C. Major Funds

GASB Statement No. 34, defines major funds and requires that the City's major governmental funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds (Continued)

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

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

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Economic and Community Development Fund

This fund accounts for revenues and expenditures of the Community Development Block Grant program and the related program income.

SB 325 Special Revenue Fund

To account for revenue received from the State under Article 8(a) of the Transportation Development Act (Section 99400(a) of the Public Utilities Code). Uses are restricted to local streets and roads.

The City reported the following major proprietary funds:

Water Fund

This fund accounts for the costs of treatment and distribution of drinking water to the community.

Wastewater Fund

This fund accounts for the costs of collection, treatment and disposal of sewage generated in the community.

Solid Waste Fund

This fund accounts for the costs of collection and disposal of trash and garbage generated in the community.

Airport Fund

This fund accounts for the costs of the City owned municipal airport. Although the amounts are not as significant as the other proprietary funds, this is the only other proprietary fund maintained by the City.

The City reported the following internal service funds:

Internal Service Funds

These funds account for maintenance of the City's fleet of vehicles and certain public facilities, and the costs of providing insurance, including risks maintained by the City, for general liability, property damage, unemployment benefits, workers' compensation, and employee health benefits.

D. Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide, proprietary and fiduciary funds financial statements are reported using the *economic resources measurement focus* and *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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 *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Revenues susceptible to accrual are property taxes and interest revenue. Sales taxes, and other amounts collected and held by the state at fiscal year end on behalf of the City also are recognized as revenue. Fines, licenses, permits and other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures and funds for the Successor Agency to the Brawley Community Redevelopment Agency. Cash equivalents have an original maturity date of three months or less from the date of purchase.

F. Cash and Investments

Most cash balances of the City's funds and some of its component units are pooled and invested by the City Treasurer. Unless otherwise dictated by legal or contractual requirements, income earned or losses arising from the investment pooled cash are allocated on a monthly basis to the participating funds and component units based on their proportionate shares of the average weekly cash balance.

Investments are stated at fair value. Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. 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.

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

Revenue from taxpayer-assessed taxes (sales and use, business license, gas, and franchise fees) is accrued in the Governmental Funds when they are both measurable and available. The City considers these taxes available if they are received within 30 days after fiscal year end.

Grants, entitlements, or shared revenues are recorded as receivables and revenues in the General, Special Revenue, and Capital Projects Funds when they are received or susceptible to accrual. Grants awarded for Proprietary Funds are recorded as receivables and nonoperating revenues when they are earned and are measurable.

Utility service accounts receivable are reported net of allowance for doubtful collections.

H. Interfund Transactions

Activities between funds that are representative of lending/borrowing outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

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.

With Council approval, resources may be transferred from one City fund to another. Transfers are used to (1) move revenues from one fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other funds in accordance with budget authorizations.

I. Property Tax

The City's property taxes are levied on the first day of January by the County assessor, and are payable to the County tax collector in two installments.

The first installment is due November 1st, and is delinquent after December 10th; the second installment is due February 1st and is delinquent after April 10th. Taxes become a lien on the property on January 1st, and on the date of the transfer of the title, and the date of new construction.

The minimum property value which is taxed is \$2,000; however, tax bills are prepared for properties valued at less than \$2,000 if there is a special assessment to be collected.

Article 13A of the California Constitution states: "The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent tax is to be collected by the Counties and appointed according to law to the districts within the counties."

The City has elected under State law (TEETER) to receive all of the annual property assessments in three installments as follows:

December	55%
April	40%
June	5%
	<u>100%</u>

J. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories for governmental funds are recorded as expenditures when consumed rather than when purchased.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 for property, plant, and equipment and \$25,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

Property, plant, and equipment of the City, as well as the component units, are depreciated using the straight line method over their estimated lives of 2 to 50 years.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits and sick leave. All vacation and sick leave benefits are accrued as earned by employees. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds if they have matured, for example, as a result of employee resignation and retirements.

N. Self-insurance

The City is self-insured for worker's compensation, general liability, auto liability, and certain other risks. The City's workers' compensation activities are funded and accounted for separately in the fund financial statements based upon the activities of each fund. The current portion of claims liability are accounted for in the General Fund and the enterprise funds on the basis of settlements reached or judgments entered within the current fiscal year. In the government-wide financial statements and the enterprise fund financial statements, the estimated liability for all self-insurance liability claims is recorded as a liability.

O. Long-term Debt, Discount, Premiums, and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories under GASB Statement No. 34. These captions apply only to net position, which are determined only at the government-wide level, proprietary funds, and fiduciary funds are described below.

Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and gas tax funds for street construction.

Unrestricted describes the portion of net position which is not restricted as to use.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Q. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

R. Fiscal Year

The fiscal year of the City begins on July 1 and ends on June 30.

S. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

T. Comparative Data

Comparative data for the prior fiscal year has been presented in certain statements of the accompanying financial statements, in order to provide an understanding of changes in the City's financial position, operations, and cash flows.

U. New Accounting Pronouncements

The City has implemented the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended June 30, 2016:

Governmental Accounting Standards Board Statement No. 72

For the fiscal year ended June 30, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72, Fair Value Measurement and Application, addresses accounting and reporting issues related to fair value measurements. The pronouncement provides for three valuation techniques: the market approach, the cost approach and the income approach. The valuation technique should be consistently applied, maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The hierarchy of inputs used to measure fair value falls into three categories: Level 1 is quoted market prices for identical assets or liabilities; Level 2 is for observable inputs either directly or indirectly; Level 3 is unobservable inputs. The pronouncement will be effective for the years ending June 30, 2016, and will require restatement of prior periods.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 73

For the fiscal year ended June 30, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Reporting for Pensions and Related Assets not within the Scope of GASB 68 and Amendments to GASB 67 and 68*. This pronouncement applies the approach to accounting and financial reporting established in GASB 68 to all pension plans that are not within the scope of GASB 68, with certain modifications.

Amendments to GASB 67 and 68 relate to information about investment-related factors and clarify that only information about trends that the plan has influence over should be presented. It also clarifies that payables to a pension plan for any unpaid financing obligations are not separately financed specific liabilities as defined by GASB 67. The last amendment relates to recognizing revenue for support of nonemployer contributions to a pension plan and requires that the contribution be recognized in the same period as the change in the net pension liability is recognized. The amendments will be effective for years ending June 30, 2016.

V. 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The City Council is required to adopt an annual budget resolution by July 1st of each fiscal year for the General Fund, special revenue, capital projects, debt service, and enterprise funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The City Council made several supplemental budgetary appropriations throughout the fiscal year.

NOTE 2 -- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Balances

At June 30, 2016, the following funds had an accumulated deficit:

Fund	Amount
<u>Nonmajor Governmental Funds:</u>	
Successor Agency Housing Fund	\$ 3,255
Parks Projects Fund	2,577

This fund balance deficit is primarily due to the City incurring costs in excess of revenues. The Funds should alleviate this deficit as revenues are received.

There was no legally adopted budget for the major fund -- SB 325 Special Revenue Fund.

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2016, the following funds had excess of expenditures over appropriations:

Fund	Final Appropriation	Expenditures	Excess
<u>Major Fund:</u>			
General Fund			
Public safety	\$ 8,475,067	\$ 8,888,206	\$ 413,139
Economic and Community Development Fund			
Capital Outlay	100,000	536,411	436,411

NOTE 3 -- CASH AND INVESTMENTS

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

Primary Government:

Statement of Net Position:

Cash and investments	\$ 37,763,521
Restricted cash and investments with fiscal agent	541,245

Fiduciary Fund:

Cash and investments	392,566
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Total cash and investments, Statement of Net Position	\$ 38,697,332
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Cash and investments as of June 30, 2016 consist of the following:

Cash on hand	\$ 2,875
Deposits with financial institutions	3,594,103
Investments	35,100,354
Total cash and investments	\$ 38,697,332

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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 Brawley (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 trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Government Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	10%	None
U.S. Government Agency Issues	5 years	10%	None
Banker's Acceptances	270 days	40%	30%
Commercial Paper, Prime Quality	180 days	40%	10%
Time Certificates of Deposit	3 years	25%	None
Negotiable Certificates of Deposit	3 years	30%	None
Repurchase and Reverse Repurchase Agreements	1 year	20%	None
Medium-Term Notes	5 years	30%	15%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (State Pool)	N/A	None	\$ 50 Million

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 trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Mortgage-backed Securities	3 years	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	None	None	None
Negotiable Certificates of Deposit	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (State Pool)	N/A	None	None

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.

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) 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)	\$ 20,532,780	\$ 20,532,780	\$ -	\$ -	\$ -
Certificates of Deposit	13,097,487	4,243,638	3,475,945	5,377,904	
Money Market Funds	1,000,000	1,000,000			
Held by Bond Trustees:					
Money Market Funds	470,087	470,087			
	<u>\$ 35,100,354</u>	<u>\$ 26,246,505</u>	<u>\$ 3,475,945</u>	<u>\$ 5,377,904</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.

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.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
State Investment Pool	\$ 20,532,780	N/A	\$ -	\$ -	\$ -	\$ -	\$ 20,532,780
Certificates of Deposit	13,097,487	N/A					13,097,487
Money Market Funds	1,000,000	N/A					1,000,000
Held by Bond Trustee:							
Money Market Funds	470,087	N/A					470,087
Total	<u>\$ 35,100,354</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,100,354</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. There was no investment in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total City investments.

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 government unit). The fair 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.

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2016, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

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.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Long-Term Advances

Advances to/from other funds are non-current interfund loans and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriations and are not expendable available financial resources.

Receivable Fund	Payable Fund	Amount
Enterprise Fund: Wastewater Fund	Enterprise Fund: Water Fund	\$ 1,319,636

B. 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, 2016.

Receivable Fund	Amount	Payable Fund	Amount
Major Governmental Fund:		Major Governmental Fund:	
General Fund	\$ 2,019,148	Economic and Community Development	\$ 89,095
		Nonmajor Governmental Fund:	
Total	<u>\$ 2,019,148</u>	Park Projects	46,177
		Major Enterprise Fund:	
		Airport	590,438
		Internal Service Fund:	
		Risk Management	1,293,438
		Total	<u>\$ 2,019,148</u>

C. Interfund Transfers

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 City had the following transfers during fiscal year ended June 30, 2016.

Fund	Transfers-in	Transfers-out
Major Governmental Funds:		
General Fund	\$ 122,517	\$ -
Economic and Community Development Fund		419,826
Major Enterprise Funds:		
Wastewater Fund	419,826	
Nonmajor Governmental Funds:		
Ped and Bike Facilities Special Revenue Fund		4,065
Assessment Districts Special Revenue Fund		118,452
Totals	<u>\$ 542,343</u>	<u>\$ 542,343</u>

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 – LOANS RECEIVABLE

Loans receivable amounts primarily represent loans made for economic development, and property rehabilitation.

Economic & Community Development Special Revenue Fund

CDBG loan to Valley Lube & Wash, receivable in installments of \$1,109.53 per month including interest at 6%. Secured by deed of trust.	\$	97,972
Loan to Inferno 800. Secured by deed of trust.		52,637
HOME Investment Partnerships Program Loan to BESA, L.P., C/O Chelsea Investment Corporation. Annual payments are in the amount equal to 50% of the residual receipts from the apartment complex. Payments are due 90 days following the end of the calendar year with respect to the preceding year.		3,400,000
Loan to Edward and Martha Singh receivable in the installment of \$756.45 per month including interest at 6.5%. Secured by deed of trust.		42,409
Deferred notes receivable. No installment payments of principal or interest are required until the loans reach their maturity or underlying property is sold. Secured by deeds of trust.		<u>4,137,465</u>
	<u>\$</u>	<u>7,730,483</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance as of July 1, 2015	Additions	Deletions	Transfers	Balance as of June 30, 2016
Governmental Activities					
Nondepreciable capital assets					
Land	\$ 966,706	\$ -	\$ -	\$ -	\$ 966,706
Construction in progress	2,289,904	612,232			2,902,136
Total nondepreciable capital assets	<u>3,256,610</u>	<u>612,232</u>			<u>3,868,842</u>
Depreciable capital assets					
Equipment	9,145,598	657,615			9,803,213
Buildings	12,036,575				12,036,575
Improvements other than buildings	12,525,978	2,651,642			15,177,620
Infrastructure	20,314,587				20,314,587
Total depreciable capital assets	<u>54,022,738</u>	<u>3,309,257</u>			<u>57,331,995</u>
Less accumulated depreciation					
Equipment	(6,455,515)	(495,250)			(6,950,765)
Buildings	(3,470,356)	(390,031)			(3,860,387)
Improvements other than buildings	(4,960,633)	(698,318)			(5,658,951)
Infrastructure	(11,612,340)	(1,230,171)			(12,842,511)
Total accumulated depreciation	<u>(26,498,844)</u>	<u>(2,813,770)</u>			<u>(29,312,614)</u>
Net depreciable capital assets	<u>27,523,894</u>	<u>495,487</u>			<u>28,019,381</u>
Net capital assets	<u>\$ 30,780,504</u>	<u>\$ 1,107,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,888,223</u>

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

General government	\$ 469,493
Public safety	500,734
Streets and public works	1,448,451
Parks and recreation	189,122
Community development	205,970
Total	\$ 2,813,770

	Balance as of July 1, 2015	Additions	Deletions	Transfers	Balance as of June 30, 2016
Business-type Activities					
Nondepreciable capital assets					
Land	\$ 37,076	\$ -	\$ -	\$ -	\$ 37,076
Construction in progress	106,544	1,226,921			1,333,465
Total nondepreciable capital assets	143,620	1,226,921			1,370,541
Depreciable capital assets					
Equipment	3,003,661	232,466			3,236,127
Buildings	56,462,194				56,462,194
Improvements other than buildings	10,728,091	967,524			11,695,615
Conveyance systems	34,823,573				34,823,573
Total depreciable capital assets	105,017,519	1,199,990			106,217,509
Less accumulated depreciation					
Equipment	(2,007,397)	(141,578)			(2,148,975)
Buildings	(16,360,850)	(1,421,164)			(17,782,014)
Improvements other than buildings	(3,333,109)	(482,428)			(3,815,537)
Conveyance systems	(15,379,122)	(725,070)			(16,104,192)
Total accumulated depreciation	(37,080,478)	(2,770,240)			(39,850,718)
Net depreciable capital assets	67,937,041	(1,570,250)			66,366,791
Net capital assets	\$ 68,080,661	\$ (343,329)	\$ -	\$ -	\$ 67,737,332

Depreciation expense was charged to functions/programs of the business-types activities as follows:

Water	\$ 1,328,768
Wastewater	1,010,178
Airport	431,294
Total Depreciation Expense - Business-type Activities	\$ 2,770,240

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 –LONG-TERM DEBT

Governmental Activities

The following is a summary of long-term debt activity of the City’s governmental activities for the fiscal year ended June 30, 2016:

	Balance as of July 1, 2015	Additions	Reductions	Balance as of June 30, 2016	Due Within One Year
Governmental Activities:					
Capital lease	37,870		(18,344)	19,526	19,526
Net pension liability	14,824,206	840,578		15,664,784	
Compensated absences	1,278,498	193,610	(193,610)	1,278,498	
Total long-term liabilities	\$ 16,140,574	\$ 1,034,188	\$ (211,954)	\$ 16,962,808	\$ 19,526

Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of a park facility lighting system having a purchase price of \$149,731. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, including interest are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 37,870	\$ 1,258	\$ 39,128
Total	\$ 37,870	\$ 1,258	\$ 39,128

Business-Type Activities

The following is a summary of long-term debt activity of the City’s business-type activities for the fiscal year ended June 30, 2016:

	Balance as of July 1, 2015	Additions	Reductions	Balance as of June 30, 2016	Due Within One Year
Business-type Activities:					
Contracts payable	\$ 7,816,016	\$ -	\$ (1,159,765)	\$ 6,656,251	\$ 1,164,014
Deferred gain	524,440		(148,228)	376,212	124,806
Unamortized discount	(795,917)		223,975	(571,942)	(189,520)
Certificates of participation	220,000		(220,000)		
Unamortized discount	(1,108)		1,108		
MFC Note payable	2,350,000		(170,000)	2,180,000	230,991
Unamortized premium	11,584		(2,166)	9,418	2,020
Bonds payable	39,300		(19,100)	20,200	20,200
CSWRCB Loan	12,635,167		(685,500)	11,949,667	692,355
Net pension liability	1,771,129	162,812		1,933,941	
Compensated absences	221,820	40,544	(40,544)	221,820	
Total long-term liabilities	\$ 24,792,431	\$ 203,356	\$ (2,220,220)	\$ 22,775,567	\$ 2,044,866

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Water Enterprise Fund: Contracts Payable and Defeased Certificates of Participation

On May 5, 1998, the Brawley Public Improvement Corporation sold Certificates of Participation in the amount of \$17,755,000 with an average interest rate of 4.88% to advance refund \$17,755,000 of then outstanding 1996 Certificates of Participation with an average interest rate of 6.27%. As a result, the 1996 Certificates are considered to be defeased and the liability for those certificates has been removed from the Water Enterprise Fund.

On July 2, 2001, the City borrowed \$15,823,475 from the California Department of Water Resources (DOWR), at an interest rate of 0 %, to advance refund \$16,050,000 of outstanding 1998 Certificates of Participation with an average interest rate of 4.88 %. The proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 Certificates of Participation. As a result, the 1998 Certificates are considered to be defeased and the liability for those certificates has been removed from the Water Enterprise Fund.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,119,886. This difference, to be reported in the financial statements as a deduction from contracts payable, is being charged to operations through the fiscal year ending June 30, 2021 using the effective interest method. The balance payable as of June 30, 2016, including deferred gain of \$279,420, and net of unamortized discount of \$475,150 is \$4,155,724. Debt service requirements to maturity on the contract, which includes imputed interest, are as follows:

Fiscal Year Ending June 30,	Principal	Imputed Interest	Total
2017	\$ 631,804	\$ 159,370	\$ 791,173
2018	662,451	128,722	791,174
2019	694,587	96,586	791,174
2020	728,282	62,891	791,173
2021	763,612	27,561	791,173
2022	395,587		395,587
	<u>\$ 3,876,323</u>	<u>\$ 475,130</u>	<u>\$ 4,351,454</u>

On April 23, 2002, the City borrowed \$4,127,516 from the DOWR, at an interest rate of 0%, to refund a previous DOWR contract having a balance of \$4,852,058 with an interest rate of 3.0315 %. The City also paid \$724,542 towards the refunding. As result, the previous contract has been repaid and the liability has been removed from the Water Enterprise Fund.

There is no difference between the reacquisition price and the carrying amount of the old debt. The balance payable as June 30, 2016, including deferred gain of \$96,792, and net of unamortized discount of \$96,792 is \$1,238,252. Debt service requirements to maturity which includes imputed interest are as follows:

Fiscal Year Ending June 30,	Principal	Imputed Interest	Total
2017	\$ 176,226	\$ 30,150	\$ 206,376
2018	181,609	24,767	206,376
2019	187,156	19,220	206,375
2020	192,873	13,503	206,375
2021	198,764	7,611	206,375
2022	204,834	1,541	206,375
	<u>\$ 1,141,462</u>	<u>\$ 96,792</u>	<u>\$ 1,238,252</u>

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Water Enterprise Fund: MFC Note Payable

On October 1, 2004, the City participated in a pooled revenue bond issue with the California Statewide Communities Development Authority (CSCDA). The CSCDA issued \$4,000,000 of revenue bonds on behalf of the City for its Water enterprise fund, at an average interest rate of 4.37% and a final maturity of October 1, 2024. The City has since paid off the Bond with a Note from the Municipal Finance Corporation. The debt service requirements to maturity on the note are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 230,991	\$ 51,977	\$ 282,968
2018	237,387	45,404	282,791
2019	243,960	38,648	282,608
2020	250,715	31,707	282,422
2021	257,657	24,572	282,229
2022-2025	959,290	28,908	988,198
	<u>\$ 2,180,000</u>	<u>\$ 221,216</u>	<u>\$ 2,401,216</u>

Water Enterprise Fund: Water District Bonds Payable

On June 1, 1977, the Brawley County Water District issued Bonds totalling \$368,000. Subsequently, the Brawley County Water District was annexed by the City at which time these outstanding bonds became a reportable obligation of the City. All funds to pay the outstanding bonds continue to be collected and paid by the County of Imperial. The bonds bear interest at a rate of 5% with a final maturity date of June 1, 2017. The balance as of June 30, 2016 is \$20,200. Debt service requirements to maturity on the Water District Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 20,200	\$ 1,010	\$ 21,210
	<u>\$ 20,200</u>	<u>\$ 1,010</u>	<u>\$ 21,210</u>

Wastewater Enterprise Fund: Contracts Payable

As of June 30, 2011, the City has received advances totalling \$2,759,775 from the California Infrastructure and Economic Development Bank (CIEDB). The purpose is to help finance improvements to the wastewater system. The balance payable as of June 30, 2016 is \$1,066,545. Debt service requirements to maturity on the contract are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 166,465	\$ 25,763	\$ 192,228
2018	170,827	21,344	192,171
2019	175,302	16,809	192,111
2020	179,895	12,156	192,051
2021	184,609	7,382	191,991
2022	189,447	2,482	191,929
	<u>\$ 1,066,545</u>	<u>\$ 85,936</u>	<u>\$ 1,152,481</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Wastewater Enterprise Fund: Certificates of Participation

On December 11, 1997, the City of Brawley Public Improvement Corporation sold Certificates of Participation in the amount of \$2,845,000 with an average interest rate of 4.62% to refund on a current basis \$2,520,000 of outstanding 1987 Certificates of Participation with an average interest rate of 7.00%. The Certificates are payable solely from lease payments pursuant to a lease agreement between the City and the Public Improvement Corporation. The City is required under the lease agreement to make lease payments as rental for use and possession of the wastewater treatment facility which are equal to the debt service requirements of the Certificates. These Certificates of Participation have been paid off as of June 30, 2016.

Wastewater Enterprise Fund: California State Water Resource Control Board Loan

The City entered into a project finance agreement with the California State Water Resource Control Board (Water Control Board). Through the use of ARRA funds, the Water Control Board provided funding assistance for the rehabilitation and upgrade of the wastewater treatment plant. The City must repay the project funds at an interest rate of 1% per annum. The term of the agreement is from the fiscal year ended June 30, 2013, to the fiscal year ended June 30, 2032. A portion of the loan totaling \$10,000,000 was forgiven by the Water Control Board leaving an outstanding balance of \$11,949,667 at June 30, 2016. Annual debt service requirements for the CSWRCB Loan are shown below:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 692,355	\$ 119,496	\$ 811,851
2018	699,278	112,573	811,851
2019	706,271	105,580	811,851
2020	713,334	98,517	811,851
2021	720,467	91,384	811,851
2022-2026	3,711,856	347,399	4,059,255
2027-2031	3,901,197	158,058	4,059,255
2032-2033	804,909	8,056	812,965
	<u>\$ 11,949,667</u>	<u>\$ 1,041,063</u>	<u>\$ 12,990,730</u>

NOTE 8 – RISK MANAGEMENT

An internal service fund is used to account for the City's risk management and insurance programs, including self-insurance, commercial insurance, and participation in a public entity risk pool. Operating revenues of this fund consist of payments from other City funds and are based upon estimated cost of excess insurance premiums, self-insurance losses, and other operating expenses.

The City is self-insured for unemployment claims. Health insurance is purchased from an independent carrier. The City is a member of the California Joint Powers Insurance Authority (Authority) for workers' compensation and for liability and property damage coverage as outlined below.

The Authority is a consortium of 107 California public entities. The Authority's governing board consists of one member from each participating agency and is responsible for the selection of management as well as budgeting and financing. Insurance activities are financed by charges to members, and no long-term debt has been incurred. Actual annual premiums are determined using a retrospective method. At June 30, 2010, and as in the prior fiscal year, the City was self-insured for each general liability loss to the extent of \$30,000. At June 30, 2014, and as in the prior fiscal year, the City was self-insured for each workers' compensation loss to the extent of \$50,000. Losses above \$30,000 for general liability, and above \$50,000 for workers' compensation, are shared by the participating agencies, or covered by excess insurance coverage obtained by the Authority.

The City has had no settlements which exceeded insurance coverage in the last three fiscal years, and no changes in insurance coverage from the prior year.

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a materially adverse effect on the financial position of the City.

NOTE 10 – NON-COMMITMENT DEBT

The City issued \$5,200,000 of multifamily housing revenue bonds through the California Statewide Communities Development Authority (CSCDA) to assist a developer in the construction of an apartment complex for senior citizens, including those of low income. The bonds are secured by the property financed and are payable solely from income generated by the property. The City is not obligated in any manner for repayment of the bonds and accordingly, the bonds are not recorded as liabilities in the accompanying financial statements.

Also, to assist in the construction of this apartment complex, the City received a grant from the Home Investment Partnerships (HOME) Program, and \$3,400,000 of the grant was loaned to the developer. The terms of the loan provide for an interest rate of 1 percent and a repayment term of 55 years, with payments to be made from the "residual receipts" of the project as defined in the loan agreement.

NOTE 11 – JOINT VENTURES

Local Transportation Authority:

The City is a participant, along with Imperial County and the other cities in the county, in the Imperial County Local Transportation Authority (LTA). The LTA is considered a joint venture without equity interest. The City is also not obligated in any manner for debt of the LTA. Each participating jurisdiction appoints one member to the governing board of the LTA. The LTA was approved by voters of Imperial County at a special election on November 8, 1989. The ballot measure (Measure D) increased the sales tax in Imperial County by one-half of one percent (0.5%) for a period of twenty years, to provide funding for transportation improvements. The revenues are allocated to each participating jurisdiction based on a formula contained in the ballot measure.

On May 8, 2003 the LTA issued \$6,670,000 of sales tax refunding and new money bonds to refund on a current basis all of a previous bond issue and to fund certain transportation projects for the City and another member of the LTA. The amount made available to the City by this issue was \$1,849,216. The LTA has pledged the City's share of sales tax revenue as security for the amount. The amount received this fiscal year as shown above is net of the City's share of debt service required on this bond issue. The City has no other liability for the debt.

Additional financial information on the LTA is available from the Imperial County Transportation Commission.

Imperial Valley Emergency Communications Authority:

The City is a participant, along with Imperial County and the other cities in the county, in the Imperial Valley Emergency communications authority (IVECA). IVECA is considered a joint venture without equity interest. The purpose of IVECA is to extend an 800 MHz radio system from San Diego into Imperial County, to provide improved communications for public safety and emergency services. IVECA has entered into a lease purchase agreement with Motorola Inc. to provide the infrastructure system needed. The City's cost of the lease purchase agreement is \$63,715 per year for seven years, and began in the fiscal year ended June 30, 2004. It is also anticipated that IVECA will provide centralized dispatching services throughout Imperial County at some point in the future.

NOTE 12 – 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.

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12 – PENSION PLAN (CONTINUED)

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, agent multiple-employer 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.

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, 2016, 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	17.383%	6.25%	40.860%	11.50%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 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, 2016, the City reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

Proportionate Share of Net Pension Liability	
Misc. Plan	Safety Plan
\$ 7,246,090	\$ 10,352,636

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12 – 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, 2014, 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, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	City Miscellaneous Plan	City Safety Plan
Proportion - June 30, 2014	0.28967%	0.25157%
Proportion - June 30, 2015	0.26412%	0.25125%
Change - Increase (Decrease)	-0.02555%	-0.00032%

For the fiscal year ended June 30, 2016, the Local Government recognized pension expense of \$1,886,990. At June 30, 2016, 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	\$ 2,219,094	\$ -
Differences between projected and actual contributions	281,124	(19,375)
Differences between expected and actual experience	48,218	(138,613)
Changes in assumption		(1,093,724)
Differences between projected and actual earnings		(551,800)
Changes in proportion		(427,358)
Total	<u>\$ 2,548,436</u>	<u>\$ (2,230,870)</u>

\$2,219,094 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, 2017. 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,	
2017	\$ (624,341)
2018	(621,909)
2019	(517,328)
2020	(137,950)
Total	<u>\$ (1,901,528)</u>

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12 – 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, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 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, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	Miscellaneous	Safety
	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
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 Funds	

(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, 2014 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 7.65% 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes 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.

CITY OF BRAWLEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2016

NOTE 12 – PENSION PLAN (CONTINUED)

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

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	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

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

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

Sensitivity of the 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:

	Miscellaneous	Safety
1% Decrease	6.65%	6.65%
Net Pension Liability	\$12,152,198	\$16,598,831
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$7,246,090	\$10,352,636
1% Increase	8.65%	8.65%
Net Pension Liability	\$3,195,527	\$5,230,871

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

**CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 13 – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

In preparing the accompanying financial statement, City management has reviewed all known events that have occurred after June 30, 2016, and through November 15, 2016, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

NOTE 14 – SUCCESSORY 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 Brawley (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 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 12-001.

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 the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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

A. Long-term debt of the Successor Agency as of June 30, 2016, consisted of the following:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Tax Allocation Bonds	\$ 5,025,000	\$ 4,800,000	\$ (5,025,000)	\$ 4,800,000	\$ 225,000
Unamortized premium		88,574	(4,026)	84,548	4,026
Deferred loss on refunding		(139,246)	6,329	(132,917)	(6,329)
Totals	<u>\$ 5,025,000</u>	<u>\$ 4,749,328</u>	<u>\$ (5,022,697)</u>	<u>\$ 4,751,631</u>	<u>\$ 222,697</u>

2016 Tax Allocation Refunding Bonds Payable

On October 3, 2006, the Community Redevelopment Agency issued \$5,875,000 of 2006 Tax Allocation Bonds. Interest is payable semiannually each April 1 and October 1 with principal due each October 1 beginning in 2008 with final maturity in 2036. The bonds were issued with interest rates varying between 3.65% and 5.00%. Proceeds from the issue are to be used to finance improvements, fund a reserve account, fund a capitalized interest account, and pay costs of issuance. Tax increment revenue is pledged against the bonds.

On January 27, 2016 the Successor to the Community Redevelopment Agency issued \$4,800,000 of 2016 Tax Allocation Refunding Bonds to refund the 2006 Tax Allocation Bonds. Interest is payable semiannually each April 1 and October 1 with principal due each October 1 beginning in 2016 with final maturity in 2036. The bonds were issued with interest rates varying between 2.125% and 5.00%. Tax increment revenue is pledged against the bonds.

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(Continued)

The scheduled annual minimum debt service requirements at June 30, 2016 are as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 225,000	\$ 146,201	\$ 371,201
2018	165,000	140,351	305,351
2019	170,000	135,326	305,326
2020	175,000	129,276	304,276
2021	180,000	121,276	301,276
2022-2026	1,035,000	490,950	1,525,950
2027-2031	1,195,000	342,222	1,537,222
2032-2036	1,355,000	158,407	1,513,407
2037	300,000	4,875	304,875
Totals	\$ 4,800,000	\$ 1,668,884	\$ 6,468,884

NOTE 15 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of (\$167,420) was made in the Wastewater Fund due to an overstatement of cash with fiscal agent in the prior fiscal year.

CITY OF BRAWLEY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Utility users	\$ 1,878,807	\$ 1,878,807	\$ 1,695,929	\$ (182,878)
Transient lodging	361,325	361,325	340,506	(20,819)
Franchise	600,000	600,000	599,042	(958)
Business license	45,000	45,000	49,901	4,901
Licenses and permits	10,000	10,000	13,041	3,041
Fines and forfeitures	49,025	49,025	55,712	6,687
Use of money and property	26,000	26,000	51,867	25,867
Intergovernmental	7,249,623	7,249,623	7,234,089	(15,534)
Charges for services	3,784,719	3,784,719	3,694,910	(89,809)
Miscellaneous	130,000	130,000	293,760	163,760
Total revenues	14,134,499	14,134,499	14,028,757	(105,742)
EXPENDITURES				
Current:				
General government	2,509,378	2,509,378	2,412,426	96,952
Public safety	8,475,067	8,475,067	8,888,206	(413,139)
Culture and leisure	2,293,376	2,293,376	2,281,851	11,525
Community development	1,593,849	1,593,849	1,524,752	69,097
Capital outlay	375,700	375,700	292,780	82,920
Total expenditures	15,247,370	15,247,370	15,400,015	(152,645)
Excess of revenues over (under) expenditures	(1,112,871)	(1,112,871)	(1,371,258)	(258,387)
OTHER FINANCING SOURCES (USES)				
Transfers in			122,517	122,517
Total other financing sources (uses)			122,517	122,517
Net change in fund balance	(1,112,871)	(1,112,871)	(1,248,741)	(135,870)
Fund Balance - July 1, 2015	4,916,355	4,916,355	4,916,355	
Fund Balance - June 30, 2016	\$ 8,719,839	\$ 8,719,839	\$ 3,667,614	\$ (135,870)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BRAWLEY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC & COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 52,300	\$ 52,300	\$ 51,793	\$ (507)
Intergovernmental	754,153	754,153		(754,153)
Total revenues	806,453	806,453	51,793	(754,660)
EXPENDITURES				
Current:				
Community development	754,153	754,153	150,302	603,851
Capital outlay	100,000	100,000	536,411	(436,411)
Total expenditures	854,153	854,153	686,713	167,440
Excess of revenues over (under) expenditures	(47,700)	(47,700)	(634,920)	(587,220)
OTHER FINANCING SOURCES (USES)				
Transfers out			(419,826)	(419,826)
Total other financing sources (uses)			(419,826)	(419,826)
Net change in fund balance	(47,700)	(47,700)	(1,054,746)	(587,220)
Fund Balance - July 1, 2015	8,724,543	8,724,543	8,724,543	
Fund Balance - June 30, 2016	<u>\$ 8,676,843</u>	<u>\$ 8,676,843</u>	<u>\$ 7,669,797</u>	<u>\$ (587,220)</u>

**CITY OF BRAWLEY
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2016**

Cost Sharing Defined Benefit Pension Plans

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

	June 30, 2015		June 30, 2016	
	Miscellaneous Plan	Safety Plan	Miscellaneous Plan	Safety Plan
Proportion of the net pension liability	0.28967%	0.25157%	0.26412%	0.25125%
Proportionate share of the net pension liability	\$ 7,159,080	\$ 9,436,254	\$ 7,246,090	\$ 10,352,636
Covered-employee payroll	\$ 4,641,025	\$ 2,943,387	\$ 5,201,544	\$ 3,383,758
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	154.26%	320.59%	139.31%	305.95%
Plan's fiduciary net position	\$ 27,257,634	\$ 28,620,349	\$ 28,561,561	\$ 28,187,592
Plan's total pension liability	\$ 34,416,714	\$ 38,056,603	\$ 35,807,651	\$ 38,540,228
Plan fiduciary net position as a percentage of total pension liability	79.20%	75.20%	79.76%	73.14%

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: None

*Fiscal year 2015 was the 1st year of implementation, therefore only two year is shown.

**CITY OF BRAWLEY
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2016**

Cost Sharing Defined Benefit Pension Plans

Schedule of Contributions – Last 10 Years*

	June 30, 2015		June 30, 2016	
	Miscellaneous Plan	Safety Plan	Miscellaneous Plan	Safety Plan
Contractual required contribution (actuarially determined)	\$ 736,175	\$ 1,047,202	\$ 752,328	\$ 1,053,675
Contributions in relation to the actuarially determined contributions	(736,175)	(1,047,202)	(752,328)	(1,053,675)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,641,025	\$ 2,943,387	\$ 5,201,544	\$ 3,383,758
Contributions as a percentage of covered employee payroll	15.86%	35.58%	14.46%	31.14%

Notes to Schedule

Valuation Date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Investment Rate of Return	7.50%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds

⁽¹⁾The mortality table was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

*Fiscal year 2015 was the 1st year of implementation, therefore only two year is shown.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF BRAWLEY
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

Gas Tax Fund – To account for City's share of state gas tax revenue restricted for street improvements and maintenance.

Measure D Fund – To account for revenue received from the Local Transportation Authority for the City's portion of the ½% local sales tax revenue for a 20 year street rehabilitation program. Uses are restricted to those purposes necessary and convenient for the maintenance, operation, and construction of local streets and roads.

Pedestrian & Bicycle Facilities Fund – To account for revenue received from the State under Article 3 of the Transportation Development Act (Section 99234 of the Public Utilities Code). Uses are restricted to facilities for exclusive use by pedestrians and bicycles.

Downtown Parking Fund – To account for fees collected from merchants in the downtown business district to provide parking facilities in the downtown area.

Dial –a- Ride Fund – To account for revenues received from the State under Article 8(c) of the Transportation Development Act (Section 99400(c) of the Public Utilities Code), and for fares collected from users. Uses are to provide mass transit services to the general public.

Law Enforcement Fund – To account for revenues received by the City as a result of its participation in a task force with other law enforcement agencies in the area, and to account for revenues of various federal and state grants for law enforcement.

Successor Agency Housing Fund – Successor agency to the CRA Housing Fund.

Assessment Districts Fund – To account for the collection of assessments from property owners and the associated expenditures for the maintenance of landscaped areas within the district, and to account for revenues and expenditures of Community Facilities Districts (CFD).

CAPITAL PROJECTS FUNDS

Capital Projects funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Parks Projects Fund – To account for Parkland dedication fees prescribed by the Quimby Act and other revenues designated for improvements to public parks.

Streets Projects Fund – This fund accounts for resources set aside for major improvements to local streets and roads.

Development Impact Fund – To account for fees paid by developers to offset the cost of providing public facilities for police, fire, parks, recreation, library, and other public facilities and for street construction.

CITY OF BRAWLEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016

	Special Revenue Funds				
	Gas Tax	Measure D	Pedestrian & Bicycle Facilities	Downtown Parking	Dial -a- Ride
ASSETS					
Cash and investments	\$ 1,157,596	\$ 2,703,064	\$ 251,585	\$ 605	\$ -
Restricted cash and investments with fiscal agents					
Interest receivable	2,133	3,871	410	1	
Accounts receivable				850	
Due from other governments				28	
Total assets	\$ 1,159,729	\$ 2,706,935	\$ 251,995	\$ 1,484	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 41,208	\$ 34,646	\$ 194	\$ -	\$ -
Due to other funds					
Total liabilities	41,208	34,646	194		
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	257,703				
Total deferred inflows of resources	257,703				
Total liabilities and deferred inflows of resources	298,911	34,646	194		
Fund balances:					
Restricted for:					
Streets and roads	860,818	2,672,289	251,801		
Public safety				1,484	
Community development					
Assessment districts					
Parks and recreation					
Unassigned					
Total fund balances <deficits>	860,818	2,672,289	251,801	1,484	
Total liabilities, deferred inflows of resources and fund balances	\$ 1,159,729	\$ 2,706,935	\$ 251,995	\$ 1,484	\$ -

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Law Enforcement	Successor Agency Housing	Assessment Districts	Park Projects	Streets	Development Impact	
\$ 744,054	\$ -	\$ 380,207	\$ -	\$ 1,368,701	\$ 2,857,052	\$ 9,462,864
1,254		61,558				61,558
35,110		1,082			2,726	11,477
		59,009	81,500	1,972		2,822
				52,766		228,413
<u>\$ 780,418</u>	<u>\$ -</u>	<u>\$ 501,856</u>	<u>\$ 81,500</u>	<u>\$ 1,423,439</u>	<u>\$ 2,859,778</u>	<u>\$ 9,767,134</u>
\$ 263,057	\$ 3,255	\$ 68	\$ 37,900	\$ -	\$ 1,831	\$ 382,159
			46,177			46,177
263,057	3,255	68	84,077		1,831	428,336
23,387						281,090
23,387						281,090
286,444	3,255	68	84,077		1,831	709,426
493,974				1,423,439		5,208,347
					2,857,947	495,458
		501,788				2,857,947
	(3,255)		(2,577)			501,788
						(5,832)
493,974	(3,255)	501,788	(2,577)	1,423,439	2,857,947	9,057,708
<u>\$ 780,418</u>	<u>\$ -</u>	<u>\$ 501,856</u>	<u>\$ 81,500</u>	<u>\$ 1,423,439</u>	<u>\$ 2,859,778</u>	<u>\$ 9,767,134</u>

CITY OF BRAWLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

	Special Revenue Funds				
	Gas Tax	Measure D	Pedestrian & Bicycle Facilities	Downtown Parking	Dial -a-Ride
REVENUES					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services				875	
Use of money and property	8,409	15,204	1,385	1	
Intergovernmental	577,704	924,491	86,159		62,998
Miscellaneous					
Total revenues	586,113	939,695	87,544	876	62,998
EXPENDITURES					
Current:					
Public safety					
Community development					
Culture and leisure					
Transportation	690,147	657,514	13,875		
Capital outlay					
Total expenditures	690,147	657,514	13,875		
Excess of revenues over (under) expenditures	(104,034)	282,181	73,669	876	62,998
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out			(4,065)		
Total other financing sources (uses)			(4,065)		
Net change in fund balances	(104,034)	282,181	69,604	876	62,998
Fund Balances (Deficit) - beginning of fiscal year	964,852	2,390,108	182,197	608	(62,998)
Prior Period Adjustments					
Fund Balances (Deficit) - beginning of fiscal year, restated	964,852	2,390,108	182,197	608	(62,998)
Fund Balances (Deficit) - end of fiscal year	\$ 860,818	\$ 2,672,289	\$ 251,801	\$ 1,484	\$ -

Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
Law Enforcement	Successor Agency Housing	Assessment Districts	Park Projects	Streets	Development Impact	
\$ -	\$ -	\$ 160,643	\$ -	\$ -	\$ -	\$ 160,643
59,753					1,047,675	1,108,303
4,616		5,376			8,792	43,783
318,130		56,736	81,500	2,781,047		4,888,765
29,350						29,350
<u>411,849</u>		<u>222,755</u>	<u>81,500</u>	<u>2,781,047</u>	<u>1,056,467</u>	<u>6,230,844</u>
198,275						198,275
		28,103		31,656	13,516	73,275
			35,897			35,897
						1,361,536
<u>282,491</u>			<u>47,438</u>	<u>2,598,937</u>	<u>50,106</u>	<u>2,978,972</u>
<u>480,766</u>		<u>28,103</u>	<u>83,335</u>	<u>2,630,593</u>	<u>63,622</u>	<u>4,647,955</u>
<u>(68,917)</u>		<u>194,652</u>	<u>(1,835)</u>	<u>150,454</u>	<u>992,845</u>	<u>1,582,889</u>
		<u>(118,452)</u>				<u>(122,517)</u>
		<u>(118,452)</u>				<u>(122,517)</u>
<u>(68,917)</u>		<u>76,200</u>	<u>(1,835)</u>	<u>150,454</u>	<u>992,845</u>	<u>1,460,372</u>
<u>562,891</u>	<u>(3,255)</u>	<u>425,588</u>	<u>(742)</u>	<u>1,272,985</u>	<u>1,865,102</u>	<u>7,597,336</u>
<u>562,891</u>	<u>(3,255)</u>	<u>425,588</u>	<u>(742)</u>	<u>1,272,985</u>	<u>1,865,102</u>	<u>7,597,336</u>
<u>\$ 493,974</u>	<u>\$ (3,255)</u>	<u>\$ 501,788</u>	<u>\$ (2,577)</u>	<u>\$ 1,423,439</u>	<u>\$ 2,857,947</u>	<u>\$ 9,057,708</u>

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**CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
JUNE 30, 2016**

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government unites, on a cost reimbursement basis.

Maintenance Fund – To account for the costs of maintenance of the City’s fleet of vehicles and certain public facilities.

Risk Management Fund – To account for the costs of providing insurance, including risks retained by the City, for general liability, property damage, unemployment benefits, workers’ compensation and employee health benefits. This fund also finances postemployment health care benefits provided to retirees and to former employees.

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2016

	Maintenance	Risk Management	Totals
ASSETS			
Current Assets:			
Cash and investments	\$ 879,496	\$ -	\$ 879,496
Interest receivable	1,774		1,774
Due from other governments	166,809		166,809
Prepaid expenditures	88,587	1,352,864	1,441,451
Total Current Assets	1,136,666	1,352,864	2,489,530
Noncurrent Assets:			
Capital Assets:			
Construction in progress	430,462		430,462
Equipment	3,047,039		3,047,039
Total Capital Assets	3,477,501		3,477,501
Less Accumulated Depreciation	(1,716,107)		(1,716,107)
Net Capital Assets	1,761,394		1,761,394
Total Noncurrent Assets	1,761,394		1,761,394
Total Assets	2,898,060	1,352,864	4,250,924
LIABILITIES			
Current Liabilities:			
Accounts payable		47,294	47,294
Due to other funds		1,293,438	1,293,438
Total Current Liabilities		1,340,732	1,340,732
Noncurrent Liabilities:			
Compensated absences	20,976		20,976
Claims payable		6,682	6,682
Total Noncurrent Liabilities	20,976	6,682	27,658
Total Liabilities	20,976	1,347,414	1,368,390
NET POSITION			
Net investment in capital assets	1,761,394		1,761,394
Unrestricted	1,115,690	5,450	1,121,140
Total Net Position	\$ 2,877,084	\$ 5,450	\$ 2,882,534

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
For the Fiscal Year Ended June 30, 2016

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
Revenues:			
Charges for services	\$ 197,593	\$ 3,026,686	\$ 3,224,279
Use of money and property	310,418		310,418
Total Revenues	<u>508,011</u>	<u>3,026,686</u>	<u>3,534,697</u>
Expenses:			
Salary and benefits	249,653		249,653
Supplies and services	243,260	2,892,026	3,135,286
Depreciation	189,298		189,298
Total Expenses	<u>682,211</u>	<u>2,892,026</u>	<u>3,574,237</u>
Operating Income (Loss)	<u>(174,200)</u>	<u>134,660</u>	<u>(39,540)</u>
Non-Operating Revenue (Expenses)			
Intergovernmental revenue			
Interest income	6,875		6,875
Total Non-Operating Revenue	<u>6,875</u>		<u>6,875</u>
Change in Net Assets	<u>(167,325)</u>	<u>134,660</u>	<u>(32,665)</u>
Net Position - Beginning of Fiscal Year	<u>3,044,409</u>	<u>(129,210)</u>	<u>2,915,199</u>
Net Position - End of Fiscal Year	<u>\$ 2,877,084</u>	<u>\$ 5,450</u>	<u>\$ 2,882,534</u>

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 508,011	\$ 3,026,686	\$ 3,534,697
Cash payments to suppliers and contractors	(576,435)	(4,255,932)	(4,832,367)
Cash payments for employees and benefit programs	(249,968)		(249,968)
Net Cash Provided (Used) By Operating Activities	<u>(318,392)</u>	<u>(1,229,246)</u>	<u>(1,547,638)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Interfund borrowing (repayment)		1,229,246	1,229,246
Intergovernmental revenue (expense)	570,049		570,049
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>570,049</u>	<u>1,229,246</u>	<u>1,799,295</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(331,581)		(331,581)
Loan repayment	120,633		120,633
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(210,948)</u>		<u>(210,948)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	6,626		6,626
Net Cash Provided In Investing Activities	<u>6,626</u>		<u>6,626</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	47,335		47,335
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>832,161</u>		<u>832,161</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 879,496</u>	<u>\$ -</u>	<u>\$ 879,496</u>
Reconciliation with Statement of Net Position			
Cash and investments	\$ 879,496	\$ -	\$ 879,496
CASH AND CASH EQUIVALENTS	<u>\$ 879,496</u>	<u>\$ -</u>	<u>\$ 879,496</u>

(Continued)

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016 (Continued)

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (174,200)	\$ 134,660	\$ (39,540)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Depreciation	189,298		189,298
(Increase) Decrease prepaid expenditures	(88,587)	(1,352,864)	(1,441,451)
Increase (Decrease) accounts payable and accrued liabilities	(244,788)	(11,042)	(255,830)
Total Adjustments	(144,192)	(1,363,906)	(1,508,098)
Net Cash Provided (Used) By Operating Activities	<u>\$ (318,392)</u>	<u>\$ (1,229,246)</u>	<u>\$ (1,547,638)</u>

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

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board
City of Brawley
Brawley, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements, and have issued our report thereon dated January 27, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Brawley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Brawley's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Brawley'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 noted certain matters that we reported to management of the City in a separate letter dated March 14, 2016.

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State Board of Accountancy

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Brawley's financial statements are free of 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.

Christy White Associates

San Diego, California
January 27, 2017

CITY OF BRAWLEY

BRAWLEY, CALIFORNIA

SINGLE AUDIT REPORT

FOR THE YEAR ENDED

JUNE 30, 2016

CITY OF BRAWLEY
Brawley, California

SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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* 1

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133..... 3

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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**

Governing Board
City of Brawley
Brawley, 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, business-type activities, each major fund, and the aggregate remaining fund information of City of Brawley, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements, and have issued our report thereon dated March 14, 2016.

Internal Control over Financial Reporting

Management of the City of Brawley is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 on it. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of 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.

Christy White Associates

San Diego, California
February 2, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Governing Board
City of Brawley
Brawley, California

Report on Compliance for Each Major Federal Program

We have audited the City of Brawley's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Brawley's major federal programs for the year ended June 30, 2016. The City of Brawley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Brawley's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Brawley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Brawley's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the City of Brawley 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 City of Brawley's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Brawley's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic financial statements. We issued our report thereon dated March 14, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 (continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Christy White Associates

San Diego, California
February 2, 2017

CITY OF BRAWLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Name of Agency / Grant / Program	Federal Catalog Number	Identifying Number	Total Program Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
<i>Passed through California Department of Housing and Community Development:</i>			
Community Development Block Grant - Program Income	14.228	*	\$ 3,933
Community Development Block Grant - Grant	14.228	13-CDBG-8954	1,434,800
U.S. DEPARTMENT OF TRANSPORTATION:			
Federal Aviation Administration			
Airport Improvement Program	20.106	649835-A-1	826,570
U.S. DEPARTMENT OF JUSTICE:			
ARRA - Public Safety Partnership and Community Policing Grants	16.710	2013UMWX0016	106,958
Asset Forfeiture Grant	16.000	*	217,876
Drug Enforcement Administration	16.004	*	13,161
Total U.S. Department of Justice			<u>337,995</u>
EXECUTIVE OFFICE OF THE PRESIDENT:			
High Intensity Drug Trafficking Areas Program	95.001	*	37,385
U.S. DEPARTMENT OF HOMELAND SECURITY:			
<i>Passed through the State of California Emergency Management Agency (CalEMA):</i>			
Operation Stonegarden Grant Program	97.067	OPSG	218,130
Total Expenditures of Federal Awards			<u>\$ 2,858,813</u>

*Identifying number not available or not applicable

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF BRAWLEY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within the general, special revenue, capital projects, and enterprise funds of the City. The City utilizes the modified accrual basis of accounting for the general, special revenue, and capital project funds. The accrual basis of accounting is used for the enterprise fund. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.

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 and other agencies are included in the Schedule. The Schedule of Expenditures of Federal Awards 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.

2. MAJOR PROGRAM DESCRIPTIONS

U. S. Department of Transportation – Federal Aviation Administration – Airport Improvement Program

The objective of the Airport Improvement Program is to assist sponsors, owners, or operators of public-use airports in the development of a nationwide system of airports adequate to meet the needs of civil aeronautics. The purpose of the law includes the investment in transportation, environmental protection, and airport infrastructure that will provide long-term economic benefits.

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 BRAWLEY
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>No</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>No</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	<u>No</u>
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
<u>14.228</u>	<u>Community Development Block Grant - Grant</u>
<u>20.106</u>	<u>Airport Improvement Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**CITY OF BRAWLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2016.

CITY OF BRAWLEY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

There were no financial statement findings for the year ended June 30, 2016.

CITY OF BRAWLEY

**TRANSPORTATION DEVELOPMENT ACT FUNDS
FINANCIAL STATEMENTS**

JUNE 30, 2016

CITY OF BRAWLEY
TRANSPORTATION DEVELOPMENT ACT FUNDS
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FOR THE YEAR ENDED JUNE 30, 2016

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**LOCAL TRANSPORTATION FUNDS NON-TRANSIT
FINANCIAL STATEMENTS**

JUNE 30, 2016

INDEPENDENT AUDITORS' REPORT

Governing Board
City of Brawley
Brawley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Local Transportation Funds Non-Transit of the City of Brawley, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Brawley'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. 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 significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (continued)

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

In connection with our examination we also performed, to the extent applicable, the seventeen tasks contained in "Guidelines on Auditing for Conformance" published by the Imperial County Transportation Commission (ICTC).

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Local Transportation Funds Non-Transit of City of Brawley as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the funds allocated to the City of Brawley, California, were expended in conformance with the applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of ICTC.

Emphasis of Matter

As discussed in Note No. 1, the financial statements present only the Local Transportation Funds Non-Transit and do not purport to, and do not present fairly the financial position of the City of Brawley, California, as of June 30, 2016 and the changes in its financial position, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Local Transportation Funds Non-Transit. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Christy White Associates

San Diego, California
January 27, 2017

**CITY OF BRAWLEY
 LOCAL TRANSPORTATION FUNDS NON-TRANSIT
 BALANCE SHEET
 JUNE 30, 2016**

	Article 3	Article 8(e)	Totals
ASSETS			
Cash and investments	\$ 82,521	\$ 169,064	\$ 251,585
Other current assets	117	293	410
Total Assets	\$ 82,638	\$ 169,357	\$ 251,995
LIABILITIES			
Accrued liabilities	194	-	194
Total Liabilities	194	-	194
FUND BALANCES			
Restricted	\$ 82,444	\$ 169,357	\$ 251,801
Total Fund Balances	82,444	169,357	251,801
Total Liabilities and Fund Balances	\$ 82,638	\$ 169,357	\$ 251,995

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
JUNE 30, 2016

	<u>Article 3</u>	<u>Article 8(e)</u>	<u>Totals</u>
REVENUES			
Intergovernmental - TDA/LTF	\$ 24,947	\$ 61,212	\$ 86,159
Interest earnings	429	956	1,385
Total Revenues	25,376	62,168	87,544
EXPENDITURES			
Current			
Supplies and materials	3,321	-	3,321
Services	10,554	-	10,554
Improvements	-	-	-
Equipment	-	4,065	4,065
Total Expenditures	13,875	4,065	17,940
Excess (Deficiency) of Revenues			
Over Expenditures	11,501	58,103	69,604
NET CHANGE IN FUND BALANCE	11,501	58,103	69,604
Fund Balance - Beginning	70,943	111,254	182,197
Fund Balance - Ending	\$ 82,444	\$ 169,357	\$ 251,801

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The financial statements are intended to reflect the financial position, respective changes in financial position, and compliance with the Transportation Development Act of the City of Brawley, California.

The Local Transportation Fund Non-Transit is a special revenue fund of the City of Brawley and included in the basic financial statements of the City.

The financial statements of the City of Brawley's Transportation Development Act Funds have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City of Brawley's Local Transportation Fund Non-Transit accounting policies are described below.

B. Basis of Presentation

The accounts of the City's Local Transportation Fund Non-Transit are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects

C. Measurement Focus and Basis of Accounting

All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included in the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 be used to pay liabilities of the current period. Expenditures are generally recognized when the related fund liabilities are incurred.

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City adopts budgets for the Local Transportation Fund Non-Transit and all budget appropriations lapse at year end.

E. Fund Balance

The City adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the year ended June 30, 2016. Accordingly, governmental funds report fund balance as non-spendable, 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.

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.

NOTE 2 – INTERGOVERNMENTAL ALLOCATIONS

The City was allocated the following shared property taxes during the year ended June 30, 2016:

Section	Amount
99234	\$ 24,947
99400(e)	61,212
Total	<u>\$ 86,159</u>

**SUPPLEMENTARY
INFORMATION**

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
ARTICLE 3 BUS BENCHES AND SHELTERS FUND – BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2016

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental - TDA/LTF	\$ 25,479	\$ 25,479	\$ 24,947	\$ 532
Interest	300	300	429	(129)
Total Revenues	25,779	25,779	25,376	403
EXPENDITURES				
Current				
Salries and wages	-	-	-	-
Benefits	-	-	-	-
Professional and technical	4,000	4,000	10,554	(6,554)
Maintenance supplies	16,000	16,000	3,321	12,679
Improvements	16,000	16,000	-	16,000
Total Expenditures	36,000	36,000	13,875	22,125
Excess (Deficiency) of Revenues				
Over Expenditures	(10,221)	(10,221)	11,501	(21,722)
NET CHANGE IN FUND BALANCE	(10,221)	(10,221)	11,501	(21,722)
Fund Balance - Beginning	70,943	70,943	70,943	-
Prior Period Adjustment	-	-	-	-
Fund Balance - Ending	\$ 60,722	\$ 60,722	\$ 82,444	\$ (21,722)

**CITY OF BRAWLEY
 LOCAL TRANSPORTATION FUNDS NON-TRANSIT
 ARTICLE 8(e) PEDESTRIANS AND BICYCLES FUND – BUDGETARY COMPARISON SCHEDULE
 JUNE 30, 2016**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental - TDA/LTF	\$ 51,000	\$ 51,000	\$ 61,212	\$ (10,212)
Interest	300	300	956	(656)
Total Revenues	51,300	51,300	62,168	(10,868)
EXPENDITURES				
Current				
Equipment	-	-	4,065	(4,065)
Total Expenditures	-	-	4,065	(4,065)
Excess (Deficiency) of Revenues Over Expenditures	51,300	51,300	58,103	(6,803)
NET CHANGE IN FUND BALANCE	51,300	51,300	58,103	(6,803)
Fund Balance - Beginning	111,254	111,254	111,254	-
Fund Balance - Ending	\$ 162,554	\$ 162,554	\$ 169,357	\$ (6,803)

City of Brawley
Utility User Tax

The purpose of the Utility User Tax is to raise revenues for the general governmental purposes of the City. All of the proceeds from the UUT imposed shall be placed in the City's General Fund. The tax levied is on the utility services of Telephone, Electricity, Gas, Water, Sewer, Trash and Cable Television. The current tax imposed on these utilities is 4%. This UUT was voter-approved on November 8, 2011 with an expiration date of May 31, 2018.

Revenue

	2014*	2015*	2016*
City Services (Water, Sewer, Trash - Residential)	\$ 501,324.98	\$ 533,829.08	\$ 453,013.93
Republic Services (Trash - Commercial)	\$ 55,855.26	\$ 46,710.85	\$ 64,542.89
IID (Electricity)	\$ 955,647.23	\$ 922,528.52	\$ 800,428.01
Pacific Bell (Telephone)	\$ 58,525.52	\$ 55,516.85	\$ 56,575.00
Southern CA Gas** (Natural Gas)	\$ 425,890.76	\$ 79,404.02	\$ 82,137.45
Time Warner Cable (Cable Television)	\$ 84,820.89	\$ 89,015.27	\$ 91,657.17
Other Utility Service Providers (Gas & Telephone)	\$ 98,981.02	\$ 103,886.39	\$ 57,395.85
Total	\$ 2,181,045.66	\$ 1,830,890.98	\$ 1,605,750.30

*Calendar Year (January - December)

** 2014 balance includes one-time true-up payment (National Beef Closure)



Prepared by Finance Director Ruby Walla
 City Council Mtg 2.21.2017

DEPARTMENTAL REPORT
City of Brawley

Meeting Date: February 21, 2017
City Manager: 

PREPARED BY: Rosanna Bayon Moore, City Manager
Gordon R. Gaste, Planning Director, AICP, CEP

PRESENTED BY: Rosanna Bayon Moore, City Manager
Gordon R. Gaste, Planning Director, AICP, CEP

SUBJECT: Brawley Mobile Home Park Update

DISCUSSION: This is a current status report on the Brawley Mobile Home Park located at 630 South Brawley Avenue:

1. The County Development Services Department is still plan checking some items regarding the individual units. To date, only 2 of the original units may have the ability to be rehabilitated. Other units would require replacement. The plan check for the relocation of the onsite utilities is still under review.
2. The City has yet to receive an updated site plan from the applicant.
3. As of February 10, 2017, the County had a total of 19 TBRA (Tenant Based Rental Assistance) applicants of the 44 residents of Brawley Mobile Home Park.
 - a. Two (2) Brawley Mobile Home Park residents have completed the income certification process with the County of Imperial.
 - i. One applicant has met eligibility criteria. However, the desired rental unit is not eligible so the applicant is seeking an eligible rental unit.
 - ii. The second applicant has met eligibility requirements. However, the monthly rent for the desired unit is too low for the program to assist them.
4. To date, no Brawley Mobile Home Park residents have actually received TBRA assistance from the County hosted program. Funds are currently available for households that meet eligibility requirements.
5. The City has the ability to obtain the State's authorization to host the same activity defined in the TBRA as the County as part of an existing 2015 HOME Grant. TBRA must be provided for no less than 6 months and no greater than 24 months. Rental assistance funds given for less than 6 months will not be reimbursed by the grant.

6. The City's existing HOME Grant was originally conceived for owner based housing rehabilitation in the amount of \$500,000. The City presently has two active applicants for housing reconstruction and rehabilitation and several on a waiting list. One application is being processed. The estimated cost for the two reconstruction projects is \$300,000.
7. To incorporate TBRA into the existing 2015 HOME Grant, the following is required:
 - a. City decides on amount to be designated from existing grant.
 - b. City Council resolution is passed, approving the added activity.
 - c. City submits an application to HOME for approval.

City staff is seeking guidance from HOME regarding the potential use of County Rental Guidelines in lieu of submittal of new City guidelines. The State's response is pending.

FISCAL IMPACT: Amount of TBRA designated by the City Council.

ATTACHMENTS: None