



**CITY COUNCIL AGENDA  
SPECIAL MEETING  
CITY OF HALF MOON BAY**

**MONDAY, DECEMBER 16, 2024**

**HYBRID MEETING (SEE NEXT PAGE)  
ADCOCK COMMUNITY CENTER  
535 KELLY AVENUE  
HALF MOON BAY, CA 94019**

**Joaquin Jimenez, Mayor  
Harvey Rarback, Vice Mayor  
Robert Brownstone, Councilmember  
Deborah Penrose, Councilmember  
Debbie Ruddock, Councilmember**

**6:00 PM**

This agenda contains a brief description of each item to be considered. Those wishing to address the City Council on any matter not listed on the agenda, but within the jurisdiction of the City Council to resolve, may come forward to the podium during the Public Forum portion of the agenda and will have a maximum of three minutes to discuss their item. Comments on City Manager Updates and Consent Calendar items should be made during the Public Forum section of the agenda. Those wishing to speak on a Business or Public Hearing matter will be called forward at the appropriate time during that item's consideration.

Please Note: Anyone wishing to present materials to the City Council, please submit seven copies to the City Clerk.

Copies of written documentation relating to each item of business on the agenda are on file in the Office of the City Clerk at City Hall where they are available for public inspection. If requested, the agenda shall be available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132.) Information may be obtained by calling 650-726-8271.

In compliance with the Americans with Disabilities Act, special assistance for participation in this meeting can be obtained by contacting the City Clerk's Office at 650-726-8271. A 48-hour notification will enable the City to make reasonable accommodations to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

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## **HYBRID MEETING PARTICIPATION PROTOCOLS**

*This meeting will be held in-person and via Zoom for public participation. Remote participation is provided as a supplemental way to provide public comment, but this method does not always work. The public is encouraged to attend in person to ensure full participation. Public comments may be made in-person or remotely via Zoom, and interpretation will be available. All Councilmembers and staff will participate in person. During any public comment portions, attendees may use the “raise your hand” feature and will be called upon and unmuted when it is their turn to speak. The meeting will also be streamed on Channel 27, on pacificcoast.tv, and on Facebook at [www.facebook.com/cityofhalfmoonbay](http://www.facebook.com/cityofhalfmoonbay). Please click to join the webinar: <https://us06web.zoom.us/j/87674804231> or join by phone at 669-900-9128, using Webinar ID 876-7480-4231. If joining by phone, use \*9 to raise your hand, \*6 to mute and unmute.*

## **ROLL CALL / PLEDGE OF ALLEGIANCE**

## **2024 STATE OF THE CITY PRESENTATION**

## **PUBLIC FORUM**

### **1. CONSENT CALENDAR**

#### **1A. WAIVE READING OF RESOLUTIONS AND ORDINANCES**

#### **1B. FINAL RESULTS OF THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION**

**Staff Recommendation:** Adopt a resolution declaring the final results of the November 5, 2024 General Municipal Election.

[STAFF REPORT](#)

[RESOLUTION](#)

#### **1C. WARRANTS FOR THE MONTH OF NOVEMBER 2024**

**Staff Recommendation:** Accept the warrants list for the month of November 2024.

[STAFF REPORT](#)

[ATTACHMENT](#)

#### **1D. ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Staff Recommendation:** Adopt a resolution receiving the City of Half Moon Bay Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

[STAFF REPORT](#)

[ATTACHMENT 1](#)

[ATTACHMENT 2](#)

**ACKNOWLEDGEMENT OF OUTGOING COUNCILMEMBERS**

**REMARKS BY OUTGOING COUNCILMEMBERS**

**SWEARING IN OF NEW COUNCILMEMBERS**

**REMARKS BY INCOMING COUNCILMEMBERS**

**SELECTION OF MAYOR AND VICE MAYOR FOR 2025**

**REMARKS BY INCOMING MAYOR**

**2. CONSENT CALENDAR**

**2A. 2025 CALENDAR OF CITY COUNCIL MEETINGS**

**Staff Recommendation:** By motion, adopt the City Council Calendar for 2025.

[STAFF REPORT](#)

[ATTACHMENT](#)

**3. ORDINANCES AND PUBLIC HEARINGS**

**3A. RESOLUTION OF PUBLIC INTEREST AND CONVENIENCE APPROVING THE CITY'S SALE OF A PORTION OF 880 STONE PINE ROAD (6.87-ACRE PORTION OF APN: 056-260-180) FOR THE CONSTRUCTION OF A 47-UNIT AFFORDABLE FARMWORKER HOUSING PROJECT**

**Staff Recommendation:** Continue the public hearing to a date certain of January 21, 2025, at 7:00 p.m. or as soon thereafter that the matter can be heard at the City Council meeting held at the Ted Adcock Community Center (TACC) 535 Kelly Avenue, Half Moon Bay, CA 94019

[STAFF REPORT](#)

**ADJOURNMENT**

**RECEPTION IMMEDIATELY FOLLOWING**

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY**

**AGENDA REPORT**

For meeting of: **December 16, 2024**

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**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** Jessica Blair, Communications Director / City Clerk

**TITLE:** **FINAL RESULTS OF THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION**

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**RECOMMENDATION:**

Adopt a resolution declaring the final results of the November 5, 2024 General Municipal Election.

**FISCAL IMPACT:**

None associated with this action.

**STRATEGIC ELEMENT:**

This recommendation supports the Inclusive Governance Element.

**BACKGROUND:**

A General Municipal Election was held in Half Moon Bay on November 5, 2024 for the purpose of electing one councilmember for District 2 and one councilmember for District 3 to four-year terms, and a Transactions and Use Tax Measure (Measure R).

The County of San Mateo Elections Division has canvassed the votes and certified the election results. The City is also required to certify the election results.

**ATTACHMENT:**

Resolution Declaring the Final Results of the November 4, 2024 General Municipal Election

**RESOLUTION NO. C-2024-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 5, 2024, DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW**

**WHEREAS**, a Municipal Election was held and conducted in the City of Half Moon Bay on Tuesday, November 5, 2024, as required by law; and

**WHEREAS**, notice of the election was given in time, form, and manner as provided by law; voting precincts were properly established; election officers were appointed; and in all respects the election was held and conducted and the votes were cast, received, and canvassed, and the returns made and declared in time, form, and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in General Law Cities; and

**WHEREAS**, the County Elections Department canvassed the returns of the Election and has certified the results, the results are received, and made a part hereof as Exhibit A.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HALF MOON BAY, CALIFORNIA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1. That the whole number of ballots cast in District 2 was 1,114. The whole number of ballots cast in District 3 was 1,407. That the whole number of ballots cast in the city was 6,604.

Section 2. That the names of persons voted for at the election for Members of the City Council are as follows:

Patric Bo Jonnson, District 2  
Harvey Rarback, District 2

Joaquin Jimenez, District 3  
Paul Nagengast, District 3

That the measures voted upon at the election are as follows:

To help the City of Half Moon Bay maintain financial stability and essential services, such as maintaining 911 emergency response times, sheriff patrols, and disaster/emergency preparedness; keeping public places safe, healthy, and clean; reducing traffic congestion; and maintaining youth and recreation programs, shall a measure establishing a half-cent (0.5%) sales tax, providing approximately \$2,000,000 annually for general revenue purposes until ended by voters, with annual audits/locally controlled funding, be adopted?	YES
	NO

Section 3. That the number of votes given at each precinct and the number of votes given in the city to each of the persons above named for the respective offices for which the persons were candidates were as listed in Exhibit A.

Section 4. That the City Council does declare and determine that:

Patric Bo Jonnson was elected as District 2 Member of the City Council for the full term of four years.

Paul Nagengast was elected as District 3 Member of the City Council for the full term of four years.

As a result of the election, a majority of the voters voting on the measure relating to the transactions and use tax ordinance (Measure R) did vote in favor of it, and that the measure was carried, and shall be deemed adopted and ratified. The ordinance, now considered adopted and in effect, is attached to this resolution for reference.

Section 5. That the City Clerk shall enter on the records of the City Council of the City a statement of the result of the election showing: (1) the whole number of votes (ballots) cast in the city; (2) the names of the persons voted for; (3) the measure voted upon; (4) for what office each person was voted for; and (5) the total number of votes given to each person and for and against each measure.

Section 6. That the City Clerk shall immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the City Clerk shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

Section 7. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 16<sup>th</sup> day of December, 2024 by the City Council of Half Moon Bay by the following vote:

- AYES, Councilmembers:
- NOES, Councilmembers:
- ABSENT, Councilmembers:
- ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

# CERTIFICATE OF THE CHIEF ELECTIONS OFFICER

In the matter of the CANVASS OF VOTES CAST )  
at the PRESIDENTIAL GENERAL ELECTION )  
held on November 5, 2024 )

I, **MARK CHURCH**, Chief Elections Officer of the County of San Mateo, State of California hereby certify;

**THAT** an election was held within the boundaries of the CITY OF HALF MOON BAY DISTRICT 2 on Tuesday, November 5, 2024 for the purpose of electing one (1) City Council Member for a four (4) year term; and I caused to have processed and recorded the votes from the canvass of all ballots cast at said election within the boundaries of the CITY OF HALF MOON BAY DISTRICT 2.

I **HEREBY FURTHER CERTIFY** that the record of votes cast at said election is set forth in Exhibit "A" attached hereto and incorporated herein by reference as though fully set forth at length.

**IN WITNESS WHEREOF**, I hereunto affix my hand and seal this 5<sup>th</sup> day of December, 2024, and file this date with the City Clerk of the CITY OF HALF MOON BAY.



**MARK CHURCH**  
Chief Elections Officer &  
Assessor-County Clerk-Recorder

# EXHIBIT A

**SECTION A**  
**Cast by Precinct**

1 City of Half Moon Bay Member, City Council, District 2						
					1	1
		Registered Voters	Voters Cast	Turnout (%)	PATRIC BO JONSSON	HARVEY RARBACK
33005	Total	125	91	72.80 %	54	34
33021	Total	1196	921	77.01 %	455	358
33041	Total	110	102	92.73 %	40	51
Total - Vote Centers		1431	131	9.15 %	77	36
Total - Vote by Mail		1431	983	68.69 %	472	407
Contest Total		1431	1114	77.85 %	549	443

\*\*\* Indicates vote data was suppressed due to voter privacy settings.

**SECTION B**  
**Cast by District**

1 City of Half Moon Bay Member, City Council, District 2						
					1	1
		Registered Voters	Voters Cast	Turnout (%)	PATRIC BO JONSSON	HARVEY RARBACK
Electionwide	Total	1431	1114	77.85 %	549	443
Board of Equalization - District 2	Total	1431	1114	77.85 %	549	443
16th Congressional District	Total	1431	1114	77.85 %	549	443
13th Senatorial District	Total	1431	1114	77.85 %	549	443
23rd Assembly District	Total	1431	1114	77.85 %	549	443
County of San Mateo	Total	1431	1114	77.85 %	549	443
3rd Supervisorial District	Total	1431	1114	77.85 %	549	443
City of Half Moon Bay	Total	1431	1114	77.85 %	549	443

# CERTIFICATE OF THE CHIEF ELECTIONS OFFICER

In the matter of the CANVASS OF VOTES CAST )  
at the PRESIDENTIAL GENERAL ELECTION )  
held on November 5, 2024 )

I, **MARK CHURCH**, Chief Elections Officer of the County of San Mateo, State of California hereby certify;

**THAT** an election was held within the boundaries of the CITY OF HALF MOON BAY DISTRICT 3 on Tuesday, November 5, 2024 for the purpose of electing one (1) City Council Member for a four (4) year term; and I caused to have processed and recorded the votes from the canvass of all ballots cast at said election within the boundaries of the CITY OF HALF MOON BAY DISTRICT 3.

I **HEREBY FURTHER CERTIFY** that the record of votes cast at said election is set forth in Exhibit "A" attached hereto and incorporated herein by reference as though fully set forth at length.

**IN WITNESS WHEREOF**, I hereunto affix my hand and seal this 5<sup>th</sup> day of December, 2024, and file this date with the City Clerk of the CITY OF HALF MOON BAY.



**MARK CHURCH**  
Chief Elections Officer &  
Assessor-County Clerk-Recorder

# EXHIBIT A

**SECTION A**  
**Cast by Precinct**

1 City of Half Moon Bay Member, City Council, District 3						
					1	1
		Registered Voters	Voters Cast	Turnout (%)	JOAQUIN JIMENEZ	PAUL MAGENGAST
33004	Total	1204	1015	84.30 %	369	588
33006	Total	241	196	81.33 %	62	123
33008	Total	244	196	80.33 %	120	66
Total - Vote Centers		1689	159	9.41 %	69	80
Total - Vote by Mail		1689	1248	73.89 %	482	697
Contest Total		1689	1407	83.30 %	551	777

\*\*\* Indicates vote data was suppressed due to voter privacy settings.

**SECTION B**  
**Cast by District**

1 City of Half Moon Bay Member, City Council, District 3						
					1	1
		Registered Voters	Voters Cast	Turnout (%)	JOAQUIN JIMENEZ	PAUL NAGEGAST
Electionwide	Total	1689	1407	83.30 %	551	777
Board of Equalization - District 2	Total	1689	1407	83.30 %	551	777
16th Congressional District	Total	1689	1407	83.30 %	551	777
13th Senatorial District	Total	1689	1407	83.30 %	551	777
23rd Assembly District	Total	1689	1407	83.30 %	551	777
County of San Mateo	Total	1689	1407	83.30 %	551	777
3rd Supervisorial District	Total	1689	1407	83.30 %	551	777
City of Half Moon Bay	Total	1689	1407	83.30 %	551	777



OFFICE OF  
**ASSESSOR-COUNTY CLERK-  
RECORDER & ELECTIONS**  
COUNTY OF SAN MATEO

**MARK CHURCH**  
CHIEF ELECTIONS OFFICER &  
ASSESSOR-COUNTY CLERK-RECORDER

December 5, 2024

Ms. Jessica Blair  
City Clerk, City of Half Moon Bay  
501 Main Street  
Half Moon Bay, CA 94019

Subject: Certificate from the Chief Elections Officer for the Presidential General  
Election held on Tuesday, November 5, 2024

Dear Ms. Jessica Blair:

This is to advise you that we have completed the Official Canvass of the vote and I have certified the election results.

Attached hereto is the official Chief Elections Officer's Certification of the November 5, 2024 Presidential General Election.

It has been a pleasure to work with you in conducting this election, and I look forward to serving you again in future elections.

Sincerely,

Mark Church

Enclosures

# CERTIFICATE OF THE CHIEF ELECTIONS OFFICER

In the matter of the CANVASS OF VOTES CAST )  
at the PRESIDENTIAL GENERAL ELECTION )  
held on November 5, 2024 )

I, **MARK CHURCH**, Chief Elections Officer of the County of San Mateo, State of California hereby certify;

**THAT** an election was held within the boundaries of the CITY OF HALF MOON BAY on Tuesday, November 5, 2024 for the purpose of submitting Measure R to the qualified electors; and I caused to have processed and recorded the votes from the canvass of all ballots cast at said election within the boundaries of the CITY OF HALF MOON BAY.

I **HEREBY FURTHER CERTIFY** that the record of votes cast at said election is set forth in Exhibit "A" attached hereto and incorporated herein by reference as though fully set forth at length.

**IN WITNESS WHEREOF**, I hereunto affix my hand and seal this 5<sup>th</sup> day of December, 2024, and file this date with the City Clerk of the CITY OF HALF MOON BAY.



**MARK CHURCH**  
Chief Elections Officer &  
Assessor-County Clerk-Recorder

# EXHIBIT A

**SECTION A**  
**Cast by Precinct**

1 City of Half Moon Bay, Measure R (Majority Approval Required)						
					1	1
		Registered Voters	Voters Cast	Turnout (%)	YES	NO
33001	Total	670	575	85.82 %	356	174
33002	Total	1155	915	79.22 %	567	271
33004	Total	1204	1015	84.30 %	565	389
33005	Total	125	91	72.80 %	46	41
33006	Total	241	196	81.33 %	107	77
33008	Total	244	195	79.92 %	114	58
33021	Total	1196	917	76.67 %	566	286
33022	Total	1009	777	77.01 %	468	259
33023	Total	244	199	81.56 %	124	63
33025	Total	1900	1622	85.37 %	997	526
33036	Total	0	0			
33041	Total	110	102	92.73 %	59	32
Total - Vote Centers		8098	719	8.88 %	449	213
Total - Vote by Mail		8098	5885	72.67 %	3520	1963
Contest Total		8098	6604	81.55 %	3969	2176

\*\*\* Indicates vote data was suppressed due to voter privacy settings.

**SECTION B**  
**Cast by District**

1 City of Half Moon Bay, Measure R (Majority Approval Required)						
					1	1
		Registered Voters	Voters Cast	Turnout (%)	YES	NO
Electionwide	Total	8098	6604	81.55 %	3969	2176
Board of Equalization - District 2	Total	8098	6604	81.55 %	3969	2176
16th Congressional District	Total	8098	6604	81.55 %	3969	2176
13th Senatorial District	Total	8098	6604	81.55 %	3969	2176
23rd Assembly District	Total	8098	6604	81.55 %	3969	2176
County of San Mateo	Total	8098	6604	81.55 %	3969	2176
3rd Supervisorial District	Total	8098	6604	81.55 %	3969	2176
City of Half Moon Bay	Total	8098	6604	81.55 %	3969	2176

**ORDINANCE NO. 2024-06**

**AN ORDINANCE OF THE CITY OF HALF MOON BAY IMPOSING A TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

The people of the City of Half Moon Bay do ordain as follows:

**Section 1. Half Moon Bay Municipal Code Amended**

A new Chapter 3.10 – TRANSACTIONS AND USE TAX is hereby added to Title 3 – REVENUE AND FINANCE of the City of Half Moon Bay Municipal Code and replaces the previous Chapter 3.10 Transactions and Use Tax, which was automatically repealed by its own terms. The new chapter is added as follows:

Section 3.10.010 – Title.

This ordinance shall be known as the City of Half Moon Bay Half-Cent Transactions and Use Tax Ordinance. The city of Half Moon Bay hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

Section 3.10.020 – Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

Section 3.10.030 – Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by

the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

#### Section 3.10.040 – Contract with State.

Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

#### Section 3.10.050 – Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one-half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

#### Section 3.10.060 – Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

#### Section 3.10.070 – Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

#### Section 3.10.080 – Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

#### Section 3.10.090 – Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

1. "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

#### Section 3.10.100 – Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 3.10.110 – Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 3.10.120 – Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 3.10.130 – Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 3.10.140 – Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 3.10.150 – Effective Date.

This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Section 3.10.160 – Termination Date.

The authority to levy the tax imposed by this ordinance shall extend until ended by the voters.

**Section 2. Expenditure of Revenues**

The revenues from the transactions and use (sales) tax imposed by this ordinance shall be spent for unrestricted general revenue purposes of the City. Nothing herein shall bind the City to use the proceeds for any specific purpose or function.

**Section 3. Amendment**

The tax adopted herein may be extended or increased only by a vote of the people of the City of Half Moon Bay in accordance with California Constitution Article XIIC, Section 2(b).

**Section 4. Fiscal Accountability Provisions**

The amount generated by this new general purpose revenue source and how it was used shall be included in the annual audit of the city's financial operations by an independent certified

public accountant. The results of the audit related to this ordinance shall be reported to the City Council and made publicly available.

**Section 5. Publication**

The City Clerk is directed to cause this ordinance to be published in a newspaper of general circulation within 15 days after passage in the manner required by Government Code section 36933.

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This ordinance was approved and adopted by a majority vote of the People of the City of Half Moon Bay at the municipal election consolidated with the November 5, 2024, statewide election.

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
Joaquin Jimenez, Mayor

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY**

**AGENDA REPORT**

For meeting of: **December 16<sup>th</sup>, 2024**

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**TO:** Honorable Mayor and City Council  
**VIA:** Matthew Chidester, City Manager  
**From:** Lisa Rossi, Administrative Services Director  
**TITLE:** **WARRANTS FOR THE MONTH OF NOVEMBER 2024**

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**RECOMMENDATION:**

Accept the warrants list for the month of November 2024.

**STRATEGIC ELEMENT:**

This recommendation supports the *Fiscal Sustainability* and *Inclusive Governance* Elements of the Strategic Plan.

**DISCUSSION:**

During this month, the City processed 5 check runs. The table below outlines each check run and their individual totals:

Check Run Date	Amount
November 04	29,377
November 07	343,379
November 13	623,002
November 21	718,210
November 27	110,370
Total	1,824,338

The City processed payments related to 11 capital improvement projects, in a total amount of \$633,991. These include Pavement Management / Traffic Program, Highway 1 Safety - North, Poplar Complete Street, Carter Park, LCP Implementation Project, Climate Action and Adaptation, Downtown Streetscape Master Plan, Smith Field Site Assessment, HVAC Repair, Green Infrastructure And Storm, Seymour Ditch Erosion And Coast.

Staff is also including a list of all payments above \$30,000 processed during this reporting period, as listed in the table below.

OVER \$30,000				
Check #	Payee	Check Date	Amount	Description
55561	EL CENTRO DE LIBERTAD	11/7/2024	38,482	CARES PROGRAM OPERATOR
55562	FLOCK GROUP, INC	11/7/2024	60,900	AUTOMATIC LICENSE PLATE READERS HARDWARE
55570	MERCY HOUSING CALIFORNIA 110, LP	11/7/2024	141,017	MERCY HOUSING 555 KELLY ARPA DRAW #6
55603	QUALITY STRIPING	11/13/2024	39,832	MINOR CONTRACT FOR 2024 STRIPING PROJECT
55607	SEWER AUTHORITY MID-COASTSIDE	11/13/2024	487,872	SAM OPERATIONS & MAINTENANCE FY 24/25
55614	4LEAF INC.	11/21/2024	32,730	ON-CALL BUILDING OFFICIAL SERVICES
55637	HALF MOON BAY GRADING & PAVING INC.	11/21/2024	315,497	CONSTRUCTION FOR POPLAR STREET TRAFFIC CALMING
55638	HIGH POINT ROOFING SERVICES	11/21/2024	68,860	ROOF REPLACEMENT RELATED TO HVAC EMERGENCY
55648	MOORE IACOFANO GOLTSMAN INC	11/21/2024	38,244	MULTI-FAMILY RESIDENTIAL PLANNING SERVICES
55650	PACIFIC GAS & ELECTRIC	11/21/2024	39,334	CITYWIDE GAS & ELECTRICITY
55654	RENAISSANCE ENTREPRENEURSHIP CENTER	11/21/2024	32,223	OCC - SMALL BUSINESS DEVELOPMENT
55656	SCHAPER CONSTRUCTION	11/21/2024	59,988	REPLACEMENT OF TWO HVAC UNITS AT CITY HALL

**ATTACHMENTS:**

Check Disbursement List by Check Date

Report Criteria:

Report type: GL detail

52871	JOVITA GORDUTO	11/07/2024	DEPOIST REFUND	500.00-
Total 52871:				500.00-
52941	JOVITA GORDUTO	11/07/2024	DEPOIST REFUND	500.00-
Total 52941:				500.00-
54395	Veronica Castaneda	11/07/2024	REFUND-TRAIN DEPOT 3/10/24	500.00-
Total 54395:				500.00-
55552	ACC BUSINESS	11/07/2024	INTERNET SERVICE	786.23
Total 55552:				786.23
55553	AMS SYSTEMS INC	11/07/2024	PRINTING SERVICE	1,957.71
55553	AMS SYSTEMS INC	11/07/2024	PRINTING SERVICE	1,859.00
Total 55553:				3,816.71
55554	BECKER GRAPHICS	11/07/2024	INSTRUCTOR PAYMENT- ZUMBA OCT'24	958.50
Total 55554:				958.50
55555	BRYAN LOPEZ	11/07/2024	PARKING REIMBURSEMENT - BAY AREA DIGITAL GOV SUMMIT	25.00
Total 55555:				25.00
55556	CAPITOL ENQUIRY	11/07/2024	CITY CLERK SUPPIES	1,048.72
Total 55556:				1,048.72
55557	CASELLE INC.	11/07/2024	FY 24/25 CASELLE ERP SOFTWARE	3,843.00
Total 55557:				3,843.00
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	425.00
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	425.00
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	425.00-

55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	2,065.00
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	2,065.00
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	2,065.00-
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	3,737.50
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	3,737.50
55558	Charles M. Salter Associates Inc	11/07/2024	NOISE STUDY PDP-23-055	3,737.50-
Total 55558:				6,227.50
55559	CORODATA RECORDS MANAGEMENT INC	11/07/2024	OCT'24 RECORDS MANAGEMENT	549.45
Total 55559:				549.45
55560	DEPT OF RESOURCES RECYCLING & RECOVERY	11/07/2024	SB1383 UNSPENT GRANT FUNDS OWR1-21-0309	140.85
Total 55560:				140.85
55561	EL CENTRO DE LIBERTAD	11/07/2024	COMMUNITY RESPONDER PROGRAM (CRISIS ASSISTANCE RESPONSE & EVALUATION SERVICES)	38,481.58
Total 55561:				38,481.58
55562	FLOCK GROUP, INC	11/07/2024	PROVIDE A SOFTWARE & HARDWARE SOLUTION FOR AUTOMATIC LICENSE PLATE READERS THROUGH	60,900.00
Total 55562:				60,900.00
55563	HDL SOFTWARE LLC	11/07/2024	FY '24/25 HDL TOT & BUSINESS LICENSE MANAGEMENT	14,051.64
Total 55563:				14,051.64
55564	Head and Heart Advisory LLC	11/07/2024	EVALUATION OF THREE ECONOMIC ADVANCEMENT CENTERS	5,375.00
55564	Head and Heart Advisory LLC	11/07/2024	EVALUATION OF THREE ECONOMIC ADVANCEMENT CENTERS	1,562.50
Total 55564:				6,937.50
55565	HMB COASTSIDE CHAMBER	11/07/2024	AUG'24 BID (IN CITY)	12,372.00
55565	HMB COASTSIDE CHAMBER	11/07/2024	AUG'24 BID (OOC)	2,615.00
Total 55565:				14,987.00
55566	INFINITY TECHNOLOGIES	11/07/2024	FY 24/25 INFINITY TECH DESKTOP/HELP DESK	164.25
55566	INFINITY TECHNOLOGIES	11/07/2024	FY 24/25 INFINITY TECH DESKTOP/HELP DESK	13,960.00

Total 55566:			14,124.25
55567 LOCAL PRODUCTIONS	11/07/2024	OCEANO EVENT 10/29/24	5,480.00
Total 55567:			5,480.00
55568 MALCOLM C SMITH	11/07/2024	COMMUNICATIONS CONSULTANT SERVICE	275.00
Total 55568:			275.00
55569 Mark Hofmann	11/07/2024	PICKLEBALL A #3 INTRO SERIES	900.00
55569 Mark Hofmann	11/07/2024	PICKLEBALL B #3 INTRO SERIES	450.00
Total 55569:			1,350.00
55570 Mercy Housing California 110, LP	11/07/2024	MERCY HOUSING 555 KELLY ARPA DRAW #6	141,017.43
Total 55570:			141,017.43
55571 Michael H. Roush	11/07/2024	RENT STABILIZATION HEARING OFFICER SERVICES	900.00
Total 55571:			900.00
55572 NBS GOVERNMENT FINANCE GROUP	11/07/2024	COST ALLOCATION PLAN AND CITYWIDE FEE STUDY	4,310.00
Total 55572:			4,310.00
55573 NEIGHBORHOOD RADIO	11/07/2024	ADVERTISING SERVICE : ELECTION NIGHT OUT	55.00
Total 55573:			55.00
55574 ODP BUSINESS SOLUTIONS, LLC	11/07/2024	OFFICE SUPPLIES	255.68
Total 55574:			255.68
55575 ON POINT LANGUAGE SOLUTIONS LLC	11/07/2024	OCT'24 TRANSLATION SERVICES	3,442.50
55575 ON POINT LANGUAGE SOLUTIONS LLC	11/07/2024	SEPT'24 TRANSLATION SERVICES	1,421.25
Total 55575:			4,863.75
55576 ROBERT HALF	11/07/2024	BRUMFIELD, BYRA M 11/1/2024	997.00

Total 55576:				997.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING PDP-24-050	1,008.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING PDP-24-050	1,008.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING PDP-24-050	1,008.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING	1,152.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING PDP-23-065	720.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING PDP-23-065	720.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING PDP-23-065	720.00
55577	SAN MATEO DAILY JOURNAL	11/07/2024	ADVERTISING	840.00
Total 55577:				3,720.00
55578	STERICYCLE, INC.	11/07/2024	PAPER SHREDDING	222.11
Total 55578:				222.11
55579	SWCA INCORPORATED	11/07/2024	GL CHANGE	6,156.75
55579	SWCA INCORPORATED	11/07/2024	GL CHANGE	5,398.00
Total 55579:				11,554.75
55580	TOWNSEND PUBLIC AFFAIRS, INC	11/07/2024	OCT'24 CONSULTING SERVICES	3,000.00
Total 55580:				3,000.00
55581	AMERICAN PORTABLES	11/13/2024	PORTABLE TOILET RENTAL & SERVICES FY '24-25	195.65
55581	AMERICAN PORTABLES	11/13/2024	PORTABLE TOILET RENTAL & SERVICES FY '24-25	2,001.95
55581	AMERICAN PORTABLES	11/13/2024	PORTABLE TOILET RENTAL & SERVICES FY '24-25	3,764.80
55581	AMERICAN PORTABLES	11/13/2024	PORTABLE TOILET RENTAL & SERVICES FY '24-25	5,326.87
Total 55581:				11,289.27
55582	ASSOCIATION OF BAY AREA GOVERNMENTS	11/13/2024	FY'25 Levelized Charge-Nat Gas	450.00
55582	ASSOCIATION OF BAY AREA GOVERNMENTS	11/13/2024	WORKING CAPITAL DEPOSIT	22.78
Total 55582:				472.78
55583	AT&T	11/13/2024	OCT'24 PHONE SERVICE	60.51
Total 55583:				60.51

55584	AT&T	11/13/2024	OCT'24 PHONE SERVICE	1,027.15
Total 55584:				1,027.15
55585	AVENU INSIGHTS & ANALYTICS LLC	11/13/2024	STARS Q2 2024	625.00
Total 55585:				625.00
55586	BLEYLE ELEVATOR, INC	11/13/2024	MAINT SERVICE #102236	95.00
55586	BLEYLE ELEVATOR, INC	11/13/2024	MAINT SERVICE #179638	95.00
Total 55586:				190.00
55587	CAPITAL ONE TRADE CREDIT	11/13/2024	MAINT SUPPLIES OCT'24	3,725.58
Total 55587:				3,725.58
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	555 KELLY AVE	35.81
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	CITY OF HMB/COAST.COMM.SENIOR.CNTR.	32.04
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	201 WAVECREST RD	3,027.48
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	723 MILL ST # IRRIGATION	35.81
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	LIFT STATI FAIRWAY DR	35.81
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	1310 LORYN LN # IRRIGATION	311.04
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	HIGGINS CYN RD	311.04
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	529 RUISSEAU FRANCAIS AVE # IRRIGATION	496.39
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	FERNANDES PARK/MAIN ST # IRRIGATION	132.95
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	501 MAIN ST DC	32.04
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	MEDIAN STRIP/HWY ONE # IRRIGATION	100.57
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	537 KELLY AVE	101.49
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	535 KELLY AVE	265.19
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	461 OAK AVE	35.81
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	503 JOHNSTON ST	84.38
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	501 MAIN ST	230.09
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	10 STONE PINE RD # IRRIGATION	350.68
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	502 MAIN ST	213.90
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	620 CORREAS/LIBRARY #DC	48.06
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	620 CORREAS/LIBRARY #IRRIGATION	87.10
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	620 CORREAS/LIBRARY	642.10
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	HYDRANT METER	177.12
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	880 STONE PINE RD	339.94
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	MAIN & HWY 1 # IRRIGATION	651.03
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	HWY 92 MEDIAN # WEST IRRIGATION	35.81
55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	HWY 92 MEDIAN # EAST IRRIGATION	35.81

55588	COASTSIDE COUNTY WATER DISTRICT	11/13/2024	627 ALSACE LORAINA AVE	278.66
Total 55588:				8,128.15
55589	COLANTUONO HIGHSMITH WHATLEY PC	11/13/2024	OCT'24 LEGAL SERVICES -SAM	1,758.18
Total 55589:				1,758.18
55590	Ernest Azevedo	11/13/2024	MMANC CONFERENCE LODGING	871.38
55590	Ernest Azevedo	11/21/2024	MMANC CONFERENCE LODGING	871.38-
Total 55590:				.00
55591	FLYERS ENERGY, LLC	11/13/2024	OCT'24 FUEL	2,258.28
Total 55591:				2,258.28
55592	FREYER & LAURETA INC.	11/13/2024	CHANGE ORDER 2. SMITH FIELD PARK	1,287.25
55592	FREYER & LAURETA INC.	11/13/2024	CHANGE ORDER 3 ADDITIONAL CIVIL DESIGN SERVICES RELATING TO HYDROMODIFICATION	18,012.00
Total 55592:				19,299.25
55593	HALF MOON BAY BUILDING & GARDEN	11/13/2024	OCT'24 MAINTENANCE SUPPLIES	226.94
55593	HALF MOON BAY BUILDING & GARDEN	11/13/2024	OCT'24 MAINTENANCE SUPPLIES	57.38
Total 55593:				284.32
55594	HD SUPPLY FORMERLY HOME DEPOT PRO	11/13/2024	MAINTENANCE SUPPLIES	1,731.79
Total 55594:				1,731.79
55595	HUE & CRY SECURITY SYSTEMS INC.	11/13/2024	DEC'24 SECURITY SERVICE	197.77
55595	HUE & CRY SECURITY SYSTEMS INC.	11/13/2024	DEC'24 SECURITY SERVICE	499.85
55595	HUE & CRY SECURITY SYSTEMS INC.	11/13/2024	DEC'24 SECURITY SERVICE	24.00
Total 55595:				721.62
55596	INTEGRAL CONSULTING INC.	11/13/2024	PREPARATION OF THE CLIMATE ADAPTION PLAN(CIP 1002)	3,404.50
Total 55596:				3,404.50
55597	Karla's Janitorial & Suppliers, LLC	11/13/2024	JANITORIAL SERVICES FY '24-25	15,209.50

Total 55597:				15,209.50
55598	LORAL LANDSCAPING INC.	11/13/2024	FY 2024-25 LANDSCAPE MAINTENANCE SERVICES AGREEMENT	4,297.00
Total 55598:				4,297.00
55599	Lorenza Villegas	11/13/2024	DEPOSIT REFUND - TRAIN DEPOT 10/26/24	500.00
Total 55599:				500.00
55600	MERIDETH LOSCHKE	11/13/2024	YOGA INSTRUCTOR 10/12/24	21.00
Total 55600:				21.00
55601	NICHOLS CONSULTING ENGINEERS CHTD	11/13/2024	PSA FOR ASSISTANCE WITH SEYMOUR OUTFALL EMERGENCY PROJECT POST CONSTRUCTION TASKS, I	3,447.50
Total 55601:				3,447.50
55602	PUBLIC PARKING ASSOCIATES INC	11/13/2024	MAINTENANCE SERVICE	395.00
Total 55602:				395.00
55603	Quality Striping	11/13/2024	MINOR CONTRACT FOR 2024 STRIPING PROJECT	39,832.00
Total 55603:				39,832.00
55604	REPUBLIC SERVICES	11/13/2024	ROUTEWARE ANNUAL SUBSCRIPTION ALLOCATION	5,410.00
Total 55604:				5,410.00
55605	RICE TRUCKING-SOIL FARM INC.	11/13/2024	MAINTENANCE SUPPLIES	196.88
55605	RICE TRUCKING-SOIL FARM INC.	11/13/2024	MAINTENANCE SUPPLIES	437.50
55605	RICE TRUCKING-SOIL FARM INC.	11/13/2024	MAINTENANCE SUPPLIES	503.95
Total 55605:				1,138.33
55606	SAN MATEO RESOURCE CONSERVATION DISTRIC	11/13/2024	CLIMATE ACTION AND ADAPTATION	1,232.00
55606	SAN MATEO RESOURCE CONSERVATION DISTRIC	11/13/2024	AGREEMENT FOR THE COORDINATION & IMPLEMENTATION OF A COMPOST PROCUREMENT & APPLI	2,028.18
Total 55606:				3,260.18
55607	SEWER AUTHORITY MID-COASTSIDE	11/13/2024	GENERAL OPERATIONS & MAINTENANCE FY 24/25 PLUS ADDITIONAL TO COVER POTENTIAL PASS-THR	470,187.90

55607	SEWER AUTHORITY MID-COASTSIDE	11/13/2024	FY 2024/25 SEWER COLLECTIONS	17,684.08
Total 55607:				487,871.98
55608	SHARP ELECTRONICS CORPORATION	11/13/2024	PRINTER LEASE- 48 MONTHS	1,673.48
Total 55608:				1,673.48
55609	TULLY CONSULTING GROUP	11/13/2024	SWPPP SERVICES FOR POPLAR STREET TRAFFIC CALMING & SAFETY PROJECT PHASE 1	1,300.00
Total 55609:				1,300.00
55610	TURBO DATA SYSTEMS	11/13/2024	CITATION PROCESSING	979.94
Total 55610:				979.94
55611	V. W. HOUSEN & ASSOCIATES INC.	11/13/2024	FY 23-24 WASTERWATER COLLECTION	1,160.00
Total 55611:				1,160.00
55612	VESTIS	11/13/2024	MAINT SUPPLIES CITY HALL	198.99
55612	VESTIS	11/13/2024	MAINT SUPPLIES PUBLIC LIBRARY	127.53
55612	VESTIS	11/13/2024	MAINT SUPPLIES CITY HALL	198.99
55612	VESTIS	11/13/2024	MAINT SUPPLIES PUBLIC LIBRARY	127.53
Total 55612:				653.04
55613	ZONES, LLC	11/13/2024	FY '24/25 ZONES MICROSOFT 365 LICENSING	5.65
Total 55613:				5.65
55614	4LEAF INC.	11/21/2024	On-Call Building Offical Services	32,729.52
Total 55614:				32,729.52
55615	ABUNDANT GRACE COASTSIDE WORKER	11/21/2024	7/1/24 -1/31/24	6,820.00
Total 55615:				6,820.00
55616	Angelica Acosta	11/21/2024	CANCELED EVENT-TRAIN DEPOT 12/21/24	175.00
55616	Angelica Acosta	11/21/2024	CANCELED EVENT-TRAIN DEPOT 12/21/24	96.57
55616	Angelica Acosta	11/21/2024	CANCELED EVENT-TRAIN DEPOT 12/21/24	500.00

Total 55616:				771.57
55617	ANTHONY SPROTTI	11/21/2024	DEPOSIT REFUND- TRAIN DEPOT 11/10/24	500.00
Total 55617:				500.00
55618	AT&T MOBILITY	11/21/2024	OCT'24 PHONE SERVICE	695.15
Total 55618:				695.15
55619	BRYAN LOPEZ	11/21/2024	STUDENT LOAN REIMBURSEMENT	522.91
55619	BRYAN LOPEZ	11/21/2024	STUDENT LOAN REIMBURSEMENT	522.91
Total 55619:				1,045.82
55620	CALIFORNIA MUNICIPAL STATISTICS INC	11/21/2024	DIRECT AND OVERLAPPING DEBT STATEMENT	550.00
Total 55620:				550.00
55621	CHRISTINA JEWELS KRZASZCZAK	11/21/2024	Graphic Design	350.00
Total 55621:				350.00
55622	CIRCLEPOINT	11/21/2024	PDP-72-013 COMPLETE HYATT HOTEL ENVIRONMENTAL IMPACT REPORT	5,991.11
55622	CIRCLEPOINT	11/21/2024	PDP-72-013 COMPLETE HYATT HOTEL ENVIRONMENTAL IMPACT REPORT	5,991.11
55622	CIRCLEPOINT	11/21/2024	PDP-72-013 COMPLETE HYATT HOTEL ENVIRONMENTAL IMPACT REPORT	5,991.11
Total 55622:				5,991.11
55623	CITY CLERKS ASSOC. OF CALIFORNIA	11/21/2024	MUNICIPAL CLERKS INSTITUTE - MAGGIE RODRIGUEZ	500.00
Total 55623:				500.00
55624	COAST RIDGE ECOLOGY	11/21/2024	BIO SERVICES WAVE AVE PDP-24-007	5,236.25
55624	COAST RIDGE ECOLOGY	11/21/2024	BIO SERVICES WAVE AVE PDP-24-007	5,236.25
55624	COAST RIDGE ECOLOGY	11/21/2024	BIO SERVICES WAVE AVE PDP-24-007	5,236.25
Total 55624:				5,236.25
55625	CORODATA RECORDS MANAGEMENT INC	11/21/2024	AUG'24 RECORDS MANAGEMENT	376.26

Total 55625:				376.26
55626	COUNTY OF SAN MATEO	11/21/2024	FY 24/25 ANIMAL CONTROL CONSTRUCTION	15,642.00
Total 55626:				15,642.00
55627	CRUZIO INTERNET	11/21/2024	INTERNET SERVICE	14.95
Total 55627:				14.95
55628	ELECTRIC MD	11/21/2024	HMB COMMUNITY CENTER	2,650.00
55628	ELECTRIC MD	11/21/2024	TRAIN DEPOT & CITY HALL	3,794.00
Total 55628:				6,444.00
55629	Elexis Padron	11/21/2024	DEPOSIT REFUND-GRAND OAK 11/9/24	500.00
Total 55629:				500.00
55630	ELS ARCHITECTURE & URBAN DESIGN	11/21/2024	CO3 FOR AMENDMENT 7 PSA FOR DESIGN SERVICES FOR CARTER PARK IMPROVEMENTS PROJECT	11,857.65
Total 55630:				11,857.65
55631	EMILIA L. CASSERLY	11/21/2024	SATURDAY WITH SANTA	1,100.00
Total 55631:				1,100.00
55632	ERICA OLIVIA	11/21/2024	DEPOSIT REFUND 11/16/24 GRAND OAK	300.00
Total 55632:				300.00
55633	Good City Company	11/21/2024	ASSISTANT PLANNER REVIEW SERVICES AS NEEDED PROVIDED BY GOOD CITY COMPANY	1,495.00
Total 55633:				1,495.00
55634	GRANICUS	11/21/2024	NOV'24, GRANICUS SERVICE	620.53
Total 55634:				620.53
55635	GRIFFIN STRUCTURES INC.	11/21/2024	CO 1 CARTER PARK IMPROVEMENTS FOR ADDITIONALMANAGEMENT & CONSTRUCTION MANAGEME	8,618.40

Total 55635:			8,618.40
55636	HALF MOON BAY BUILDING & GARDEN	11/21/2024 NOV'24 MAINTENANCE SUPPLIES	328.34
55636	HALF MOON BAY BUILDING & GARDEN	11/21/2024 NOV'24 MAINTENANCE SUPPLIES	299.83
Total 55636:			628.17
55637	HALF MOON BAY GRADING & PAVING INC.	11/21/2024 CONSTRUCTION FOR POPLAR STREET TRAFFICE CALMING- PHASE 1	332,102.44
55637	HALF MOON BAY GRADING & PAVING INC.	11/21/2024 RETENTION 11/8/2024	16,605.12-
Total 55637:			315,497.32
55638	HIGH POINT ROOFING SERVICES	11/21/2024 ROOF REPLACEMENT RELATED TO HVAC EMERGENCY	68,860.00
Total 55638:			68,860.00
55639	HMB COASTSIDE CHAMBER	11/21/2024 PROVIDE OPERATIONS MANAGEMENT & SUPPORT OF THE OCC	11,604.95
Total 55639:			11,604.95
55640	Howard E. Lee	11/21/2024 INSTRUCTOR PAYMENT - ORCHESTRA FALL 24	1,456.00
Total 55640:			1,456.00
55641	Irma Acosta	11/21/2024 MMANC REIMBURSEMENT	871.38
Total 55641:			871.38
55642	JAMES FORD INC.	11/21/2024 VEHICLE SERVICE	427.50
Total 55642:			427.50
55643	KATHY OLER	11/21/2024 DEC'24 TEMPORARY CITY PARKING LOT RENTAL	2,293.47
Total 55643:			2,293.47
55644	Lizbeth Velasquez	11/21/2024 DEPOSIT REFUND - TRAIN DEPOT 11/9/24	500.00
Total 55644:			500.00
55645	Margaret Geiger	11/21/2024 CSMFO DUES	60.00

Total 55645:			60.00	
55646	MARIAN ELIZABETH POTT	11/21/2024	BEGINNING BASIC DOG TRAINING	1,540.00
55646	MARIAN ELIZABETH POTT	11/21/2024	CANINE LIFE SKILLS	700.00
55646	MARIAN ELIZABETH POTT	11/21/2024	PUPPIES AND BEYOND	1,540.00
Total 55646:			3,780.00	
55647	MARK THOMAS & CO, INC	11/21/2024	CHANGE ORDER 2,HWY 1 N SAFETY & OP IMPROVEMENTS	15,424.00
Total 55647:			15,424.00	
55648	Moore Iacofano Goltsman Inc	11/21/2024	PLANNING, ZONING, & DESIGN CONSULTANT SERVICES FOR PREP OF MULTI-FAMILY RESIDENTIAL OBJE	38,243.75
Total 55648:			38,243.75	
55649	OCEANO HOTEL & SPA	11/21/2024	LOCAL PRODUCTIONS EVENT	1,865.88
Total 55649:			1,865.88	
55650	PACIFIC GAS & ELECTRIC	11/21/2024	CITY OF HMB 501 MAIN ST A	7.84
55650	PACIFIC GAS & ELECTRIC	11/21/2024	OCEAN COLONY PARTNERS/ OCP LIFT STATION	934.74
55650	PACIFIC GAS & ELECTRIC	11/21/2024	COMMUNITY CENTER	1,404.47
55650	PACIFIC GAS & ELECTRIC	11/21/2024	MAINTENANCE YARD OFFICE - ELECTRIC	175.53
55650	PACIFIC GAS & ELECTRIC	11/21/2024	BELL MOON LIFT STATION	14.38
55650	PACIFIC GAS & ELECTRIC	11/21/2024	TRAIN DEPOT RSTMS	173.95
55650	PACIFIC GAS & ELECTRIC	11/21/2024	HWY 1 & FAIRWAY LIGHTING	44.47
55650	PACIFIC GAS & ELECTRIC	11/21/2024	HWY 1 & FAIRWAY LIGHTING	103.76
55650	PACIFIC GAS & ELECTRIC	11/21/2024	SMITH FIELD	498.08
55650	PACIFIC GAS & ELECTRIC	11/21/2024	SHERIFF SUB-STATION	2,399.08
55650	PACIFIC GAS & ELECTRIC	11/21/2024	SMITH FIELD SNACK BAR	288.41
55650	PACIFIC GAS & ELECTRIC	11/21/2024	CITY OF HMB/STREET LIGHTS	26,131.68
55650	PACIFIC GAS & ELECTRIC	11/21/2024	NW HWY 1 & MAIN ST	140.24
55650	PACIFIC GAS & ELECTRIC	11/21/2024	DUTRA PARK	125.59
55650	PACIFIC GAS & ELECTRIC	11/21/2024	DOWNTOWN ST TREE LIGHTS NORTH HOOK-UP @ 700 MILL ST	1,084.55
55650	PACIFIC GAS & ELECTRIC	11/21/2024	HWY 1 & MIRAMONTES TRAFFIC SIGNAL	82.26
55650	PACIFIC GAS & ELECTRIC	11/21/2024	DOWNTOWN ST TREE LIGHTS SOUTH HOOK-UP @ 650 MIRAMONTES	1,533.75
55650	PACIFIC GAS & ELECTRIC	11/21/2024	PELICAN POINT LIFT STATION	214.30
55650	PACIFIC GAS & ELECTRIC	11/21/2024	PACIFIC RIDGE LIGHT POLES	46.68
55650	PACIFIC GAS & ELECTRIC	11/21/2024	LIBRARY ELECTRICITY ONLY	1,511.83
55650	PACIFIC GAS & ELECTRIC	11/21/2024	HWY 1 & MIRAMONTES LIGHTING	35.18
55650	PACIFIC GAS & ELECTRIC	11/21/2024	HWY 1 & MIRAMONTES LIGHTING	82.08

55650	PACIFIC GAS & ELECTRIC	11/21/2024	CITY HALL BUILDING	2,118.62
55650	PACIFIC GAS & ELECTRIC	11/21/2024	PILARCITOS CREEK	104.89
55650	PACIFIC GAS & ELECTRIC	11/21/2024	MOON SCULPTURE SPOTLIGHTS	23.42
55650	PACIFIC GAS & ELECTRIC	11/21/2024	MOON SCULPTURE SPOTLIGHTS	54.64
Total 55650:				39,334.42
55651	PENINSULA MUNICIPAL ENGINEERING INC.	11/21/2024	HIGHWAY 1 SAFETY NORTH	14,400.00
Total 55651:				14,400.00
55652	PRINCETON WELDING	11/21/2024	MAINT SERVICE	1,065.00
Total 55652:				1,065.00
55653	PRINT INNOVATIONS, INC.	11/21/2024	PRINT SERVICE	256.99
Total 55653:				256.99
55654	Renaissance Entrepreneurship Center	11/21/2024	Consultant to provide small business development and entrepreneurship services	32,223.35
Total 55654:				32,223.35
55655	RINCON CONSULTANTS INC.	11/21/2024	RE-OPEN	2,359.25
Total 55655:				2,359.25
55656	Schaper Construction	11/21/2024	REPLACEMENT OF TWO HVAC UNITS AT CITY HALL	56,788.00
55656	Schaper Construction	11/21/2024	EXHAUST FAN CITY HALL	3,200.00
Total 55656:				59,988.00
55657	SHARP ELECTRONICS CORPORATION	11/21/2024	PRINTER LEASE- 48 MONTHS	780.89
Total 55657:				780.89
55658	SOL ECOLOGY INC	11/21/2024	PDP-22-072 BIOLOGICAL RESOURCES	821.25
55658	SOL ECOLOGY INC	11/21/2024	PDP-22-072 BIOLOGICAL RESOURCES	821.25
55658	SOL ECOLOGY INC	11/21/2024	PDP-22-072 BIOLOGICAL RESOURCES	821.25
Total 55658:				821.25
55659	T-MOBILE	11/21/2024	ACCT 997385192 OCT '24	93.45

Total 55659:			93.45
55660	Tristan Keller	11/21/2024 SKATEBOARD LESSONS CARRIE & KARI WILKINSON	112.00
55660	Tristan Keller	11/21/2024 SKATEBOARD CLASS- BUILD-A-BOARD	84.00
Total 55660:			196.00
55661	UNITED RENTALS (NORTH AMERICA) INC.	11/21/2024 MAINT REPAIR	507.65
55661	UNITED RENTALS (NORTH AMERICA) INC.	11/21/2024 QUARTERLY INSPECTION	545.68
Total 55661:			1,053.33
55662	VESTIS	11/21/2024 MAINT SUPPLIES CITY HALL	198.99
55662	VESTIS	11/21/2024 MAINT SUPPLIES PUBLIC LIBRARY	127.53
55662	VESTIS	11/21/2024 MAINT SUPPLIES CITY HALL	198.99
55662	VESTIS	11/21/2024 MAINT SUPPLIES PUBLIC LIBRARY	127.53
Total 55662:			653.04
55663	WATERWAYS CONSULTING INC	11/21/2024 2800 CHAMPS ELYSEE BLVD PDP-17-055	665.00
55663	WATERWAYS CONSULTING INC	11/21/2024 2800 CHAMPS ELYSEE BLVD PDP-17-055	665.00
55663	WATERWAYS CONSULTING INC	11/21/2024 2800 CHAMPS ELYSEE BLVD PDP-17-055	665.00
Total 55663:			665.00
55664	Whitney Rescino	11/21/2024 WELCOME BREAKFAST	90.08
55664	Whitney Rescino	11/21/2024 WELCOME BREAKFAST	38.15
Total 55664:			128.23
55665	ZONES, LLC	11/21/2024 FY '24/25 ZONES MICROSOFT 365 LICENSING	13.29
55665	ZONES, LLC	11/21/2024 FY '24/25 ZONES MICROSOFT 365 LICENSING	53.99
55665	ZONES, LLC	11/21/2024 FY '24/25 ZONES MICROSOFT 365 LICENSING	1,325.61
Total 55665:			1,392.89
55666	4LEAF INC.	11/27/2024 New PSA for Public Works inspection services, FY 23-24	3,080.00
55666	4LEAF INC.	11/27/2024 INSPECTIONS C-2023-52 AFFORDABLE HOUSING	1,260.00
55666	4LEAF INC.	11/27/2024 New PSA for Public Works inspection services, FY 23-24	4,340.00
55666	4LEAF INC.	11/27/2024 INSPECTIONS C-2023-52 AFFORDABLE HOUSING	1,960.00

Total 55666:			10,640.00
55667	Airport Appliance, Inc.	11/27/2024 PURCHASE OF NEW INDUCTION RANGE FOR TACC	17,572.28
Total 55667:			17,572.28
55668	AMERICAN ENERGY SOCIETY	11/27/2024 TO OPERATE COASTSIDE VENTURE STUDIO (CSVS) - A BUSINESS INCUBATOR VIA THE OPPORTUNTY CE	22,721.22
Total 55668:			22,721.22
55669	CIVICPLUS	11/27/2024 FOIA WORKFLOW PLATFORM-LEGACY	4,974.43
Total 55669:			4,974.43
55670	ClearGov Inc.	11/27/2024 BUDGET TRANSPARENCY SOFTWARE/PLATFORM	16,273.33
Total 55670:			16,273.33
55671	COUNTY OF SAN MATEO	11/27/2024 OCT'24 MICROWAVE MUX DSO	82.25
Total 55671:			82.25
55672	CSW/STUBER-STROEH ENGINEERING GROUP IN	11/27/2024 CO1 TO THE PSA FOR DESIGN SUPPORT DURING CONSTRUCTION FOR THE POPLAR STREET TRAFFIC CA	1,430.00
Total 55672:			1,430.00
55673	GATES AND ASSOCIATES	11/27/2024 SMITH FIELD FACILITIES MASTER PLAN	240.00
Total 55673:			240.00
55674	HALF MOON BAY BUILDING & GARDEN	11/27/2024 NOV'24 MAINTENANCE SUPPLIES	22.95
55674	HALF MOON BAY BUILDING & GARDEN	11/27/2024 NOV'24 MAINTENANCE SUPPLIES	11.47
Total 55674:			34.42
55675	Mariners Community Church of HMB Inc	11/27/2024 PAYMENT TO MARINERS CHURCH FOR THE TEMPORARY CONSTRUCTION EASEMENT FOR THE PROJEC	12,000.00
Total 55675:			12,000.00
55676	PENINSULA MUNICIPAL ENGINEERING INC.	11/27/2024 HIGHWAY 1 SAFETY NORTH	5,850.00

Total 55676:			5,850.00
55677	PRESIDIO SYSTEMS INC.	11/27/2024 3 DAYS HYDRO VAC	8,400.00
Total 55677:			8,400.00
55678	RICE TRUCKING-SOIL FARM INC.	11/27/2024 MAINTENANCE SUPPLIES	323.75
Total 55678:			323.75
55679	SEWER AUTHORITY MID-COASTSIDE	11/27/2024 GENERAL OPERATIONS & MAINTENANCE FY 24/25 PLUS ADDITIONAL TO COVER POTENTIAL PASS-THR	25.15
Total 55679:			25.15
55680	Soleil Productions LLC	11/27/2024 STATE OF THE CITY FILMING	3,700.00
Total 55680:			3,700.00
55681	SWCA INCORPORATED	11/27/2024 PO FOR THE PSA FOR BIOLOGICAL MONITORING TO SUPPORT STAR CREEK WITH THE 2024 VEGETATIO	250.75
55681	SWCA INCORPORATED	11/27/2024 HWY1 NORTH SAFETY & OP IMPROVEMENTS RIPARIAN MITIGATION	112.50
55681	SWCA INCORPORATED	11/27/2024 HWY 1 NORTH SAFETY AND OPERATIONS IMPROVEMENTS	460.00
Total 55681:			823.25
55682	TULLY CONSULTING GROUP	11/27/2024 SWPPP SERVICES FOR POPLAR STREET TRAFFIC CALMING & SAFETY PROJECT PHASE 1	1,625.00
Total 55682:			1,625.00
55683	WOOD CONSULTING SERVICES	11/27/2024 ECONOMIC CONSULTANT AT OPPORUNITY COASTSIDE CENTER	977.50
55683	WOOD CONSULTING SERVICES	11/27/2024 OCTOBER CONSULTING	722.50
55683	WOOD CONSULTING SERVICES	11/27/2024 PROVIDE ASSISTANCE FOR COMMUNITY SERVICES FINANCIAL ASSISTANCE PROGRAM	1,572.50
55683	WOOD CONSULTING SERVICES	11/27/2024 PHASE 1 OF DOWNTOWN STREETScape CONSULTANT	382.50
Total 55683:			3,655.00
55734	WELLS FARGO	11/04/2024 HOUSING/RENT MAILERS	12.49
55734	WELLS FARGO	11/04/2024 OCC SUPPLIES	94.04
55734	WELLS FARGO	11/04/2024 OCC SUPPLIES	215.98
55734	WELLS FARGO	11/04/2024 OCC SUPPLIES	19.15
55734	WELLS FARGO	11/04/2024 MEETING EXPENSE REFUND	225.00
55734	WELLS FARGO	11/04/2024 STAFF UNIFORMS	233.55
55734	WELLS FARGO	11/04/2024 STAFF UNIFORMWS	439.58

55734	WELLS FARGO	11/04/2024	CLOSED SESSION	319.12
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	250.00
55734	WELLS FARGO	11/04/2024	OFFICE SUPPLIES	90.74
55734	WELLS FARGO	11/04/2024	OFFICE SUPPLIES	26.65
55734	WELLS FARGO	11/04/2024	SUBSCRIPTION	18.89
55734	WELLS FARGO	11/04/2024	HR SUPPLIES	19.57
55734	WELLS FARGO	11/04/2024	CONFERENCE	890.00
55734	WELLS FARGO	11/04/2024	IT SUPPLIES	207.80
55734	WELLS FARGO	11/04/2024	WELCOME BREAKFAST	16.76
55734	WELLS FARGO	11/04/2024	WELCOME BREAKFAST	160.88
55734	WELLS FARGO	11/04/2024	WELCOME BREAKFAST	16.41
55734	WELLS FARGO	11/04/2024	TRAINING	157.99
55734	WELLS FARGO	11/04/2024	PRINTER INK	90.67
55734	WELLS FARGO	11/04/2024	TRAINING	20.99
55734	WELLS FARGO	11/04/2024	TRAINING	654.71
55734	WELLS FARGO	11/04/2024	TRAINING	28.99
55734	WELLS FARGO	11/04/2024	GFOA BUDGET AWARD APP.	345.00
55734	WELLS FARGO	11/04/2024	IT SUPPLIES	52.44
55734	WELLS FARGO	11/04/2024	IT SUPPLIES	174.99
55734	WELLS FARGO	11/04/2024	OFFICE SUPPLIES	45.59
55734	WELLS FARGO	11/04/2024	IT SUPPLIES	174.99
55734	WELLS FARGO	11/04/2024	CONFERENCE	110.00
55734	WELLS FARGO	11/04/2024	GFOA MEMBERSHIP	190.00
55734	WELLS FARGO	11/04/2024	OFFICE SUPPLIES	17.32
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	95.00
55734	WELLS FARGO	11/04/2024	OFFICE SUPPLIES	15.27
55734	WELLS FARGO	11/04/2024	TRAINING	50.00
55734	WELLS FARGO	11/04/2024	TRAINING	50.00
55734	WELLS FARGO	11/04/2024	INTERNET	293.34
55734	WELLS FARGO	11/04/2024	CABLE	202.73
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	175.00
55734	WELLS FARGO	11/04/2024	SUBSCRIPTION	4,032.00
55734	WELLS FARGO	11/04/2024	IT SUPPLIES	199.35
55734	WELLS FARGO	11/04/2024	REFUND	40.00-
55734	WELLS FARGO	11/04/2024	IT SUPPLIES	250.24
55734	WELLS FARGO	11/04/2024	PLAN CHECK FEE	314.33
55734	WELLS FARGO	11/04/2024	DESK SUPPLIES	112.60
55734	WELLS FARGO	11/04/2024	DESK SUPPLIES	129.06
55734	WELLS FARGO	11/04/2024	BANNER	151.34
55734	WELLS FARGO	11/04/2024	MAIN STREET LIGHTS	1,935.00
55734	WELLS FARGO	11/04/2024	JANITORIAL SUPPLIES	1,856.09
55734	WELLS FARGO	11/04/2024	DOG WASTE BAGS	655.98
55734	WELLS FARGO	11/04/2024	SIGNS	293.58

55734	WELLS FARGO	11/04/2024	LATEX GLOVES	248.28
55734	WELLS FARGO	11/04/2024	HAND SANITIZER	131.22
55734	WELLS FARGO	11/04/2024	BATTERIES	110.62
55734	WELLS FARGO	11/04/2024	LATEX GLOVES	341.25
55734	WELLS FARGO	11/04/2024	TRAFFIC CONTROL WANDS	100.40
55734	WELLS FARGO	11/04/2024	CROSSWALK CONTROL BOARDS	716.62
55734	WELLS FARGO	11/04/2024	POLARIS BRAKE PADS	125.45
55734	WELLS FARGO	11/04/2024	TACC HVAC UNIT	2,007.00
55734	WELLS FARGO	11/04/2024	PUMPKIN FEST BAGS	1,358.92
55734	WELLS FARGO	11/04/2024	TRASH BAGS	754.80
55734	WELLS FARGO	11/04/2024	CMO RETREAT SUPPLIES	37.68
55734	WELLS FARGO	11/04/2024	OCC UTILITIES	602.49
55734	WELLS FARGO	11/04/2024	CAD 1 MONTH AUTODESK	250.00
55734	WELLS FARGO	11/04/2024	CAD 1 MONTH AUTODESK	250.00
55734	WELLS FARGO	11/04/2024	NEWS SUBSCRIPTION	99.00
55734	WELLS FARGO	11/04/2024	CERTIFIED MAIL	11.26
55734	WELLS FARGO	11/04/2024	SUPPLIES	56.99
55734	WELLS FARGO	11/04/2024	SUPPLIES	10.34
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	16.40
55734	WELLS FARGO	11/04/2024	SUMMER'S END	8.74
55734	WELLS FARGO	11/04/2024	SUMMER'S END	124.25
55734	WELLS FARGO	11/04/2024	SUMMER'S END	25.27
55734	WELLS FARGO	11/04/2024	SUPPLIES	98.43
55734	WELLS FARGO	11/04/2024	SUPPLIES	34.89
55734	WELLS FARGO	11/04/2024	SUPPLIES	6.53
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	460.00
55734	WELLS FARGO	11/04/2024	SUPPLIES	29.41
55734	WELLS FARGO	11/04/2024	SUMMER'S END	133.66
55734	WELLS FARGO	11/04/2024	SUPPLIES	98.43
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	19.00
55734	WELLS FARGO	11/04/2024	SUPPLIES	41.50
55734	WELLS FARGO	11/04/2024	ADVERTISING	314.98
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	460.00
55734	WELLS FARGO	11/04/2024	MEMBERSHIP	11.99
55734	WELLS FARGO	11/04/2024	SUPPLIES	58.74
55734	WELLS FARGO	11/04/2024	SUPPLIES	143.07
55734	WELLS FARGO	11/04/2024	SUPPLIES	36.15
55734	WELLS FARGO	11/04/2024	SUPPLIES	14.21
55734	WELLS FARGO	11/04/2024	CSMFO BUDGET AWARD APP.	150.00
55734	WELLS FARGO	11/04/2024	CCMF MEMBERSHIP	400.00
55734	WELLS FARGO	11/04/2024	TRAINING/MEETING EXPENSE	87.97
55734	WELLS FARGO	11/04/2024	OFFICE SUPPLIES	30.82
55734	WELLS FARGO	11/04/2024	FLCA	378.82

55734	WELLS FARGO	11/04/2024	FLOWERS FOR COUNCIL	95.71
55734	WELLS FARGO	11/04/2024	FLCA	64.39
55734	WELLS FARGO	11/04/2024	FLCA	515.71
55734	WELLS FARGO	11/04/2024	FLCA	353.87
55734	WELLS FARGO	11/04/2024	FLCA	61.47
55734	WELLS FARGO	11/04/2024	FLCA	71.21
55734	WELLS FARGO	11/04/2024	SUBSCRIPTION	182.16
55734	WELLS FARGO	11/04/2024	FLCA	23.66
55734	WELLS FARGO	11/04/2024	FLCA	54.00
55734	WELLS FARGO	11/04/2024	FLCA	616.41
55734	WELLS FARGO	11/04/2024	FLCA	327.72
55734	WELLS FARGO	11/04/2024	CONFERENCE EXPENSE	27.97
55734	WELLS FARGO	11/04/2024	FLCA	517.10
55734	WELLS FARGO	11/04/2024	NOT FRAUD-MAGGIE WILL REIMBURSE	32.79
55734	WELLS FARGO	11/04/2024	FLCA	17.37
55734	WELLS FARGO	11/04/2024	SUBSCRIPTION	307.92
55734	WELLS FARGO	11/04/2024	SUBSCRIPTION	70.00
55734	WELLS FARGO	11/04/2024	REFUND-CONFERENCE EXPENSE	27.97-
55734	WELLS FARGO	11/04/2024	FLCA	328.11
55734	WELLS FARGO	11/04/2024	FLCA	61.90
55734	WELLS FARGO	11/04/2024	FLCA	77.65
55734	WELLS FARGO	11/04/2024	RECONCILING ITEMS - PRIOR PERIOD	225.00
55734	WELLS FARGO	11/04/2024	RECONCILING ITEMS - NEXT STATEMENT	664.23-
Total 55734:				<u>29,376.70</u>
Grand Totals:				<u><u>1,824,338.13</u></u>

Report Criteria:

Report type: GL detail

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY**

**AGENDA REPORT**

For meeting of: **December 16, 2024**

---

**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** Lisa Rossi, Administrative Services Director  
Kenneth Stiles, Finance Manager

**TITLE: ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

---

**RECOMMENDATION:**

Adopt a resolution receiving the City of Half Moon Bay Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024

**FISCAL IMPACT:**

There is no fiscal impact associated with the adoption of these resolutions.

**STRATEGIC ELEMENT:**

This recommendation supports the *Fiscal Sustainability* and *Inclusive Governance* Elements of the Strategic Plan.

**BACKGROUND:**

The City of Half Moon Bay annually conducts an independent audit of financial transactions and issues the Annual Comprehensive Financial Report (ACFR). The ACFR Report has been prepared in conformity with the Governmental Accounting and Financial Reporting Standards.

An independent audit was conducted by the auditing firm Maze & Associates (Maze) in conformity with General Accepted Auditing Standards. The City received a clean audit opinion on the financial statements.

The City's ACFR presents an easily readable and organized report of the City's financial transactions and provides users of government financial statements with a wide variety of information needed to help them evaluate the financial condition of the City. The final step in preparing these financial statements is to present them to the City Council for acceptance.

The ACFR document (Attachment 2) is composed of the following parts:

- Introductory Section including letter of transmittal
- Independent Auditors' Report

- Management Discussion and Analysis
- Basic City-wide and fund-level financial statements
- Explanatory notes to financial statements and supplemental schedules
- Supplementary information
- Statistical section

The transmittal letter included in the ACFR provides information on the City's profile, financial planning and budgeting, and the local economy.

**DISCUSSION:**

The General Fund is the City's primary operating fund. It receives unrestricted revenues and provides general administrative services, law enforcement and animal control services, and land development-related activities such as planning, building, and engineering. The City's General Fund balance on June 30, 2024, was \$14.3 million, of which \$11.1 million was committed for reserves and the balance of \$3.2 million was unassigned. The fund balance on June 30, 2024, shows a decrease of \$1.8 million, or 11%, from the prior year.

The Management Discussion & Analysis (MD&A) section of the ACFR summarizes the financial results for the fiscal year ended June 30, 2024, and provides additional explanations for changes from the prior fiscal year.

The City of Half Moon Bay was the honored recipient of the "Certificate of Achievement for Excellence in Financial Reporting" award presented by the Government Finance Officers Association (GFOA) of the United States and Canada in recognition for the City's FY 2022-23 ACFR. The City believes that this year's ACFR document continues to conform to the highest standards in government accounting and financial reporting requirements and will qualify for another Certificate of Achievement. Following acceptance by the Council, the document will be submitted to the GFOA for consideration for the award this year.

On December 3, 2024, staff presented the ACFR to the City Council as a business item. Staff addressed questions, and no updates were requested. The final ACFR is now submitted for Council approval.

**ATTACHMENTS:**

1. Annual Comprehensive Financial Report (ACFR) Fiscal Year Ended June 30, 2024
2. Resolution



THE CITY OF  
**HALF MOON BAY**  
CALIFORNIA

**ANNUAL COMPREHENSIVE**

# **FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2024**



**CITY OF HALF MOON BAY, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**Fiscal Year Ended June 30, 2024**

Prepared by  
Finance Department



**CITY OF HALF MOON BAY, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2024**

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## **INTRODUCTORY SECTION**



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## CITY OF HALF MOON BAY

501 Main Street  
Half Moon Bay, CA 94019

December 3, 2024

Honorable Mayor,  
Members of the City Council,  
And Citizens of Half Moon Bay

It is a pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Half Moon Bay (the City) for the fiscal year ended June 30, 2024. The intent of this report is to provide a full and transparent understanding of the City's financial activities and position during that fiscal year. The report is prepared in compliance with California Government Sections 25250 and 25253, in accordance with Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), and continuing disclosure requirements of the Securities and Exchange Commission (SEC) related to the City's debt.

This report consists of management's representations concerning the finances of the City of Half Moon Bay. Consequently, responsibility for both the accuracy of the data and the fairness of this presentation, including all disclosures, rests with the City's management. To present a reasonable basis for making these representations, management personnel of the City have established and maintained a comprehensive internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgment by management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to represent fairly the financial position and results of operation of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The City's financial statements have been audited by Maze & Associates, a firm of licensed certified public accountants in Pleasant Hill, California. The independent auditor has issued an unmodified (or "clean") opinion on the City's financial statements for the year ended June 30, 2024.

GAAP requires that management provide a narrative of introductions, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the report of the independent auditors in the financial section. This letter complements the MD&A and should be read in conjunction with it.

### **PROFILE OF THE CITY**

Named San Benito in the 1840's and later Spanishtown, Half Moon Bay received its current name in 1874 and is the oldest settlement in San Mateo County. Considered a rural coastal community, the City is home to approximately 11,000 people. There is a rich culture of different traditions and multi-generational families who have lived in Half Moon Bay for well over 100 years. In any given neighborhood you will find farmers, high tech entrepreneurs, and artists living together. At the crossroads of Highway 1 and Highway 92, Half Moon Bay is approximately 25 miles south of San Francisco and at-most a 45-minute drive from almost anywhere in the Bay Area.

The City and Coastside are a thriving agricultural, fishing, and tourism destination. The local and growing organic agricultural community hosts a Saturday farmers' market and many rural roadside stands sell the bounty of the local farms and nurseries. About 3,000 tons of pumpkins are grown on the Coastside every year and the ripening pumpkins are featured in the Art and Pumpkin Festival held each October on the downtown historic Main Street. The annual festival draws more than 200,000 visitors for the two-day event.

As a popular tourist destination, Half Moon Bay offers a wide variety of public and private attractions. Main Street is home to shops, art galleries, and fine dining. The Coastal Trail provides recreation for biking, pedestrian, and equestrian users. Golf can be enjoyed at two acclaimed golf courses. Half Moon Bay boasts truly unique lodging with breathtaking ocean views, world-class hotels, and quaint cottages, and the enduring natural beauty of the beaches is enjoyed by all.

The City of Half Moon Bay was incorporated in 1959 and operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the governing City Council, which consists of five Councilmembers representing five districts. Councilmembers are elected to overlapping four-year terms and, from amongst themselves, select a Mayor and Vice Mayor each December. The Council is responsible for passing ordinances, adopting the budget, appointing Planning Commission and Volunteer Committee members, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, providing leadership to the City's programs, overseeing the day-to-day operations of the City, and appointing City staff.

By means of its own employees and through other shared or contract services, the City provides a variety of municipal services including law enforcement; library; disaster preparedness; recreation programs; maintenance of streets, parks and buildings; sanitary sewer utility treatment, distribution and maintenance; planning, zoning and building inspection; storm drain maintenance; code and parking enforcement; engineering; and general administrative services. Fire protection

and water infrastructure services are provided by special districts that are not part of the City's reporting entity.

## **FINANCIAL OPERATIONS**

### **BUDGET PROCESS**

The annual budget serves as the foundation for the City's financial planning and control of expenditures. The City's budget document also reflects the One-Year and Five-Year Capital Improvement Program and the Five-Year Forecast.

The City prepares and adopts its budget in accordance with California Government Sections 29000 and 29143. The Council holds a public hearing on the proposed budget and adopts a final budget by the end of June, the close of the City's fiscal year.

A program budget is used to plan, prioritize, and guide municipal operations. The City uses the modified accrual basis of accounting for all Governmental Funds and the accrual basis of accounting for Propriety Funds and Fiduciary Funds. Budgetary controls ensure compliance with the annual appropriated budget approved by the City Council. The City Council may amend the annual budget by resolution. Transfers of appropriations between departments or programs within the same fund can be approved administratively by the City Manager and Finance Director. Transfers between funds require the approval of the City Council. Accordingly, the lowest level of budgetary control established by the City Council is at the department level.

Budget-to-actual comparisons are presented in the supplementary section of the accompanying financial statements for each individual governmental fund for which an appropriated annual budget has been adopted.

### **FINANCIAL CONTROL**

The Administrative Services Department of the City is responsible for establishing and maintaining an appropriate internal control structure. The internal control system is designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe the City's systems of internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

The City's Reserve Policy per Resolution C-2020-60 states that a reserve equal to 50% of General Fund annual operating expenditures is to be set aside to: reduce the risk of financial impacts from catastrophic disasters; respond to the challenges of changing economic environment, including prolonged downturns in the local, state, and national economy; and demonstrate continued prudent fiscal management and creditworthiness.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

Several important initiatives were delivered in the past year. These projects included increased engagement with the community, continued work on affordable housing, and improvement of infrastructure. Accomplishments include:

### 1. City Operations:

- Negotiated a Memorandum of Understanding (MOU) with San Mateo County, helped to secure an Emergency Coastal Development Permit (CDP), and facilitated commencement of construction of 47 affordable manufactured homes for farmworkers at the new Stone Pine Cove neighborhood.
- Launched the Opportunity Center of the Coastside to support small businesses, entrepreneurs, job seekers, and job growth; launched a new business incubator, Coastside Venture Studio, with a focus on resiliency tech.
- Completed a Downtown Streetscape Master Plan which will serve as a road map for downtown revitalization efforts and assist in applying for funding.
- Completed the second Public Review Draft of the Cycle 6 Housing Element; certification from the California Department of Housing and Community Development (HCD) is expected fall of 2024.
- Convened a new Farmworker Memorial and Remembrance Advisory Committee (FMRAC) and held a one-year remembrance ceremony to celebrate the seven lives lost from the January 2023 mass shooting. Attended by 250+ community members.
- Secured \$785,000 in private, public, and philanthropic donations for short-term housing for forty individuals displaced from the January 2023 mass shooting.
- Hosted a historic visit of the Mexican Consulate that served 200 Coastside residents / Mexican Nationals.
- Completed work on new Rental Registry Program, Rent Stabilization Program, and enhanced Tenant Protections provisions.
- Planned and executed the fourth annual Summer's End Music Festival Event.
- Continued to support the Make It Main Street first Thursday events in downtown Half Moon Bay, bringing Coastside artists, creators, and makers together with non-profits and community to connect, exchange, and share while stimulating the downtown economy on a monthly basis from Spring through Fall of each year.
- Implemented the Short-Term Rental and Home Occupation Ordinance following the June 2023 City Council adoption.
- Completed numerous building permit inspections to help facilitate the Main and Kelly Mixed-Use Project currently under construction with expected completion fall 2024.
- Conducted both the N.E.T and FLCA civics and leadership academies for adults and youth.
- Received Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the FY 22-23 Operating and Capital Budget documents, representing compliance with best practices in budgeting.
- Remodeled Mac Dutra Restrooms.
- Implemented the County's first disposable food ware ordinance.

- Hosted two community recycling days offering free paper shredding, compost pick-up, and e-waste recycling.
  - Adopted the City’s Fats, Oils, and Grease (FOG) ordinance and implemented the inaugural program.
  - Piloted the use of Automated License Plate Reader (ALPR) technology in the Pilarcitos (Oak Avenue Park) neighborhood in response to community requests following several high-profile crimes.
  - Initiated Mounted Patrol and additional Sheriff beach patrols on Poplar Beach to enforce dogs on leash every weekend daytime for the whole summer.
2. Major Capital Projects in Progress:
- Carter Park
  - Highway 1 Safety – North
  - Poplar Street Traffic Calming and Safety Project – Phase 1
  - Eastside Parallel Trail North – Segment 4
  - Pilarcitos Creek Restoration and Remediation Project

Much of the work focuses on enhancing and improving infrastructure, as well as creating processes and organizational improvements which allow Staff to better carry out their core functions in serving the public. The 2023-24 through 2027-28 Five-Year Capital Improvement Program (CIP) provides in depth project-by-project information and how it aligns with the City’s Strategic Plan.

### **FACTORS AFFECTING FINANCIAL CONDITION**

The information in the financial statements is best understood within the context of the City’s operating environment. During Fiscal Year 2023-24, the City faced a shortfall in economically sensitive revenues, including Transient Occupancy Tax and Sales Tax. While fully funded reserves offer temporary stability, the City anticipates a structural deficit in future fiscal years, as expenditures currently exceed revenues.

#### **Local Economy**

Employment in Half Moon Bay is concentrated in three major sectors: professional services; farm and agriculture; and retail/food services. The 2023 average unemployment rate for California was 4.8%, San Mateo County was 3%, and Half Moon Bay was 1.2%. Due to the COVID-19 pandemic, the unemployment rate peaked as high as 11.4% for San Mateo County during the month of April 2020. Since then, the unemployment rate has decreased to pre-pandemic levels of 1.6% for Half Moon Bay.

A significant driver of the economy has continued to be the local real estate market, which saw another year-over-year increase in assessed value. Half Moon Bay’s total assessed value for 2023-24 is \$3.9 billion, which is a 4.9% increase over 2022-23. Although housing prices continue to remain strong, the economy appears to be stagnating.

The City faces two major challenges: heavy reliance on Transient Occupancy Tax (TOT) revenues and rising costs of existing services. For the fiscal year ending June 30, 2024, TOT revenues accounted for 40% of all General Fund revenues. While TOT is the City's largest revenue source, it is also highly vulnerable during downturns in tourism, as shown by an 8% year-over-year decline.

The City also saw a sharp increase in costs for existing services, resulting in expenditures surpassing revenues and creating a structural deficit. Ongoing operating costs rose by \$2.7 million, or 14%, primarily due to public safety and legal expenses. Consequently, the City anticipates continued deficits in future years and is actively looking to both cost-containment and revenue-enhancement strategies.

Existing obligations that are still likely to increase in future years include public safety, sewer treatment, and pension costs. These costs coupled with increased demand for essential City services and enhanced infrastructure investment, to maintain and enhance City assets, will strain City finances. Staff will continue to monitor these conditions moving forward, and make budgetary adjustments as necessary, to ensure the City can sustain long-term financial health.

### **Long-Term Financial Planning**

The City's long-term financial plan remains focused on cost containment, cost recovery, revenue enhancements, and maintaining adequate reserves to secure its financial health. These proactive measures reflect the City's commitment to responsible financial management. While the City faces a structural deficit, these strategies are designed to guide the City toward achieving sustainable fiscal balance.

In developing the fiscal year 2024-25 budget, the City reviewed all budget items to reduce expenses wherever possible. Cost containment efforts included ending a leased office agreement and consolidating staff at City Hall, holding vacated positions open to reassess staffing needs, and an overall reduction in discretionary spending. These reductions were designed to address the deficit while preserving essential services.

To address rising costs and use of reserves, voters passed Measure R in November 2024. This measure will increase the sales tax rate by 0.50% to a total of 9.875%, effective April 1, 2025. The City expects this change to generate approximately \$2 million in general fund revenue, supporting the continuation of current services. Additionally, the City is conducting a Cost Allocation and Fee Study to identify the true cost of services provided and align fees with Council's cost recovery policies.

In FY 2019-20, the City Council created a new reserve fund, the Economic Uncertainty Reserve, to smooth the effects of dramatic downturns in the economy that may negatively impact revenues. The goal of this new reserve is to retain 20% of budgeted annual operating expenditures. While the use of this reserve is anticipated in future fiscal years, the City's long-term goals include fully funding both the Economic Uncertainty and the Operating Reserve funds to be a total of 50% of annual operating expenditures. On June 30, 2024, both reserves are fully funded.

The City's long term strategic plan, adopted on March 15, 2018, addresses the following four Strategic Elements:

- Fiscal Sustainability
- Healthy Communities and Public Safety
- Inclusive Governance
- Infrastructure and Environment

Based on these Strategic Elements, the City Council annually adopts strategic initiatives to guide the City's actions, work plans, and efforts on addressing the City's priorities. The Council addresses the City's long-term fiscal sustainability by retiring debt early, improving reserves, investing in infrastructure, and marketing the City to visitors to improve key revenue sources, such as Transient Occupancy and Sales Tax. The City continues to maintain a balance between ongoing revenues and ongoing costs as part of its overall long-range strategic financial planning.

### **Risk Management**

Comprehensive general liability coverage is provided through the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA). The PLAN consists of a self-insurance pool involving a number of cities in the San Francisco-Oakland area. The cities contract with the PLAN through a liability coverage agreement that is very similar to a comprehensive general liability, commercial auto, and public officials' errors and omissions policy. The City's limit in the pool is \$5,000,000 with a \$50,000 per occurrence deductible for which it self-insures.

For Workers' Compensation coverage, the City participates in the Cities Group, created by a joint powers agreement to provide workers compensation coverage of up to \$10,000,000 per occurrence in excess of \$1,000,000 for miscellaneous employees. The Group acts as administrator, claim adjuster and provides other risk management services as required by State law. Each member of the Group pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the Group. Additional information concerning the City's participation in risk pools for liability and workers' compensation is provided in Note 10 to the financial statements.

The City focuses on identification of hazards and dangerous conditions and provides on-going training in an effort to reduce exposure and ensure public safety and welfare.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Half Moon Bay for its annual comprehensive financial report for the fiscal year ended June 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized

annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are pleased to submit it to the GFOA to determine its eligibility.

We would like to take this opportunity to thank the Administrative Services Department staff. Special thanks to Kenneth Stiles, Finance Manager; Bryan Lopez, Senior Management Analyst; Ernest Azevedo, Management Analyst; Raymond Cruz, Payroll Technician; Margaret Jeanne Geiger, Accounting Technician; and Whitney Rescino, Administrative Assistant for their efforts during the annual audit process and contribution to this report. We also would like to express deep appreciation to the audit team from Maze and Associates for their professional work and assistance during the audit process and throughout the year.

Finally, we would like to express our appreciation to the City Council, the operating departments, and the Council Finance Committee for their interest and support toward conducting the financial operations of the City in a responsible manner with emphasis on transparency, ethics, and fiscal responsibility.

Respectfully submitted,



Signed: \_\_\_\_\_

Matthew Chidester  
City Manager



\_\_\_\_\_

Lisa Rossi  
Administrative Services Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Half Moon Bay  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# Half Moon Bay City Limits



Unincorporated  
San Mateo County

Unincorporated  
San Mateo County

Unincorporated  
San Mateo County

City of  
Half Moon Bay



 Map not to Scale

# City of Half Moon Bay City Council



Mayor  
Joaquin Jimenez



Vice Mayor  
Harvey Rarback



Council Member  
Robert Brownstone

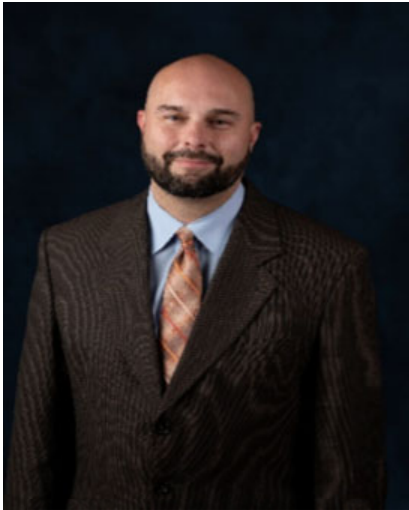


Council Member  
Debbie Ruddock



Council Member  
Deborah Penrose

# Executive Team



City Manager  
Matthew Chidester



City Attorney  
Catherine Engberg



Assistant City Manager  
John Doughty



Communications/City Clerk  
Director Jessica Blair



Public Works Director  
Maz Bozorginia



Administrative Services  
Director Lisa Rossi

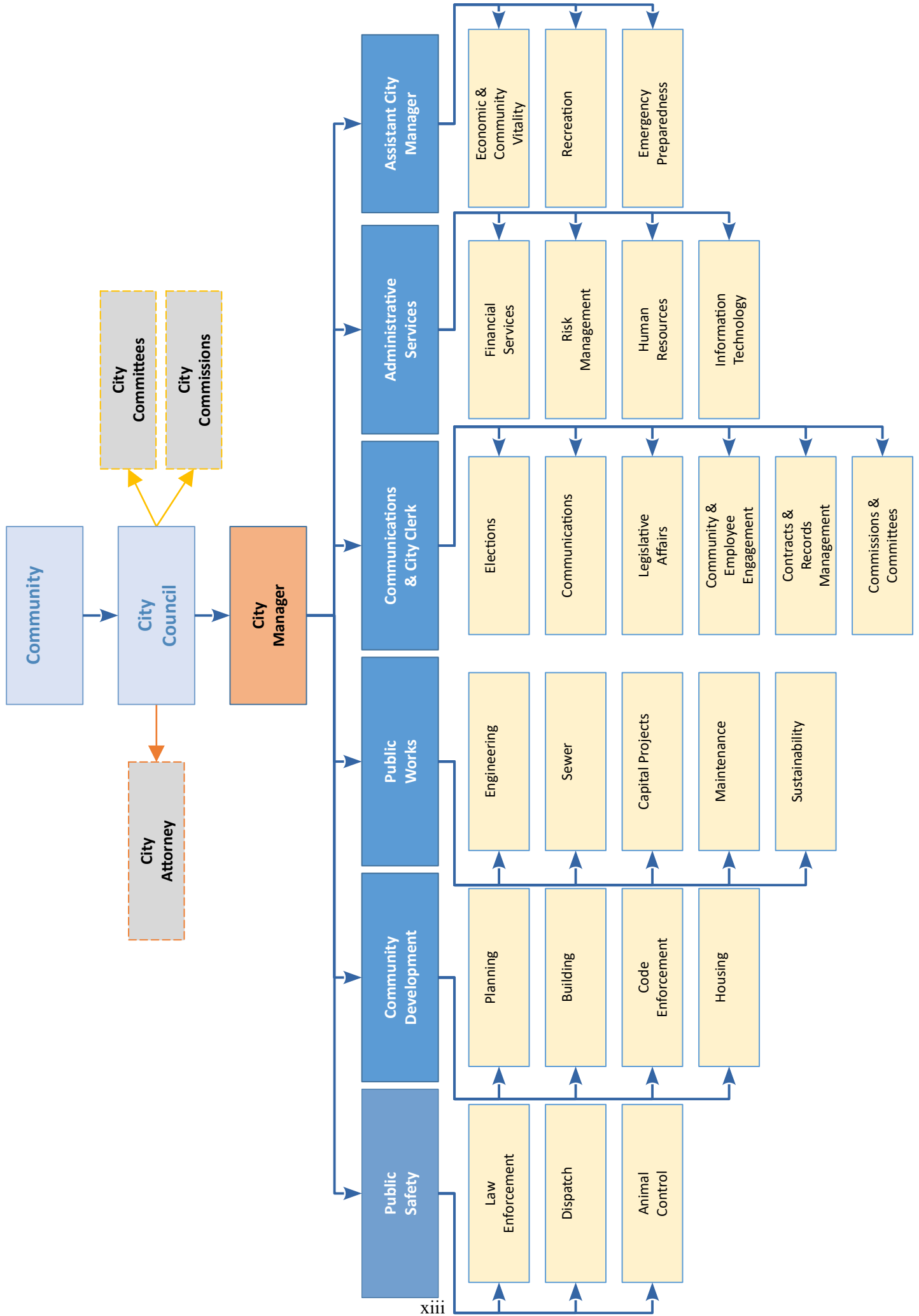
Photo Coming Soon

Community Development  
Director [Vacant]



Captain  
San Mateo County Sheriff

# City of Half Moon Bay Organizational Chart





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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
City of Half Moon Bay, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Half Moon Bay, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds information of the City as of June 30, 2024, 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.

We did not audit the financial statements of Sewer Authority Mid-Coastside (SAM) as of and for the year ended June 30, 2023, related to the calculation of the Investment in SAM. The Investment in SAM, represents 51%, 52% and 17%, respectively, of the assets, net position and revenues of the City's business-type activities. The financial statements of SAM were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the calculation of the Investment in SAM, is based solely on the report of the other auditors.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibility of Management 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis 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 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

*Maye & Associates*

Pleasant Hill, California  
December 3, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



## CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Half Moon Bay (the City), we offer readers of the City of Half Moon Bay's financial statements this overview of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have provided in our letter of transmittal and the City's basic financial statements.

### **Financial Highlights**

- The City's government-wide assets and deferred outflows exceed its liabilities and deferred inflows at June 30, 2024, by \$161.8 million, which is a 2.4% or \$3.8 million increase from the prior year. Of this amount, \$41.7 million may be used to meet the City's ongoing obligations to citizens and creditors, which is a 10% decrease from the prior year's unrestricted net position of \$46.5 million.
- The City's cash and investments on June 30, 2024, totaled \$51.4 million, of which \$47.4 million is classified as government activities and \$4 million as Business-type activity. The City's cash and investments increased by \$1.4 million, or 2.7% compared to the prior year.
- At June 30, 2024, the City had outstanding long-term obligations of \$23 million, of which \$22.4 million is classified as governmental activities and \$564 thousand as business activities. Obligations have increased by \$1 million or 5% compared to the prior year. This increase is primarily due to an increase in net pension liability.
- During the 2014-15 fiscal year, the City implemented the Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pension Plans, an amendment of GASB Statement No. 27, which resulted in adjustments to pension expenses and reporting the City's long-term net pension liability of \$14.5 million on the FY 2023-24 Statement of Net Position. GASB No. 68 is intended to improve accounting and financial reporting by state and local governments that provide pension benefits. The Net Pension Liability increased by \$756 thousand from the \$13.8 million recorded last year. This increase is due to a decrease in the market value of pension assets held at CalPERS on the measurement date of June 30, 2023.
- City-wide revenues were \$38.8 million, of which \$31.1 million was generated by governmental activities and \$7.7 million by Business-type activities. Revenues increased by 15% from the prior year primarily due to an increase in capital grants and contributions.
- City-wide expenditures were \$34.9 million, of which \$28.3 million was incurred by governmental activities and \$6.6 million by Business-type activities. Expenditures increased by 35% from the prior year mostly due to increases in public works, public safety and general government expenditures.
- The City's General Fund balance as of June 30, 2024, was \$14.4 million, a decrease of \$1.8 million as compared to the prior year's amount of \$16.2 million. This decrease is due to expenditures exceeding revenues from increased costs in existing services.
- For the fiscal year ended June 30, 2024, Governmental Funds expenditures exceeded revenues and net transfers by \$509 thousand, primarily attributed to increased public safety and capital expenditures. The governmental funds' combined ending fund balance as of June 30, 2024, is \$68 million, a less than 1% decrease from the prior year.

# CITY OF HALF MOON BAY, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis section is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains a transmittal letter, other required supplementary information, an optional section that presents combining statements for non-major governmental funds and internal service funds, and a statistical section.

#### **Government-wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. Both are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the City's financial condition.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

These two statements that comprise the government-wide financial statements both distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type activities). The governmental activities of the City include its general government, public safety, public works and building regulation, parks and recreation, and planning programs. The sole Business-type activity of the City is the City's sewer utility.

The government-wide financial statements normally include, not only the City of Half Moon Bay itself (known as the primary government), but also a legally separate Community Development Agency of the City of Half Moon Bay for which the City of Half Moon Bay is financially accountable. Although the Agency is an integral part of the primary government, no financial information has been included for this component unit since it has been inactive for over ten years.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Half Moon Bay uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

# CITY OF HALF MOON BAY, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Half Moon Bay maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Streets and Roads Fund, the Lot Acquisition Fund, the Affordable Housing Fund, the Land Assets Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the Combining Balance Sheet and Individual Fund Statements of Revenues, Expenditures and Changes in Fund Balances sections of the report.

The City of Half Moon Bay adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison schedule has been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-34 of this report. The budgetary comparison schedule for the General Fund can be found on page 85.

### **Proprietary Funds**

The City of Half Moon Bay maintains two types of proprietary funds: Internal Service funds and Enterprise (Proprietary) funds.

#### **Internal Service Funds**

Internal Service funds are used to accumulate resources and allocate costs internally among the City's various functions. The City uses internal service funds to account and reserve for the purchase and maintenance of City vehicles and equipment, to account and reserve for risk management activities, and to stabilize for fluctuations in pension costs. Because these services exclusively benefit the governmental functions, they have been included within governmental activities in the government-wide financial statements.

#### **Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily by user charges. The City uses an enterprise fund to account for the financial activity of the City's sewer operation.

## CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The enterprise funds are also combined into a single, aggregated presentation in the proprietary fund financial statements that can be found on pages 35-37 of this report.

### **Notes to the Basic Financial Statements**

The notes provide additional information essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-78 of this report.

### **Other Information.**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including schedule of proportionate share of the net pension liability, contributions, funding progress for the City's obligation to provide other post-employment benefits to its employees and budgetary comparison schedules for the General Fund and the other funds. Required supplementary information can be found on pages 80-90 of this report.

The combining statements for non-major governmental funds and internal service funds are presented on pages 94-110, and the Statistical Section follows on page 113.

CITY OF HALF MOON BAY, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

The following table provides a condensed statement of net position as of June 30, 2024, and 2023:

**CITY OF HALF MOON BAY**  
Comparative Statement  
*Statement of Net Position*  
Year Ended on June 30, 2024

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current and other assets	51,986,855	50,091,872	15,482,216	15,252,242	67,469,071	65,344,114
Land held for resale	26,823,920	26,823,920	-	-	26,823,920	26,823,920
Capital Assets	82,889,996	78,346,957	6,831,129	6,981,850	89,721,125	85,328,807
<b>Total assets</b>	<b>161,700,771</b>	<b>155,262,749</b>	<b>22,313,345</b>	<b>22,234,092</b>	<b>184,014,116</b>	<b>177,496,841</b>
Related to OPEB	78,302	60,710	5,290	4,634	83,592	65,344
Related to pension	5,308,118	5,593,021	235,072	232,715	5,543,190	5,825,736
<b>Total deferred outflows of resources</b>	<b>5,386,420</b>	<b>5,653,731</b>	<b>240,362</b>	<b>237,349</b>	<b>5,626,782</b>	<b>5,891,080</b>
Long-term liabilities outstanding	19,882,281	19,654,785	564,424	541,207	20,446,705	20,195,992
Other liabilities	6,392,443	3,837,847	114,068	134,964	6,506,511	3,972,811
<b>Total liabilities</b>	<b>26,274,724</b>	<b>23,492,632</b>	<b>678,492</b>	<b>676,171</b>	<b>26,953,216</b>	<b>24,168,803</b>
Related to OPEB	99,786	113,746	8,489	9,009	108,275	122,755
Related to pension	684,592	1,043,360	68,596	74,781	753,188	1,118,141
<b>Total deferred inflows of resources</b>	<b>784,378</b>	<b>1,157,106</b>	<b>77,085</b>	<b>83,790</b>	<b>861,463</b>	<b>1,240,896</b>
<b>Net Position:</b>						
Net investment in capital assets	76,826,570	71,854,949	6,831,129	6,981,850	83,657,699	78,836,799
Restricted	25,081,978	22,502,708	11,397,062	10,092,582	36,479,040	32,595,290
Unrestricted	38,119,541	41,909,085	3,569,939	4,637,048	41,689,480	46,546,133
<b>Total Net Position</b>	<b>140,028,089</b>	<b>136,266,742</b>	<b>21,798,130</b>	<b>21,711,480</b>	<b>161,826,219</b>	<b>157,978,222</b>

Note: Total assets + deferred outflows – total liabilities – deferred inflows = total net position

## CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Position reflects the difference between assets and liabilities. Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Half Moon Bay, assets exceeded liabilities by \$161.8 million on June 30, 2024, with invested capital assets of \$83.7 million, \$36.5 million restricted and an unrestricted net position of \$41.7 million. Portions of the unrestricted net position may by law or contract be used only for specified purposes and may not necessarily be used for any general governmental purpose.

The net investment in capital assets reflecting the investment in capital assets (e.g. land, buildings, facilities, vehicles, equipment, and infrastructure) is \$83.7 million and represents 52% percent of the City's net position. This portion has increased by \$4.8 million or 6%. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the net investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position accounts for \$36.5 million, or 23% percent, of the City's total net position. The restricted net position increased by \$3.8 million or 12% percent in fiscal year 2023-24. This portion of the net position can only be spent for specific purposes stipulated by external resource providers or legislation. This increase is from restricted revenues exceeding allowed expenditures in the governmental funds. Restricted revenues generally include grants, project specific capital contributions and other intergovernmental funding.

The unrestricted net position of \$41.7 million, or 25.8% percent of the City's total net position, decreased by \$4.8 million or 10% percent. The increase is primarily from the City completing the fiscal year with expenditures under budget. This portion of the net position may be used to meet the government's ongoing obligations to residents and creditors, although portions of the unrestricted net position may by law or contract be only used for specified purposes and may not necessarily be used for any general governmental purpose.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Activities**

The following table provides a condensed statement of activities for the fiscal year ended June 30, 2024, as compared to June 30, 2023:

**CITY OF HALF MOON BAY**  
Comparative Statement  
*Statement of Activities*  
Year Ended on June 30, 2024

	Governmental Activities		Business-type Activities		Total		Variance
	2024	2023	2024	2023	2024	2023	
Program revenues:							
Charges for services	2,505,538	2,882,242	6,207,200	5,994,167	8,712,738	8,876,409	-2%
Operating grants and contributions	1,285,182	3,628,574	-	-	1,285,182	3,628,574	-65%
Capital grants and contributions	6,738,537	1,252,880	1,304,480	537,739	8,043,017	1,790,619	349%
Subtotal	10,529,257	7,763,696	7,511,680	6,531,906	18,040,937	14,295,602	26%
General revenues:							
Property taxes	4,283,589	4,129,317	-	-	4,283,589	4,129,317	4%
Sales and use taxes	3,665,449	3,740,219	-	-	3,665,449	3,740,219	-2%
Transient occupancy taxes	8,167,938	8,852,640	-	-	8,167,938	8,852,640	-8%
Other taxes	1,343,633	1,276,299	-	-	1,343,633	1,276,299	5%
Other general revenues	3,092,976	1,289,743	242,911	129,865	3,335,887	1,419,608	135%
Subtotal	20,553,585	19,288,218	242,911	129,865	20,796,496	19,418,083	7%
Total revenues	31,082,842	27,051,914	7,754,591	6,661,771	38,837,433	33,713,685	15%
Expenses							
General government	7,811,794	6,018,989	-	-	7,811,794	6,018,989	30%
Public safety	6,875,457	5,275,682	-	-	6,875,457	5,275,682	30%
Public works	6,255,645	4,129,117	-	-	6,255,645	4,129,117	52%
Recreation Services	1,534,752	597,127	-	-	1,534,752	597,127	157%
Planning	3,931,872	2,965,787	-	-	3,931,872	2,965,787	33%
Community and Economic Development	1,894,276	843,267	-	-	1,894,276	843,267	125%
Sewer Utility	-	-	6,685,640	5,998,227	6,685,640	5,998,227	11%
Total expenses	28,303,796	19,829,968	6,685,640	5,998,227	34,989,436	25,828,195	35%
Increase (Decrease) in net position before transfers	2,779,046	7,221,946	1,068,951	663,544	3,847,997	7,885,490	-51%
Transfers	982,301	957,438	(982,301)	(957,438)	-	-	0%
Increase (Decrease) in net position	3,761,347	8,179,384	86,650	(293,894)	3,847,997	7,885,490	-51%
Net position - As of July 1	136,266,742	128,087,358	21,711,480	22,005,374	157,978,222	150,092,732	5%
Prior Period Adjustment		-	-	-	-	-	
Net position - As of July 1, as restated	136,266,742	128,087,358	21,711,480	22,005,374	157,978,222	150,092,732	5%
<b>Net position - As of June 30</b>	<b>140,028,089</b>	<b>136,266,742</b>	<b>21,798,130</b>	<b>21,711,480</b>	<b>161,826,219</b>	<b>157,978,222</b>	<b>2%</b>

# CITY OF HALF MOON BAY, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Governmental Activities

The City's Governmental net position increased by \$3.7 million or 2.8% in fiscal year 2024, primarily due to revenues exceeding expenses.

#### Revenues Highlights:

- Total governmental revenues increased by \$4 million or 15% from the prior year, primarily due to increases in capital grants and contributions.
  - Program revenues increased by \$2.7 million or 36%. This increase is primarily from increases in capital grants and contributions. These receipts are generally project specific and/or one-time funds. During the fiscal year, the City was awarded three grants totaling \$4.7 million. These funds are designated for affordable housing efforts.
  - Transient Occupancy Tax (TOT), the City's largest source of general revenue, decreased by \$684 thousand or 8% from the prior year. This is primarily due to a decrease in tourism to the coast.
  - Sales Tax, the second largest source of general revenue, decreased by \$74 thousand or 2% from the prior year. This is primarily due to a decrease in tourism to the coast and the overall economy.
  - Property Tax, the third largest source of general revenue, increased by \$154 thousand or 4% from the prior year. This increase is primarily due growth in base property taxes.
  - Other General Revenues include investment income and other miscellaneous revenues. The amount from government activities increased by \$1.8 million or 140% from the prior year. This is primarily due to increases in interest and unrealized gains on investments.

Expenses for Government Activities increased by \$8.4 million from the prior year primarily due to a one-time debt service payment of \$3 million along with increases in capital projects, public safety and general government expenditures.

### Business-type Activities

The City's sole Business-type activity is the sewer fund. The City's total Business-type net position increased by \$86 thousand. This is primarily due to the following factors:

- The City is a member of the SAM joint power authority and exercises significant influence over SAM's operations; therefore, the share of the City's investment in SAM's net position is reflected in the City's financial statements. For the fiscal year 2023-24 the City recognized a gain on this investment of \$1.3 million. However, this gain is non-cash transaction, contributing no additional liquidity. As seen on page 37, the sewer fund cash decreased by \$1 million, primarily due to rising expenditures.
- Charges for Services revenues increased by \$213 thousand or 3.6% from the prior year. This increase is primarily due to the sewer rate changes as adopted by voters in fiscal year 2019-2020. Rates are scheduled to increase year over year through fiscal year 2024-25.
- Expenses from Business-type Activities increased by \$687 thousand as compared to fiscal year 2022-23. This is primarily due to increases in sewer treatment and contributions to the SAM joint power authority.

**CITY OF HALF MOON BAY, CALIFORNIA  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**FUND FINANCIAL ANALYSIS**

As noted above, the City uses fund accounting to ensure and demonstrate compliance with governmental finance-related legal requirements.

**Governmental Funds**

The Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balance of resources that are available for spending. Such information is useful in assessing the City’s financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs.

The following is a schedule of revenues, expenditures, and changes in fund balances for each of the major governmental and aggregate non-major governmental funds recorded on the modified accrual basis of accounting:

**CITY OF HALF MOON BAY  
Comparative Statement  
Governmental Funds Statement of Revenues, Expenditures and Fund Balance  
Year Ended on June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Revenues	\$ 30,506,165	\$ 26,942,159	13%
Expenditures	(32,988,058)	(23,706,716)	39%
Other Financing Sources (Uses)	1,972,994	(747,983)	-364%
Net Change in Fund Balances	<u>(508,899)</u>	<u>2,487,460</u>	<u>-120%</u>
Fund balances at beginning of year	68,524,929	66,037,469	4%
Fund balances at end of year	<u>68,016,030</u>	<u>68,524,929</u>	<u>-1%</u>
Non-spendable	26,823,920	27,096,226	
Restricted	24,590,954	22,258,032	10%
Committed	11,091,587	9,841,012	13%
Assigned	2,233,226	2,942,767	-24%
Unassigned	3,276,343	6,386,892	-49%
Total fund balances	<u>68,016,030</u>	<u>68,524,929</u>	<u>-1%</u>

As of June 30, 2024, the City’s governmental funds reported combined fund balances of \$68 million, a decrease of \$508 thousand in comparison with June 30, 2023. This is primarily attributed to expenditures exceeding revenues. The governmental funds expenditures were \$32.9 million in fiscal year 2023-24, a \$9 million increase from the prior year which is primarily due to capital expenditures and increases in public safety expenditures.

## CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

The governmental funds' fund balance is comprised of the following:

- Non-spendable is \$26.8 million (39.4% of total balance) which represents the value of land held by the City. There has been no change in this amount from the prior year.
- Restricted is \$24.5 million (36.2% of the total balance), which can only be spent for specific purposes, set by external resource providers, or enabling legislation. The balance is primarily for restricted street funds, development fees, and reserves required by debt covenants.
- Committed balance is \$11 million (16.3% of the total balance), which can only be spent for specific purposes as determined by formal action of the City Council. This amount is to satisfy the City's general fund reserve policy, which states that 50 percent of budgeted operating expenditures for the year to be committed for contingencies and economic uncertainty.
- Assigned balance is \$2.2 million (3.3% of the total balance), which indicates City Council's intent to use these funds toward capital improvements in the future. This balance represents funds remaining in the capital project funds for future capital expenditures.
- Unassigned is \$3.2 million (4.8% of the total balance), which is available for any use.

### FINANCIAL ANALYSIS OF CITY'S FUNDS

#### General Fund

The General Fund is the primary operating fund of the City of Half Moon Bay. All unrestricted revenues such as general taxes, fees and other revenues that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. The General Fund provides for the cost of operating City government and includes the services of the City Attorney, City Clerk, City Council, City Manager, City-wide costs (such as debt service), Finance and Risk Management, Human Resources and Information Technology, Recreation, Building and Planning, Public Works, Economic Vitality and Public Safety. In addition, the General Fund expenditures include transfers to fund capital projects and reserve funding.

As of June 30, 2024, the total General Fund balance was \$14.3 million, which includes an unassigned portion of \$3.2 million. The General Fund fund balance decreased by \$1.8 million for the fiscal year ended June 30, 2024.

**CITY OF HALF MOON BAY, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following table compares General Fund revenues and expenditures by category:

**CITY OF HALF MOON BAY  
Comparative Statement  
General Fund Statement of Revenues, Expenditures and Fund Balance  
Year Ended on June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
<b>Revenues</b>			
Taxes	16,991,811	17,500,650	-3%
License and permits	306,282	452,763	-32%
Fines and forfeitures	81,445	32,232	153%
Charges for services	1,454,141	1,419,473	2%
Impact Fees	-	-	
Rents and Leases	78,135	63,728	23%
Investment Income	804,188	353,945	127%
Intergovernmental revenues	117,400	1,552,805	-92%
Miscellaneous	833,965	970,404	-14%
<b>Total</b>	<u>20,667,367</u>	<u>22,346,000</u>	<u>-8%</u>
<b>Expenditures</b>			
General government	3,138,896	2,272,314	38%
General administration	2,134,173	1,977,351	8%
Public safety	6,452,977	4,914,582	31%
Public works	2,174,611	2,176,714	0%
Recreation Services	538,827	524,211	3%
Planning	2,879,532	2,873,331	0%
Community and Economic Development	1,008,276	843,267	20%
Capital Outlay	-	-	
Debt Service	3,725,598	675,302	452%
<b>Total</b>	<u>22,052,890</u>	<u>16,257,072</u>	<u>36%</u>
Other financing sources (uses)	(474,451)	(5,446,177)	-91%
<b>Net Change in Fund Balances</b>	<u>(1,859,974)</u>	<u>642,751</u>	<u>-134%</u>
<b>Fund Balances at beginning of year</b>	16,227,904	15,585,153	4%
<b>Fund Balances at end of year</b>	<u><u>14,367,930</u></u>	<u><u>\$ 16,227,904</u></u>	<u><u>-11%</u></u>

**General Fund Revenues**

General Fund revenues for the year ended June 30, 2024, decreased by \$1.6 million or 8%, from the prior year. The preceding chart summarizes revenues into major categories for comparative purposes across two fiscal years.

Total tax revenues decreased by \$508 thousand or 3% from the prior year primarily from a decrease in transient occupancy taxes. Net other financing sources/uses decreased by \$4.9 million primarily due to a refinancing of a \$3 million loan with the County of San Mateo.

**CITY OF HALF MOON BAY, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**General Fund Expenditures**

General Fund expenditures for the 2023-24 fiscal year rose by \$5.7 million, or 36%. This increase is primarily attributed to debt service payments related to the refinancing mentioned above, along with higher expenditures in public safety and general government.

**CITY OF HALF MOON BAY  
Budget to Actual Statement  
General Fund Statement of Revenues, Expenditures and Fund Balance  
Year Ended on June 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 19,916,944	\$ 20,667,367	\$ 750,423
Expenditures	(20,929,448)	(22,052,890)	(1,123,442)
Other Financing Sources (Uses)	(3,979,451)	(474,451)	3,505,000
Net Change in Fund Balance	<u>(4,991,955)</u>	<u>(1,859,974)</u>	<u>3,131,981</u>
Fund balances at beginning of year	16,227,904	16,227,904	-
Fund balances at end of year	<u><u>11,235,949</u></u>	<u><u>14,367,930</u></u>	<u><u>3,131,981</u></u>

**General Fund Budgetary Highlights**

The final budget for the General Fund planned for a net decrease of fund balance by \$4.9 million, however the ending fund balance decreased by \$1.8 million. This is primarily due to the City successfully refinancing an existing loan and decreased operational spending than initially anticipated. A portion of these excess funds have been appropriated in the following budget for fiscal year 2024-25.

**Other Major Governmental Funds**

The following table compares governmental fund balances:

**CITY OF HALF MOON BAY  
Comparative Statement  
Governmental Funds Statement of Revenues, Expenditures and Fund Balance  
Year Ended on June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Major Governmental Funds:			
General Fund	14,367,930	16,227,904	-11%
Streets and Road	7,263,726	6,427,224	13%
Lot Acquisition	1,420,599	1,348,210	5%
Affordable Housing	5,954,709	2,164,621	175%
Parks Development	894,568	2,589,695	-65%
Land Asset	26,823,920	26,823,920	0%
Capital Project Fund	1,784,042	2,788,918	-36%
Non-Major Governmental Funds	9,506,536	10,154,437	-6%
Total Fund Balances	<u><u>\$ 68,016,030</u></u>	<u><u>\$ 68,524,929</u></u>	<u><u>-1%</u></u>

## CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Streets and Roads Funds**

The Streets and Roads Special Revenue funds provide for all proceeds of Gas Tax funds, Measure A/W Local Transportation Ordinance Tax funds and other grants. These funds are restricted for the purpose of these taxes and mainly used for streets and road maintenance and improvements. As of June 30, 2024, the Streets and Roads Funds had a fund balance of \$7.2 million, a \$836 thousand increase from the prior year, primarily due revenues exceeding expenditures.

### **Lot Acquisition / Retirement Fund**

The Lot Acquisition and Retirement fund is a fund used to account for in-lieu fees and expenses within the purpose of acquiring and retiring development rights on existing legal parcels. As of June 30, 2024, the fund had a fund balance of \$1.4 million, a \$72 thousand increase from the prior year.

### **Affordable Housing Fund**

The Affordable Housing fund accounts for proceeds of construction and development fees, including in lieu fees with the restricted purpose of the development of affordable housing. As of June 30, 2024, the fund balance was \$5.9 million, which is a \$3.7 million increase from the prior year. This is primarily due to the receipt of affordable housing grants totaling \$4.7 million for the fiscal year.

### **Parks Development**

The Parks Development Fund which accounts for development impact fees, Federal, State and County grants, and is restricted for acquisition, development and capital improvements of the City's parks and trails. This fund decreased by \$1.6 million, primarily due capital projects and expenditures. As of June 30, 2024, the fund balance was \$894 thousand.

### **Land Asset Fund**

This is a restricted fund which was created in Fiscal Year 2014-15 for the purposes of recording land assets held for resale. The fund balance as of June 30, 2024 is \$26.8 million, which consists of transfers of land assets for Glencreed and Beechwood properties from the General Fund and the Judgment Obligation Bond Funds. The Glencreed property was donated to the City. The Beechwood property was acquired by the City as part of the settlement of the Yamagiwa litigation in 2007. With the receipt of the insurance settlement payments, the Beechwood properties are no longer required for the Judgment Obligation Bonds. There was no activity in this fund in fiscal year 2023-24.

### **Capital Project Funds**

Capital Projects Funds accounts for capital projects as detailed in the City's Capital Improvement Plan. As of June 30, 2024, the fund balance was \$1.7 million, a \$1 million decrease from the prior year, primarily due to capital expenditures and progress on capital projects.

# CITY OF HALF MOON BAY, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Non-Major Funds**

Non-Major funds are comprised of Special Revenue, Debt Service and Capital Project funds.

Special Revenue funds include:

- Police Grants Fund that accounts for revenues received and expenditures made for police services,
- Storm Drain Operating Fund that accounts for the maintenance of the existing storm drain system,
- Traffic Mitigation Fund that provides for all proceeds from traffic mitigation fees imposed on new development and restricted to defray the cost of constructing improvements to mitigate traffic,
- CZI Grant Fund accounts for proceeds relating to the CZI Grant. These funds can be used to support learning and evaluation activities for groups currently engaged in the operation and implementation of economic advancement centers.
- Opportunity Center Coastside Fund accounts for proceeds and expenditures as they relate to the operation of the Opportunity Center Coastside. This fund is primarily sourced from American Rescue Plan Act (ARPA) funds.

Debt Service Funds include:

- Judgement Bonds Fund account for debt service on the judgment obligation bonds. The City has no outstanding bonds.

Capital Project Funds:

- Library Fund is used to account for the design, development, and construction of the new library and the maintenance thereafter.
- Public Facilities accounts for expenditures related to public facilities improvements.
- Storm Drain Improvements accounts for all proceeds from storm drainage improvement fees assessed against new and remodeled construction and used for drainage improvements.

As of June 30, 2024, the Non-Major Funds had a fund balance of \$9.5 million, a \$647 thousand decrease from the prior year. This decrease is primarily due capital projects and expenditures relating to the Opportunity Center Coastside.

### **Proprietary Fund Financial Statement Analysis**

As of June 30, 2024, the City's Proprietary Fund net position was \$26.9 million (\$7.2 million invested in capital assets; \$11.4 million restricted for investment in Sewer Authority; \$3 thousand restricted for other post-retirement benefits and \$8.3 million in unrestricted net position). Additional information on this investment can be found in Note 6 of the financial statements. Unrestricted net position of \$4.7 million in the Internal Service Funds is primarily reserved for vehicle and equipment replacement, risk management and general liability claims, and pension cost stabilization.

**CITY OF HALF MOON BAY, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's total net investment in capital assets for its Governmental and Business-type activities (net of accumulated depreciation) as of June 30, 2024, was \$89.7 million, an increase of \$4.3 million as compared to June 30, 2023.

Capital assets include land, buildings, equipment, vehicles and infrastructure. The following table presents summarized information on capital assets net of depreciation for fiscal years 2024 and 2023:

**CITY OF HALF MOON BAY  
Comparative Statement  
Capital Assets (net of depreciation)  
Year Ended on June 30, 2024**

	Governmental Activities		Business Type Activities		Total		Variance
	2024	2023	2024	2023	2024	2023	
Land	\$ 4,756,385	\$ 4,756,385	\$ -	\$ -	\$ 4,756,385	\$ 4,756,385	0%
Rights of Way	6,990,396	6,990,396	-	-	6,990,396	6,990,396	0%
Construction in progress	11,212,437	9,669,548	-	-	11,212,437	9,669,548	16%
Buildings and improvements	28,935,520	29,731,961	6,801,334	6,950,907	35,736,854	36,682,868	-3%
Machinery and equipment	410,966	405,419	29,795	30,943	440,761	436,362	1%
Infrastructure	30,584,292	26,793,248	-	-	30,584,292	26,793,248	14%
<b>Total</b>	<b>\$ 82,889,996</b>	<b>\$ 78,346,957</b>	<b>\$ 6,831,129</b>	<b>\$ 6,981,850</b>	<b>\$ 89,721,125</b>	<b>\$ 85,328,807</b>	<b>5%</b>

Construction in progress increased by \$1.5 million primarily due to the improvements to Carter Park, Seymour Ditch, and other capital projects. Additional information regarding the City's capital assets can be found in Note 4 in Notes to the Basic Financial Statements.

**Long-term Obligations**

As of June 30, 2024, the City's long-term obligations totaled \$22.9 million, primarily comprised of net pension liability and loans related to the library and the corporation yard.

**CITY OF HALF MOON BAY  
Comparative Statement  
Long Term Obligations  
Year Ended on June 30, 2024**

	Governmental Activities		Business-type Activities		Total		Variance
	2024	2023	2024	2023	2024	2023	
Library Loan	2,863,426	3,436,112	-	-	2,863,426	3,436,112	-17%
880 Stone Pine Loan	3,200,000	3,055,896	-	-	3,200,000	3,055,896	5%
Claims liability	1,670,731	1,064,830	-	-	1,670,731	1,064,830	57%
Employee compensated absences	670,764	550,966	-	-	670,764	550,966	22%
Net Pension Liability	14,029,383	13,296,353	564,424	541,207	14,593,807	13,837,560	5%
<b>Total</b>	<b>\$ 22,434,304</b>	<b>\$ 21,404,157</b>	<b>\$ 564,424</b>	<b>\$ 541,207</b>	<b>\$ 22,998,728</b>	<b>\$ 21,945,364</b>	<b>5%</b>

## CITY OF HALF MOON BAY, CALIFORNIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Library Loan: During the fiscal year ending June 30, 2017, the City entered into a \$6 million interest-free loan agreement with the County of San Mateo to ensure completion of the Library Project. The City began repayment in fiscal year 2020. In fiscal year 2021, due to budgetary constraints caused by the Covid-19 pandemic, the loan was amended so the City would not be required to make the two loans payments due in that fiscal year. The City resumed loan repayments in fiscal year 2021-2022, including the additional amount that was deferred. Since then, the City continues to make its an annual scheduled payment of \$572 thousand.

880 Stone Pine Loan: Since 2009, the City has leased a 21-acre property for its corporation yard facility. In fiscal year 2020-21, the City entered into a \$3.2 million financing agreement to purchase the property. In fiscal year 2023-24, the City refinanced the loan with the County of San Mateo to lift restrictions, allowing affordable housing efforts on unused portions of the site to proceed. Under the new loan terms, no payment was due in fiscal year 2023-24, with debt service payments scheduled to begin in fiscal year 2024-25.

Net Pension Liability: The City participates in one retirement plan through the California Public Employees' Retirement System (CalPERS). The measured net pension liability is measured as a proportionate share of the total net pension liability as reported by the CalPERS Financial Office. As of June 30, 2024, the City's share of the pension liability was measured to be \$14.5 million. This is an increase of \$756 thousand or 5%. This increase in net pension liability is from a decrease in the market value of plan assets held at CalPERS. Additional information about the City's pension liability can be found in Note 8 to the Notes to the Basic Financial Statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limit for the City is approximately \$148 million. At June 30, 2024, the City had no debt applicable to this limit. Additional information about the City's long-term obligations can be found in Note 5 to the Notes to the Basic Financial Statements.

### **Currently Known Facts, Conditions, and Decisions**

Outlined below is key information expected to significantly impact the City's financial position and operational outcomes as of this report.

Due to rising costs of existing obligations and declining Transient Occupancy Tax revenues, the City is currently facing a structural deficit. In response, staff has initiated a cost allocation and fee study, is exploring revenue enhancement opportunities, and is reviewing all operating expenditures, capital projects and programs, and staff vacancies to identify short- and long-term savings. Additionally, in November 2024, voters approved Measure R, which will increase the sales tax rate by 0.50%. These combined efforts aim to stabilize the City's finances and ensure sustainable services.

Fiscal sustainability remains a top priority for Half Moon Bay. To that end, staff will continue monitoring these conditions closely and seeking the most efficient ways to provide public services. Staff looks forward to working with the City Council and community to address financial challenges ahead. In addition, staff will continue identifying operational efficiencies, potential economic development opportunities, and alternative revenue options to maintain high-quality services for residents and visitors of Half Moon Bay.

CITY OF HALF MOON BAY, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Requests for Information**

This financial report is designed to provide all those with an interest in the government's finances with a general overview of the City of Half Moon Bay financial position and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Half Moon Bay  
Finance Department  
501 Main Street  
Half Moon Bay, CA 94019.

An electronic version of this report is available at the City's website, found at [www.hmbcity.com](http://www.hmbcity.com)



CITY OF HALF MOON BAY  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments (Note 2)	\$47,430,393	\$4,011,794	\$51,442,187
Accounts receivable, net	3,583,032	17,238	3,600,270
Interest receivable	460,922	45,529	506,451
Prepays			
Loan receivable (Note 1r)	300,000		300,000
Land held for resale (Note 1i)	26,823,920		26,823,920
Investment in Sewer Authority Mid-Coastside (Note 6)		11,397,062	11,397,062
Net OPEB Asset (Note 9)	212,508	10,593	223,101
Capital assets, not depreciated (Note 4)	22,959,218		22,959,218
Capital assets, depreciated, net (Note 4)	59,930,778	6,831,129	66,761,907
<b>Total assets</b>	<b>161,700,771</b>	<b>22,313,345</b>	<b>184,014,116</b>
<b>Deferred outflows of resources</b>			
Related to OPEB (Note 9)	78,302	5,290	83,592
Related to pensions (Note 8)	5,308,118	235,072	5,543,190
<b>Total deferred outflows of resources</b>	<b>5,386,420</b>	<b>240,362</b>	<b>5,626,782</b>
<b>Liabilities</b>			
Accounts payable	295,288	114,068	409,356
Accrued liabilities	2,790,803		2,790,803
Deposits payable	679,329		679,329
Unearned revenue	75,000		75,000
Claims liabilities, due within one year (Note 11)	1,670,731		1,670,731
Compensated absences (Note 1j):			
Due within one year	33,538		33,538
Due in more than one year	637,226		637,226
Long-term debt (Note 5):			
Due within one year	847,754		847,754
Due in more than one year	5,215,672		5,215,672
Net pension liability, due in more than one year (Note 8)	14,029,383	564,424	14,593,807
<b>Total liabilities</b>	<b>26,274,724</b>	<b>678,492</b>	<b>26,953,216</b>
<b>Deferred inflows of resources</b>			
Related to OPEB (Note 9)	99,786	8,489	108,275
Related to pensions (Note 8)	684,592	68,596	753,188
<b>Total deferred inflows of resources</b>	<b>784,378</b>	<b>77,085</b>	<b>861,463</b>
<b>Net position (Note 7)</b>			
Net investment in capital assets	76,826,570	6,831,129	83,657,699
Restricted for:			
Investment in Sewer Authority		11,397,062	11,397,062
Other Post-Employment Benefits	191,024		191,024
Capital Projects	8,619,031		8,619,031
Debt Service	6,425		6,425
Housing and Economic Development	6,495,481		6,495,481
Special Revenues	2,506,291		2,506,291
Streets and Roads	7,263,726		7,263,726
<b>Total restricted net position</b>	<b>25,081,978</b>	<b>11,397,062</b>	<b>36,479,040</b>
Unrestricted	38,119,541	3,569,939	41,689,480
<b>Total net position</b>	<b>\$140,028,089</b>	<b>\$21,798,130</b>	<b>\$161,826,219</b>

See accompanying notes to financial statements

CITY OF HALF MOON BAY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Contributions and Grants	Governmental Activities	Business-type Activities	
<b>Governmental Activities:</b>							
General government	\$7,811,794	\$487,874	\$348,890		(\$6,975,030)		(\$6,975,030)
Public safety	6,875,457	120,980	186,159		(6,568,318)		(6,568,318)
Public works	6,255,645	432,066	750,133	\$6,738,537	1,665,091		1,665,091
Recreation	1,534,752	1,166,447			(368,305)		(368,305)
Planning	3,931,872	298,171			(3,633,701)		(3,633,701)
Community and economic development	1,894,276				(1,894,276)		(1,894,276)
<b>Total governmental activities</b>	<b>28,303,796</b>	<b>2,505,538</b>	<b>1,285,182</b>	<b>6,738,537</b>	<b>(17,774,539)</b>		<b>(17,774,539)</b>
<b>Business-type Activities:</b>							
Sewer	6,685,640	6,207,200		1,304,480		\$826,040	826,040
<b>Total</b>	<b>\$34,989,436</b>	<b>\$8,712,738</b>	<b>\$1,285,182</b>	<b>\$8,043,017</b>	<b>(17,774,539)</b>	<b>826,040</b>	<b>(16,948,499)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property					4,283,589		4,283,589
Sales and use					3,665,449		3,665,449
Transient occupancy					8,167,938		8,167,938
Franchise					992,685		992,685
Business license tax					350,948		350,948
Investment income					2,439,990	242,911	2,682,901
Miscellaneous					652,986		652,986
Transfers (Note 3)					982,301	(982,301)	
<b>Total general revenues and transfers</b>					<b>21,535,886</b>	<b>(739,390)</b>	<b>20,796,496</b>
<b>Change in Net Position</b>					<b>3,761,347</b>	<b>86,650</b>	<b>3,847,997</b>
<b>Net Position at beginning of year</b>					<b>136,266,742</b>	<b>21,711,480</b>	<b>157,978,222</b>
<b>Net Position at end of year</b>					<b>\$140,028,089</b>	<b>\$21,798,130</b>	<b>\$161,826,219</b>

See accompanying notes to financial statements



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CITY OF HALF MOON BAY  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2024

	General Fund	Special Revenue Funds		
		Streets and Road	Lot Acquisition and Retirement	Affordable Housing
<b>Assets</b>				
Cash and investments (Note 2)	\$13,376,980	\$7,483,296	\$1,406,966	\$5,914,688
Receivables:				
Accounts, net	2,842,998	376,279		
Interest	130,524	70,942	13,633	53,277
Loan (Note 1r)				300,000
Land held for resale (Note 1i)				
Due from other funds (Note 3a)	33,065			
<b>Total assets</b>	<b>\$16,383,567</b>	<b>\$7,930,517</b>	<b>\$1,420,599</b>	<b>\$6,267,965</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable		\$31,961		
Accrued liabilities	\$1,336,308	559,830		\$13,256
Deposits payable	679,329			
Due to other funds (Note 3a)				
Unearned revenue		75,000		
<b>Total Liabilities</b>	<b>2,015,637</b>	<b>666,791</b>		<b>13,256</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - loan				300,000
<b>Fund Balances (Note 7):</b>				
Nonspendable				
Restricted		7,263,726	\$1,420,599	5,954,709
Committed	11,091,587			
Assigned				
Unassigned	3,276,343			
<b>Total fund balances</b>	<b>14,367,930</b>	<b>7,263,726</b>	<b>1,420,599</b>	<b>5,954,709</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$16,383,567</b>	<b>\$7,930,517</b>	<b>\$1,420,599</b>	<b>\$6,267,965</b>

See accompanying notes to financial statements

Special Revenue Fund	Capital Projects Funds		Non-major Governmental Funds	Total
Parks Development	Land Asset	Capital Projects Fund		
\$1,497,897		\$1,890,998	\$9,438,998	\$41,009,823
94,070		38,195	231,490	3,583,032
19,593		24,570	87,589	400,128
	\$26,823,920			300,000
				26,823,920
				33,065
<u>\$1,611,560</u>	<u>\$26,823,920</u>	<u>\$1,953,763</u>	<u>\$9,758,077</u>	<u>\$72,149,968</u>
\$223,780				\$255,741
493,212		\$169,721	\$218,476	2,790,803
				679,329
			33,065	33,065
				75,000
<u>716,992</u>		<u>169,721</u>	<u>251,541</u>	<u>3,833,938</u>
				300,000
	\$26,823,920			26,823,920
894,568			9,057,352	24,590,954
		1,784,042	449,184	11,091,587
				2,233,226
				3,276,343
<u>894,568</u>	<u>26,823,920</u>	<u>1,784,042</u>	<u>9,506,536</u>	<u>68,016,030</u>
<u>\$1,611,560</u>	<u>\$26,823,920</u>	<u>\$1,953,763</u>	<u>\$9,758,077</u>	<u>\$72,149,968</u>

CITY OF HALF MOON BAY  
Reconciliation of the  
GOVERNMENTAL FUNDS - BALANCE SHEET  
with the  
STATEMENT OF NET POSITION  
JUNE 30, 2024

Fund balances of governmental funds	\$68,016,030
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets have not been included as financial resources in governmental fund activity:	
Capital assets, non depreciable	22,959,218
Capital assets, depreciated, net	59,568,265
Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities	300,000
Deferred outflows below are not current assets of financial resources and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.	
Deferred outflows of resources	5,385,289
Deferred inflows of resources	(783,547)
Long-term assets and liabilities that have not been included in governmental fund activity	
Long-term notes payable	(6,063,426)
Compensated absences	(670,764)
Net pension liability	(14,029,383)
Net OPEB asset	209,742
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	<u>5,136,665</u>
Net position of governmental activities	<u><u>\$140,028,089</u></u>

See accompanying notes to financial statements



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CITY OF HALF MOON BAY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	General Fund	Streets and Road	Lot Acquisition and Retirement	Affordable Housing
<b>REVENUES</b>				
Taxes	\$16,991,811	\$583,677		
License and permits	306,282			
Fines and forfeitures	81,445			
Charges for services	1,454,141			
Rents and leases	78,135			
Investment income	804,188	358,662	\$72,389	\$225,849
Intergovernmental revenues	117,400	1,055,528		4,750,000
Miscellaneous	833,965			
<b>Total revenues</b>	<b>20,667,367</b>	<b>1,997,867</b>	<b>72,389</b>	<b>4,975,849</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,138,896			
General administration	2,134,173			
Public safety	6,452,977			
Public works	2,174,611	236,775		
Recreation services	538,827			
Planning	2,879,532			1,185,761
Community and economic development	1,008,276			
Capital outlay		957,844		
Debt service:				
Principal	3,628,582			
Interest and fees	97,016			
<b>Total expenditures</b>	<b>22,052,890</b>	<b>1,194,619</b>		<b>1,185,761</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(1,385,523)</b>	<b>803,248</b>	<b>72,389</b>	<b>3,790,088</b>
Other financing sources (uses):				
Transfers in (Note 3)	537,285	40,000		
Transfers (out) (Note 3)	(4,211,736)	(6,746)		
Issuance of debt	3,200,000			
<b>Total other financing sources (uses)</b>	<b>(474,451)</b>	<b>33,254</b>		
<b>Net change in fund balances</b>	<b>(1,859,974)</b>	<b>836,502</b>	<b>72,389</b>	<b>3,790,088</b>
Fund balance at beginning of year, as previously reported	16,227,904	6,427,224	1,348,210	
Adjustments:				
Changes from major to nonmajor fund				
Changes from nonmajor to major fund				2,164,621
<b>Fund balances at beginning of year, as adjusted</b>	<b>16,227,904</b>	<b>6,427,224</b>	<b>1,348,210</b>	<b>2,164,621</b>
<b>Fund balances at end of year</b>	<b>\$14,367,930</b>	<b>\$7,263,726</b>	<b>\$1,420,599</b>	<b>\$5,954,709</b>

See accompanying notes to financial statements

Special Revenue Fund	Debt Service Fund (Formerly Major) Judgment Obligation Bonds	Capital Projects Funds			Non-Major Governmental Funds	Total
		(Formerly Major) Library	Land Asset	Capital Projects Fund		
						\$17,575,488
						306,282
						81,445
						1,454,141
					\$13,000	91,135
\$86,025				\$119,363	473,514	2,139,990
1,446,510				236,632	417,649	8,023,719
						833,965
<u>1,532,535</u>				<u>355,995</u>	<u>904,163</u>	<u>30,506,165</u>
					87,400	3,226,296
						2,134,173
					23,451	6,476,428
					80,757	2,492,143
						538,827
						4,065,293
					886,000	1,894,276
4,477,662				1,649,258	1,350,260	8,435,024
						3,628,582
						97,016
<u>4,477,662</u>				<u>1,649,258</u>	<u>2,427,868</u>	<u>32,988,058</u>
<u>(2,945,127)</u>				<u>(1,293,263)</u>	<u>(1,523,705)</u>	<u>(2,481,893)</u>
1,250,000				1,250,000	979,613	4,056,898
				(961,613)	(103,809)	(5,283,904)
						3,200,000
<u>1,250,000</u>				<u>288,387</u>	<u>875,804</u>	<u>1,972,994</u>
<u>(1,695,127)</u>				<u>(1,004,876)</u>	<u>(647,901)</u>	<u>(508,899)</u>
	\$6,268	\$426,155	\$26,823,920	2,788,918	14,476,330	68,524,929
	(6,268)	(426,155)			432,423	
2,589,695					(4,754,316)	
<u>2,589,695</u>			<u>26,823,920</u>	<u>2,788,918</u>	<u>10,154,437</u>	<u>68,524,929</u>
<u>\$894,568</u>			<u>\$26,823,920</u>	<u>\$1,784,042</u>	<u>\$9,506,536</u>	<u>\$68,016,030</u>

CITY OF HALF MOON BAY  
Reconciliation of the  
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
with the  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Changes in fund balances of governmental funds (\$508,899)

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

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expenses, whereas net position decrease by the amount of depreciation expense charged for the year.

Capital asset additions	7,112,143
Depreciation expense	(2,157,388)
Retirements	(332,033)
Assets transferred to Internal Service Funds	(53,928)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Financing lease proceeds	(3,200,000)
Repayment of debt principal	3,628,582

The amounts below included in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenue of expenditures in governmental funds (net change).

OPEB expenses	(611)
Compensated absences	(119,798)
Pension expenses	(659,165)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal services funds is reported with governmental activities.

(247,556)

Changes in net position of governmental activities

\$3,761,347

See accompanying notes to financial statements

CITY OF HALF MOON BAY  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2024

	Sewer Enterprise Fund	Governmental Activities- Internal Service Funds
Assets:		
Current Assets:		
Cash and investments (Note 2)	\$4,011,794	\$6,420,570
Accounts receivable	17,238	
Interest receivable	45,529	60,794
Total Current Assets	<u>4,074,561</u>	<u>6,481,364</u>
Noncurrent Assets:		
Investment in Sewer Authority Mid-Coastside (Note 6)	11,397,062	
Net OPEB Asset (Note 9)	10,593	2,766
Non-depreciable capital assets (Note 4)		
Depreciable capital assets, net of accumulated depreciation (Note 4)	6,831,129	362,513
Total Non-Current Assets	<u>18,238,784</u>	<u>365,279</u>
Total Assets	<u>22,313,345</u>	<u>6,846,643</u>
Deferred Outflows of Resources		
Related to OPEB (Note 9)	5,290	1,131
Related to pensions (Note 8)	235,072	
Total Deferred Outflows of Resources	<u>240,362</u>	<u>1,131</u>
Liabilities:		
Current Liabilities:		
Accounts payable	114,068	39,547
Claims liability (Note 11)		1,670,731
Total Current Liabilities	<u>114,068</u>	<u>1,710,278</u>
Noncurrent liabilities:		
Net pension liability (Note 8)	564,424	
Total Liabilities	<u>678,492</u>	<u>1,710,278</u>
Deferred Inflows of Resources		
Related to OPEB (Note 9)	8,489	831
Related to pensions (Note 8)	68,596	
Total Deferred Inflows of Resources	<u>77,085</u>	<u>831</u>
Net Position:		
Net investment in capital assets	6,831,129	362,513
Restricted for investment in Sewer Authority	11,397,062	
Restricted for other post employment benefits		3,066
Unrestricted	3,569,939	4,771,086
Total Net Position	<u>\$21,798,130</u>	<u>\$5,136,665</u>

See accompanying notes to financial statements

CITY OF HALF MOON BAY  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2024

	Sewer Enterprise Fund	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for services	\$6,207,200	
Impact fees		
<b>Total operating revenues</b>	<b>6,207,200</b>	
Operating expenses:		
Salaries and wages	305,205	\$729,608
Contract services	6,067,379	53,832
Supplies		343,372
Repairs and maintenance	162,335	43,599
Insurance		1,079,413
Pensions		457,721
Depreciation	150,721	79,683
Other charges		240
<b>Total operating expenses</b>	<b>6,685,640</b>	<b>2,787,468</b>
<b>Total operating income (loss)</b>	<b>(478,440)</b>	<b>(2,787,468)</b>
Non-operating revenues:		
Gain on investment in Sewer Authority Mid-Coastside (Note 6)	1,304,480	
Investment income	242,911	276,677
<b>Total non-operating revenues</b>	<b>1,547,391</b>	<b>276,677</b>
<b>Income before contributions and transfers</b>	<b>1,068,951</b>	<b>(2,510,791)</b>
Capital contributions		53,928
Transfers in (Note 3)		2,209,307
Transfers (out) (Note 3)	(982,301)	
<b>Total transfers</b>	<b>(982,301)</b>	<b>2,263,235</b>
<b>Change in net position</b>	<b>86,650</b>	<b>(247,556)</b>
<b>Net position at beginning of year</b>	<b>21,711,480</b>	<b>5,384,221</b>
<b>Net position at end of year</b>	<b>\$21,798,130</b>	<b>\$5,136,665</b>

See accompanying notes to financial statements

CITY OF HALF MOON BAY  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2024

	Sewer Enterprise Fund	Governmental Activities- Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$6,209,097	
Cash payments to suppliers for goods and services	(6,250,610)	(\$912,679)
Cash payments to employee services	(290,507)	(1,187,324)
	(332,020)	(2,100,003)
Net cash provided by operating activities		
Cash flows from non-capital and related financing activities:		
Cash collected from other funds		2,209,307
Cash paid to other funds	(982,301)	
	(982,301)	2,209,307
Net cash (used for) non-capital and related financing activities		
Cash flows from investing activities:		
Interest received on investments	240,683	259,013
	240,683	259,013
Net cash provided by investing activities		
Net increase in cash and cash equivalents	(1,073,638)	368,317
Cash and cash equivalents at beginning of year	5,085,432	6,052,253
<b>Cash and cash equivalents at end of year</b>	<b>\$4,011,794</b>	<b>\$6,420,570</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for)</b>		
Provided by (used for) operating activities:		
Operating income (loss)	(\$478,440)	(\$2,787,468)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	150,721	79,683
Change in assets and liabilities:		
Accounts receivable	1,897	1,212
Accounts payable	(20,896)	664
Deferred outflows of resources	(3,013)	
Deferred inflows of resources	(6,705)	5
Claims liability		605,901
Net OPEB asset	1,199	
Net pension liability	23,217	
	(\$332,020)	(\$2,100,003)
<b>Net cash provided by operating activities</b>		
Non-cash transactions:		
Gain on investment in Sewer Authority Mid-Coastside	\$1,304,480	
Capital contributions		\$53,928

See accompanying notes to financial statements



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**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies**

The City of Half Moon Bay (the City) is located next to the Pacific Ocean in San Mateo County, approximately twenty-five miles south of San Francisco. The City and coast side area is a thriving agricultural, fishing and tourism destination. In addition, about 3,000 tons of pumpkins are grown on the coast side each year and the ripening pumpkin heralds the Annual Arts and Pumpkin Festival held in October on the downtown historic Main Street. The annual festival draws more than 200,000 visitors for the two-day event.

The City is a general law city operating under the Council-Manager form of government, with a five-member City Council elected for four-year overlapping terms. The City Manager is appointed by the City Council to serve as administrator of the staff and to carry out the Council's policies.

Fire, water, library and certain sewer services are provided by separate districts or authorities which are not controlled by the City.

**a) *Blended Component Unit***

The financial statements of the City include the financial activities of the City, as well as the Community Development Agency of the City of Half Moon Bay (Agency), which is controlled by and dependent on the City. The Agency is a separate government entity created in 1986 whose purpose is to prepare and implement plans for improvement, rehabilitation, and development of certain areas within the City. The Agency has the same governing board as the City, which also performs all accounting and administrative functions for the Agency, and has a financial relationship with the City. The financial activities of the Agency have been aggregated and merged (termed "blending") with those of the City. The Agency is currently inactive for the fiscal year ended June 30, 2024.

**b) *Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effect of interfund activity has been eliminated from these statements to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in aggregate for governmental and proprietary funds.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

***b) Government-wide and Fund Financial Statements, continued***

The City reports the following major governmental funds:

The *General Fund* (Fund 101) is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. The major revenue sources for this fund are transient occupancy tax, property taxes, sales taxes, unrestricted revenues from the State, and interest income. Expenditures are made for public safety, planning, building, engineering, and other general government services.

The *Streets and Roads Special Revenue Fund* was established to account for all proceeds of Gas Tax funds (Fund 122), Measure A Local Transportation Ordinance Tax funds (Fund 124), Main Street Bridge fund (Fund 121) and other grants (Fund 123) that are restricted to purposes of these taxes.

The *Lot Acquisition and Retirement Special Revenue Fund* (Fund 133) is used to account for in-lieu fees and expenses within the purpose of acquiring and retiring development rights on existing legal parcels.

The *Affordable Housing Special Revenue Fund* (Fund 126) was established to account for proceeds of construction and development fees, including in lieu fees, whose purpose is for the development of affordable housing for very low, low, and moderate income households to rent or buy.

The *Parks Development Special Revenue Fund* (Fund 125) was established to account for proceeds of construction and development fees, whose purpose is for the acquisition, development, improvement, and expansion of parks and recreational areas, including equipment for recreation purposes and for capital expenditures such as infrastructure construction projects. In addition, this fund also includes the Library Fund (Fund 113) which accounts for the operations of the public library and is funded by contributions from the City and the San Mateo County Library Joint Powers Authority.

The *Land Asset Capital Projects Fund* (Fund 154) was established to account for the two land parcels held for resale.

The *Capital Projects Fund* (Fund 151) is used to fund Capital Improvement Program projects, including construction, technology, and other infrastructure improvements.

The City reports the following major enterprise fund:

The *Sewer Enterprise Fund* is used to account for the financial activity of the City's sewer utility. The costs of providing these services to the general public are financed or recovered primarily through user charges (Fund 201 is Sewer Operating Fund; Fund 202 is Sewer Capital Fund).

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

***b) Government-wide and Fund Financial Statements, continued***

The City also reports the following fund types:

*Internal Service Funds:*

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City operates an *Equipment and Vehicle Replacement Fund*, a *Risk Management Fund*, and *Pension Stabilization Fund*.

***c) Basis of Accounting and Financial Statement Presentation***

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

Governmental fund financial statements 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments are not recognized until due. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Property taxes, sales taxes, transient occupancy taxes, and charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include: 1) charges to members, customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish 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.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

*c) Basis of Accounting and Financial Statement Presentation, continued*

The principal operating revenues of the Sewer Fund and of the government's Internal Service Funds are charges to customers for services. Operating expenses for the Sewer Fund and Internal Service 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.

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

*d) Cash and Investments*

Investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income, earned by the pooled investments, is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash invested in the City's investment pools is also considered to be cash equivalents.

*e) Cash and Investments with Fiscal Agents*

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

***f) Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***g) Interfund Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to "due to/from other funds" (i.e., the current portion of interfund loans).

***h) Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at estimated acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In addition, the City does not capitalize the allocation of capital costs related segments of projects maintained by other entities. The City utilizes a capitalization threshold of \$5,000.

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

Building and Improvements	40 years
Sewer Mains and Laterals	60 years
Infrastructure	20 to 50 years
Vehicles	5 to 10 years
Equipment	5 to 20 years

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

*i) Land Held for Resale*

Lands held for resale are recorded in the Land Asset Capital Projects Fund at the lower of acquisition cost or estimated resale value. Fund balances are reserved in amounts equal to the carrying value of land held for resale since such assets are not available to finance the City's current operations.

Land held for resale of \$26,823,920 at June 30, 2024 is stated at the lower of historical cost or net realizable value.

*j) Compensated Absences*

Depending upon length of employment, City employees earn 12 to 27 vacation days a year. Sick leave is accrued at the rate of 12 days per year. Employees can carry forward two to three years-worth of earned but unused vacation leave benefits to subsequent years depending on employee group. Upon termination, the City is obligated to compensate employees for all earned but unused vacation days. The earned but unused sick leave benefits are payable for some employees, when vested, in the event of employee termination.

In the government-wide financial statements, a liability is accrued for all earned but unused vacation leave benefits, as well as vested amounts of sick leave relating to the operations of the funds. General Fund is typically used to liquidate the liability for compensated absences. This liability will be liquidated as either additional cash payments in the event of employee termination or as part of budgeted salary expenditures if used by employees as compensated leave time while still employed by the City. In the fund financial statements, governmental funds report compensated absences only if they have matured, i.e. unused reimbursable leave still outstanding at fiscal year-end following an employee's resignation or retirement. Non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

The changes in compensated absences for the year ended June 30, 2024 is as follows:

Beginning Balance	\$550,966
Additions	640,588
Payments	<u>(520,790)</u>
Ending Balance	<u><u>\$670,764</u></u>
Current Portion	<u><u>\$33,538</u></u>
Non-current Portion	<u><u>\$637,226</u></u>

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

***k) Long-term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as service expenditures.

***l) Claims and Judgments***

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the Internal Service Funds, which account for the City's risk management activities.

***m) Property Taxes***

State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value (\$1 per \$100 of assessed value) plus an additional amount for general obligation debt approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than 2% per year unless the property is sold or transferred. The state legislature has determined the method of distribution of receipts from the \$1.00 tax levy among the counties, cities, school districts and other districts.

The County of San Mateo assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	On or before November 1	July 1
Due dates (delinquent after)	50% on November 1 (December 10) 50% on February 1 (April 10)	July 1 (August 31)

The term "unsecured" refers to taxes on personal property other than land and buildings. These "unsecured" taxes are secured by liens on the personal property being taxed. The County of San Mateo distributes to the City the entire amount of each year's levy and in return receives all penalties and interest on delinquent payments.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

***n) Estimates***

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

***o) Pensions and OPEB (Other Post-Employment Benefits)***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported in the OPEB Trust Fund. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

***p) Leases***

As clarified by the Government Accounting Standards Board (GASB) Statement No. 87, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of \$200,000 or more, based on the future lease payments remaining at the start of the lease.

The City has no leases subject to GASB #87 for the fiscal year 2024.

***q) Subscription-Based Information Technology Arrangements (SBITAs) Accounting***

As clarified by the Government Accounting Standards Board (GASB) Statement No. 96, a Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

***q) Subscription-Based Information Technology Arrangements (SBITAs) Accounting, continued***

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets. The City recognizes SBITA liabilities with an initial, individual value of \$200,000 or more for all funds, based on the future SBITA payments remaining at the start of the contract.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with liabilities on the statement of net position.

The City has no SBITA subject to GASB #96 for the fiscal year 2024.

***r) Loan Receivable***

In June 2020, the City loaned \$300,000 from the Affordable Housing Special Revenue Fund to the Abundant Grace Coastside Worker (AGCW) for the acquisition of property for the development of a workforce Development Center. The loan is secured by a recorded deed of trust on the property, does not bear interest and is due December 31, 2034.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

*s) New GASB Pronouncement*

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2024.

**Effect of New Governmental Accounting Standards Board (GASB) Pronouncements**

**GASB 100 – Accounting for Changes and Error Corrections**

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2023, and all reporting periods thereafter. The City implemented the provisions of the Statement, but it did not have an effect on the fiscal year 2024 financial statements.

**CITY OF HALF MOON BAY, CALIFORNIA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FISCAL YEAR ENDED JUNE 30, 2024**

**1. Significant Accounting Policies, continued**

***t) Renamed Fund***

The ARPA Special Revenue Fund was renamed to the Opportunity Center Coastside Special Revenue Fund.

**2. Cash, Cash Equivalents, and Investments**

Cash and investments as of June 30, 2024 consist of the following:

Cash on hand	\$292
Deposits with financial institutions	1,036,632
Investments	50,405,263
Total cash and investments	\$51,442,187

***a) Custodial Credit Risk - Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a policy for custodial credit risk on deposits. As of June 30, 2024, the carrying amount of the City's deposits was \$1,036,632 and the bank balance was \$3,084,952. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of \$250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. 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. Such collateral is considered to be held in the name of the City.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**2. Cash, Cash Equivalents, and Investments, continued**

***b) Investments Authorized by the City's Investment Policy***

The City maintains a cash and investment pool that is available for use by all funds. The table below identifies the investment types that are authorized for the 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 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.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 Years	None	None	None
U.S. Government Sponsored Enterprise Obligations	5 Years	None	None	None
Bankers' Acceptances	180 Days	None	20%	5%
Commercial Paper	180 Days	Highest Rating	15%	2%
Negotiable Certificates of Deposit	2 Years	None	30%	None
Repurchase Agreements	1 year	None	10%	5%
California Local Agency Investment Fund	None	None	None	\$75 million per account
San Mateo County Investment Pool	None	None	None	None
Time Certificates of Deposit	2 years	None	10%	None
Medium-Term Corporate Notes	5 Years	Highest Rating	10%	10% (A)
Money Market Mutual Funds	None	Highest Rating	20%	5%

(A) Commercial paper holdings are to be included when calculating the 10% limitation.

***c) Investments Authorized by Debt Agreements***

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One
U.S. Treasury Obligations	None	None	No Limit	No Limit
U.S. Agency Securities	None	None	No Limit	No Limit
State Obligations	None	AAA	No Limit	No Limit
Municipal Obligations	None	AAA	No Limit	No Limit
Bankers' Acceptances	360 Days	A1	No Limit	No Limit
Commercial Paper	270 Days	A1+	No Limit	No Limit
Money Market Mutual Funds	None	Aam	No Limit	No Limit
California Local Agency Investment Fund	None	None	No Limit	No Limit
Repurchase Agreements	None	None	No Limit	No Limit

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**2. Cash, Cash Equivalents, and Investments, continued**

***d) Fair Value Hierarchy***

The City adopted GASB Statement No. 72, Fair Value Measurement and Applications, which required governmental entities to measure investments at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation input used to measure the fair value of asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	<b>Total</b>
<b>Investments exempt from Fair Value Hierarchy:</b>	
San Mateo County Investment Pool	\$42,234,178
California Local Agency Investment Fund	<u>8,171,085</u>
<b>Total Investments</b>	<u><u>\$50,405,263</u></u>

***e) 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. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

Investment Type	Remaining Maturity (in Months)	
	12 Months Or Less	Total
<b><i>Available for Operations</i></b>		
California Local Agency Investment Fund	\$8,171,085	\$8,171,085
San Mateo County Investment Pool	<u>42,234,178</u>	<u>42,234,178</u>
Total Investments	<u><u>\$50,405,263</u></u>	<u><u>\$50,405,263</u></u>

***f) Custodial Credit Risk - Investment***

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 investments. All of the City's investments in securities are held in the name of the City. The City's custody agreement policy prohibits counterparties holding securities not in the City's name.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**2. Cash, Cash Equivalents, and Investments, continued**

***g) Credit Risk – Investments***

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 ratings by nationally recognized statistical rating organization (S&P).

Investment Type	AA	Not Rated	Total
<i>Held by City</i>			
California Local Agency Investment Fund		\$8,171,085	\$8,171,085
San Mateo County Investment Pool	\$42,234,178		42,234,178
Total Investments	<u>\$42,234,178</u>	<u>\$8,171,085</u>	<u>\$50,405,263</u>

***h) Investments in San Mateo County Investment Pool***

The City is also a voluntary participant in the San Mateo County Investment Fund (County Pool) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the County of San Mateo. The City reports its investment in the County Pool at the fair value amount provided by the County. The balance available for withdrawal is based on the accounting records maintained by the County Pool which are recorded on an amortized cost basis. Included in the County Pool's investment portfolio are U.S. Treasury Notes, Obligations issued by agencies of the United States Government, LAIF, Corporate Notes, Commercial Paper, collateralized mortgage obligations, mortgage-backed securities, repurchase agreements, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2024, these investments matured in an average of 1.64 years.

***i) Investments in State Treasurer's Local Agency Investment Pool***

The City is also 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. At June 30, 2024, these investments matured in an average of 217 days.

**3. Interfund Transactions**

***a) Current Balances***

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The purpose of these balances is to eliminate negative cash balances at year end in various funds. At June 30, 2024, the Opportunity Center Coastside Special Revenue Fund owed the General Fund \$33,065.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**3. Interfund Transactions, continued**

***b) Transfers***

Transfers between funds during the fiscal year ended June 30, 2024, were as follows:

Transfer To	Transfer From	Amount	
General Fund	Sewer Enterprise Fund	\$537,285	(a)
Streets and Road Special Revenue Fund	General Fund	40,000	(b)
Parks Development Special Revenue Fund	General Fund	950,000	(b)
	Capital Projects Fund	300,000	(b)
Capital Projects Fund	General Fund	1,250,000	(b)
Non-Major Governmental Funds	General Fund	218,000	(b)
	Capital Projects Fund	661,613	(b)
	Non-Major Governmental Funds	100,000	(b)
Internal Service Funds	General Fund	1,753,736	(c)
	Streets and Roads Special Revenue Fund	6,746	(c)
	Non-Major Governmental Funds	3,809	(c)
	Sewer Enterprise Fund	445,016	(c)
		<u>\$6,266,205</u>	

Interfund transfers were principally used for the following purposes:

- (a) Sewer management expenditures
- (b) Capital program expenditures
- (c) Program expenditures

**4. Capital Assets**

***a) Capital Assets Activity***

A Summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Transfers	Retirements	Balance June 30, 2024
<b><i>Governmental activities:</i></b>					
Capital assets not being depreciated:					
Land	\$4,756,385				\$4,756,385
Rights of way	6,990,396				6,990,396
Construction in progress	9,669,548	\$6,269,995	(\$4,395,073)	(\$332,033)	11,212,437
Total capital assets not being depreciated	21,416,329	6,269,995	(4,395,073)	(332,033)	22,959,218
Capital assets being depreciated:					
Buildings & improvements	38,456,364	112,382	11,241		38,579,987
Machinery & equipment	1,461,878	97,343			1,559,221
Infrastructure	45,419,176	632,423	4,383,832		50,435,431
Total capital assets being depreciated	85,337,418	842,148	4,395,073		90,574,639
Less accumulated depreciation for:					
Buildings & improvements	8,724,403	920,064			9,644,467
Machinery & equipment	1,056,459	91,796			1,148,255
Infrastructure	18,625,928	1,225,211			19,851,139
Total accumulated depreciation	28,406,790	2,237,071			30,643,861
Net depreciable assets	56,930,628	(1,394,923)	4,395,073		59,930,778
Governmental activities capital assets, net	\$78,346,957	\$4,875,072		(\$332,033)	\$82,889,996

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**4. Capital Assets, continued**

**a) Capital Assets Activity, continued**

	Balance June 30, 2023	Additions	Balance June 30, 2024
<b>Business-type activities:</b>			
Capital assets being depreciated:			
Buildings & improvements	\$9,099,769		\$9,099,769
Machinery & equipment	763,646		763,646
Total capital assets being depreciated	9,863,415		9,863,415
Less accumulated depreciation for:			
Buildings & improvements	2,148,862	\$149,573	2,298,435
Machinery & equipment	732,703	1,148	733,851
Total accumulated depreciation	2,881,565	150,721	3,032,286
Net depreciable assets	6,981,850	(150,721)	6,831,129
Business-type activities capital assets, net	\$6,981,850	(\$150,721)	\$6,831,129

**b) Depreciation**

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities:</b>	
General government	\$107,227
Recreation	820,003
Public safety	20,288
Public works	1,209,870
Depreciation on capital assets held by the City's Internal Service Funds is charged to the various functions based on their usage of the assets	79,683
<b>Total Governmental Activities</b>	<b>\$2,237,071</b>
<b>Business-Type Activities:</b>	
Sewer Fund	\$150,721

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**5. Long-Term Debt**

The following is a summary of long-term debt transactions for the year ended June 30, 2024:

	Original Issue Amount	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
<b><i>Governmental Activity Debt</i></b>						
Direct borrowings:						
San Mateo County Advance	\$5,726,855	\$3,436,112		\$572,686	\$2,863,426	\$572,686
iBank Financing Agreement A & B	3,200,000	3,055,896		3,055,896		
San Mateo County Loan	3,200,000		\$3,200,000		3,200,000	275,068
<b>Total Governmental Activity</b>		<u>\$6,492,008</u>	<u>\$3,200,000</u>	<u>\$3,628,582</u>	<u>\$6,063,426</u>	<u>\$847,754</u>

**a) Library Loan – Advance Agreement with the County of San Mateo**

During the fiscal year ended June 30, 2017, the City entered into a \$6 million Interest-free loan agreement with the County of San Mateo to ensure completion of the Library Project. The Project includes design, environmental review, demolition of existing library, construction, and construction management. The terms of repayment are directly from the property tax apportionments in two installments on December 15 and April 15 per fiscal year for a ten-year period beginning no later than December 15, 2019 and final payment is to be made no later than April 15, 2030. As of June 30, 2024, the City had drawn down \$5,726,855. Repayments began in fiscal year 2020.

**b) Financed Purchase – Financing Agreement with the California Infrastructure and Economic Development Bank**

During fiscal year ended June 30, 2021, the City entered into a \$3.2 million financed purchase agreement with the California Infrastructure and Economic Development Bank (iBank) for the 880 Stone Pine Road property purchase and related construction costs. The City plans to upgrade and restore the Corporation yard. This will then be used to store the City’s vehicles, equipment, and supplies. The terms of repayment are directly from the rental income with two interest payments due on August 1 and February 1 every fiscal year with one annual principal payment due on August 1 of each year. The first principal payment is due in August 2022. The City repaid the outstanding balance of the loan during fiscal year 2024 with the proceeds of the new agreement with the County of San Mateo discussed below.

**CITY OF HALF MOON BAY, CALIFORNIA  
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**5. Long-Term Debt, continued**

*c) Financed Purchase Agreement with the County of San Mateo*

In August 2023, the City entered into a Memorandum of Understanding (MOU) with the County of San Mateo related to an affordable housing development at a portion of 880 Stone Pine Road. Under the terms of the MOU, in September 2023 the City and the County also entered into a lease and sublease agreement under which the County made a one-time upfront lease payment to the City in the amount of \$3.2 million that the City used to discharge the iBank Loan discussed above to remove financing restrictions and continue affordable housing efforts at the location. The lease is for property at Correas Street and Purissima Street that will be used for as a library and other recreational functions and simultaneously, the City will sublease the property back from the County with annual rental payments over a lease term of 10 years, at a fixed interest rate of 3.13% per year. The Sublease is secured by secured property taxes collected by the General Fund. While the pledge of repayment is from the secured property taxes, repayment can be made from any source. Under the terms of the sublease, The City is also responsible for paying the County’s costs associated with the property that will be billed periodically and are due within 30 days of receipt of the invoice. To terminate the Sublease after having fully paid all installment payments through and including the year seven payment, the City may make prepay the sublease at any time with five days’ notice to the County. The sublease bears an interest rate of 3.13%. Interest and principal on the sublease is payable semi-annually December 30 and April 30 through 2033, with the first payment due in December 2024. The County did not bill the City for any additional costs incurred during the year ended June 30, 2024.

*d) Debt Service*

As of June 30, 2024, annual debt service to maturity for the private placements is as follows:

Year ending June 30	Governmental Activities		
	Direct Borrowings		Total
	Principal	Interest	
2025	\$847,754	\$98,024	\$945,778
2026	856,431	89,347	945,778
2027	865,381	80,397	945,778
2028	874,614	71,164	945,778
2029	884,135	61,640	945,775
2030-2033	1,735,111	130,348	1,865,459
<b>Total</b>	<b>\$6,063,426</b>	<b>\$530,920</b>	<b>\$6,594,346</b>

**CITY OF HALF MOON BAY, CALIFORNIA**  
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**FISCAL YEAR ENDED JUNE 30, 2024**

**6. Investment in Sewer Authority Mid-Coast side**

The City, along with the Montara Water and Sanitary District and El Granada Sanitary District, established the Sewer Authority Mid-Coastside (SAM) in 1976 to build and operate a sewage treatment facility for its members. SAM is controlled by a six-member board consisting of two representatives from each member. The board appoints management and employees of SAM and is responsible for SAM's budget, operations and finances. As one of SAM's member agencies, the City makes contributions to SAM in the form of collections assessments and operations and maintenance assessments. The City exercises significant influence over SAM's operations; therefore, the City's share of SAM's net position has been recorded as an investment in the City's financial statements. The City's share of SAM's net position is calculated annually, based on the proportion of SAM's total assessed valuation within the City limits. Complete financial statements for SAM can be obtained from the SAM at 1000 North Cabrillo Highway, Half Moon Bay, California 94019-1466. Based on SAM's audited financial statements for June 30, 2023, the City recorded its investment in SAM in the amount of \$11,397,062 at June 30, 2024.

**7. Net Position/Fund Balances**

**a) Fund Balances**

In the fund financial statements, governmental funds report the following fund balance classifications: non-spendable, restricted, committed, assigned, and unassigned. The City Council, as the highest level of decision-making authority for the City, has the ability to commit fund balances through the adoption of a formal resolution. The same action must be taken to modify or rescind the commitment. The City Council has approved a policy (Resolution No. C-44-11) authorizing the City Manager to assign fund balances for specific purposes up to \$8,000,000. Assignments of amounts over \$8,000,000 require the approval of City Council.

**b) Stabilization Arrangements**

City Council adopted a resolution (No. C-44-11) to establish a contingency reserve in the amount of 30% of the following fiscal year's budgeted operating expenditures. City Council adopted a resolution (No. C-2020-60) that renamed the reserve to the General Fund Reserve and revised the policy to a minimum of 30% of the budgeted annual General Fund operating expenditures with no maximum. Changes to the reserve amount require City Council approval. Appropriations from the General Fund Reserve commitment can only be made for the following specific circumstances:

1. Meeting cash flow needs during the fiscal year.
2. Closing a projected short-term revenue-expenditure gap.
3. Responding to unexpected expenditure requirements or revenue shortfalls.
4. When an economic downturn results in a short-term budgetary shortfall and where reasonable cuts to expenditures are not adequate to meet revenue without the use of the reserve.
5. Unfunded liabilities such as self-insurance, pensions and retiree health obligations.
6. Institutional changes, such as State budget takeaways and unfunded mandates.

**CITY OF HALF MOON BAY, CALIFORNIA**  
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**7. Net Position/Fund Balances, continued**

***b) Stabilization Arrangements, continued***

The City Council also established an Economic Uncertainty Reserve in the amount of a minimum of 20% of the budgeted annual General Fund operating expenditures with no maximum. Funds held in the Economic Uncertainty Reserve assignment are held for the following uses:

1. When a fiscal forecast shows an ongoing structural gap due to an economic downturn to providing a strategic bridge to future economic stability.
2. When during a declared emergency, expenditures exceed revenues and where the reserve will meet economic shortfalls due to a related economic downturn.
3. When an economic downturn results in a long-term budgetary shortfall and where reasonable cuts to expenditures are not adequate to meet revenue without the use of the reserve.
4. Where its use will prevent a reduction of required services.

The reserves can only be used in accordance with the policies above and at the direction of the City Council. It is the intent of the City to limit use of the reserves to address unanticipated, non-recurring needs or known, planned future obligations. Reserves shall not normally be applied to recurring annual operating expenditures. The reserves may, however, be used to allow time for the City to restructure its operations in a deliberate manner (such as might be required in the case of a severe economic downturn), but such use will only take place in the context of an adopted long-term plan to reach a sustainable structure.

The General Fund Reserve and Economic Uncertainty Reserve will be funded from excess ongoing and one-time funds when available. If reserve fund balances fall below established thresholds, the City will replenish reserves in the priority of the General Fund Reserve, followed by the Economic Uncertainty Reserve. Where funding of the General Fund Reserve and Economic Uncertainty Reserve exceeds the established thresholds, the City Council may authorize the use of those funds for any budgetary need.

In the event the City Council authorizes use of the reserves, the City Manager is to propose a plan for the replenishment of the reserves to the City Council during City budget hearings. The City will make every reasonable effort to fully replenish the reserves within five years. If, based on the Finance Director's analysis and forecasting, the target balance is not being met or is likely not going to be met at some point within a five-year period, a plan to meet the target balance will be developed and presented to the City Council for consideration.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**7. Net Position/Fund Balances, continued**

**c) Classifications**

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balances for government funds are made up of the following:

- *Non-spendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, long-term notes receivable and land.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action (resolution) of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the City Council or (b) the City Manager. The City Council has delegated the authority for the City Manager to assign amounts of up to \$8 million to be used for specific purposes (Resolution C-44-11).
- *Unassigned Fund Balance* – is the residual classification and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. General Fund is the only fund that reports a positive unassigned fund balance.

**d) Policies**

The standard also requires governments to disclose the accounting policies that indicate the order in which restricted, committed, assigned and unassigned amounts are spent.

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes of which both restricted and unrestricted fund balance is available. Additionally, the City considers committed amounts to have been spent first, assigned amounts to have been spent second, and unassigned amounts to have been spent last when an expenditure is incurred for purposes of which committed, assigned, and unassigned fund balance is available.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**7. Net Position/Fund Balances, continued**

**d) Policies, continued**

Fund balances for all the major and non-major governmental funds as of June 30, 2024, were distributed as follows:

	General Fund	Streets and Roads	Lot Acquisition and Retirement	Affordable Housing	Parks Development	Land Asset	Capital Projects	Non-major Governmental Funds	Total
<b>Nonspendable:</b>									
Land held for resale						\$26,823,920			\$26,823,920
<b>Total nonspendable</b>						26,823,920			26,823,920
<b>Restricted:</b>									
Streets & roads		\$7,263,726							7,263,726
Community development			\$1,420,599						1,420,599
Economic/Community Grants							\$240,772		240,772
Park development improvements					\$894,568				894,568
Debt service							6,425		6,425
Police grants							1,085,692		1,085,692
Storm drain maintenance improvements								1,654,713	1,654,713
Traffic mitigation								4,561,540	4,561,540
Affordable housing				\$5,954,709					5,954,709
Public facilities								1,508,210	1,508,210
<b>Total restricted</b>		7,263,726	1,420,599	5,954,709	894,568			9,057,352	24,590,954
<b>Committed:</b>									
General Fund reserve	\$6,654,952								6,654,952
Economic uncertainty reserve	4,436,635								4,436,635
<b>Total committed</b>	11,091,587								11,091,587
<b>Assigned:</b>									
San Mateo County Library								449,184	449,184
Capital projects							\$1,784,042		1,784,042
<b>Total assigned</b>							1,784,042	449,184	2,233,226
<b>Unassigned:</b>	3,276,343								3,276,343
<b>Total Fund Balances</b>	\$14,367,930	\$7,263,726	\$1,420,599	\$5,954,709	\$894,568	\$26,823,920	\$1,784,042	\$9,506,536	\$68,016,030

**e) Net Position**

Net Position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net Position is divided into three categories. These categories apply only to Net Position, which is determined only at the Government-wide level, and 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 Net 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 successor agency assets.

Unrestricted describes the portion of Net Position which is not restricted as to use.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**7. Net Position/Fund Balances, continued**

*f) Net Investment in Capital Assets*

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2024:

	Governmental Activities	Business-Type Activities	Total
Capital Asset, net of accumulated depreciation:	\$82,889,996	\$6,831,129	\$89,721,125
Less: Capital debt:	(6,063,426)		(6,063,426)
	\$76,826,570	\$6,831,129	\$83,657,699

**8. Pension Plans**

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 Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

*a) General Information about the CalPERS Pension Plan*

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety and Miscellaneous Employee Pension Rate Plans. The City’s Safety and Miscellaneous Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three rate plans (two miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**8. Pension Plans, continued**

*a) General Information about the CalPERS Pension Plan, continued*

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

The Plan’s provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7%	8.25%
Required employer contribution rates	13.26%	8.00%
Required UAL Contribution	\$455,753	\$0
	<u>Safety</u>	
	<u>Prior to January 1, 2013</u>	
Hire date		
Benefit formula	3% @ 50	
Benefit vesting schedule	5 years service	
Benefit payments	monthly for life	
Retirement age	50	
Monthly benefits, as a % of eligible compensation	3%	
Required employee contribution rates	0%	
Required employer contribution rates	0%	
Required UAL Contribution	\$457,721	

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum reduced amount. The City elected to make the lump sum contributions and the required contribution for the unfunded liability was \$913,474 in fiscal year 2024, as show in the table above.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**8. Pension Plans, continued**

*a) General Information about the CalPERS Pension Plan, continued*

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan 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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous	Safety	Total
Contributions - employer	\$937,025	\$457,721	\$1,394,746

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

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The governmental activities net pension liability is liquidated primarily by the General Fund.

As of June 30, 2024, the City reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$7,314,381
Safety	7,279,426
Total Net Pension Liability	\$14,593,807

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**8. Pension Plans, 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, 2023, 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, 2022 rolled forward to June 30, 2023 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 plan 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, 2022, and 2023 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2022	0.14468%	0.10285%	0.24753%
Proportion - June 30, 2023	0.14628%	0.09738%	0.24366%
Change - Increase (Decrease)	<u>0.00160%</u>	<u>(0.00547%)</u>	<u>(0.00387%)</u>

For the year ended June 30, 2024, the City recognized pension expense of \$3,542,329 for Miscellaneous Rate Plan and \$828,716 for Safety Rate Plan, with a total pension expense of \$4,371,045.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>		<u>Safety</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$937,025		\$457,721		\$1,394,746	
Changes in assumptions	441,602		424,837		866,439	
Differences between actual and expected experience	373,658	(\$57,963)	534,444	(\$45,754)	908,102	(\$103,717)
Net change in Proportion DIDO and Net Pension Liability	52,367	(154,471)	20,506	(183,644)	72,873	(338,115)
Net difference in actual contribution and proportion contributions	83,629	(62,753)	36,950	(248,603)	120,579	(311,356)
Net differences between projected and actual earnings on plan investments	1,184,264		996,187		2,180,451	
Total	<u>\$3,072,545</u>	<u>(\$275,187)</u>	<u>\$2,470,645</u>	<u>(\$478,001)</u>	<u>\$5,543,190</u>	<u>(\$753,188)</u>

\$1,394,746 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended			
<u>June 30</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2025	\$525,464	\$420,821	\$946,285
2026	367,828	319,321	687,149
2027	933,060	766,976	1,700,036
2028	33,981	27,805	61,786
Total	<u>\$1,860,333</u>	<u>\$1,534,923</u>	<u>\$3,395,256</u>

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**8. Pension Plans, continued**

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

**Actuarial Assumptions** – For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous & Safety
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increases	Varies by Entry Age, Service and Type of Employment
Investment Rate of Return	6.90% net of pension plan investment expenses, including inflation
Mortality	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Lessor of the contract COLA up to 2.30% until Purchasing Power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2022 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**8. Pension Plans, continued**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The table below reflects the long-term expected real rate of return by asset class.

<u>Asset Class(a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (1), (2)</u>
Global Equity-Cap-Weighted	30.0%	4.54%
Global Equity-Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**8. Pension Plans, continued**

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

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

	Miscellaneous	Safety	Total
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$10,880,761	\$10,378,120	\$21,258,881
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$7,314,381	\$7,279,426	\$14,593,807
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$4,378,944	\$4,746,022	\$9,124,966

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

*c) Deferred Compensation Plans*

City employees may defer a portion of their compensation under two separate, optional City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The Plans are part of public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC) and California Public Employees Retirement System. Benefit provisions under the Plans are established by City resolution. The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has contracts with each company to manage and invest the assets of the Plans. The administrators pool the assets of each Plan with those of other participants and do not make separate investments for the City. The assets in each Plan are the sole property of the participants or their beneficiaries. Since the assets held under each Plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plans require investments to be stated at fair value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**8. Pension Plans, continued**

*c) Deferred Compensation Plans, continued*

Employer contributions to the Plans are based on an employee's bargaining unit. For employees under the Local 39, Unrepresented Executive Employees, Non-Represented Confidential Employees, and Represented Management Team bargaining units, who have completed one year of service with the City, the City will match 50 cents for every dollar that the employee contributes towards their 457 Plan account, up to an employee contribution of six percent (6.0%) of the employee's salary. For example, if an employee contributes 6.0% or more of their salary towards their 457 Plan account, they will receive a 3.0% match from the City.

In addition to the employees in the groups listed above, the City Manager receives contributions to the employee's Plan accounts of \$10,000 annually, based on the contract between the City and the individual filling the Council Appointee position.

The City's required contributions for the year ended June 30, 2023 totaled \$101,174.

**9. Other Post Employment Healthcare Benefits**

*a) Post-Employment Benefits Plan*

Plan Description: The City provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements through its defined benefit plan. The City pays the minimum amount provided under Government Code Section 22892 of the Public Employees Medical and Hospital Care Act. The City currently pays \$115 to \$119 per month for any health coverage. The City joined the Public Agencies Post-Retirement Health Care Plan, an agent multiple-employer plan administered by Public Agency Retirement Services (PARS). The City established an irrevocable trust with PARS, managed by an appointed board not under the control of City Council. This trust is not considered a component unit of the City and has been excluded from these financial statements. Separately issued financial statements for PARS may be obtained from PARS at 4350 Von Karman Ave., Suite 200, Newport Beach, CA 92660.

City's Funding Policy: The contribution requirements of plan members and the City are established and may be amended by City Council. The contributions required to be made are under City Council and labor agreement requirements. When the City established the irrevocable retiree benefit trust with PARS, the City continued with the same funding policy of payment to a full ADC contribution. The long-term portion of governmental activities OPEB liabilities are liquidated primarily by the General Fund.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**9. Other Post Employment Healthcare Benefits, continued**

*b) Employees covered by benefit terms*

Plan membership varies based on different employee bargaining groups. As of the June 30, 2023 actuarial valuation (the most recent available), membership in the Plan consisted of the following:

	Number of members
Active employees	41
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	11
Total	52

*c) Net OPEB Liability(Asset)*

The components of the net OPEB liability of the City at June 30, 2024, were as follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
<b>Balance at Fiscal Year Ending 6/30/2023:</b>	\$494,032	\$750,500	(\$256,468)
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	36,231		36,231
Interest	28,516		28,516
Expected investment income			
Contributions:			
Employer - City's contribution		20,975	(20,975)
Employer - Implicit subsidy		2,602	(2,602)
Net investment income		73,905	(73,905)
Benefit payments	(23,577)	(23,577)	
Actual vs. expected experience			
Changes of assumptions	64,176		64,176
Administrative expenses		(1,926)	1,926
<b>Net Changes during Fiscal Year 2024</b>	105,346	71,979	33,367
<b>Balance at Fiscal Year Ending 6/30/2024:</b>	\$599,378	\$822,479	(\$223,101)

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**9. Other Post Employment Healthcare Benefits, continued**

***d) Sensitivity of the Net OPEB Liability(Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates***

The following table presents the net OPEB liability of the Plan as of June 30, 2024, calculated using the discount rate of 6%, as well as what the Plan’s net OPEB liability (asset) would be if it were calculated using a discount rate or healthcare cost trend rate that is 1- percentage-point lower or 1- percentage point higher than the current rate:

<b>Net OPEB Liability/(Asset)</b>		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(5.00%)	(6.00%)	(7.00%)
(\$155,281)	(\$223,101)	(\$280,525)
<b>Net OPEB Liability/(Asset)</b>		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
(\$297,890)	(\$223,101)	(\$130,671)

***e) Actuarial Assumptions***

The City’s net OPEB liability (asset) was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, rolled forward to June 30, 2024, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Contribution Policy	City contributes full ADC
Actuarial Cost Method	Entry Age Normal. Level percentage of payroll
Actuarial Assumptions:	
Discount Rate	6.00%
Long Term Expected Rate	6.00%
Rate of Return on Assets	6.00%
Inflation	2.50%
Payroll Growth	3.00%
Mortality Rate	Based on assumptions for Public Agency Miscellaneous members published in the 2021 CalPERS Experience Study. These tables include generational mortality improvement using 80% of scale MP-2020.
Healthcare Cost Trend Rate	7.6% for FY2024, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.
Healthcare participation for future retirees	45% if covered; 45% if waived
PEMHCA Minimum Increases	3.50% annually

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**9. Other Post Employment Healthcare Benefits, continued**

*f) Changes of Assumptions*

Effective with the June 30, 2023 valuation date (2024 measurement date), the following assumption changes were implemented:

- The accounting discount rate was increased from 5.50% to 6.00% based on updated long-term investment return assumptions.
- The percent of future retirees currently electing coverage assumed to elect coverage at retirement changed from 50% to 45% to reflect recent plan experience.
- The percent of future retirees currently waiving coverage assumed to elect coverage at retirement changed from 30% to 45% to reflect recent plan experience.
- The percent of retirees electing spouse coverage changed from 30% to 50% to reflect recent plan experience.
- The percent of future on-Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.
- The payroll growth assumption was changed from 2.75% to 3.00% based on the 2021 CalPERS experience study.
- The CPI Medical Care component was updated from 4.00% to 3.50% based on updated historical analysis and forward-looking market expectations.

*g) OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$24,216. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$2,752	(\$87,853)
Changes in assumptions	74,886	(20,422)
Net difference between projected and actual earnings on OPEB plan investments	5,954	
Total	\$83,592	(\$108,275)

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**9. Other Post Employment Healthcare Benefits, continued**

*g) OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB, continued*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Annual Amortization
2025	(\$3,497)
2026	15,386
2027	(11,765)
2028	(10,658)
2029	(3,903)
Thereafter	(10,246)
Total	(\$24,683)

Plan Administration

The City is the plan administrator. The Public Agency Retirement Services (PARS) administers the trust for the City’s retiree healthcare benefit plan – a single-employer defined benefit OPEB plan that provides healthcare benefits for eligible general and public safety employees of the City.

	Fiscal Year ended June 30, 2024
Plan Type	Agent Multiple Employer
OPEB Trust	Yes
Special Funding Situation	No
Nonemployer Contributing Entity	No

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**9. Other Post Employment Healthcare Benefits, continued**

***g) OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB, continued***

Contribution Information

PARS established rates for each employer based on an actuarially determined rate for each employer. Plan members are not required to contribute to the plan. The City did not make any contribution to the Trust in fiscal year 2024.

Investment Policy

PARS offers different investment portfolios as part of the investment vehicle. The City invests in the “Moderate” portfolio; the primary goal of the Moderate objective is to provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. Assets are invested in both equity securities and fixed income. The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

The following is the City adopted asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation	PARS Long-Term Expected Real Rate of Return	PARS Long-Term Expected Nominal Rate of Return
U.S. Equity - large cap	26.50%	5.20%	7.70%
U.S. Equity - mid cap	5.00%	5.50%	8.00%
U.S. Equity - small cap	7.50%	6.00%	8.50%
International Equity	6.00%	5.00%	7.50%
Emerging Market Equity	3.25%	5.00%	7.50%
REIT's	1.75%	4.10%	6.60%
Short-Term Bond	10.00%	0.80%	3.30%
Intermediate-Term Bond	33.50%	1.50%	4.00%
High Yield Bond	1.50%	3.20%	5.70%
Cash and Equivalents	5.00%	0.10%	2.60%
Total	<u>100.00%</u>		<u>6.18%</u>
Assumed Long-Term Rate of Inflation			<u>0.00%</u>
Adjusted Total Expected Return			6.18%
Reduction for Assumed Investment Expense			<u>-0.25%</u>
Expected Long-Term Net Rate of Return, Rounded			<u><u>6.00%</u></u>

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**10. Leases**

*a) Policies*

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivable or liabilities with an initial, individual value of \$300,000 or more for all funds, based on the future lease payments remaining at the start of the lease.

**Lessor**

The City is a lessor for noncancellable leases of buildings and facilities. If the lease receivable is over the capitalization threshold, the City will recognize a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Lessee**

The City is a lessee for miscellaneous leases. If the lease is over the threshold, the City will recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**10. Leases, continued**

*a) Policies, continued*

Key estimates and judgments related to leases include how City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, City generally uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

*b) Leases Receivable (City as Lessor) and Leases Payable (City as Lessee)*

As of June 30, 2024, the City has no leases over the threshold subject to GASB 87 as a lessor or lessee.

**11. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The Pooled Liability Assurance Network Joint Powers Authority covers general liability claims in an amount up to \$35,000,000. The City has a deductible or uninsured liability of up to \$50,000 per claim. Once the City's deductible is met The Plan becomes responsible for payment of all claims up to the limit. The Cities Group covers workers compensation claims up to \$1,000,000 for miscellaneous employees and \$1,500,000 for safety employees and has coverage above that limit to a maximum of \$10,000,000 per incident in excess. The City has no deductible for these claims. Through the Sewer Authority Mid-Coastside, the City also belongs to the California Sanitation Risk Management Authority, which insures the City up to \$500,000 per property against sewer backup damages. The City is liable for only one claim per property and is not liable for any future damages, as the property owner is then required to install a back flow valve on their line, with the exception of properties in certain low lying areas.

The City provides for the uninsured portion of claims and judgments in the General Fund and Risk Management Internal Service Fund. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**11. Risk Management, continued**

Settled claims have not exceeded the City's excess coverage in any of the past three fiscal years. Claims expenses and liabilities are reported for self-insured deductibles when it is probable that a loss has occurred, the amount of that loss can be reasonably estimated and includes incremental claim expenses. Allocated and unallocated claims adjustment expenses are included in the claims liability balance. These losses include an estimate of claims that have been incurred but not reported. The liability for general liability self-insurance claims is the City's best estimate based on available information.

**a) *The Cities Group***

The City, along with five other governments located within San Mateo County, is a member of The Cities Group, a public entity risk pool and a provider of workers' compensation insurance coverage, claims management, risk management services and legal defense to each participating member. The Cities Group is governed by a Board of Directors, which comprises officials appointed by each participating member. Premiums paid to The Cities Group may be modified by Board decision according to the loss experience of each member. This loss experience mechanism will operate to ensure that each member returns over a period of time to The Cities Group the funds paid out on its behalf as paid losses. In the opinion of City management, premiums paid represent the best available estimate of the ultimate cost of the City's participation in The Cities Group and, accordingly, the accompanying basic financial statements of the City includes no provisions for possible refunds or additional assessments. For the year ended June 30, 2024, the City paid premiums of \$42,193 to The Cities Group. Financial statements may be obtained from The Cities Group at P.O. Box 111, Burlingame, CA 94011-0111.

**b) *PLAN JPA***

Prior to January 2018 the City participated in ABAG Plan Corporation, a non-profit public benefit corporation established to provide liability insurance coverage, claims and risk management, and legal defense to its participating members. On January 16, 2018, ABAG Plan Corporation transitioned to Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a self-funded pooled insurance corporation established by a joint powers authority in which the City is one of 28 members. The rights and responsibilities of the member agencies are governed by the bylaws of the PLAN JPA, the risk coverage agreement, and a related memorandum of coverage. Each member chooses its self-insured liability retention at a level between \$25,000 and \$250,000. Each member has a vote in approving the pool's self-insured retention level, in setting the coverage limit, in establishing the level of pool reserves, approving the premium allocation methodology for setting premiums for each member, and in approving the methodology for returning disburseable equity to members. PLAN JPA is responsible for administering the insurance program. PLAN JPA provides claims administration and risk management services to the members. Audited financial information may be obtained from PLAN JPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

For the year ended June 30, 2024, the City paid premiums of \$413,022 to PLAN JPA. Financial statements may be obtained from Plan JPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

**CITY OF HALF MOON BAY, CALIFORNIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2024**

**11. Risk Management, continued**

***c) Liability for Uninsured Claims***

The City's liability for uninsured claims was estimated by management based on prior year claims experience as follows:

	June 30, 2024	June 30, 2023
Beginning balance of claims payable	\$1,064,830	\$919,647
Increase in estimated liability	1,883,998	445,208
Claims paid	(1,278,097)	(300,025)
Ending balance of claims payable	\$1,670,731	\$1,064,830

**12. Commitments and Contingencies**

***a) Litigation***

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

***b) Grant Programs***

The City participates in Federal, State and local grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

***c) JobTrain – Conflict of Interest***

As part of its commitment to provide relief to individuals and businesses impacted by COVID and to position the coastside economy for long-term resiliency, the City Council sponsored the Coastsides Recovery Initiative. That effort resulted in a public report, *Building a More Equitable, Vibrant and Resilient Coastsides Economy*. Substantiated by findings and recommendations from that report, the San Mateo County Board of Supervisors approved a \$2,500,000 funding allocation to support the development of the Opportunity Center of the Coastsides (OCC) – a first-of-its-kind service center for job seekers, small businesses, and entrepreneurs.

After entering the agreement with the County and securing a space for the OCC, staff onboarded qualified service providers in each of the following areas: rapid employment services and career training (provided by JobTrain), small business development and support services (provided by Renaissance Entrepreneurship Center), and a new business incubator to support startups focused on resiliency tech (provided by American Energy Society).

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**12. Commitments and Contingencies, continued**

*c) JobTrain – Conflict of Interest, continued*

On November 7, 2023, the City Council adopted a resolution authorizing the City Manager to execute a professional services agreement with JobTrain, up to \$337,000. Under the Agreement, JobTrain would provide Job Seeker workforce development program services via the OCC. That agreement was set to expire on September 30, 2024, unless the contract was amended.

An amendment for the professional services agreement with JobTrain was originally included in the staff recommendation from the Council meeting on September 17. The amendment for the JobTrain contract was excluded from Resolution No. C-2024-72 in order to provide additional time to analyze potential conflicts of interest pertaining to the employment of the Regional Director position at JobTrain which is currently held by an elected Half Moon Bay councilmember. The councilmember was Vice-Mayor and participated in approval of the original contract in 2023, but was not an employee of JobTrain at that time.

The City Attorney prepared a legal opinion that indicates, in summary, under the applicable conflict of interest laws, in particular Government Code section 1090, the Mayor has a conflict of interest in the JobTrain contract by virtue of his financial interest in his employer. However, the Mayor's interest is subject to the "remote interest" exception, which applies to officers and employees of nonprofit entities. Therefore, the City may enter into the JobTrain contract so long as the Mayor discloses his interest to the City Council, the interest is noted in the official records, and the Mayor recuses from the decision, including leaving the room during consideration of the contract, pursuant to the Political Reform Act's recusal requirements.

The City Council voted to amend the professional services agreement with JobTrain with a contract term ending September 30, 2025, and in a contract amount not to exceed \$350,372, and the Mayor recused from the vote.

**REQUIRED SUPPLEMENTARY INFORMATION**

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **COST-SHARING EMPLOYER DEFINED PENSION PLAN:**

#### **SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered employee payroll, the proportionate share (amount of the collective net pension liability as a percentage of the employer's covered employee payroll and the pension plan's fiduciary net position as a percentage of the total pension liability.

#### **SCHEDULE OF CONTRIBUTIONS**

This schedule reports the cost sharing employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered employee payroll.

#### **SCHEDULE OF FUNDING PROGRESS – OTHER POST-EMPLOYMENT BENEFITS PLAN**

This schedule presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous Rate Plan  
Cost-Sharing Multiple-Employer Defined Pension Plan  
Last 10 Years  
**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY AND RELATED RATIOS AS OF  
THE MEASUREMENT DATE**

Measurement date:	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
Plan's proportion of the Net Pension Liability (Asset)	0.04792%	0.10917%	0.11869%	0.12281%	0.12663%	0.13120%	0.13584%	0.18148%	0.14468%	0.14628%
Plan's proportionate share of the Net Pension Liability (Asset)	\$2,981,768	\$2,994,972	\$4,123,054	\$4,841,079	\$4,772,172	\$5,254,057	\$5,729,928	\$3,445,863	\$6,769,868	\$7,314,381
Covered Payroll	\$1,412,295	\$1,986,876	\$2,014,025	\$2,423,106	\$3,177,604	\$3,415,448	\$3,945,078	\$3,974,973	\$4,318,701	\$4,671,261
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	211.13%	150.74%	204.72%	199.79%	150.18%	153.83%	145.24%	86.69%	156.76%	156.58%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%	88.29%	76.68%	76.21%

Miscellaneous Rate Plan  
Cost-Sharing Multiple Employer Defined Pension Plan  
As of fiscal year ending June 30,  
Last 10 Years  
**SCHEDULE OF CONTRIBUTIONS**

Fiscal year ended June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$168,511	\$344,215	\$435,299	\$525,289	\$649,405	\$728,503	\$819,301	\$905,657	\$937,025
Contributions in relation to the actuarially determined contributions	<u>(168,511)</u>	<u>(344,215)</u>	<u>(435,299)</u>	<u>(525,289)</u>	<u>(649,405)</u>	<u>(728,503)</u>	<u>(819,301)</u>	<u>(905,657)</u>	<u>(937,025)</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$2,014,025	\$2,423,106	\$3,177,604	\$3,415,448	\$3,945,078	\$3,974,973	\$4,318,701	\$4,671,261	\$5,144,449
Contributions as a percentage of covered payroll	8.4%	14.2%	13.7%	15.4%	16.5%	18.3%	19.0%	19.4%	18.2%
<b>Notes to Schedule</b>									
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

## REQUIRED SUPPLEMENTARY INFORMATION

Safety Rate Plan  
Cost-Sharing Multiple-Employer Defined Pension Plan  
Last 10 Years  
**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY AND RELATED RATIOS AS OF  
THE MEASUREMENT DATE**

Measurement date:	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
Plan's proportion of the Net Pension Liability (Asset)	0.06033%	0.10493%	0.10385%	0.10143%	0.10417%	0.10123%	0.03615%	0.12006%	0.10285%	0.09738%
Plan's proportionate share of the Net Pension Liability (Asset)	\$3,754,036	\$4,323,582	\$5,378,768	\$6,060,745	\$6,112,200	\$6,319,361	\$6,550,836	\$4,213,402	\$7,067,692	\$7,279,426
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%	88.29%	76.68%	76.21%

Safety Rate Plan  
Cost-Sharing Multiple Employer Defined Pension Plan  
As of fiscal year ending June 30,  
Last 10 Years  
**SCHEDULE OF CONTRIBUTIONS**

Fiscal year ended June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$414,500	\$249,322	\$445,240	\$551,942	\$555,649	\$594,797	\$612,617	\$660,198	\$457,721
Contributions in relation to the actuarially determined contributions	(414,500)	(249,322)	(445,240)	(551,942)	(555,649)	(594,797)	(612,617)	(660,198)	(457,721)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Notes to Schedule</b>									
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS An Agent Multiple-Employer Defined Benefit OPEB Plan Last 10 fiscal years\*

Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
<b>Total OPEB Liability (1)</b>								
Service Cost	\$25,533	\$27,065	\$27,877	\$28,713	\$30,749	\$31,671	\$35,261	\$36,231
Interest	24,624	26,373	28,268	30,256	32,113	32,877	26,723	28,516
Differences between expected and actual experience	-	-	-	-	-	-	-	-
Benefit payments	(22,522)	(22,553)	(22,788)	(24,885)	(29,523)	(33,272)	(37,150)	(23,577)
Actual vs. expected experience	-	-	-	5,947	-	(122,083)	-	-
Changes of assumptions	-	-	-	(8,808)	30,158	(22,718)	-	64,176
<b>Net change in total OPEB liability</b>	<u>27,635</u>	<u>30,885</u>	<u>33,357</u>	<u>31,223</u>	<u>63,497</u>	<u>(113,525)</u>	<u>24,834</u>	<u>105,346</u>
<b>Total OPEB liability - beginning</b>	<u>396,126</u>	<u>423,761</u>	<u>454,646</u>	<u>488,003</u>	<u>519,226</u>	<u>582,723</u>	<u>469,198</u>	<u>494,032</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$423,761</u>	<u>\$454,646</u>	<u>\$488,003</u>	<u>\$519,226</u>	<u>\$582,723</u>	<u>\$469,198</u>	<u>\$494,032</u>	<u>\$599,378</u>
<b>OPEB fiduciary net position</b>								
Net investment income	\$48,425	\$32,087	\$41,937	\$29,170	\$136,486	(\$91,716)	\$44,412	\$73,905
Contributions:								
Employer - City's contribution	22,522	39,261	22,928	26,083	(5,366)	33,410	37,336	20,975
Employer - Implicit subsidy	-	-	-	-	-	-	-	2,602
Administrative expense	(2,071)	(1,552)	(1,745)	(2,911)	(2,934)	(2,117)	(1,983)	(1,926)
Actual vs. expected experience	-	-	-	-	-	-	-	-
Benefit payments	(22,522)	(22,553)	(22,788)	(24,885)	(29,523)	(33,272)	(37,150)	(23,577)
<b>Net change in plan fiduciary net position</b>	<u>46,354</u>	<u>47,243</u>	<u>40,332</u>	<u>27,457</u>	<u>98,663</u>	<u>(93,695)</u>	<u>42,615</u>	<u>71,979</u>
<b>Plan fiduciary net position - beginning</b>	<u>541,531</u>	<u>587,885</u>	<u>635,128</u>	<u>675,460</u>	<u>702,917</u>	<u>801,580</u>	<u>707,885</u>	<u>750,500</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$587,885</u>	<u>\$635,128</u>	<u>\$675,460</u>	<u>\$702,917</u>	<u>\$801,580</u>	<u>\$707,885</u>	<u>\$750,500</u>	<u>\$822,479</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>(\$164,124)</u>	<u>(\$180,482)</u>	<u>(\$187,457)</u>	<u>(\$183,691)</u>	<u>(\$218,857)</u>	<u>(\$238,687)</u>	<u>(\$256,468)</u>	<u>(\$223,101)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	138.73%	139.70%	138.41%	135.38%	137.56%	150.87%	151.91%	137.22%
Covered-employee payroll (A)	N/A **	\$3,009,829	\$4,157,271	\$4,976,211	\$4,806,006	\$5,072,966	\$6,658,959	\$5,233,729
Total OPEB liability as a percentage of covered-employee payroll	N/A **	-6.00%	-4.51%	-3.69%	-4.55%	-4.71%	-3.85%	-4.26%

\* Fiscal year 2018 was the first year of implementation of GASB 75

Administrative expenses are included in investment expenses.

\*\*Fiscal year 2017 was the first year of GASB 74 implementation.

(A) City's contributions to OPEB plan are not based on a measure of pay

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CONTRIBUTIONS An Agent Multiple-Employer Defined Benefit OPEB Plan Last 10 fiscal years\*

Fiscal Year Ended June 30,	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution (ADC)	\$16,708	\$17,251	\$15,539	\$16,054	\$15,992	\$16,392	\$3,915	\$2,371
Less: Contributions in Relation to the ADC	<u>(22,522)</u>	<u>(39,261)</u>	<u>(22,928)</u>	<u>(26,083)</u>	<u>(5,366)</u>	<u>(20,975)</u>	<u>(37,336)</u>	<u>(23,577)</u>
Contribution deficiency (excess)	<u>(\$5,814)</u>	<u>(\$22,010)</u>	<u>(\$7,389)</u>	<u>(\$10,029)</u>	<u>\$10,626</u>	<u>(\$4,583)</u>	<u>(\$33,421)</u>	<u>(\$21,206)</u>
Covered-employee payroll	N/A **	\$3,009,829	\$4,157,271	\$4,976,211	\$4,806,006	\$5,072,966	\$6,658,959	\$5,233,729
Contributions as a percentage of Covered-employee payroll	N/A **	1.30%	0.55%	0.52%	0.11%	0.41%	0.56%	0.45%

**Notes to Schedule:**

\* Fiscal year 2018 was the first year of implementation.

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal, level percentage of payroll
Amortization Period	Each year's gain or loss is straight-line amortized over 5 years.
Asset Valuation Method	The Actuarial Value of Assets is a 5-year smoothed market value. Gains and losses are recognized over a five year period and limited to a corridor of 80% to 120% of the market value of assets.
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Medical Trend	7.6% for FY2024, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.
PEMHCA Minimum	3.50% annually
Mortality	Based on assumptions for Public Agency Miscellaneous members published in the 2021 CalPERS Experience Study.
Mortality Improvement	Mortality generational improvement using 80% of scale MP-2020.

\* Fiscal year 2018 was the first year of implementation of GASB 75.

\*\*Fiscal year 2017 was the first year of GASB 74 implementation.

CITY OF HALF MOON BAY  
GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$18,241,411	\$16,984,412	\$16,991,811	\$7,399
Licenses and permits	208,800	208,800	306,282	97,482
Fines and forfeitures	27,936	27,936	81,445	53,509
Charges for services	1,302,388	1,213,921	1,454,141	240,220
Rents and leases	77,000	77,000	78,135	1,135
Investment income	242,000	508,662	804,188	295,526
Intergovernmental revenues	5,000	5,000	117,400	112,400
Miscellaneous	617,721	891,213	833,965	(57,248)
<b>Total revenues</b>	<b>20,722,256</b>	<b>19,916,944</b>	<b>20,667,367</b>	<b>750,423</b>
Expenditures:				
Current operations:				
General government	2,672,440	3,172,440	3,138,896	33,544
General administration	2,204,184	2,204,184	2,134,173	70,011
Public safety	7,164,062	7,164,062	6,452,977	711,085
Public works	2,304,097	2,304,097	2,174,611	129,486
Recreation services	653,730	653,730	538,827	114,903
Planning	3,461,099	3,461,099	2,879,532	581,567
Community and economic development	1,233,226	1,233,226	1,008,276	224,950
Debt service:				
Principal	650,612	650,612	3,628,582	(2,977,970)
Interest and fiscal charges	85,998	85,998	97,016	(11,018)
<b>Total expenditures</b>	<b>20,429,448</b>	<b>20,929,448</b>	<b>22,052,890</b>	<b>(1,123,442)</b>
Excess of revenues over expenditures	292,808	(1,012,504)	(1,385,523)	(373,019)
Other financing sources (uses):				
Issuance of debt			3,200,000	3,200,000
Transfers in	537,285	537,285	537,285	
Transfers out	(4,516,736)	(4,516,736)	(4,211,736)	305,000
<b>Total Other Financing Sources (Uses)</b>	<b>(3,979,451)</b>	<b>(3,979,451)</b>	<b>(474,451)</b>	<b>3,505,000</b>
<b>Net change in fund balance</b>	<b>(\$3,686,643)</b>	<b>(\$4,991,955)</b>	<b>(1,859,974)</b>	<b>\$3,131,981</b>
Fund balance at beginning of year			16,227,904	
Fund balance at end of year			<b>\$14,367,930</b>	

CITY OF HALF MOON BAY  
STREETS AND ROADS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$729,266	\$575,676	\$583,677	\$8,001
Investment income	98,000	213,669	358,662	144,993
Intergovernmental revenue	5,449,246	5,432,272	1,055,528	(4,376,744)
Total revenues	<u>6,276,512</u>	<u>6,221,617</u>	<u>1,997,867</u>	<u>(4,223,750)</u>
Expenditures:				
Current:				
Public works	226,803	226,803	236,775	(9,972)
Capital outlay	6,157,567	6,207,165	957,844	5,249,321
Total expenditures	<u>6,384,370</u>	<u>6,433,968</u>	<u>1,194,619</u>	<u>5,239,349</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,858)</u>	<u>(212,351)</u>	<u>803,248</u>	<u>1,015,599</u>
Other financing sources (uses):				
Transfer in	40,000	40,000	40,000	
Transfer out	(6,746)	(6,746)	(6,746)	
Total other financing sources (uses)	<u>33,254</u>	<u>33,254</u>	<u>33,254</u>	
Net change in fund balance	<u>(\$74,604)</u>	<u>(\$179,097)</u>	836,502	<u>\$1,015,599</u>
Fund balance at beginning of year			<u>6,427,224</u>	
Fund balance at end of year			<u>\$7,263,726</u>	

CITY OF HALF MOON BAY  
 LOT ACQUISITION AND RETIREMENT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	<u>\$27,100</u>	<u>\$44,891</u>	<u>\$72,389</u>	<u>\$27,498</u>
Total revenues	<u>27,100</u>	<u>44,891</u>	<u>72,389</u>	<u>27,498</u>
Expenditures:				
Current:				
General government	<u>400,000</u>	<u>400,000</u>		<u>400,000</u>
Total expenditures	<u>400,000</u>	<u>400,000</u>		<u>400,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(372,900)</u>	<u>(355,109)</u>	<u>72,389</u>	<u>427,498</u>
Net change in fund balance	<u><u>(\$372,900)</u></u>	<u><u>(\$355,109)</u></u>	<u>72,389</u>	<u><u>\$427,498</u></u>
Fund balance at beginning of year			<u>1,348,210</u>	
Fund balance at end of year			<u><u>\$1,420,599</u></u>	

CITY OF HALF MOON BAY  
AFFORDABLE HOUSING SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$31,400	\$68,740	\$225,849	\$157,109
Intergovernmental revenues		3,250,000	4,750,000	1,500,000
Total revenues	31,400	3,318,740	4,975,849	1,657,109
Expenditures:				
Current:				
	1,000,000	1,300,000	1,185,761	114,239
Total expenditures	1,000,000	1,300,000	1,185,761	114,239
Excess of revenues over expenditures	(968,600)	2,018,740	3,790,088	1,771,348
Other financing sources:				
Transfers out		(150,000)		150,000
Net change in fund balance	(\$968,600)	\$1,868,740	3,790,088	\$1,921,348
Fund balance at beginning of year			2,164,621	
Fund balance at end of year			\$5,954,709	

CITY OF HALF MOON BAY  
PARKS DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Impact fees/recreation fees	\$147,000	\$66,890		(\$66,890)
Investment income	40,700	61,778	\$86,025	24,247
Intergovernmental revenues	<u>5,564,000</u>	<u>4,589,895</u>	<u>1,446,510</u>	<u>(3,143,385)</u>
Total revenues	<u>5,751,700</u>	<u>4,718,563</u>	<u>1,532,535</u>	<u>(3,186,028)</u>
Expenditures:				
Capital outlay	<u>6,022,117</u>	<u>8,226,080</u>	<u>4,477,662</u>	<u>3,748,418</u>
Total expenditures	<u>6,022,117</u>	<u>8,226,080</u>	<u>4,477,662</u>	<u>3,748,418</u>
Excess of revenues over expenditures	<u>(270,417)</u>	<u>(3,507,517)</u>	<u>(2,945,127)</u>	<u>562,390</u>
Other financing sources:				
Transfers in	300,000	1,250,000	1,250,000	
Transfers out	<u>(175,000)</u>	<u>(175,000)</u>		<u>175,000</u>
Total other financing sources	<u>125,000</u>	<u>1,075,000</u>	<u>1,250,000</u>	<u>175,000</u>
Net change in fund balance	<u>(\$145,417)</u>	<u>(\$2,432,517)</u>	<u>(1,695,127)</u>	<u>\$737,390</u>
Fund balance at beginning of year			<u>2,589,695</u>	
Fund balance at end of year			<u>\$894,568</u>	

## REQUIRED SUPPLEMENTARY INFORMATION

### Budget and Budgetary Accounting

The City Council adopts an Annual Budget no later than the second meeting of June of each year for the fiscal year commencing the following July 1. The Annual Budget is adopted on a basis consistent with generally accepted accounting principles. The Capital Projects Funds are budgeted annually, with major capital improvement projects details in a separate Five Year Capital Improvement Program budget document, except that there is no budget adopted for the Land Asset Capital Projects Fund.

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

1. The City Manager submits to the City Council a proposed operating budget for the following fiscal year. The operating budget includes proposed revenues and expenditures.
2. After a review by the City Council, a public hearing is conducted and further comment is received from the City Council and the general public.
3. Upon completion of the hearings and modifications, if any, to the proposed budget, it is adopted by the City Council through passage of an appropriate resolution.
4. Generally, the budget is amended in the middle of the year and at the end of the year. All approved additional appropriations are added to the adopted budget and an amended budget is presented to the City Council, which adopts it after due review.
5. The City Manager is authorized to transfer from time to time budget amounts of operational expenditure categories within divisions as deemed necessary in order to meet the City's needs.
6. City Council approval is required for all fund to fund transfers, fund reserve to appropriations transfers, for new revenue sources with offsetting appropriations, and for transfers to/from the capital expenditure category. The legal level of budgetary control of the City Council is at the fund level. This is the level that management cannot overspend the budget without approval of the City Council.

#### *Expenditures in Excess of Budget*

The General Fund and the Police Grants Special Revenue Fund incurred expenditures in excess of budget in the amounts of \$1,123,442 and \$23,451, respectively.

Sufficient resources were available in each fund to fund these excesses.

**SUPPLEMENTARY INFORMATION**

CITY OF HALF MOON BAY  
 CAPITAL PROJECTS  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$77,458	\$119,363	\$41,905
Intergovernmental revenues	<u>595,000</u>	<u>236,632</u>	<u>(358,368)</u>
Total revenues	<u>672,458</u>	<u>355,995</u>	<u>(316,463)</u>
Expenditures:			
Capital Outlay	<u>4,981,648</u>	<u>1,649,258</u>	<u>3,332,390</u>
Total expenditures	<u>4,981,648</u>	<u>1,649,258</u>	<u>3,332,390</u>
Excess of revenues over expenditures	<u>(4,309,190)</u>	<u>(1,293,263)</u>	<u>3,015,927</u>
Other financing sources (uses):			
Transfers in	2,680,000	1,250,000	(1,430,000)
Transfers out	<u>(1,010,000)</u>	<u>(961,613)</u>	<u>48,387</u>
Total other financing sources (uses)	<u>1,670,000</u>	<u>288,387</u>	<u>(1,381,613)</u>
Net change in fund balance	<u><u>(\$2,639,190)</u></u>	<u><u>(1,004,876)</u></u>	<u><u>\$1,634,314</u></u>
Fund balance at beginning of year		<u>2,788,918</u>	
Fund balance at end of year		<u><u>\$1,784,042</u></u>	

**CITY OF HALF MOON BAY, CALIFORNIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

***Special Revenue Funds***

Special Revenue Funds are established to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects that are restricted by law or administrative action to expenditures for specified purposes).

The *Police Grants Fund* (Fund 128) was established to account for revenues received and expenditures made for police services. The City receives funds for police services from Federal, State, County and local governmental agencies. These funds are designated for specific police services, activities, and capital equipment.

The *Storm Drain Operating Fund* (Fund 111) accounts for the maintenance of the existing storm drain system.

The *Traffic Mitigation Fund* (Fund 112) was established to account for all proceeds from traffic mitigation fees, whose purpose is to defray the actual costs of constructing improvements to mitigate traffic and circulation impacts resulting from proposed new development.

The *CZI Grant Fund* (Fund 134) was established to account for proceeds relating to the CZI Grant. These funds can be used to support learning and evaluation activities for groups currently engaged in the operation and implementation of economic advancement centers.

The *Opportunity Center Coastside Fund* (Fund 135) was established to account for proceeds from the American Rescue Plan Act funds where the City is a subrecipient. These funds may only be used to address the negative economic impacts from the COVID-19 public health emergency.

***Debt Service Fund***

The *Judgment Obligation Bonds Fund* (Fund 77 Series A; Fund 78 Series B) was established to account for the Judgment Obligation Bond Series 2009A and the Judgment Obligation Bond Series 2009B issued on July 14, 2009.

***Capital Projects Funds***

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities and infrastructure by the City, with the exception of those assets financed by proprietary funds.

The *Library Fund* (Fund 153) is used to account for the construction and facilities maintenance of the library.

The *Public Facilities Fund* (Fund 127) accounts for expenditures related to public facilities improvements that are needed - police facilities, the library, the public works yard, etc. The funds are received from various contractual agreements that are one-time in nature and which are not specifically dedicated, as well as grants.

The *Storm Drain Improvements Fund* (Fund 152) is used to account for all proceeds from storm drainage improvement fees which are assessed against new or remodeled construction and are used for drainage improvements.

CITY OF HALF MOON BAY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2024

	SPECIAL REVENUE FUNDS				
	Police Grants	Storm Drain Operating	Traffic Mitigation	CZI Grant	Opportunity Center Coastside
Assets					
Cash and investments	\$1,075,519	\$265,453	\$4,518,499	\$208,969	
Accounts receivable					\$231,490
Interest receivable	10,173	2,543	43,041	2,094	1,013
<b>Total assets</b>	<b>\$1,085,692</b>	<b>\$267,996</b>	<b>\$4,561,540</b>	<b>\$211,063</b>	<b>\$232,503</b>
Liabilities:					
Accrued expenses					
Accrued liabilities					\$169,729
Due to other funds					33,065
<b>Total liabilities</b>					<b>202,794</b>
Fund Balances:					
Restricted	\$1,085,692	\$267,996	\$4,561,540	\$211,063	29,709
Assigned					
<b>Total fund balances</b>	<b>1,085,692</b>	<b>267,996</b>	<b>4,561,540</b>	<b>211,063</b>	<b>29,709</b>
<b>Total liabilities and fund balances</b>	<b>\$1,085,692</b>	<b>\$267,996</b>	<b>\$4,561,540</b>	<b>\$211,063</b>	<b>\$232,503</b>

DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS			
Judgement Obligation Bonds	Library	Public Facilities	Storm Drain Improvements	Total
\$6,425	\$444,803	\$1,517,170	\$1,402,160	\$9,438,998
				231,490
	4,381	10,751	13,593	87,589
<u>\$6,425</u>	<u>\$449,184</u>	<u>\$1,527,921</u>	<u>\$1,415,753</u>	<u>\$9,758,077</u>
			\$29,036	\$29,036
		\$19,711		189,440
				33,065
		19,711	29,036	251,541
\$6,425	\$449,184	1,508,210	1,386,717	9,057,352
				449,184
6,425	449,184	1,508,210	1,386,717	9,506,536
<u>\$6,425</u>	<u>\$449,184</u>	<u>\$1,527,921</u>	<u>\$1,415,753</u>	<u>\$9,758,077</u>

CITY OF HALF MOON BAY  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS				
	Police Grants	Storm Drain Operating	Traffic Mitigation	CZI Grant	Opportunity Center Coastside
Revenues:					
Investment income	\$51,129	\$16,519	226,346	\$13,061	\$19,873
Rents and leases					13,000
Intergovernmental revenues	<u>186,159</u>				<u>231,490</u>
Total Revenues	<u>237,288</u>	<u>16,519</u>	<u>226,346</u>	<u>13,061</u>	<u>264,363</u>
Expenditures:					
Current:					
General government				87,400	
Public safety	23,451				
Public works			30,292		
Community and economic development					886,000
Capital outlay					
Total Expenditures	<u>23,451</u>		<u>30,292</u>	<u>87,400</u>	<u>886,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>213,837</u>	<u>16,519</u>	<u>196,054</u>	<u>(74,339)</u>	<u>(621,637)</u>
Other financing sources:					
Transfers in					
Transfer (out)		<u>(100,000)</u>			
Total Other Financing Sources		<u>(100,000)</u>			
Net change in fund balances	<u>213,837</u>	<u>(83,481)</u>	<u>196,054</u>	<u>(74,339)</u>	<u>(621,637)</u>
Fund balance at beginning of year, as previously reported	871,855	351,477	4,365,486	285,402	651,346
Adjustments:					
Changes from major to nonmajor fund					
Changes from nonmajor to major fund					
Fund balances at beginning of year, as adjusted	<u>871,855</u>	<u>351,477</u>	<u>4,365,486</u>	<u>285,402</u>	<u>651,346</u>
Fund balances at end of year	<u><u>\$1,085,692</u></u>	<u><u>\$267,996</u></u>	<u><u>\$4,561,540</u></u>	<u><u>\$211,063</u></u>	<u><u>\$29,709</u></u>

SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS				Total
		(Formerly Major)	(Formerly Nonmajor)			
(Formerly Nonmajor) Affordable Housing	(Formerly Major) Judgement Obligation Bonds	Library	Parks Development	Public Facilities	Storm Drain Improvements	
	\$157	\$23,029		\$65,700	\$57,700	\$473,514
						13,000
						417,649
	157	23,029		65,700	57,700	904,163
						87,400
						23,451
					50,465	80,757
						886,000
				777,060	573,200	1,350,260
				777,060	623,665	2,427,868
	157	23,029		(711,360)	(565,965)	(1,523,705)
				150,000	829,613	979,613
					(3,809)	(103,809)
				150,000	825,804	875,804
	157	23,029		(561,360)	259,839	(647,901)
\$2,164,621			2,589,695	2,069,570	1,126,878	14,476,330
(2,164,621)	6,268	426,155	(2,589,695)			432,423
						(4,754,316)
	6,268	426,155		2,069,570	1,126,878	10,154,437
	\$6,425	\$449,184		\$1,508,210	\$1,386,717	\$9,506,536

CITY OF HALF MOON BAY  
POLICE GRANTS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$28,280	\$51,129	\$22,849
Intergovernmental	186,408	186,159	(249)
Total revenues	214,688	237,288	22,600
Expenditures:			
Current:			
Public Safety		23,451	(23,451)
Total expenditures		23,451	(23,451)
Excess (deficiency) of revenues over ( under) expenditures	214,688	213,837	(851)
Net change in fund balance	\$214,688	213,837	(\$851)
Fund Balance at beginning of year		871,855	
Fund balance at end of year		\$1,085,692	

CITY OF HALF MOON BAY  
 STORM DRAIN OPERATING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$5,100	\$16,519	\$11,419
Total revenues	5,100	16,519	11,419
Other financing sources:			
Transfers out	(100,000)	(100,000)	
Net change in fund balance	(\$94,900)	(83,481)	\$11,419
Fund balance at beginning of year		351,477	
Fund balance at end of year		\$267,996	

CITY OF HALF MOON BAY  
 TRAFFIC MITIGATION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Impact fees/recreation fees	\$68,000		(\$68,000)
Investment income	<u>137,702</u>	<u>\$226,346</u>	<u>88,644</u>
Total revenues	<u>205,702</u>	<u>226,346</u>	<u>20,644</u>
Expenditures:			
Current:			
Public works	<u>37,033</u>	<u>30,292</u>	<u>6,741</u>
Total expenditures	<u>37,033</u>	<u>30,292</u>	<u>6,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>168,669</u>	<u>196,054</u>	<u>27,385</u>
Net change in fund balance	<u><u>\$168,669</u></u>	<u>196,054</u>	<u><u>\$27,385</u></u>
Fund balance at beginning of year		<u>4,365,486</u>	
Fund balance at end of year		<u><u>\$4,561,540</u></u>	

CITY OF HALF MOON BAY  
 CZI GRANT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	<u>\$4,000</u>	<u>\$13,061</u>	<u>\$9,061</u>
Total revenues	<u>4,000</u>	<u>13,061</u>	<u>9,061</u>
Expenditures:			
Current:			
General government	<u>289,401</u>	<u>87,400</u>	<u>202,001</u>
Total expenditures	<u>289,401</u>	<u>87,400</u>	<u>202,001</u>
Excess of revenues over expenditures	<u>(285,401)</u>	<u>(74,339)</u>	<u>211,062</u>
Net change in fund balance	<u><u>(\$285,401)</u></u>	<u>(74,339)</u>	<u><u>\$211,062</u></u>
Fund balance at beginning of year		<u>285,402</u>	
Fund balance at end of year		<u><u>\$211,063</u></u>	

CITY OF HALF MOON BAY  
 OPPORTUNITY CENTER COASTSIDE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$20,177	\$19,873	(\$304)
Rents and leases		13,000	13,000
Intergovernmental revenues	3,350,000	231,490	(3,118,510)
Total revenues	3,370,177	264,363	(3,105,814)
Expenditures:			
Current:			
Community and economic development	2,470,000	886,000	1,584,000
Excess of revenues over expenditures	900,177	(621,637)	(1,521,814)
Other financing sources:			
Transfers out	(500,000)		500,000
Net change in fund balance	\$400,177	(621,637)	(\$1,021,814)
Fund balance at beginning of year		651,346	
Fund balance at end of year		\$29,709	

CITY OF HALF MOON BAY  
 JUDGMENT OBLIGATION BONDS DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$100	\$157	\$57
Total revenues	100	157	57
Net change in fund balance	\$100	157	\$57
Fund balance at beginning of year		6,268	
Fund balance at end of year		\$6,425	

CITY OF HALF MOON BAY  
LIBRARY CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$6,400	\$23,029	\$16,629
Total revenues	6,400	23,029	16,629
Net change in fund balance	<u>\$6,400</u>	23,029	<u>\$16,629</u>
Fund balance at beginning of year		<u>426,155</u>	
Fund balance at end of year		<u><u>\$449,184</u></u>	

CITY OF HALF MOON BAY  
PUBLIC FACILITIES CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Investment income	\$39,402	\$65,700	\$26,298
Total revenues	<u>39,402</u>	<u>65,700</u>	<u>26,298</u>
Expenditures:			
Capital outlay	1,342,399	777,060	565,339
Total expenditures	<u>1,342,399</u>	<u>777,060</u>	<u>565,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,302,997)</u>	<u>(711,360)</u>	<u>591,637</u>
Other financing sources (uses):			
Transfers in	150,000	150,000	
Transfers out	<u>(400,000)</u>	<u>          </u>	<u>400,000</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>150,000</u>	<u>400,000</u>
Net change in fund balance	<u>(\$1,552,997)</u>	<u>(561,360)</u>	<u>\$991,637</u>
Fund balance at beginning of year		<u>2,069,570</u>	
Fund balance at end of year		<u>\$1,508,210</u>	

CITY OF HALF MOON BAY  
 STORM DRAIN IMPROVEMENTS CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$7,900		(\$7,900)
Investment income	35,918	\$57,700	21,782
Total revenues	<u>43,818</u>	<u>57,700</u>	<u>13,882</u>
Expenditures:			
Current:			
Public works	56,048	50,465	5,583
Capital outlay	1,804,691	573,200	1,231,491
Total expenditures	<u>1,860,739</u>	<u>623,665</u>	<u>1,237,074</u>
Excess of revenues over expenditures	<u>(1,816,921)</u>	<u>(565,965)</u>	<u>1,250,956</u>
Other financing sources:			
Transfers in	878,000	829,613	(48,387)
Transfers out	(53,809)	(3,809)	50,000
Total other financing sources	<u>824,191</u>	<u>825,804</u>	<u>1,613</u>
Net change in fund balance	<u>(\$992,730)</u>	259,839	<u>\$1,252,569</u>
Fund balance at beginning of year		<u>1,126,878</u>	
Fund balance at end of year		<u>\$1,386,717</u>	

**CITY OF HALF MOON BAY, CALIFORNIA**

**INTERNAL SERVICE FUNDS**

**FISCAL YEAR ENDED JUNE 30, 2024**

Internal Service Funds are used to account for the financing of goods and services provided by one City department or agency to other departments or agencies of the City, or to other government units on a cost- reimbursement basis (including depreciation).

The *Equipment* (Fund 302) and *Vehicle Replacement* (Fund 301) *Fund* is used to account for replacement of furniture, fixtures, equipment, and vehicles. These funds cover the cost of repair, maintenance and replacement of City vehicles and provide for the service, maintenance of the management information systems, leased copiers and leased postage meter. Revenues are derived from charges to user departments (al funds) based on usage.

The *Risk Management Fund* (Fund 303) administers the City's general insurance and workers compensation programs with the goals of reducing insurance-related costs, maintain appropriate levels of coverage and to build for contingent legal reserves.

The *Pension Stabilization Fund* (Fund 304) stabilizes major fluctuations in annual pension costs driven by market factors and actuarial changes.

CITY OF HALF MOON BAY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Equipment and Vehicle Replacement</u>	<u>Risk Management</u>	<u>Pension Stabilization</u>	<u>Total</u>
Assets				
Current Assets:				
Cash and investments	\$1,089,392	\$3,835,865	\$1,495,313	\$6,420,570
Accounts receivable				
Interest receivable	9,812	36,755	14,227	60,794
Total Current Assets	<u>1,099,204</u>	<u>3,872,620</u>	<u>1,509,540</u>	<u>6,481,364</u>
Non-current assets:				
Net OPEB asset		2,766		2,766
Capital assets, net of Accumulated depreciation	362,513			362,513
Total Assets	<u>1,461,717</u>	<u>3,875,386</u>	<u>1,509,540</u>	<u>6,846,643</u>
Deferred outflow of resources				
Related to OPEB		1,131		1,131
Total Deferred Outflows of Resources		<u>1,131</u>		<u>1,131</u>
Liabilities				
Current Liabilities:				
Accounts payable	32,537	7,010		39,547
Claims liability		1,670,731		1,670,731
Total Liabilities	<u>32,537</u>	<u>1,677,741</u>		<u>1,710,278</u>
Deferred inflow of resources				
Related to OPEB		831		831
Total Deferred Inflows of Resources		<u>831</u>		<u>831</u>
Net Position				
Net position:				
Invested in capital assets	362,513			362,513
Restricted for OPEB		3,066		3,066
Unrestricted	1,066,667	2,194,879	1,509,540	4,771,086
Total Net Position	<u>\$1,429,180</u>	<u>\$2,197,945</u>	<u>\$1,509,540</u>	<u>\$5,136,665</u>

CITY OF HALF MOON BAY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024

	Equipment and Vehicle Replacement	Risk Management	Pension Stabilization	Total
Operating revenues:				
Impact fees				
Total operating revenues				
Operating expenses:				
Salaries and wages	\$105,779	\$168,076	\$455,753	\$729,608
Contract services	48,612	5,220		53,832
Services and supplies	343,372			343,372
Repairs and maintenance	43,599			43,599
Insurance expense		1,079,413		1,079,413
Pension			457,721	457,721
Depreciation	79,683			79,683
Other charges		240		240
Total operating expenses	621,045	1,252,949	913,474	2,787,468
Operating income (loss)	(621,045)	(1,252,949)	(913,474)	(2,787,468)
Non-operating revenues (expenses):				
Investment income	47,202	178,746	50,729	276,677
Total non-operating revenues	47,202	178,746	50,729	276,677
Capital contributions	53,928			53,928
Transfers in	633,402	662,431	913,474	2,209,307
Change in net position	113,487	(411,772)	50,729	(247,556)
Net position at beginning of year	1,315,693	2,609,717	1,458,811	5,384,221
Net position at end of year	\$1,429,180	\$2,197,945	\$1,509,540	\$5,136,665

CITY OF HALF MOON BAY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

	Equipment and Vehicle Replacement	Risk Management	Pension Stabilization	Total
Cash flows from operating activities:				
Cash received from department users				
Cash payments to suppliers of goods and services	(\$433,331)	(\$479,348)		(\$912,679)
Cash payments to employees for services	(105,779)	(168,071)	(\$913,474)	(1,187,324)
Net cash provided by (used for) operating activities	(539,110)	(647,419)	(913,474)	(2,100,003)
Cash flows from non-capital financing activities:				
Transfer in	633,402	662,431	913,474	2,209,307
Net cash provided by (used for) non-capital financing activities	633,402	662,431	913,474	2,209,307
Cash flows from investing activities:				
Interest received on investments	43,513	168,576	46,924	259,013
Net cash provided by investing activities	43,513	168,576	46,924	259,013
Net increase (decreased) in cash and cash equivalents	137,805	183,588	46,924	368,317
Cash and cash equivalents at beginning of year	951,587	3,652,277	1,448,389	6,052,253
Cash and cash equivalents at end of year	\$1,089,392	\$3,835,865	\$1,495,313	\$6,420,570
Reconciliation of operating income to net cash flows provided by operating activities:				
Operating income (loss)	(\$621,045)	(\$1,252,949)	(\$913,474)	(\$2,787,468)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	79,683			79,683
(Increase) in accounts receivable	1,212			1,212
Increase (Decreased) in accounts payable	1,040	(376)		664
Increase (Decreased) in employees benefits		5		5
Increase (Decreased) in claims liability		605,901		605,901
Net cash provided by (used for) operating activities	(539,110)	(647,419)	(913,474)	(2,100,003)
Non-cash transactions:				
Capital contributions	\$53,928			\$53,928

**STATISTICAL SECTION**



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**CITY OF HALF MOON BAY, CALIFORNIA**

**STATISTICAL SECTION**

**FISCAL YEAR ENDED JUNE 30, 2024**

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the ability to issue additional debt in the future.

**Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information**

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**Property Tax Information**

These schedules contain information to help the reader assess the City's property tax sources and changes.

**Note:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.



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**CITY OF HALF MOON BAY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 37,550,877	\$ 40,513,950	\$ 46,399,149	\$ 63,168,981	\$ 60,800,162	\$ 62,744,013	\$ 67,193,002	\$ 68,275,626	\$ 71,854,949	\$ 76,826,570
Restricted	18,540,842	19,779,956	22,157,470	25,844,530	27,738,822	16,416,110	19,871,245	21,340,221	22,502,708	25,081,978
Unrestricted	26,042,003	34,369,708	28,173,022	17,010,742	25,475,062	35,553,961	34,061,834	38,471,511	41,909,085	38,119,541
<b>Total governmental activities net position</b>	<b>\$ 82,133,722</b>	<b>\$ 94,663,614</b>	<b>\$ 96,729,641</b>	<b>\$ 106,024,253</b>	<b>\$ 114,014,046</b>	<b>\$ 114,714,084</b>	<b>\$ 121,126,081</b>	<b>\$ 128,087,358</b>	<b>\$ 136,266,742</b>	<b>\$ 140,028,089</b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	\$ 3,970,876	\$ 3,871,356	\$ 3,816,994	\$ 4,490,973	\$ 4,566,718	\$ 4,587,090	\$ 6,199,508	\$ 6,948,434	\$ 6,981,850	\$ 6,831,129
Restricted	19,063,158	20,635,855	21,900,766	5,946,230	6,385,095	8,692,609	9,377,687	9,554,843	10,092,582	11,397,062
Unrestricted	23,034,034	24,507,211	25,717,760	14,129,580	13,683,606	11,937,949	8,461,534	5,502,097	4,637,048	3,569,939
<b>Total business-type activities net position</b>	<b>\$ 23,034,034</b>	<b>\$ 24,507,211</b>	<b>\$ 25,717,760</b>	<b>\$ 24,566,783</b>	<b>\$ 24,635,419</b>	<b>\$ 25,217,648</b>	<b>\$ 24,038,729</b>	<b>\$ 22,005,374</b>	<b>\$ 21,711,480</b>	<b>\$ 21,798,130</b>
<b>Primary government:</b>										
Invested in capital assets, net of related debt	\$ 41,521,753	\$ 44,385,306	\$ 50,216,143	\$ 67,659,954	\$ 65,366,880	\$ 67,331,103	\$ 73,392,510	\$ 75,224,060	\$ 78,836,799	\$ 83,657,699
Restricted	18,540,842	19,779,956	22,157,470	31,790,760	34,123,917	25,108,719	29,248,932	30,895,064	32,595,290	36,479,040
Unrestricted	45,105,161	55,005,563	50,073,788	31,140,322	39,158,668	47,491,910	42,523,368	43,973,608	46,546,133	41,689,480
<b>Total primary government net position <sup>(1)</sup></b>	<b>\$ 105,167,756</b>	<b>\$ 119,170,825</b>	<b>\$ 122,447,401</b>	<b>\$ 130,591,036</b>	<b>\$ 138,649,465</b>	<b>\$ 139,931,732</b>	<b>\$ 145,164,810</b>	<b>\$ 150,092,732</b>	<b>\$ 157,978,222</b>	<b>\$ 161,826,219</b>

<sup>(1)</sup> The \$12.5 million increase in primary government net position in FY 2015-16 is primarily attributable to higher tax revenues and a contribution of \$6.0 million from the County of San the library construction capital project that is scheduled to commence during fiscal year 2016-17.

The \$3.5 million increase in primary government net position in FY 2016-17 is primarily attributable to investment in infrastructure and capital projects.

The \$8.4 million increase in primary government net position in FY 2017-18 is primarily attributable to investment in capital projects.

The \$8.0 million increase in primary government net position in FY 2018-19 is primarily attributable to higher tax and general revenues

The \$700 thousand increase in primary government net position in FY 2019-20 is primarily attributable to increased investments in capital assets

The \$5.2 million increase in primary government net position in FY 2020-21 is primarily attributable to a higher than expected revenues and lower expenditures budgeted

The \$4.9 million increase in primary government net position in FY 2021-22 is primarily attributable to a higher than expected tax revenues

The \$7.8 million increase in primary government net position in FY 2022-23 is primarily due to increased operating grants and contributions, other revenues and the sewer charges as approved through the Prop 218 process in fiscal year 2019-20

The \$3.8 million increase in primary government net position in FY 2023-24 is primarily due to increased capital contributions and grants.

CITY OF HALF MOON BAY

Changes in Net Position

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 2,190,464	\$ 3,725,642	\$ 3,940,242	\$ 5,030,648	\$ 4,722,479	\$ 4,981,025	\$ 5,175,257	\$ 6,008,499	\$ 6,018,989	\$ 7,811,794
Public safety	3,901,511	3,449,122	5,183,033	3,878,176	3,975,865	4,631,203	4,743,620	5,017,087	5,275,682	6,875,457
Public works	2,605,015	2,670,228	3,314,879	3,801,624	3,506,195	3,754,258	2,817,305	2,765,717	4,129,117	6,255,645
Recreation services	282,251	337,331	348,604	926,730	1,167,467	1,808,657	1,942,872	2,823,410	597,127	1,534,752
Planning	1,081,255	1,952,892	2,427,687	2,603,389	2,784,468	3,286,029	2,764,254	2,779,608	2,965,787	3,931,872
Community and Economic Development									843,267	1,894,276
Interest and fiscal charges	1,053,237	937,704	937,704	937,704	937,704	468,852	-	-	-	-
Total governmental activities expenses	11,113,733	13,072,919	16,152,149	17,178,271	17,094,178	18,930,024	17,443,308	19,394,321	19,829,969	28,303,796
<b>Business-type activities:</b>										
Sewer	4,078,003	2,943,013	2,966,613	4,757,056	4,562,513	5,950,383	5,670,214	6,042,199	5,998,227	6,685,640
Total business-type activities expenses	4,078,003	2,943,013	2,966,613	4,757,056	4,562,513	5,950,383	5,670,214	6,042,199	5,998,227	6,685,640
Total primary government expenses	15,191,736	16,015,932	19,118,762	21,935,327	21,656,691	24,880,407	23,113,522	25,436,520	25,828,196	34,989,436
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 105,737	\$ 98,171	\$ 20,738	\$ 29,879	\$ 97,755	\$ 94,986	\$ 17,962	\$ 646,363	\$ 687,941	\$ 487,874
Public safety	107,738	118,204	95,883	961,407	64,011	159,631	138,299	105,983	79,661	120,980
Public works	423,449	407,342	452,260	672,979	392,876	332,903	383,211	360,649	442,582	432,066
Recreation services	550,144	588,890	624,771	841,581	630,725	494,433	987,511	1,176,088	1,113,689	1,166,447
Planning	457,237	560,073	505,373	213,701	293,316	165,686	314,178	520,110	558,369	298,171
Operating grants and contributions	1,903,151	390,970	1,166,559	932,873	1,390,373	786,552	4,123,613	2,544,520	3,628,574	1,285,182
Capital grants and contributions	596,856	7,915,220	607,526	6,940,211	5,090,594	627,168	3,145,690	1,647,350	1,677,758	6,738,537
Total governmental activities program revenues	4,144,312	10,078,870	3,473,110	10,592,631	7,959,650	2,661,359	9,110,464	7,001,063	8,188,574	10,529,257
<b>Business-type activities:</b>										
Charges for services:										
Sewer	5,105,502	4,715,919	4,524,358	4,261,126	4,533,846	4,540,020	4,477,159	5,005,399	5,994,167	6,207,200
Operating grants and contributions	45,628	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	5,151,130	4,715,919	4,524,358	4,261,126	4,533,846	4,540,020	4,477,159	5,005,399	5,994,167	6,207,200
Total primary government program revenues	9,295,442	14,794,789	7,997,468	14,853,757	12,493,496	7,201,379	13,587,623	12,006,462	14,182,741	18,040,937
<b>Net revenues (expenses):</b>										
Governmental activities	\$ (6,969,421)	\$ (2,994,049)	\$ (12,679,039)	\$ (6,585,640)	\$ (9,134,528)	\$ (16,268,665)	\$ (8,332,844)	\$ (12,393,258)	\$ (11,641,395)	\$ (17,774,539)
Business-type activities	1,073,127	1,772,906	1,557,745	(495,930)	(28,667)	(1,410,363)	(1,193,055)	(1,036,800)	(4,060)	826,040
Total net revenues (expenses) <sup>(2)</sup>	(5,896,294)	(1,221,143)	(11,121,294)	(7,081,570)	(9,163,195)	(17,679,028)	(9,525,899)	(13,430,058)	(11,645,455)	(16,948,499)

CITY OF HALF MOON BAY

Changes in Net Position

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General revenues and other changes in net position:</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes	\$ 2,871,413	\$ 3,116,710	\$ 3,126,884	\$ 3,379,657	\$ 3,613,782	\$ 3,667,867	\$ 3,582,161	\$ 4,592,317	\$ 4,129,317	\$ 4,283,589
Sales and use taxes	3,862,041	4,068,786	2,514,852	2,836,614	2,804,748	3,042,265	2,929,586	3,358,759	3,315,341	3,665,449
Transient occupancy taxes	5,433,394	5,935,558	6,024,855	6,434,808	6,828,108	5,291,821	4,817,532	9,442,518	8,852,640	8,167,938
Other taxes	832,390	808,224	919,666	1,038,546	1,242,286	1,346,187	1,304,943	1,341,327	1,276,299	1,343,633
Investment income	798,406	811,191	583,497	703,351	1,188,804	2,257,971	(96,482)	(702,830)	865,654	2,439,990
Other general revenues	779,392	783,472	1,575,312	1,386,752	1,446,593	1,362,594	2,207,101	1,322,444	1,381,527	652,986
Transfers										982,301
Total governmental activities	14,577,036	15,523,941	14,745,066	15,779,728	17,124,321	16,968,705	14,744,841	19,354,535	19,820,778	21,535,886
<b>Business-type activities:</b>										
Investment income	63,696	93,088	135,003	195,743	332,868	382,491	(49,678)	(155,664)	129,865	242,911
Miscellaneous	(250,000)	(392,817)	(482,199)	(857,213)	(235,565)	1,610,101	63,814	(840,891)	(419,699)	
Transfers										
Total business-type activities	(186,304)	(299,729)	(347,196)	(661,470)	97,303	1,992,592	14,136	(996,555)	(289,834)	(982,301)
Total primary government	14,390,732	15,224,212	14,397,870	15,118,258	17,221,624	18,961,297	14,758,977	18,357,980	19,530,944	20,796,496
<b>Changes in net position:</b>										
Governmental activities	\$ 7,607,615	\$ 12,529,892	\$ 2,066,027	\$ 9,194,088	\$ 7,989,793	\$ 700,040	\$ 6,411,997	\$ 6,961,277	\$ 8,179,383	\$ 3,761,347
Business-type activities	886,823	1,473,177	1,210,549	(1,157,400)	68,636	582,229	(1,178,919)	(2,033,355)	(293,894)	86,650
Total primary government <sup>(1)</sup>	\$ 8,494,438	\$ 14,003,069	\$ 3,276,576	\$ 8,036,688	\$ 8,058,429	\$ 1,282,269	\$ 5,233,078	\$ 4,927,922	\$ 7,885,489	\$ 3,847,997

<sup>(1)</sup> Change in Net Assets in Primary Government:

FY 2014-15 increase in net position of \$8.5 million is primarily due to higher tax revenues and timing of sewer-related capital spending.

FY 2015-16 increase in net position of \$14 million is primarily due to higher tax revenues and timing of sewer-related capital spending.

FY 2016-17 increase in net position of \$3.2 million is primarily due to investment in infrastructure and capital projects.

FY 2017-18 increase in net position of \$8 million is primarily due to investment in capital projects.

The \$8.0 million increase in primary government net position in FY 2018-19 is primarily attributable to higher tax and general revenues

FY 2020-21 increase in net position of \$5.2 million is primarily due to higher revenues from capital and operating grants/contributions

FY 2021-22 increase in net position of \$4.9 million is primarily due to higher revenues from transient occupancy taxes

FY 2022-23 increase in net position of \$7.8 million is primarily due to increased operating grants and contributions, other revenues and the sewer charges as approved through the Prop 218 process in fiscal year 2019-20

FY 2023-24 increase in net position of \$3.8 million is primarily due to increased capital contributions and grants.

<sup>(2)</sup> Total net expenses in FY 2019-20 increased by \$8.5 million primarily for the final \$10.9 million payment of the judgement obligation bond

**CITY OF HALF MOON BAY**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	3,012,735	2,909,550	5,070,257	5,070,257	5,146,354	7,300,642	7,271,604	8,999,117	9,841,012	11,091,587
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	6,529,822	7,829,894	5,986,903	4,892,195	5,809,910	3,333,510	3,869,096	6,586,036	6,386,892	3,276,343
Total general fund <sup>(1)</sup>	\$ 9,542,557	\$ 10,739,444	\$ 11,057,160	\$ 9,962,452	\$ 10,956,264	\$ 10,634,152	\$ 11,140,700	\$ 15,585,153	\$ 16,227,904	\$ 14,367,930
All other governmental funds:										
Nonspendable	\$ 26,823,920	\$ -	\$ -	\$ -	\$ 26,823,920	\$ 26,823,920	\$ 26,823,920	\$ 26,823,920	\$ 26,823,920	\$ 26,823,920
Restricted	23,288,017	31,602,450	23,288,663	25,844,530	27,738,822	16,416,110	19,871,245	21,340,221	22,258,032	24,590,954
Committed	-	26,823,920	26,823,920	26,823,920	-	-	-	-	-	-
Assigned	-	-	5,611,038	2,161,189	1,244,495	2,806,125	3,069,792	2,288,175	3,215,073	2,233,226
Unassigned	-	-	-	-	2,364,020	-	-	-	-	-
Total all other governmental funds <sup>(2)</sup>	\$ 50,111,937	\$ 58,426,370	\$ 55,723,621	\$ 54,829,639	\$ 58,171,257	\$ 46,046,155	\$ 49,764,957	\$ 50,452,316	\$ 52,297,025	\$ 53,648,100

<sup>(1)</sup> General Fund:

- FY 2014-15 Nonspendable fund balance decrease is due to the land held for resale transfer from the General Fund to the newly created Land Asset Fund.
- FY 2015-16 Unassigned fund balance increase is primarily due to increase in tax revenue.
- FY 2016-17 Unassigned fund balance decrease is primarily due to increased investment in capital projects.
- FY 2017-18 Unassigned fund balance decrease is primarily due to investment in capital projects.
- FY 2018-19 Unassigned fund balance increase is primarily due to in tax and general revenues
- FY 2019-20 Unassigned fund balance decrease is primarily due to lower revenues from TOT
- FY 2020-21 Unassigned fund balance increased primarily due to unaccepted revenue overperformance in TOT
- FY 2021-22 Unassigned fund balance increased primarily due to unaccepted revenue overperformance in TOT and vehicle in-lieu fees
- FY 2022-23 Unassigned fund balance decreased primarily due to a shortfall in Transient Occupancy tax revenues and more funds assigned to committed reverses per the City's Reserve Policy
- FY 2023-24 Unassigned fund balance decreased primarily due to increases in public safety expenditures and decreases in TOT revenues

<sup>(2)</sup> Other Governmental Funds:

- FY 2014-15 Nonspendable fund balance increase is due to the land held for resale transfer from the General Fund to the newly created Land Asset Fund.
- FY 2015-16 Restricted fund balance increase is primarily due to a contribution of \$6.0 million from the County of San Mateo for the library construction project.
- FY 2016-17 \$2.7 million decrease is primarily due to progress on the Library Capital project.
- FY 2017-18 \$890,000 decrease is primarily due to progress on the Library Capital project.
- FY 2018-19 \$3.0 M increase is primarily due to progress in capital projects
- FY 2019-20 \$12.1 M decrease is primarily due to the final \$10.9 million payment of the Judgement Obligation Bond
- FY 2020-21 \$3.7 M increase is primarily due to the receipt of an one-time \$2.6 million in-lieu fee
- FY 2021-22 \$1 million increase is primarily due to capital contributions and funding for future capital expenditures
- FY 2022-23 \$1.8 million increase is primarily due to operating grants and funding for future capital expenditures
- FY 2023-24 \$1.3 million increase is primarily due to capital grants and contributions towards affordable housing efforts

**CITY OF HALF MOON BAY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Taxes	\$ 12,999,238	\$ 13,929,278	\$ 12,586,257	\$ 13,638,171	\$ 14,448,702	\$ 13,180,918	\$ 12,223,462	\$ 18,670,447	\$ 17,500,650	\$ 17,575,488
Licenses and permits	394,931	379,749	444,388	370,269	377,873	521,121	597,590	543,965	1,062,066	306,282
Fines and forfeitures	83,812	102,202	79,132	171,873	189,415	140,238	108,937	70,383	32,232	81,445
Charges for services	765,457	806,642	701,163	1,255,479	1,165,640	1,173,171	1,306,842	1,552,251	1,432,304	1,454,141
Recreation fees/ Impact fees	625,166	717,469	1,173,275	1,065,005	2,700,943	304,827	2,988,507	1,881,114	296,256	-
Investment income	798,408	772,575	549,489	703,354	1,225,128	1,164,650	(75,704)	(722,249)	869,782	2,139,990
Rents and leases	-	20,000	10,080	87,536	75,603	-	-	-	63,728	91,135
Intergovernmental revenues	2,260,890	8,058,785	1,069,157	1,910,615	2,074,855	1,506,209	4,232,648	4,008,756	4,714,737	8,023,719
Administrative fees	65	-	-	-	-	-	-	-	-	-
Miscellaneous	519,595	400,376	1,089,034	908,337	1,325,476	779,514	1,877,238	1,146,003	970,404	833,965
<b>Total revenues</b>	<b>18,447,562</b>	<b>25,187,076</b>	<b>17,701,975</b>	<b>20,110,639</b>	<b>23,583,635</b>	<b>18,770,648</b>	<b>23,259,520</b>	<b>25,457,670</b>	<b>26,942,159</b>	<b>30,506,165</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	2,727,404	3,582,831	3,143,214	3,968,569	3,445,355	3,281,719	3,543,362	3,954,480	4,976,923	5,360,469
Public safety	946,395	1,083,666	3,610,736	3,689,490	3,727,302	4,104,603	4,394,717	4,539,399	4,920,995	6,476,428
Public works	3,089,741	3,208,099	1,639,299	1,768,330	2,147,231	2,301,920	2,110,852	2,077,238	2,449,832	2,492,143
Recreation services	1,987,691	1,347,508	176,497	701,405	896,854	976,977	1,109,425	1,876,093	524,211	538,827
Planning services	142,020	183,328	2,353,980	2,505,066	2,686,651	3,156,081	2,662,112	2,628,557	2,873,331	4,065,293
Community and Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,745,770	4,437,029	7,766,781	18,996,455	5,027,468	4,088,777	5,955,565	3,038,936	6,442,855	8,435,024
Debt service:										
Principal retirement <sup>(1)</sup>	4,655,000	-	-	-	-	11,487,686	-	1,191,724	620,197	3,628,582
Interest and fiscal charges	1,053,257	937,704	937,704	937,704	937,704	468,852	-	68,277	55,105	97,016
<b>Total expenditures</b>	<b>17,347,258 <sup>(2)</sup></b>	<b>14,780,165</b>	<b>19,628,211</b>	<b>32,567,019</b>	<b>18,868,565</b>	<b>29,866,615</b>	<b>19,776,033</b>	<b>19,374,704</b>	<b>23,706,716</b>	<b>32,988,058</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,100,304</b>	<b>10,406,911</b>	<b>(1,926,236)</b>	<b>(12,456,380)</b>	<b>4,715,070</b>	<b>(11,095,967)</b>	<b>3,483,487</b>	<b>6,082,966</b>	<b>3,235,443</b>	<b>(2,481,893)</b>
<b>Other financing sources (uses):</b>										
Advanced Proceeds from San Mateo County	-	-	-	5,726,855	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Capital grants	35,780,529	5,285,654	5,059,687	5,024,534	3,216,998	7,026,829	2,107,524	5,334,717	5,247,526	4,056,898
Transfers in <sup>(2)</sup>	(36,062,453)	(6,181,245)	(5,518,484)	(6,010,554)	(4,322,638)	(8,378,076)	(3,400,661)	(6,707,244)	(6,688,896)	(5,283,904)
<b>Total other financing sources (uses)</b>	<b>(281,924)</b>	<b>(895,591)</b>	<b>(458,797)</b>	<b>10,467,690</b>	<b>(379,640)</b>	<b>(1,351,247)</b>	<b>741,863</b>	<b>(951,154)</b>	<b>(747,983)</b>	<b>1,972,994</b>
<b>Net change in fund balances <sup>(3)</sup></b>	<b>\$ 818,380</b>	<b>\$ 9,511,320</b>	<b>\$ (2,385,033)</b>	<b>\$ (1,988,690)</b>	<b>\$ 4,335,430</b>	<b>\$ (12,447,214)</b>	<b>\$ 4,225,350</b>	<b>\$ 5,131,812</b>	<b>\$ 2,487,460</b>	<b>\$ (508,899)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>39.1%</b>	<b>9.1%</b>	<b>7.9%</b>	<b>6.9%</b>	<b>6.8%</b>	<b>46.4%</b>	<b>0.0%</b>	<b>7.7%</b>	<b>3.9%</b>	<b>15.2%</b>

<sup>(1)</sup> In FY 2014-15 the City elected to completely pay off the 2009A Judgement Obligation Bonds. In FY 2019-20 the city paid off the 2009B Judgement Obligation Bond

<sup>(2)</sup> The increase in transfers in FY 2014-15 is primarily due to the creation and transfers to the Land Asset Capital Project Fund (\$26.8 million) and the Library Capital

<sup>(3)</sup> The net change in fund balance of \$15.6 million in FY 2012-13 is primarily due to receipt of one time insurance payment (\$13.2 million), increase in general taxes, and revenue from the law enforcement services contract amendment that was negotiated in FY 2012-13.

The net change in fund balance of \$2.7 million in FY 2013-14 is higher tax revenues and grants received.

The net change in fund balance of \$9.5 million in FY 2015-16 is primarily due to higher tax revenues and a contribution of \$6.0 million from the County of San Mateo for the library construction capital project that is scheduled to commence during fiscal year 2016-17.

The net decrease in fund balance of \$2.4 million in FY 2016-17 is primarily due to progress on the Library Capital project.

The net decrease in fund balance of \$1.9 million in FY 2017-18 is primarily due to progress on the Library Capital project.

The net increase in fund balance of \$4.3 million in FY 2018-19 is primarily due to increase in revenues in revenues and decrease in library project expenditures

The net decrease in fund balance of \$12.4 million in FY 2019-20 is primarily due to the final \$10.9 million payoff of the judgement obligation bond

The net increase in fund balance of \$4.2 million in FY 2020-21 is primarily due to higher revenues than anticipated

The net increase in fund balance of \$5.1 million in FY 2021-22 is primarily due to higher tax revenues

The net increase in fund balance of \$2.4 million in FY 2022-23 is primarily due to increased investment income and intergovernmental revenues.

The net decrease in fund balance of \$508 thousand in FY 2023-24 is primarily due to expenditures outpacing revenues

**CITY OF HALF MOON BAY**  
**Transient Occupancy Tax (TOT) Rate**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	TOT Tax Rate
2015	12%
2016	12%
2017	12%
2018	12%
2019	12%
2020	12%
2021	12%
2022	14%
2023	15%
2024	15%

Source: City of Half Moon Bay Finance Department

**CITY OF HALF MOON BAY**

**Transient Occupancy Tax (TOT) by Lodging Type (BASE) <sup>(1)</sup>**

**Last Ten Fiscal Years**

As of June 30th

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
LODGING TYPE										
Hotels/Motels	\$ 5,002,165	\$ 5,643,075	\$ 5,785,989	\$ 6,078,131	\$ 6,409,533	\$ 4,852,270	\$ 4,161,340	\$ 8,309,989	\$ 7,988,272	\$ 7,248,083
B&Bs/ Inns / Cottages	101,393	99,062	60,671	68,729	66,079	104,715	105,823	441,900	169,545	181,552
RV Parks/Camps	281,880	148,191	150,019	170,855	159,065	164,658	241,705	233,898	224,713	233,479
Vacation Rentals	45,105	44,230	43,790	115,398	218,561	170,178	308,664	456,731	470,110	504,824
Totals	\$ 5,430,543	\$ 5,934,558	\$ 6,040,468	\$ 6,433,114	\$ 6,853,237	\$ 5,291,821	\$ 4,817,532	\$ 9,442,518	\$ 8,852,640	\$ 8,167,938

<sup>(1)</sup> TOT information by individual establishment is confidential and therefore is not available to the public. TOT is the City's largest "own-source" revenue, as defined by GASB Statement No. 44.

Source: City of Half Moon Bay Finance Department

**CITY OF HALF MOON BAY**

**Transient Occupancy Taxpayers by Type of Establishment**

**Current Year and Ten Years Prior**

TOT Taxpayer Type	2023-24		2013-14	
	TOT Collected	Percent of Total TOT Revenues	TOT Collected	Percent of Total TOT Revenues
Hotels/Motels/Lodges	\$7,248,083	88.74%	\$ 4,583,970	92.09%
Bed & Breakfasts and Inns	\$181,552	2.22%	\$ 114,610	2.30%
RV Parks & Campgrounds	\$233,479	2.86%	\$ 243,467	4.89%
Vacation Rentals	\$504,824	6.18%	\$ 35,392	0.71%
	\$ 8,167,938	100.00%	\$ 4,977,439	100.00%

Source: City of Half Moon Bay Finance Department

**CITY OF HALF MOON BAY**  
**Ratios of Outstanding Debt by Type <sup>(1)</sup>**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities										Debt Per Capita
	Lease Financing	San Mateo County Advance	Judgment Obligation Bonds	Governmental Activities <sup>(2)</sup>	Total Government	Primary Government	Percentage of Personal Income <sup>(3)</sup>				
2015	\$ -	\$ -	\$ 10,915,000	\$ 10,915,000	\$ 10,915,000	\$ 10,915,000	22.46%				\$ 931
2016	-	-	10,915,000	10,915,000	10,915,000	10,915,000	21.33%				931
2017	-	-	10,915,000	10,915,000	10,915,000	10,915,000	21.35%				871
2018	-	-	10,915,000	10,915,000	10,915,000	10,915,000	20.29%				867
2019	-	-	10,915,000	10,915,000	10,915,000	10,915,000	17.32%				864
2020	-	5,154,170	-	5,154,170	5,154,170	5,154,170	8.03%				408
2021	2,035,000	5,154,170	-	7,189,170	7,189,170	7,189,170	11.35%				556
2022	2,410,020	4,008,798	-	6,418,818	6,418,818	6,418,818	9.17%				521
2023	3,055,896	3,436,112	-	6,492,008	6,492,008	6,492,008	9.55%				581
2024	3,200,000	2,863,426	-	6,063,426	6,063,426	6,063,426	7.58%				546

<sup>(1)</sup> Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(2)</sup> The City has no outstanding debt from Business-Type Activities.

<sup>(3)</sup> Population information was obtained from the United States Census Bureau

**CITY OF HALF MOON BAY**

**Ratio of General Bonded Debt Outstanding**

**Last Ten Fiscal Years  
(In Thousands, except Per Capita)**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value <sup>(1)</sup>	Debt Per Capita
	Lease Revenue Bonds	Judgment Obligation Bonds	Total		
2015	\$ -	\$ 10,915	\$ 10,915	0.0005%	\$ 931
2016	-	10,915	10,915	0.0004%	931
2017	-	10,915	10,915	0.0004%	871
2018	-	10,915	10,915	0.0004%	867
2019	-	10,915	10,915	0.0004%	864
2020	-	-	-	0.0000%	-
2021	-	-	-	0.0000%	-
2022	-	-	-	0.0000%	-
2023	-	-	-	0.0000%	-
2024	-	-	-	0.0000%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

<sup>(1)</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California. Percentages less than 0.0000% are not shown.

**CITY OF HALF MOON BAY**

**Direct and Overlapping Debt**

**June 30, 2024**

2023-24 Assessed Value		\$ 3,957,919,060	
	<u>Percentage Applicable <sup>(1)</sup></u>	<u>Total Debt 6/30/2024</u>	<u>City's Share of Debt 06/30/24</u>
<b>Overlapping Tax and Assessment Debt:</b>			
San Mateo Community College District	1.285%	\$ 682,237,216	\$ 8,766,748
Cabrillo Unified School District	45.864%	134,615,000	61,739,824
Midpeninsula Regional Open Space District	0.974%	80,700,000	786,018
Total Overlapping Tax and Assessment Debt		<u>\$ 897,552,216</u>	<u>\$ 71,292,590</u>
 <u>Ratio to Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt			1.80%
 <b>Direct and Overlapping General Fund Debt:</b>			
San Mateo County General Fund Obligations	1.285%	\$ 565,146,645	\$ 7,262,134
San Mateo County Board of Education Certificates of Participation	1.285%	5,735,000	73,695
Midpeninsula Regional Open Space District General Fund Obligations	0.974%	79,795,600	777,209
San Mateo County Mosquito and Vector Control District General Fund C	1.285%	3,404,654	43,750
Direct: City of Half Moon Bay Loan Agreement	100%	2,863,426	2,863,426
Direct: County of San Mateo Financing Agreement (880 Stone Pine)	100%	<u>3,200,000</u>	<u>3,200,000</u>
 Total Direct Debt			 \$ 6,063,426
Total Overlapping Debt			<u>79,449,378</u>
Combined Total Debt			<u>\$ 85,512,804 <sup>(2)</sup></u>

<sup>(1)</sup> The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.80%
Total Direct Debt (\$6,063,426)	0.15%
Combined Total Debt	2.16%

Source: California Municipal Statistics, Inc. (Austin Busch - Austin@calmuni.com)

**CITY OF HALF MOON BAY**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed valuation	\$ 2,553,357,622	\$ 2,733,242,180	\$ 2,755,768,400	\$ 2,893,093,932	\$ 3,123,075,037	\$ 3,303,922,465	\$ 3,426,640,450	\$ 3,541,390,900	\$ 3,771,479,639	\$ 3,957,919,060
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	638,339,406	683,310,545	688,942,100	723,273,483	780,768,759	825,980,616	856,660,113	885,347,725	942,869,910	989,479,765
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	95,750,911	102,496,582	103,341,315	108,491,022	117,115,314	123,897,092	128,499,017	132,802,159	141,430,486	148,421,965
Total net debt applicable to limit: General obligation bonds	10,915,000	10,915,000	10,915,000	10,915,000	10,915,000	10,915,000	-	-	-	-
Legal debt margin	\$ 84,835,911	\$ 91,581,582	\$ 92,426,315	\$ 97,576,022	\$ 106,200,314	\$ 112,982,092	\$ 128,499,017	\$ 132,802,159	\$ 141,430,486	\$ 148,421,965
Total debt applicable to the limit as a percentage of debt limit	11.4%	10.6%	10.6%	10.1%	9.3%	8.8%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for the parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25 % level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Sources: City Finance Department  
San Mateo County Tax Assessor Combined Tax Roll 650-363-4777

**CITY OF HALF MOON BAY**

**Principal Employers**

**6/30/2024 and Ten Years Prior**

Employer	2024		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Ritz Carlton Hotel	275	9.44%	100	2.95%
New Leaf Community Market	105	3.60%	60	1.77%
Sam's Chowder House	98	3.36%	160	4.72%
Safeway Store	94	3.23%	115	3.40%
Rocket Farms Inc.	59	2.03%	131	3.87%
Pasta Moon Inc	49	1.68%		
Sea Crest School	49	1.68%		
Hassett Hardware	45	1.54%		
Mullins Bar and Grill	43	1.48%		
Beach House LLC	42	1.44%	44	1.30%
Its Italia Pizzeria			49	1.45%
Half Moon Bay Golf Links			48	1.42%
Damasco & Associates LLP			48	
CVS Pharmacy			43	1.27%
SP Plus				
San Benito House				
McMahon Floral				
Subtotal Top Ten Employers	859	29.49%	798	23.56%
Total Employment	2,913	100.00%	3,387	100.00%

"Total Employment" as used above represents the total employment of all employers with business licenses located within City limits.

Source: Employer information from City of Half Moon Bay HdL Business License System.

**CITY OF HALF MOON BAY**  
**Full-time Equivalent City Employees By Function**  
**Last Ten Fiscal Years**

Function	June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	17	18	19	19	19	21	17	20	20	21
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works/Maintenance	7	9	10	10	13	16	14	16	16	15
Community/Recreation Services	0	0	2	2	4	5	4	5	6	6
Planning	1	3	5	5	6	7	7	8	8	7
<b>Total</b>	<b>26</b>	<b>31</b>	<b>36</b>	<b>36</b>	<b>42</b>	<b>48</b>	<b>42</b>	<b>48</b>	<b>50</b>	<b>50</b>

<sup>1</sup> Note: General government includes five City Council members as well as Administration and Finance staff.

Source: City of Half Moon Bay Finance Department

**CITY OF HALF MOON BAY**  
**Operating Indicators By Function**  
**Last Ten Fiscal Years**

	June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police:</b> <sup>(1)</sup>										
Arrests - Part 1 crimes	30	44	38	48	54	71	56	78	33	19
Traffic citations - Moving	436	527	489	921	2,128	2,517	1,664	1,819	636	568
Traffic citations - Parking	1,065	1,598	1,212	3,994	3,465	2,444	1,698	872	553	2,253
<b>Parks and Recreation:</b> <sup>(2)</sup>										
Number of recreation classes	87	88	75	159	105	123	41	112	99	91
Number of facility rentals <sup>(3)</sup>	42	110	88	324	397	389	200	459	407	552
<b>Building and Code Enforcement:</b> <sup>(4)</sup>										
Number of permits issued (est.)	487	413	460	413	473	450	352	456	441	405
Number of plan checks (est.)	110	105	220	166	205	237	185	157	200	150
Number of inspections (est.)	2,355	2,820	2,216	2,520	2,442	2,057	1,839	1,654	1,538	2,138
<b>Planning:</b> <sup>(3)</sup>										
Planning Commission Meetings	20	15	12	20	23	20	23	22	13	18
Number of permits processed	70	111	47	43	102	145	89	94	154	78

<sup>(1)</sup> The City started contracting with the San Mateo County Sheriff Office in June 2011. Traffic and parking citation counts for FY 2011-12 are from June 2011 to April 2012.

<sup>(2)</sup> In FY 2011-12, the City contracted out Recreation services to the City of San Carlos. In FY 2014-15, it changed to the Boys & Girls Club. All programs are provided directly to the public by the contractors.

<sup>(3)</sup> In FY 2016-17, the City re-assumed responsibility for the Parks and Recreation program. The facility rentals count for FY 2016-17 is estimated based on rental revenue received.

<sup>(4)</sup> Information will continue to be added as made available.

Sources: City of Half Moon Bay Departments

**CITY OF HALF MOON BAY**  
**Capital Asset Statistics By Function**  
**Last Ten Fiscal Years**

	June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police:</b>										
Sheriff Substation/EOC	1	1	1	1	1	1	1	1	1	1
<b>Public Works:</b>										
Streets (miles)	35	35	29	29	29	28	28	28	28	28
Parks	9	9	9	9	9	9	9	9	9	9
Community Centers	1	1	1	1	1	1	1	1	1	1
Sewer lines (miles)	37	37	37	37	37	38	38	38	38	38
Library					1	1	1	1	1	1
Facilities/Buildings	6	6	6	6	6	6	6	6	6	6
Bike Trails (miles)	6	7	7	7	7	7	7	7	7	7
Land (acres)	176	176	176	176	176	176	197	199	199	199
<b>Administration:</b>										
Facilities/Buildings	1	1	1	1	1	1	1	1	1	1

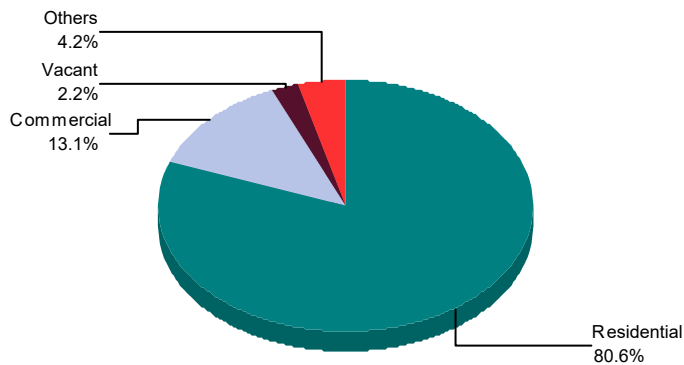
Source: City of Half Moon Bay Finance Department

# THE CITY OF HALF MOON BAY 2023/24 USE CATEGORY SUMMARY

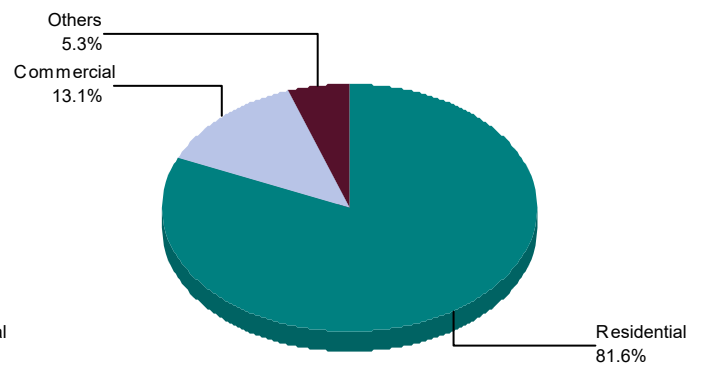
## BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	3,815	\$3,284,965,233 (80.6%)	\$3,228,860,043 (81.6%)
Commercial	219	\$532,831,023 (13.1%)	\$519,423,135 (13.1%)
Industrial	16	\$12,248,260 (0.3%)	\$12,248,260 (0.3%)
Agricultural	40	\$32,491,403 (0.8%)	\$16,525,146 (0.4%)
Govt. Owned	97	\$77,935 (0.0%)	\$0 (0.0%)
Institutional	20	\$19,054,711 (0.5%)	\$320,500 (0.0%)
Miscellaneous	12	\$14,321,066 (0.4%)	\$14,321,066 (0.4%)
Recreational	24	\$36,715,220 (0.9%)	\$36,361,745 (0.9%)
Vacant	1,774	\$88,060,076 (2.2%)	\$75,850,962 (1.9%)
Unsecured	[258]	\$55,029,359 (1.4%)	\$54,008,203 (1.4%)
<b>TOTALS</b>	<b>6,017</b>	<b>\$4,075,794,286</b>	<b>\$3,957,919,060</b>

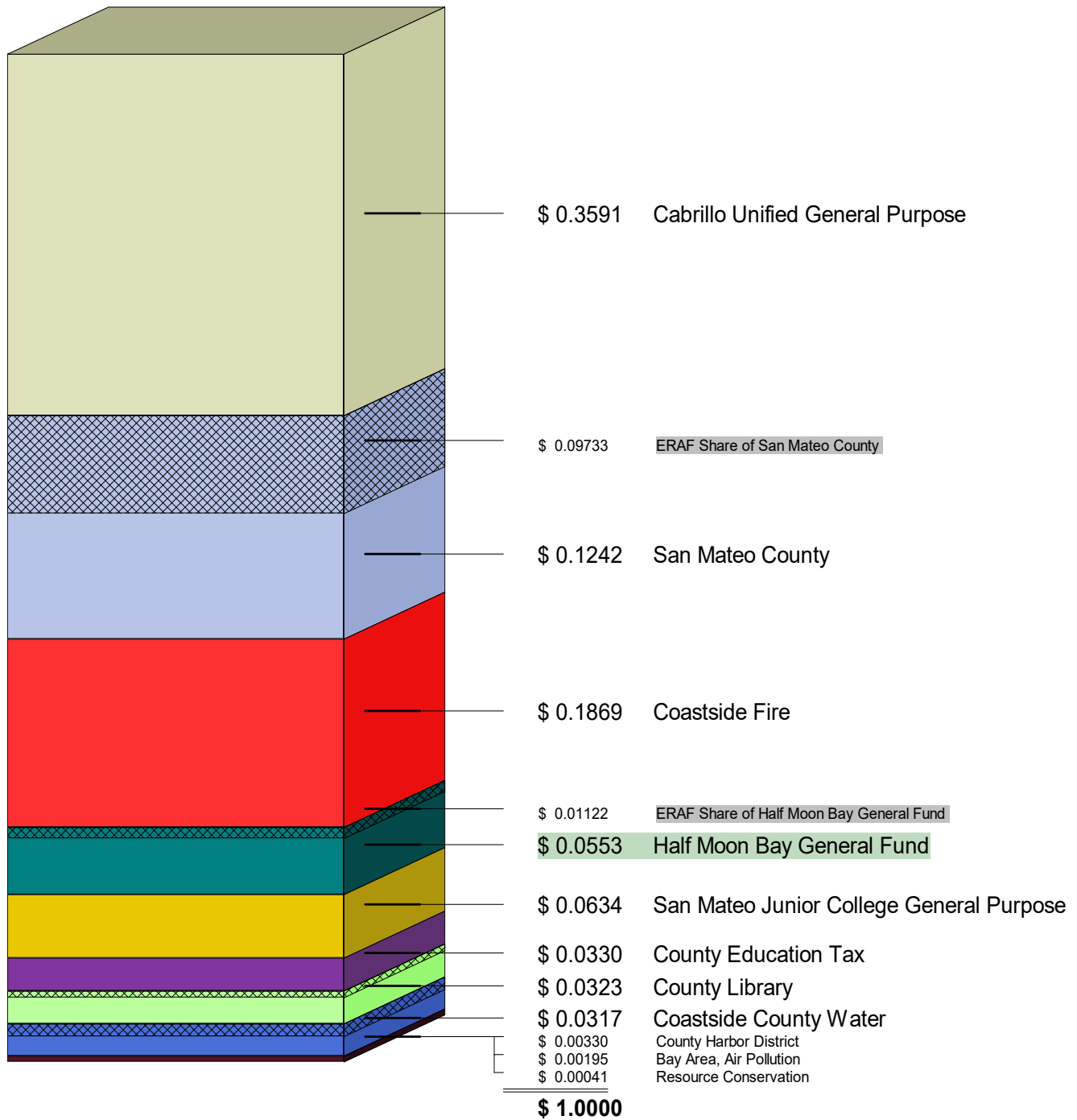
**ASSESSED VALUE**



**NET TAXABLE VALUE**



# THE CITY OF HALF MOON BAY PROPERTY TAX DOLLAR BREAKDOWN



**ATI (Annual Tax Increment) Ratios for Tax Rate Area 017-005, Excluding Redevelopment Factors & Additional Debt Service**

Data Source: San Mateo County Assessor 2023/24 Annual Tax Increment Tables

Prepared On 8/19/2024 By MV

*This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone*

# THE CITY OF HALF MOON BAY

## 2023/24 ROLL SUMMARY

### Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	6,017	0	258
TRAs	8	0	7
<b>Values</b>			
Land	1,918,472,049	0	72,029
Improvements	2,083,585,181	0	3,795,688
Personal Property	16,370,342	0	40,170,442
Fixtures	2,337,355	0	10,945,331
Aircraft	0	0	45,869
<b>Total Value</b>	<b>\$4,020,764,927</b>	<b>\$0</b>	<b>\$54,983,490</b>
<b>Exemptions</b>			
Real Estate	115,753,113	0	277,476
Personal Property	1,061,203	0	413,550
Fixtures	39,754	0	330,130
Aircraft	0	0	0
Homeowners*	15,177,400	0	7,000
<b>Total Exemptions*</b>	<b>\$116,854,070</b>	<b>\$0</b>	<b>\$1,021,156</b>
<b>Total Net Value</b>	<b>\$3,903,910,857</b>	<b>\$0</b>	<b>\$53,962,334</b>

Combined Values	Total
<b>Total Values</b>	<b>\$4,075,748,417</b>
<b>Total Exemptions</b>	<b>\$117,875,226</b>
<b>Net Total Values</b>	<b>\$3,957,873,191</b>
<b>Net Aircraft Values</b>	<b>\$45,869</b>

\* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not Include Aircraft Values or Exemptions

Data Source: San Mateo County Assessor 2023/24 Combined Tax Rolls  
 This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

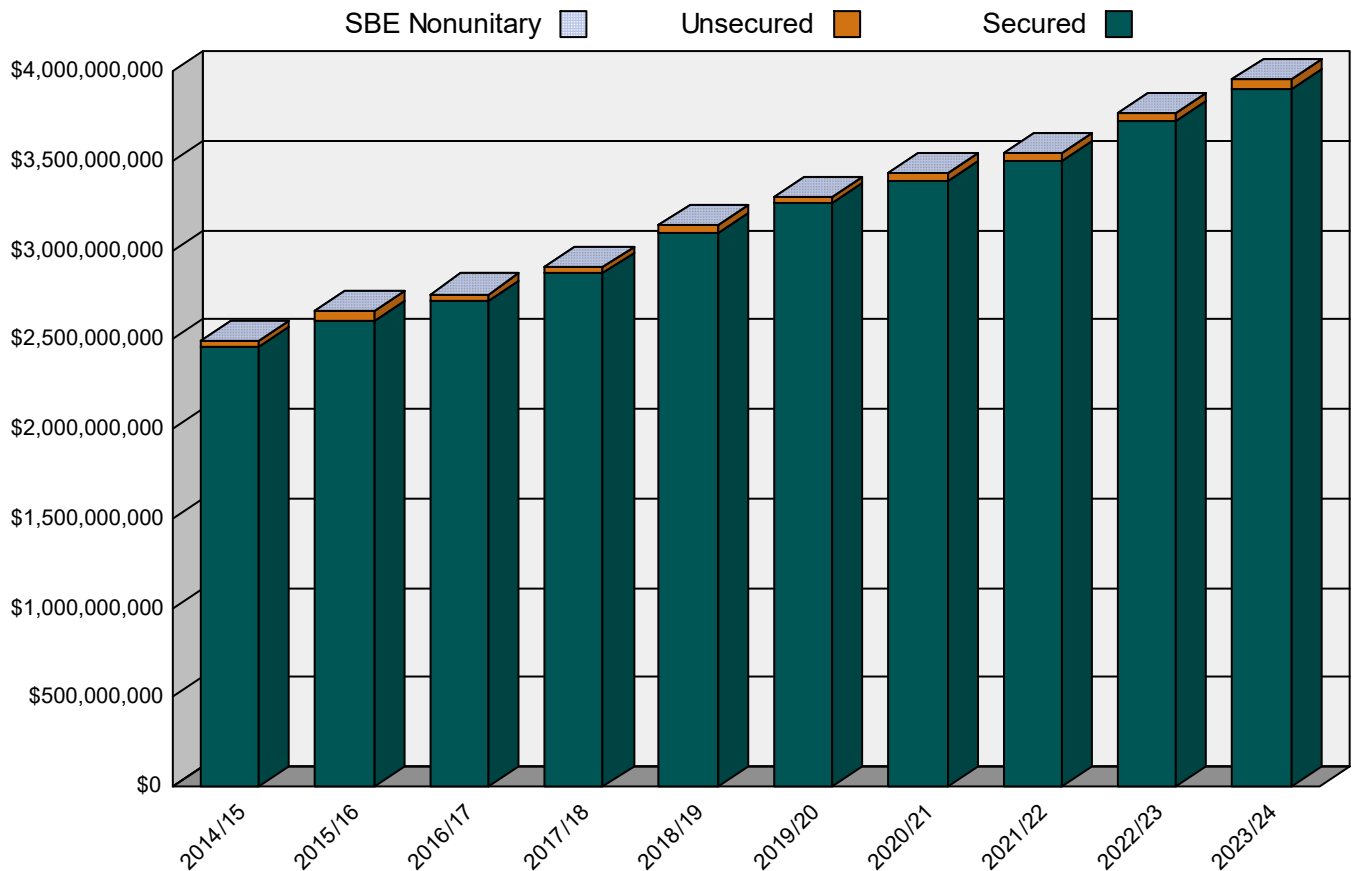
Prepared On 8/19/2024 By MV

# THE CITY OF HALF MOON BAY

## NET TAXABLE ASSESSED VALUE HISTORY

2014/15 - 2023/24 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
<b>2014/15</b>	\$2,454,848,902	\$42,658,908	\$0	<b>2,497,507,810</b>	
<b>2015/16</b>	\$2,609,284,214	\$53,103,728	\$0	<b>2,662,387,942</b>	<b>6.60%</b>
<b>2016/17</b>	\$2,716,280,909	\$39,462,822	\$0	<b>2,755,743,731</b>	<b>3.51%</b>
<b>2017/18</b>	\$2,868,900,977	\$40,418,385	\$0	<b>2,909,319,362</b>	<b>5.57%</b>
<b>2018/19</b>	\$3,095,123,190	\$44,156,277	\$0	<b>3,139,279,467</b>	<b>7.90%</b>
<b>2019/20</b>	\$3,261,227,148	\$40,695,317	\$0	<b>3,301,922,465</b>	<b>5.18%</b>
<b>2020/21</b>	\$3,386,815,056	\$39,825,394	\$0	<b>3,426,640,450</b>	<b>3.78%</b>
<b>2021/22</b>	\$3,495,494,766	\$45,896,134	\$0	<b>3,541,390,900</b>	<b>3.35%</b>
<b>2022/23</b>	\$3,722,198,497	\$49,344,505	\$0	<b>3,771,543,002</b>	<b>6.50%</b>
<b>2023/24</b>	\$3,903,910,857	\$54,008,203	\$0	<b>3,957,919,060</b>	<b>4.94%</b>
<b>Annual Growth Rate %</b>					<b>5.25%</b>



\* Net AV changes less than two percent are in purple font. Negative Net AV percent changes are in red.

Annual Growth Rate (CAGR) is calculated as the mean annualized growth rate for compounding values over a given time period.

Data Source: San Mateo County Assessor 0/ - 2023/24 Combined Tax Rolls

Prepared On 8/19/2024 By M/V

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

# THE CITY OF HALF MOON BAY

## ASSESSED VALUE OF TAXABLE PROPERTY

2014/15 - 2023/24 Taxable Property Values

Category	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Residential	1,986,554,631	2,128,750,156	2,238,878,627	2,365,335,848	2,496,961,916	2,652,141,529	2,769,600,677	2,887,213,237	3,075,165,815	3,228,860,043
Commercial	346,707,418	356,041,843	363,813,823	372,002,147	457,418,903	467,790,599	476,253,451	476,165,638	505,408,881	519,423,135
Industrial	6,172,772	6,292,015	6,801,114	7,185,938	8,419,613	9,374,259	9,561,139	9,740,069	10,958,701	12,248,260
Agricultural					17,322,251	16,208,520	15,605,023	15,866,702	16,197,166	16,525,146
Dry Farm	3,496,499	3,786,377	4,241,537	4,358,514						
Govt. Owned					0	0	0	0	0	0
Institutional	272,021	277,456	281,685	309,882	315,819	298,922	1,689,318	1,938,117	314,217	320,500
Irrigated	4,862,761	5,333,856	4,324,786	4,411,271						
Miscellaneous	22,681,808	23,460,537	14,211,644	17,677,501	16,786,985	15,398,633	16,274,069	13,822,133	14,050,543	14,321,066
Recreational	38,874,879	39,568,823	40,290,547	41,062,725	42,118,338	43,356,325	35,379,201	31,885,243	33,842,367	36,361,745
Vacant	45,226,113	45,773,151	43,437,146	56,557,151	55,779,365	56,658,361	62,452,178	58,863,627	66,260,807	75,850,962
Unsecured	42,658,908	53,103,728	39,462,822	40,418,385	44,156,277	40,695,317	39,825,394	45,896,134	49,344,505	54,008,203
Unknown							0			
<b>TOTALS</b>	2,497,507,810	2,662,387,942	2,755,743,731	2,909,319,362	3,139,279,467	3,301,922,465	3,426,640,450	3,541,390,900	3,771,543,002	3,957,919,060
<b>Total Direct Rate</b>	0.05818	0.05818	0.05819	0.05819	0.05821	0.05821	0.05821	0.05819	0.05818	0.05819

**Notes:**  
 Exempt values are not included in Total.  
 In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: San Mateo County Assessor 2014/15 - 2023/24 Combined Tax Rolls

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# THE CITY OF HALF MOON BAY 2023/24 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	
1) SHC HALF MOON BAY LLC (Pending Appeals On Parcels)	2	\$222,669,071	5.70%	1	\$6,000	0.01%	Commercial Half Moon Bay General Fund
2) OCEAN COLONY PARTNERS LP	18	\$34,920,332	0.89%				Recreational Half Moon Bay General Fund
3) HMB MUSICH LLC	3	\$31,715,732	0.81%				Commercial Half Moon Bay General Fund
4) HALF MOON BAY LODGE LLC	1	\$23,508,000	0.60%				Commercial Half Moon Bay General Fund
5) ROCKET FARMS INC				1	\$18,157,691	33.62%	Unsecured Half Moon Bay General Fund
6) KEET NERHAN	27	\$17,535,925	0.45%	1	\$67,807	0.13%	Commercial Half Moon Bay General Fund
7) PROFESSIONAL PENINSULA PROPERTIES LLC	9	\$15,941,439	0.41%				Commercial Half Moon Bay General Fund
8) LONGS DRUG STORE INC	1	\$9,807,379	0.25%				Commercial Half Moon Bay General Fund
9) CASTRO PARTNERS LLC	3	\$7,911,679	0.20%				Commercial Half Moon Bay General Fund
10) ABOLMOLUKI BAHRAM TRUST	1	\$7,305,217	0.19%				Commercial Half Moon Bay General Fund
<b>Top Ten Total</b>	65	\$371,314,774	9.51%	3	\$18,231,498	33.76%	
<b>City Total</b>		\$3,903,910,857			\$54,008,203		
					\$389,546,272	9.84%	
					\$3,957,919,060		



# THE CITY OF HALF MOON BAY

## DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Cabrillo Unified Bond	0.07040	0.07260	0.08320	0.07510	0.07110	0.11510	0.08950	0.07670	0.07910	0.07310
Mid-Penninsula Regional Open Space	0.00000	0.00000	0.00000	0.00000	0.00000	0.00160	0.00150	0.00150	0.00130	0.00120
San Mateo Community College 2005 Series B	0.00000	0.00000	0.00000	0.00000	0.00000	0.00350	0.00370	0.00000	0.00000	0.00000
San Mateo Junior College	0.01900	0.02500	0.02470	0.02350	0.01750	0.02310	0.01760	0.00000	0.00000	0.00000
San Mateo Junior Comm College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02270	0.01930	0.01900
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.08940</b>	<b>1.09760</b>	<b>1.10790</b>	<b>1.09860</b>	<b>1.08860</b>	<b>1.14330</b>	<b>1.11230</b>	<b>1.10090</b>	<b>1.09970</b>	<b>1.09330</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.05525	0.05525	0.05525	0.05525	0.05526	0.05526	0.05526	0.05525	0.05525	0.05526
<b>Voter Approved City Debt Rate</b>										
<b>Redevelopment Rate<sup>4</sup></b>										
<b>Total Direct Rate<sup>5</sup></b>	0.05818	0.05818	0.05819	0.05819	0.05821	0.05821	0.05821	0.05819	0.05818	0.05819

**Notes:**

<sup>1</sup>In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>2</sup>Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

<sup>3</sup>City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

<sup>4</sup>Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

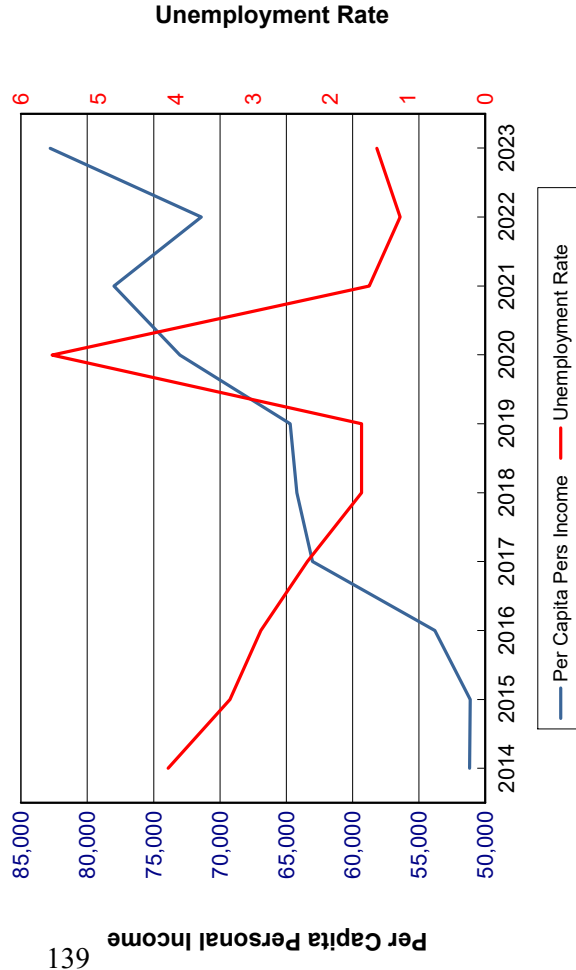
<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

# THE CITY OF HALF MOON BAY

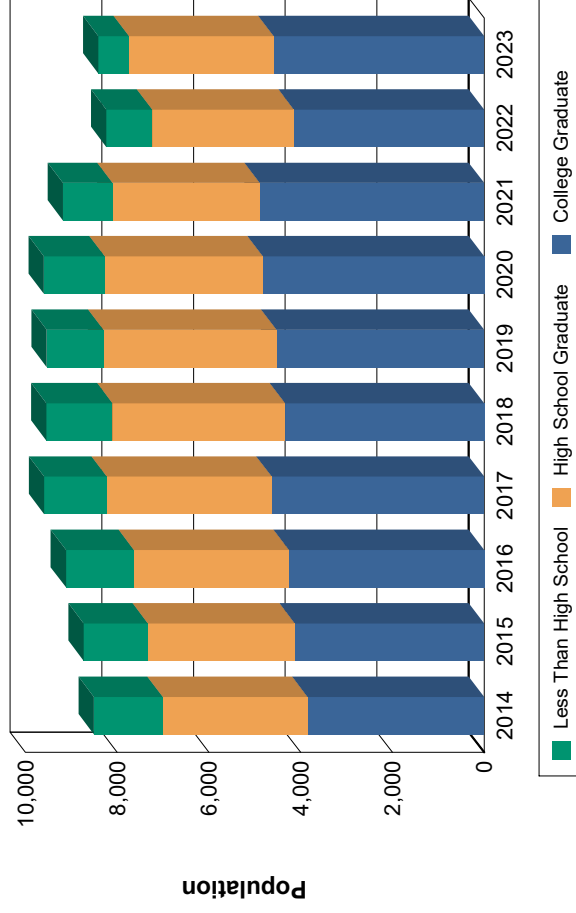
## DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2014	11,727	\$600,059	\$51,169	4.1%	44.8	82.4%	45.3%
2015	12,528	\$640,547	\$51,129	3.3%	44.7	84.0%	47.3%
2016	12,591	\$677,251	\$53,788	2.9%	45.8	83.8%	46.7%
2017	12,639	\$796,455	\$63,015	2.3%	47.1	85.8%	48.3%
2018	12,631	\$810,881	\$64,197	1.6%	47.3	84.9%	45.5%
2019	12,431	\$804,495	\$64,716	1.6%	45.3	87.1%	47.5%
2020	12,309	\$898,800	\$73,019	5.6%	46.8	86.2%	50.3%
2021	11,308	\$881,941	\$77,992	1.5%	47.8	88.3%	53.3%
2022	11,226	\$801,565	\$71,402	1.1%	44.9	87.9%	50.4%
2023	11,238	\$930,463	\$82,796	1.4%	48.3	92.1%	54.6%

### Personal Income and Unemployment



### Education Level Attained for Population 25 and Over



#### Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department 2000-2009 Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

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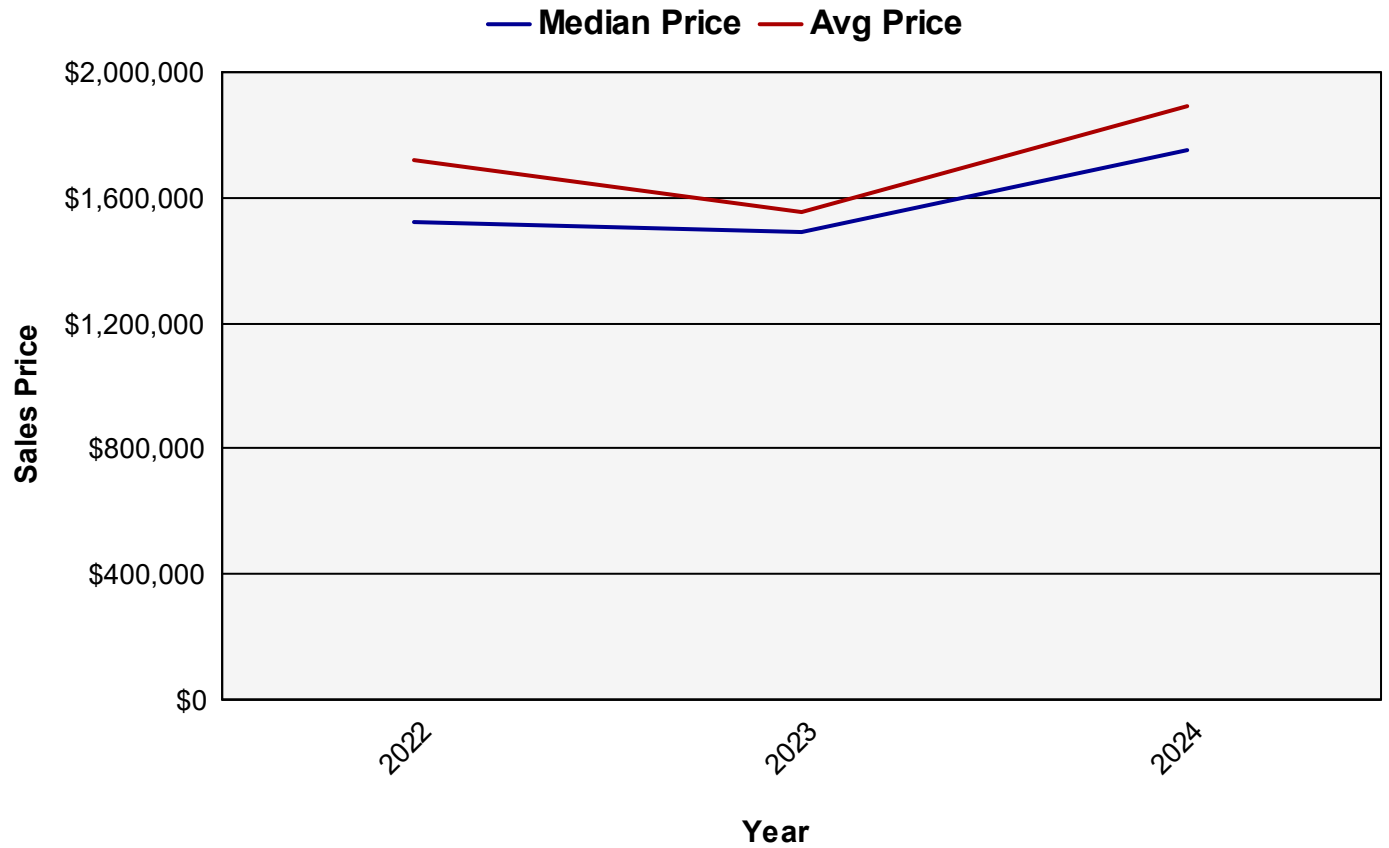
Prepared On 8/19/2024 By MV

# THE CITY OF HALF MOON BAY

## SALES VALUE HISTORY

Single Family Residential Full Value Sales 01/01/2022 - 6/30/2024)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2022	118	\$1,717,725	\$1,521,500	
2023	92	\$1,553,372	\$1,492,500	-1.91%
2024	40	\$1,889,575	\$1,750,000	17.25%



\* Multiparcel transfers, quitclaim deeds, trust transfers, timeshares, and partial sales are excluded from this analysis.

Data Source: San Mateo County Recorder

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**INDEPENDENT AUDITOR REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City of Council  
City of Half Moon Bay, 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 basic financial statements of the City of Half Moon Bay (City), California, as of and for the year ended June 30, 2024, and have issued our report thereon dated December 3, 2024.

***Report on Internal Control over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 or significant deficiencies may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated December 3, 2024 which is an integral part of our audit and should be read in conjunction with this report.

***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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maye & Associates*

Pleasant Hill, California  
December 3, 2024

**Resolution No. C-2024-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY  
TO ACCEPT THE CITY’S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL  
YEAR ENDING JUNE 30, 2024**

**WHEREAS**, the City of Half Moon Bay contracted with the audit firm of Maze & Associates to conduct an audit of the City’s financial records in accordance with Governmental Accounting Standards Board (GASB) Statement 34; and

**WHEREAS**, the financial statements for the Fiscal Year ending June 30, 2024 as prepared by said firm have been completed; and

**WHEREAS**, it is recommended that the City Council accept the financial statements, known as the Annual Comprehensive Financial Report (ACFR);

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Half Moon Bay hereby adopts a resolution to accept the City’s Annual Comprehensive Financial Report (ACFR) as prepared by Maze & Associates for the Fiscal Year ending June 30, 2024.

\*\*\*\*\*

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of December, 2024 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:

\_\_\_\_\_  
Jessica Blair, City Clerk

\_\_\_\_\_  
, Mayor

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY**

**AGENDA REPORT**

For meeting of: **December 16, 2024**

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**TO:** Honorable Mayor and City Council  
**VIA:** Matthew Chidester, City Manager  
**FROM:** Jessica Blair, Communications Director / City Clerk  
**TITLE:** **2025 CALENDAR OF CITY COUNCIL MEETINGS**

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**RECOMMENDATION:**

By motion, adopt the City Council Calendar for 2025.

**FISCAL IMPACT:**

There is no fiscal impact associated with this action.

**STRATEGIC ELEMENT:**

This action supports the Inclusive Governance Element of the Strategic Plan.

**DISCUSSION:**

The following parameters should be considered when determining meeting dates:

- Hold at least one meeting every month (i.e. do not cancel two meetings in a row)
- Continue to hold two meetings in June due to the budget adoption process
- Continue to hold two meetings in December due to the customarily high volume of agenda items in December, including the Council reorganization

Staff suggests holding the meetings on the first and third Tuesdays of each month with the following exceptions:

<b>Meeting Date</b>	<b>Consideration</b>
January 7, 2025	City Holiday Closure affects packet production.
July 8, 2025	The first meeting of July has been cancelled each of the past 12 years.
August 5, 2025	Traditional time many city and civic groups go “dark” and a frequent time for family travel; however, this schedule allows for one meeting to be held in August. Additionally, National Night Out is held the first Tuesday of August, an event which the City participates in and supports.

In addition, please note that Special City Council meetings may be called, and often are during budget preparation.

**ATTACHMENT:** 2025 Calendar of City Council Meetings



## CITY OF HALF MOON BAY

### 2025 CALENDAR OF CITY COUNCIL MEETINGS

<p><b>January 2025</b>  <i>January 7, 2025</i>                      <i>Cancelled</i>            January 21, 2025                Regular Meeting</p>	<p><b>July 2025</b>  <i>July 8, 2025</i>                              <i>Cancelled</i>            July 15, 2025                        Regular Meeting</p>
<p><b>February 2025</b>            February 4, 2025                  Regular Meeting            February 18, 2025                Regular Meeting</p>	<p><b>August 2025</b>  <i>August 5, 2025</i>                        <i>Cancelled</i>            August 19, 2025                    Regular Meeting</p>
<p><b>March 2025</b>            March 4, 2025                        Regular Meeting            March 18, 2025                    Regular Meeting</p>	<p><b>September 2025</b>            September 2, 2025                  Regular Meeting            September 16, 2025                Regular Meeting</p>
<p><b>April 2025</b>            April 8, 2025                         Regular Meeting            April 22, 2025                    Regular Meeting</p>	<p><b>October 2025</b>            October 7, 2025                      Regular Meeting            October 21, 2025                  Regular Meeting</p>
<p><b>May 2025</b>            May 6, 2025                            Regular Meeting            May 20, 2025                        Regular Meeting</p>	<p><b>November 2025</b>            November 4, 2025                  Regular Meeting            November 18, 2025                Regular Meeting</p>
<p><b>June 2025</b>            June 3, 2025                            Regular Meeting            June 17, 2025                      Regular Meeting</p>	<p><b>December 2025</b>            December 2, 2025                  Regular Meeting            December 16, 2025                Regular Meeting</p>

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY**

**AGENDA REPORT**

For meeting of: **December 16, 2024**

---

**TO:** Honorable Mayor and City Council

**VIA:** Matthew Chidester, City Manager

**FROM:** John Doughty, Assistant City Manager

**TITLE:** **RESOLUTION OF PUBLIC INTEREST AND CONVENIENCE APPROVING THE CITY'S SALE OF A PORTION OF 880 STONE PINE ROAD (6.87-ACRE PORTION OF APN: 056-260-180) FOR THE CONSTRUCTION OF A 47-UNIT AFFORDABLE FARMWORKER HOUSING PROJECT**

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**RECOMMENDATION:**

Continue the public hearing to a date certain of January 21, 2025, at 7:00 p.m. or as soon thereafter that the matter can be heard at the City Council meeting held at the Ted Adcock Community Center (TACC) 535 Kelly Avenue, Half Moon Bay, CA 94019.

**FISCAL IMPACT:**

This action facilitates the sale of a portion of 880 Stone Pine Road to San Mateo County. Proceeds of the sale will be committed to reducing the outstanding balance of the 10-Year City/County lease-leaseback arrangement. Proceeds will reduce the City's annual General Fund debt service costs.

**STRATEGIC ELEMENT:**

This action supports the *Healthy Communities and Public Safety*, and *Inclusive Governance* Elements of the Strategic Plan.

**BACKGROUND:**

On November 19, 2024, the City Council adopted a Resolution establishing that the sale of 6.87 acres (Parcel 1) upon recording of the Final Parcel Map was in the public interest and convenience which, by State statute, requires the City to declare its intent to sell the property and provide an opportunity for consideration of protests to the disposition. The protest hearing was set for December 3, 2024, in anticipation of completion of negotiations on the Purchase Sale Agreement (PSA). There has been a minor delay in the completion of appraisals which has led to a delay in the negotiating final terms of the PSA. It was hoped that the PSA would be ready by the December 16, 2024, special meeting of the City Council. Negotiations have not been completed and an additional continuance is necessary.

**DISCUSSION:**

The City declares its intent to convey the Property pursuant to the terms of the PSA (originally scheduled for the December 3, 2024, City Council meeting and now continued to January 21, 2025 regular City Council meeting) and fixes a time for the hearing of any protests to the disposition, provides for publication of notice of said hearing, and fixes the time for final action on the disposition of the Property and approval of the PSA to no earlier than January 21, 2025.

**ATTACHMENTS:**

None