



AGENDA – Tuesday, January 17, 2017

7:00 p.m. City Council Meeting

Long Beach City Hall
115 Bolstad Avenue West

7:00 p.m. CALL TO ORDER; PLEDGE OF ALLEGIANCE; AND ROLL CALL

Call to order	Mayor Phillips, Council Member Linhart, Council Member Caldwell,
And roll call	Council Member Murry, Council Member Hanson and Council Member Kemmer.

PUBLIC COMMENT

At this time, the Mayor will call for any comments from the public on any subject whether or not it is on the agenda for any item(s) the public may wish to bring forward and discuss. Preference will be given to those who must travel. **Please limit your comments to three minutes. The City Council does not take any action or make any decisions during public comment.** To request Council action during the Business portion of a Council meeting, contact the City Administrator at least one week in advance of a meeting.

DEPARTMENT OF ECOLOGY OUTSTANDING PERFORMANCE AWARD

CONSENT AGENDA – TAB A

All matters, which are listed within the consent section of the agenda, have been distributed to each member of the Long Beach City Council for reading and study. Items listed are considered routine by the Council and will be enacted with one motion unless a Council Member specifically requests it to be removed from the Consent Agenda to be considered separately. Staff recommends approval of the following items:

- Minutes, January 3, 2017 City Council Meeting
- Payment Approval List for Warrant Registers 56810-56842 & 80963-81038 for \$733,721.05

BUSINESS

- None

DEPARTMENT HEAD ORAL REPORTS

CORRESPONDENCE AND WRITTEN REPORTS – TAB B

- Outstanding Performance Award for the City of Long Beach Wastewater Plant
- Notice of Complete Submittal – SMP from Department of Ecology
- Police Report - December 2016
- Washington State Auditor's Office – Audit Reports – Financial and Accountability
- Depot Inquiry – PAA
- Wauna Federal Credit Union Ribbon Cutting Invitation

FUTURE CITY COUNCIL MEETING SCHEDULE

The Regular City Council meetings are held the 1st and 3rd Monday of each month at 7:00 PM and may be preceded by a workshop.
February 6, 2017, February 20, 2017 and March 6, 2017

ADJOURNMENT

American with Disabilities Act Notice: The City Council Meeting room is accessible to persons with disabilities. If you need assistance, contact the City Clerk at (360) 642-4421 or advise City Administrator at the meeting.

TAB - A



Warrant Register

Check Periods: 2017 - January - First

I, THE UNDERSIGNED DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF LONG BEACH, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.

Number	Name	Print Date	Clearing Date	Amount
56810	Bell, Helen S	1/5/2017		\$291.90
56811	Binion, Jacob	1/5/2017		\$1,673.10
56812	Booi, Kristopher A	1/5/2017		\$1,352.22
56813	Gilbertson, Bradley K	1/5/2017		\$1,434.07
56814	Goulter, John R.	1/5/2017		\$1,565.18
56815	Hanson, Natalie	1/5/2017		\$266.95
56816	Huff, Timothy M.	1/5/2017		\$1,500.04
56817	Kaino, Kris	1/5/2017		\$1,015.75
56818	Kemmer, Holli L	1/5/2017		\$266.95
56819	Linhart, Steven P	1/5/2017		\$266.95
56820	Luehe, Paul J	1/5/2017		\$1,426.02
56821	Mortenson, Tim	1/5/2017		\$1,866.54
56822	Murry, Del R	1/5/2017		\$266.95
56823	Padgett, Timothy J	1/5/2017		\$1,514.32
56824	Phillips, Gerald S	1/5/2017		\$436.65
56825	Quitner, Jonathan H	1/5/2017		\$958.70
56826	Russum, Richard	1/5/2017		\$1,444.02
56827	Simonson, Angela B	1/5/2017		\$580.12
56828	Warner, Ralph D.	1/5/2017		\$2,256.98
56829	Williams, David L	1/5/2017		\$184.60
56830	Wood, Matthew T	1/5/2017		\$960.00
56831	Wright, Flint R	1/5/2017		\$2,478.77
56832	Zuern, Donald D.	1/5/2017		\$2,056.67
56833	AFLAC	1/5/2017		\$469.35
56834	Association of WA Cities	1/5/2017		\$29,359.45
56835	City of Long Beach - Fica	1/5/2017		\$11,742.96
56836	City of Long Beach - FWH	1/5/2017		\$8,714.42
56837	Council Gift Fund	1/5/2017		\$60.00
56838	Dept of Labor & Industries	1/5/2017		\$1,571.23

Number	Name	Print Date	Clearing Date	Amount
56839	Dept of Retirement Systems	1/5/2017		\$11,401.64
56840	Dept of Retirement Systems Def Comp	1/5/2017		\$1,200.00
56841	Massmutual Retirement Services	1/5/2017		\$825.00
56842	Teamsters Local #58	1/5/2017		\$195.00
80963	Booi, Kris	12/30/2016		\$27.00
80964	Tardiff, Donald W	12/30/2016		\$39.99
80965	Postmaster	1/6/2017		\$207.86
80966	Washington State Parks	1/6/2017		\$225.00
80967	Washington State Parks	1/6/2017		\$25.00
80968	Lindstrom & Son Construction	1/11/2017		\$329,417.74
80969	Active Enterprises, Inc.	1/13/2017		\$361.19
80970	Airgas USA LLC	1/13/2017		\$32.61
80971	AKS Engineering & Forestry	1/13/2017		\$6,433.45
80972	All Safe Mini Storage	1/13/2017		\$190.00
80973	ALS Group USA, Corp.	1/13/2017		\$324.00
80974	Alco-American Linen Div.	1/13/2017		\$173.17
80975	Arts Auto Parts Inc.	1/13/2017		\$73.43
80976	Association of Washington Cities	1/13/2017		\$727.00
80977	Backflow Management Inc	1/13/2017		\$1,502.50
80978	Beachdog.com Inc.	1/13/2017		\$2,052.00
80979	Beacon Athletics	1/13/2017		\$944.24
80980	BSK Associates	1/13/2017		\$826.50
80981	Cartomation, Inc	1/13/2017		\$1,000.00
80982	Chevron & Texaco Business Card Services	1/13/2017		\$2,000.00
80983	Chinook Observer	1/13/2017		\$143.40
80984	Columbia Steel Supply	1/13/2017		\$29.33
80985	Consolidated Supply	1/13/2017		\$1,508.85
80986	Cottage Bakery	1/13/2017		\$33.80
80987	CRUISE MASTER PRISMS	1/13/2017		\$36.32
80988	Curtis Blue Line - Northwest Division	1/13/2017		\$128.01
80989	Dennis Company	1/13/2017		\$436.43
80990	Department of Health	1/13/2017		\$87.00
80991	Dept of Ecology	1/13/2017		\$66,842.90
80992	Evergreen Rural Water of WA	1/13/2017		\$700.00
80993	Evergreen Septic Inc	1/13/2017		\$178.00
80994	Ford Electric	1/13/2017		\$501.47
80995	Goelz, Doug	1/13/2017		\$3,000.00
80996	Hach Company	1/13/2017		\$721.39
80997	Interstate Battery	1/13/2017		\$268.76
80998	Iron Mountain	1/13/2017		\$116.00
80999	Loyalty Days	1/13/2017		\$95.00
81000	MailFinance	1/13/2017		\$635.95
81001	Mcguire, Don	1/13/2017		\$72.02
81002	Naselle Rock & Asphalt	1/13/2017		\$94.69
81003	Neofunds By Neopost	1/13/2017		\$500.00
81004	Booi, Kris	1/5/2017		\$100.00

Number	Name	Print Date	Clearing Date	Amount
81005	NTA Services, INC	1/13/2017		\$700.00
81006	NTA Washington State Delegation Participation	1/13/2017		\$500.00
81007	Olympic Region Clean Air Agency	1/13/2017		\$1,065.00
81008	Oman & Son Builders	1/13/2017		\$15,012.51
81009	One Call Concepts, Inc.	1/13/2017		\$26.40
81010	Pacific Art & Office Supply	1/13/2017		\$81.38
81011	Pacific Council of Governments	1/13/2017		\$1,500.00
81012	Pacific County Economic Development Council	1/13/2017		\$2,000.00
81013	Pacific County Sheriffs	1/13/2017		\$19,497.27
81014	Pacific Office Automation	1/13/2017		\$74.43
81015	Pamplin Media Group	1/13/2017		\$1,995.00
81016	Parker, Michael	1/13/2017		\$945.86
81017	Peninsula Sanitation	1/13/2017		\$1,235.51
81018	Peninsula Visitors Bureau	1/13/2017		\$16,000.00
81019	Penoyar, William	1/13/2017		\$1,000.00
81020	Phillips, Jerry	1/13/2017		\$220.96
81021	Porter Foster Rorick LLP	1/13/2017		\$2,240.00
81022	Powell, Seiler & Co., P.S	1/13/2017		\$1,725.00
81023	Practical Edge Shooting	1/13/2017		\$250.00
81024	Serendipity Media	1/13/2017		\$816.00
81025	Sid's Iga	1/13/2017		\$43.79
81026	Sirchie Fingerprint Lab	1/13/2017		\$195.00
81027	South District Court	1/13/2017		\$3,499.71
81028	STAPLES ADVANTAGE	1/13/2017		\$251.04
81029	State Auditor's Office	1/13/2017		\$633.41
81030	SUNSET AUTO PARTS, INC	1/13/2017		\$1,283.36
81031	Telen, Vern or Diane	1/13/2017		\$26.63
81032	Total Battery & Auto	1/13/2017		\$172.26
81033	Usa Blue Book	1/13/2017		\$95.03
81034	Vision Municipal Solutions	1/13/2017		\$18,980.21
81035	Wadsworth Electric	1/13/2017		\$2,165.79
81036	Washington Cities Ins.	1/13/2017		\$124,765.00
81037	WASHINGTON FIRE CHIEFS	1/13/2017		\$100.00
81038	WILLAPA PAPER SERVICE	1/13/2017		\$210.00
	Total		Check	\$733,721.05
	Grand Total			\$733,721.05

LONG BEACH CITY COUNCIL MEETING

January 3, 2017

6:30 WORKSHOP; SKATEBOARD PARK

7:00 CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Phillips called the meeting to order and asked for the Pledge of Allegiance and roll call.

ROLL CALL

David Glasson, City Administrator, called roll with C. Linhart, C. Caldwell, C. Hanson, C. Murry, and C. Kemmer all present.

PUBLIC COMMENT

No public comments.

CONSENT AGENDA

Minutes, December 19, 2016 City Council Meeting

Payment Approval List for Warrant Registers 56787-56809 & 80929-80962 for \$177,883.50

C. Linhart made the motion to approve the Consent Agenda. C. Caldwell seconded the motion. 5 Ayes, motion passed.

BUSINESS

AB 17-01 Maintenance Agreement for Vision Hardware and IT Services

David Glasson, City Administrator, presented the Agenda Bill. The agreement includes remote assistance, proactive monitoring, managed and monitored antivirus and patch management. This will help with the membership requirements of Washington Cities Insurance Authority. **C. Hanson made the motion to authorize staff to sign the contract. C. Linhart seconded the motion. 5 Ayes, motion passed.**

AB 17-02 Vision Purchase Order for Utility Billing 2

David Glasson, City Administrator, presented the Agenda Bill. This is an upgrade to the existing utility billing software. This upgrade includes software integration with other Vision modules, improved reporting systems, documents and GIS integration, and a centralized contact data base. **C. Linhart made the motion to authorize staff to sign the contract. C. Caldwell seconded the motion. 5 Ayes, motion passed.**

AB 17-03 TAP Ranking Committee

David Glasson, City Administrator, presented the Agenda Bill. The Transportation Alternatives Program ranking committee is in need of a representative from Pacific County to rank the projects for possible funding. This person needs to be nominated by either City Council or County Commissioners. **C. Linhart made the motion to nominate City Administrator, David Glasson to be on the TAP**

Ranking Committee representing Pacific County. C. Kemmer seconded the motion. 5 Ayes, motion passed.

DEPARTMENT HEAD ORAL REPORTS

CORRESPONDENCE AND WRITTEN REPORTS

- Washington State Department of Commerce- 2016 Capital Awards for Affordable Housing
- Report and Decision for 310 4th St NE- Weidenhoft & Wilson
- 2016 December Staff Report- Tourism and Events Department
- Sales and Lodging Tax Collections

ADJOURNMENT

The Mayor adjourned the meeting at 7:20 p.m.

Mayor

ATTEST:

City Clerk

TAB - B



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

December 29, 2016

The Honorable Jerry Phillips, Mayor
City of Long Beach
P.O. Box 310
Long Beach, WA 98631

Re: Outstanding Performance Award for the City of Long Beach Wastewater Plant

Dear Mayor Phillips:

The Department of Ecology's Southwest Regional Office is pleased to transmit to you the enclosed Outstanding Performance Award for 2015, for the City of Long Beach Wastewater Plant.

We recognize the effort and attention to detail that is required of your operating staff to consistently meet our permit requirements, in good weather and bad, during normal conditions and unforeseen emergencies. We are grateful for their efforts, and the city's efforts, to protect water quality.

Sincerely,

Richard Doenges
Southwest Region Manager
Water Quality Program

Enclosure





STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

January 6, 2017

Ms. Ariel Smith, Community Development Director
City of Long Beach
PO Box 310
Long Beach, WA 98631

RE: Long Beach Shoreline Master Program Update, Complete Submittal

Dear Ms. Smith:

Thank you for your December 6, 2016 submittal of the 2016 Comprehensive Update to the Long Beach Shoreline Master Program (SMP). Supplemental materials were received December 28th and 29th. The Department of Ecology (Ecology) recognizes and appreciates the time, effort, and resources the City of Long Beach (City) has committed to this update process.

Ecology is required to determine if SMP submittals are complete and in compliance with Washington Administrative Code (WAC) 173-26-100 and 110.

Ecology has determined the City's SMP submittal is complete and ready to move into the formal review process.

This does not mean that your SMP has been approved; only that it meets the criteria for a complete submittal.

What Happens Next?

Ecology will now begin the formal review process for determining whether your submittal is consistent with RCW 90.58 (The Shoreline Management Act) and WAC 173-26, Part III (the SMP Guidelines). We are required to have a 30 day public comment period.

During the 30 day public comment period we will advertise and notify interested parties about your submittal.

The public comment period time has not yet been determined but is anticipated to begin sometime in February 2017. As soon as dates are established we will notify you in writing as well as all interested parties of the beginning and end of the public comment period. We will also provide additional details regarding the City's responsibilities following the comment period.



Ms. Ariel Smith
January 6, 2017
Page 2

Thank you again for your cooperation. We look forward to an efficient and effective review and approval process. If you have any questions or concerns, please feel free to contact me, your regional SMP planner, at kim.vanzwalenburg@ecy.wa.gov (360) 407-6520.

Sincerely,



Kim Van Zwalenburg
Senior Regional SMP Planner

cc: Paula Ehlers, Ecology
Jackie Chandler, Ecology

Long Beach Police

P.O. Box 795
Long Beach, WA 98631

lbpdchief@centurytel.net

Phone 360-642-2911
Fax 360-642-5273

01-01-17

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To: Mayor Phillips and Long Beach City Council

From: Chief Flint R. Wright

Ref.: Monthly Report for December 2016

During the month of December the Long Beach Police Department handled the following cases and calls:

Long Beach

692 Total Incidents

Aid Call Assists: 3

Alarms: 13

Animal Complaints: 4

Assaults: 3

Assists: 92

(Includes 9 Law Enforcement Agency Assists Outside City Boundaries)

Burglaries: 2

Disturbance: 12

Drug Inv.: 7

Fire Call Assists: 0

Follow Up: 115

Found/Lost Property: 8

Harassment: 5

Malicious Mischief: 1

MIP – Alcohol: 0

MIP – Tobacco: 0

Missing Persons: 0

Prowler: 2

Runaway: 1

Security Checks: 249

Suspicious: 31

Thefts: 9

Traffic Accidents: 4

Traffic Complaints: 18

Traffic Tickets: 23

Traffic Warnings: 62

Trespass: 6

Warrant Contacts: 10

Welfare Checks: 12

Ilwaco

415 Total Incidents

Aid Call Assists: 0

Alarms: 11

Animal Complaints: 2

Assaults: 1

Assists: 53

Burglaries: 0

Disturbance: 6

Drug Inv.: 2

Fire Call Assists: 0

Follow Up: 70

Found/Lost Property: 3

Harassment: 4

Malicious Mischief: 1

MIP – Alcohol: 0

MIP – Tobacco: 0

Missing Persons: 2

Prowler: 0

Runaway: 1

Security Checks: 203

Suspicious: 10

Thefts: 2

Traffic Accidents: 2

Traffic Complaints: 3

Traffic Tickets: 4

Traffic Warnings: 15

Trespass: 7

Warrant Contacts: 8

Welfare Checks: 5

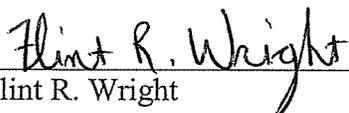
On December 3rd the department participated in the annual "Shop With A Cop" program. There were 17 children there. Each child is paired with an officer and they have breakfast together at the Lost Roo. A parade is then held with the children riding in the patrol vehicles and then they end up at Dennis Company where each child is given a \$100 gift card to purchase Christmas presents for family and friends. This is a great event for everyone involved.

The department had range training on the 12th. We did our annual nighttime firearms training.

On the 14th Officer Rodney Nawn attended local training. He attended a training put on by the Pacific County Prosecutors Office. The training dealt with the latest case law on search and seizures, courtroom do's and don'ts, and the implication of the new high-risk gun seizure law.

On December 14th – 16th Officer Mike Parker attended training. The class title was "Street Crimes". The class dealt with many subjects including some of the following topics: hostage negotiating for street cops, improving police and community relations, sovereign citizen's movements, the heroin epidemic, police pursuit's liability and gangs.

New Year's Eve was quiet but still busy as numerous subjects with warrants were contacted and went to jail. Other than those warrant arrests and a domestic assault the night was without incident.



Flint R. Wright
Chief of Police

To: Mayor Phillips and Long Beach City Council

From: Chief Flint R. Wright

Ref: Annual Report for 2016

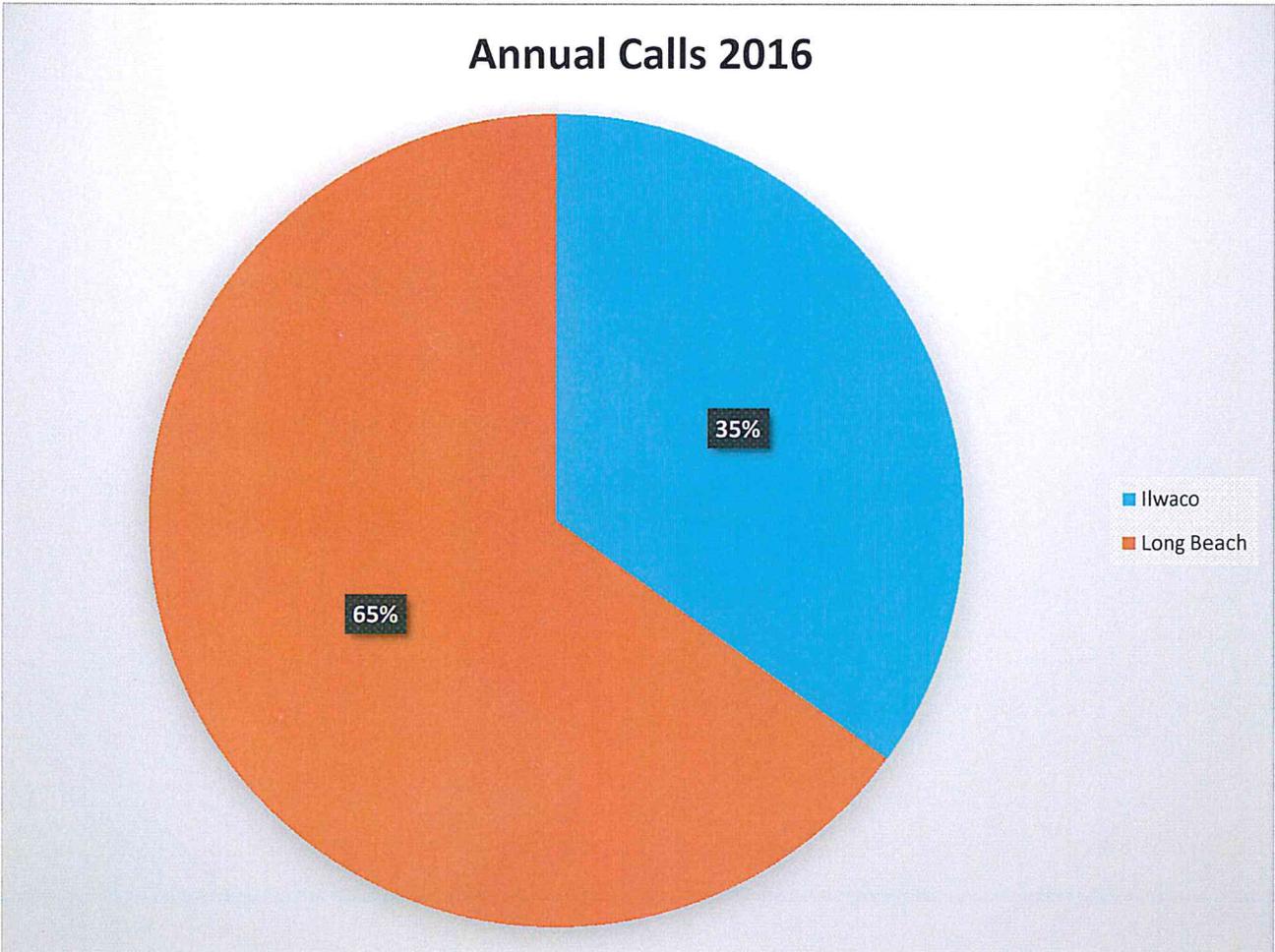
During the Year the Long Beach Police Department handled the following cases and calls:

Long Beach	Ilwaco
8,912 Total Incidents	5,636 Total Incidents
88 Aid Call Assists	23 Aid Call Assists
89 Alarms	58 Alarms
93 Animal Complaints	26 Animal Complaints
83 Assaults	43 Assaults
1225 Assists	690 Assists
20 Burglaries	12 Burglaries
228 Disturbance	116 Disturbance
75 Drug Inv.	32 Drug Inv.
38 Fire Call Assists	5 Fire Call Assists
1717 Follow Up	1023 Follow Up
204 Found/Lost Property	34 Found/Lost Property
100 Harassment	38 Harassment
40 Malicious Mischief	17 Malicious Mischief
4 MIP - Alcohol	1 MIP - Alcohol
1 MIP - Tobacco	0 MIP - Tobacco
18 Missing Persons	11 Missing Persons
26 Prowler	7 Prowler
5 Runaway	7 Runaway
2511 Security Checks	2557 Security Checks
273 Suspicious	149 Suspicious
177 Thefts	51 Thefts
71 Traffic Accidents	15 Traffic Accidents
225 Traffic Complaints	62 Traffic Complaints
258 Traffic Tickets	83 Traffic Tickets
935 Traffic Warnings	369 Traffic Warnings
129 Trespass	69 Trespass

125 Warrant Contacts
154 Welfare Checks

68 Warrant Contacts
70 Welfare Checks

Ilwaco 4,786
Long Beach 8,912





Washington State Auditor's Office

December 14, 2016

City Council
City of Long Beach
Long Beach, Washington

Management Letter

This letter includes a summary of specific matters that we identified in planning and performing our accountability audit of the City of Long Beach from January 1, 2015 through December 31, 2015. We believe our recommendations will assist you in improving the City's controls or compliance in these areas.

We will review the status of these matters during our next audit. We have already discussed our comments with and made suggestions for improvements to City officials and personnel. If you have any further questions, please contact me at (360) 725-5562.

This letter is intended for the information and use of management and the governing body. However, this letter is a matter of public record and its distribution is not limited.

We would also like to take this opportunity to extend our appreciation to your staff for the cooperation and assistance given during the course of the audit.

Sincerely,

Bryson Bristol, Audit Manager

Attachment

Management Letter
City of Long Beach
January 1, 2015 through December 31, 2015

Cost Allocation

Cities incur costs for central services such as administration, payroll, purchasing and insurance that are shared among funds that benefit from the services. Cities may adopt a fair and equitable method of distributing these shared costs among funds. However, state law prohibits resources restricted for certain uses such as utilities from benefitting other funds (RCW 43.09.210).

The City has adopted a policy that governs how it calculates and charges shared services to all funds and departments. However, during the current audit and five prior audits, we determined the City is not following its policy as it was unable to provide adequate documentation to support the methodology it used to determine the amounts charged. The City has unsupported allocations of at least \$1,356,079 for salaries and benefits and \$39,119 in insurance costs to the restricted Water and Streets Funds.

We continue to recommend the City:

- Ensure shared service costs charged to restricted funds correlate to the service or benefit each fund receives. Specifically, the City should follow its policy that governs how it calculates and charges shared service costs to all funds and departments. Costs should be charged in proportion to the level of service or benefit provided to each fund or department.
- Provide adequate documentation to support allocations charged to restricted funds.
- Review and update the cost allocation plan annually to ensure it reflects actual amounts when estimated or budgeted amounts are used.

Fuel Tracking

The City has a fuel tank located at the Public Works Department facility. The City's Police, Public Works, Parks, and Volunteer Firefighter departments used the fuel from the tank in 2015. The fuel tank dispenses unleaded gasoline and ultra-low diesel fuel. From January 2015 through August 2016, the City purchased approximately \$53,000 of fuel.

A meter is attached to the unleaded gasoline fuel tank. City employees use a tracking spreadsheet to document the employee, date, number of gallons pumped, vehicle fueled, and responsible department. The City does not track ultra-low diesel fuel usage.

We reviewed the City's controls over fuel tracking and found that processes are not adequate to detect a misuse or loss of public resources in a timely manner, if at all. Specifically:

Adopt Policy

- The City has not formalized a fuel tracking policy so the tracking spreadsheet is not required as a monitoring tool.
- The City does not track ultra-low diesel fuel usage by vehicle or employee to determine if the usage of fuel by vehicle and driver is reasonable.
- The City does not reconcile actual unleaded fuel used to the tracking spreadsheet.

We performed a reconciliation between the tracking spreadsheets and invoices for the time periods of May 1, 2015 through August 31, 2016. We identified:

- 2,060 of the 9,656 gallons, or 21percent, of unleaded gasoline usage was not tracked on the spreadsheet.
- The City retained tracking spreadsheets from April 2015 to current. However, the tracking spreadsheets should be maintained for 6 years, in compliance with state record retention requirements.
- The City was unable to locate two August 2015 fuel purchase invoices.

We recommend the City adopt a fuel tracking policy that addresses the method of tracking and reconciling fuel usage to fuel purchases. We further recommend the City retain fuel records in compliance with local records retention schedules and laws (RCW 40.14.070).

Small & Attractive Assets

In 2011 the City Council passed a resolution directing the City Administrator to establish a policy for small and attractive assets. The City still does not have a small and attractive assets policy. However, the City has purchased software and started an inventory listing. We noted the listing is incomplete and includes only some items from City Hall and the Fire Hall with no items from other departments such as Public Works and the Police Department. In addition, the list does not document the each item's value. Without a formal policy, the City's practices do not include proper controls such as periodic inventories and segregation of duties between purchasing items, receiving items, adding items to the list and disposing of items.

We recommend the City:

- Create a small and attractive asset policy that requires:
 - A complete a small and attractive asset list.
 - Inventories of the small and attractive assets, under the established timeframe.
 - Segregation of duties between purchasing items, receiving items, disposing of items and adding items to the small and attractive asset list.



Washington State Auditor's Office

Government that works for citizens

Financial Statements Audit Report City of Long Beach

Pacific County

For the period January 1, 2015 through December 31, 2015

Published
Report No.





Washington State Auditor's Office

Issue Date – (Issued by OS)

Mayor
City of Long Beach
Long Beach, Washington

Report on Financial Statements

Please find attached our report on the City of Long Beach's financial statements and compliance with requirements applicable to its passenger facility charge program.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

Signature Here (Please do not remove this line)

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

PRELIMINARY DRAFT - Please do not duplicate, distribute or disclose

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

I-1

**City of Long Beach
Pacific County**

January 1, 2015 through December 31, 2015

Mayor and City Council
City of Long Beach
Long Beach, Washington

We have audited, 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, the financial statements of the City of Long Beach, Pacific County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 14, 2016.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial 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 may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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TROY KELLEY

PRELIMINARY DRAFT - Please do not duplicate, distribute or disclose

STATE AUDITOR
OLYMPIA, WA

December 14, 2016

**INDEPENDENT AUDITOR'S REPORT ON
FINANCIAL STATEMENTS**

**City of Long Beach
Pacific County
January 1, 2015 through December 31, 2015**

Mayor and City Council
City of Long Beach
Long Beach, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Long Beach, Pacific County, Washington, for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 10.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Long Beach has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Long Beach, for the year ended December 31, 2015, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Long Beach, as of December 31, 2015, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

December 14, 2016



Washington State Auditor's Office

Government that works for citizens

Accountability Audit Report City of Long Beach

Pacific County

For the period January 1, 2015 through December 31, 2015

Published

Report No. 1018038





Washington State Auditor's Office

Issue Date – (Issued by OS)

Mayor and City Council
City of Long Beach
Long Beach, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for City operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the City's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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AUDIT SUMMARY

Results in brief

In most areas we audited, City operations complied with applicable requirements and provided adequate safeguarding of public resources. The City also complied with state laws and regulations and its own policies and procedures in the areas we examined.

However, we noted certain matters that we communicated to City management in a letter dated December 14, 2016, related to cost allocation, fuel tracking and small and attractive assets. We appreciate the City's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of the City of Long Beach from January 1, 2015 through December 31, 2015.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the City's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Cost allocation
- Financial condition
- Controls over significant accounting systems
- Open public meetings
- Payroll
- Controls over fuel
- Small and attractive assets

RELATED REPORTS

Financial

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE CITY

The City of Long Beach was established as a seashore resort by Henry Harrison Tinker in 1880 and incorporated in 1922. The City currently serves 1,425 citizens in Pacific County, along with thousands of visitors each year. The City provides an array of services including police, fire, parks, recreational and cultural services, land use management and development regulation, street maintenance and construction, water and wastewater services, and storm drainage management. The City participates in a range of inter-governmental organizations in order to effectively carry out its responsibilities.

An elected, five-member Council and an independently elected Mayor govern the City. The Mayor appoints a City Administrator to oversee the City's daily operations as well as its 35 employees. For 2015, the City operated on an annual budget of \$6 million.

Contact information related to this report	
Address:	City of Long Beach P.O. Box 310 Long Beach, WA 98631
Contact:	David Glasson, City Administrator
Telephone:	(360) 642-4421
Website:	www.longbeachwa.gov

Information current as of report publish date.

Audit history

You can find current and past audit reports for the City of Long Beach at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov



Washington State Auditor's Office

Government that works for citizens

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www.sao.wa.gov

Exit Conference: City of Long Beach

December 14, 2016

About our Office

The Washington State Auditor's Office's vision is government that works for citizens. Our goal is for government that works better, costs less and earns greater public trust.

The purpose of this meeting is to share our audit results and draft reporting. We value and appreciate your participation.

Audit Highlights

- City staff does a great job providing a comfortable work environment.
- City staff is a pleasure to work with.

Audit Scope

We performed the following audits:

- **Accountability audit for 2015**
- **Financial statement audit for 2015**

Financial Statement required communications

In relation to our report, we would like to bring to your attention:

- Uncorrected misstatements in the audited financial statements are summarized in the Management Representation Letter. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.

Status of Prior Findings and Management Letter items

Prior Findings/Management Letters	Resolved	Unresolved
Management Letter: Cost allocation		X

Recommendations not included in the Audit Reports

Management Letters

Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other items significant to our audit objectives. Management letters are referenced, but not included, in the audit report. We noted certain matters that we are communicating in a letter to management related to cost allocation, fuel tracking and small & attractive assets.

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

Concluding Comments

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/saoportal/Login.aspx>

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$15,800 and actual audit costs will approximate that amount.

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in 2017 and will cover the following general areas for fiscal year 2016:

- Accountability for Public Resources
- Financial Statements

The estimated cost for the next audit based on current rates is \$15,800, plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies

David Glasson

From: Vikki Rennick <photosbyvikki@gmail.com>
Sent: Friday, January 6, 2017 8:58 AM
To: David Glasson; rermeyers@longbeachwa.gov
Subject: PAA Lease for City Building

Good morning! Who do I need to speak with to arrange for signing a lease for 2017 for the city building Peninsula Arts Association uses?

Best, Vikki Rennick 2016 & 2017 PAA President
503.705.5233



Ribbon Cutting will be at 4 p.m., followed by an Open House with warm drinks and appetizers until 7 p.m. The building is small, but cozy.

Come and meet our Mortgage Team and learn how Wauna Credit Union is helping turn houses into homes in Pacific County!

Wauna Credit Union Mortgage Origination Office

Ribbon Cutting and Open House

January 18th, 4 – 7pm

910 Pacific Avenue

Long Beach WA

See our Facebook Event Page:

<https://business.facebook.com/events/1248278845210938/>

I'd also like to take this opportunity to introduce myself. My name is Sue Neuer, the new Communications Specialist for Wauna Credit Union. I'm looking forward to meeting you!

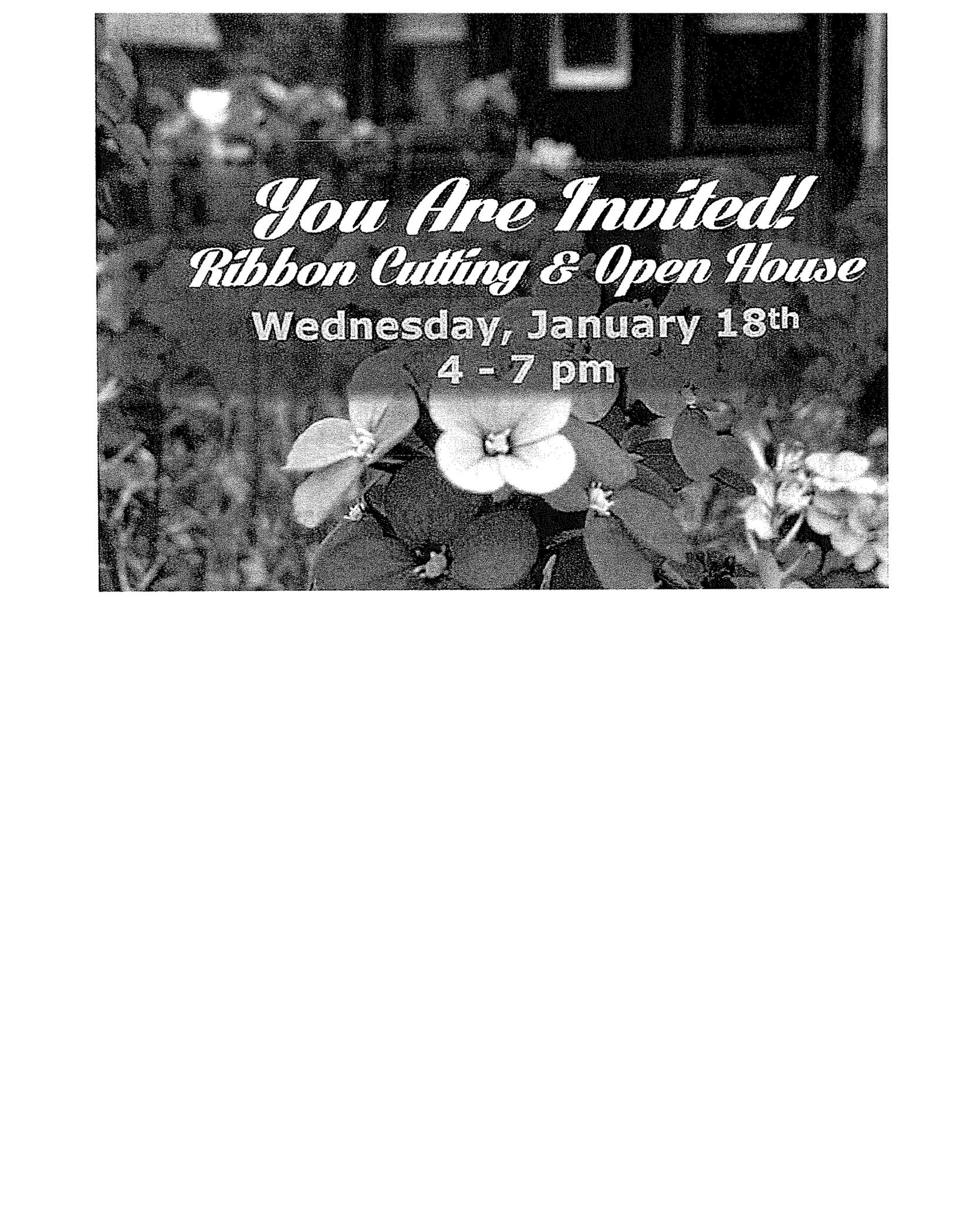
Hope to see you there!

Sue Neuer

Communications Specialist

Wauna Credit Union | T 503-338-1855 | 800-773-3236 x2855

100 Columbia Ave | Astoria OR 97103 | waunafcu.org



You Are Invited!
Ribbon Cutting & Open House

Wednesday, January 18th
4 - 7 pm