June 13, 2012
CITY COUNCIL CHAMBERS
3:30 p.m. Closed Session; 4:30 p.m. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR
Sam Abed

DEPUTY MAYOR
Marie Waldron

COUNCIL MEMBERS
Olga Diaz
Ed Gallo
Michael Morasco

CITY MANAGER
Clay Phillips

CITY CLERK
Diane Halverson

CITY ATTORNEY
Jeffrey Epp

DIRECTOR OF COMMUNITY DEVELOPMENT
Barbara Redlitz

DIRECTOR OF ENGINEERING SERVICES
Ed Domingue
**ELECTRONIC MEDIA:**

Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk's Office at least 24 hours prior to the Council meeting at which it is to be shown.

The electronic media will be subject to a virus scan and must be compatible with the City's existing system. The media must be labeled with the name of the speaker, the comment period during which the media is to be played and contact information for the person presenting the media.

The time necessary to present any electronic media is considered part of the maximum time limit provided to speakers. City staff will queue the electronic information when the public member is called upon to speak. Materials shown to the Council during the meeting are part of the public record and may be retained by the Clerk.

The City of Escondido is not responsible for the content of any material presented, and the presentation and content of electronic media shall be subject to the same responsibilities regarding decorum and presentation as are applicable to live presentations.
CALL TO ORDER

ROLL CALL: Diaz, Gallo, Morasco, Waldron, Abed

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) Speakers are limited to only one opportunity to address the Council under Oral Communications.

CLOSED SESSION: (COUNCIL/ CDC/ RRB)

1. CONFERENCE WITH LABOR NEGOTIATOR (Government Code § 54957.6)
   a. Agency negotiator: Sheryl Bennett, Clay Phillips
      Employee organization: Police Officers’ Association/Sworn
   b. Agency negotiator: Sheryl Bennett, Clay Phillips
      Employee organization: Escondido City Employee Association: Administrative/Clerical/Engineering (ACE) Bargaining Unit
   c. Agency negotiator: Sheryl Bennett, Clay Phillips
      Employee organization: Escondido City Employee Association: Supervisory (SUP) Bargaining Unit
   d. Agency negotiator: Sheryl Bennett, Clay Phillips
      Employee organization: POA/ Non-Sworn Police Bargaining Unit

ADJOURNMENT
MOMENT OF REFLECTION:
City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

ROLL CALL: Diaz, Gallo, Morasco, Waldron, Abed

PRESENTATIONS:

PROCLAMATIONS: Senior Service Council Escondido- 40 Year Anniversary
Summer Reading Program
Escondido Impact Soccer Club
Grace Lutheran Church

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Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/ CDC/ RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/ CDC)**
3. **APPROVAL OF MINUTES: Regular Meeting of May 9, 2012**
4. **NOTICE OF COMPLETION FOR THE CROSSING - 715 MISSION GROVE PLACE** - Request Council approve and accept the public improvements and authorize staff to file a Notice of Completion for The Crossings - 715 Mission Grove Place.
   
   Staff Recommendation: Approval *(Engineering: Ed Domingue)*

5. **NOTICE OF COMPLETION FOR TRACT 947** - Request Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 947.
   
   Staff Recommendation: Approval *(Engineering: Ed Domingue)*

6. **AWARD OF CONSULTING AGREEMENT- REAL ESTATE BROKERAGE SERVICES** - Request Council authorize the Real Property Manager and City Clerk to execute, on behalf of the City, a Consulting Agreement with Cassidy Turley BRE Commercial for real estate brokerage services.
   
   Staff Recommendation: Approval *(Engineering: Ed Domingue)*

   **RESOLUTION NO. 2012-83**

7. **AMEND THE CITY’S SCHEDULE OF STOP INTERSECTIONS AND YIELD INTERSECTIONS** - Request Council approve amending the City's Schedule of Stop Intersections to add fifty-five (55) new Stop signs and the Schedule of Yield Intersections to add one (1) new Yield sign.
   
   Staff Recommendation: Approval *(Engineering: Ed Domingue)*

   **RESOLUTION NO. 2012-85**

8. **SENIOR NUTRITION SERVICES CONTRACT WITH THE COUNTY OF SAN DIEGO** - Request Council authorize the Director of Community Services to enter into an agreement with the County of San Diego to provide senior nutrition services at the Escondido Senior Center.
   
   Staff Recommendation: Approval *(Community Services: Jerry Van Leeuwen)*

   **RESOLUTION NO. 2012-94**

9. **BUDGET ADJUSTMENT TO TRANSFER FUNDS TO THE BUILDING MAINTENANCE OPERATING BUDGET FOR UNANTICIPATED UTILITIES AND REPAIRS TO CITY FACILITIES** - Request Council approve a budget adjustment to transfer funds from the Building Maintenance Reserve to the Building Maintenance Operating Budget in the amount of $150,000.
   
   Staff Recommendation: Approval *(Community Services: Jerry Van Leeuwen)*
10. **CONTRACT AWARD FOR HAULING AND BENEFICIAL REUSE OF HARRF BIOSOLIDS** - Request Council authorize the execution of a Public Services Agreement with Tule Ranch/Western Express Transporters, the lowest responsive and responsible bidder, for hauling and beneficial reuse of biosolids from the Hale Avenue Resource Recovery Facility (HARRF).

   Staff Recommendation: Approval (Utilities: Christopher McKinney)

   **RESOLUTION NO. 2012-81**

11. **AWARD BID FOR TWO 2012 DUMP TRUCKS** - Request Council approve the bid award for two dump trucks to Dion International Trucks LLC in the amount of $254,433.

   Staff Recommendation: Approval (Finance: Gilbert Rojas)

   **RESOLUTION NO. 2012-89**

12. **FINANCIAL REPORT FOR THE QUARTER ENDED MARCH 31, 2012 AND BUDGET ADJUSTMENT** - Request Council receive and file the third quarter financial report and approve a budget adjustment to increase General Fund revenue estimates by $920,505 to reach budgeted revenue of $73 million.

   Staff Recommendation: Receive and File (Finance: Gilbert Rojas)

13. **FISCAL YEAR 2009 PROJECT SAFE NEIGHBORHOOD GUN VIOLENCE SUPPRESSION GRANT MODIFICATION AND BUDGET ADJUSTMENT** - Request Council authorize the Escondido Police Department to accept additional grant funds in the amount of $1,978 from the San Diego Association of Governments (SANDAG) for Project Safe Neighborhood overtime; and approve a budget adjustment needed to spend additional grant funds.

   Staff Recommendation: Approval (Police: Jim Maher)

14. **FISCAL YEAR 2008 CALIFORNIA OFFICE OF TRAFFIC SAFETY AVOID DRIVING UNDER THE INFLUENCE (DUI) CAMPAIGN GRANT MODIFICATION AND BUDGET ADJUSTMENT** - Request Council authorize the Escondido Police Department to accept additional grant funds of $15,844 from the San Diego Sheriff’s Department for overtime expenses related to the California Office of Traffic Safety “Avoid DUI Campaign” Grant Programs; and approve a budget adjustment to spend grant funds.

   Staff Recommendation: Approval (Police: Jim Maher)

15. **FISCAL YEAR 2009 STATE HOMELAND SECURITY GRANT PROGRAM (SHSGP) MODIFICATION AND BUDGET ADJUSTMENT** - Request Council authorize the Escondido Police Department to accept an additional $66,410 in funding from the Department of Homeland Security (DHS) for the FY 2009 State Homeland Security Grant Program (SHSGP); authorize the Chief of Police to submit grant documents on behalf of the City; and authorize staff to establish a budget adjustment to spend the grant funds.

   Staff Recommendation: Approval (Police: Jim Maher)
16. **JUVENILE CURFEW ORDINANCE** - Request Council approve amending juvenile curfew hours from 10:00 p.m. to 5:00 a.m. to be consistent with the City of San Diego, surrounding jurisdictions and unincorporated areas of San Diego County.

Staff Recommendation: Approval (Police: Jim Maher)

**ORDINANCE NO. 2012-14** Introduction and First Reading

17. **CHARTER CITY PROPOSAL** - Request Council approve form of a proposed City charter for submission to the voters of Escondido on November 6, 2012.

Staff Recommendation: Approval (City Attorney’s Office: Jennifer McCain)

**RESOLUTION NO. 2012-99**

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The following Resolutions and Ordinances were heard and acted upon by the City Council/CDC/RRB at a previous City Council/Community Development Commission/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

**PUBLIC HEARINGS**

18. **ADOPTION OF THE FISCAL YEAR 2012/13 AND 2013/14 TWO-YEAR OPERATING BUDGET** - Request Council approve the FY 2012/13 Annual Operating Budget; approve the Appropriations Limit (GANN Limit) for FY 2012/13; and approve the modified fund balance policy.

Staff Recommendation: Approval (Finance: Gilbert Rojas)

a. **RESOLUTION NO. 2012-79**

b. **RESOLUTION NO. 2012-80**

c. **RESOLUTION NO. 2012-88**

19. **SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR TRACT 932 - HIDDEN VALLEY RANCH (PHG 09-0037)** - Second Amendment of the Development Agreement between the City of Escondido and Hall Land Co., Inc., for the 179 lot, Tract 932 residential development to grant a five year term extension beyond the current August 4, 2012 expiration date. The modifications will extend the completion date of public improvements and adjust fee credits in exchange for an Irrevocable Offer of Dedication on property and associated access rights to enable City construction of a new water tank.

Staff Recommendation: Approval (Community Development/Planning: Barbara Redlitz)

**ORDINANCE NO. 2012-13** Introduction and First Reading
PUBLIC HEARINGS Continued

20. **REVISED ZONING CODE AMENDMENT TO ADD CARGO CONTAINER RESTRICTIONS TO THE ZONING CODE (AZ 11-0001)** - Request Council approve an amendment to the Escondido Zoning Code establishing restrictions, standards and permit requirements for the use of cargo containers in residential, commercial and industrial zones.

   Staff Recommendation: Approval (Community Development/Planning: Barbara Redlitz)

   ORDINANCE NO. 2012-07 R Introduction and First Reading

21. **AMENDMENT TO THE MUNICIPAL AND ZONING CODES REGARDING DEFERRAL OF DEVELOPMENT FEES (AZ 12-0003)** - Request Council approve amendments to Escondido Municipal Code Chapter 6, Articles 17, 18A-D, and 21, and Zoning Code Chapter 33, Article 37 revising development fee procedures to allow deferred payment of certain development fees as an economic development incentive, pursuant to the adopted Council Action Plan.

   Staff Recommendation: Approval (Community Development/Planning: Barbara Redlitz)

   a. ORDINANCE NO. 2012-12 Introduction and First Reading
   b. RESOLUTION NO. 2012-102
   c. RESOLUTION NO. 2012-103

FUTURE AGENDA

22. **FUTURE AGENDA ITEMS** - The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

   Staff Recommendation: None (City Clerk’s Office: Diane Halverson)

ORAL COMMUNICATIONS

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## UPCOMING MEETING SCHEDULE

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<thead>
<tr>
<th>Date</th>
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<tbody>
<tr>
<td>June 20</td>
<td>Wednesday</td>
<td>3:30 &amp; 4:30pm</td>
<td>Council Meeting</td>
<td>Council Chambers</td>
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<tr>
<td>June 27</td>
<td>Wednesday</td>
<td>3:30 &amp; 4:30pm</td>
<td>Council Meeting</td>
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<td>July 4</td>
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<td>July 11</td>
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TO ADDRESS THE COUNCIL

The public may address the City Council on any agenda item. Please complete a Speaker’s form and give it to the City Clerk. Comments are generally limited to 3 minutes.

If you wish to speak concerning an item not on the agenda, you may do so under “Oral Communications.” Please complete a Speaker’s form as noted above.

Handouts for the City Council should be given to the City Clerk. To address the Council, use the podium in the center of the Chambers, STATE YOUR NAME FOR THE RECORD and speak directly into the microphone.

AGENDA, STAFF REPORTS AND BACK-UP MATERIALS ARE AVAILABLE:

- Online at http://www.ci.escondido.ca.us/government/agendas/PublishedMeetings.htm
- In the City Clerk’s Office at City Hall
- In the Library (239 S. Kalmia) during regular business hours and
- Placed in the Council Chambers (See: City Clerk/Minutes Clerk) immediately before and during the Council meeting.

AVAILABILITY OF SUPPLEMENTAL MATERIALS AFTER AGENDA POSTING: Any supplemental writings or documents provided to the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk’s Office located at 201 N. Broadway during normal business hours, or in the Council Chambers while the meeting is in session.

LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City’s website at www.escondido.org, and selecting: City Council/broadcasts of City Council Meetings/live video streaming.

Please turn off all cellular phones and pagers while the meeting is in session.

The City Council is scheduled to meet the first four Wednesdays of the month at 3:30 in Closed Session and 4:30 in Open Session.

(Verify schedule with City Clerk’s Office)

Members of the Council also sit as the Escondido Joint Powers Financing Authority and the Mobilehome Rent Review Board.

CITY HALL HOURS OF OPERATION
Monday-Thursday 7:30 a.m. to 5:30 p.m.

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4641. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

Listening devices are available for the hearing impaired – please see the City Clerk.
CALL TO ORDER

The Special Meeting of the Escondido City Council was called to order at 2:30 p.m. on Wednesday, May 9, 2012 in the Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember Michael Morasco, Deputy Mayor Marie Waldron, and Mayor Sam Abed. Quorum present.

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/CDC/RRB)

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to recess to Closed Session. Motion carried unanimously.

I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)
   a. Agency negotiator: Sheryl Bennett, Clay Phillips
   b. Agency negotiator: Sheryl Bennett, Clay Phillips
   c. Agency negotiator: Sheryl Bennett, Clay Phillips
   d. Agency negotiator: Sheryl Bennett, Clay Phillips
   e. Agency negotiator: Sheryl Bennett, Clay Phillips

   Employee organization: Police Officers' Association
   Employee organization: Escondido City Employee Association: Administrative/Clerical
   Employee organization: Escondido City Employee Association: Supervisory (SUP)
   Employee organization: Non-Sworn Police Bargaining Unit
   Employee organization: Teamsters Bargaining Unit

II. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION (Government Code §54956.9(a))

   DEMETRIO GOMEZ, ET AL. V. CITY OF ESCONDIDO, ET AL.
   CASE NO. 37-2011-00060480-CU-CR-NC
III. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)
a. Property: 620 North Ash Street
   City Negotiator: Debra Lundy, Real Property Negotiator
   Negotiating parties: R.I. Properties Development, Inc.
   Under negotiation: Price and Terms of Sale

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:20 p.m.

______________________________  ______________________________
MAYOR  CITY CLERK

______________________________
MINUTES CLERK
CALL TO ORDER

The Regular Meeting of the Escondido City Council, Escondido Joint Powers Financing Authority and Mobile Home Rent Review Board

MOMENT OF REFLECTION

FLAG SALUTE

Mayor Abed led the flag salute.

ATTENDANCE

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember Michael Morasco, Deputy Mayor Marie Waldron, and Mayor Sam Abed. Quorum present.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Engineering Services Director; Diane Halverson, City Clerk; and Liane Uhl, Minutes Clerk.

PROCLAMATIONS

Mayor Abed introduced Susan Pollack and Dan Dykes who accepted a proclamation for recognition of the "New Leaf" Public Art piece.

Mayor Abed introduced Elisa Marrone, Utilities Department, who accepted a proclamation for Water Awareness Month, May 2012, and Drinking Water Week, May 6-12, 2012.

ORAL COMMUNICATIONS

None

CONSENT CALENDAR

Councilmember Gallo removed items 6 and 7 from the Consent Calendar for discussion.
MOTION: Moved by Councilmember Waldron and seconded by Councilmember Morasco that the following Consent Calendar items be approved with the exception of items 6 and 7. Motion carried unanimously.

1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)
2. APPROVAL OF WARRANT REGISTER (Council/CDC)
3. APPROVAL OF MINUTES: None Scheduled

4. PRIMARY TREATMENT AND ODOR CONTROL SYSTEM MODIFICATIONS AT HARRF – Request Council authorize the Mayor and City Clerk to execute a Consulting Agreement with Tran Consulting Engineers in the amount of $402,240 for engineering services. (File No. 0600-10 [A-3049])

Staff Recommendation: Approval (Utilities: Christopher McKinney)

RESOLUTION NO. 2012-65

5. AUTHORIZATION OF THE ESCONDIDO JOINT POWERS FINANCING AUTHORITY (EJPFA) TO INVESTMENT MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) – Request Escondido Joint Powers Financing Authority invest Authority related monies into the LAIF, which is administrated by the State Treasury in accordance with section 16429.1 of the California Government Code. (File No. 0490-30)

Staff Recommendation: Adopt and file (Finance: Gilbert Rojas)

RESOLUTION NO. EJPFA 2012-04

6. REVISED FEATHER SIGN ORDINANCE, CASE NO. AZ 12-0001 – Request Council amend the Sign Ordinance, Zoning Code Article 66 to add provisions for temporary portable signs, including feather flags and sandwich signs, and other minor cleanup changes. (File No. 0810-20)

Staff Recommendation: Approval (Community Development/Planning: Barbara Redlitz)

ORDINANCE NO. 2012-08 (Introduction and First Reading)

Councilmember Gallo suggested raising the flag height to 50 feet.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to amend the Sign Ordinance, Zoning Code Article 66 to add provisions for temporary portable signs, including feather flags and sandwich signs, and other minor cleanup changes and introduce Ordinance No. 2012-08. Motion carried unanimously.

7. "IT'S UP TO US" PEDESTRIAN SAFETY PUBLIC EDUCATION GRANT AND BUDGET ADJUSTMENT – Request Council authorize the Neighborhood Services Department to accept Pedestrian Safety Public Education Grant funds in the amount of $4,999 from the California Department of Public Health; authorize the Neighborhood Services Manager to submit grant documents on behalf of the City; and approve budget adjustments needed for part-time salaries. (File No. 0480-70)

Staff Recommendation: Approval (Community Services/Housing: Jerry Van Leeuwen)

Councilmember Gallo commented that he liked the “Cross at the Green - Not In-between” slogan from New Jersey and asked if “It’s Up to Us” could by changed.
Karen Youel, Housing Department, indicated this was a statewide campaign and it could not be changed.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to authorize the Neighborhood Services Department to accept Pedestrian Safety Public Education Grant funds in the amount of $4,999 from the California Department of Public Health; authorize the Neighborhood Services Manager to submit grant documents on behalf of the City; and approve budget adjustments needed for part-time salaries. Motion carried unanimously.

8. **DETERMINATION TO CONTINUE WORK UNDER EMERGENCY CONTRACTS ISSUED FOR SODIUM HYDROXIDE CLEANUP AND TANK REPAIRS** — Request Council reaffirm the persistence of the public emergency contracts with Daniel Mechanical for tank repair and with NRC Environmental for chemical cleanup. (File No. 0600-10 [A-3047])

Staff Recommendation: Approval **(Utilities: Christopher McKinney)**

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**PUBLIC HEARINGS**

9. **MODIFICATION TO THE MASTER AND PRECISE DEVELOPMENT PLAN FOR WESTFIELD NORTH COUNTY (PHG 12-0005)** — Request Council approve a modification to the Master and Precise Development Plan for Westfield North County to implement an exterior revitalization program, add restaurant and retail floor area, demolish three freestanding buildings in the former “duck pond” area and convert to additional parking, and modify the list of permitted uses, parking ratio and the sign program. (File No. 0800-40 PHG 12-0005)

Staff Recommendation: Approval **(Community Development/Planning: Barbara Redlitz)**

**ORDINANCE NO. 2012-10 (Introduction and First Reading)**

Bill Martin, Planning Department, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

Jerry Engen, Westfield Development Senior Vice President, presented a series of slides, listed the qualities of the proposed revisions and asked Council to approve the project.

Kim Brewer, Westfield Development Vice President, gave an update on the progress of the project.

Patricia Borchmann, Escondido, voiced concern that the proposed renovations to the exterior of the mall were too ordinary.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Gallo to approve a modification to the Master and Precise Development Plan for Westfield North County to implement an exterior revitalization program, add restaurant and retail floor area, demolish three freestanding buildings in the former “duck pond” area, convert to additional parking, modify the list of permitted uses, parking ratio and the sign program and introduce Ordinance No. 2012-18. Motion carried unanimously.
10. **SHORT-FORM RENT REVIEW BOARD HEARING FOR CITY-OWNED SPACES IN ESCONDIDO VIEWS MOBILE HOME PARK** — Request Council consider the short-form rent increase application submitted for City-owned spaces in Escondido Views Mobile Home Park and if approved grant an increase of 75% of the change in the Consumer Price Index (an average of $11.38), or 2.989% for the period of December 31, 2009, through December 31, 2011. (File No. 0697-20-9847)

Staff Recommendation: Approval *(Community Services/ Housing: Jerry Van Leeuwen)*

**RESOLUTION NO. RRB 2012-03**

Karen Youel, Housing Division, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Waldron to approve the short-form application and adopt Resolution No. RRB 2012-03. Motion carried unanimously.

11. **SHORT-FORM RENT REVIEW BOARD HEARING FOR CITY-OWNED SPACES IN MOUNTAIN SHADOWS MOBILE HOME PARK** — Request Council consider the short-form rent increase application submitted for City-owned spaces in Mountain Shadow Mobile Home Park and if approved grant an increase of 75% of the change in the Consumer Price Index (an average of $9.64), or 2.989% for the period of December 31, 2009, through December 31, 2011. (File No. 0697-20-9846)

Staff Recommendation: Approval *(Community Services/ Housing: Jerry Van Leeuwen)*

**RESOLUTION NO. RRB 2012-02**

Karen Youel, Housing Division, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

**Melinda Santa Cruz, Escondido,** asked Council to deny the rent increase.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Gallo to approve the short-form application and adopt Resolution No. RRB 2012-02. Motion carried unanimously.

12. **LANDSCAPE MAINTENANCE DISTRICT ZONES 1-37** — Request Council receive input from the property owners in Zones 1-37 of the City of Escondido Landscape Maintenance District (LMD) on the proposed budget and assessments for FY 2012/2013. (File No. 0685-10)

Staff Recommendation: Receive public input *(Engineering: Ed Domingue)*

Frank Schmitz, Engineering Department, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**COUNCIL ACTION:** No Public input was given.
13. **RECREATION BUDGET AND PROGRAM FEE APPROVAL** – Request Council approve the Recreation Program Fee Schedule and authorize the Director of Community Services to adjust fees lower if necessary. (File No. 0480-45)

   Staff Recommendation: Approval (Community Services: Jerry Van Leeuwen)

   **RESOLUTION NO. 2012-75**

   Jerry Van Leeuwen, Community Services Director, and Amy Shipley, Community Services Department, gave the staff report and presented a series of slides.

   **MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Waldron to approve the Recreation Program Fee Schedule, authorize the Director of Community Services to adjust fees lower if necessary and adopt Resolution No. 2012-75. Ayes: Abed, Gallo, Morasco, and Waldron. Noes: Diaz. Absent: None. Motion carried.

14. **APPROVAL OF A LINE OF CREDIT WITH ESCONDIDO EDUCATION COMPACT (EEC)** - Request Council establish a Line of Credit between the City of Escondido and Escondido Education Compact. (File No. 0600-10 [A-2922])

   Staff Recommendation: Approval (Finance: Gilbert Rojas)

   **RESOLUTION NO. 2012-71**

   Gil Rojas, Finance Director, gave the staff report.

   Patty Huerta, Escondido Education COMPACT, explained the cost necessity.

   **MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Morasco to establish a Line of Credit between the City of Escondido and Escondido Education Compact and adopt Resolution No. 2012-71. Motion carried unanimously.

**FUTURE AGENDA**

15. **FUTURE AGENDA ITEMS** - The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

   Staff Recommendation: None (City Clerk’s Office: Diane Halverson)

**ORAL COMMUNICATIONS**

None
Councilmember Gallo indicated the Borders Committee took a trip to Calexico and El Centro to observe geothermal units.

Mayor Abed indicated a LAFCO meeting and adopted a balanced budget and discussed improving the annexation process and the SANDAG Regional Comprehensive Plan was delayed.

**ADJOURNMENT**

Mayor Abed adjourned the meeting at 6:47 p.m.

__________________________
MAYOR

__________________________
CITY CLERK

__________________________
MINUTES CLERK
TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Director of Engineering Services
       Dan Higbee, Acting Construction Project Manager

SUBJECT: Notice of Completion for The Crossings - 715 Mission Grove Place

RECOMMENDATION:

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for The Crossings - 715 Mission Grove Place.

FISCAL ANALYSIS:

No direct fiscal impact.

BACKGROUND:

The Crossings at Mission Grove Place is a five building, 55 unit, low income apartment complex located off Mission Avenue on Mission Grove Place. The public improvements included street improvements, curb, gutter, sidewalk, water line, sewer line, streetlights, and underground dry utilities.

Respectfully submitted,

Edward N. Domingue, P.E.
Director of Engineering Services

Dan Higbee
Acting Construction Project Manager
TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Director of Engineering Services  
      Dan Higbee, Acting Construction Project Manager

SUBJECT: Notice of Completion for Tract 947

RECOMMENDATION:

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Tract 947.

FISCAL ANALYSIS:

No direct fiscal impact.

PREVIOUS ACTION:

The final map was recorded on 09/20/2007.

BACKGROUND:

Tract 947 was developed by Galey Homes. It is a seven lot subdivision located at Hamilton and Bernardo and the public improvements made include street, curb, gutter, sidewalk, sewer, water (Rincon) and streetlights.

Respectfully submitted,

Edward N. Domingue, P.E.  
Director of Engineering Services

Dan Higbee  
Acting Construction Project Manager
TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Director of Engineering Services  
Debra Lundy, Real Property Manager

SUBJECT: Award of Consulting Agreement- Real Estate Brokerage Services

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2012-83 authorizing the Real Property Manager and City Clerk to execute, on behalf of the City, a Consulting Agreement with Cassidy Turley BRE Commercial for real estate brokerage services.

FISCAL ANALYSIS:

The services to be provided under this Consulting Agreement will assist the City to achieve its objective of managing the City’s real property assets in a fiscally responsible manner. Real property that is excess or surplus to the City’s needs shall be marketed for lease and/or for sale at the market rate, generating rental revenues and disposition proceeds. With the exception of advisory services that may be called for from time to time (which are based on an hourly rate), the majority of fees for the services provided to the City under this agreement shall be percentage based and only accrued upon the successful completion of a sale or lease of a City property.

PREVIOUS ACTION:

Resolution 2007-49 established the City’s Disposal Policy for City-owned Real Property, which sets forth that sales on the open market shall be handled by a qualified real estate broker having been selected via a Request for Qualifications process upon City Council approval.

BACKGROUND:

On October 2, 2011, Real Property advertised a Request for Qualifications (“RFQ”) for Real Estate Brokerage Services. The ad was posted on the City’s website and published in the North County Times for four (4) consecutive Sundays. Additionally, Staff sent the RFQ to brokerage firms who had demonstrated an interest in working with the City by contacting the Real Property Manager. Staff received one (1) proposal by the November 3rd deadline and it was from the incumbent firm, Cassidy Turley BRE Commercial (who partnered with Grubb Ellis BRE in 2010). In an effort to entice additional responders, Staff extended the deadline to December 1, 2011 and resent the RFQ to those firms who received it the first time, and additionally sent it to the qualified firms who responded to the
City's RFQ in 2007 (eight firms total). As of December 1, 2011, two (2) additional firms submitted proposals for consideration. A review panel consisting of the Real Property Manager and two other City staff reviewed all three proposals. Based on the qualifications of the responsive firms, the review panel recommends the contract be awarded to Cassidy Turley. The firm will provide the City with real estate services on an as-needed basis that will maximize the City's returns on rental and disposition properties.

Respectfully submitted,

Edward N. Dominguez, P.E.
Director of Engineering Services

Debra Lundy
Real Property Manager
RESOLUTION NO. 2012-83

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA
AUTHORIZING THE REAL PROPERTY
MANAGER AND CITY CLERK TO EXECUTE,
ON BEHALF OF THE CITY, A CONSULTING
AGREEMENT WITH CASSIDY TURLEY BRE
COMMERCIAL

WHEREAS, the City of Escondido solicited proposals from qualified real estate brokers to provide brokerage services to the City of Escondido; and

WHEREAS, the Real Property Manager and a review panel comprised of two additional City staff members have reviewed the proposals and recommend the award of the agreement to Cassidy Turley BRE Commercial ("Cassidy Turley") for such services including property disposal, leasing, advisory and consulting; and

WHEREAS, this City Council desires at this time, and deems it to be in the best public interest, to retain Cassidy Turley to perform such services for the City of Escondido as specified in the Consulting Agreement ("Agreement").

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

1. That the above recitations are true.

2. That the City Council accepts the recommendation of the Real Property Manager and the review panel.

3. That the Real Property Manager and City Clerk are hereby authorized to execute, on behalf of the City, an Agreement with Cassidy Turley. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.
CITY OF ESCONDIDO
CONSULTING AGREEMENT

This Agreement is made this _______ day of ________________, 2012 ("Effective Date").

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Debra Lundy, Real Property Manager
760-839-4034
("CITY")

And: Cassidy Turley BRE Commercial
1000 Aviara Parkway, Suite 100
Carlsbad, CA 92011
Attn: Don Grant
760-431-4200
("CONSULTANT")

Witness that whereas:

A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to provide real estate brokerage services; and

B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

NOW, THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.

2. Compensation. The CITY will pay the CONSULTANT based on the fees set forth in and in accordance with the conditions specified in "Attachment A." Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
4. **Duties.** CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.

5. **Personnel.** The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. If no designation is made, then CONSULTANT may not assign services without obtaining the advance written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.

6. **Term.** The term of this Agreement shall be two (2) years from the Effective Date. In the event that CONSULTANT is handling pending transactions for the CITY when the Agreement term expires, at the discretion of the CITY, CONSULTANT shall continue providing said services under this Agreement for the duration of those pending transactions. In such case, this Agreement shall remain in full force and effect for the duration of the pending transaction(s). Pending transactions shall include open escrows and ongoing negotiations related to listings for sale and for lease.

7. **Termination.** Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.

8. **City Property.** All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.

9. **Insurance.**
   
   a. The CONSULTANT shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
      
      1. General liability insurance. Occurrence basis with minimum limits of $1,000,000 each occurrence, $2,000,000 General Aggregate, and $1,000,000 Products/Completed Operations Aggregate; and
      
      2. Automobile liability insurance of $1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
      
      3. Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
      
      4. Errors and Omissions professional liability insurance with minimum coverage of $1,000,000.

   b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.
Acknowledged by CONSULTANT

Waiver appropriate by CITY

c. Each insurance policy required above must be acceptable to the City Attorney.

(1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

(2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

(3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.

(4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work, including its on-going operations and products-completed operations hazard.

(5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

c. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

10. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:

a. Any claim of liability arising out of the negligence or any acts or omissions of CONSULTANT in the performance of this Agreement;

b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or

c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.

11. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void. Unless CONSULTANT assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONSULTANT shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
12. **Costs and Attorney's Fees.** In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.

13. **Independent Contractor.** CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.

14. **Merger Clause.** This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.

15. **Anti-Waiver Clause.** None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.

16. **Severability.** The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.

17. **Choice of Law.** This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.

18. **Multiple Copies of Agreement/Counterparts.** Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.

19. **Provisions Cumulative.** The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.

20. **Notices to Parties.** Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.

21. **Business License.** The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.

22. **Compliance with Applicable Laws, Permits and Licenses.** CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
23. **Immigration Reform and Control Act of 1986.** CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

**CITY OF ESCONDIDO**

Date: 

________________________________________
Debra Lundy, Real Property Manager

Date: 

________________________________________
Diane Halverson, City Clerk

**CASSIDY TURLEY BRE COMMERCIAL**

Date: 

________________________________________
Signature

________________________________________
Name & Title (please print)

Date: 

________________________________________
Signature

________________________________________
Name & Title (please print)

APPROVED AS TO FORM:

**OFFICE OF THE CITY ATTORNEY**

JEFFREY R. EPP, City Attorney

By: ________________________________

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.
ATTACHMENT A

SCOPE OF SERVICES
Provide full range of On Call, As-Needed, Residential and Commercial Real Estate Brokerage Services. Services will be required from time to time on specific transactions to include:

1. Sale of excess and/or surplus City owned real property, or other City property, as designated by the City, by open market listing;

2. Leasing services, as needed, for rental and/or leasing of real property from or to the City; and

3. Advisory/Consultation Services (hourly-based), such as assisting City real property staff with market research and assessment and sale or lease negotiations that are handled by City staff (versus by the selected Broker).

FEES

<table>
<thead>
<tr>
<th>Commercial Property</th>
<th>Where Commission to be Shared with Buyer/Lessee Representative</th>
<th>Where No Commission Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SALE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $1 Million</td>
<td>5.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>$1 Million – $3 Million</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>$3 Million – $5 Million</td>
<td>4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>$5 Million – $7 Million</td>
<td>3.5%</td>
<td>2%</td>
</tr>
<tr>
<td>$7 Million – $10 Million</td>
<td>3%</td>
<td>1.75%</td>
</tr>
<tr>
<td>Over $10 Million</td>
<td>2.75%</td>
<td>1.5%</td>
</tr>
<tr>
<td>LEASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>5.5%</td>
<td>4%</td>
</tr>
<tr>
<td>Year 2</td>
<td>5.5%</td>
<td>4%</td>
</tr>
<tr>
<td>Year 3</td>
<td>4.5%</td>
<td>3%</td>
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<tr>
<td>Year 4</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Year 5</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Year 6-10</td>
<td>2.5%</td>
<td>1.25%</td>
</tr>
</tbody>
</table>

Residential Property
Fees are for single family, four units or less

<table>
<thead>
<tr>
<th>With Co-Op Broker</th>
<th>Judson Real Estate, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Consulting/Advisory services shall be billed on an hourly basis at $150.00/hr.
ATTACHMENT B

PERSONNEL

Dan Broderick, President & CEO
Jonathan Freeman, Chief Operating and Chief Financial Officer
Don Grant, RE Broker/ Industrial Division
Mark Avilla, RE Salesperson/Office Division
Andrew Peterson, RE Salesperson/Retail Division
Bruce Schiff, CCIM, RE Officer/Retail Division
Phil Lyons, CCIM, RE Officer/Retail Division
Ray Adams, RE Broker/Investment Sales Specialist
William Creagan, RE Broker (renewal pending)/Multi-Family Specialist
Lynn Judson, RE Officer/Residential
JoAnn Case Rady, RE Broker/Residential
Cindy Cochran, RE Salesperson/Residential
Paul Klink, RE Salesperson/Managing Director/Property Management
TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Director of Engineering Services
Beth Kassebaum, Associate Engineer

SUBJECT: Approval of Resolution 2012-85 Amending the City’s Schedule of Stop Intersections and Yield Intersections

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2012-85 amending the City’s Schedule of Stop Intersections to add fifty-five (55) new Stop signs and the Schedule of Yield Intersections to add one (1) new Yield sign.

FISCAL ANALYSIS:

There is no fiscal impact to the General Fund. The stop signs in the West Hill Side, West Side Involved Neighbors, and South Tulip neighborhoods cost $9,976 and were funded through the Community Services Community Development Block Grant funds. The new stop signs in the Old Escondido neighborhood (along with the replacement of 83 existing stop signs) will be funded through the Pavement Maintenance program, and the low bid received was $30,721.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

N/A

PREVIOUS ACTION:

N/A

BACKGROUND:

The Old Escondido Historic District (see Exhibit A) is a community 8 blocks by 5 blocks and is bordered by 5th Avenue to the north, 13th Avenue to the south, Chestnut Street to the east, and Escondido Boulevard to the west. The Historic District is located just south of the downtown area of Escondido, and several Collectors serve non-residential traffic through the area.
June 13, 2012
Approval of Resolution 2012-85
Page 2

The West Hill Side, West Side Involved Neighbors, and South Tulip are three local neighborhood groups (see Exhibit B). They encompass an area east of the I-15, west of Centre City Parkway, north of Felicita Avenue, and south of Valley Parkway/Grand Avenue.

In response to traffic concerns by the residents of the Old Escondido, West Hill Side, West Side Involved Neighbors, and South Tulip neighborhoods, City Traffic Engineering staff has developed a traffic calming project to improve traffic safety in the four neighborhoods. The proposed traffic calming project consists of several traffic signing and striping improvements, including the installation of fifty-five (55) new stop signs throughout the four neighborhoods, as well as one (1) Yield sign. Exhibit A provides a map of the Old Escondido neighborhood with proposed new Stop signs; Exhibit B shows a map of the three Tulip area neighborhoods, as well as a map of the proposed new Stop signs in those neighborhoods.

The primary purpose of Stop signs is to control right-of-way. Properly installed stop signs facilitate traffic movement and promote safety. The California Vehicle Code sections 21351, 21354 and 21355 provide the authority for a local agency to place and maintain stop signs on local streets, including designating any intersection under its jurisdiction as a stop intersection and to erect stop signs at one or more entrances. The policies presented are intended to reflect the needs of the local community for additional right-of-way assignment while retaining the integrity of the use of stop signs through their judicious use.

The California Manual on Uniform Traffic Control Devices, Section 2B.05, provides guidance for the installation of stop signs. Each of the intersections where a new stop sign is proposed has been evaluated by City staff using this established guidance.

The Transportation and Community Safety Commission (T&CSC) has approved the proposed traffic calming projects, including amending the Stop intersections schedule and Yield intersections schedule to include the new signs. The Old Escondido neighborhood project was approved by the T&CSC in January of 2012, and the project for the remaining three neighborhoods was approved in November of 2010.

Respectfully submitted,

Edward N. Domingue, P.E.
Director of Engineering Services

Beth Kassebaum, E.I.T.
Associate Engineer
Exhibit A – Old Escondido Neighborhood Stop Signs
Exhibit B - West Hill Side, West Side Involved Neighbors, and South Tulip Neighborhoods
COUNTY OF SAN DIEGO – DEPARTMENT OF PURCHASING AND CONTRACTING
CONTRACT NO. 533562 AMENDMENT NO. 04

To City of Escondido, Pursuant to the contract changes clause, you are directed to make the changes described herein to the Contract or do the following described work not included in the previous agreed on Statement of Work.

Title of Contract, Project, or Program: Senior Nutrition Program Effective Date: July 1, 2012

Description of Contract Change(s) and/or Work To Be Done:
1) The Signature Page of the Pro Forma Service Agreement is modified as follows:
   a) Compensation. The compensation for the second option year (Fiscal Year 2012-2013) of the Agreement is decreased by $32,756 for a revised new total of $192,304.
   b) Total contract price is decreased to $868,917.

PLEASE NOTE: A copy of the revised “Signature Page” is attached for your convenience. Do not remove and replace the original “Signature Page”.

Description of Additional Contract Change(s) and/or Work To Be Done:
2) Exhibit C, Fiscal Terms and Conditions and Pricing Schedule, for Fiscal Year 2012-2013 is modified as follows:
   a) Congregate Meals: # of Service Units is decreased from 25,500 to 25,200; Fixed Supplemental Rate is decreased from $4.48 to $4.25; Total is decreased from $114,240 to $107,100.
   b) Transportation: # of Service Units is decreased from 15,000 to 13,800; Total is decreased from $75,000 to $69,000.
   c) Incentive Payments NSIP-C1: # of Service Units is decreased from 25,500 to 25,200; Fixed Supplemental Rate is decreased from $0.784 to $0.643; Total is decreased from $19,992 to $16,204.
   d) TOTAL for Fiscal Year 2012-2013 is decreased from $225,060 to $192,304.

Please remove and replace the following:
1. Exhibit C with the attached document with pages marked AMENDMENT #04.

All other Terms and Conditions remain in effect.

IN WITNESS WHEREOF, County and Contractor have executed this Amendment effective as of the date first set forth above.

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree, if this proposed change is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work specified herein, and will accept as full payment the decreased amount of $192,304 for Fiscal Year 2012 – 2013.

Contract time for completion remains unchanged.

Revised Contract Total Price is $868,917.

By: ____________________________
Date: ____________________________

Jerry Van Leeuwen; Director of Community Services
City of Escondido
201 N. Broadway
Escondido, CA 92025
Phn: 760-839-4691, FAX: 760-739-7015
jvanleeuwen@ci.escondido.ca.us:

THIS AMENDMENT IS NOT VALID UNLESS APPROVED BY THE DIRECTOR, DEPARTMENT OF PURCHASING AND CONTRACTING.

Department Review and Recommended Approval:

By: ____________________________
Date: ____________________________

PAMELA B. SMITH, Director
Aging & Independence Services

APPROVED:

By: ____________________________
Date: ____________________________

WINSTON F. McCOLL, Director
Department of Purchasing and Contracting

CONTRACT#533562 AMENDMENT # 04
RESOLUTION NO. 2012-85

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ESCONDIDO,
CALIFORNIA, TO AMEND THE TRAFFIC
SCHEDULES FOR STOP INTERSECTIONS
AND YIELD INTERSECTIONS

WHEREAS, Section 28-5 of the Escondido Municipal Code, City of Escondido, provides that the City Council establish a traffic schedule for stop intersections and yield intersections; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to amend said traffic schedules;

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

1. That the above recitations are true.

2. That the Traffic Schedule for Stop Intersections be amended to reflect the addition of the Stop Signs listed in Table 1, attached as Exhibit “A” to this resolution and incorporated by this reference.

4. That the Traffic Schedule for Yield Intersections be amended to reflect the addition of Omar Drive and Khayyam Road.
# Table 1. Installation of New Stop Signs

<table>
<thead>
<tr>
<th>Intersection</th>
<th>Existing Stop Control</th>
<th>Proposed Stop Control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Old Escondido neighborhood</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. 5th Avenue &amp; S. Fig Street</td>
<td>None</td>
<td>Westbound</td>
</tr>
<tr>
<td>E. 6th Avenue &amp; S. Kalmia Street</td>
<td>Northbound/Southbound Yield</td>
<td>Northbound &amp; Southbound</td>
</tr>
<tr>
<td>E. 6th Avenue &amp; S. Ivy Street</td>
<td>None</td>
<td>Southbound</td>
</tr>
<tr>
<td>E. 6th Avenue &amp; S. Hickory Street</td>
<td>None</td>
<td>All-Way</td>
</tr>
<tr>
<td>E. 7th Avenue &amp; S Kalmia Street</td>
<td>None</td>
<td>Southbound</td>
</tr>
<tr>
<td>E. 7th Avenue &amp; Beacon Place</td>
<td>None</td>
<td>Northbound</td>
</tr>
<tr>
<td>E. 7th Avenue &amp; S. Hickory Street</td>
<td>None</td>
<td>Southbound</td>
</tr>
<tr>
<td>E. 8th Avenue &amp; S. Broadway (Three-leg)</td>
<td>None</td>
<td>All-Way</td>
</tr>
<tr>
<td>E. 9th Avenue &amp; S. Hickory Street</td>
<td>Northbound</td>
<td>All-Way</td>
</tr>
<tr>
<td>E. 10th Avenue &amp; S. Broadway</td>
<td>Northbound/Southbound</td>
<td>All-Way</td>
</tr>
<tr>
<td>E. 10th Avenue &amp; S. Hickory Street</td>
<td>None</td>
<td>Southbound</td>
</tr>
<tr>
<td>E. 11th Avenue &amp; S. Broadway</td>
<td>Northbound &amp; Southbound</td>
<td>All-Way</td>
</tr>
<tr>
<td><strong>West Hill Side/South Tulip/West Side Involved Neighbors neighborhoods</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>W. 2nd Avenue &amp; S. Upas Street</td>
<td>None</td>
<td>Westbound</td>
</tr>
<tr>
<td>W. 2nd Avenue &amp; S. Upas Street</td>
<td>None</td>
<td>Southbound</td>
</tr>
<tr>
<td>W. 3rd Avenue &amp; S. Upas Street</td>
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<td>Westbound</td>
</tr>
<tr>
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<td>None</td>
<td>Westbound</td>
</tr>
<tr>
<td>W. 5th Avenue &amp; S. Upas Street (Three-leg)</td>
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<td>All-Way</td>
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<tr>
<td>W. 5th Avenue &amp; S. Upas Street</td>
<td>None</td>
<td>Eastbound</td>
</tr>
<tr>
<td>Grand Court &amp; S. Tulip Street</td>
<td>None</td>
<td>Eastbound</td>
</tr>
<tr>
<td>W. 2nd Avenue &amp; S. Tulip Street</td>
<td>None</td>
<td>Westbound</td>
</tr>
<tr>
<td>W. 3rd Avenue &amp; S. Tulip Street</td>
<td>None</td>
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</tr>
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<td>W. 3rd Avenue &amp; S. Tulip Street</td>
<td>None</td>
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</tr>
<tr>
<td>W. 4th Avenue &amp; S. Tulip Street</td>
<td>None</td>
<td>Eastbound</td>
</tr>
<tr>
<td>W. 12th Avenue &amp; S. Tulip Street</td>
<td>None</td>
<td>Westbound</td>
</tr>
<tr>
<td>14th Place &amp; S. Tulip Street</td>
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<td>Eastbound</td>
</tr>
<tr>
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<td>None</td>
<td>Eastbound</td>
</tr>
<tr>
<td>W. 3rd Avenue &amp; S. Spruce Street</td>
<td>Northbound &amp; Southbound</td>
<td>All-Way</td>
</tr>
<tr>
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</tr>
<tr>
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<td>Westbound</td>
</tr>
<tr>
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<td>Eastbound &amp; Westbound</td>
<td>All-Way</td>
</tr>
<tr>
<td>W. 8th Avenue &amp; S. Spruce Street</td>
<td>None</td>
<td>Eastbound &amp; Westbound</td>
</tr>
<tr>
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<td>None</td>
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<td>None</td>
<td>Northbound</td>
</tr>
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<td>None</td>
<td>Eastbound &amp; Westbound</td>
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<td>Eastbound/Westbound Yield</td>
<td>Eastbound &amp; Westbound</td>
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<tr>
<td>W. 8th Avenue &amp; S. Redwood Street</td>
<td>None</td>
<td>Eastbound &amp; Westbound</td>
</tr>
<tr>
<td>W. 6th Avenue &amp; S. Pine Street</td>
<td>None</td>
<td>Eastbound</td>
</tr>
</tbody>
</table>
TO: Honorable Mayor and Members of the City Council

FROM: Amy Shipley, Older Adult Services Manager

SUBJECT: Senior Nutrition Services Contract with the County of San Diego

RECOMMENDATION:
It is requested that Council adopt Resolution No. 2012-94 authorizing the Director of Community Services to enter into an agreement with the County of San Diego to provide senior nutrition services at the Escondido Senior Center.

FISCAL ANALYSIS:
The Senior Nutrition Program is funded through the general fund. However, a pay for performance grant through the County of San Diego Aging and Independence Services will help to offset cost up to $192,304. The grant agreement also provides for the annual payment from the County to be extended for an additional three (3) years beyond the initial term which began on July 1, 2010.

BACKGROUND:
The basis of the Senior Nutrition Program is to offer seniors nutritionally balanced meals in a congregate setting to increase health through proper nutrition and stave off isolation. The Escondido Senior Center has offered this program Monday through Friday for over 37 years. Furthermore, grants through the County of San Diego Aging and Independence Services have helped to offset costs for the Senior Nutrition Program for over 24 years.

In order to accomplish the above, the Senior Nutrition Program is comprised of two components, transportation and meal service. The transportation component provides seniors a means to access the meal service component. The County grant reimburses the City for both components. Reimbursement for the transportation component is based on each one-way ride provided to seniors 60 and older. For the meal component, reimbursement is based on each meal served to seniors 60 and older.

In FY 08-09, staff witnessed the highest number of meals served at 30,716 and in FY 09-10, the highest number of one-way rides at 13,976. Since then we have observed slight decreases in numbers for both transportation and meal service. These decreases in numbers can be attributed to mainly to the aging senior population as many have passed away, moved in to assisted or skilled nursing facilities, or have moved out of the area. However, even with declining older senior
population, 13,077 enjoyed one-way rides and 24,610 meals were served to seniors 60 and older in FY 10-11. By the end of FY 11-12, staff estimates providing once again over 13,000 one-way rides and serving over 24,000 meals to seniors 60 and older.

Staff and the Senior Nutrition Council at the Escondido Senior Center, are pleased with the Nutrition Program, and recommend approval of the agreement with the County of San Diego Aging and Independence Services in order to continue this valuable service to the senior community of Escondido during FY 12-13.

Respectfully submitted,

Amy Shipley
Older Adult Services Manager

Jerry Van Leeuwen
Director of Community Services
RESOLUTION NO. 2012-94

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE DIRECTOR OF COMMUNITY SERVICES TO RECEIVE A GRANT IN THE AMOUNT OF $192,304 PER YEAR FOR UP TO FOUR YEARS FROM THE COUNTY OF SAN DIEGO TO PROVIDE SENIOR NUTRITION SERVICES AND EXECUTE COUNTY AGREEMENT NUMBER 533562 WITH CITY OF ESCONDIDO

WHEREAS, the City of Escondido understands the need to provide nutritious meals to the seniors of the community; and

WHEREAS, the City of Escondido desires to provide daily hot lunches to seniors at the Escondido Senior Center; and

WHEREAS, specifically this program for the seniors in the community will be funded in part from funds made available through a grant provided by the County of San Diego, ("County"); and

WHEREAS at the County's option, they may extend this agreement for three (3) increments of one year each for a total of three (3) years beyond the expiration of the Initial Term; and

WHEREAS, the Director of Community Services recommends approval of the County Agreement Number 533562 ("Agreement"); and

WHEREAS, this City Council desires at this time, and deems it to be in the best public interest, to approve this Agreement to provide nutritionally balanced lunches effective July 1, 2012, through June 30, 2013; with up to three (3) additional years, not to exceed June 30, 2014.
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.

2. That the City Council accepts the recommendation of the Community Services Director.

3. That the Director of Community Services is authorized to execute, on behalf of the City, an Agreement to provide a Senior Nutrition Program at the Joslyn Senior Center. A copy of the Agreement is attached as Exhibit “A” and is incorporated by this reference.

4. That the City Council authorizes the Escondido Community Services Director to receive a $192,304 grant from the County and execute, on its behalf, grant contract documents, including any extensions or amendments thereof.
COUNTY CONTRACT NUMBER 533562
COUNTY OF SAN DIEGO, HEALTH AND HUMAN SERVICES AGENCY
AGREEMENT WITH THE CITY OF ESCONDIDO FOR
SENIOR NUTRITION PROGRAM

EXHIBIT C – FISCAL TERMS & CONDITIONS AND PRICING SCHEDULE

1. COMPENSATION: The compensation listed below is not designed to fully fund the program. The fixed supplemental rates are developed annually based on funding and determined to offset the cost of providing services. These rates are subject to availability of funding from the State of California, California Department of Aging (CDA). A completed report of actual costs (closeout report) expended shall be submitted at the end of the fiscal year.

2. SERVICE UNITS AND RATES FOR THE PERIOD OF JULY 1, 2012 – JUNE 30, 2013

<table>
<thead>
<tr>
<th>Exhibit A Paragraph Reference</th>
<th>Services</th>
<th>Funding Source</th>
<th># of Service Units</th>
<th>Fixed Supplemental Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Congregate Meals</td>
<td>Title III-C1 (1)</td>
<td>25,200</td>
<td>$4.25</td>
<td>$107,100</td>
</tr>
<tr>
<td>4.2</td>
<td>Transportation</td>
<td>Title III-B (2)</td>
<td>13,800</td>
<td>$5.00</td>
<td>$69,000</td>
</tr>
<tr>
<td>6.2.2</td>
<td>Incentive Payments*</td>
<td>NSIP-C1</td>
<td>25,200</td>
<td>$0.643</td>
<td>$16,204</td>
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<tr>
<td>6.2.3</td>
<td>One-time-only (OTO)</td>
<td>OTO-C1</td>
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<td>0</td>
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<tr>
<td>6.2.3</td>
<td>One-time-only (OTO)</td>
<td>OTO-B</td>
<td>0</td>
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<td>0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$192,304</strong></td>
</tr>
</tbody>
</table>

(1) State of California C-1 funding stream
(2) State of California B funding stream
*Nutrition Services Incentive Payment (NSIP) dollar amounts are estimated ONLY and may be adjusted based on actual prior year number of meals served.
AGREEMENT TERM. This Agreement shall be effective this 1st day of July 2010 ("Effective Date") and end on June 30, 2011 ("Initial Term") for a total Agreement period of one (1) year.

OPTION TO EXTEND. The County’s option to extend is for three (3) increments of one (1) year each for a total of three (3) years beyond the expiration of the Initial Term, not to exceed June 30, 2014, pursuant to Exhibit C Payment Schedule. Unless County notifies Contractor in writing, not less than thirty (30) days prior to the expiration date that they do not intend to renew the Agreement, the Agreement will be automatically renewed for another year.

Options To Extend For One To Six Additional Months At End Of Agreement. County shall also have the option to extend the term of this Agreement in one or more increments for a total of no less than one (1) and no more than six (6) calendar months at the discretion of the County Purchasing and Contracting Director. Each extension shall be effected by written unilateral Agreement amendment delivered to Contractor no less than fifteen (15) calendar days prior to expiration of any Agreement term.

The rates set forth in Article 4, Exhibit C, or other pricing section of this Agreement shall apply to any option exercised pursuant to this option clause unless provision for appropriate price adjustment has been made elsewhere in this Agreement or by Agreement amendment. All payments are subject to “Availability of Funds.”

COMPENSATION: Pursuant to Exhibit C, County agrees to pay Contractor a sum not to exceed two hundred thirty four thousand eight hundred one dollars ($234,801) for the initial term of this Agreement and two hundred sixteen thousand seven hundred fifty two dollars ($216,752) for the first option year, and one hundred ninety two thousand three hundred four dollars ($192,304) for the second option year and two hundred twenty five thousand sixty dollars (225,060) for the third option year, for a maximum Agreement amount of eight hundred sixty eight thousand nine hundred seventeen dollars ($868,917) in accordance with the method of payment stipulated in Article 4. It is understood that the parties will meet and confer on the contract price if adjustments are made to the scope of work for an extension of the term or terms. These discussions shall not obligate either party to make a requested adjustment to the scope of work or price except as otherwise set forth in this Agreement, nor shall it relieve either party of its obligations under the Agreement.

COTR. The County has designated the following individual as the Contracting Officer’s Technical Representative ("COTR")

Albert Venditti, Contract Administrator
Aging & Independence Services
5560 Overland Ave.
San Diego, CA 92123
Phone: (858) 505-6958; FAX: (858) 694-2316; email: albert.venditti@sdcounty.ca.gov

CONTRACTOR’S REPRESENTATIVE. The Contractor has designated the following individual as the Contractor’s Representative.

Jerry Van Leeuwen, Director of Community Services
City of Escondido
201 N. Broadway
Escondido, CA 92025
Phone: (760) 839-4691; FAX: (760) 739-7015; email: jvanleeuwen@ci.escondido.ca.us
TO: Honorable Mayor and Members of the City Council

FROM: Jerry Van Leeuwen, Director of Community Services

SUBJECT: Budget Adjustment to Transfer Funds to the Building Maintenance Operating Budget for Unanticipated Utilities and Repairs to City Facilities

RECOMMENDATION:

Staff recommends Council approve a budget adjustment to transfer funds from the Building Maintenance Reserve to the Building Maintenance operating budget.

FISCAL ANALYSIS:

The estimated ending Building Maintenance reserve balance for FY 2012 is $1,455,800. The amount of the requested transfer is $150,000, leaving a balance of $1,305,800. Any funds that are not used will be returned back to the reserve.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

N/A

BACKGROUND:

The Building Maintenance staff estimate their budget by looking at previous years, examining trends, and getting quotes from vendors. However, additional unanticipated expenses occur (see list). During this current fiscal year these additional expenses have resulted in a shortfall and the inability to pay vendors. The requested action will provide funding sufficient to meet expenditures for the balance of the fiscal year.

Additionally, our utility bills are greater than anticipated and the transferred funds will also be used to ensure they are paid.
<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concession Stand Roof Replacement - Mountain View Park</td>
<td>$10,930</td>
</tr>
<tr>
<td>Roof Repairs - Library</td>
<td>$3,100</td>
</tr>
<tr>
<td>Upper Window Repairs - Library</td>
<td>$8,335</td>
</tr>
<tr>
<td>Additional Security Lighting - CCAE/Conf Ctr</td>
<td>$1,725</td>
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<tr>
<td>Fall Restraint System - Library Roof</td>
<td>$9,310</td>
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<tr>
<td>Additional Roof Repairs - City Hall</td>
<td>$17,920</td>
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<td>Sound Board Rental – CCAE/Concert Hall</td>
<td>$6,715</td>
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<td>Roll Up Door Replacement - Lake Wolford</td>
<td>$2,460</td>
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<tr>
<td>Planter Cap Replacement - City Hall</td>
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<tr>
<td>Temperature Alarm Playback Room - City Hall</td>
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<tr>
<td>Fall Protection Safety Equip.</td>
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<td>Roof Drains Replacement (2) - City Hall</td>
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<td>Boiler Repairs - Library</td>
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<tr>
<td>Roll Up Doors &amp; Auto Gate Repairs - Fire Stations/EPD</td>
<td>$5,645</td>
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</tbody>
</table>

Respectfully submitted,

Jerry Van Leeuwen
Director of Community Services
CITY OF ESCONDIDO

BUDGET ADJUSTMENT REQUEST

Date of Request: 6/13/12

Department: Community Services

Division: Building Maintenance

Project/Budget Manager: Jerry Van Leeuwen x4871

Name

Extension

Council Date (if applicable): June 13, 2012

(attach copy of staff report)

<table>
<thead>
<tr>
<th>Project/Account Description</th>
<th>Account Number</th>
<th>Amount of Increase</th>
<th>Amount of Decrease</th>
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<tr>
<td>Utilities</td>
<td>5170-650-450</td>
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</table>

Explanation of Request:
To cover unanticipated minor repairs & utility bills.

APPROVALS

Department Head

6/6/12

Date

City Manager

Date

Finance

6/6/12

Date

City Clerk

Date

Distribution (after approval): Original: Finance
TO: Honorable Mayor and Members of the City Council

FROM: Christopher W. McKinney, Director of Utilities

SUBJECT: Contract Award for Hauling and Beneficial Reuse of HARRF Biosolids

RECOMMENDATION:

The Utilities Department requests that the City Council adopt Resolution No. 2012-81 authorizing execution of a Public Services Agreement with Tule Ranch/Western Express Transporters, the lowest responsive and responsible bidder, for hauling and beneficial reuse of biosolids from the Hale Avenue Resource Recovery Facility (HARRF). The contract term is three years with two one-year options to extend.

FISCAL ANALYSIS:

Tule Ranch/Western Express Transporters will charge a base price of $36.00 per wet ton for hauling and beneficial reuse of HARRF biosolids. This is $1.72 per wet ton less than the current contract price. The HARRF produces about 15,000 wet tons of biosolids each year. Therefore, the approximate annual cost of this contract is $540,000. The contract also specifies a fuel surcharge if the price of diesel fuel rises above $4.40 per gallon, and a fuel discount if the price of diesel fuel falls below $4.10 per gallon. Diesel prices will be determined each month from the California Retail On-Highway Diesel Price Index. On May 29, 2012, the index price was $3.897 per gallon (more fuel surcharge and rebate information is in the Background section). Sufficient funds have been budgeted in the Wastewater Fund Operating Budget to cover the costs of this contract.

BACKGROUND:

The HARRF treatment process produces approximately 15,000 tons of Class-B biosolids, which are qualified for “beneficial reuse”. Disposal and beneficial reuse are regulated by the EPA and the Regional Water Quality Control Board. Some examples of beneficial use of Class B biosolids include alternate daily cover for active landfill cells and soil amendment for crops grown for purposes other than human consumption (i.e., cotton, animal feed, etc.). The hauler sends trucks to the HARRF where they are loaded with biosolids and then depart to the reuse site.
Three responsive bids were received for biosolids hauling and disposal. These bids all included some form of fuel surcharge and the base prices per wet ton are summarized below:

1) Tule Ranch/Western Express Transporters $36.00 +/- fuel surcharge
2) Terra Renewal $38.97 +/- fuel surcharge
3) Synagro $48.40 +/- fuel surcharge

A fuel surcharge for the selected hauler - Tule Ranch/Western Express Transporters - will increase the base hauling fee if the price of diesel fuel on the California Retail On-Highway Diesel Price Index is greater than $4.40 per gallon. There will be a fuel discount if that same index is less than $4.10 per gallon. Every $0.10 change in the index fuel price either above $4.40 per gallon or below $4.10 per gallon will increase or decrease the base price by $0.29 per ton. This change is based on the distance to the delivery point in Yuma, Arizona and standard diesel fuel efficiency as determined by the US Department of Energy.

For example, the index price on May 29, 2012, was $3.897 per gallon. This price is $0.203 less than $4.10 and would therefore result in a fuel discount of approximately $0.59 per wet ton. The net hauling price in this circumstance would be approximately $35.41 per wet ton.

If the price of diesel fuel increases to $6.00 per gallon (an increase of approximately 50%), the fuel surcharge would be $4.64 per wet ton. The net hauling price in this case would be approximately $40.64 per wet ton. There are sufficient funds in the Wastewater Fund Operating Budget to absorb changes of the hauling price if fuel prices suffered such a drastic increase.

Respectfully submitted,

Christopher McKinney
Director of Utilities
RESOLUTION NO. 2012-81

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC SERVICES AGREEMENT WITH TULE RANCH / WESTERN EXPRESS TRANSPORTERS FOR HAULING AND BENEFICIAL REUSE OF HARRF BIOSOLIDS

WHEREAS, the Hale Avenue Resource Recovery Facility (HARRF) generates biosolids as part of its wastewater treatment process; and

WHEREAS, Federal and State regulations require that these biosolids are transported away from the HARRF and disposed or reused in a legal and responsible manner; and

WHEREAS, the biosolids produced at HARRF may be beneficially reused as alternate daily cover at landfills or as soil amendments for non-food crops; and

WHEREAS, Tule Ranch / Western Express Transporters possesses the equipment necessary for hauling and beneficial reuse of HARRF biosolids and was the lowest responsive and responsible bidder for this service.

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

1. That the above recitations are true.

2. That the Mayor and the City Council authorize the City Manager or his designee to execute, on behalf of the City, a Public Services Agreement ("Agreement") with Tule Ranch / Western Express Transporters for hauling and beneficial reuse of
HARRF biosolids. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.
CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Agreement is made this __________ day of __________, 2012.

Between:
CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Chris McKinney
760-839-4662
("CITY")

And:
TULE RANCH / WESTERN EXPRESS TRANSPORTERS
4324 E. Ashian Ave
Fresno, CA 93726
Cal Mullenix
602-377-7250
("CONTRACTOR")

WHEREAS, the CITY and CONTRACTOR desire to enter into this Agreement for the performance of services;

NOW, THEREFORE, it is mutually agreed as follows:

1. Description of Services. CONTRACTOR will furnish all of the services described in "Attachment A," which is attached and incorporated by this reference. CONTRACTOR agrees to diligently perform such services to their completion, with professional quality and technical accuracy.

2. Compensation. The CITY will pay and CONTRACTOR will accept in full payment for the above work, the sum of $36.00 per wet-ton with a fuel surcharge or discount to be calculated per (reference proposal-"Attachment A"). Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in subsequent amendment(s) shall not exceed a cumulative total of ten percent (10%) of the maximum payment provided for in this Section 2.

3. Term and Time of Performance. The term of this Agreement shall be three (3) years, terminating on June 30, 2015. CITY shall have the option to extend the term of this Agreement for two (2) one (1) year periods upon giving CONTRACTOR thirty (30) days' written notice prior to the termination of the original term or extension term. Extension of terms or time of performance may be made only upon the City's written consent.

City Attorney
- 6 -

01/03/2012
4. **Scope of Compensation.** CONTRACTOR will be responsible for performance of the tasks specified in the Description of Services in "Attachment A." No compensation will be provided for any other tasks without specific prior written consent from the CITY.

5. **Performance.** CONTRACTOR must faithfully perform in a proficient manner, to the satisfaction of the CITY, all the work or services described in the Description of Services, above.

6. **City Property.** All original documents, drawings, electronic media, and other material prepared by CONTRACTOR under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONTRACTOR for any other purpose without prior written consent of the CITY.

7. **Insurance Requirements.**

   a. The CONTRACTOR shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:

      (1) General liability insurance. Occurrence basis with minimum limits of $1,000,000 each occurrence, $2,000,000 General Aggregate, and $1,000,000 Products/Completed Operations Aggregate; and

      (2) Automobile liability insurance of $1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 7(b) below; and

      (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and

   b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONTRACTOR acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of CONTRACTOR. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

      Acknowledged by CONTRACTOR ____________________________

      Waiver appropriate by CITY ____________________________

   c. Each insurance policy required above must be acceptable to the City Attorney.

      (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

      (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

      (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.

      (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONTRACTOR’s work, including its on-going operations and products-completed operations hazard.
(5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

d. In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY’s option.

8. Indemnification. CONTRACTOR (which in this paragraph 8 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys’ fees, for any of the following:

a. Any claim of liability arising out of the negligence or any acts or omissions of CONTRACTOR in the performance of this Agreement;

b. Any personal injuries, property damage or death that CONTRACTOR may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or

c. Any injury or death which results or increases by any action taken to medically treat CONTRACTOR.

Stormwater Indemnification. CONTRACTOR shall further indemnify, defend, and hold harmless CITY and its officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorney’s fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2007-0001), as amended or renewed, of the California Regional Water Quality Control Board Region 9, San Diego, which CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.

9. Anti-Assignment Clause. Since the CITY has relied on the particular skills of CONTRACTOR in entering this Agreement, CONTRACTOR may not assign, delegate, or sublet any duty or right under this Agreement, or any portion of the Description of Services. Any such purported assignment, delegation, or subletting will void this entire Agreement, unless the CITY has previously approved such action in writing. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY’S written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.

10. Costs and Attorney’s Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys’ fees and costs.

11. Independent Contractor. CONTRACTOR is an independent contractor and no agency or employment relationship is created by the execution of this Agreement.

12. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
13. **Anti-Waiver Clause.** None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived because any other provision has been waived by CITY, in whole or in part.

14. **Severability.** The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.

15. **Choice of Law.** This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.

16. **Multiple Copies of Agreement/Counterparts.** Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.

17. **Provisions Cumulative.** The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.

18. **Notices to Parties.** Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party.

19. **Business License.** The CONTRACTOR is required to obtain a City of Escondido Business License prior to execution of this Agreement.

20. **Compliance with Applicable Laws, Permits and Licenses.** CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. This shall include, but not limited to, all California Labor Code laws regarding payment of prevailing wages and all OSHA regulations. CONTRACTOR shall obtain any and all licenses, permits, and authorizations necessary to perform the services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

21. **Prevailing Wages.** If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the `General Prevailing Wage Rates` approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (http://www.dir.ca.gov/DLSR). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
22. Immigrant Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and comply with the Immigrant Reform and Control Act of 1986. CONTRACTOR affirms that as a licensed Contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONTRACTOR agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.
IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: ______________________

Sam Abed
Mayor

Date: ______________________

Diane Halverson
City Clerk

TULE RANCH / WESTERN EXPRESS TRANSPORTERS

Date: ______________________

(Contractor signature)

(Print name)

Title

(The above signature must be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
JEFFREY R. EPP, City Attorney

By: ______________________

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.
City Attorney

- 6 -

01/03/2012
Tule Ranch/Western Express Transporters  
4324 E. Ashlan Ave  
Fresno, CA  93726  

City of Escondido  
Waste Water Treatment Plant  
1521 South Hale Ave  
Escondido, CA  92029  

RE: City of Escondido Biosolids RFP  

Thank you for extending the opportunity to participate in The City of Escondido's BioSolid's RFP. We have reviewed your requirements for service and have determined that your needs and scope of work needed are well within the boundaries of the service we provide.

Attached to this cover letter please find all information requested within the City of Escondido's BioSolids RFP. Much of this information, policies and operational plans were due in whole or part to the Published addendum in response to all questions and their published answers.

I would like to bring attention to a couple of issues that may not be evident as you review the attached proposal. I believe that it is important to point out that Tule Ranch/ Western Express is not simply a Biosolids Management Company or that we are simply in the business of Biosolids disposition, but rather that we are in fact Engaged in the Agricultural Industry as farmers. We not only transport and manage Biosolids, we actually use the material on our farms in the production of our crops. This is important as it illustrates the importance of proper end use, handling and management of Biosolids to ensure that each of our crops are successful.

Another important fact that may not be evident is that we own and maintain all of our equipment, from trucks and trailers to all required farm equipment. This provides us with both the control in management and the flexibility to provide our customers with their specific and unique needs. Out sourcing or the use of sub-contractors for the transportation of Biosolids is not a practice we exercise with the exception of "Special Project needs.

I hope that you find our proposal and our operational program acceptable and that you will consider allowing Tule Ranch/Western Express the opportunity to provide the City of Escondido with the quality service they expect.

[Signature]

Cal Mullenix  
Operations Manager  
Western Express Transporters  
cal@westExp.com  
602-377-7250  
623-474-0057 (fax)
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ATTACHMENTS
Biosolids Management

Our primary land application site, located adjacent to the City of Yuma, Arizona consist of approximately 4,000 acres of farm land that is approximately 200 miles from the City of Escondido's treatment plant. These farms provide the closest permitted Class B biosolids land application sites to serve Escondido, thus limiting fuel consumption and air emissions while successfully considering sensitivity to other siting factors including proximity to sensitive receptors. In addition to this site, Tule Ranch has permitted 6,000 acres in Dateland, AZ for biosolids land application as backup management capacity for biosolids.

At a very conservative nitrogen-based biosolids land application rate of 30 wet tons per acre, Tule Ranch's 10,000 acres of permitted Arizona sites have the capacity to reuse 100%+ of the biosolids produced by The City of Escondido as well as Tule Ranch's other municipal customers that beneficially use the Arizona land application sites. Please note that Tule Ranch has an excellent relationship with the farmers in Arizona, and anticipates that demand for biosolids will only continue to increase.

Tule Ranch shares The City of Escondido's goal to strive to recycle the valuable plant nutrients, micronutrients and organic matter found in biosolids whenever possible, but understands the need to have landfilling available as a backup option. In the event that The City of Escondido directs Tule Ranch to landfill its biosolids, Tule Ranch has entered into a biosolids landfilling agreement with the South Yuma County Landfill. The landfill will easily accommodate the daily production of Escondido's Biosolids. As a contingency option the South Yuma County Landfill is also located adjacent to the City of Yuma, AZ, and benefits from being located in an area that takes into consideration the sensitivities of potentially impacted receptors. If necessary, Tule Ranch also has access to additional landfill capacity at the Allied Waste Landfill located in Buckeye, AZ.

Tule Ranch already owns the necessary primary and backup equipment to manage the land application activities being proposed in this response to The City of Escondido's RFP. Tule Ranch's current inventory of off-road equipment, tractors, trailers and other equipment is sufficient to easily accommodate far more than the present daily volume of biosolids which we land apply each day.

As an existing biosolids management contractor, Tule Ranch is also very familiar with the Biosolids Management System (BMS). Tule Ranch will continue to conform to the BMS requirements for The City of Escondido's biosolids management needs in order to maintain and benefit from the high standards set by the National Biosolids Partnership. Tule Ranch has adopted and implemented its own Biosolids Management Plan (BMP). The essence and benefits of the BMP is best captured by the "Company Policy" which states that "Tule Ranch is committed to using best management practices and compliance with regulations while providing biosolids services to municipal wastewater treatment facilities." Tule Ranch has adopted the procedures and guidelines found in

Tule Ranch recognizes that safety is an extremely important part of any biosolids management plan. Tule Ranch’s extensive safety plan and efforts were recognized through the receipt of the prestigious Farm Bureau State Fund Group Insurance Program’s Safety Award. This award is given to farmers that have perfect safety records and the lowest injury losses among policy holders. The success of our Arizona biosolids management program is a direct result of our working together with multiple Municipalities and staff to find ways to minimize our potential for adverse impacts on our stakeholders. We continue to strive to avoid creating any nuisances, including dust, odors, vectors, and offensive visual impacts at all biosolids management sites in accordance with Biosolids Contractor Requirements.

Transportation

Tule Ranch will extend its record of providing years of successful biosolids hauling experience to The City of Escondido. Tule Ranch fully understands the importance of uninterrupted service where biosolids hauling is concerned, and takes that partnership responsibility very seriously. All transportation of the biosolids from each of the facilities will continue to be provided through subcontracts with Western Express and Western Express Transporter’s, Inc. Each company has a dedicated fleet of on-road equipment specifically designed for the needs of Escondido’s biosolids transportation. Western Express, Inc. has been transporting biosolids for Tule Ranch for over 15 years, and Western Express Transporter’s, Inc. for over 9 years. Together, both of these companies own and operate a combined fleet of 80+ Freightliners. The City of Escondido’s biosolids will continue to be transported in watertight end dump trailers as per preference, with retractable, intact tarp covers, all of which have already been inspected and approved for use. This large amount of equipment will ensure uninterrupted service to The City of Escondido with the equipment redundancy allowing for addition volume when required. The standard tractor and trailer configuration can easily accommodate 25 to 27 tons of material per load.

On a daily basis, the trucking manager routes truck drivers to the scheduled site. The factors that influence routing include traffic (accidents, road construction), weather, location of residences, potential for dust, and school bus routes.

Regulatory Compliance

Tule Ranch exceeds industry standards as it relates to biosolids land application programs. Tule Ranch complies with all state or local policies and ordinances. Tule
Ranch has included in this proposal a complete description of all land application procedures for each of our facilities, which includes information for all back up facilities. Tule Ranch has also included all operational permits for each of its primary reuse sites mentioned in this proposal.

Tule Ranch is committed to conform to the NBP’s Code of Good Practice. Tule Ranch will continue to conform to other applicable good practices, Electronic procedures for tracking biosolids, reporting and record keeping, regulatory compliance, proactive maintenance, self-imposed requirements, public outreach and documentation, participation in audits and any required corrective actions, corrective and preventive actions for all inspection findings, training and emergency preparedness plans, and other elements that may have procedural and cost implications for Tule Ranch. Tule Ranch will conform and comply with any and all periodic inspections and audits by The City of Escondido or its appointed auditors and understands that inspection findings require written root cause and corrective actions within 10 business days.

Outreach

Tule Ranch takes pride in its community outreach efforts and will continue to build ongoing relationships with neighbors, regulators, and other interested parties. Tule Ranch staff have been very active in supporting local agricultural youth organizations including purchasing livestock at the Delano Harvest Holidays Fair as well as other sponsorships. In 2006, Tule Ranch was recognized by both the United States Congress and the California Assembly as being awarded the Delano Chamber of Commerce Community Service Award for the being the Agribusiness of the Year. In Dateland and Yuma, Tule Ranch has established a good rapport with the community as well as with the local elementary school superintendent by donations of books and resources for other local events. Tule Ranch will continue to undertake a public participation, proactive outreach, and communication program and efforts.

Summary

Tule Ranch assures The City of Escondido that all of the elements of our proposal's biosolids management solution meet the goals of your RFP. Our solutions are already in place and operating efficiently and will be maintained in place on the effective date of the new contract commencement date in anticipation of beginning a long standing partnership.
Proposal Section: Technical Proposal

Technical Proposal

Qualifications, Related Experience and References of Tule Ranch—Tule Ranch is confident that The City of Escondido will find the following information more than sufficient to establish that Tule Ranch/Western Express Transporters has the ability to continue to satisfactorily perform the required biosolids management work by reasons of: experience in performing work of a similar nature; demonstrated competence in the services to be provided; strength and stability of the firm; staffing capability; work load; record of meeting schedules on similar projects; and supportive client references.

The following information provides a brief profile of Tule Ranch, including the types of services offered; the year founded; form of the organization (corporation, partnership, sole proprietorship); number, size and location of offices; and number of employees:

Tule Ranch offers an existing turnkey transportation and Class B land application management service to The City of Escondido to use approximately 10,000 acres of permitted land in Yuma County, Arizona for the land application of its Class B biosolids. Tule Ranch also offers biosolids (Class B and sub-Class B) landfill services at the South Yuma County landfill, with backup landfill services available at the Allied Waste Landfill located in Buckeye, Arizona.

Tule Ranch was established in 1963 by Shaen Magan. Tule Ranch has operated successfully for 48 years. During this period the ranch grew a variety of crops including wheat, barley, cotton, Sudan hay, alfalfa, and feed corn. These crops were sold in commodities markets throughout the world. Tule Ranch is currently held as a sole proprietorship by Mr. Magan.

The biosolids recycling portion was established in 1994 by Mr. Magan. The biosolids portion of the Tule Ranch operates under the name Tule Ranch and Honey Bucket Farms. These two names were important from the perspective they are used on the permits issued to Tule Ranch by the Central Valley Regional Water Quality Control Board. Mr. Magan was tutored in biosolids management practices by a nationally recognized expert on the subject of minimizing the negative impacts of farming on the environment and optimizing the benefits through the use of municipal biosolids.

In conjunction with the Tule Ranch operation, in 1977 Mr. Magan created and operated Shaen Magan Trucking Company. This trucking company was in business for over 20 years and was then sold becoming the firm,
Western Services, Inc. Western Service, Inc. was then sold becoming the firm, Western Express, Inc. Western Express, Inc. provides significant trucking service to the agricultural commodities, sand and gravel products, and biosolids industries and performs the transportation task for all biosolids. Western Express is owned by Mr. Magan’s wife, Betty Magan.

Western Express, Inc. owns and operates a dedicated fleet of on-road equipment specifically designed for the needs of treatment agencies. Tule Ranch will subcontract the transportation services to Western Express, Inc. and Western Express Transporter’s, Inc., a reputable and proven biosolids transporter. Western Express has been transporting material for over 14 years, and Western Express Transporter’s, Inc. for over 8 years. Also, both companies own and operate a combined fleet of 80+ Freightliners and water tight bottom dump trailers, walking floor trailers, and end dump trailers.

Tule Ranch and Western Express have 5 offices located in California and Arizona. The main office is located Fresno, California (5000 sq ft) and has an administrative staff of three (4324 E. Ashlan Avenue, Fresno, CA 93726). The two other California locations are located at Visalia, California (2500 sq ft) (30486 Road 64 VISALIA, CA 93291) with a staff of three and Delano, California (1000 sq ft) (31184 Schuster Road, Delano, CA 93215) with a staff of two. The two remaining offices are located in Arizona. Yuma office (7500 sq ft) (4464 E. 30th Place, Yuma, Arizona 85304) with a staff of seven and the Buckeye office (6500 sq ft) (8201 South Palo Verde Road, Buckeye, Arizona 85326) with a staff of 3. The remaining employees are classified as drivers, onsite support staff, maintenance and ranch employees.

Tule Ranch is dedicated to providing biosolids services to municipal wastewater treatment plants. It does so by transporting, processing, and beneficially using the plant nutrients, micronutrients, and organic matter present in biosolids to grow feed crops in accordance with federal, state, and local regulations. All told, Tule Ranch probably has more experience than any other permitted operator in Yuma County in safely and effectively using organic residuals.

Tule Ranch has been in business for over 40 years. Tule Ranch and Western Express have significant land holdings and equipment assets and has been successful in not relying on outside financial influences and has been self financed for over 20 years.

The following information describes Tule Ranch’s experience in performing work of a similar nature to that solicited in this RFP, and highlights the participation in such work by the key personnel proposed for assignment to this Scope of Work/Technical Specifications.
Tule Ranch has been providing biosolids and other organic residuals reuse services at its farm site since 1994. All told, our company probably has more experience than any other permitted Arizona/California operator in safely and effectively using organic residuals. As a family-run operation, we have continually provided the same point of contact, do not have to deal with a major corporate structure and maintain positive professional working relationships with all of our clients.

Our company prides itself on its track record of continual, unfaltering service to dozens of publicly owned treatment agencies including:

- **OCSD** – Land application and chemical stabilization of biosolids in Kings and Kern County from 1997 through 2003. Land application of biosolids, and occasional landfilling in Yuma County, Arizona from 2003, and still currently operating in Yuma County Arizona. Fifteen total years of service.

- **LACSD** – Land application and chemical stabilization of an average of 35 loads per week from Carson to Kings and Kern County from 1994 through April 2012. Valencia from 2000 to April 2012. Eighteen total years of service.

- **Goleta** - Chemical stabilization and land application of biosolids in Kern County from 2000 and still currently operating. Twelve total years of service.

- **Ventura Moorpark** – Chemical stabilization and land application of biosolids in Kern County from 2003 and still currently operating. Nine total years of service.

- **Santa Barbara** – Chemical stabilization and land application of biosolids in Kern County from 2011 and still currently operating. Four total years of service.

- **Calabasas** – Chemical stabilization and land application of biosolids in Kern County from 2011 and still currently operating. Less than one year of service.

- **Palm Springs** – Landfilling at the South Yuma Landfill from 2012 and still currently operating. Less than one year of service.

- **City of Beaumont** – Composting of sub-Class B biosolids using Synagro as a sub-contractor at Arizona Soils from 2010 and still currently operating. Three years of total years of service.
• **Eastern Municipal** – Three facilities use land application of biosolids, and in Yuma County, Arizona and one facility producing sub Class B biosolids compost its biosolids at the Arizona Soils facility since 2008, and still currently operating. Four total years of service.

The following information identifies Tule Ranch’s transportation subcontractors Western Express and Western Express Transporter’s, Inc. and its land application subcontractor AgTech, LLC. by company name, address, contact person, telephone number and project function. Describe Tule Ranch’s experience working with each subcontractor.

**Company Name:** Western Express  
**Contact Person:** Betty Magan  
**Phone Number:** (559) 222-7736  
**Project Function:** Biosolids pickup, hauling/transportation  
**Working experience:** Has been transporting biosolids for Tule Ranch since 1997

**Company Name:** Western Express Transporter’s, Inc.  
**Contact Person:** Betty Magan  
**Phone Number:** (559) 222-7736  
**Project Function:** Biosolids pickup, hauling/transportation  
**Working experience:** WET is the exclusive hauler for Tule Ranch’s Arizona operations and has been transporting biosolids since 2003

**Company Name:** AgTech, LLC.  
**Contact Person:** Sue Pemberton  
**Phone Number:** (928) 341-9625  
**Project Function:** Biosolids land application, record keeping, reporting  
**Working experience:** AgTech, and its prior owners have been serving municipalities since 1977. Since 2010, AgTech has been accepting Tule Ranch’s contracted biosolids.

**Proposed Staffing and Project Organization** – The following information describes the method that Tule Ranch will use to manage the Scope of Work/Technical Specifications as well as identify key personnel assigned.

Tule Ranch has provided information that describes the education, experience, and applicable professional credentials of Tule Ranch’s staff assigned to provide the services requested in this RFP as part of the information included in the resumes requested.
Shaen Magan, Owner

Tule Ranch/Magan Farms was established in 1963 by Shaen Magan. The Ranch has operated successfully for 40+ years. During this period the Ranch grew a variety of crops including wheat, barley, cotton, Sudan hay, alfalfa, and feed corn. These crops were sold in commodities markets throughout the world. Mr. Magan currently farms 3,500+ acres of agricultural in California and Arizona.

From 1973 to 1988, Shaen Magan was the owner of Tule Warehouse, a company that supplied the West Coast with retail building materials, with annual gross sales of $12 million.

The biosolids recycling portion was established in 1994 by Mr. Magan. The biosolids portion of the Tule Ranch/Magan Farms operates under the name Tule Ranch and Honey Bucket Farms. These two names are important from the perspective they are used on the permits issued to Tule Ranch/Magan Farms by the Central Valley Regional Water Quality Control Board. Mr. Magan was tutored in biosolids management practices by Mr. Kenny Evans, a nationally recognized expert in the subject of minimizing the negative impacts of farming on the environment and optimizing the benefits through the use of municipal biosolids.

In conjunction with the Ranch operation, in 1977 Mr. Magan created and operated Shaen Magan Trucking Company. This trucking company was in business for over 20 years and was then sold becoming the firm, Western Services, Inc. Western Service, Inc. was then sold becoming the firm, Western Express, Inc, which is owned and operated by his wife Betty Magan. Western Express, Inc. provides significant trucking service to the agricultural commodities, sand and gravel products, and biosolids industries and performs the transportation task for these biosolids.

Ben Lapadula, Farm/Biosolid Consultant

Consultant to Tule Ranch/Magan Farms, duties performed are regulatory monitoring, biosolid compliance verification, data management, and reporting functions.

Ben Lapadula has 30+ years of farming experience. Specializing in crop management of various row crops including cotton, alfalfa, grains, forage crops, grapes, nuts and vegetable crops. Also, Mr. Lapadula has 20 years of experience in the management of biosolids. His background includes biosolids injection projects, design, implementation, accounting, testing, monitoring, scheduling, & reporting. Other responsibilities included: permit maintenance, research, management of cropping program and agronomic practices.

Ben has a B.S. Agricultural Science and Business Management – U.C. Davis 1986, with emphasis on business and crop management.
Betty Magan
Owner Western Express, Inc. & Western Express Transporter's, Inc.

Western Express, Inc. and Western Express Transporter’s, Inc. (Western) are owned and operated by Betty Magan, President. Western is headquartered in Fresno, California while the operations occur in Delano, California, Buckeye, Dateland, and Yuma, Arizona. Western maintains a full-service maintenance and dispatch facility in Visalia, California, Yuma and Buckeye Arizona. In addition, Western provides biosolids transportation services to other contract companies operating in the Kern County & Southern California vicinities. Also, since 1996, Betty Magan farms approximately 2,200 in Kings & Kern Counties, CA and has been actively engaged in farming for over 40+ years.

John R. Winn
General Manager, Western Express Transporter’s, Inc.

Oversees the overall biosolids hauling, backhaul hauls, responsible for overseeing ranch operations, overseeing maintenance shop, and records, overseeing terminal manager and daily procedures in that area, including; fuel accountability, daily logs and scale sheets, drivers inspection sheets, payroll hours and employee records. Communicate with plant managers, loaders and Inspectors at OCS, and other municipalities.

John Winn was a highly decorated non-commissioned officer receiving several accreditations: Top Ten graduate from Advanced Staff Non Commissioned Officer School; Seven time recipient of the Good Conduct Medal for honorable and faithful service for three years at a time; Navy Marine Corps Achievement Medal, Navy Marine Corps Commendation Medal [twice] and the Meritorious Service medal; for service above and beyond during both peacetime and combat operations; Fifteen other Medals and awards for military service including the Combat Action Ribbon and the Presidential Unit Citation; and Accelerated promotions four times of eight.

Some of John Winn’s academic achievements are a graduate of non-commissioned Officer School, Staff Non Commissioned Officer School, Advanced Staff Non Commissioned Officer School, Advanced Motor Transportation Maintenance and Driving School, Maintenance Management Course, Hazardous Material Handling Course.

Mark Pemberton
Terminal Manager/Dispatcher Western Express Transporter’s, Inc.

Mr. Pemberton has over 30 years of experience in the transportation industry. Also, Mark Pemberton is responsible for training, drug screening, safety, insurance and personnel records, responsible for payroll, and various reports, responsible for all DMV, DOT, and FMCSA regulations enforcement and records. Mark Pemberton is responsible for the daily dispatching of loads and driver assignments.

AG TECH - KEY PERSONNEL
James Donley, Owner/CEO

Jim brings more than 25 years of experience in Agri-business to the community. He has more than 15 years of operational experience with biosolids management. He has handled all the bid proposals and contract negotiations for Ag Tech, LLC since 1997. He handled all of the operational functions from 1997 through 2007.

He owns residential, commercial and agricultural property in Yuma County. He has serviced the community in various ways with his charitable work.

Tony Whalen, General Manager
Tony has 30 plus years of experience in the agriculture field. He has experience in citrus management, produce, grain and forage crop production. He is licensed to analyze crop needs and apply herbicides, pesticides, fertilizers and other controlled chemicals. He owned and operated his own independent fertilizer/chemical company before joining a Fortune 500 chemical company in the mid 1990’s.

He was the Donley/Ag Tech agronomy and crop consultant for 15 years, before coming to Ag Tech as General Manager in 2007.

He manages the entire Ag Tech operation, from crop rotation planning and management to biosolids application.

Susan Pemberton, Finance Manager/Compliance
Susan has 35 years of experience in the accounting/finance/administrative field in a variety of industries, including manufacturing, farming and County & Federal government agencies.

She attended the University of Michigan, majoring in Business Administration.

She started working for the Donley family enterprises in 1993 as the Bookkeeper/Office Manager. When the Donley family acquired Ag Tech in 1997, biosolids compliance and reporting functions were added to her responsibilities.

She handles the accounting/finance portion of the business and is the liaison with the company’s accountant. She oversees all aspects of the administrative and compliance functions.

Ryan Unruh, Operations Manager
Ryan joined Ag Tech in 2011, bringing years of experience in agriculture and biosolids operations.

As our Operations Manager he oversees the day to day operation of Ag Tech. He supervises the farm staff in everything from planting through harvesting and facilitates the biosolids application operation.
Tule Ranch’s remains a qualified and capable contractor ready and willing to provide biosolids management services that conform to The City of Escondido’s biosolids management goals and policies set forth in the RFP’s scope of work.

- Tule Ranch holds and maintains all valid federal, state, and local permits, licenses, and other approved legally required documentation to operate a program for the beneficial use of biosolids through land application or the dispose of biosolids into designated landfills.

- Tule Ranch will sub-contract the hauling to Western Express and Western Express Transporters, Inc. The land application of biosolids at both Ag Tech and Mesa Ranch will be subcontracted to Ag Tech, LLC. Tule Ranch acknowledges that it will be accountable and responsible to provide, either with its own resources or through subcontractors, suitable staff and equipment for the job that will conform.

- Tule Ranch will continue to comply with all applicable federal, state, and local laws, rules, regulations, and pronouncements associated with land application or the landfill of biosolids.

Tule Ranch will continue to maintain identified fail safe backup sites in Dateland, AZ at the GPA Management Group site for land application, and in Buckeye, AZ at the Allied Waste Landfill for landfill disposal of biosolids.

- Tule Ranch welcomes The City of Escondido’s inspection of the trucks and trailers. Tule Ranch will keep all trucks and trailers clean (i.e., washed between loadings), free of rips in the tarps, have the tarps cover the entire load, and maintain spill-prevention baffles, etc. Tule Ranch has its own facilities necessary to wash trucks between loadings.

- Emergency preparedness kits will continue to be required by Tule Ranch to be onboard all Western Express and Western Express Transporter’s, Inc., trucks at all times.
- Drivers for Tule Ranch are required to comply with The City of Escondido’s loading procedures, Department of Transportation (DOT) regulations, and provision and implementation of emergency response plans.

- Any federal, state or local fees related to hauling, such as road use fees, and any fines incurred by hauling operations as well as costs associated with releases will be the responsibility of Tule Ranch.

- Tule Ranch’s drivers will conduct themselves in a professional and courteous manner. Tule Ranch dispatchers will continue to relay important training and other communications from The City of Escondido to drivers promptly.

The following information describes the methods that Tule Ranch will use to ensure quality control as well as budget and schedule control for the Scope of Work/Technical Specifications.

Tule Ranch has a close working relationship with the municipalities it works with and that helps to ensure a team spirit. Tule has in place personnel with integrity and confidence to perform the daily activities to meet its customers’ needs and has developed a system of tracking loads and documenting that activity.

Tule Ranch’s selection of Project Siting options carefully considered factors such as proximity to The City of Escondido and to sensitive receptors, surrounding land use type, history of site, potential issues on hauling route to site, and future plans for proposed management site.

The Yuma County land application sites and landfill facility have been carefully chosen to provide The City of Escondido with the closest possible, yet remote, environmentally-sensitive, sustainable and cost-effective options for the management of biosolids. Biosolids use in Yuma County is an agriculture-dominated county that appreciates the agronomic and economic benefits of biosolids to its farmers. Land application of Class B biosolids is expected to be viable for the foreseeable future, and it is extremely unlikely that the State of Arizona will amend its biosolids-friendly regulations in Article 10. In fact, the Ag Tech site has been cited by EPA in past literature as case study site that showed the agricultural benefits of the use of biosolids.

The land application and landfill sites proposed for use are very remote, over three miles from any residence or sensitive receptor. The roads used for transportation of biosolids are major interstates (Interstate 8) thus not (typically) subject to stop-and-go traffic in residential areas. The surrounding land uses are predominantly agricultural and are accustom to typical scents generated from agriculture soil amendments.
We Will,

- Comply with all applicable federal, state, and local requirements regarding transportation, storage, and use or disposal of biosolids away from the facility.
- Manage biosolids in a manner that meet the applicable standards for their intended use or disposal.
- Develop and continue to update our attached BMP to ensure that we have an effective ongoing biosolids operation.
- Enhance our monitoring of biosolids with management practices.
- Require good housekeeping practices for our biosolids transport, and during land application or disposal operations.
- Develop response plans for unanticipated events such as inclement weather, spills, and equipment malfunctions.
- Commit to sustainable, environmentally acceptable biosolids management practices and operations.
- Prepare and implement a plan for preventive maintenance for equipment used to manage biosolids and wastewater solids.
- Seek continual improvement in all aspects of biosolids management.
- Provide methods of effective communication with stakeholders, and interested citizens.
Summary of Operations
Tule Ranch receives dewatered Class B’ biosolids from municipal wastewater treatment plants and transports them directly to the Arizona sites. Once at the sites, the biosolids are either processed and land applied or directly land applied, off-loaded at South Yuma County Landfill, or delivered to a subcontractor for composting in accordance to local ordinances. The end-use sites are specifically permitted for this use. Only feed and fiber crops are planted at the land application sites. Inspections of the sites are done with or without any notice by the generators, health officers, regulators, contractors, and auditors that verify that this plan is being followed. Biosolids are regulated through the Code of Federal Regulations, Section 40, Part 503 (40 CFR 503) which sets minimum standards that must be met before the material can be land applied.

Company Policy
“Tule Ranch is committed to using best management practices and compliance with regulations while providing biosolids services to municipal wastewater treatment facilities.”

Tule Ranch accomplishes this by adopting and implementing the provisions found in the California Water Environment Association (CWEA) Code of Good Practice and the National Biosolids Partnership (NBP) Code of Good Practice.

Description of Sites

Yuma County, Arizona
Tule Ranch has access to 6,110 acres of ADEQ permitted for land application in Dateland, Arizona. The closest permanent resident is over 3 miles away to the south of the application sites. Typical crops include Barley, Cotton, Alfalfa, Wheat, Silage Corn and Sorghum.

Yuma County, Arizona
Tule Ranch has access to 2,000+ acres of ADEQ permitted for land application in Yuma, Arizona via Ag Tech. The closest permanent resident is over 3 miles away. Typical crops include Barley, Cotton, Alfalfa, Wheat, Silage Corn and Sorghum.

Yuma County, Arizona
Tule Ranch has access to 800 acres of permitted for land application in Yuma, Arizona via Magan’s (Desert Ridge Farms). The closest permanent resident is over 1 ½ miles away. Typical crops include Barley, Cotton, Alfalfa, Wheat, Silage Corn and Sorghum.

Yuma County, Arizona
South Yuma County Landfill in Yuma, Arizona is an alternative off-loading site for biosolids disposal. All regulations instituted by the EPA and ADEQ are followed as well as extra safety measures. Truck washout is limited by the use of a biodegradable trailer liner.

Biosolids

General Characteristics
Tule Ranch accepts biosolids from Goleta Sanitation District, Valencia Sanitation District, Los Angeles County Sanitation District, Santa Barbara Sanitation District, Eastern Municipal Water District, City of Beaumont, Ventura Sanitation District and Orange County Sanitation District. The above generators process their biosolids through anaerobic digestion followed by dewatering. The consistency is that of a paste with a moisture content that varies between 20 and 30% solids. Biosolids contain large amounts of organic matter to which are bound plant nutrients, such as nitrogen and phosphorous, as well as plant micronutrients, such as copper, selenium, and zinc. Biosolids, on an average dry basis, show a plant fertilizer value of 4.5 – 2.5 – 1 NPK.

The content of metals in biosolids is comparable or lower than other commonly used fertilizers. The 40 CFR Part 503 biosolids regulations defines the metal limits as "Ceiling Concentration" and "Exceptional Quality". Biosolids qualify for land application if at a minimum they meet the ceiling concentration with the condition that the sites receiving can track, on an annual basis, the cumulative soil loading for all metals. The above-mentioned generators produce exceptional quality biosolids which exempts Tule Ranch from tracking the cumulative metals soil loading. However, this tracking is still being done and reported.

Application Rates
Application rates are based on the nitrogen content in biosolids, expressed in milligrams of Nitrogen per kilogram, and the desired crop nitrogen needs. Nitrogen content in biosolids is determined from the average shown in the generator’s reports provided monthly. Each crop has a specific nutrient requirement determined in the literature (e.g. Western Fertilizer Handbook). Biosolids is applied to a site in enough quantity in order to fulfill this need, also known as agronomic rate. Table 1 summarizes the plant nutrient requirement for the most common crops.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Crop Yield (tons)</th>
<th>Biosolids Application Rate (lb/acre)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Barley</td>
<td>2.5</td>
<td>200</td>
</tr>
<tr>
<td>Cotton</td>
<td>0.75</td>
<td>250</td>
</tr>
<tr>
<td>Silage Corn</td>
<td>12.0</td>
<td>250</td>
</tr>
<tr>
<td>Crop Application Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The application rate for each particular site is first estimated from the site area, the crop to be planted, and the average nutrients in biosolids. The results of the biosolids from different sources and a projection of the quantities of biosolids loads that are expected from each source are factored into the application rate calculation. This estimate produced by the site manager and provided to the field application foreman.

The primary factors used to calculate the application rate are the percent solids and nitrogen content of the biosolids, the nitrogen mineralization and volatilization rates, and the nitrogen needs for the crop to be planted (also known as plant available nitrogen or PAN). Application rates for crops subsequent to the first crop application may be reduced by the amount of nitrogen carryover when biosolids is applied to the same field in successive cropping seasons. If that is the case, a carryover of 10% is estimated for the PAN calculations. Subsequent applications have a 5%, 3%, and 3% carryover for the prior three years, respectively.

Tule Ranch or its subcontractor integrates the process of determining target application rates and nutrient loading limits with the computerized tracking system. The site manager determines target application rates after consultation with the farm manager. The site manager determines the desired nitrogen and other nutrient levels utilizing soil and crop analyses, crop yield, and standard agronomic tables. He inputs this data into an electronic calculation table for a determination of the appropriate biosolids application rate required in order to reach the desired soil fertility levels. The system utilizes current biosolids analysis data to compute the target application rate needed to meet the fertility goals while maintaining a safe level of trace metals loading following an algorithm outlined below. The criteria for the critical parameter monitoring are included in the 40 CFR Part 503 Rule.

**Step 1** Determine the crop’s nitrogen requirement (CNR) by the method described in the preceding paragraph.

**Step 2** Compute the pounds of available Nitrogen per ton of biosolids applied using the following embedded formula or nitrate testing of soil:

\[
Pounds \text{ N/Ton Biosolids} = (\%\text{NH}_4 - N_j \times \%\text{Solids} \times 500) + (\%\text{NO}_3 - N_j \times \%\text{Solids} \times 2000) + (\%\text{NO} \times \%\text{Solids} \times 400)
\]

Where: \( N_j = \text{inorganic nitrogen in biosolids} \)
No = organic nitrogen in biosolids

Step 3) Compute residual nitrogen from previous land application as a measure of the percentage of original applied amount:

a) for current proposed crop = 20%
b) for second crop rotation = 10%
c) for third crop rotation = 5%
d) for fourth crop rotation = 3%
e) for fifth crop rotation = 3%

Residual Nitrogen (RN) = 3.a + 3.b + 3.c + 3.d + 3.e

or use current soil test data to determine PAN.

Step 4) Compute Target Application Rate (TAR):

CNR - RN = TAR (pounds of N/acre)

TAR (pounds of N/acre) / Step 2 (lb. N/ton biosolids) = TAR (tons biosolids/acre)

Step 5) Determine application limits based on annual whole sludge application rate (AWSAR)

Cumulative Pollutant Loading Rates, in Kg/ha, from Table 3, according to 40 CFR 503.13

A) Maximum Annual Pollutant Loading Rate, in Kg/ha, according to 40 CFR 503.13(b)(4):

<table>
<thead>
<tr>
<th>Kg/ hectare</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Arsenic</td>
<td>2.0</td>
</tr>
<tr>
<td>Cadmium</td>
<td>1.9</td>
</tr>
<tr>
<td>Chromium</td>
<td>150.0</td>
</tr>
<tr>
<td>Copper</td>
<td>75.0</td>
</tr>
<tr>
<td>Lead</td>
<td>15.0</td>
</tr>
<tr>
<td>Mercury</td>
<td>0.85</td>
</tr>
<tr>
<td>Molybdenum</td>
<td>0.90</td>
</tr>
<tr>
<td>Nickel</td>
<td>21.0</td>
</tr>
<tr>
<td>Selenium</td>
<td>5.0</td>
</tr>
<tr>
<td>Zinc</td>
<td>140.0</td>
</tr>
</tbody>
</table>

B) Cumulative Pollutant Loading Rate, in Kg/ha, according to 40 CFR 503.13 (b)(2):

Kg/ hectare
Arsenic ......................41
Cadmium ....................39
Chromium ..................3000
Copper ......................1500
Lead ........................300
Mercury .....................17
Molybdenum .................18
Nickel .......................420
Selenium ...................100
Zinc .........................2800

**Step 6)** Determine the Target Application Rate (TAR)

The computer will default to the lowest sum in Steps 4 and 5 and this will be the TAR.

**Step 7)** Compute the remaining site life in years:

Determine the number of pounds of each metal that were added throughout the year utilizing the Annual Pollutant Loading Rates, Ceiling Concentration Limits (APLRC), prior application amounts, and Cumulative Pollutant Loading Rates, compute the remaining site life at current application rates:

\[ \text{AWSAR} = \text{APLRC} \times 0.001 \]

The target application rate is monitored using the consolidated reporting forms and the computerized tracking system. The data is entered into the computer daily except weekends and holidays.

**a. Tracking Site Lifetime Application**

The tracking of site lifetime application is not required by 40 CFR 503 for exceptional quality biosolids, however this is done. The potential biosolids application life for a particular site is calculated on a yearly basis and depends on the metals content of the biosolids and the application rate.

1. **Management Plan**

   **A. General Operating Constraints**

   Land application of biosolids is regulated at the federal level by the 40 CFR 503 Rule, which defines the minimum standards required for land application of biosolids (defining processing methods, which determine the vector attraction reduction and the pathogen level, as well as defining the concentration of metals, crops allowed, and site access restrictions). At the state level, the Arizona Department of Environmental Quality's 18 A.A.C. 9, Article 10 - Arizona Pollutant Discharge Elimination System Disposal, Use, and Transportation of Biosolids.
All land application sites have the applicable permits with the county or state agency that oversees this activity. The permits in Yuma County are issued by the Arizona Department of Environmental Quality (ADEQ).

The operation is finally governed by service level agreements signed between Tule Ranch and its municipal customers. These contracts define the minimum requirements. Because Tule Ranch services many municipal customers simultaneously, it will apply the contract conditions that are most stringent to its operation.

B. Management Practices
Land application follows harvest of any standing crop and the disking of the site to remove any furrows. The project manager then flags any restricted areas by measuring the appropriate setback as defined in the Arizona Article 10 (whichever is applicable), or the local requirement, whichever is stricter.

The following management practices will be followed:
- Biosolids will not be applied at an application rate greater than the agronomic rate of the crop planned for the site
- Biosolids will not be applied to land that is flooded
- Biosolids will not be spread if the weather prohibits its incorporation
- Biosolids will be incorporated into the soil as soon as possible
- Every site will grow a viable crop prior to any additional biosolids application

C. Equipment Utilized
Tule Ranch or its subcontractors provides all the equipment used to transport and land apply biosolids. Biosolids are transported in belly dump, end dumps, or live-floor semi trailers pulled by tandem-axle truck tractors. The net volume capacity of the trailers is between 40 and 54 cubic yards, which correspond to a net weight capacity of between 22 and 27 tons. The trailers are equipped with roll tarps that are secured by a number of ratchet tie-straps.

Biosolids are either unloaded to the receiving pit or at the designated land application site (Yuma County). Biosolids are then loaded into spreaders pulled by a standard agricultural tractor using a front-end loader or off loaded into a mixing pit in preparation for injection via tractor and chisel. A disk, also pulled by a standard agricultural tractor, incorporates the biosolids into the soil. Water trucks are used to supply the water for washing the biosolids residues off the trailers tires and to water the access roads to the fields to reduce dust. Water pumps are used to water the fields throughout the growing season. Sprinklers are also used in certain locations.

D. Transportation
   a. Permits
Tule Ranch and its sub-contract haulers are permitted as a motor vehicle contract carrier by the Interstate Commerce Commission and as a highway contract carrier by the California Public Utilities Commission.

b. Truck Routes
On a daily basis, the dispatcher, routes truck drivers to the assigned fields. The factors that influence routing selection include traffic (accidents, road construction), weather, location of residences, potential for dust, and school bus routes.

c. Delivery Windows
The general manager coordinates with the municipal customer’s loading coordinator the best delivery window, which depends on the travel distance, traffic, route, and impact on the public.

d. Truck Maintenance, Appearance, and Recordkeeping
All trucks and trailers are properly maintained to provide the safe transport of biosolids and to prevent release of biosolids as per the Biosolids Release Plan. The mechanical maintenance schedule of truck tractors follows the manufacturer’s recommendations and the records are kept in the Western Express Trucking office. The structural integrity of truck trailers are also tested by visual inspection and fixed accordingly to avoid accidents and biosolids releases. This includes the placing and maintenance of adequately working safety pins on trailer gates. All repairs are logged and the records are kept in the Western Express Trucking office. All truck maintenance records are made available to municipal customers upon request.

e. Driver Training
Tule Ranch truck drivers receive training on an annual basis on the following:
- Loading and procedures at wastewater treatment plants
- Safety and biosolids
- Do’s and don’ts of biosolids transportation
- Release prevention and release cleanup procedure
- Unloading and cleaning procedure
- Recordkeeping
- Public relations

The records of this training are kept in the Western Express Trucking office and are made available to clients upon request.

f. Dispatcher Contact Information

Mark Pemberton (Yuma, AZ)................................. (928) 941-3655
Cal Mullenix (Buckeye, AZ)................................. (602) 377-7250
E. Unloading and Washing
When a truck arrives at the designated field or at the processing site, the biosolids are unloaded onto the designated area and the interior of the trailer thoroughly washed. Before leaving, the trailer is tarped and then trailer and trailer tires are washed clean of biosolids residues.

F. Storage
Material may be stored for a period of up to 2 years in Arizona. Tule Ranch typically land applies and incorporates the biosolids immediately upon delivery to the site.

G. Spreading
Once the spreader is loaded with biosolids material and is at the designated site, it spreads the material uniformly on the land until the application rate for the planned crop is reached. A rough application rate can be calculated by dividing the capacity of the spreader by the area spread by the load (multiplying the distance traveled by the average broadcast distance). Depending on the soil conditions, the desired application rate can be done in two separate spreading events, as described below.

H. Incorporation
After spreading, the material is disked into the soil with a disk pulled by an agricultural tractor. For certain soil conditions, and to assure better blending and incorporation into the soil, the material can be spread in two complete cycles of spreading and incorporation. Prompt and adequate incorporation is done to avoid public nuisances, such as odors and flies.

I. Watering, Planting, and Cropping
Once a field has been adequately fertilized and amended with biosolids, it is ready for seed bed preparation, planting, cultivation, and irrigation. Once the crop growth cycle is complete, it is harvested and sold. Records of crop production are kept in Tule Ranch field office and are made available to its municipal customer upon request.

J. Soil types
Yuma County, Arizona
The sites permitted for biosolids land application contain Indio Silt Loam soils which are formed in mixed alluvium. The permeability is moderate with a rooting depth of 64 inches or more, high water capacity, and medium surface runoff. This soil is used for irrigated alfalfa hay, small grains, cotton, sugar beets, grain sorghum, citrus fruit, vegetables, and Bermuda grass.

K. Groundwater Depth
The groundwater level underlying the Yuma County sites are about 70 feet with a southwest gradient.

L. Prevailing Winds

In Yuma County, the prevailing winds are from northeast characterized by a weak breeze and reversing directions during the afternoon.

M. Staff Training
The training includes basic biosolids regulations on the federal, state, and local level as well as on the municipal customer’s particular requirements. The training includes safety aspects related to biosolids handling, endangered species, public perception issues, and communication with the public. The training of staff is done on an annual basis and the records are kept in the Tule Ranch field office and are made available to clients upon request.

Tule Ranch arranges the best available time for regular and subcontracted staff to be trained by the customers after previous notification.

2. Controls
   A. Soil Testing
   Soils from each field are analyzed prior to the initial biosolids application and subsequently after every 40 dry tons applied per acre application. A composite of soil from a depth ranging from 6-12 inches are sampled at 15 separate, randomly selected locations per field, and are analyzed by a certified laboratory.

   B. Biosolids Quality
   Biosolids received for land application must be endorsed by a Certificate of Biosolids Quality to ensure receiving at least Class B material. In the event Subclass B biosolids is received it will be redirected for land fill disposal or composting.

   C. Odor Control
   Odors at the site are not a major impact due to the remoteness of Tule Ranch’s site locations.

   D. Noise Control
   Truck and trailers are maintained in accordance with the Department of Transportation requirements for noise control.

   E. Access Control
   Fences along with postings and on duty personnel provide access control.

   F. Stockpiling Issues
   No stockpiling of Biosolids.
G. Site Restrictions
All field access points are posted with “No Trespassing” signs and ingress and egress are monitored by Company personnel.

H. Water Quality Controls
a. Surface Water
The setbacks from application sites to surface water courses, either dry or flowing, are 100 feet.

b. Groundwater
The setbacks to drinking water wells are 500 feet and to non-domestic wells are 100 feet.

I. Inspections
Verification of regulatory compliance is done by several different agencies. The Arizona Department of Environmental Quality, and the biosolids generators perform periodic inspections and report with verbal and written notifications and recommendations for improvement.

3. Emergency response
A. Weather
No application will be done when the precipitation is greater than 0.025 inches per hour or when the soil is saturated. When either of this occurs, the operation will be halted and, depending on the situation, may be moved to another more appropriate site. The project manager will inform the dispatcher and the customers of any change in schedules. The dispatcher, in turn, informs the drivers of any change in routes and delivery locations.

B. Biosolids Release Response
Please refer to Attachment A “Biosolids Response Plan” for a complete description.

C. Fire
Need for evacuation of fields or offices will be determined by field manager or dispatcher in event of threat of fire.

4. Monitoring

B. Soil Testing
Soils from each field are analyzed prior to the initial biosolids application. A composite of soil from ranging from 6-12 inches are sampled at 15 separate, randomly selected locations, and are analyzed on each permitted site. Soils are analyzed BC Labs or other certified laboratory for the following:

Plant Macro Nutrients & others: (analyzed prior to application)

* Total Kjeldahl Nitrogen
• Phosphorous
• Ammonia Nitrogen
• Nitrate Nitrogen
• Phosphate
• Potassium
• Cation Exchange Capacity
• Soil pH

Trace Metals & others: (analyzed when application has reached 40 dry tons of biosolids and every 40 dry ton thereafter)

• Arsenic
• Cadmium
• Copper
• Molybdenum
• Lead
• Mercury
• Nickel
• Selenium
• Zinc
• PCBs
• Dioxins

Periodically, samples are tested for other parameters such as Boron, Total Petroleum Hydrocarbons, Toxic Organics indicators, Sodium Adsorption Ratio.

C. Recordkeeping
Tule Ranch collects and maintains the following information indefinitely:

• The location, by quarter section, section, township, range and assessor’s parcel number, of each site on which biosolids is applied, including a map, of scale 1:24,000 or larger, accurately showing the location.
• The number of hectares in each site on which biosolids is applied.
• The date biosolids was applied to each site.
• The cumulative amount of each pollutant, in pounds listed in Discharge Specification B.1 in the biosolids applied to each site.
• The amount of biosolids, in dry tons, applied to each site.
• The following certification statement:

"I certify, under penalty of law, that the requirements to obtain information in 40 CFR 503.12(e) (2) have been met for each site on which bulk sewage sludge is applied. This determination has been made under my direction and supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information used to determine that the requirements to obtain information have been met. I am aware that there are significant penalties for false certification including fine and imprisonment".
• A description of how the requirements to obtain information in the above paragraph are met.

Tule Ranch collects and maintains the following information for five years:
• The following certification statement:

"I certify, under penalty of law, that the requirements of Prohibition A.3 and Discharge Specification B.11 have been met for each site on which bulk sewage sludge is applied. This determination has been made under my direction and supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information used to determine that the management practices have been met. I am aware that there are significant penalties for false certification including fine and imprisonment".

• A description of how the requirements in Prohibition A.3 and Discharge Specification B.11 are met for each site on which bulk biosolids is applied.
• The following certification statement when the bulk biosolids meets the vector attraction reduction requirements in Discharge Specification B.11:

"I certify, under penalty of law, that the site restrictions in Discharge Specification 8.10 have been met for each site on which bulk sewage sludge is applied. This determination has been made under my direction and supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information used to determine that the site restrictions have been met. I am aware that there are significant penalties for false certification including fine and imprisonment".

• A description of how the site restriction in Discharge Specification B.10 is met for each site on which biosolids is applied.
• The following certification statement when the vector attraction reduction requirement in either Discharge Specification B.11.i or B.11.j is met:

"I certify, under penalty of law, that the vector reduction requirement in Discharge Specification B.11.i have been met for each site on which bulk sewage sludge is applied. This determination has been made under my direction and supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate the information used to determine that the vector reduction requirement have been met. I am aware that there are significant penalties for false certification including fine and imprisonment"

If the vector attraction reduction requirements in either Discharge Specification B.11.i or B.11.j are met, a description of how the requirements are met.

D. Reporting
Tule Ranch, on a quarterly basis, reports to its municipal customers on a pre-selected number of activities that are deemed crucial for the sustainable management of biosolids.

Tule Ranch annually submits to the Environmental Protection Agency, ADEQ and its municipal customers a tabulated summary of results of all biosolids and soil monitoring data and an evaluation of the data collected during the calendar year; the cumulative total loading of heavy metal for each site and a comparison to the allowable cumulative loading standards (including calculations); the results of soil pathogen monitoring; compliance with land use restrictions identified in Discharge Specification B.10; and documentation certifying that personnel working at the site adhered to the approved Guidelines for Endangered Species Protection required in Provision D. 7. The annual monitoring report is submitted for three years following the last biosolids application.

5. Community Relations and Communications Plan

A. Existing Community and Political Relationships
In Dateland (Yuma County), the operator has established a good rapport with the town owner as well as with the local elementary school superintendent by donations of books and resources for other local events. In Yuma at Desert Ridge Farms and Ag Tech, Tule Ranch has been supportive of local events (little league softball teams) and the Marine Base (contribute to military events such as parades, balls, and remembrances).

B. Communication Options

Internal Communication
Staff is to understand Tule Ranch’s Mission and how it associates with the policy of its customers. Training on this is done at least annually. Staff training on job operations, safety, releases and other emergency response is also done at least once annually. Records are maintained onsite including sign-in sheets and training agendas for each meeting.

External Communication
Management and staff can provide communication and outreach to interested parties. Communication can come through several different methods, such as:

- Direct contact with company via phone, e-mail, mail, etc.
- Presentations and outreach materials
- Tours of the facility and operation
- Classroom education
- Sponsoring of public events
- Correspondence with regulators, media, or associations
- Communication with Orange County Sanitation District and other generators

C. Community Outreach Program and Materials
Staff provides public outreach in the following ways:
• Give presentations to regulators, schools, and informal meetings
• Hand out fact sheets provided by regulators and generators
• Prepare letters of support for biosolids use in agriculture

Tule ranch staff participates in agriculture associations to gain support from other members of agriculture associations through presentations, booths, and handouts. Staff also participates in educative efforts through editorial county Board presentations, presentations to schools, and maintaining an overall open line of communication.

Tule Ranch supports research projects with local universities and other organizations that have an interest in studying the use of biosolids to grow crops or to study environmental impacts.

D. Community Inquiry Response Program
This program has been developed to understand, respond, and follow-up on inquiries and complaints Tule Ranch receives. To that effect a Community Inquiry Response Form was created. This form is filled by staff receiving comments or complaints. Comments or complaints are logged in a binder called “Community Inquiry Response Forms”, copies are then dispersed to all managers for review and response. Additionally, all generators are notified promptly by e-mail or phone for critical issues such as release, hazards or complaints, all other inquiries are forwarded with quarterly reports.

6. Contacts
  Office (Main)
  Kurt Wyrick
  4334 E. Ashlan Ave
  Fresno, CA  93726
  Tel. (559)222-7736
  Fax.(559)222-7756

  Office (Yuma, Arizona)
  John Winn
  4464 E. 30th Place
  Yuma, AZ  85364
  Tel. (928) 344-9004
  Fax (928) 344-9007

  Dispatcher
  Mark Pemberton
  (928) 941-3655

  Office (Buckeye, Arizona)
  Cal Mullenix
  8201 S. Palo Verde Rd
  Buckeye, AZ  82326
  Tel. (602) 377-7250
  Fax (623) 474-0057

7. Attachments
  A. Biosolids Release Response Plan
10. Available upon request
   A. Maps of Permitted Sites (including landmarks, major farm roads, dwellings, wells, field numbers, and acreage)
   B. Copy of Permits
   C. Community Inquiry/Complaint Form

Attachment A
Biosolids Release Response Plan

1. TRANSPORTATION

   This section presents standard operating procedures during pickup, transportation, and delivery of biosolids to Tule Ranch facilities and includes:

   A. Transportation
   B. Safety
   C. Equipment maintenance

A. TRANSPORTATION

After the biosolids are loaded into the trucks at the treatment plant the driver follows the established routes to transport the biosolids to the Tule Ranch facilities. The generators and Tule Ranch have set routes with the appropriate regulatory agencies during the site permitting process with considerations for residential and business traffic, as well as odor and noise potentials. If a roadway is closed or detoured, drivers notify the dispatcher of the alternate route. Route maps are updated as needed. Because of the sensitive nature of biosolids, drivers do not stop at any time in route to or from the site destination, other than in an emergency, equipment breakdown, equipment service, driver change, or to render emergency first aid if encountering an accident. In the event of a mechanical failure such as biosolids leaking through a faulty or damaged trailer, the driver shall stop immediately to minimize the spreading of released biosolids.

B. SAFETY

Tule Ranch subcontractor, Western Express, Inc., provides safety equipment and safety training to all drivers and maintains and repairs equipment for all preventive and emergency needs. The training is done on an annual basis and the training records are kept in Tule Ranch field office.

1. Safety Equipment
All trucks are equipped with:

- A two way radio (C. B.)
- Cell Phone
- Battery powered flashlight
- Warning triangle kit
- Shovel
- First aid kit
- Copy of this biosolids release response plan
- Broom
- Fire Extinguisher

2. Safety Training

Western Express, Inc., provides training for safe biosolids handling practices and for maintaining defensive, safe driving methods. All drivers attend regular safety training meetings. Drivers have current licenses and health certificates as required by the State of California and/or Arizona. They are also issued a "Driver Handbook" detailing their responsibilities as a driver. Basic driving safety practices include:

- Drivers are to drive safely, courteously, and defensively at all times
- Trucks must be checked prior to startup, including oil, water, tires, and lights
- Trailers must be checked for structural damage, leaks, tarp, and tarping mechanism
- Loads must be secured with safety pins (front and back for clamshells and a wing nut and a pin securing the sliding gates)

C. EQUIPMENT MAINTENANCE

Western Express, Inc. has a 15,000 mile inspection schedule for all trucks and completes all maintenance and repair as needed. Applicable noise level requirements must be met or bettered by all tractors and trailers. The equipment is kept as clean as possible, including the following:

- Partially wash the truck and trailer after each trip to prevent tracking or dropping of biosolids material
- All trucks are washed once per week to remove all road dirt
- Trailers are washed entirely once per month according to the preventive maintenance schedule

II. EMERGENCY PROCEDURES
Tule Ranch has defined procedures to avoid and/or prevent incidents. Despite precautions an accident may occur. Quick response through established procedures minimizes the impact of any incident or accident. This section details the procedures that MUST be followed in an emergency situation and includes:

A. Incident protocol
B. Determining the extent of the incident
C. Non-release incident procedures
D. Release cleanup procedures.

A. INCIDENT PROTOCOL

Safety is of the utmost importance. The correct protocol includes:

1. Flag the area immediately to warn other motorists

2. Reroute traffic

3. Notify dispatcher

4. Notify generator

5. Restore the scene to normalcy, if possible, or wait for assistance. If further assistance is necessary, the dispatcher refers to Section III. A variety of equipment, including emergency response vehicles, dump trucks, loaders, vacuum tanker and water trucks are available to assist if the incident involves released biosolids.

Although drivers have regular radio contact with the dispatcher, there are possible blind spots in radio communications that may prevent emergency calls to the dispatcher. If radio contact with the dispatcher is unavailable, the driver is to contact the Highway Patrol or other accessible authority and request that they contact the dispatcher. Many coin-operated telephones may be used without coins to contact emergency agencies.

In case of media contact, the driver will provide phone numbers for contacting Tule Ranch management contained in this management plan. If conversations with the media representatives at the site in an emergency situation are unavoidable, the driver shall be courteous, avoid speculation, and relate only the known facts.

B. DETERMINING THE EXTENT OF THE INCIDENT
Incidents differ in response time and intensity of effort necessary to resolve and/or clean up. The following definitions will help determine the extent of the emergency situation:

**Non-Release Accidents**: This includes any event involving a subcontractor vehicle or personnel or an accident scene where the subcontractor driver is first to arrive or witnessed.

**Small Releases**: These may result from leaking gates, fast stops, or sudden shifts of the truck. A small release is one that can be cleaned up within 15 minutes by the driver using a shovel.

**Major Releases**: These are releases of an extensive nature resulting from:
- Truck overturning
- Collisions
- Equipment malfunctions
- Operator error
Major releases are those which cannot be cleaned up by the driver alone within 15 minutes, and which present a possible risk to other people or the environment.

**C. NON-RELEASE INCIDENT PROCEDURES**

All incidents require immediate response. When the driver is the first person at the scene of an incident, the driver must make the initial evaluation of the type and extent of the emergency. If there is any question about the extent or the risk of the situation, the driver should consult the dispatcher immediately.

1. **Injury**

   If first at the scene, the driver will render first aid and remain at the scene until help arrives. If the driver is injured, he and any other injured parties will be transported to the appropriate medical facility by the emergency medical aid vehicle responding to the scene. If the driver is unable to drive further, the dispatcher will send another driver to move the vehicle if it is road-worthy.

2. **Accident Witness**

   If the driver witnesses an accident or is the first to arrive at the scene of an accident, he or she shall radio the information to the dispatcher. The dispatcher shall immediately then notify the appropriate emergency agency. If the driver is able to stop, he will stay at the scene until the authorities take control, otherwise he will call the dispatcher to warn the authorities of the accident.

3. **Vehicle Accident**
In case of an accident involving a vehicle hauling biosolids, the driver shall relay the information to the dispatcher. The driver must complete and turn in within 24 hours of the incident a California Highway Patrol Accident Report or incident report as applicable.

4. Other Incidents

Tule Ranch subcontractor reports other Incidents, non-vehicular accidents and incidents involving property damage, theft, or bodily injury as they occur. Tule Ranch notifies the generator within 24 hours and the appropriate agency (police, fire department, health department) for investigation and follow up.

D. RELEASE CLEAN-UP PROCEDURES

Each biosolids release, whether small or large, requires immediate response. The guidelines in this handbook are to be followed for each particular incident. The driver will complete and turn in an Accident Report within 24 hours of the incident, in addition to an "Incident Report - Biosolids Release" (Attachment 2).

1. Small Releases

If the incident falls within the parameters of small releases, as described in Section II.B ("Determining the Extent of the Incident"), the driver shall do the following:
   a. The biosolids are to be completely removed using a shovel and placed back into the trailer.
   b. The surface is to be cleaned by first adding sand or dirt and then removing it with a broom.
   c. If the truck or trailer is defective, the driver will consult with the dispatcher for further instructions. If the driver is unable to contact the dispatcher by radio and believes that the truck or trailer should not be moved, he shall contact the dispatcher by whatever means available, such as Highway Patrol, public phone, etc.

2. Major Releases

If a major release occurs, the driver shall do the following:
   a. The driver is to divert traffic around the release, using traffic cones, reflectors, and/or flares.
   b. The driver is to call the dispatcher with release location, amount of release, circumstances of the release. The dispatcher will assess the situation and determine if and what assistance is needed.
c. The driver must prevent the biosolids from migrating off the incident area by diking storm culverts with sand, sand bags, dirt, straw bales, kitty litter, or any other blocking material.
d. The driver will remain at the scene until he is released by the authorities and/or the dispatcher.

III. EMERGENCY CONTACTS

<table>
<thead>
<tr>
<th>Service</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Services</td>
<td>911</td>
</tr>
<tr>
<td>Dispatcher</td>
<td></td>
</tr>
<tr>
<td>Mark Pemberton (Yuma, AZ)</td>
<td>(928) 941-3655</td>
</tr>
<tr>
<td>Cal Mullenix (Buckeye, AZ)</td>
<td>(602) 377-7250</td>
</tr>
</tbody>
</table>

IV. ROUTING

Trucks arriving to Yuma County generally follow I-8 East. They then proceed East on the 67 exit and follow 64 east to the farm operation.
COST PROPOSAL

Having evaluated the specific needs of the City of Escondido and the published Biosolids RFP, we have taken into consideration many factors in the cost associated with the service required.

Some of these factors include routes, season changes, equipment and personnel needs and all associated current and future operational costs while providing exceptional and dependable long-term service to the City of Escondido.

These issues considered, we respectfully submit that:

The rate per WET TON of “Class B” Biosolids will be $36.00.

Though we have developed both effective and efficient methods of Biosolids Land application and management, should an issue arise or The City of Escondido produces Biosolids that do not meet the requirements of 503 Sludge Regulations for “Class B”, IAW our contingency plan, the material will delivered for either “Landfilling Operations” or “Composting End use” in either Yuma AZ, or Buckeye AZ.

Facilities handling or disposing of non-“Class B” materials will require fees for their service in addition to the rate submitted for “Class B” operations.

These issues considered, and with the additional costs implied, we respectfully submit that:

The rate per WET TON for Biosolids not meeting 503 Sludge Regulations will be $52.00

Request for Contract/Service Agreement Amendment

Having reviewed the attached sample contract/service agreement, we have not been able to identify an entry that addresses the unstable and often unpredictable cost of fuel that greatly impacts our transportation costs and operations.

We respectfully request that an amendment to the Service Agreement be included that addresses this critical issue. We have identified several factors that are unique to transportation operations in your specific geographical region and have provided a unique formula for your consideration.

Fuel Surcharge Cost Model, region Specific:
<table>
<thead>
<tr>
<th>April Base Fuel Price</th>
<th>Future CA Monthly Rate</th>
<th>Distance Multiplier</th>
<th>Difference</th>
<th>Per Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.385</td>
<td>$4.500</td>
<td>3</td>
<td>$0.115</td>
<td>$0.35</td>
</tr>
</tbody>
</table>

Ave. MPG Total Miles Total Additional Fuel Cost Per Ton (1)
Roundtrip Distance Gallons Used (1) $8.76 $0.35
400 5.25 76.19

Difference $0.01

(1) Based on 25 tons

Thank you again for allowing Tule Ranch/Western Express the opportunity to participate in the City of Escondido's Biosolids RFP.
TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: Award Bid for Two 2012 Dump Trucks

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2012-89 approving the bid award for two dump trucks to Dion International Trucks LLC in the amount of $254,433.64. The purchase of these dump trucks will replace the existing units as follows: Unit number 3240, 1991 GMC dump truck with 102,591 miles and unit number 3256, 1991 GMC with 87,862 miles. Unit 3240 has been out-of-service since November 2011 due to various mechanical hazards, such as, internal axle failure and nonrepairable hoist cylinder. Unit 3256 has extensive internal engine problems and severe cab and body damage. The standard life expectancy of these units is fifteen years; however, these units were extended for an additional six years due to budgetary reasons.

FISCAL ANALYSIS:

Sufficient funds are budgeted in the Fleet Services Vehicle Replacement Fund.

BACKGROUND:

Requests for bids were mailed to five vendors on April 30, 2012 and two bids were received and opened on May 23, 2012. The bid results are as follows:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dion International Trucks LLC</td>
<td>$254,433.64</td>
</tr>
<tr>
<td>Hawthorn Power Systems</td>
<td>$335,545.00</td>
</tr>
</tbody>
</table>

Joe Goulart, Fleet Services Superintendent, reviewed the bids and recommends the bid award to Dion International Trucks LLC as the lowest most responsive and responsible bidder who met the City’s bid requirements.

Respectfully submitted,

[Signature]

Gilbert Rojas,  
Director of Finance
DATE          05/24/2012

TO:           Blanca Wolf, Purchasing Supervisor

FROM:         Joe Goulart, Fleet Maintenance Superintendent

SUBJECT:      Approval of Dion International Bid.

After review of the Bids submitted by Hawthorne Power Systems and Dion International to replace two existing dump trucks owned by the City of Escondido, Bob Blackburn and I agree that Dion International complies in all areas of the bid specifications. Dion International was the lowest bidder of the two bids that were received. It is my recommendation that we approve the bid submitted by Dion International.

Sincerely
Joe Goulart
RESOLUTION NO. 2012-89

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING CITY COUNCIL TO APPROVE THE BID AWARD FOR TWO 2012 DUMP TRUCKS TO DION INTERNATIONAL TRUCKS LLC

WHEREAS, sufficient funds are located in the Fleet Services Vehicle Replacement Fund; and

WHEREAS, a notice inviting bids was duly published; and

WHEREAS, on April 30, 2012, request for bids for two 2012 Dump Trucks were mailed to vendors; and

WHEREAS, two bids were opened and evaluated on May 23, 2012; and

WHEREAS, the apparent low bid, submitted by Dion International Trucks LLC, was determined to be the lowest most responsive and responsible bidder who met the City’s bid specifications; and

WHEREAS, staff recommends awarding the bid to Dion International Trucks LLC in the amount of $254,433.64; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award the bid to Dion International Trucks LLC.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:
1. That the above recitations are true.

2. That City Council accepts the recommendation of staff and finds Dion International Trucks LLC to be the lowest most responsive and responsible bidder who met the City’s bid specifications.

3. That the City Council is authorized to approve on behalf of the City, the bid award with Dion International Trucks LLC for two 2012 Dump Trucks in the amount of $254,433.64.
TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance


RECOMMENDATION:

It is requested that Council receive and file the third quarter financial report and approve the following amendment to the Fiscal Year 2011/12 operating budget.

Approve a budget adjustment to increase General Fund revenue estimates by $920,505 to reach budgeted revenue of $73 million.

FISCAL ANALYSIS:

The net effect of this proposed amendment to the General Fund operating budget in Fiscal Year 2011/12 will be the anticipation of Sources (Revenues) being greater than Uses (Expenses).

PREVIOUS ACTION:

On March 7, 2012, the City Council received and approved the Fiscal Year 2011/12 second quarter financial report.

BACKGROUND:

Quarterly financial reports present written financial updates to Council concerning certain funds of the City based on the most recent financial information available. These quarterly financial reports include budgetary information for each fund, along with the actual resources received to date, in addition to the use of these resources in fulfilling each fund’s financial plan. The reports also provide year to date information for the General Fund, Recreation Fund, Reidy Creek, Water, Wastewater, and Community Development Commission Funds.

Respectfully submitted,

Gilbert Rojas
Director of Finance

Staff Report - Council
Date of Request: June 13, 2012

Department: Finance

Division: 

Project/Budget Manager: Gil Rojas x4322

Name: 

Council Date (if applicable): June 13, 2012

(attach copy of staff report)

<table>
<thead>
<tr>
<th>Description</th>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>4001-001-000</td>
<td>1,352,005</td>
</tr>
<tr>
<td>Prop Tax in Lieu of Sales Tax</td>
<td>4003-001-000</td>
<td>130,000</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>4031-001-000</td>
<td>159,000</td>
</tr>
<tr>
<td>Franchise Fee In-Lieu</td>
<td>4038-001-000</td>
<td>262,000</td>
</tr>
<tr>
<td>Transient Occupancy Tax</td>
<td>4032-001-000</td>
<td>183,000</td>
</tr>
<tr>
<td>Business Licenses</td>
<td>4033-001-000</td>
<td>85,000</td>
</tr>
<tr>
<td>Property Transfer Tax</td>
<td>4030-001-000</td>
<td>30,000</td>
</tr>
<tr>
<td>Property Tax In-Lieu of VLF</td>
<td>4014-001-000</td>
<td>223,000</td>
</tr>
<tr>
<td>Building Permits</td>
<td>4045-001-000</td>
<td>200,000</td>
</tr>
<tr>
<td>Red Light Photo Citations</td>
<td>4065-001-000</td>
<td>204,000</td>
</tr>
<tr>
<td>Other Court Fines</td>
<td>4072-001-000</td>
<td>71,000</td>
</tr>
<tr>
<td>Impound Fees</td>
<td>4240-001-000</td>
<td>87,000</td>
</tr>
<tr>
<td>Rincon Fire Operations Fees</td>
<td>4122-001-000</td>
<td>148,000</td>
</tr>
<tr>
<td>Library Funding</td>
<td>4111-001-000</td>
<td>50,000</td>
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<tr>
<td>Literacy Grants</td>
<td>4112-001-000</td>
<td>50,000</td>
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<tr>
<td>Federal Grants</td>
<td>4128-001-000</td>
<td>53,500</td>
</tr>
<tr>
<td>Paramedic Services</td>
<td>4255-001-000</td>
<td>85,000</td>
</tr>
<tr>
<td>Restitution</td>
<td>4246-001-000</td>
<td>33,000</td>
</tr>
<tr>
<td>Fire Mutual Aid</td>
<td>4256-001-000</td>
<td>125,000</td>
</tr>
<tr>
<td>Rent</td>
<td>4610-001-000</td>
<td>509,000</td>
</tr>
</tbody>
</table>
Explanation of Request:

Increase General Fund revenue estimates by $920,505 to reach budgeted revenue of $73 million.

APPROVALS

Department Head

Date

City Manager

Date

Finance

Date

City Clerk

Date

Distribution (after approval):

Original: Finance

FM105 (Rev.08/06)
This report summarizes the City's overall financial position for the period of July 1, 2011 through March 31, 2012. While the focus of this report is the General Fund, the financial status of the Water and Wastewater Enterprises, the Recreation Fund, the Reidy Creek Municipal Golf Course, and the Community Development Commission are included. This report is for internal use only. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Adjusted Budget and Revenue Estimates

The revenue projections and budget include adjustments for encumbrances, carryovers, and any other supplemental appropriations approved by the City Council as of March 31, 2012.

General Fund

At the end of the second quarter, General Fund revenues are at 60% of the revised budget, while expenditures are at 71%. Based on past history of revenue receipts and payment of expenditures, the General Fund is on track to meet budgeted revenue and expenditures in the current fiscal year.

<table>
<thead>
<tr>
<th>General Fund Balance</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Actual/ Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$72,081,425</td>
<td>$73,012,160</td>
<td>$43,771,875</td>
<td>60%</td>
</tr>
<tr>
<td>Expenditures</td>
<td>72,543,740</td>
<td>72,795,565</td>
<td>51,708,257</td>
<td>71%</td>
</tr>
<tr>
<td>Other Sources (Uses)</td>
<td>462,315</td>
<td>(562,440)</td>
<td>(350,440)</td>
<td>62%</td>
</tr>
<tr>
<td>Fund Balance, Beg of Year</td>
<td>34,641,542</td>
<td>34,641,542</td>
<td>34,641,542</td>
<td></td>
</tr>
<tr>
<td><strong>Fund Balance, End of Year</strong></td>
<td><strong>$34,641,542</strong></td>
<td><strong>$34,295,697</strong></td>
<td><strong>$26,354,720</strong></td>
<td></td>
</tr>
</tbody>
</table>

(1) The amount in revised end of year fund balance represents unexpansible fund balance of $5.5 million and committed or assigned fund balance of $28.8 million. The $5.5 million in unexpansible fund balance is for advances to other funds and non-current loans receivable. Amounts included in committed or assigned fund balance are for Daley ranch improvements, emergency reserve, economic development and underground waivers. The General Fund has no unassigned fund balance.
General Fund Revenues

**Sales Taxes ($15.7 million)** – Sales tax revenue received through March 31, 2012 increased from the previous fiscal year during the same time frame by about $1.4 million or 9.8%. For sales occurring in the second quarter of fiscal year 2011/12 (the most recent data available), the City saw sales tax receipts increase with gains in every economic category. The City’s largest economic category, transportation, experienced an increase in sales tax of 21.6% over calendar year second quarter 2011. This category includes new/used auto sales that saw growth in quarterly sales tax revenue of 38%. This is in line with the state economy in which the California New Car Dealers Association reported that California’s new-car dealers sold 1.29 million new cars and trucks in 2011 – a 9.9 percent improvement over 2010.

**Property Taxes ($11.5 million)** – Property tax revenues collected through March were up about $307,000 compared to amounts collected last year at this time. This increase is the result of an increase in assessed values of about .78% for property located in the City. This was the result of a lower number of residential property tax appeals, positive new assessments resulting from change in ownership and new construction activity and the positive indexing factor on Prop 13 values. This City also received an additional statutory payment of about $116,000 from the Escondido Redevelopment Agency as part of the final closeout process.

**Franchise Fees ($3.8 million)** – Franchise fees are generated from privately owned utility companies and other businesses for the privilege of using City rights-of-way while conducting business within City limits. Businesses that are required to pay franchise fees to the City include: San Diego Gas and Electric (SDG&E) on gas and electric services, Cox Cable and AT&T for cable and video services, and Escondido Disposal for refuse collection services. Franchise fees received by the General Fund are up about $294,000 compared to last year at this time. This is because the franchise fee collected from Cox Cable is now all going to the General Fund while in previous years a portion of this fee was used to support Recreation programs.

**All Other Taxes ($2.5 million)** – All other taxes include transient occupancy tax (TOT), property transfer tax, transfer station fees and business licenses. In total, these revenues are up over last year by about $118,900. Business license revenues increased by approximately $30,000 compared to the last fiscal year or about 2.6%. TOT receipts reflected an increase of approximately $129,000 or 20% greater than last fiscal year. Part of this increase of $72,000 came from prior year unpaid taxes that will be collected over the next 2 years as part of a court ordered settlement. The transfer station fee is about equal to the amount collected last year. The property transfer tax is down about $40,000 compared to last fiscal year due to the slowdown in real estate sales.
**Intergovernmental ($1.9 million)** – Intergovernmental revenues include vehicle license fees, the Rincon fire services agreement, state library grants, senior nutrition grants, P.O.S.T. reimbursement, and state mandated cost reimbursements. Revenues in this category have increased over prior year by about $187,000. This increase is primarily from the amount collected for fire services in the Rincon Fire District which is up about $195,000 compared to receipts received through March last year at this time. This increase is offset by a decrease of about $42,000 in grant revenue mainly from the library literacy grant.

**Permits & Licenses ($697,000)** – The City collects permit fees for building, plumbing, electrical, mechanical, fire code, and mobile-home permits. The tow license fee is also included in this revenue grouping. Permits and license fee revenue is down about $342,000 compared to last year at this time mainly due to a decrease in building permit fees.

**Fines and Forfeitures ($1.1 million)** – Fines and forfeitures are collected by the City for red light photo citations, vehicle code fines, parking ticket fines, other court fines, library fines, code enforcement citations and impound fees. The City recognizes revenues when the citizen pays the fine or forfeiture as opposed to when the fine is imposed. These revenues are down about $218,000. This decrease in revenue is the result of decreases in red light camera fines, impound fees, and parking ticket fines.

**Charges for Services ($3.8 million)** – Charges for services include paramedic fees, false alarm fees, fingerprinting revenue, abandoned vehicle fees, alarm registration, library fees, senior center fees, planning fees, building plan check fees, engineering fees, fire prevention inspection fees, fire mutual aid and passport processing fees. Revenues collected this year have decreased compared to prior year at this time by about $193,000 due to declines in paramedic fees and community development fees. Community Development Fees which include planning fees, building plan check fees and engineering fees are down due to the continued slowdown in construction.

**Income from Interest and Property ($2.4 million)** – Income from interest and property includes rent received from leased City property and interest income on City investments. This revenue is up $132,000 compared to last year at this time due to rental payments collected from new lease agreements with tenants at the Harmony Grove and Spruce Street properties.
Other Revenue ($205,000) – Other revenue includes contributions to the City, NSF check charges, damages to City property, sale of City property, mobile home fees, and reimbursement from outside agencies and other miscellaneous revenue. Other Revenue collected during the year is down by about $173,000 compared to last year. This decrease is mainly due to the elimination of the City sponsoring the OASIS program and the corresponding revenue.

General Fund Expenditures

Operating costs and departmental operating expenditures are on target for the third quarter of the year as summarized below. Total expenditures are lower than the prior year third quarter by about $.7 million which represents a savings of 1.3% if you exclude the decrease from the elimination of the OASIS program and their corresponding expenditures. The amount expended to date is approximately 71% of the total amount budgeted for in fiscal year 2011-12.
<table>
<thead>
<tr>
<th></th>
<th>FY 2011-2012 Revised Budget</th>
<th>FY 2011-2012 Year to Date Actual</th>
<th>YTD Projected Revenue</th>
<th>Variance Over (Under)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TAXES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SALES TAX AND IN LIEU SALES TAX</td>
<td>$27,499,000</td>
<td>$15,729,125</td>
<td>$15,679,253</td>
<td>$49,872</td>
<td>0.3</td>
</tr>
<tr>
<td>PROPERTY TAX AND IN LIEU VLF</td>
<td>20,775,000</td>
<td>11,534,315</td>
<td>11,517,829</td>
<td>$16,486</td>
<td>0.1</td>
</tr>
<tr>
<td>FRANCHISE TAX</td>
<td>5,620,000</td>
<td>3,783,461</td>
<td>3,784,778</td>
<td>($1,317)</td>
<td>0.0</td>
</tr>
<tr>
<td>BUSINESS LICENSE TAX</td>
<td>1,482,000</td>
<td>1,172,099</td>
<td>1,176,040</td>
<td>($3,941)</td>
<td>-0.3</td>
</tr>
<tr>
<td>TRANSIENT OCCUPANCY TAX</td>
<td>1,169,000</td>
<td>778,489</td>
<td>773,431</td>
<td>$5,058</td>
<td>0.7</td>
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<tr>
<td>TRANSFER STATION FEE</td>
<td>671,000</td>
<td>388,315</td>
<td>422,252</td>
<td>($33,937)</td>
<td>-8.0</td>
</tr>
<tr>
<td>PROPERTY TRANSFER TAX</td>
<td>370,000</td>
<td>174,567</td>
<td>223,736</td>
<td>($49,169)</td>
<td>-22.0</td>
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<tr>
<td><strong>TOTAL TAXES</strong></td>
<td><strong>57,586,000</strong></td>
<td><strong>33,560,371</strong></td>
<td><strong>33,577,319</strong></td>
<td>($16,948)</td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>INTERGOVERNMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VEHICLE LICENSE FEES</td>
<td>469,000</td>
<td>377,421</td>
<td>339,175</td>
<td>$38,246</td>
<td>11.3</td>
</tr>
<tr>
<td>RINCON FIRE AGREEMENT</td>
<td>1,900,000</td>
<td>1,107,946</td>
<td>1,149,335</td>
<td>($41,389)</td>
<td>-3.6</td>
</tr>
<tr>
<td>GRANTS</td>
<td>581,500</td>
<td>454,039</td>
<td>372,889</td>
<td>$81,150</td>
<td>21.8</td>
</tr>
<tr>
<td><strong>TOTAL INTERGOVERNMENTAL</strong></td>
<td><strong>2,950,500</strong></td>
<td><strong>1,939,406</strong></td>
<td><strong>1,861,399</strong></td>
<td><strong>$78,007</strong></td>
<td>4.2</td>
</tr>
<tr>
<td><strong>PERMITS AND LICENSES</strong></td>
<td>981,000</td>
<td>697,398</td>
<td>769,494</td>
<td>($72,096)</td>
<td>-9.4</td>
</tr>
<tr>
<td><strong>FINES AND FORFEITURES</strong></td>
<td>1,493,000</td>
<td>1,090,600</td>
<td>1,016,901</td>
<td>$73,699</td>
<td>7.2</td>
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<tr>
<td><strong>CHARGES FOR SERVICES</strong></td>
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<td></td>
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<td>431,639</td>
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<td><strong>3,996,727</strong></td>
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<td>230,020</td>
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<td>Vehicle License Fees</td>
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<td>33,948</td>
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<td>454,039</td>
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<td>Other Services</td>
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<td>396,850</td>
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<td><strong>TOTAL CHARGES FOR SERVICES</strong></td>
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<td><strong>3,826,294</strong></td>
<td><strong>(192,950)</strong></td>
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<td><strong>INCOME FROM INT &amp; PROPERTY</strong></td>
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<td>131,784</td>
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<td><strong>OTHER REVENUE</strong></td>
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<td>205,548</td>
<td>(173,011)</td>
<td>-45.7</td>
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<td><strong>TOTAL GENERAL FUND REVENUE</strong></td>
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<td><strong>$43,771,875</strong></td>
<td><strong>$1,513,673</strong></td>
<td><strong>3.6</strong></td>
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</table>
## GENERAL FUND

**EXPENDITURE STATUS BY DEPARTMENT - BUDGET TO ACTUAL**

<table>
<thead>
<tr>
<th></th>
<th>FY 2011/12 Revised Budget</th>
<th>FY 2011/12 Year to Date Actual</th>
<th>% Exp</th>
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<td><strong>GENERAL GOVERNMENT</strong></td>
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<tr>
<td>CITY COUNCIL</td>
<td>$273,305</td>
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<td>78.9</td>
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<td>CITY ATTORNEY</td>
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<td>65.4</td>
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<td>256,489</td>
<td>54.9</td>
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<td>67.5</td>
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<td>July - March 2012</td>
<td>Change</td>
</tr>
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<tr>
<td>GENERAL GOVERNMENT</td>
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<tr>
<td>CITY COUNCIL</td>
<td>$215,406</td>
<td>$210,718</td>
<td>($4,688)</td>
</tr>
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<td>CITY MANAGER / VIDEO SERVICES</td>
<td>830,774</td>
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<td>CITY ATTORNEY</td>
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<td>HUMAN RESOURCES / RISK MGMT</td>
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<td>(175,866)</td>
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<td>2,928,095</td>
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<td>863,384</td>
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<td>24,460,157</td>
<td>24,503,945</td>
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<td>12,086,502</td>
<td>12,459,606</td>
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<td>36,963,551</td>
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<tr>
<td>NON-DEPARTMENTAL</td>
<td>271,079</td>
<td>216,664</td>
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<td>(142,678)</td>
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<td>TOTAL GENERAL FUND</td>
<td>$52,381,020</td>
<td>$51,708,257</td>
<td>($672,763)</td>
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Recreation Fund

OPERATING REVENUES

4.1%

Overall Recreation operating revenues are down about $151,000 compared to last year at this time. Key reasons for this change are discussed below:

Fees for Services ($1,320,368) – Fees for services include monies collected for various Recreation programs such as Hockey, Soccer, Softball, Learn to Swim, Tiny Tots, Enrichment Classes, Summer Day Camp and the Skate Park. Revenues through March are up 25.3% or $266,800. These increases are due to increased fees in Recreation programs and increased attendance.

Golf Course Rent ($55,197) – Golf Course Rent collected from the Vineyard Golf Course has increased slightly compared to last fiscal year. The Vineyard Golf Course is owned by the City of Escondido and the City of San Diego and managed by a private golf company that is responsible for the operating expenses. The City receives operating revenue from the management company as part of the lease agreement.

Other Rent ($275,188) – Other Rent collected during the year is about the same compared to last year. The Recreation Fund receives rental income from East Valley Community Center rental spaces and cellular antenna site rentals.

On Track State Grant ($640,847) – On Track State Grant revenue collected during the year is up about 15% in comparison to last year due to the timing of the billing for this grant. In December of this year $85,450 was billed for, which had not been billed at this time in the prior year. The City receives these grant monies to offer free after-school day care to all students currently enrolled in certain schools in the City.

Interest and Principal on Loans ($551,421) – Interest and Principal on Loans collected during the year have decreased compared to last year by about $25,000. The interest and principal loan payments paid to the City from the golf course management company are used to make the debt service payments on the bonds that built the golf course.
OPERATING EXPENDITURES ($2,613,705) – Operating expenditures are down 4.1% or about $112,000 in comparison to the prior year. This reduction is due to a reduction in staff.

RECREATION FUND BALANCE – The Recreation Fund balance at the beginning of this fiscal year was $596,790. The Fiscal Year 2011-12 budget anticipates using $252,545 of that balance this year.

<table>
<thead>
<tr>
<th>RECREATION FUND</th>
<th>FY 2011/12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year to Current Year Change</th>
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<tr>
<td>FEES FOR SERVICES</td>
<td>$2,163,125</td>
<td>$1,053,534</td>
<td>$1,320,368</td>
<td>$266,834</td>
<td>25.3</td>
</tr>
<tr>
<td>CABLE FRANCHISE FEES</td>
<td>449,338</td>
<td>-</td>
<td>(449,338)</td>
<td>-100.0</td>
<td></td>
</tr>
<tr>
<td>GOLF COURSE RENT</td>
<td>150,000</td>
<td>53,999</td>
<td>55,197</td>
<td>1,198</td>
<td>2.2</td>
</tr>
<tr>
<td>OTHER RENT</td>
<td>345,605</td>
<td>275,211</td>
<td>275,188</td>
<td>(23)</td>
<td>0.0</td>
</tr>
<tr>
<td>ON TRACK-STATE GRANT</td>
<td>904,490</td>
<td>555,419</td>
<td>640,847</td>
<td>85,428</td>
<td>15.4</td>
</tr>
<tr>
<td>PRINCIPAL ON LOANS</td>
<td>531,220</td>
<td>357,073</td>
<td>400,246</td>
<td>43,173</td>
<td>12.1</td>
</tr>
<tr>
<td>INTEREST ON LOANS</td>
<td>169,050</td>
<td>219,514</td>
<td>151,175</td>
<td>(68,339)</td>
<td>-31.1</td>
</tr>
<tr>
<td>OTHER REVENUE</td>
<td>104,480</td>
<td>51</td>
<td>-</td>
<td>(51)</td>
<td>-100.0</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td><strong>4,367,970</strong></td>
<td><strong>2,964,139</strong></td>
<td><strong>2,843,021</strong></td>
<td><strong>(121,118)</strong></td>
<td><strong>-4.1</strong></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMPLOYEE SERVICES</td>
<td>2,723,190</td>
<td>2,099,845</td>
<td>1,925,212</td>
<td>(174,633)</td>
<td>-8.3</td>
</tr>
<tr>
<td>MAINTENANCE AND OPERATIONS</td>
<td>659,775</td>
<td>409,961</td>
<td>406,883</td>
<td>(3,078)</td>
<td>-0.8</td>
</tr>
<tr>
<td>INTERNAL SERVICE CHARGES</td>
<td>493,875</td>
<td>323,639</td>
<td>370,413</td>
<td>46,774</td>
<td>14.5</td>
</tr>
<tr>
<td>ALLOCATIONS</td>
<td>(138,395)</td>
<td>(107,514)</td>
<td>(88,803)</td>
<td>18,711</td>
<td>-17.4</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENDITURES</strong></td>
<td><strong>3,738,445</strong></td>
<td><strong>2,725,931</strong></td>
<td><strong>2,613,705</strong></td>
<td><strong>(112,226)</strong></td>
<td><strong>-4.1</strong></td>
</tr>
<tr>
<td><strong>TRANSFER OUT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>882,070</td>
<td>678,810</td>
<td>882,070</td>
<td>203,260</td>
<td>29.9</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>(252,545)</strong></td>
<td><strong>(440,602)</strong></td>
<td><strong>(652,754)</strong></td>
<td><strong>(212,152)</strong></td>
<td><strong>48.2</strong></td>
</tr>
</tbody>
</table>
Water Enterprise Fund

OPERATING REVENUES

Overall water operating revenues through March 31, 2012 are up about $2.7 million over the previous year at this time. Key elements of this increase are the following:

9.5%

Water Consumption Charges ($21.3 million) – The 9.8% increase in water consumption revenues was mainly due to a water rate increase of about 7% that went into effect on March 1, 2011. Another 12% increase occurred in February 2012. Additionally, unusually high rainfall in the prior year resulted in less purchased water used for irrigation in 2011.

Water Service Charges ($7.9 million) - Water service charges are paid by customers for the cost to deliver water to their home or place of business based on the size and type of water meter. Water service charges increased by 9.3% primarily due to the rate increase in March 2011. As noted above, rates increased an additional 12% in February 2012.

Vista Irrigation District Filtration Fees ($1.1 million) – The City and Vista Irrigation District (VID) own and operate the Water Treatment Plant. The City owns and operates the plant and has rights to 80% of the capacity. VID has rights to the remaining 20% of capacity. VID is billed for their share of costs for operating and maintaining the plant based on usage. VID Filtration Fees increased by 13% compared to prior year fees at this time. This increase was due to increased filtered water usage by VID compared to last year.

Other Charges for Services ($9 million) – Other Charges for Services include meter installation fees, late penalties on utility bills, and electric power sales. This revenue is up slightly compared to last year at this time.

OPERATING EXPENSES

Operating expenses are up about $2.9 million compared to last year at this time. Below are the reasons for this increase. Purchased water, which is the Utility's largest expense, increased 26.1% or $2.6 million compared to last year at this time. This is partially because the cost to purchase water from San Diego County Water Authority went up about 7.5%. Also, due to the heavy rainfall in the prior year, purchased water decreased $2.3 million in 2011 as local reservoirs filled to capacity and, as a result, less irrigation was required due to the rainfall.

WATER FUND NET INCOME

Income generated by the Water Fund will be used primarily to increase the capital and operating reserves to levels established by City Council policy following reserve levels recommended by the most recent rate study. Reserve levels will be important as large projects such as Wohlford Dam and the replacement of several water reservoirs are tackled.
## WATER ENTERPRISE FUND

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>FY 2011-12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Consumption Charges</td>
<td>$35,468,420</td>
<td>$19,362,146</td>
<td>$21,259,213</td>
<td>1,897,067</td>
</tr>
<tr>
<td>Water Service Charges</td>
<td>9,549,975</td>
<td>7,198,730</td>
<td>7,867,188</td>
<td>668,458</td>
</tr>
<tr>
<td>Vista Irrigation Filtration &amp; Other Fees</td>
<td>1,650,000</td>
<td>1,015,307</td>
<td>1,146,920</td>
<td>131,613</td>
</tr>
<tr>
<td>Other Charges for Services</td>
<td>150,000</td>
<td>874,980</td>
<td>888,581</td>
<td>13,601</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td><strong>46,818,395</strong></td>
<td><strong>28,451,163</strong></td>
<td><strong>31,161,902</strong></td>
<td><strong>2,710,739</strong></td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>FY 2011-12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing</td>
<td>7,860,575</td>
<td>5,261,658</td>
<td>5,270,218</td>
<td>8,560</td>
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<tr>
<td>Purchased Water</td>
<td>21,805,200</td>
<td>9,900,374</td>
<td>12,480,498</td>
<td>2,580,124</td>
</tr>
<tr>
<td>Chemicals &amp; Operating Supplies</td>
<td>3,125,345</td>
<td>2,322,433</td>
<td>2,399,159</td>
<td>76,726</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>901,135</td>
<td>749,565</td>
<td>653,198</td>
<td>(96,367)</td>
</tr>
<tr>
<td>City Water</td>
<td>1,734,580</td>
<td>832,217</td>
<td>924,843</td>
<td>92,626</td>
</tr>
<tr>
<td>Professional Services</td>
<td>1,320,595</td>
<td>1,153,287</td>
<td>1,295,568</td>
<td>142,281</td>
</tr>
<tr>
<td>Utilities</td>
<td>886,660</td>
<td>493,377</td>
<td>424,072</td>
<td>(69,305)</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>1,168,035</td>
<td>606,438</td>
<td>773,520</td>
<td>167,082</td>
</tr>
<tr>
<td>Allocations</td>
<td>4,262,095</td>
<td>3,401,973</td>
<td>3,398,044</td>
<td>(3,929)</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>43,064,220</strong></td>
<td><strong>24,721,322</strong></td>
<td><strong>27,619,120</strong></td>
<td><strong>2,897,798</strong></td>
</tr>
</tbody>
</table>

### Nonoperating Revenues (Expenses)

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>FY 2011-12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Fees and Concessions</td>
<td>800,000</td>
<td>550,739</td>
<td>594,390</td>
<td>43,651</td>
</tr>
<tr>
<td>Investment Income</td>
<td>200,000</td>
<td>112,707</td>
<td>37,519</td>
<td>(75,188)</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>434,000</td>
<td>702,976</td>
<td>166,550</td>
<td>(536,426)</td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
<td>(2,425,225)</td>
<td>(1,593,088)</td>
<td>(1,620,157)</td>
<td>(27,069)</td>
</tr>
<tr>
<td><strong>TOTAL NONOP REVENUES (EXPENSES)</strong></td>
<td><strong>(991,225)</strong></td>
<td><strong>(226,666)</strong></td>
<td><strong>(821,598)</strong></td>
<td><strong>(596,032)</strong></td>
</tr>
</tbody>
</table>

### Capital Contributions

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>FY 2011-12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connection Fees</td>
<td>375,000</td>
<td>67,620</td>
<td>141,170</td>
<td>73,550</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL CONTRIBUTIONS</strong></td>
<td><strong>375,000</strong></td>
<td><strong>67,620</strong></td>
<td><strong>141,170</strong></td>
<td><strong>73,550</strong></td>
</tr>
</tbody>
</table>

### Transfers in (Out)

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>FY 2011-12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers Out</td>
<td>(2,450,000)</td>
<td>(14,400)</td>
<td>14,400</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL TRANSFERS</strong></td>
<td><strong>(2,450,000)</strong></td>
<td><strong>(14,400)</strong></td>
<td><strong>14,400</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Income (Loss)

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>FY 2011-12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>687,950</td>
<td>3,557,401</td>
<td>2,864,235</td>
<td>(693,166)</td>
</tr>
</tbody>
</table>
Wastewater Enterprise Fund

OPERATING REVENUE

Overall wastewater operating revenues through March 31, 2012 are down about $2.1 million from the previous year at this time. Key elements of this decrease are the following:

Sewer Service Charges ($15.6 million) – Sewer service charges decreased by about $1.3 million or 7.7% compared to last year at this time. This is because the wastewater rates for residential customers changed from a flat fee to a flow-based calculation. This change was made so that rates better reflect the cost of services to customers. Overall this change has resulted in a decrease in revenue.

Treatment Charges – San Diego ($.7 million) – The City operates the wastewater treatment facility for the benefit of the City and the Rancho Bernardo area of the City of San Diego. The City of San Diego is billed quarterly for these treatment charges. Treatment charges decreased $.76 million from the previous year due to a prior year catch-up billing of $.75 million related to the 2009-10 fiscal year. A similar catch-up entry will be done for the 2010-11 year as well.

Recyclable Water Sales ($1.96 million) – The City’s largest user of recycled water is Palomar Energy Center. These revenues from all users are down slightly by about 2.9%.

OPERATING EXPENSES

Wastewater operating expenses are up about $556,000 over the previous year at this time. This increase came mainly from increased utility, supply and repair costs plus added professional services fees paid for the sewer master plan upgrade.

WASTEWATER FUND NET INCOME

Similar to the Water Fund, income generated by the Wastewater Fund will be used to increase the capital and operating reserves to levels established by City Council policy following reserve levels recommended by the most recent rate study. Reserve levels will be important as wastewater capacity issues are addressed that will require bond financing.
# Wastewater Enterprise Fund

<table>
<thead>
<tr>
<th></th>
<th>FY 2011-12 ADOPTED BUDGET</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year to Current Year Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer Service Charges</td>
<td>$23,830,700</td>
<td>$16,927,645</td>
<td>$15,628,014</td>
<td>($1,299,631)</td>
<td>-7.7</td>
</tr>
<tr>
<td>Treatment Charges - San Diego</td>
<td>1,850,000</td>
<td>1,455,726</td>
<td>699,006</td>
<td>(756,720)</td>
<td>-52.0</td>
</tr>
<tr>
<td>Recyclable Water Sales</td>
<td>3,150,000</td>
<td>2,014,682</td>
<td>1,957,092</td>
<td>(57,590)</td>
<td>-2.9</td>
</tr>
<tr>
<td>Other Charges for Service</td>
<td>85,000</td>
<td>179,354</td>
<td>193,201</td>
<td>13,847</td>
<td>7.7</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>28,915,700</td>
<td>20,577,407</td>
<td>18,477,313</td>
<td>(2,100,094)</td>
<td>-10.2</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staffing</td>
<td>7,417,495</td>
<td>4,825,158</td>
<td>4,700,604</td>
<td>(124,554)</td>
<td>-2.6</td>
</tr>
<tr>
<td>Chemicals &amp; Operating Supplies</td>
<td>1,788,905</td>
<td>793,413</td>
<td>952,358</td>
<td>158,945</td>
<td>20.0</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>1,087,750</td>
<td>878,303</td>
<td>976,395</td>
<td>98,092</td>
<td>11.2</td>
</tr>
<tr>
<td>Professional Services</td>
<td>2,899,745</td>
<td>1,585,297</td>
<td>1,841,710</td>
<td>256,413</td>
<td>16.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,308,450</td>
<td>1,277,248</td>
<td>1,327,815</td>
<td>50,567</td>
<td>4.0</td>
</tr>
<tr>
<td>Allocations</td>
<td>2,330,680</td>
<td>1,549,870</td>
<td>1,548,868</td>
<td>(1,002)</td>
<td>-0.1</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>1,080,385</td>
<td>465,019</td>
<td>582,658</td>
<td>117,639</td>
<td>25.3</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>18,913,410</td>
<td>11,374,308</td>
<td>11,930,408</td>
<td>556,100</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>500,000</td>
<td>364,386</td>
<td>132,844</td>
<td>(231,542)</td>
<td>-63.5</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>292,500</td>
<td>199,198</td>
<td>156,194</td>
<td>(43,004)</td>
<td>-21.6</td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
<td>(1,976,920)</td>
<td>(1,308,682)</td>
<td>(1,272,869)</td>
<td>35,813</td>
<td>-2.7</td>
</tr>
<tr>
<td><strong>TOTAL NONOP REVENUES (EXPENSES)</strong></td>
<td>(1,184,420)</td>
<td>(745,098)</td>
<td>(983,831)</td>
<td>(238,733)</td>
<td>32.0</td>
</tr>
<tr>
<td><strong>CAPITAL CONTRIBUTIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connection fees</td>
<td>375,000</td>
<td>280,378</td>
<td>202,191</td>
<td>(78,187)</td>
<td>-27.9</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL CONTRIBUTIONS</strong></td>
<td>375,000</td>
<td>280,378</td>
<td>202,191</td>
<td>(78,187)</td>
<td>-27.9</td>
</tr>
<tr>
<td><strong>TRANSFERS OUT</strong></td>
<td>(25,000)</td>
<td>(34,300)</td>
<td>(25,000)</td>
<td>9,300</td>
<td>-27.1</td>
</tr>
<tr>
<td><strong>INCOME (LOSS)</strong></td>
<td>9,167,870</td>
<td>8,704,079</td>
<td>5,740,265</td>
<td>(2,963,814)</td>
<td>-34.1</td>
</tr>
</tbody>
</table>
Reidy Creek Golf Course Fund

**OPERATING REVENUES ($428,560)** – Due to unusual weather patterns and an increased marketing effort overall revenues are up 3.6% in comparison to last year. With a particularly warm winter, we have seen an increase in rounds played in December by 30% and in February by 22%. However, there has been an increase in play at the twilight hours, which explains why green fees were less, but cart rentals were higher.

**OPERATING EXPENDITURES ($480,566)** – With a warmer winter, maintenance supplies were not conserved as they were with the larger amount of rainfall we had last year which had reduced the amount of water, fertilizers and chemicals needed. Also during the first quarter of the year in 2010 there was not a lease agreement in place for the golf carts, which is why there is such a large increase this year in the golf cart lease expenditures in comparison to last year.

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>FY 2011-12 Adopted Budget</th>
<th>July - March 2011</th>
<th>July - March 2012</th>
<th>Prior Year to Current Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Fees</td>
<td>$435,315</td>
<td>$262,727</td>
<td>$261,006</td>
<td>($1,721)</td>
<td>-0.7</td>
</tr>
<tr>
<td>Cart Rentals</td>
<td>176,205</td>
<td>115,990</td>
<td>128,982</td>
<td>12,992</td>
<td>11.2</td>
</tr>
<tr>
<td>Golf Merchandise Sales</td>
<td>41,720</td>
<td>26,992</td>
<td>29,252</td>
<td>2,260</td>
<td>8.4</td>
</tr>
<tr>
<td>Food and Beverage Rent</td>
<td>9,665</td>
<td>5,390</td>
<td>5,846</td>
<td>456</td>
<td>8.5</td>
</tr>
<tr>
<td>Other Golf Revenue</td>
<td>2,115</td>
<td>2,689</td>
<td>3,474</td>
<td>785</td>
<td>29.2</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>665,020</strong></td>
<td><strong>413,788</strong></td>
<td><strong>428,560</strong></td>
<td><strong>14,772</strong></td>
<td><strong>3.6</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fee</td>
<td>70,905</td>
<td>51,104</td>
<td>52,288</td>
<td>1,184</td>
<td>2.3</td>
</tr>
<tr>
<td>Golf Course Operations</td>
<td>188,405</td>
<td>134,649</td>
<td>140,673</td>
<td>6,024</td>
<td>4.5</td>
</tr>
<tr>
<td>Golf Course Maintenance</td>
<td>292,410</td>
<td>201,223</td>
<td>214,063</td>
<td>12,840</td>
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<td>Administrative &amp; General</td>
<td>61,780</td>
<td>45,672</td>
<td>45,941</td>
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<td>0.6</td>
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<td>Golf Course Merchandise</td>
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<td>Golf Cart Lease</td>
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<td>Insurance</td>
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<td>3,363</td>
<td>3,924</td>
<td>561</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>648,910</strong></td>
<td><strong>455,716</strong></td>
<td><strong>480,566</strong></td>
<td><strong>24,850</strong></td>
<td><strong>5.5</strong></td>
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</table>

**TOTAL REVENUES OVER EXPENDITURES**

|                                      | $16,110                   | (41,928)          | (52,006)          | ($10,078)                 | 24.0 |
Community Development Commission

As of January 31, 2012 the Redevelopment Agency has been dissolved and the City of Escondido has elected to become the Successor Agency. The Successor Agency will be responsible for winding down the remaining activities of the dissolved Redevelopment Agency.

Due to the dissolution of the Commission and the timing of debt payments, the Successor Agency Redevelopment Fund has a negative cash balance of $2.5 million at the end of the third quarter.

The City and the Successor Agency Oversight Board approved a Recognized Obligation Payment Schedule (ROPS) that includes required disbursements beginning July 1, 2012 through December 31, 2012 totaling $12,565,046. The County of San Diego has tentatively quoted a reimbursement payment of $3,818,815.

Staff is currently in the process of discussing this cash shortfall with the County Auditor Controller Office and the State Department of Finance.
TO:                 Honorable Mayor and Members of the City Council  
FROM:              Jim Maher, Chief of Police  
SUBJECT:           FY 2009 Project Safe Neighborhood Gun Violence Suppression Grant Modification  
RECOMMENDATION:    
It is requested that Council authorize the Escondido Police Department to accept additional grant funds in the amount of $1,978.90 from the San Diego Association of Governments (SANDAG) for Project Safe Neighborhood overtime and approve budget adjustments needed to spend additional grant funds.  
FISCAL ANALYSIS:    
This action will have no impact on the General Fund Budget. Grant funds will be used to pay overtime and benefit expenses.  
PREVIOUS ACTION:   
On April 13, 2011 Council accepted a $20,000 FY 2009 Project Safe Neighborhood Gun Suppression Grant from SANDAG.  
BACKGROUND:        
The Escondido Police Department has been allocated additional funds under the FY 2009 Project Safe Neighborhood Grant. The grant was first approved on April 13, 2011 to pay police officer overtime and overtime benefits for gun suppression operations.  
The goal of the Project Safe Neighborhood Gun Suppression Grant is to combat gun and gang violence. Overtime enforcement operations will include surveillance, fourth waiver searches, saturation patrols, and probation and parole compliance checks.  
Respectfully submitted,  

Jim Maher  
Chief of Police
CITY OF ESCONDIDO

BUDGET ADJUSTMENT REQUEST

Date of Request: June 5, 2012

Department: Police
Division: Administration

Project/Budget Manager: Susan Cervenka/Lisa Rodolo 4402/4905
Name Extension

Council Date (if applicable): June 13, 2012
(attach copy of staff report)

For Finance Use Only
Log #
Fiscal Year

Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

<table>
<thead>
<tr>
<th>Project/Account Description</th>
<th>Account Number</th>
<th>Amount of Increase</th>
<th>Amount of Decrease</th>
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<tr>
<td>Police Grants</td>
<td>451-PSNGUN</td>
<td>$1,978.90</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Request:
A budget adjustment is needed to spend grant funds for overtime and benefit costs.

APPROVALS

Department Head

Jill C. Cleveland

Date
6/6/12

Finance

City Manager

Date

City Clerk

Date

Distribution (after approval): Original: Finance

FM105 (Rev.11/06)
TO: Honorable Mayor and Members of the City Council

FROM: Jim Maher, Chief of Police

SUBJECT: FY 2008 California Office of Traffic Safety Avoid Driving Under the Influence (DUI) Campaign Grant Modification

RECOMMENDATION:

It is requested that Council authorize the Escondido Police Department to accept additional grant funds of $15,844 from the San Diego Sheriff’s Department for overtime expenses related to California Office of Traffic Safety “Avoid DUI Campaign” Grant programs and approve budget adjustments to spend grant funds.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Grant funds will be used to pay overtime expenses for enforcement of alcohol control laws.

PREVIOUS ACTION:

City Council accepted a $31,525 California Office of Traffic Safety “Avoid the 14” Grant from the San Diego Police Department on October 22, 2008.

BACKGROUND:

The San Diego County Sheriff’s Department has additional funds available from the FY 2008 California Office of Traffic Safety “Avoid DUI Campaign” Grant as agencies have not fully expended their grant awards. As a result, the Escondido Police Department has been allocated additional funds in the amount of $15,844. San Diego County “Avoid DUI Campaign” is a partnership of local law enforcement agencies participating in grant activities. Activities include DUI/DL checkpoints, multi-agency DUI task force operations, court sting operations, saturation patrols, and warrant service sweeps targeting multiple DUI offenders who violate probation terms or fail to appear in court.

Your action today to accept additional grant funds and authorize staff to submit grant documents will allow the Police Department to receive overtime reimbursement for continued participation in enforcement operations with allied agencies.

Respectfully submitted,

Jim Maher
Chief of Police
**CITY OF ESCONDIDO**

**BUDGET ADJUSTMENT REQUEST**

**Date of Request:** June 13, 2012

**Department:** Police

**Division:** Administration

**Project/Budget Manager:** Susan Cervenka/Barbara MarLeff 4402/4734

**Name**

**Extension**

**Council Date (if applicable):** June 13, 2012

(attach copy of staff report)

<table>
<thead>
<tr>
<th>Project/Account Description</th>
<th>Account Number</th>
<th>Amount of Increase</th>
<th>Amount of Decrease</th>
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<td></td>
<td>4128-451-OTSAVD</td>
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<td>$15,864</td>
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</tbody>
</table>

**Explanation of Request:**

A budget adjustment is needed to spend additional grant funds for DUI education and enforcement for previously established "Avoid the 14" grant.

**APPROVALS**

**Department Head:**

**Date:** 6/4/12

**City Manager:**

**Date:**

**Finance:**

**Date:**

**City Clerk:**

**Date:**

Distribution (after approval): Original: Finance

FM105 (Rev.11/08)
TO: Honorable Mayor and Members of the City Council

FROM: Jim Maher, Chief of Police

SUBJECT: FY 2009 State Homeland Security Grant Program (SHSGP) Modification

RECOMMENDATION:

It is requested that Council authorize the Escondido Police Department to accept an additional $66,410 in funding from the Department of Homeland Security (DHS) for the FY 2009 State Homeland Security Grant Program (SHSGP), authorize the Chief of Police to submit grant documents on behalf of the City and authorize staff to establish budgets to spend grant funds.

FISCAL ANALYSIS:

This action will have no impact on the General Fund Budget. Grant funds will be used to purchase Police Department radios.

PREVIOUS ACTION:

On May 14, 2003 Council authorized the Fire Chief to participate in the DHS Homeland Security Grant Program. Council has approved several previous items relating to the SHSGP. Under this multi-year grant program, Council has accepted funds from FY 2002 through FY 2010. The most recent Council action was taken on March 9, 2011 when Council authorized the acceptance of the FY 2010 SHSGP Grant.

BACKGROUND:

The County Office of Emergency Services (OES) has excess FY 2009 SHSGP grant funds. OES has offered to allow the Escondido Police Department to use these funds to replace 13 police radios that are no longer in compliance with County interoperability regulations. Accepting these grant funds will save approximately $66,410 in radio expenses that the City would eventually incur.

Respectfully submitted,

Jim Maher
Chief of Police
CITY OF ESCONDIDO

BUDGET ADJUSTMENT REQUEST

Date of Request: May 30, 2012
Department: Police
Division: Administration

Project/Budget Manager: Lisa Rodelo
Name: 4905
Extension

Council Date (if applicable): June 13, 2012
(attach copy of staff report)

<table>
<thead>
<tr>
<th>Project/Account Description</th>
<th>Account Number</th>
<th>Amount of Increase</th>
<th>Amount of Decrease</th>
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<td>Police Grants</td>
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Explanation of Request:
A budget adjustment is needed to spend grant funds for equipment.

APPROVALS

Department Head Date

City Manager Date

Finance Date

City Clerk Date

Distribution (after approval): Original: Finance

FM105 (Rev.11/06)
TO: Honorable Mayor and Members of the City Council

FROM: Jim Maher, Chief of Police

SUBJECT: Juvenile Curfew Ordinance

RECOMMENDATION:

It is requested that Council adopt Ordinance 2012-14 amending juvenile curfew hours to 10:00 p.m. to 5:00 a.m., consistent with the City of San Diego, surrounding jurisdictions and unincorporated areas of San Diego County. Current curfew hours start at 11:00 p.m. and end at 5:00 a.m.

FISCAL ANALYSIS:

None

PREVIOUS ACTION:

In 2002, City Council approved Ordinance 2002-23, adopting curfew hours of 11:00 p.m. to 5:00 a.m., consistent with other jurisdictions within San Diego County.

BACKGROUND:

In 2002, the Grand Jury conducted a study dealing with truancy and curfew practices throughout San Diego County. As a result of the study, they recommended the eighteen cities within the County adopt uniform curfew hours of 11:00 p.m. to 5:00 a.m. Consistent with other cities, Escondido City Council set the same hours.

In April 2010, the San Diego County Board of Supervisors approved a change in curfew hours for unincorporated areas of San Diego County. New hours were set from 10:00 p.m. to 5:00 a.m., and a letter was sent to other jurisdictions urging them to amend local ordinances to implement a standard 10:00 p.m. curfew. The City of San Diego and other cities have followed suit.

Your action is requested to adopt Ordinance 2012-14, amending Escondido’s juvenile curfew hours to 10:00 p.m. to 5:00 a.m. If approved, curfew hours would align with other local jurisdictions.

Respectfully submitted,

Jim Maher
Chief of Police
ORDINANCE NO. 2012-014

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING SECTION 17-54 OF THE
ESCONDIDO MUNICIPAL CODE PERTAINING
TO JUVENILE CURFEW

WHEREAS, in 2002 the Grand Jury conducted a study dealing with truancy and
curfew practices throughout San Diego County and recommended the eighteen cities
within the County adopt uniform curfew hours; and

WHEREAS, juvenile curfew hours were set from 11:00 p.m. to 5:00 a.m. in 2002
and adopted by the Escondido City Council through Ordinance 2002-23; and

WHEREAS, in April 2010 the San Diego County Board of Supervisors approved
a change in curfew hours from 10:00 p.m. to 5:00 a.m. and urged other jurisdictions to
implement uniform hours;

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN
as follows:

SECTION 1. The above findings and determinations are hereby adopted as
true and correct.

SECTION 2. That Section 17-54 (Curfew established; exceptions) of the
Escondido Municipal Code, is amended to read as follows:

Sec. 17-54. Curfew Hours for Minors; Definitions.

(a) Definitions. In this section:
(1) CURFEW HOURS means:

(i) 10:00 p.m. until 5:00 a.m. of the following day.

SECTION 3. SEPARABILITY. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

SECTION 4. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published, in accordance with Government Code Section 36933, to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.
TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey R. Epp, City Attorney
Jennifer K. McCain, Assistant City Attorney

SUBJECT: Proposed City Charter For Placement on the November 6, 2012 Ballot

RECOMMENDATION:

Adopt Resolution No. 2012-99 approving the form of the proposed City Charter for submission to the voters on November 6, 2012.

FISCAL ANALYSIS:

If the proposed charter is placed on the November 2012 ballot, the City Clerk estimates a cost of $35,000 to $40,000 for six pages in addition to $13,200 for an informational community mailer.

PREVIOUS ACTION:

Deputy Mayor Marie Waldron and Councilmember Ed Gallo originally requested an agenda item to consider the subject of becoming a charter city on March 9, 2011. The City Council discussed becoming a charter city and on April 13, 2011, Deputy Mayor Marie Waldron presented a draft charter to the Council for public discussion. A public workshop to discuss the proposed charter and receive input from the public was held on September 28, 2011. A draft charter was placed on the City’s website on September 29, 2011. A revised draft charter was posted on the City’s website on January 12, 2012.

The first public hearing considering becoming a charter city was held on April 18, 2012. City staff presented background information regarding charter cities, a brief summary of issues raised at the September 28, 2011 public workshop and recent legal developments which affect both the content and the adoption requirements for a charter ballot measure. Thereafter, at a noticed public meeting, the City Council directed staff to present an evaluation and analysis regarding changing the current election method of Council members in conjunction with the proposed charter. A second public hearing was held on May 23, 2012, during which a majority of the Council approved the proposed charter with three revisions.
Honorable Mayor and Members of the City Council  
June 13, 2012  
Page 2

BACKGROUND:

The staff reports submitted at both public hearings dated April 18, 2012 and May 23, 2012, provide background regarding charter cities in general as well as background regarding the draft charter presented to the City Council at both public hearings.

PROPOSED LANGUAGE:

Most of the discussion regarding the proposed charter at the May 23 public hearing concerned the topic of district elections. After careful consideration of the public comments received, Councilmembers Diaz, Morasco and Gallo approved the proposed charter presented at the May 23, 2012, public hearing with three revisions. The City Attorney was directed to revise and clarify certain provisions. The attached proposed charter incorporates the three requested changes. With regard to Article 3, Section 300, language was added to ensure that the duties, responsibilities and compensation of the City Treasurer will be set by Ordinance of the City Council. Also, to be consistent with state and federal law, the eligibility requirement of being a United States citizen was added to Section 303 regarding elective office. Lastly, Section 305 was added to Article 3 to invalidate district elections in the event that the California Voting Rights Act is determined by a court of competent jurisdiction to be invalid or is repealed by the California State Legislature.

CONCLUSION:

Council is requested to adopt Resolution No. 2012-99 approving the form of the proposed charter for the City for submission to the voters on November 6, 2012.

Respectfully submitted,

JEFFREY R. EPP
City Attorney

JENNIFER K. MCCAIN
Assistant City Attorney

Attachments: Proposed Charter for Submission to the Voters (Red-lined)
CHARTER
OF THE
CITY OF ESCONDIDO

PREAMBLE

WE THE PEOPLE of the City of Escondido declare our intent to restore to our community the historic principles of self governance inherent in the doctrine of home-rule. Sincerely committed to the belief that local government has the closest affinity to the people governed and firm in the conviction that the economic and fiscal independence of our local government will better serve and promote the health, safety and welfare of all of the citizens of Escondido, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this Charter for the City of Escondido.

CHARTER

Article 1
Municipal Affairs

Section 100. Municipal Affairs
Each of the responsibilities of governance set forth and described in this Charter, and as established by the Constitutional, statutory and judicially defined law of the State of California, is hereby declared to be a municipal affair or concern, the performance of which is unique to the benefit of the citizens of the City of Escondido.

Section 101. Powers
The City shall have all powers that a City can have under the Constitution and laws of the State of California as fully and completely as though they were specifically enumerated in this Charter. The enumeration in this Charter of any particular power, duty or procedure shall not be held to be exclusive of, or any limitation or restriction upon, this general grant of power.

Section 102. Incorporation and Succession
The City shall continue to be a municipal corporation known as the City of Escondido. The boundaries of the City of Escondido shall continue as now established until changed in the manner authorized by law. The City shall remain vested with and shall continue to own, have, possess, control and enjoy all property rights and rights of action of every nature and description owned, had, possessed, controlled or enjoyed by it at the time this Charter takes effect, and is hereby declared to be the successor of same. It shall be subject to all debts, obligations and liabilities, which exist against the City at the time this Charter
takes effect. All lawful ordinances, resolutions, rules and regulations, or portions thereof, in force at the time this Charter takes effect and not in conflict with or inconsistent herewith, are hereby continued in force until the same have been duly repealed, amended, changed or superseded by proper authority.

Article 2
Form of Government

Section 200. Form of Government
This municipal government established by this Charter shall be known as the “Council-Manager” form of government. The City Council will establish the policy of the City and the City Manager will carry out that policy.

Article 3
Elected Officers

Section 300. Enumeration and Term
The elected officers of the City shall consist of:
A City Council composed of five members who are registered voters of the City, four to be residents of their respective Districts and nominated and elected only by the residents of their respective Districts. The fifth shall be nominated and elected from the City at large and shall hold the office of Mayor.

Other elected officer(s) of the City shall be:

A City Treasurer with duties, responsibilities and compensation as provided by Ordinance of the City Council.

All of the elected officers shall serve for a term of four years following their election. The terms of all elected officers shall commence upon installation and each shall serve until the officer’s successor is elected and installed.

Section 301. Districts
For the purpose of electing the members of the Council, excepting the Mayor, the City shall be divided into four Districts. The City Council shall, by ordinance, establish four Districts that shall be used for the elections of Council members, excepting the Mayor. Said Districts shall be in compliance with applicable laws.

The ordinance establishing the boundaries of the Districts shall be adopted on or before December 31, 2013.

Section 302. Redistricting
District boundaries shall be altered when necessary as shown by the most recent federal decennial census, or by more current data certified by the City Council as sufficiently reliable and detailed to serve as a basis for district boundary alteration, or by annexation or consolidation of territory.
Section 303. Eligibility

An elected officer of the City shall be a resident, United States citizen and voter in the City.

In addition, every Council member or candidate shall be and remain a qualified voter in the District from which the Council member or candidate is nominated, as required by the California Elections Code. No change in the boundary or location of any district shall abolish or terminate the term of office of any Council member prior to expiration of the term of office for which the member was elected, notwithstanding any other provision of this Section. Each Council member will, during the duration of the member's term, represent the District by which the member was elected.

Section 304. Vacancies

A vacancy in any elective office, from whatever cause, shall be filled by appointment by the City Council, such appointee to hold office for the remainder of any unexpired term, and until a successor is elected and installed.

In the event the City Council shall fail to fill a vacancy by appointment within thirty days after such office is declared vacant, it shall cause an election to be held to fill such vacancy.

Section 305. Invalidation of California Voting Rights Act

Upon the invalidation or repeal of the California Voting Rights Act (California Elections Code §§ 14025-32) by a court of competent jurisdiction or the California State Legislature, the City Council shall adopt an ordinance setting forth the process and schedule for returning to an at-large method of election.

Section 306. Prior Laws

This Article shall supersede all other provisions of the laws of the City of Escondido pertaining to the office of City Treasurer, all of which shall be of no further force and effect.

Article 4
Fiscal Matters

Section 400. Economic and Community Development

The City shall encourage, support, and promote economic development and community development in the City.

Section 401. Public Works Contracts

The City is exempt from the provisions of all California statutes regulating public contracting and purchasing except as provided by ordinance or by agreement
approved by the City Council. The City shall establish all standards, procedures, rules or regulations to regulate all aspects of the bidding, award and performance of any public works contract, including but not limited to, the compensation rates to be paid for the performance of such work.

Section 402. Prevailing Wage
No City contract shall require payment of the prevailing wage schedule unless: the prevailing wage is legally required, and constitutionally permitted to be imposed, by federal or state grants pursuant to federal or state law; or the project is considered by the City Council not to be a municipal affair of the City; or payment of the prevailing wage schedule is authorized by resolution of the City Council. Payment of the prevailing wage schedule, if authorized hereunder, shall use the pertinent rates published by the State of California.

Section 403. Fair and Open Competition
The City will promote fair and open competition for all City construction projects so that all contractors and workers, whether union or non-union, are treated equally in the bidding and awarding of City construction contracts.

Section 404. Definition of Public Works
For purposes of this Article, the term “public works” means: (1) A building, road, street, sewer, storm drain, water system, irrigation system, reclamation project, redevelopment project, or other facility owned or to be owned or to be contracted for by the City of Escondido or the Escondido Community Development Commission, that is paid for in whole or in part with tax revenue paid by residents of the City of Escondido; or (2) Any other construction service or nonconstruction service.

Section 405. Voluntary Employee Political Contributions
Unless otherwise required by law, neither the City, nor its agents, shall deduct from the wages, earnings or compensation of any City employee any political contributions unless the employee has first presented, and the City has received, a signed written authorization of such deductions, which authorization must be renewed annually and may be revoked by the employee at any time by giving written notice of such revocation to the City.

Article 5
Revenue Retention

Section 500. Reductions Prohibited
Revenues raised and collected by the City shall not be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.
Section 501. Mandates Limited
No person whether elected or appointed, acting on behalf of the City, shall be required to perform any function which is mandated by any other level of government, unless and until funds sufficient for the performance of such function are provided by said mandating authority.

Article 6
General Laws

Section 600. General Law Powers
In addition to the power and authority granted by the terms of this Charter and the Constitution of the State of California, the City shall have the power and authority to adopt, make, exercise and enforce all legislation, laws, and regulations and to take all actions and to exercise any and all rights, powers, and privileges heretofore or hereafter established, granted or prescribed by any law of the State of California or by any other lawful authority. In the event of any conflict between the provisions of this Charter and the provisions of the general laws of the State of California, the provisions of this Charter shall control.

Section 601. Council Member Compensation
Notwithstanding the previous paragraph, the salary of the Mayor and the Council Members will continue to be set pursuant to California Government Code sections 36516 and 36516.1 where the formula considers city population and state law.

Article 7
Interpretation

Section 700. Construction and Interpretation
The language contained in this Charter is intended to be permissive rather than exclusive or limiting and shall be liberally and broadly construed in favor of the exercise by the City of its power to govern with respect to any matter which is a municipal affair.

Section 701. Severability
If any provision of this Charter should be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law.

Article 8
Amendment

Section 800. Amendment to Charter, revised or repealed
This Charter, and any of its provisions, may be amended by a majority vote of the electors voting on the question. Amendment or repeal may be proposed by initiative or by the governing body.
AUTHENTICATION
AND
CERTIFICATION

Authenticated and certified to be a true copy by Mayor Sam Abed and City Clerk Diane Halverson.

Date of Municipal Election: November 6, 2012

ATTEST:

Sam Abed, Mayor

Diane Halverson, City Clerk
RESOLUTION NO. 2012-99


WHEREAS, the City of Escondido has determined that it is in the public interest for the City of Escondido to change from a general law city to a charter city; and

WHEREAS, the City Council has determined that the text of a charter for the residents of the City should include those powers and limitations necessary and appropriate to guide the City in the conduct of its municipal affairs; and

WHEREAS, California Government Code § 34458(a) allows the City Council to propose a charter to be submitted to the voters for adoption; and

WHEREAS, California Government Code § 34458(b) requires that two public hearings be held upon the matter of the proposal of a charter and the content of the proposed charter prior to its submission to the voters of the City; and

WHEREAS, California Government Code § 34458(b) requires that the City Council may vote upon the question of whether to approve the submission of the proposed charter to the qualified voters of the City only after 21 days have elapsed since the second public hearing described above; and

WHEREAS, the City Council held public hearings on the questions of the substance of the proposed charter and the submission of the proposed charter to the qualified voters of the City on April 18, 2012, and May 23, 2012; and
WHEREAS, the City Council has determined that enactment of the proposed charter would be beneficial for the City of Escondido and its residents by providing residents with the ultimate say in all municipal affairs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.

2. That a Measure be proposed to the voters of Escondido on whether the City of Escondido shall adopt the Proposed Charter.

3. The election upon which the voters are to vote on the Measure proposing the question of whether the City of Escondido shall adopt the proposed charter is Tuesday, November 6, 2012, pursuant to a separate resolution of the City Council calling the election for that purpose.

4. That pursuant to Government Code § 34458 there is hereby approved for submission to the voters of the City of Escondido for adoption a charter in the form as set forth in Exhibit “A,” attached hereto and incorporated by this reference.

5. This resolution and the proposed charter, including the full text of the proposed charter, attached as Exhibit “A” shall be made available in print and for public examination by the City Clerk, in accordance with California Elections Code § 9223.

6. That if approved by the voters of the City of Escondido at a general election to be called by the City Council, the Escondido City Charter shall guide and govern the conduct of municipal affairs in the City of Escondido.

7. That the City Clerk shall certify to the adoption of this resolution and shall cause the same to be processed in the manner required by law.
CHARTER
OF THE
CITY OF ESCONDIDO

PREAMBLE

WE THE PEOPLE of the City of Escondido declare our intent to restore to our community the historic principles of self governance inherent in the doctrine of home-rule. Sincerely committed to the belief that local government has the closest affinity to the people governed and firm in the conviction that the economic and fiscal independence of our local government will better serve and promote the health, safety and welfare of all of the citizens of Escondido, we do hereby exercise the express right granted by the Constitution of the State of California to enact and adopt this Charter for the City of Escondido.

CHARTER

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Section 102. Incorporation and Succession
The City shall continue to be a municipal corporation known as the City of Escondido. The boundaries of the City of Escondido shall continue as now established until changed in the manner authorized by law. The City shall remain vested with and shall continue to own, have, possess, control and enjoy all property rights and rights of action of every nature and description owned, had, possessed, controlled or enjoyed by it at the time this Charter takes effect, and is hereby declared to be the successor of same. It shall be subject to all debts, obligations and liabilities, which exist against the City at the time this Charter
takes effect. All lawful ordinances, resolutions, rules and regulations, or portions thereof, in force at the time this Charter takes effect and not in conflict with or inconsistent herewith, are hereby continued in force until the same have been duly repealed, amended, changed or superseded by proper authority.

Article 2
Form of Government

Section 200. Form of Government
This municipal government established by this Charter shall be known as the “Council-Manager” form of government. The City Council will establish the policy of the City and the City Manager will carry out that policy.

Article 3
Elected Officers

Section 300. Enumeration and Term
The elected officers of the City shall consist of:
A City Council composed of five members who are registered voters of the City, four to be residents of their respective Districts and nominated and elected only by the residents of their respective Districts. The fifth shall be nominated and elected from the City at large and shall hold the office of Mayor.

Other elected officer(s) of the City shall be:

A City Treasurer with duties, responsibilities and compensation as provided by Ordinance of the City Council.

All of the elected officers shall serve for a term of four years following their election. The terms of all elected officers shall commence upon installation and each shall serve until the officer’s successor is elected and installed.

Section 301. Districts
For the purpose of electing the members of the Council, excepting the Mayor, the City shall be divided into four Districts. The City Council shall, by ordinance, establish four Districts that shall be used for the elections of Council members, excepting the Mayor. Said Districts shall be in compliance with applicable laws.

The ordinance establishing the boundaries of the Districts shall be adopted on or before December 31, 2013.

Section 302. Redistricting
District boundaries shall be altered when necessary as shown by the most recent federal decennial census, or by more current data certified by the City Council as sufficiently reliable and detailed to serve as a basis for district boundary alteration, or by annexation or consolidation of territory.
Section 303. Eligibility
An elected officer of the City shall be a resident, United States citizen and voter in the City.

In addition, every Council member or candidate shall be and remain a qualified voter in the District from which the Council member or candidate is nominated, as required by the California Elections Code. No change in the boundary or location of any district shall abolish or terminate the term of office of any Council member prior to expiration of the term of office for which the member was elected, notwithstanding any other provision of this Section. Each Council member will, during the duration of the member’s term, represent the District by which the member was elected.

Section 304. Vacancies
A vacancy in any elective office, from whatever cause, shall be filled by appointment by the City Council, such appointee to hold office for the remainder of any unexpired term, and until a successor is elected and installed.

In the event the City Council shall fail to fill a vacancy by appointment within thirty days after such office is declared vacant, it shall cause an election to be held to fill such vacancy.

Section 305. Invalidation of California Voting Rights Act

Upon the invalidation or repeal of the California Voting Rights Act (California Elections Code §§ 14025-32) by a court of competent jurisdiction or the California State Legislature, the City Council shall adopt an ordinance setting forth the process and schedule for returning to an at-large method of election.

Section 306. Prior Laws

This Article shall supersede all other provisions of the laws of the City of Escondido pertaining to the office of City Treasurer, all of which shall be of no further force and effect.

Article 4
Fiscal Matters

Section 400. Economic and Community Development
The City shall encourage, support, and promote economic development and community development in the City.

Section 401. Public Works Contracts
The City is exempt from the provisions of all California statutes regulating public contracting and purchasing except as provided by ordinance or by agreement approved by the City Council. The City shall establish all standards, procedures,
rules or regulations to regulate all aspects of the bidding, award and performance of any public works contract, including but not limited to, the compensation rates to be paid for the performance of such work.

Section 402. Prevailing Wage
No City contract shall require payment of the prevailing wage schedule unless: the prevailing wage is legally required, and constitutionally permitted to be imposed, by federal or state grants pursuant to federal or state law; or the project is considered by the City Council not to be a municipal affair of the City; or payment of the prevailing wage schedule is authorized by resolution of the City Council. Payment of the prevailing wage schedule, if authorized hereunder, shall use the pertinent rates published by the State of California.

Section 403. Fair and Open Competition
The City will promote fair and open competition for all City construction projects so that all contractors and workers, whether union or non-union, are treated equally in the bidding and awarding of City construction contracts.

Section 404. Definition of Public Works
For purposes of this Article, the term “public works” means: (1) A building, road, street, sewer, storm drain, water system, irrigation system, reclamation project, redevelopment project, or other facility owned or to be owned or to be contracted for by the City of Escondido or the Escondido Community Development Commission, that is paid for in whole or in part with tax revenue paid by residents of the City of Escondido; or (2) Any other construction service or nonconstruction service.

Section 405. Voluntary Employee Political Contributions
Unless otherwise required by law, neither the City, nor its agents, shall deduct from the wages, earnings or compensation of any City employee any political contributions unless the employee has first presented, and the City has received, a signed written authorization of such deductions, which authorization must be renewed annually and may be revoked by the employee at any time by giving written notice of such revocation to the City.

Article 5
Revenue Retention

Section 500. Reductions Prohibited
Revenues raised and collected by the City shall not be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.
Section 501. Mandates Limited
No person whether elected or appointed, acting on behalf of the City, shall be required to perform any function which is mandated by any other level of government, unless and until funds sufficient for the performance of such function are provided by said mandating authority.

Article 6
General Laws

Section 600. General Law Powers
In addition to the power and authority granted by the terms of this Charter and the Constitution of the State of California, the City shall have the power and authority to adopt, make, exercise and enforce all legislation, laws, and regulations and to take all actions and to exercise any and all rights, powers, and privileges heretofore or hereafter established, granted or prescribed by any law of the State of California or by any other lawful authority. In the event of any conflict between the provisions of this Charter and the provisions of the general laws of the State of California, the provisions of this Charter shall control.

Section 601. Council Member Compensation
Notwithstanding the previous paragraph, the salary of the Mayor and the Council Members will continue to be set pursuant to California Government Code sections 36516 and 36516.1 where the formula considers city population and state law.

Article 7
Interpretation

Section 700. Construction and Interpretation
The language contained in this Charter is intended to be permissive rather than exclusive or limiting and shall be liberally and broadly construed in favor of the exercise by the City of its power to govern with respect to any matter which is a municipal affair.

Section 701. Severability
If any provision of this Charter should be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law.

Article 8
Amendment

Section 800. Amendment to Charter, revised or repealed
This Charter, and any of its provisions, may be amended by a majority vote of the electors voting on the question. Amendment or repeal may be proposed by initiative or by the governing body.
AUTHENTICATION AND CERTIFICATION

Authenticated and certified to be a true copy by Mayor Sam Abed and City Clerk Diane Halverson.

Date of Municipal Election: November 6, 2012

ATTEST:

Sam Abed, Mayor

Diane Halverson, City Clerk
TO: Honorable Mayor and Members of the City Council

FROM: Jennifer K. McCain, Assistant City Attorney

SUBJECT: Proposed City Charter for Placement on the November 6, 2012 Ballot
[Supplemental Staff Report]

This supplemental staff report is provided as additional background regarding the proposed City Charter and the City Treasurer.

City Treasurer

The government of a general law city is vested in governing officers and employees, which include a City Treasurer. Cal. Gov't Code § 36501(c). The City Treasurer may be elected or appointed. The City Council may submit to the voters whether the City Treasurer should be appointed. See Cal. Gov't Code §§ 36503, 36508-36510. A City Treasurer must be an elector of the city at the time of assuming the office. The candidate for City Treasurer must be a registered voter of the city at the time nomination papers are issued to the candidate. Cal. Gov't Code § 36502(a).

In Escondido the City Treasurer is governed by specific municipal regulations in addition to the applicable State laws. Proposition N, passed in 1986, was codified under Chapter 2, Article 4b of the Escondido Municipal Code (attached) and reflects the current municipal regulations of that office. The City Treasurer is elected at large with a term of four years. When a vacancy occurs within the first three years of the term, an election must be held to fill the vacancy between 30 days and 75 days from the occurrence. When a vacancy occurs in the last year of the City Treasurer's term, the Deputy Treasurer serves for the remainder of that term. The City Treasurer's salary must be at least 50% of the highest paid appointed department head, with the same benefits as the department head. The City Treasurer can also choose a lower salary.

As requested by the City Council at the May 23, 2012 public hearing, the Charter set forth in Resolution No. 2012-99 would provide for the City Treasurer to be an elected official with a four year term. However, Section 300 states that the duties, responsibilities, and compensation requirements would be set by the City Council by ordinance. The proposed language preserves the right of the electorate to elect a City Treasurer with independent oversight of the City's finances. It also allows the City Council to efficiently determine the duties, responsibilities, and compensation requirements of the City Treasurer position. Further, it aligns the appointment process for a vacancy to be the same for all elected officials.
Honorable Mayor and Members of the City Council
June 13, 2012
Page 2

History of the City Treasurer in Escondido

An overview of the history involved with the current regulations of the City Treasurer is outlined below. The City Treasurer has always been an elected position. Proposition F, enacted in 1986, essentially (1) recommitted the City Clerk and City Treasurer as elective offices even though at the time they already were elected, (2) specified capital expenditures and employees each office was entitled to, and (3) locked in a minimum salary. Proposition F was marginally passed in 1984. Proposition N, enacted in 1986 replaced Proposition F with less rigid standards and brought the regulation of the City Treasurer and City Clerk more in line with the State law. Finally, Proposition U removed Section B of Proposition N, and made the City Clerk an appointed position.

Proposition F – June 5, 1984

Proposition F enacted regulations governing the City Treasurer and the City Clerk. These were in addition to applicable State laws. The regulations had little substantive effect outside of the State law applicable at that time. The regulations which had the most substantive effect outside of State law were (1) to fix a minimum salary for both positions, (2) require each office receive monies for expenditures and employees, and (3) to require that a vacancy be filled by election or a Deputy Treasurer.

Section A of Proposition F regulated the City Clerk’s office. Section A was amended by Proposition N, and later repealed by Proposition U in 1998.

Section B of Proposition F regulated the City Treasurer’s office. The following is a general overview of the requirements. The City Treasurer had to be a US Citizen, a City resident, and must not have been convicted of a felony at the time they were issued nomination papers. The term was specified at four years. When a vacancy occurred within the first three years of the term, an election had to be held between 30 days and 75 days from the vacancy. When a vacancy occurred in the last year, the Deputy Treasurer served for the remainder of the term. Proposition F required that the City Treasurer be paid at least 50% of the highest paid appointed department head, with benefits similar to the department head. The proposition required the City Treasurer’s office receive a budget for operating expenses and employees as well as specified increases in that budget. There was a bonding requirement of $1,000,000 for the City Treasurer and a fiduciary bond of $100,000 for the Deputy Treasurer. The City Treasurer alone presided over his or her office. The duties were specified as those outlined in State law, receiving and disbursing monies, and functions performed prior to September 1, 1983.

1 Proposition F – June 5, 1984. Proposition F passed with 7,685 (51.56%) voting YES and 7,220 (48.44%) voting NO.

2 Proposition U - November 3, 1998. In 1998, an amendment was proposed to repeal Section B of Proposition N, and make the City Clerk an appointed position rather than an elected one. It passed with 12,298 (52.67%) voting YES and 11,048 (47.33%) voting NO. The City Council approved ordinance 2000-35 on November 15, 2000 which implemented the change.
Honorable Mayor and Members of the City Council
June 13, 2012
Page 3

Proposition N—November 4, 1986

Two years later, Proposition N was proposed as an amendment to Proposition F to clarify ambiguities and simplify the regulations of the City Treasurer and City Clerk in accordance with the general laws of the State. Section C of the proposition applied to the City Treasurer. Proposition N was codified under Chapter 2, Article 4b of the Escondido Municipal Code (attached) and reflects the current municipal regulations of that office.

Conclusion

Article III of the Charter proposed as set forth in Resolution No. 2012-99 provides for an elected City Treasurer with a four year term. The duties, responsibilities, and compensation of the City Treasurer would be set by the City Council by ordinance. Any vacancy would be filled by appointment by the City Council and the appointed officer would serve the remainder of the term.

Section 306 of the Charter clearly states that the Charter shall supersede all other provisions of the laws pertaining to the City Treasurer. An impartial analysis will provide the voters with a description of the Charter and the impact it will have on Proposition N as well other impacts on current municipal laws. The impartial analysis is published in the ballot pamphlet so the voters will be fully informed before they vote on the Charter.

Respectfully submitted,

JENNIFER K. MCCAIN
Assistant City Attorney

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3 Proposition N – November 4, 1986. Proposition N passed with 10,190 (60.65%) voting YES and 6,612 (39.35%) voting NO.
ARTICLE 4B. CITY TREASURER

Note

*Editor’s note—Art. 4B contains § of an amendment to Proposition F (City Clerk/City Treasurer Accountability Initiative), as approved at an election held on Nov. 4, 1986. Proposition F was originally approved at an election held June 5, 1984.

Sec. 2-93. Treasurer’s position created.

The office of treasurer of the City of Escondido is created as an elected position, responsible for conduct of the office in accordance with the laws of the State of California and pursuant to these provisions unless repealed, or amended by the state legislature or the people of the City of Escondido by public vote. (Prop. F., § C(1), 11-4-86)

Sec. 2-94. Term of office and filling of vacancy.

(a) If the office of Treasurer shall become vacant during the first three (3) years of the term, the city council shall set an election to be held not less than thirty (30) days nor more than seventy-five (75) days after the date on which the vacancy occurred for the purpose of selecting a treasurer to fill the remaining portion of the term.

(b) When a vacancy occurs during the fourth year of the term, the deputy treasurer shall perform all the duties of the treasurer for the remaining period of the term. (Prop. F., § C(2), 11-4-86)

Sec. 2-95. Salary and benefits.

The city council shall fix the treasurer’s salary annually at no less than one-half (1/2) the highest salary paid to a city department head other than the city manager, unless a lower salary is requested by the city treasurer, with benefits equal to those provided such appointee. (Prop. F., § C(3), 11-4-86)

Sec. 2-96. Operating expenses, employees and capital expenditures.

(a) The city council shall appropriate monies for operating expenses, employee salaries and benefits, and capital expenditures as are reasonably required to fulfill the duties and responsibilities of the city treasurer.

(b) The treasurer shall be authorized to have at least two (2) employees, including one who shall be designated by the treasurer as deputy treasurer. The deputy treasurer shall be subject to the same qualifications and oath of office as the treasurer.

(c) Salaries and benefits for employees of the treasurer shall be approved by the city council in an amount equal to other city employees with the same or equivalent job classification. (Prop. F., § C(4), 11-4-86)

Sec. 2-96.1. Fiduciary bond requirements.

Fiduciary bond requirements for the treasurer and deputy treasurer shall be set by the city council after consideration of recommendations from the city treasurer and city manager. (Prop. F., § C(5), 11-4-86)

Sec. 2-96.2. Management of treasurer’s office.

The treasurer shall have sole responsibility for management of that office, including, but not limited to,
appointment of a deputy treasurer, hiring and discharge of employees and developing budgets for operating and
capital expenditures. (Prop. F., § C(6), 11-4-86)

Sec. 2-96.3. Duties and responsibilities.

In addition to those functions, duties, and responsibilities mandated by state law and herein, the treasurer shall
in accordance with all applicable provisions of state law governing the duties and responsibilities of the treasurer
with respect to the handling of city funds:

(1) Receive directly or through other departments of the city all monies collected by or on behalf of the city
and hold same by deposit or investment.

(2) Make disbursements for expenditures authorized by the city council.

(3) Perform all other functions necessarily incidental to the proper fulfillment of the treasurer's duties and
responsibilities. Nothing in this section shall relieve the city council from its fiduciary responsibility with respect to
city funds, for which both the city treasurer and city council shall be held accountable. (Prop. F., § C(7), 11-4-86)

Sec. 2-96.4. Audit.

The city treasurer and city council annually shall select an independent certified public accountant to conduct
an audit of the internal controls of the office of city treasurer. (Prop. F., § C(8), 11-4-86)
TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: Adoption of Fiscal Year 2012/13 and 2013/14 Two-Year Operating Budget

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2012-80 approving the Fiscal Year (FY) 2012/13 Annual Operating Budget. It is also requested that the Council adopt Resolution 2012-79 approving the Appropriations Limit (GANN Limit) for FY 2012/13 and Resolution 2012-88 approving the modified fund balance policy.

FISCAL ANALYSIS:

A two-year General Fund budget has been submitted with the assumption that sales tax and property tax will continue to show growth. The FY 2012/13 budget has the City projecting $200,000 being added to the reserves. The FY 2013/14 budget has the City projecting a 2% increase in total revenues and General Fund Sources equaling Uses without the use of reserves. See Attachment A for the financial status of other funds within the preliminary budget document.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Financial Stability

BACKGROUND:

The General Fund Operating Budget for FY 2012/13 is $76.1 million dollars and does not rely on the use of reserves.

In May 2011 Council adopted a fund balance policy that provides that the City Council may commit funds for specific purposes by taking formal action. It is requested that this fund balance policy be modified to reflect the updated balance of the Economic Development Reserve, the commitment of recycling funds to the General Fund and the commitment of Daley Ranch Restoration funds in excess of $500,000 to the General Fund.
Currently, the Reserve balance is $19,229,263. This amount does not include approximately $1.3 million from the recycling reserve. The Economic Development Reserve balance is currently $8,443,584 or $12,643,584 if the $4.2 million reduction to this reserve for accounting purposes is added back.

Respectfully submitted,

[Signature]

Gilbert Rojas
Director of Finance
Financial Status
of Funds within the Operating Budget
FY 2012/13

GENERAL FUND
Estimated revenue is anticipated to go up 4% from an estimated ending June 30, 2012 balance of $73,012,160.

Appropriations increased by 4.2% from the previous year. This increase is a result of approximately $1 million in recommended increases to various General Fund departments and various changes in employee services such as the add back of contract items within the Police department that have sunsettled.

Revenue & expenditures from the Recycling & Waste Reduction Fund are now included within the General Fund.

Daley Ranch Restoration funds in excess of $500,000 are committed to the General Fund.

The Center for the Arts management fee is budgeted at the same amount as FY 2011-12 ($460,970). Internal service charges for building maintenance and telephone costs have increased by $190,605. Therefore, the transfer from the General Fund to the Center for the Arts fund has increased to $1,350,235. This transfer will be increased by $30,000 during FY 2013-14 to cover the cost of utilities.

Full-time Positions:

Reclass:

Attorney: Deputy City Attorney reclassified to Sr. Deputy City Attorney
City Treasurer: Accounting Assistant II reclassified to Sr. Accounting Assistant
Finance: Account Clerk reclassified to Customer Service Representative
Human Resources: Human Resources Analyst reclassified to Sr. Human Resources Analyst
Library: Administrative Assistant reclassified to Division Coordinator
Maintenance Streets/Parks: Parks Maintenance Tech reclassified to Streets Lead Maintenance Tech
Maintenance Parks: Maintenance Tech reclassified to Lead Maintenance Tech

New:
Code Enforcement: Added 1 Sr. Code Enforcement Officer

Other:
Police: 14 Frozen Positions

Reserve Balances: The reserve balance is $19,229,263 (does not include approximately $1.3 million from the recycling fund) and the Committed-Economic Development reserve is $8,443,584 (12,643,584 if $4.2 million reduction to the reserve for accounting purposes is added back).
Financial Status
of Funds within the Operating Budget
FY 2012/13

CENTER FOR THE ARTS
The Center for the Arts management fee is budgeted at the same amount as FY 2011-12 ($460,970). Internal service charges for building maintenance and telephone costs have increased by $190,605.

VEHICLE PARKING DISTRICT
It is anticipated that $38,000 will be the available fund balance from FY 2011-12. This allows the City to reduce the amount transferred in from the General Fund in FY 2012-13.

COMMUNITY SERVICES/RECREATION
This budget is balanced with the use of anticipated remaining fund balance from FY 2011-12 of $156,000. Funding from the Share a Dream deposit and Daley Ranch rental income will also be used to balance this budget.

REIDY CREEK GOLF COURSE
Lower operating expenses are projected in this fund due to a reduction in staff costs. Operating revenue does not cover the cost of debt service or capital expenses. The goal is to break even in this fund.

COMMUNITY DEVELOPMENT BLOCK GRANT
It is anticipated that the Federal Government will lower their grant allocation to the City by approximately 14% resulting in a decrease in the amount budgeted for CDBG Capital Programs.

LANDSCAPE MAINTENANCE DISTRICT
It is anticipated that expenditures will increase by 3%, which will be offset by the use of available reserves

SUCCESSOR AGENCY-HOUSING
The Housing fund will no longer receive tax increment set aside funds. Expenditures are primarily funded by program income. During FY 2012-13, it is projected that over 50% of funding will come from the sale of mobilehome lots.

Full-time Positions: Eliminated Housing Manager, Department Assistant & Program Coordinator positions

MOBILEHOME MANAGEMENT
An allocation in from the Successor Agency-Housing department has been added to more accurately account for various duties being performed by Staff. A rent increase is anticipated in September, 2012.
Financial Status
of Funds within the Operating Budget
FY 2012/13

HOME
The grant allocation from the Department of Housing and Urban Development as well as loan repayments are projected to significantly decrease resulting in a decrease in the amount budgeted for HOME programs.

REDEVELOPMENT OBLIGATION RETIREMENT FUND
This fund is a new fund that was established as a result of the dissolution of the redevelopment agency. It was created to account for funds to be received from the County Redevelopment Property Tax Trust Fund.

SUCCESSOR AGENCY-REDEVELOPMENT
This fund is also a new fund that was established as a result of the dissolution of the redevelopment agency. It was created to account for administrative costs incurred during the winding down of the redevelopment agency.

GENERAL OBLIGATION BOND DEBT SERVICE
This fund accounts for the 2006 Public Safety Facilities GO bonds that were issued to construct, upgrade and acquire land for City fire stations, an emergency response training center and a combined police and fire headquarters facility. Debt service payments due during FY 2012-13 are approximately the same as the prior year.

VINEYARD GOLF COURSE DEBT SERVICE
The final debt service payment due on this debt will be on September 1, 2014. The funding source for this payment is a transfer in from the Recreation Fund, which receives golf course revenue from American Golf lease of the Vineyard Golf Course property.

REIDY CREEK GOLF COURSE DEBT SERVICE
This fund accounts for the debt issued for the construction of the Reidy Creek Golf Course. Debt service payments due during FY 2012-13 are approximately the same as the prior year. The General Fund supports this debt with a transfer of funds.

SUCCESSOR AGENCY-HOUSING DEBT SERVICE
This fund accounts for principal and interest payments due on loans from Cal HFA. There is no payment due until FY 2013-14. This payment will be approximately $2.4 million.

SUCCESSOR AGENCY-DEBT SERVICE
This fund accounts for the Tax Allocation and Lease Revenue bonds issued for the construction of the City Hall & Civic Center Complex. Debt service due during FY 2012-13 is approximately $291,000 more than the prior year.
Financial Status
of Funds within the Operating Budget
FY 2012/13

WATER
Projected revenues in this fund take into account actual and projected rate increases and a significant increase in the Vista Irrigation District capital project reimbursement. Projected expenditures reflect an increase in water treatment chemicals and bond interest. Approximately $2.5 million is projected to be added to reserves.

Full-time Positions: Temporary Part-time Department Specialist position reclassed to regular full-time.

CANAL OPERATIONS
The projected increase in expenditures in this fund is due to the anticipated purchase of a Kubota BX 1860 Tractor.

LAKES
The projected increase in expenditures in this fund is due to an increase in the purchase of State fishing licenses, minor tools and equipment and professional services.

WASTEWATER
Revenue from the sale of recycled water is anticipated to be significantly less than in the prior year. Payment on the advance to the General Fund will be received this year. This proposed budget includes a significant increase for biosolids hauling costs due to the rising cost of fuel. The current contract is expiring and the City will need to go out to bid. Other projected increases in expenditures include the treatment of chemicals and bond interest.

Full-time Positions:
Reclass:
Plant Systems Technician Supervisor reclassified to Sr. Plant Systems Technician
Engineer II reclassified to Environmental Engineer in the Stormwater department

RECYCLED WATER
The projected increase in expenditures in this fund is due to an increase in treatment chemicals.
STORMWATER
Maintenance and operation expenditures for catch basin cleaning and open channel maintenance are projected to decrease during FY 2012-13.

Full-time Positions:
  **Reclass:** Environmental Engineer added/reclassed from Engineer II in the Wastewater department

BUILDING MAINTENANCE
Charges to departments increased by approximately $298,000 due to an increase in various professional services contracts.

WAREHOUSE
This fund purchases and disburses maintenance supplies to all City departments. It is funded by a 20 cent surcharge on items. Items are purchased in bulk and placed in inventory for future use.

Full-time Positions: A Buyer/Stores Supervisor position was added to this fund.

FLEET
Charges to departments increased by $557,570. Purchase of replacement vehicles budget increased by $539,640. The tentative plan is to purchase 34 replacement vehicles, which includes 17 Police vehicles, 2 fire trucks (pumpers), 1 ambulance and 14 department trucks. Estimated reserve for the purchase of future equipment is $4.8 million.

DUPLICATING
There are no significant changes to this budget from the prior year.

TELECOMMUNICATIONS
Maintenance of equipment and minor office equipment are projected to increase which will be offset by a use of reserves.

MAIL SERVICES
There are no significant changes to this budget from the prior year.

OFFICE AUTOMATION
There are no significant changes to this budget from the prior year.
Financial Status
of Funds within the Operating Budget
FY 2012/13

WORKERS' COMP. INSURANCE
Charges to departments have increased by approximately $233,000. This is due to a projected decrease in the amount interest revenue to be received and a decrease in the use of reserves. Estimated claims payable is funded at the 75% confidence level.

GENERAL LIABILITY INSURANCE
Charges to departments have decreased by approximately $103,000. Allocations in to this fund have increased by approximately $90,000. This will be offset by an approximately $193,000 increase in the use of reserves. Estimated claims payable is funded at the 90% confidence level.

BENEFITS ADMINISTRATION
Approximately $174,000 of reserves were projected to be used during FY 2011-12. Insurance premiums are projected to increase by approximately $370,000. Approximately $111,910 of reserves are projected to be used during FY 2012-13.

PROPERTY INSURANCE
There are no significant changes to this budget from the prior year.

DENTAL INSURANCE
There are no significant changes to this budget from the prior year.

UNEMPLOYMENT INSURANCE
Charges to department are projected to increase by $30,000 which is due to a $30,000 decrease in the projected use of reserves.
RESOLUTION NO. 2012-79

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING AN ANNUAL APPROPRIATIONS
LIMIT FOR THE 2012-13 FISCAL YEAR AS
REQUIRED BY LAW

WHEREAS, Article XIII-B of the California State Constitution requires that the City calculate an appropriations limit for each fiscal year, commonly known as the "Gann Limit;" and

WHEREAS, the Gann Limit is based on a combination of a population factor and an inflation factor as outlined on Exhibit "B," attached to this resolution and incorporated by this reference; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to adopt an annual Gann Limit for Fiscal Year 2012-13 as listed on Exhibit "A," attached to this resolution and incorporated by this reference;

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

1. That the above recitations are true.

2. That the City Council adopts the calculation of the annual Gann Limit for the Fiscal Year 2012-13. The Gann Limit is adopted on a provisional basis as the limit may need to be adjusted when current assessment data are available. The 2011-12 Gann Limit is finalized as shown on Exhibit "B."
### EXHIBIT A
GANN CALCULATION
2012-13

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**EXHIBIT B**

GANN LIMIT CALCULATION

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RESOLUTION NO. 2012-80

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADOPTING OPERATING BUDGETS FOR CERTAIN CITY DEPARTMENTS FOR FISCAL YEARS 2012-13 AND 2013-14 SUBJECT TO ANY AMENDMENT MADE PURSUANT TO COMPENSATION PLANS FOR THE CITY OF ESCONDIDO AND ESTABLISHING CONTROLS ON CHANGES IN APPROPRIATIONS TO VARIOUS FUNDS AND DEPARTMENTS

BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

SECTION 1. That the budgets for all City Departments for the period July 1, 2012, through June 30, 2013, inclusive, contained in the FY 2012-13 and FY 2013-14 Operating Budget Document (a copy of which is on file in the Office of the City Clerk) as amended by Council, are adopted as the final budgets for the 2012-13 fiscal year, subject to any further amendments pursuant to approval of Compensation Plans for employees of the City of Escondido.

SECTION 2. That the budgets for all City Departments for the period July 1, 2013, through June 30, 2014, inclusive, contained in the FY 2012-13 and FY 2013-14 Operating Budget Document (a copy of which is on file in the Office of the City Clerk) as amended by Council, are adopted for the 2013-14 fiscal year with the understanding that the budget document will be brought back to the Council on an ongoing basis for further discussion and that adjustments may be made, and are subject to any further
amendments pursuant to approval of Compensation Plans for employees of the City of Escondido.

SECTION 3. That the amount designated as Department Total for each department and each fund in the budgets on file with the City Clerk, is hereby appropriated to the department or fund for which it is designated subject to adjustments for Compensation Plan approvals. Such appropriations as adjusted shall be neither increased nor decreased without approval of the City Council, except that transfers within funds, may be approved by the City Manager. All amounts designated as Employee Services, Maintenance and Operation, and Capital Outlay in each budget on file with the City Clerk, are hereby appropriated for such uses to the department or fund under which they are listed, subject to any amendments made pursuant to approval of Compensation Plans for employees of the City of Escondido, and shall be neither increased nor decreased without approval of the City Manager.
RESOLUTION NO. 2012-88(R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, MODIFYING THE CITY OF ESCONDIDO FUND BALANCE POLICY GENERAL FUND RESERVE AND ECONOMIC DEVELOPMENT COMMITMENT OF FUND BALANCE FOR THE GENERAL FUND AND OTHER CITY FUNDS

WHEREAS, the Governmental Accounting Standards Board ("GASB") has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and

WHEREAS, the City Council of the City of Escondido has adopted Resolution No. 2011-146, the Fund Balance Policy; and

WHEREAS, the Fund Balance Policy provides that the City Council may commit funds for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, the Finance Director has recommended to the City Council that the General Fund Economic Uncertainty Commitment of General Fund balance be equal to the remaining fund balance in the General Fund at June 30, 2012, for Fiscal Year 2011-12; and

WHEREAS, the City Council has determined that the General Fund Economic Uncertainty Commitment of General Fund balance be equal to the remaining fund
balance in the General Fund at June 30, 2012, for Fiscal Year 2011-12; and

WHEREAS, the Finance Director has recommended to the City Council that the General Fund Economic Development Commitment of General Fund balance be established at $12,643,584 for Fiscal Year 2011-12; and

WHEREAS, the City Council has determined that the General Fund Economic Development Commitment of General Fund balance be established at $12,643,584 for Fiscal Year 2011-12; and

WHEREAS, the City Council has previously committed funds collected from the sale of recycled materials to be used to further the effort of recycling within the City; and

WHEREAS, the City Council has determined that the funds committed for Recycling are now committed for General Fund purposes; and

WHEREAS, the City Council has previously committed funds collected from the sale of mitigation credits to be used to provide fund restoration projects at Daley Ranch; and

WHEREAS, the City Council has determined that the funds in excess of $500,000 committed for Daley Ranch are now committed for General Fund purposes;

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

1. That the above recitations are true.

2. That the City Council hereby adopts the modified attached Fund Balance Policy presented in Exhibit “A” and incorporated by this reference.
3. That the City Council hereby establishes and approves the General Fund Economic Uncertainty Commitment of General Fund balance be equal to the remaining fund balance in the General Fund at June 30, 2012, for Fiscal Year 2011-12.

4. That the City Council hereby establishes and approves the General Fund Economic Development Commitment of General Fund balance at $12,643,584 for Fiscal Year 2011-12.

5. That the City Council hereby commits use of the Recycling Funds to the General Fund and approves a transfer of the remaining fund balance in the Recycling Fund at June 30, 2012, to the General Fund.

6. That the City Council hereby commits use of Daley Ranch Restoration funds in excess of $500,000 to the General Fund and approves a transfer of the remaining fund balance in excess of $500,000 in the Daley Ranch Restoration Fund at June 30, 2012, to the General Fund.
City of Escondido
Fund Balance Policy

Purpose
This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Procedures
Fund Balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent:

- Nonspendable fund balance (inherently nonspendable)
- Restricted fund balance (externally enforceable limitations on use)
- Committed fund balance (self-imposed limitations on use)
- Assigned fund balance (limitation resulting from intended use)
- Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

Committed Fund Balance
The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment, a resolution. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently. The following will be classified as committed fund balance.

General Fund

Reserve
The City will commit the remaining fund balance in the General Fund at year end in order to maintain adequate levels of fund balance to mitigate current and future risks and to adequately provide for cash flow requirements and contingencies for unseen operating or capital needs the City. The Reserve balance is available to fund one-time unanticipated expenditure requirements, local disasters, or when actual revenue received is less than the amount budgeted resulting in an operating deficit in the General Fund.

When Reserve Funds are used the method for replenishing deficiencies including the source of funding and time period for replenishment to occur will be defined in the resolution.
The City Council may, by the affirming vote of three members, change the amount of this commitment and/or specific use of these funds.

**Economic Development**
The City’s General Fund balance committed for economic development is established at $12,643,584. The Economic Development balance is available to fund any capital project that spurs economic development.

The City Council may, by the affirming vote of three members, change the amount of this commitment and/or specific use of these funds.

**Special Revenue Funds**

**Center for the Arts**
The City will commit that portion of fund balance derived from charges for services generated from Arts Center Activities for the operations of the California Center for the Arts.

**Parks & Recreation**
The City will commit that portion of fund balance received from operating activities of City facilities (charges for services) for the operation of City parks and recreation facilities.

**Reidy Creek Golf Course Fund**
The City will commit that portion of fund balance received from operating activities of the golf course (charges for services) for the operation of the Reidy Creek Golf Course.

**Vehicle Parking District**
The City will commit that portion of fund balance provided by parking permit revenues for the maintenance and operation of City-owned public parking lots.

**Ryan Trust**
The City will commit monies received from the Frances B. Ryan Trust, which was established to create the Pioneer Room, a historical perspective of Escondido, to provide financing for its ongoing operation.

**Hegyi Trust**
The City will commit Funds received for the Hegyi Family Trust to be used to recognize library volunteers.

**Assigned Fund Balance**
Amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance.

This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Finance Director for the purpose of reporting these amounts in the annual financial statements. A few examples of assigned fund balance follow.

**Continuing Appropriations**
Fund balance levels must be sufficient to meet funding requirements for projects approved in prior years and which must be carried forward into the new fiscal year.
Debt Service
Established to provide for future debt service obligations

Unassigned Fund Balance
These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.

Fund Balance Classification
The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This policy is in place to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.
TO: Honorable Mayor and Members of the City Council

FROM: Barbara J. Redlitz, Director of Community Development

SUBJECT: Second Amendment to the Development Agreement for Tract 932 – Hidden Valley Ranch (PHG 09-0037)

STAFF RECOMMENDATION:

It is requested that Council introduce Ordinance No. 2012-13 granting a modification and extension for the Development Agreement.

PLANNING COMMISSION RECOMMENDATION:

The proposed amendment to the Development Agreement for Hidden Valley Ranch was not reviewed by the Planning Commission because the City Council was the original approval body for the project.

PROJECT DESCRIPTION:

A request for a Second Amendment of the Development Agreement between the City of Escondido and Hall Land Co., Inc., for the 179-lot, Tract 932 residential development to grant a five-year term extension beyond the current August 4, 2012 expiration date. The second amendment is with the current property owner, E & B Ranch Properties, LLC. The proposed modifications will extend the completion date for public improvements and adjust fee credits in exchange for an Irrevocable Offer of Dedication and associated access rights to enable City construction of a new water tank.

LOCATION:

The 111.5-acre Hidden Valley Ranch property is located at the eastern terminus of Lehner Avenue and Vista Avenue, and the northern terminus of Vista Verde Drive.

FISCAL ANALYSIS:

The existing development agreement terms freeze development fees at 2006 levels and establish fee credits and waivers up to a maximum of $3,524,292.00 in return for the applicant’s construction of certain water and traffic related infrastructure in the North Broadway Deficiency Area. The proposed amendment completely restructures the financial terms of the agreement by requiring fees to be paid at prevailing rates and shifts responsibility for construction of the water infrastructure to the City. This
eliminates most fee waivers/credits with the exception of $152,150 in waived traffic fees to help defray the cost of off-site traffic signal and street improvement requirements.

GENERAL PLAN ANALYSIS:

The development site is located in the E2 (Estate II – up to 2/du/acre and 20,000 SF minimum lot size) designation of the General Plan. The approved project includes lot sizes as small as 10,000 SF in accordance with the Clustering Policies of the General Plan. As required by the General Plan, a corresponding amount of open space was set aside to offset the reduction in residential lot sizes. The proposed amendment does not affect the residential density, development pattern or size of lots in the development.

ENVIRONMENTAL REVIEW:

A Mitigated Negative Declaration, City Log No. ER 2006-34, was issued on November 30, 2006 for the 179-lot Hidden Valley Ranch project and associated Development Agreement. Mitigation measures were developed to ensure potential impacts related to agricultural resources, circulation/traffic, cultural resources, biological resources, and hazardous materials were reduced to a less than significant level. Pursuant to CEQA Section 15162, no additional environmental review need be prepared for the subsequent changes proposed by the amendment since there are no substantial changes in the project that require major revisions to the previous environmental document due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

PREVIOUS ACTION:

The original Development Agreement for Tract 932 was due to expire on April 6, 2012. On August 31, 2010, the City approved Hall Land Company’s assignment of the Agreement to the current owner, who assumed all rights, benefits and obligations under the Agreement with respect to the property. On March 21, 2012, the City Council approved the First Amendment to the Development Agreement that granted a 120-day extension to finalize terms regarding the proposed modifications. That extension expires on August 4, 2012.

BACKGROUND:

Tract 932 was approved by the City Council on February 28, 2007. The associated development agreement was approved for a five year term by Ordinance 2007-04, effective April 6, 2007. The agreement set-forth responsibilities and obligations associated with the construction of extensive water and street improvements to serve the development and the surrounding area. The original agreement obligated the developer to demolish the existing Vista Verde water reservoir and construct a new two-million gallon reservoir tank and related distribution lines. The agreement included timeframes for completion of certain milestones related to the timely construction of the water tank improvements. The developer was also obligated to widen Ash Street between Vista Avenue and Sheridan Avenue and install traffic signals at four intersections in the area. In return for providing these improvements, the City would waive all water- and traffic-related fees and the North Broadway Deficiency Fee ($12,000/unit). The agreement capped the maximum amount of city fee waivers to
$3,524,292.00. The amount of fee waivers would substantially decrease under the terms of the proposed amendment.

A final map for the Hidden Valley Ranch development has not recorded and there has been no construction related to the project. Hall Land Co. no longer owns the property, having sold it back to the original seller in 2009. The owner/applicant received an assignment of the agreement in 2010 and will likely market the property to a homebuilder once the economy recovers. The owner is now seeking a time extension to vest the development entitlements and secure the developer obligations for an additional five years to August 4, 2017.

DISCUSSION:

The Development Agreement approved five years ago granted $3,524,292 in fee waivers in return for the owner constructing some significant water infrastructure improvements and off-site street and intersection improvements. All of the street improvements continue to remain the obligation of the owner with the exception of the signalization of the North Broadway/Vista Avenue intersection. That improvement has already been completed as part of another project.

One of the critical infrastructure improvements the City was to receive from the project owner as a result of the agreement was the construction of a two-million gallon water tank on the site to replace the aging Vista Verde Reservoir. The assumption at the time was that the developer’s obligation would provide a significant public benefit by advancing construction of the water tank and correcting existing deficiencies in the service area. While the development has stalled over the past five years, the Vista Verde Reservoir has continued to age and the critical need for a replacement reservoir has accelerated. Because there is no certainty as to when, or if, the project will be constructed, the proposed amendment will alleviate the owner from the responsibility of constructing the tank so the City can construct it sooner. The amendment obligates the owner to offer to dedicate land for what will now be two, one-million gallon tanks and associated infrastructure. Fee waivers that had been granted in the original Development Agreement for water-related improvements have now been eliminated due to the City’s assumption of the approximate $5 million construction costs for the tanks.

As mentioned above, the proposed amendment would significantly change the financial terms of the agreement. Fee waivers would drop from $3,524,292 to $152,150. The $152,150 waiver of local traffic fees would help offset some of the owner’s estimated $1.9 million cost for off-site street and intersection improvements. The fee freeze at 2006 rates would also be eliminated and fees would now be payable at the rates in effect when the fees are incurred. Although the City now assumes construction costs for water-related infrastructure, the proposed amendment eliminates the uncertainty of construction timing or the potential need for eminent domain to acquire a tank site. Additionally, the City will now have full control over the design, construction and timing of this critical water infrastructure project needed to serve the northern part of the City.

Respectfully submitted,

Barbara J. Redlitz
Director of Community Development

Bill Martin
Principal Planner
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<td>GENERAL FEES</td>
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<td>$144,235.00</td>
<td>$144,235.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL WAIERS</td>
<td>$3,524,292.00</td>
<td>$3,524,292.00</td>
<td>$3,524,292.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Value of Street Improvements</td>
<td>$2,138,195.00</td>
<td>$2,138,195.00</td>
<td>$2,138,195.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Public Benefits - Traffic-Related Improvements to be Completed by Developer
- Improve Ash Street between Vista Avenue and Sheridan
- Install traffic signal - Ash/Vista
- Install traffic signal - Broadway/Vista
- Install all-way stop - Conway/Pincon
- Install traffic signal - El Norte Parkway/Vista Verde

Traffic-Related Improvements will be the same except the Broadway/Vista signal removed as it has already been completed. If any of the improvements are completed by someone other than the developer, then any traffic related fees waived shall instead be paid to the City based on the ratio between the value of the improvement already completed to the value of all the Traffic-Related Improvements.
<table>
<thead>
<tr>
<th>Public Benefit - Payment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North Broadway Deficiency Fee - $12,000 per unit totaling $2,148,000</td>
<td>City would still receive the $2,148,000.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Timing of Public Improvements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Commence construction of Traffic-Related Improvements – 42 months from Effective Date</td>
<td>Traffic related improvements will be phased according to LLG traffic phasing analysis study in 2007. The phasing study is attached. City may request that owner provide an updated Traffic Phasing Report prior to issuance of the first building permit.</td>
</tr>
<tr>
<td>2. Commence construction of Water-Related Improvements – 48 months from Effective Date</td>
<td></td>
</tr>
<tr>
<td>3. Complete Traffic-Related and Water-Related Improvements – 60 months from Effective Date</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water-Related Improvements to be Completed by the City</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer to construct Water-Related Improvements including one 2 million gallon water reservoir tank</td>
<td>Developer will provide an Irrevocable Offer to Dedicate property to the City for water tanks to serve the North Escondido area. The value of the land is estimated at $125,000. City will construct two 1 million gallon tanks. The City needs to replace the Vista Verde Reservoir with these tanks quickly, as the existing reservoir is in disrepair. The City will now build the tanks, and thus construct the water-related improvements to service the area sooner, and have more control over its construction. The approximate cost to build the Water-Related Improvements to the City is $5,000,000.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storm Water</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Not specific in Development Agreement, but future discretionary reviews for future entitlements must comply with the Existing Laws (as defined in the DA), except as expressly required by state or federal law.</td>
<td>Must comply with existing stormwater regulations in place at time of execution of Second Amendment to the Development Agreement.</td>
</tr>
</tbody>
</table>
ORDINANCE NO. 2012-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR THE 179-LOT, TRACT 932 RESIDENTIAL DEVELOPMENT

PLANNING CASE NO. PHG 09-0037

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN as follows:

SECTION 1. That proper notices of a public hearing have been given and public hearings have been held before the City Council on this issue.

SECTION 2. That the City Council has reviewed and considered the Mitigated Negative Declaration (City Log No. ER 2005-34) and Mitigation Monitoring Report prepared at the time the project was originally approved and has determined that all environmental issues associated with the project have been addressed and no significant environmental impacts will result from approving this amendment to the Development Agreement.

SECTION 3. That upon consideration of the staff report and all public testimony presented at the hearing held on this amendment, this City Council finds that the proposed second amendment to the Development Agreement for Tract 932 is consistent with the General Plan and all applicable specific plans of the City of Escondido.
SECTION 4. That the City Council desires at this time and deems it to be in the best public interest to approve the Second Amendment to the Development Agreement, attached as Exhibit "A," which is incorporated by this reference, and authorizes the Mayor and City Clerk, on behalf of the City, to execute the Second Amendment to the Development Agreement.

SECTION 5. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 6. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 7. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.
SECOND AMENDMENT TO
DEVELOPMENT AGREEMENT TRACT 932
(formerly Hall Land Co., Inc., Development Agreement)
between CITY OF ESCONDIDO
and E&B RANCH PROPERTIES, LLC

This Second Amendment to the Development Agreement (Tract 932)(the “Second Amendment”) is made and entered into this ___ day of ____________ 2012 (the “Effective Date”), by and between the City of Escondido, State of California (“City”) and E&B Ranch Properties, LLC., including its successors and assigns (“Owner”) (collectively, “the Parties”).

RECATIALS

1. Whereas, on April 6, 2007, the City and Owner’s predecessor-in-interest, Hall Land Co., Inc. (“Hall”), entered into that certain agreement entitled “Development Agreement for Tract 932” which was recorded on October 31, 2007 as Document No. 2007-0695843 Official Records of San Diego County (the “Agreement”). Hall agreed to develop certain property more particularly described in the Agreement (the “Property”) subject to certain conditions and obligations as set forth in the Agreement.

2. Whereas, on December 24, 2009, Hall transferred the Property to Owner.

3. Whereas on August 31, 2010 City approved Hall’s assignment of the Agreement to Owner. Owner assumed all rights, benefits and obligations under the Agreement with respect to and related to the Property.

4. Whereas on March 21, 2012, City Council approved the First Amendment to the Agreement, extending the April 6, 2012 expiration date of the Agreement to August 4, 2012, unless terminated, modified, or extended as permitted by the Agreement.

5. Whereas, the terms defined in the Agreement shall have the same meaning in this Second Amendment, unless otherwise specified herein.
6. Whereas, the Parties now desire to extend the Term of the Agreement and to amend the structure of the Agreement as follows: First, City desires to resolve the water pressure issues in northern Escondido as soon as possible and has therefore decided to construct the water reservoir tanks. As a result, Owner will dedicate the land for the water tanks, but will not receive any water connection fee credits. Second, the fees for the Project will not be frozen and the Project will pay the then-current fees when the permits are issued.

NOW, THEREFORE, City and Owner agree as follows:

1. **Entitlements**

Article I, Section 6a and Exhibit B Section 1 of the Agreement, shall both be amended and replaced as follows:

Tentative Subdivision Map (Tract 932) (the "Tentative Map"), by City Council Resolution No. 2007-22 on February 28, 2007. Owner and City understand that the Tentative Map may need to be modified to comply with the stormwater regulations as stated in Article II, Section 4;

2. **Existing Laws.**

Article II, Section 4 of the Agreement, shall be amended and replaced as follows:

"Existing Laws" refers to the ordinances, resolutions, codes, rules, regulations and official policies of City governing the development of the Property, including, but not limited to the permitted uses of the Property, the density or intensity of use, the design, improvement and construction standards and specifications for the Project, including the maximum height and size of proposed buildings, and the provisions for reservation and dedication of land for public purposes, in effect on the Effective Date of this Second Amendment.

With regards to stormwater regulations, “Existing Laws” refers to the ordinances, resolutions, codes, rules, regulations and official policies of City governing the development of the Property in effect on the date of this Second Amendment.

3. **Extension of the Term of the Agreement.**

Article III, Section 1 of the Agreement, shall be amended and replaced as follows:

Term of Agreement. The term of the Agreement (the "Term") shall commence on the Effective Date of this Second Amendment and shall continue until the fifth (5th) anniversary thereof to ____, 2017, unless terminated, modified, or extended as permitted by the Agreement.
Following the expiration of the Term, the Agreement shall be deemed terminated and of no further force or effect; provided, however, such termination shall not affect any right or duty arising from City approvals, including, without limitation, the Entitlements, the Future Entitlements and any reimbursement agreement that may be entered into pursuant to the terms of the Existing Laws or the Agreement.

The Agreement shall terminate with respect to any lot and such lot shall be released and no longer is subject to the Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for the building(s) on the lot.

4. Permitted Fees.

Article IV, Section 6 of the Agreement shall be amended and replaced as follows:

Except as otherwise provided in the Agreement, and specifically excluding fees set by entities not controlled by City that are collected by City, City shall only charge and impose those General Fees and Exactions described as “Processing Fees,” “Permit/Inspection Fees,” “Connection Fees,” “Plan Check Fees” and “Development Fees” in the amounts and of the type which are in effect at the time they are incurred by the Owner or any successor-in-interest as described in the Escondido Fee Guide For Development Projects (the “Fee Guide”). The Project shall be subject to City-wide fees only and nothing in this Amendment shall impose on the Project any additional City special or district fees or taxes that do not currently exist.

Notwithstanding the above, in return for Owner’s construction of traffic-related Public Benefits in the North Broadway Deficiency Area as further described in Exhibit C, City will waive the Traffic Fee (Local) as described in the Fee Guide.

The City’s waiver of the above-described fees is contingent upon Owner having first executed the City’s standard Agreement for Completion of Improvements (“Improvement Agreement”), and having provided faithful performance, labor and materials, guaranty and warranty, and any other bonds required (collectively, the “Bonds”) commensurate with the execution of the Improvement Agreement.

In the event that Owner has paid for any of the above-waived fees prior to the Effective Date of this Second Amendment, City shall refund such payments. Owner shall be required to pay all other Project-related fees, or remaining portions of fees, that are not waived by this Section, prior to the City’s issuance of a building permit for each residential unit.

Further, City will reimburse Developer, in cash, for a portion of the cost of the acquisition of any property needed for street corners, but not slope easements, necessary to complete the construction of the Public Benefits described in Exhibit C, at FIFTEEN DOLLARS PER SQUARE FOOT ($15.00/sq.ft.) of property. Prior to acquisition, Owner shall submit documentation to City describing the actual costs of all necessary property rights acquisitions to the satisfaction of the City Engineer.
5. **Time for Construction and Completion of the Project.**

ARTICLE IV, Section 8 of the Agreement shall be amended and replaced as follows:

Owner cannot predict when or the rate or the order in which the Property or the parcels will be developed, if at all. Such decisions depend upon numerous factors that are not within the control of the Owner, such as market orientation and demand, interest rates, absorption, completion, and other similar factors. Therefore, Owner or its assignees shall have the right to develop the Property in phases, with multiple Final Maps, in such order, at such rate, and at such times as Owner or its assignees deems appropriate in Owner's or its assignees' business judgment, subject only to the provisions of the Agreement. Owner or its assignees shall be entitled to apply for and receive approval of permits, building permits, and other Entitlements and Future Entitlements for use at any time and for any or all portions or phases of the Project, provided that application is made in a manner consistent with the Agreement.

Owner shall be allowed to perform onsite Project grading and offsite road construction, as further described in Exhibit C, attached hereto, prior to City approval of any Final Map(s), after entering into the Improvement Agreement and posting all required Bonds. The City may require, and will process, all customary plans and agreements generally applicable to developers in the City for similar works of onsite or offsite improvements. Owner shall also have the right to construct ten (10) model homes and parking areas in conformance with all City requirements related to model home construction prior to approval of any Final Map. Once Owner has obtained approval of a Final Map, it may commence permitting and construction of the single-family residences.

City shall have the right to call the Bonds and order the Public Improvements to be completed by the surety in the event that Owner has not commenced constructing the Traffic-Related Improvements described in Section 2 of Exhibit C, attached hereto, according to the phasing analysis contained in the Linscott, Law & Greenspan Engineers traffic report for Hidden Valley Ranch dated January 4, 2007 ("Traffic Improvement Phasing Report") attached hereto as Exhibit E. If so requested by City, Owner shall provide an updated Traffic Phasing Report prior to the issuance of the first building permit. The updated report will consider any changes to the Project design and phasing and any changes to the assumed traffic levels on the intersections and street segment described in Exhibit C.

Concurrent with the Parties execution of this Second Amendment, Owner has provided City with an Irrevocable Offer to Dedicate ("IOD") a site for the concurrent construction of two one-million gallon water reservoir tanks (the "Tanks") and an access drive for the Tanks, along with any manufactured slopes necessary for the construction of the site for the Tanks or the access drive, and an easement for waterlines to and from the Tanks (collectively hereinafter "Water-Related Improvements"), see Exhibit F, attached hereto. City is solely responsible for the continued maintenance of the Water-Related Improvements within the easement sites. City shall install a connection point from the new water line to service the Project at a location to the satisfaction of the Director of Utilities.
City shall have the right to accept and exercise its rights under the IOD anytime during the Term to commence construction of the Water-Related Improvements. Owner shall have the right to terminate the IOD if City has not commenced construction of the Water-Related Improvements during the Term. If City has not completed substantial construction of the Water-Related Improvements the Agreement shall be automatically extended to eighteen (18) months after City’s substantial completion of all Water-Related Improvements.

City shall provide Owner a list of the plans and projected schedule for construction of the Water-Related Improvements. The location and design of the site, location of the Tanks, and access easement shall be substantially in compliance with the Preliminary Layout attached herein as Exhibit G.

6. **Infrastructure Capacity.**

ARTICLE IV, Section 12 of the Agreement shall be amended and replaced as follows:

Subject to Owner’s proportionate contribution to infrastructure and the Public Benefits provided by Owner, in accordance with the requirements of the Entitlements and Future Entitlements, and further subject to the City’s completion of the Water-Related Improvements, City hereby acknowledges that it will have sufficient capacity to serve, and will serve, the Project in the following infrastructure services and utility systems except for reasons beyond City’s control: traffic circulation, flood control, water supply, water treatment, water distribution and water service, to accommodate the Project. To the extent that City renders such services or provides such utilities, City hereby agrees that it will serve the Project and that there shall be no restriction on connections or service for the Project except for reasons beyond City’s control. City acknowledges and Owner understands that the City may not have sufficient capacity for sewer collection, sewer treatment, and sanitation service.

7. **Traffic-Related Improvements.**

EXHIBIT C, Section 2. to the Agreement shall be amended as follows:

2. Traffic-Related Improvements:

   a. Improve Ash Street between Vista Avenue and Sheridan Avenue to local collector standards per City standards.
   b. Install complete traffic signalization at Ash Street and Vista Avenue.
   c. Install complete traffic signalization at Ash Street and Sheridan Avenue.
   d. Install an all-way stop control at Conway Drive and Rincon Avenue.
   e. Install complete traffic signalization at El Norte Parkway and Vista Verde Way.

Prior to issuance of any building permit, the traffic right-of-ways shall be acquired, improvement plans shall be submitted and approved, and financing shall be secured in compliance with the Improvement Agreement for all Traffic-Related Improvements listed above. If any of the above improvements are completed prior to commencement of construction on the Project, those
improvements shall not be required by the Project, however any traffic related fees waived shall instead be paid to the City based on the ratio between the value of the improvement already completed to the value of all the Traffic-Related Improvements listed above. The City Engineer may allow the waived fees to be instead paid in any other reasonably related manner.

8. Water-Related Improvements.

EXHIBIT C, Section 3 to the Agreement is hereby deleted and Owner shall not be responsible for improvements under the Vista Verde Master Plan (as previously described therein).

9. Traffic Improvement Phasing Report

EXHIBIT E shall be added.

10. Irrevocable Offer to Dedicate.

EXHIBIT F shall be added.


EXHIBIT G shall be added.

Amendment No. 2 has been executed by the Parties as of the dates set forth below:

CITY OF ESCONDIDO

By: __________________________
Sam Abed
Its: Mayor

CITY OF ESCONDIDO

By: __________________________
Diane Halverson
Its: City Clerk

E & B RANCH PROPERTIES, LLC

By: __________________________
____________________________
Its: __________________________
APPROVED AS TO FORM AND CONTENT:

CITY OF ESCONDIDO

By: __________________________
Jeffrey R. Epp, Esq.
Its: City Attorney

APPROVED AS TO FORM AND CONTENT:

LOUNSBERY FERGUSON ALTONA & PEAK, LLP

By: __________________________
David W. Ferguson, Esq.
Attorneys for E & B Ranch Properties, LLC
MEMORANDUM

To: Sean Santa Cruz
Hallmark Communities

From: John Boarman, P.E.
Tueré Farley
LLG, Engineers

LLG Ref: 3-05-1529

Date: January 4, 2007

Subject: Hidden Valley Ranch Mitigation Thresholds

Mr. Santa Cruz,

Linscott, Law & Greenspan Engineers (LLG) has prepared this mitigation phasing analysis for the Hidden Valley Ranch residential development project. This memo outlines the methodology used to calculate the number of dwelling units that could be built before a significant impact would occur as calculated in the Hidden Valley Ranch traffic study prepared by LLG (August 2005).

The following 7 locations were identified to be significantly impacted in the traffic study and require mitigation.

**Intersections**
- Conway Drive / Rincon Avenue
- Ash Street / Lehner Avenue
- Ash Street / Vista Avenue
- Ash Street / Sheridan Avenue
- El Norte Parkway / Vista Verde Way
- Broadway / Vista Avenue

**Street Segments**
- Ash Street between Vista Avenue and Sheridan Avenue

**PROJECT DESCRIPTION & LOCATION**
Hidden Valley Ranch proposes to develop 179 single-family dwelling units. The project is generally located east of the Conway Drive / Centennial Way intersection and south of Rincon Avenue in the City of Escondido.

**PHASING METHODOLOGY**
The phasing analysis determines the number of dwelling units that could be occupied before the significant impact would occur and the various mitigation measures would be required using the Highway Capacity Manual (HCM) methodology. The allowable number of units to be built and occupied before an impact to an intersection or street segment occurred was calculated using the following methodology:

**Unsignalized Intersections** – Unsignalized intersections are highly sensitive to traffic volume increases especially when the intersection, and more specifically the minor street approach, operates at a poor level of service (mid-LOS D or worse) under
existing conditions. According to the City of Escondido significance criteria, if the project traffic degrades the LOS to worse than mid-LOS D or increases the delay of a poorly operating intersection by more than 2 seconds between the Existing and Existing + Project scenarios, a significant impact would occur. Based on the 2 second threshold, the number of units was increased from a minimum of 0 units to a maximum of 179 units until the 2 second threshold was reached.

Street Segments – The significance criteria determines a significant impact to street segments if the project traffic degrades the LOS to worse than mid-LOS D between the Existing and Existing + Project scenarios. For the purpose of this analysis, 7,500 ADT was assumed to be mid-LOS D. Based on this threshold, the number of units was increased from a minimum of 0 units to a maximum of 179 units until the 7,500 ADT threshold was reached.

PROJECT PHASING ANALYSIS

Table 1 shows the significantly impacted intersections and the corresponding number of units that may be built and occupied before a significant impact would occur at each location. As shown in Table 1, several of the intersections are calculated to have a significant impact before the tenth (10th) dwelling unit. Table 1 also contains a column showing the recommended thresholds. This column was added since it is believed that the HCM methodology does not output reasonable results at intersections operating at “overflow” conditions. The project could construct up to 125 units before a significant impact would occur at the intersection of Conway Drive/Rincon Avenue.

Table 2 shows the segment of Ash Street between Vista Avenue and Sheridan Avenue and the corresponding number of units that may be built and occupied before a significant impact would occur. As shown in Table 2, the project could construct up to 130 units before a significant impact would occur at the segment of Ash Street between Vista Avenue and Sheridan Avenue.
<table>
<thead>
<tr>
<th>Intersection</th>
<th>Control Type</th>
<th>Peak Hour</th>
<th>Existing</th>
<th>Existing + Phased Project</th>
<th>$\Delta^c$</th>
<th>Calculated Dwelling Unit Threshold$^d$</th>
<th>Recommended Dwelling Unit Threshold$^d$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conway Dr/Rincon Ave [NB/SB]</td>
<td>TWSC$^e$</td>
<td>AM</td>
<td>51.2/10.4 F/B</td>
<td>52.8/10.4 F/B</td>
<td>1.6</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>Ash St/Lehner Ave [EB/WB]</td>
<td>TWSC</td>
<td>AM</td>
<td>149.1/1025.0 F/F</td>
<td>149.1/1025.0 F/F</td>
<td>0.0</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Ash St/Vista Ave</td>
<td>AWSC$^d$</td>
<td>AM</td>
<td>169.0 F</td>
<td>170.8 F</td>
<td>1.8</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Ash St/Sheridan Ave [EBLT/SBL]</td>
<td>TWSC</td>
<td>AM</td>
<td>774.0/OVFL F/F</td>
<td>774.0/OVFL F/F</td>
<td>0.0</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>El Norte Pkwy/Vista Verde Way [NBL/SBL]</td>
<td>TWSC</td>
<td>PM</td>
<td>33.4/OVFL D/F</td>
<td>33.4/OVFL D/F</td>
<td>0.1</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>Broadway/Vista Ave [WBL]</td>
<td>TWSC</td>
<td>PM</td>
<td>989.8 F</td>
<td>989.8 F</td>
<td>0.0</td>
<td>3</td>
<td>30</td>
</tr>
</tbody>
</table>

**Footnotes:**

- Average delay expressed in seconds per vehicle.
- Level of Service.
- TWSC – Two Way Stop Controlled intersection.
- AWSC – All Way Stop Controlled intersection.
- $\Delta$ denotes the maximum change in delay due to the addition of the project traffic.
- Calculated threshold based on extremely sensitive unsignalized analysis.
- Higher thresholds are recommended at selected intersections since unsignalized intersection analysis does not give realistic results at intersection operating at "overflow" conditions.

**General Notes:**


OVFL = Overflow
## TABLE 2
**SEGMENT ANALYSIS (PROJECT PHASING)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>LOS E Capacity</th>
<th>Existing</th>
<th>Existing + Phased Project</th>
<th>Dwelling Unit Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ash Street</td>
<td>10,000</td>
<td>6,840</td>
<td>0.68</td>
<td>C</td>
</tr>
<tr>
<td>Vista Avenue and Sheridan Avenue</td>
<td></td>
<td></td>
<td>7,500</td>
<td>0.75</td>
</tr>
</tbody>
</table>

**Footnotes:**

- a. Capacities based on the City of Escondido LOS & Street Segment Thresholds table.
- b. Average daily traffic.
- c. Volume to capacity ratio.
- d. Level of Service.
- e. A denotes the change in delay due to the addition of the project traffic.

## CONCLUSIONS

Based on the City of Escondido significance criteria and the results from the Hidden Valley Ranch traffic study, buildout of the 179 units would result in mid-LOS D or worse operations at the following locations:

**Intersections**
- Conway Drive / Rincon Avenue
- Ash Street / Lehner Avenue
- Ash Street / Lehner Avenue
- Ash Street / Vista Avenue
- Ash Street / Sheridan Avenue
- El Norte Parkway / Vista Verde Way
- Broadway / Vista Avenue

**Street Segments**
- Ash Street between Vista Avenue and Sheridan Avenue
As indicated in Table 1, it is estimated that 125 units could be built and occupied before a significant impact would occur at the intersection of Conway Drive/Rincon Avenue. The remaining intersections, would have a significant impact before the tenth unit. However, it must be noted that unsignalized intersections are highly sensitive to small amounts of additional traffic and unrealistic delays often result. Therefore, a column was added showing the recommended thresholds based on our professional judgment. It is believed that these thresholds better correspond to the actual impacts of the project.

As indicated in Table 2, it is estimated that 130 units could be built and occupied before a significant impact would occur at the segment of Ash Street between Vista Avenue and Sheridan Avenue.

Please call me if you have any questions.
RECORDING REQUESTED BY

City of Escondido

And When Recorded Mail to:

City Clerk
City of Escondido
201 N. Broadway
Escondido, CA 92025

APN: 224-100-59 Por. & 224-100-60 Por.

No recording fee required; this document exempt from fee pursuant to Section 27383 of the California Government Code.

CITY OF ESCONDIDO
IRREVOCABLE OFFER TO DEDICATE REAL PROPERTY
ESC. DOCUMENT NO. M 29-12

This deed exempt from tax – Section 11922 of the California Revenue and Taxation Code

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

E&B RANCH PROPERTIES, LLC, a California limited liability company (GRANTOR)

hereby makes an Irrevocable Offer of Dedication to

the CITY OF ESCONDIDO, a municipal corporation (GRANTEE)

of the hereinafter described real property for public purposes.

The real property referred to above includes a site for two one-million gallon water reservoir tanks (the “Tanks”) and an access drive for the Tanks on, over, across and through that portion of the real property more particularly described in Exhibit “A” and delineated on Exhibit “B” attached hereto.

TOGETHER WITH an easement for waterlines to and from the Tanks on, over, across and through the property generally described as assessor parcel numbers 224-100-59 and 224-100-60. GRANTEE will survey the precise location of the easement for
waterlines to and from the Tanks and will prepare a metes and bounds description of the actual location of said waterlines. GRANTOR shall then prepare an "Amendment to Irrevocable Offer of Dedication," using said metes and bounds description of the waterline easement as Exhibit "C" to this Irrevocable Offer of Dedication, which shall be substantially similar in location and size to Exhibit G of the Second Amendment to Development Agreement (Tract 932). Said Amendment to Irrevocable Offer of Dedication shall be recorded in the Office of the County Recorder of the County of San Diego.

The GRANTOR hereby further grants to GRANTEE the right and privilege to manufacture slopes necessary for the construction of the site for the Tanks or the access drive within the limits of the above-described real property where required.

The GRANTOR hereby further offers to GRANTEE all trees, growths (growing or that may hereafter grow), and road building materials within said right-of-way, including the right to take or remove ground water as necessary to construct or maintain road, together with the right to use the same in such manner and such locations as said GRANTEE may deem proper, needful or necessary, in the construction, reconstruction, improvement or maintenance of said highway or public purpose.

The GRANTOR, for himself, his successors and assigns, hereby waives any claim for any and all damages to GRANTOR's remaining property contiguous to the right-of-way hereby conveyed by reason of the location, construction, landscaping or maintenance of said Tanks, access drive and waterlines. This waiver shall not apply to any damage to GRANTOR'S properties resulting from GRANTEE'S negligence in the ownership, construction or maintenance of the Tanks, landscaping, access drive or waterlines.

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California and may be accepted at any time by the City of Escondido.

This Offer of Dedication may be terminated and the right to accept the offer may be abandoned in accordance with the summary vacation procedures in Section 8300 et seq. of the Streets and Highway Code of the State of California. The termination and abandonment may be made by the Escondido City Council.

This irrevocable offer to dedicate is made on behalf of and shall bind GRANTOR, its heirs, successors and assigns. This instrument shall be and constitute an irrevocable offer to dedicate the above-described real property for the above-described purposes and said offer may be revoked by the undersigned, its heirs, successors or assigns, but only in accordance with the terms of the Second Amendment to Development Agreement (Tract 932) between GRANTEE and GRANTOR, executed concurrently herewith. The undersigned hereby reserves the right to use the property for any and all uses of said land, except the erection or construction of a building or other permanent structure, until such time as the Escondido City Council shall, without further action on
CITY OF ESCONDIDO M-29-12
IRREVOCABLE OFFER OF DEDICATION
GRANTOR: E&B RANCH PROPERTIES, LLC

the part of the GRANTOR, their heirs, successors, or assigns, accept this irrevocable offer and records a certificate of acceptance.

IN WITNESS WHEREOF, the undersigned has executed this Irrevocable Offer to Dedicate as of ____ day of ____________, 2012.

E & B Ranch Properties, LLC

By: ________________________________

Its: ________________________________

APPROVED AS TO FORM:

By: ________________________________

Jeffrey R. Epp, Esq.
City of Escondido City Attorney

APPROVED AS TO FORM AND CONTENT:

LOUNSBERRY FERGUSON ALTONA & PEAK, LLP

By: ________________________________

David W. Ferguson, Esq.
Attorneys for E & B Ranch Properties, LLC
GRANTOR'S ALL-PURPOSE ACKNOWLEDGMENT
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

On ______________________ (date) before me, ________________________,
a Notary Public, personally appeared

________________________________________
(name(s) of signers)

who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s), is/are subscribed to the within instrument and acknowledge to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct

Witness my hand and official seal.

________________________________________
Signature of Notary

CITY ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the attached deed
or grant, dated as shown hereon and from the persons named (Grantor) to the City of
Escondido, a municipal corporation, is hereby accepted pursuant to Ordinance Number
2008-12 of the City Council of the City of Escondido, dated November 19, 2008, and the
Grantee consents to recordation thereof by said Grantees duly authorized officer.

________________________________________
Real Property Manager
EXHIBIT "A"

Those portions of Parcel "B" of Adjustment Plat sub 09-0013 as per Certificate of Compliance recorded April 5, 2011 as File No. 2011-0176094, Official Records and Parcel "C" of Adjustment Plat sub 09-0013 as per Certificate of Compliance recorded April 5, 2011 as File No. 2011-0176095, Official Records in the County of San Diego, State of California; said portions being more particularly described as follows:

BEGINNING at the most Easterly corner of Parcel "B" of adjustment Plat sub 09-0013 as per Certificate of Compliance recorded April 5, 2011 as File No. 2011-0176094, Official Records; said corner also being the most Southerly corner of Parcel "C" of adjustment Plat sub 09-0013 as per Certificate of Compliance recorded April 5, 2011 as File No. 2011-0176095, Official Records; thence along the Southeasterly line of said Parcel B South 56°41'23" West (Record South 56°41'19" West per said Adjustment Plat SUB 09-0013) 89.29 feet; thence leaving said Southeasterly line North 72°55'38" West 127.43 feet; thence North 07°46'25" West 175.20 feet; thence South 87°48'11" West 86.32 feet; thence North 63°24'30" West 99.34 feet; thence South 80°31'10" West 28.53 feet; thence South 43°44'51" West 67.32 feet; thence South 00°00'00" West 148.44 feet; thence South 41°49'47" West 119.32 feet; thence South 90°00'00" West 159.92 feet; thence North 71°39'05" West 85.05 feet; thence North 40°10'22" West 64.97 feet; thence North 10°37'08" East 79.85 feet; thence North 62°14'37" East 145.91 feet; thence North 77°55'22" East 157.38 feet; thence North 46°44'02" East 141.06 feet; thence South 79°57'14" East 145.39 feet; thence North 88°54'08" East 184.14 feet; thence South 19°29'14" East 178.70 feet; thence North 52°02'02" East 100.19 feet; thence North 87°23'56" East 81.49 feet; thence South 42°48'02" East 54.17 feet to the Southeasterly line of said Parcel C; thence along said Southeasterly line South 56°41'23" West (Record South 56°41'19" West per said Adjustment Plat SUB 09-0013) 182.46 feet to the POINT OF BEGINNING.

Containing 3.454 acres, more or less.

The above described land is more particularly delineated on Exhibit "B", attached hereto and made a part hereof.

Patrick A. McMichael, LS 6187

Date 3-2-2011
EXHIBIT 'B' SHEET 1 OF 2

LEGEND

| 3.454± ACRES |

PCL PARCEL
POB POINT OF BEGINNING
C.O.C. CERTIFICATE OF COMPLIANCE
1 RECORD DATA PER C.O.C 2011-0176094
2 RECORD DATA PER C.O.C 2011-0176095

1 PUBLIC UTILITIES EASEMENT PER PARCEL MAP NO. 17583
3 OPEN SPACE EASEMENT PER PARCEL MAP NO. 17583

BASIS OF BEARINGS

BASIS OF BEARINGS FOR THIS PLAT IS THE GRID BEARING BETWEEN STA
EGCS 2162 & STA EGCS 2029
PER ROS 14236, I.E. N6°1'55"24"E

REFERENCE DRAWINGS

PARCEL MAP 17583
MAP 11721
C.O.C. 2011-0176094
C.O.C. 2011-0176095

ASSessor PARCEL NUMBERS
224-100-59-00
224-100-60-00

IN FRACTIONAL SECTION 3
TOWNSHIP 11 SOUTH, RANGE 2 WEST
SAN BERNARDINO BASE & MERIDIAN
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

5620 FRIARS ROAD 15345-L
SAN DIEGO, CA 92110
619.291.0707
(FAX) 619.291.4165

PATRICK A. MCMICHAEL, LS 6187

DRAWN/REVISED BY: MAR DATE: 04/24/2012

LICENSED LAND SURVEYOR
STATE OF CALIFORNIA

RICK ENGINEERING COMPANY
TO: Honorable Mayor and Members of the City Council

FROM: Barbara J. Redlitz, Director of Community Development

SUBJECT: Revised Zoning Code Amendment to Add Cargo Container Restrictions to the Zoning Code (AZ 11-0001)

STAFF RECOMMENDATION:

It is requested that Council adopt Ordinance No. 2012-07 (R) incorporating Council’s revisions to a zoning code amendment establishing cargo container restrictions.

PROJECT DESCRIPTION:

An amendment to the Escondido Zoning Code establishing restrictions, standards and permit requirements for the use of cargo containers in residential, commercial and industrial zones.

BACKGROUND:

This item was originally considered on March 28, 2012, at which time the City Council held a public hearing and introduced the ordinance. At the second reading on April 18, 2012, one speaker (Barry Baker) requested that the ordinance be amended to allow cargo containers on a permanent basis in commercial zones when they can be effectively screened from public view. Mr. Baker felt that such containers provided an affordable storage alternative for commercial businesses. The City Council directed staff to revise the ordinance to allow cargo containers in commercial zones subject to screening standards. Staff has forwarded a copy of the revised ordinance to Mr. Baker and has considered his suggestions.

DISCUSSION:

Since there are no defined standards for the placement of cargo containers throughout the City and these containers are not usual and customary to certain residential areas, staff has developed limitations/restrictions on residential properties, and specific provisions for the placement of cargo containers on commercial and industrial properties. A permitting process also has been proposed in order to ensure the appropriate placement, use and screening of the containers is provided and maintained.

The proposed ordinance would not allow cargo containers to be located within a single-family residential zone (R-1), multi-family zones (R-2, R-3, and R-4) or within mobile home parks (RT) since the smaller residential lots typically do not have enough land area to properly screen them and provide a buffer area from adjacent residences. Cargo containers would be allowed to be placed on
larger estate (RE) and agricultural lots (RA) only for storage purposes provided the lots are greater than one acre in size and proper screening is provided.

Regarding industrial and commercial properties, cargo containers would be allowed on industrial lots where outdoor storage is approved. Historically, cargo containers on commercial properties have been allowed on a temporary basis to accommodate short term storage needs during construction or for seasonal merchandising. For long term storage, commercial businesses have relied upon onsite floor area within their building, or offsite storage facilities. Many commercial sites cannot accommodate cargo containers without impacting required parking or landscaping; however, certain sites may have unused or underutilized areas that could accommodate the containers while not being visible to public view. The proposed ordinance provides an alternative for these businesses that may be more affordable than other on and offsite storage options. As revised per Council direction, the proposed ordinance would allow cargo containers on a permanent basis subject to the development standards of the zone and appropriate screening from public view and adjacent residential properties.

Respectfully submitted,

[Signature]

Barbara J. Redlitz
Director of Community Development
Exhibit “A”

FACTORS TO BE CONSIDERED
AZ 11-0001
(Cargo Containers)

1. The public health, safety and welfare would not be adversely affected by the proposed amendment to the Zoning Code since the amendment would establish appropriate locations for the placement of cargo containers throughout the City, along with development standards a permitting process.

2. The proposed Amendment to establish cargo container restrictions would not be detrimental to surrounding properties, since the provisions establish appropriate locations/zones where cargo containers could be located, along with appropriate setbacks and screening requirements to avoid potential compatibility and adverse visual issues with surrounding properties.

3. Cargo containers, due to their size and industrial appearance, are not appropriate for use as permanent accessory buildings/structures or storage sheds in certain areas of the City. The use of cargo containers for accessory buildings, sheds, storage and other purposes has increased within the City causing in some instances blight. The General Plan contains policies to create an aesthetically pleasing community, and to preserve and enhance existing neighborhoods. The proposed amendment to establish cargo container restrictions and standards would be consistent with the General Plan and would implement these goals by providing specific standards for usage of cargo containers as storage facilities, along with the appropriate locations where they may be situated.

4. The proposal is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Section 15061(b) “General Rule.” The proposal does not have the possibility to have a significant effect on the environment. Therefore, the project is not subject to CEQA.
EXHIBIT “B”
Draft Amendment Language

Article 36. CARGO CONTAINER RESTRICTIONS

Sec. 33-720. Definition and Purpose.

(a) Definition. A Cargo Container is an industrial, standardized reusable metal vessel that was originally, specifically, or formerly designed for or used in the packing, shipping, movement or transportation of freight, articles, goods or commodities by commercial trucks, trains and/or ships. A cargo container modified in a manner that would preclude future use by a commercial transportation entity shall be considered a cargo container for purpose of this article.

(b) Purpose. This article establishes minimum development standards for the placement of metal shipping containers within the City, limits the use of cargo containers in residential zones and addresses requirements in other zones.

Sec. 33-721. Permitted Locations and Prohibitions.

(a) It shall be unlawful to place, use, allow or maintain Cargo Containers on residential property zoned R-1, R-2, R-3, R-4, or RT; unless specifically exempted pursuant to this article.

(b) It shall be unlawful to place, use, allow or maintain Cargo Containers on property zoned R-A or R-E; unless specifically authorized or exempted pursuant to this article.

(c) It shall be unlawful to place, use, allow or maintain Cargo Containers in any commercial or industrial zone unless there is a legal primary use on the property where it is located, required parking is not impacted and access is maintained.

(d) It shall be unlawful to place, use, allow or maintain Cargo Containers in any planned development or specific plan zone unless specifically authorized by the Director of the Community Development, and consistent with provisions of the specific plan or planned development.

(e) Where permissible, the placement of cargo containers on private property shall be subject to the issuance of a Minor Development Permit by the Director of Community Development.

Sec. 33-722. Authorized Residential Use.

A cargo container may be allowed in the RA and RE zones only for storage uses if it meets all of the following requirements:
(a) A parcel within the RE and RA zone must be a minimum of one acre in size. Only one cargo container is allowed for the first one acre and one additional cargo container per every additional five acres.

(b) A legal primary use exists on the property.

(c) The cargo container meets all applicable use, development standards and maintenance regulations in the Escondido Municipal and Zoning Codes.

(d) The cargo container is appropriately screened from public view by fencing, landscaping, terrain, existing buildings, exterior architectural enhancements to the container (i.e. decorative siding, pitched roof, etc.) or some combination of these methods.

(e) Cargo containers must meet setback requirements for primary structures, but shall not be allowed closer than ten feet to any property boundary. A container also must maintain a separation of ten feet from the primary structure and other accessory structures, except for other authorized cargo containers.

Sec. 33-723. Cargo Containers in Nonresidential Zones.

(a) Cargo containers used for the routine transportation of goods and temporarily stored in commercial and industrial zones are exempt from the provisions of this article, but subject to other use restrictions found in both the Escondido Municipal and Zoning Codes. Cargo containers may be used for long term storage on industrial zoned property in areas where open storage has been approved.

(b) Cargo containers may be used on a temporary basis in commercial zones for additional storage to support seasonal events, but shall not be located on the site for more than 90 consecutive days. The containers shall be located to the rear or other non-conspicuous areas of the site. The containers shall not be located within the front areas of the site or highly visible areas from the public way.

(c) Cargo containers may be used for long term storage in commercial zones if all of the following requirements are met:

- (1) The containers meet all applicable use, development standards and maintenance regulations in the Escondido Municipal and Zoning Codes.
- (2) The cargo container is appropriately screened from public view by fencing, landscaping, terrain, buildings, exterior architectural enhancements to the container (i.e. decorative siding, pitched roof, etc.) or some combination of these methods.

(a) Cargo containers may be used for storage purposes in conjunction with schools that maintain sports fields, and also for parks, golf courses, governmental facilities, and other similar uses as determined by the Director of Community Development.

(b) The container(s) shall be located in a non-conspicuous location on the site and conform to the setbacks of the underlying zone, but no closer than ten feet to any exterior property boundary. Appropriate screening may be required, as determined by the Director of Community Development.

Sec. 33-725. Temporary Storage.

(a) Cargo containers are allowed on private property in all zones temporarily to store building materials and/or construction tools during construction pursuant to an active building permit on the same property. If the building permit is expired or canceled, the container shall be removed within ten calendar days of the permit expiration or building permit final. If construction ceases for a period of thirty days or is abandoned, the container shall be removed no later than ten calendar days after notice to remove is issued by the City. The temporary placement on lots smaller than one acre shall never exceed 180 days in any calendar year.

Sec. 33-726. Permit Administration

(a) A Minor Development Permit shall be required prior to the placement of a cargo container on private property, unless expressly exempted by this article. An application for a Minor Development Permit shall be made to the Planning Division on forms prescribed by the Director of Community Development. The application shall be accompanied by the following:

1. Three copies of a detailed site plan showing the location of the proposed container, including, but not limited to setbacks from property lines and other structures located on the site, drive aisles, parking spaces, etc.).
2. Details regarding the container (including height, width, length, color, etc.).
4. Such other information the Director of Community Development may require to adequately review an application
5. Minor Development Permit fee, as adopted by City Council Resolution.

Sec. 33-727. Standards.

(a) It shall be unlawful for any property owner, tenant or other responsible party to use, allow or maintain a cargo container in violation of any standard provided in this section.

(b) Cargo containers shall not be stored in a manner that impedes access to public right-of-ways, public utility or drainage easements or adjacent structures and buildings. The cargo
container(s) shall not block, obstruct, or reduce in any manner any required exits, windows, vent shafts, parking spaces, and/or access driveways.

(c) Cargo containers may be used for storage only and shall not be used for human habitation or for commercial business purposes.

(d) Cargo containers shall not be used to store hazardous materials in violation of any local, state or federal requirements.

(e) Cargo containers may not occupy any required off-street parking spaces, loading/unloading areas, or fire lanes. Parking spaces may be used for temporary storage in commercial zones to support seasonal events provided the amount of spaces is not more than 20% of the required parking spaces for the sponsoring business or 5% of the overall spaces within a commercial center containing multiple tenants.

(f) No signage shall be allowed on any permanent cargo container.

(g) Cargo containers shall not be stacked on top of each other or on another structure.

(h) Containers shall be prohibited from having windows, heating and cooling, plumbing, or multiple entrances. Cargo containers may include passive systems to provide appropriate ventilation. Utility services shall not be provided to the container.

(i) All cargo containers shall be operated in a safe manner, and be structurally sound, stable and in good repair. The container shall not contain any holes, peeling paint, rust, damage or structural modifications.

(j) Cargo Container(s) used for long-term storage shall not be visible from the portion of any public or private road that abuts the lot or property. Acceptable screening features for a cargo container include landscaping, fencing, terrain, existing structures, exterior architectural enhancements, or a combination of these features.

(k) Cargo container(s) used for temporary storage in commercial zones may not be placed within any designated landscape or storm water facility.

(l) Cargo container(s) shall be painted a non-reflective neutral color that is compatible with the primary structure or to blend in with the surrounding environment.

Sec. 33-728. Nonconforming Use Expiration Date

(a) A cargo container that was lawfully on private property before ________, 2012 may be allowed to continue as a nonconforming use for two years.
ORDINANCE NO. 2012-07(R)

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA, TO
ADD ARTICLE 36, CARGO CONTAINERS TO
THE ESCONDIDO ZONING CODE

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN
as follows:

SECTION 1. The use of cargo containers for accessory buildings, sheds,
storage, and other purposes has increased within the City causing in some instances
blight.

SECTION 2. Cargo containers present unique challenges to public safety, health
and welfare based on the lack of specific standards for usage as accessory buildings.

SECTION 3. Cargo containers, due to their size and industrial appearance, are
not appropriate for use as permanent accessory buildings or storage sheds in certain
areas of the City.

SECTION 4. The City desires, in order to protect the health, safety and welfare,
to regulate and provide for the use of such cargo containers.

SECTION 5. That cargo containers are portable personal property, commonly
sold on the open market and two years from the date of approval provides the owner a
reasonable opportunity to recoup the investment if adoption of this ordinance creates a
nonconforming use.
SECTION 6. That proper notice of a public hearing has been given and public hearings have been held before the Planning Commission and City Council on this issue.

SECTION 7. That the City Council has determined that this Zoning Code Amendment clarifies a prior interpretation of the Zoning Code and is exempt from the California Environmental Quality Act ("CEQA") in conformance with Title 14 California Code of Regulations section 15061(b)(3) "General Rule" and finds that no significant environmental impact will result from approving this code amendment.

SECTION 8. That upon consideration of the staff report; Planning Commission recommendation; Factors to be Considered, attached as Exhibit "A" to this Ordinance and incorporated by this reference; and all public testimony presented at the hearing held on this project, this City Council finds the Zoning Code Amendment to be consistent with the General Plan and all applicable specific plans of the City of Escondido.

SECTION 9. That Article 36 of the Zoning Code is replaced with the following:

**Article 36. CARGO CONTAINER RESTRICTIONS**

Sec. 33-720. Definition and Purpose.

(a) Definition. A Cargo Container is an industrial, standardized reusable metal vessel that was originally, specifically, or formerly designed for or used in the packing, shipping, movement or transportation of freight, articles, goods or commodities by commercial trucks, trains and/or ships. A cargo container modified in a manner that would preclude future use by a commercial transportation entity shall be considered a cargo container for purpose of this article.
(b) Purpose. This article establishes minimum development standards for the placement of metal shipping containers within the City, limits the use of cargo containers in residential zones and addresses requirements in other zones.

Sec. 33-721. Permitted Locations and Prohibitions.

(a) It shall be unlawful to place, use, allow or maintain Cargo Containers on residential property zoned R-1, R-2, R-3, R-4, or RT; unless specifically exempted pursuant to this article.

(b) It shall be unlawful to place, use, allow or maintain Cargo Containers on property zoned R-A or R-E; unless specifically authorized or exempted pursuant to this article.

(c) It shall be unlawful to place, use, allow or maintain Cargo Containers in any commercial or industrial zone unless there is a legal primary use on the property where it is located, required parking is not impacted and access is maintained.

(d) It shall be unlawful to place, use, allow or maintain Cargo Containers in any planned development or specific plan zone unless specifically authorized by the Director of the Community Development, and consistent with provisions of the specific plan or planned development.

(e) Where permissible, the placement of cargo containers on private property shall be subject to the issuance of a Minor Development Permit by the Director of Community Development.

Sec. 33-722. Authorized Residential Use.

A cargo container may be allowed in the RA and RE zones only for storage uses if it meets all of the following requirements:

(a) A parcel within the RE and RA zone must be a minimum of one acre in size. Only one cargo container is allowed for the first one acre and one additional cargo container per every additional five acres.

(b) A legal primary use exists on the property.

(c) The cargo container meets all applicable use, development standards and maintenance regulations in the Escondido Municipal and Zoning Codes.

(d) The cargo container is appropriately screened from public view by fencing, landscaping, terrain, buildings, exterior architectural enhancements to the container (i.e. decorative siding, pitched roof, etc.) or some combination of these methods.
(e) Cargo containers must meet setback requirements for primary structures, but shall not be allowed closer than ten feet to any property boundary. A container also must maintain a separation of ten feet from the primary structure and other accessory structures, except for other authorized cargo containers.

Sec. 33-723. Cargo Containers in Nonresidential Zones.

(a) Cargo containers used for the routine transportation of goods and temporarily stored in commercial and industrial zones are exempt from the provisions of this article, but subject to other use restrictions found in both the Escondido Municipal and Zoning Codes. Cargo containers may be used for long term storage on industrial zoned property in areas where open storage has been approved.

(b) Cargo containers may be used on a temporary basis in commercial zones for additional storage to support seasonal events, but shall not be located on the site for more than 90 consecutive days. The containers shall be located to the rear or other non-conspicuous areas of the site. The containers shall not be located within the front areas of the site or highly visible areas from the public way.

(c) Cargo containers may be used for long term storage in commercial zones if all of the following requirements are met:

(1) The containers meet all applicable use, development standards and maintenance regulations in the Escondido Municipal and Zoning Codes.

(2) The cargo container is appropriately screened from public view by fencing, landscaping, terrain, buildings, exterior architectural enhancements to the container (i.e. decorative siding, pitched roof, etc.) or some combination of these methods.


(a) Cargo containers may be used for storage purposes in conjunction with schools that maintain sports fields, and also for parks, golf courses, governmental facilities, and other similar uses as determined by the Director of Community Development.

(b) The container(s) shall be located in a non-conspicuous location on the site and conform to the setbacks of the underlying zone, but no closer than ten feet to any exterior property boundary. Appropriate screening may be required, as determined by the Director of Community Development.
Sec. 33-725. Temporary Storage.

(a) Cargo containers are allowed on private property in all zones temporarily to store building materials and/or construction tools during construction pursuant to an active building permit on the same property. If the building permit is expired or finaled, the container shall be removed within ten calendar days of the permit expiration or building permit final. If construction ceases for a period of thirty days or is abandoned, the container shall be removed no later than ten calendar days after notice to remove is issued by the City. The temporary placement on lots smaller than one acre shall never exceed 180 days in any calendar year.

Sec. 33-726. Permit Administration

(a) A Minor Development Permit shall be required prior to the placement of a cargo container on private property, unless expressly exempted by this article. An application for a Minor Development Permit shall be made to the Planning Division on forms prescribed by the Director of Community Development. The application shall be accompanied by the following:
(1) Three copies of a detailed site plan showing the location of the proposed container, including, but not limited to setbacks from property lines and other structures located on the site, drive aisles, parking spaces, etc.).
(2) Details regarding the container (including height, width, length, color, etc.).
(3) Method of screening.
(4) Such other information the Director of Community Development may require to adequately review an application
(5) Minor Development Permit fee, as adopted by City Council Resolution.

Sec. 33-727. Standards.

(a) It shall be unlawful for any property owner, tenant or other responsible party to use, allow or maintain a cargo container in violation of any standard provided in this section.

(b) Cargo containers shall not be stored in a manner that impedes access to public right-of-ways, public utility or drainage easements or adjacent structures and buildings. The cargo container(s) shall not block, obstruct, or reduce in any manner any required exits, windows, vent shafts, parking spaces, and/or access driveways.

(c) Cargo containers may be used for storage only and shall not be used for human habitation or for commercial business purposes.
(d) Cargo containers shall not be used to store hazardous materials in violation of any local, state or federal requirements.

(e) Cargo containers may not occupy any required off-street parking spaces, loading/unloading areas, or fire lanes. Parking spaces may be used for temporary storage in commercial zones to support seasonal events provided the amount of spaces is not more than 20% of the required parking spaces for the sponsoring business or 5% of the overall spaces within a commercial center containing multiple tenants.

(f) No signage shall be allowed on any permanent cargo container.

(g) Cargo containers shall not be stacked on top of each other or on another structure.

(h) Containers shall be prohibited from having windows, heating and cooling, plumbing, or multiple entrances. Cargo containers may include passive systems to provide appropriate ventilation. Utility services shall not be provided to the container.

(i) All cargo containers shall be operated in a safe manner, and be structurally sound, stable and in good repair. The container shall not contain any holes, peeling paint, rust, damage or structural modifications.

(j) Cargo Container(s) used for long-term storage shall not be visible from the portion of any public or private road that abuts the lot or property. Acceptable screening features for a cargo container include landscaping, fencing, terrain, existing structures, exterior architectural enhancements, or a combination of these features.

(k) Cargo container(s) used for temporary storage in commercial zones may not be placed within any designated landscape or storm water facility.

(l) Cargo container(s) shall be painted a non-reflective neutral color that is compatible with the primary structure or to blend in with the surrounding environment.

Sec. 33-728. Nonconforming Use Expiration

(a) A cargo container that was lawfully on private property prior to the effective date of this ordinance may be allowed to continue as a nonconforming use for two years after the effective date.

SECTION 10. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by
any court of competent jurisdiction, such portion shall be deemed a separate, distinct
and independent provision and such holding shall not affect the validity of the remaining
portions.

SECTION 11. That as of the effective date of this ordinance, all ordinances or
parts of ordinances in conflict herewith are hereby repealed.

SECTION 12. That the City Clerk is hereby directed to certify to the passage of
this ordinance and to cause the same or a summary to be published one time within 15
days of its passage in a newspaper of general circulation, printed and published in the
City of Escondido.
TO: Honorable Mayor and Members of the City Council

FROM: Barbara J. Redlitz, Director of Community Development

SUBJECT: Amendment to the Municipal and Zoning Codes Regarding Deferral of Development Fees (AZ 12-0003)

STAFF RECOMMENDATION:

It is requested that Council:

a) Introduce Ordinance No. 2012-12 approving amendments to Chapter 6, Articles 17, 18A-D, and 21 of the Municipal Code, and to Chapter 33, Article 37 of the Zoning Code to allow the deferral of certain development fees;

b) Adopt Resolution 2012-102 to allow deferral of the Region of Influence and Subarea Facilities Plan Repayment fees; and

c) Adopt Resolution 2012-103 revising the Fee Deferral Policy.

PROJECT DESCRIPTION:

Request Council amend certain sections of the Municipal and Zoning Codes regarding deferral of certain development fees and revise the existing fee deferral policy for implementation. Under current policy, fee deferrals are only available to businesses that foster beneficial economic development; the proposed code amendments and implementing resolutions would broaden existing fee deferral policies by allowing residential developers for projects with five or more units to have the option of deferring development impact fees for parks, public facilities, traffic (local only), public art, Region of Influence, and Subarea Facilities Plan Repayment normally paid prior to building permit issuance. Other minor code amendments are proposed to clean up or delete outdated provisions. Drainage, water and wastewater (sanitary sewer) fees would continue to be collected at the time of the building permit or application for connection to the utility system in most circumstances, unless deferred by an agreement with the City and financial security pursuant to current policy.

FISCAL ANALYSIS:

Development fees are currently calculated and collected at the time of building permit issuance or utility connection, unless deferred by a development agreement or similar agreement with the City. All deferred revenues will ultimately be received. The deferral of the collection of the fees may result in a short term loss of interest revenue to the City, but that is expected to be offset by additional revenue received from development fees and property taxes paid for new residences that are constructed in
an earlier timeframe as a result of the fee deferral. As proposed, the deferred fees would be subject to the rate schedule in effect at the time of payment. For FY 2012-13, the proposed fee deferral in not anticipated to delay any City capital improvement projects that rely upon developer fees. Projects could be delayed in future years if fee deferrals were extended beyond the recommended one-year period. The program would also create an increased demand on staff resources to prepare agreements and to monitor and enforce payment compliance.

PREVIOUS ACTION:

A fee deferral policy was established by the City Council in 1995 pursuant to Resolution 95-369, and modified in 2005 allowing fee deferrals for businesses that foster beneficial economic development. On September 14, 2011, the City Council approved the 2011-2012 Action Plan. Under the Action Plan, the Economic Development Incentive #2 directed staff to expand this policy to include residential developments, specifically "...to allow payment of Development Fees (not staff hard costs) prior to requesting Final Inspection rather than at permit issuance."

DISCUSSION:

A fee deferral policy for certain development fees has been available to commercial developers since 1995. The current policy established eligibility requirements for deferral consideration, set fees calculated on the rate schedule in effect at time of building permit issuance, and established procedures for case-by-case determinations following action by the Economic Development Subcommittee. In recent years, fee deferrals for residential and commercial projects have typically been negotiated through a development agreement.

The proposed code amendment would provide another mechanism for residential developers (for projects with five or more units) to defer certain fees through a simplified agreement process. The intent is to give them flexibility regarding the timing of fee payment, to enable them to control their cash flow without holding up construction. To implement this option, staff proposes to amend and simplify the fee deferral policy for all applicants to eliminate most eligibility requirements as well as the case-by-case review via the Council subcommittee, and substitute a requirement for a recorded agreement approved administratively. Staff further recommends that fees be deferred for a period not to exceed one year from building permit issuance to insure payment is not unduly delayed by a prolonged construction schedule. While no financial security is proposed, fees would be calculated based on the schedule in effect at time of payment, rather than building permit issuance. The deferral would be subject to an agreement to be recorded prior to issuance of a building permit. Developers seeking to negotiate frozen fees would still have the opportunity to negotiate such requests through the development agreement process. The revised implementation policy is attached as an exhibit to Resolution #2012-103.

The current code allows drainage and sanitary sewer fees for all projects to be deferred through an agreement and bond or other form of financial security. The proposed code amendment retains this option. Since construction projects require water connection and availability immediately for fire protection, no deferral is recommended for water fees. Two other development fees established by resolution are also proposed to be included in the fee deferral policy; these include the Region of Influence fee and the Subarea Facilities Plan Repayment Fee, which are currently required to be paid
prior to building permit issuance. Proposed Resolution #2012-102 would provide a fee deferral option for these fees.

In summary, the proposed code amendments include the option of deferring development impact fees for parks, public facilities, traffic (local only), public art, Region of Influence, and Subarea Facilities Plan Repayment. Code references to collection of school impact fees are deleted, since these fees are collected directly by the school district. Consideration of potential adjustments to the public art fee is scheduled to be brought forward to Council at a later date pursuant to the Action Plan.

Respectfully Submitted,

[Signature]

Barbara J. Redlitz
Director of Community Development
ESCONDIDO MUNICIPAL CODE

Chapter 6 BUILDINGS AND BUILDING REGULATIONS

ARTICLE 17 DEVELOPMENT FEE PROCEDURES

Sec. 6-438. Imposition, calculation and collection of development fees.

(a) Development fees shall be imposed as a condition of approval of a development project. No tentative or final subdivision map, parcel map, grading permit, building permit, final inspection or certificate of occupancy shall be approved unless the provisions of this section have been fulfilled.

(b) Development fees shall be imposed by affixing the following language to the development approval:

Approval of this development project is conditioned upon payment of all applicable development fees and connection fees in the manner provided in Chapter 6 of the Escondido Municipal Code.

(c) Development fees shall be calculated and collected at the time of issuance of a building permit for all development projects, except that water and sanitary sewer connection fees shall be calculated and collected at the time of application for connection to the utility system; except that payment of sanitary sewer fees may be deferred pursuant to section 6-465.5 of Article 18D of this chapter. The calculation of development fees due shall be based on the development fee schedule in effect at the time of issuance of a building permit.

(d) All other development fees shall be calculated and collected at the time of issuance of a building permit; except that payment may be deferred to final inspection request subject to the subdivider, developer or builder entering into an agreement with the city, approved by the city attorney and recorded, which will provide for the deferment of the payment of said fees to a date established by the city, not to exceed one year from building permit issuance. The calculation of deferred development fees due shall be based on the development fee schedule in effect at the time of payment. Development fees required as mitigation measures may be deferred only in accordance with the mitigation monitoring and reporting program.

(e) No building permit shall be issued until all development fees due for the development project have been paid or secured through a recorded agreement with the city. No temporary or final certificate of occupancy or permanent connection to utilities may be granted until all development fees have been paid in full. Procedures to implement fee deferral may be amended from time to time by city council resolution.

(f) Procedures to implement fee deferrals. Development fee amounts and fee benefit areas shall be established, and may be amended from time to time by city council resolution.

(Ord. No. 89-12, § 2, 4-12-89; Ord. No. 89-25, § 2, 6-7-89; Ord. No. 89-50, § 1, 10-11-89; Ord. No. 91-30, § 1, 8-7-91; Ord. No. 2003-16, § 1, 6-4-03)
ARTICLE 18A. TRAFFIC AND TRANSPORTATION FACILITIES DEVELOPMENT FEE

Sec. 6-450.8. Collection of traffic fee.

The building director shall be responsible for the collection of the traffic fee prior to the issuance of a building permit pursuant to section 6-438 of Article 17 of this chapter unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building director, and approved by the city attorney, has been posted with the city. (Ord. No. 89-13, §§ 1, 2, 4-12-89)

ARTICLE 18B. PUBLIC FACILITY DEVELOPMENT FEE

Sec. 6-456.8. Collection of public facility fee.

The building director shall be responsible for the collection of the public facility fee prior to the issuance of a building permit pursuant to section 6-438 of Article 17 of this chapter unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant is exempt pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building director, and approved by the city attorney has been posted with the city. (Ord. No. 89-14, § 1, 4-12-89)

ARTICLE 18C. PARK AND RECREATION FACILITIES DEVELOPMENT FEE

Sec. 6-460.8. Collection of park fee.
The building director shall be responsible for the collection of the park fee prior to the issuance of a building permit pursuant to section 6-438 of Article 17 of this chapter unless:

(1) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(2) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(3) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building official, and approved by the city attorney, has been posted with the city. (Ord. No. 89-15, § 1, 4-12-89)

ARTICLE 18D. LOCAL DRAINAGE AND SANITARY SEWER FEES

Sec. 6-465.5. Payment of fees.

No final map, or final parcel map or building permit shall be approved by the city until the drainage fees or sanitary sewer fees required by this article have been paid in full. Final maps, final parcel maps and building permits may be approved prior to the full payment of the drainage and sanitary sewer fees, subject to the subdivider, developer or builder entering into an agreement with the city, secured by money, a bond by one (1) or more duly authorized corporate sureties, or instrument of credit, approved by the city attorney, which will provide for the deferment of the payment of said fees to a date established by the city, not to exceed one year date of connection or building permit issuance. The calculation of deferred fees due shall be based on the development fee schedule in effect at the time of payment. The city may accept other considerations in lieu of payment of fees. (Ord. No. 97-14, § 12, 7-2-97)

ARTICLE 21. SCHOOL DISTRICT RESIDENTIAL IMPACT FEE

Sec. 6-528. Collection and remittance of fees.

(a) The building department shall collect the aforesaid fees upon the issuance of building permits for all or any of the approved new residential dwelling units within the attendance areas specified in accordance with section 6-523.

(b) Fees paid into the school fund as herein specified shall be segregated from all other fees paid to the city and shall be maintained and accounted for under the direction of the director of finance. The funds shall be remitted periodically by the city to the impacted school district for use by the district for purposes as herein provided. (Ord. No. 97-14, § 14, 7-2-97)
Chapter 33 ZONING CODE

ARTICLE 37 PUBLIC ART

Sec. 33-734. Fees.

(a) By resolution, the city council shall establish a schedule of construction requiring building permits from the city which shall pay a fee for art in public places or provide art in public places pursuant to subsection (b) of this section. There shall be no fee for the following:

1. Individual tenant improvements in a commercial or industrial building and all residential improvements to existing residential structures (such as room additions) except for work which results in an additional dwelling unit.

2. The first two thousand (2,000) square feet of any structure. This exception shall not apply on an individual basis to commercial structures which are part of a larger integrated commercial center, but shall apply only to the first two thousand (2,000) square feet of the entire center.

(b) Prior to issuance of a building permit, the applicant or developer for projects identified in subsection (a) of this section shall be required to either:

1. Pay the art fee which shall be established from time to time by city council resolution; or

2. Enter into an agreement with the city to defer payment to a date established by the city, not to exceed one year from building permit issuance, with the calculation of such fee due based on the fee schedule in effect at the time of payment; or

3. In lieu of the fee, donate art which shall have been approved by the public art partnership panel and have a minimum value determined by the panel based upon the fee schedule which shall be established by city council resolution; or

4. A combination of the above, subject to the approval of the public art partnership panel.

(c) If art has been provided in lieu of a fee for construction requiring building permits, the art shall be installed, maintained and operated at all times in substantial conformance with the manner in which the art was originally approved by the panel.

(d) Following approval of the project, the applicant shall record a document with the county recorder setting forth a description of the art and stating the obligation of the property owner to repair and maintain the art project. This document and the underlying land shall be in form to run with the land and provide notice to future property owners of the obligation to repair and maintain the art project.
(e) At any time the panel has determined that project has not been maintained in substantial conformance to the manner in which it was originally approved, the panel shall require the current property owner to either:

(1) Repair or maintain the art; or

(2) Pay the art fee required by subsection (b) of this section, based upon the current fee schedule and the square footage of the building, structure or improvement for which the art was required. (Zoning Code, Ch. 107, § 1074.40; Ord. No. 90-26, § 1, 6-13-90; Ord. No. 97-10, § 1, 6-4-97)
ORDINANCE NO. 2012-12

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING AMENDMENTS TO THE ESCONDIDO MUNICIPAL CODE CHAPTER 6 ARTICLES 17, 18A-D, AND 21, AND CHAPTER 33 ARTICLE 37 REGARDING DEFERRAL OF DEVELOPMENT FEES

Case No. AZ 12-0003

The City Council of the City of Escondido, California, DOES HEREBY ORDAIN as follows:

SECTION 1. That proper notices of a public hearing have been given and public hearings have been held before the City Council on this issue.

SECTION 2. That the Escondido Municipal Code Chapter 6, Article 17, Sections 6-438 is amended as follows:

Sec. 6-438. Imposition, calculation and collection of development fees.

(a) Development fees shall be imposed as a condition of approval of a development project. No tentative or final subdivision map, parcel map, grading permit, building permit, final inspection or certificate of occupancy shall be approved unless the provisions of this section have been fulfilled.

(b) Development fees shall be imposed by affixing the following language to the development approval:

Approval of this development project is conditioned upon payment of all applicable development fees and connection fees in the manner provided in Chapter 6 of the Escondido Municipal Code.

(c) Water and sanitary sewer connection fees shall be calculated and collected at the time of application for connection to the utility system; except that payment of sanitary sewer fees may be deferred pursuant to section 6-465.5 of Article 18D of this chapter.
(d) All other development fees shall be calculated and collected at the time of issuance of a building permit; except that payment may be deferred to final inspection request subject to the subdivider, developer or builder entering into an agreement with the City, approved by the City Attorney and recorded, which will provide for the deferment of the payment of said fees to a date established by the City, not to exceed one year from building permit issuance. The calculation of deferred development fees due shall be based on the development fee schedule in effect at the time of payment. Development fees required as mitigation measures may be deferred only in accordance with the mitigation monitoring and reporting program.

(e) No building permit shall be issued until all development fees due for the development project have been paid or secured through a recorded agreement with the City. No temporary or final certificate of occupancy or permanent connection to utilities may be granted until all development fees have been paid in full. Procedures to implement fee deferral may be amended from time to time by City Council Resolution.

(f) Procedures to implement fee deferrals, development fee amounts and fee benefit areas shall be established, and may be amended from time to time by City Council Resolution. (Ord. No. 89-12, § 2, 4-12-89; Ord. No. 89-25, § 2, 6-7-89; Ord. No. 89-50, § 1, 10-11-89; Ord. No. 91-30, § 1, 8-7-91; Ord. No. 2003-16, § 1, 6-4-03)

SECTION 3. That the Escondido Municipal Code Chapter 6, Article 18A, Section 6-450.8 is amended as follows:

Sec. 6-450.8. Collection of traffic fee.

The building official shall be responsible for the collection of the traffic fee pursuant to section 6-438 of Article 17 of this chapter unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building official, and approved by the City Attorney, has been posted with the City. (Ord. No. 89-13, §§ 1, 2, 4-12-89)

SECTION 4. That the Escondido Municipal Code Chapter 6, Article 18B, Section 456.8 is amended as follows:

Sec. 6-456.8. Collection of public facility fee.
The building official shall be responsible for the collection of the public facility fee pursuant to section 6-438 of Article 17 of this chapter unless:

(a) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(b) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(c) The applicant is exempt pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building official, and approved by the City Attorney has been posted with the City. (Ord. No. 89-14, § 1, 4-12-89)

SECTION 5. That the Escondido Municipal Code Chapter 6, Article 18C, Section 460.8 is amended as follows:

Sec. 6-460.8. Collection of park fee.

The building official shall be responsible for the collection of the park fee pursuant to section 6-438 of Article 17 of this chapter unless:

(1) The applicant is entitled to a full credit pursuant to section 6-442 of Article 17 of this chapter; or

(2) The applicant is exempt pursuant to section 6-444.3 of Article 17 of this chapter; or

(3) The applicant has taken an appeal pursuant to section 6-444.2 of Article 17 of this chapter and a bond or other surety in the amount of the fee, as calculated by the building official, and approved by the City Attorney, has been posted with the City. (Ord. No. 89-15, § 1, 4-12-89)

SECTION 6. That the Escondido Municipal Code Chapter 6, Article 18D, Section 465.5 is amended as follows:

Sec. 6-465.5. Payment of fees.

No final map, final parcel map or building permit shall be approved by the City until the drainage fees or sanitary sewer fees required by this article have been paid in full. Final maps, final parcel maps and building permits may be approved prior to the full payment of the drainage and sanitary sewer fees, subject to the subdivider, developer or builder entering into an agreement with the City, secured by money, a bond by one (1) or more duly authorized corporate sureties, or instrument of credit, approved by the
City Attorney, which will provide for the deferment of the payment of said fees to a date established by the City, not to exceed one year from the date of connection or building permit issuance. The calculation of deferred fees due shall be based on the development fee schedule in effect at the time of payment. The City may accept other considerations in lieu of payment of fees. (Ord. No. 97-14, § 12, 7-2-97)

SECTION 7. That the Escondido Municipal Code Chapter 6, Article 21 is deleted.

SECTION 8. That the Escondido Zoning Code Chapter 33, Article 37, Section 33-734 is amended as follows:

Sec. 33-734. Fees.

(a) By resolution, the City Council shall establish a schedule of construction requiring building permits from the City which shall pay a fee for art in public places or provide art in public places pursuant to subsection (b) of this section. There shall be no fee for the following:

(1) Individual tenant improvements in a commercial or industrial building and all residential improvements to existing residential structures (such as room additions) except for work which results in an additional dwelling unit.

(2) The first two thousand (2,000) square feet of any structure. This exception shall not apply on an individual basis to commercial structures which are part of a larger integrated commercial center, but shall apply only to the first two thousand (2,000) square feet of the entire center.

(b) Prior to issuance of a building permit, the applicant or developer for projects identified in subsection (a) of this section shall be required to either:

(1) Pay the art fee which shall be established from time to time by City Council Resolution; or

(2) Enter into to an agreement with the City to defer payment to a date established by the City, not to exceed one year from building permit issuance, with the calculation of such fee due based on the fee schedule in effect at the time of payment; or

(3) In lieu of the fee, donate art which shall have been approved by the public art partnership panel and have a minimum value determined by the panel based upon the fee schedule which shall be established by City Council Resolution; or

(4) A combination of the above.
(c) If art has been provided in lieu of a fee for construction requiring building permits, the art shall be installed, maintained and operated at all times in substantial conformance with the manner in which the art was originally approved by the panel.

(d) Following approval of the project, the applicant shall record a document with the county recorder setting forth a description of the art and stating the obligation of the property owner to repair and maintain the art project. This document and the underlying land shall be in form to run with the land and provide notice to future property owners of the obligation to repair and maintain the art project.

(e) At any time the panel has determined that project has not been maintained in substantial conformance to the manner in which it was originally approved, the panel shall require the current property owner to either:

(1) Repair or maintain the art; or

(2) Pay the art fee required by subsection (b) of this section, based upon the current fee schedule and the square footage of the building, structure or improvement for which the art was required. (Zoning Code, Ch. 107, § 1074.40; Ord. No. 90-26, § 1, 6-13-90; Ord. No. 97-10, § 1, 6-4-97)

SECTION 9. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 10. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 11. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.
RESOLUTION NO. 2012-102

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING A DEFERRAL OF
DEVELOPMENT FEES ESTABLISHED BY
RESOLUTION NOS. 94-173 AND 95-211

Case No. AZ 12-0003

WHEREAS, in order to reimburse individual developers and the City, who advanced funds for the preparation of individual Subarea Facility Plans for North Broadway, Felicita, Daley Ranch and Eastgrove (the “Subarea Facility Plans”), the City Council approved Resolution No. 94-173; and

WHEREAS, pursuant to Resolution No. 94-173, the City Council authorized the collection of the Subarea Facilities Plan Repayment Fee (“Repayment Fee”) in the amount of fifty-eight dollars ($58.00) per dwelling unit, payable at the time of issuance of a building permit, to be paid by all new residential developments within the City (except for those developers who previously advanced funds for preparation of the Subarea Facility Plans); and

WHEREAS, in order to fund new infrastructure and drainage improvements in the Region of Influence and to offset impacts on public facilities until such time that the Region of Influence is rescinded, the City Council approved Resolution No. 95-211; and

WHEREAS, pursuant to Resolution No. 95-211, the City Council authorized the collection of a fifteen hundred dollar ($1,500.00) deposit in conjunction with the issuance of building permits for new single family dwelling units, on existing lots of
record (as of June 6, 1990) in the Region of Influence ("Region of Influence Deposit");

WHEREAS, in accordance with the City Council's 2011-2012 Action Plan pertaining to Economic Development, and in an effort to promote development within the City, the City Council deems it to be in the best public interest to allow a deferral of the fees authorized by Resolution Nos. 94-173 and 95-211 for a period not to exceed one (1) year from when said fees are originally due.

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

1. That the above recitations are true.

2. That this City Council hereby approves a deferral of the development fees authorized by Resolution Nos. 94-173 (Repayment Fee) and 95-211 (Region of Influence Deposit) for a period not to exceed one (1) year from when said fees are originally due.
RESOLUTION NO. 2012-103

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, TO AMEND A FEE DEFERRAL POLICY FOR COMMERCIAL, INDUSTRIAL AND RESIDENTIAL DEVELOPMENT ESTABLISHED BY RESOLUTION NO. 95-369 AND TO AUTHORIZE STAFF TO ADMINISTRATIVELY APPROVE FEE DEFERRAL AGREEMENTS

Case No. AZ 12-0003

WHEREAS, pursuant to Resolution No. 95-369, the City Council approved a fee deferral policy for commercial and industrial development and updated the policy in September 2005; and

WHEREAS, in accordance with the City Council's 2011-2012 Action Plan pertaining to Economic Development, and in an effort to promote development within the City, the City Council deems it to be in the best public interest to allow residential developers of five or more units, as well as commercial and industrial developers, to defer the fees authorized by Resolution No. 95-369 as updated for a period not to exceed one (1) year from when said fees are originally due.

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

1. That the above recitations are true.

2. That this City Council hereby approves a revised development fee policy to allow deferral of the development fees authorized by Resolution No. 95-369 for a
period not to exceed one (1) year from when said fees are originally due. A copy of the policy and criteria is attached as Exhibit "A" and is incorporated by reference.

3. That the City Council authorizes the Director of Community Development to determine the eligibility of applicants for fee deferrals and to execute a fee deferral agreement as deemed appropriate.
CITY OF ESCONDIDO
FEE DEFERRAL POLICY

Established November 1995

Purpose
The purpose of the City’s fee deferral policy is to provide an incentive to reduce the up-front cost of development for new residential projects involving five or more units and for businesses that foster beneficial economic development in Escondido.

Who is Eligible
To be eligible, you must be constructing five or more residential units under a single phase or have a business that is either expanding its floor area or is constructing a new building within the Escondido city limits.

How to Apply
1. Complete the fee deferral application and return it to the Building Division.
2. Attach a current preliminary title report (no more than 6 months old) for the property on which the construction will take place; this is to verify property ownership. If the property is leased, a copy of the lease will be required before a fee deferral is granted.
3. At a minimum, provide floor plans for the project. These plans are needed to calculate a fee estimate. Final fees cannot be calculated until construction plans are submitted to the Building Division for permits.

Fees Eligible for Deferral
1. Connection fees: Sanitary sewer and drainage fees may be deferred pursuant to EMC Chapter 6, Article 18D. Water fees shall be paid at time of utility connection and may not be deferred.
2. Development fees: Public Facility, Park, Local Traffic, Public Art, Citywide Facilities Plan Repayment and Region of Influence fees may be deferred.

Note:
1. Project processing, permit and inspection fees and pass-through fees are not eligible for deferral.
2. Final project fees are those fees in effect at the time of fee payment
3. If the building permits expire, fees will be recalculated at the current rates.

Fee Deferral Period
Fees may be deferred until construction is complete, not to exceed one year from building permit issuance; all fees must be paid before a certificate of occupancy is issued.

Processing
When an application for fee deferral is received, the request will be reviewed to determine eligibility. The City reserves the right to determine which connection and development fees may be deferred, based

Revised June 13, 2012 per Resolution 2012-103
on the project’s impacts to city services and infrastructure. After receipt of a complete application, a
meeting with the applicant may be required to obtain more detail about the project before a decision can
be made.

The applicant will be advised within ten (10) working days, if sufficient information has been provided,
as to whether their project appears to be eligible. The actual fee deferral will not take place until the
project has received the necessary approvals, reviews, and plan checks.

- The applicant will be required to enter into an agreement to the satisfaction of the City Attorney, to
  be executed and recorded prior to issuance of a building permit.
- The project must obtain building permits within one (1) year of the determination of eligibility for
  fee deferral.
- A fee estimate will be provided prior to building permit issuance; the actual fees to be paid are
  calculated based on the rates in effect at the time of fee payment.
- The amount of the fees may change from any fee estimates prepared earlier for discussion purposes.
- If permits have not been obtained at the end of one (1) year, the applicant may request an extension
  of time in writing. The Director of Community Development will determine if an extension of time
  is to be granted.

For Further Information Contact:

Building Division
Community Development Department
201 North Broadway
Escondido, CA 92025

Phone: 760-839-4647
Fax: 760-432-6819

Revised June 13, 2012 per Resolution 2012-103
## CONSENT CALENDAR

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Engineer’s Report for City of Escondido Landscape Maintenance</td>
<td>Adoption of Resolution 2012-72 is the final step in the annual review process for the Engineer’s</td>
</tr>
<tr>
<td>District Zones 1-37 for FY 2012/2013</td>
<td>Report and assessment for Zones 1-37 of the City of Escondido Landscape Maintenance District for</td>
</tr>
<tr>
<td>(E. Domingue)</td>
<td>FY 2012/2013.</td>
</tr>
<tr>
<td>Award of Bid for Legal Advertising FY 2012-13</td>
<td>The California Public Contract Code requires when there is more than one newspaper of general</td>
</tr>
<tr>
<td>(D. Halverson)</td>
<td>circulation in a community that the public bidding process occur annually for the purpose of</td>
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<tr>
<td></td>
<td>publishing legal notices. The award of bid will complete the process for the upcoming fiscal year.</td>
</tr>
<tr>
<td>CalPERS Industrial Disability Retirement of Michael Diaz</td>
<td>Deny an IDR for Fire Engineer Michael Diaz.</td>
</tr>
<tr>
<td>(S. Bennett)</td>
<td></td>
</tr>
<tr>
<td>General Municipal Election – November 6, 2012</td>
<td>Resolutions are required by law in order to hold and consolidate the statewide General Election</td>
</tr>
<tr>
<td>(D. Halverson)</td>
<td>with Escondido’s Municipal Election on November 6, 2012.</td>
</tr>
<tr>
<td>Award Right-of-Way Landscaping Services Contract</td>
<td>On April 18, 2012, request for proposals were mailed to twenty-seven bidders and on May 22, 2012,</td>
</tr>
<tr>
<td>(G. Rojas)</td>
<td>seven proposals were received and opened.</td>
</tr>
<tr>
<td>Management and Concession Contract for Reidy Creek Golf Course</td>
<td>JC Resorts is the current operator of Reidy Creek Golf Course on behalf of the City. The 10 year</td>
</tr>
<tr>
<td>(G. Rojas)</td>
<td>contract is similar to the current contract that is expiring.</td>
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**JUNE 20, 2012**

4:30 p.m.

<table>
<thead>
<tr>
<th>CONSENT CALENDAR Continued</th>
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</thead>
<tbody>
<tr>
<td>Business Enhancement Zone Incentives for Proposed Restaurant</td>
</tr>
<tr>
<td>(B. Redlitz)</td>
</tr>
<tr>
<td>The applicant is processing tenant improvement plans for a proposed restaurant with live entertainment that includes outdoor dining and cooking. The project involves a change of use triggering development fees. The request for fee reductions will be considered by the Economic Development Subcommittee prior to City Council consideration pursuant to the BEZ ordinance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Award Bid for the Purchase of Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>(G. Rojas)</td>
</tr>
<tr>
<td>On March 14, 2012, a request for bids to purchase twelve chemicals to be used at the Water Treatment Plant and Hale Avenue Resource Recovery Facility were mailed to thirty-two vendors.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget Adjustment Grant Award Charitable Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(J. Van Leeuwen)</td>
</tr>
<tr>
<td>(Need Green Sheet)</td>
</tr>
</tbody>
</table>

**PUBLIC HEARINGS**

<table>
<thead>
<tr>
<th>Five-Year Capital Improvement Program and Project Budgets for FY 2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>(G. Rojas/ R. Zaino)</td>
</tr>
<tr>
<td>Follow-up to the preliminary meeting on 04/25/12, to approve Five-Year Capital Improvement Program and TransNet Program of projects for FYs 2012/13-16/17.</td>
</tr>
</tbody>
</table>

**CURRENT BUSINESS**

| Future Agenda Items (D. Halverson) |

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Green Sheet Due by Noon on Monday 6/11/12  
Staff Reports/Resos due by Noon on Tuesday 6/19/12

**JUNE 27, 2012**

4:30 p.m.

<table>
<thead>
<tr>
<th>PRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentation to the Family of Luis Romero</td>
</tr>
</tbody>
</table>
**JUNE 27, 2012**
Continued

**CONSENT CALENDAR**

**Annual Submission of the City of Escondido’s Investment Policy**
(K. Hugins)

In accordance with the California Government Code Section 53646(a)(2), the City Treasurer may annually prepare and submit to the legislative body a statement of Investment Policy and any changes thereto, which will be considered at a Public Meeting. The Investment Policy provides the City with guidelines for the investment of City funds.

**Vista Verde Reservoir Replacement Project**
(C. McKinney)

The existing 750,000 gallon steel tank serving the Vista Verde Zone is deteriorating and in need of replacement. This project will replace the existing reservoir with two new 1 million gallon prestressed concrete reservoirs.

**Authorization to approve and execute First Amendments for two Chemical Bid Awards**
(C. McKinney)

Due to Aeration panels rupturing there was a degradation in biological treatment requiring process control manipulation and an increase in chemical treatment to meet regulatory requirements resulting in additional chemical usage at the Hale Avenue Resource Recovery Facility. Due to a Sempra Energy power plant shut down, there has been a reduction in chemical use in the production of reclaimed water resulting in cost savings. There will be no net increase in the chemical budget at this time.

**PUBLIC HEARINGS:**

**FIRE CHIEF’S COST REPORT FOR THE 2012 WEED ABATEMENT PROGRAM AND CONSIDERATION OF ANY OBJECTIONS**
(M. Lowry)

Confirming the 2012 Weed Abatement Report will allow property owners to be assessed through the County Tax Assessor for the amount incurred by the contractor for the removal of the hazardous weeds and rubbish. Fire prevention services, Inc. has provided weed abatement services to the properties listed in the 2012 Weed Abatement Report and billed the property owners. Fire Prevention Services, Inc. is unable to collect the amount incurred for the abatement.
### JUNE 27, 2012
Continued

#### PUBLIC HEARINGS Continued

**Short-Form Rent Review Board Hearing for Casa de Amigos Mobilehome Park**
(J. Van Leeuwen)

The application meets all eligibility criteria for submittal of a short-form rent increase application. The amount requested covers an 18-month period of consideration from June 30, 2010 to December 31, 2011. Seventy five per cent of the change in the Consumer Price Index for the 18-month period is 2.80%. The owner is requesting an increase for 45 of the 138 spaces in the park. Spaces not listed on the application request are on long-term leases or are vacant. The average space rent for the 45 spaces subject to rent control is $570.83. The average increase per space is approximately $15.98.

**Short-Form Rent Review Board Hearing for Eastwood Meadows Mobilehome Community**
(J. Van Leeuwen)

The application meets all eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 24 month period of consideration from December 31, 2009 to December 31, 2011. Seventy five per cent of the change in the Consumer Price Index for the 24-month period is 2.989%. The owner is requesting an increase for 93 of the 129 spaces in the community. Spaces not listed on the application request are on long-term leases or are vacant. The average space rent for the 93 spaces subject to rent control is $446.90. The average increase per space is approximately $12.90.

#### CURRENT BUSINESS

**Comprehensive Economic Development Strategy (CEDS) Presentation**
(J. Masterson)

As part of the adopted Action Plan pertaining to Economic Development, the City Council directed staff to contract with a consultant to develop an Economic Development Master Plan for the City. The City approved a contract with The Natelson-Dale Group, Inc. to complete the plan.

**Indirect Potable Reuse (IPR) Program Manager Contract Award**
(C. McKinney)

Consulting agreement with Black & Veatch/Brown and Caldwell for an as needed IPR Program Manager to assist the City in its decisions related to water sustainability through the efficient expansion of the recycled water system. Decisions need to be made on a programmatic basis to achieve our long term goal of total reuse including expanding the non-potable reuse, future potential of indirect potable reuse and future potential for direct potable reuse.
CURRENT BUSINESS Continued

Extension of Time for Conditional Use Permit 2004-66-CUP (PHG-12-0015)
(B. Redlitz)

On May 26, 2012, the City Council approved the CUP for the Talk of the Town project. The conditions of approval note the CUP must be utilized within one year. A one-year extension of the CUP was granted by the Council last summer to May 26, 2012. The applicant pulled grading and building permits almost a year ago but has not commenced any construction. The building permits expire on July 30, 2012 with no further ability to extend unless he starts construction and received an inspection. Expiration of the CUP has been stayed until Council takes action on the extension request that was filed prior to the May 26, 2012 expiration date.

Future Agenda Items (D. Halverson)