



Council Meeting Agenda

MARCH 7, 2012

MITCHELL ROOM ~ 3:30 p.m.

COUNCIL CHAMBERS ~ 5:00 & 6:00 p.m.

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.



Council Meeting Agenda

MARCH 7, 2012

3:30 p.m.

(Mitchell Room)

**Special Meeting of the
Escondido City Council, Building Advisory and Appeals Board,
Library Board of Trustees, Personnel Board of Review and Transportation and
Community Safety Commission**

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.)

JOINT CITY COUNCIL AND BOARD/COMMISSION INTERVIEWS

3:30 – 4:00 Library Board of Trustees

Oral Communications

Brief description of the Library Board of Trustees (**Jo Ann Greenberg**)

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Library Board of Trustees, and the role of the Library Board of Trustees in City Government.

Adjournment

4:00 – 4:15 p.m. **Personnel Board of Review**

Oral Communications

Brief description of the Personnel Board of Review (**Sheryl Bennett**)

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Personnel Board of Review, and the role of the Personnel Board of Review in City Government.

Adjournment

4:15 – 4:45 p.m. **Transportation and Community Safety Commission**

Oral Communications

Brief description of the Transportation & Community Safety Commission (**Ali Shahzad**)

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Transportation & Community Safety Commission and the role of the Transportation & Community Safety Commission in City Government.

Adjournment

4:45 – 5:00 p.m. **Building Advisory and Appeals Board**

Oral Communications

Brief description of the Building Advisory & Appeals Board (**Joe Russo**)

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Building Advisory & Appeals Board, and the role of the Building Advisory & Appeals Board in City Government.

Adjournment

ADJOURNMENT



Council Meeting Agenda

March 7, 2012
5:00 p.m. Meeting

Escondido City Council

CALL TO ORDER

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

ORAL COMMUNICATIONS

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CLOSED SESSION: (COUNCIL/CDC/RRB)

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
 - a. Agency negotiators: Sheryl Bennett, Clay Phillips
Employee organization: Police Officers' Association

- II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
 - a. Property: 2196 Montemar Avenue
Agency Negotiator: Debra Lundy
Negotiating parties: City and Sander Family Trust; Carol Walter
Under negotiation: Price and terms of payment

- III. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9(b):
One case

ADJOURNMENT



Council Meeting Agenda

MARCH 7, 2012

6:00 p.m. Meeting

**Escondido City Council
Escondido Joint Powers Financing Authority**

CALL TO ORDER

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

ORAL COMMUNICATIONS

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CONSENT CALENDAR

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 January 25, 2012**
4. **BUSINESS LICENSE TAX AUDIT SERVICES** – Request Council authorize staff to prepare a consulting agreement with MuniServices, LLC for business license tax audit services.

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

5. **DESTRUCTION OF POLICE RECORDS** – Request Council authorize the destruction of the specified Police Department Internal Affairs Investigation records.

Staff Recommendation: Approval **(City Clerk's Office: Robert Zornado)**

RESOLUTION NO. 2012-31

6. **CONFIRMATION OF PROXY DESIGNATION FROM THE VISTA IRRIGATION DISTRICT TO THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE CITY OF ESCONDIDO** – Request Council approve the designation of the Vista Irrigation District as the designated proxy vote in the absence of Marilyn Dailey, representative to the San Diego County Water Authority for the City of Escondido.

Staff Recommendation: Approval **(City Attorney's Office: Jeffrey Epp)**

RESOLUTION NO. 2012-38

7. **AUTHORIZATION TO APPROVE AND EXECUTE SECOND AMENDMENTS FOR THE CHEMICAL BID AWARDS AND BUDGET ADJUSTMENTS** – Request Council approve of the Second Amendments for the Chemical Bid Awards to Kemira Water Solutions, Olin Corporation, Polydyne, and BHS Corporation. These amendments increase the contractual authorization for chemical purchases through the end of the current fiscal year by \$1,066,000. Funds for these increases are in the FY 2012 Operating Budget.

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

RESOLUTION NO. 2012-46

CONSENT CALENDAR CONTINUED

8. **OFFERING STATEMENT FOR WASTEWATER REVENUE BONDS**– Request Council approve the preliminary offering statement for issuing revenue bonds in an amount not to exceed \$39 million for the Wastewater Fund.

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

RESOLUTION NO. 2012-37
RESOLUTION NO. EJPFA 2012-03

CURRENT BUSINESS

9. **FINANCIAL REPORT FOR THE QUARTER ENDED DECEMBER 31, 2011**– Request Council receive and file the second quarter financial report.

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

FUTURE AGENDA

10. **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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COUNCIL MEMBERS' COMMITTEE REPORTS/COMMENTS/BRIEFING

ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
March 14	Wednesday	3:30 p.m.	Board & Comm. Interviews	Mitchell Rm.
March 21	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
March 28	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
April 4	NO MEETING	-	-	-

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 Community Development Commission
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.

CITY OF ESCONDIDO
January 25, 2012
3:30 p.m. Meeting Minutes

Escondido City Council
Community Development Commission

CALL TO ORDER

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 3:30 p.m. on Wednesday, January 25, 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 Waldron to recess to Closed Session. Motion carried unanimously.

I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)

- a. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Police Officers' Association
- b. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Escondido Firefighters' Association
- c. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Escondido City Employee Association: Administrative/Clerical Engineering (ACE) Bargaining Unit
- d. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Escondido City Employee Association: Supervisory (SUP) Bargaining Unit
- e. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Non-Sworn Police Bargaining Unit

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

Name of case: Arriola v City of Escondido; Case No. 37-2010-00062685-CU-PO-NC

III. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION:

a. Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9(b): **TWO cases**

IV. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)

a. Property: 150 East Valley Parkway
City Negotiator: John Crayton
Negotiating parties: City and San Diego County Credit Union
Under negotiation: Price and terms of payment

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:25 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY OF ESCONDIDO
January 25, 2012
4:30 p.m. Meeting Minutes

Escondido City Council
Community Development Commission
Escondido Joint Powers Financing Authority

CALL TO ORDER

The Regular Meeting of the Escondido City Council, Community Development Commission and Escondido Joint Powers Financing Authority was called to order at 4:35 p.m. on Wednesday, January 25, 2012 in the Council Chambers at City Hall with Mayor Abed presiding.

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; Homi Namdari, Assistant City Engineer; Diane Halverson, City Clerk; and Liane Uhl, Minutes Clerk.

Councilmember Gallo presented a video of the Escondido Mounted Posse's appearance in the Rose Parade.

ORAL COMMUNICATIONS

Derian Olivares, Escondido, indicated he did not support the traffic checkpoints.

Fawn Little, Escondido, voiced concern with rent rates being raised at Windsor Gardens.

Judy Persing, Escondido, expressed concern with the increase in Windsor Gardens rent.

Roy Garrett, Escondido, stated he did not support district voting but did support cumulative voting.

CONSENT CALENDAR

Mayor Abed removed item 9 from the Consent Calendar for discussion.

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Diaz that the following Consent Calendar items be approved with the exception of item 9. Motion carried unanimously.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Special and Regular Meetings of December 14, 2011**
4. **NOTICE OF COMPLETION FOR SECONDARY CLARIFIERS REHABILITATION PROJECT –**
Request Council authorize the Director of Utilities to file a Notice of Completion for the project. (File No. 0600-10 [A-3025])

Staff Recommendation: Approval (**Utilities Department: Chris McKinney**)

RESOLUTION NO. 2012-09

5. **FISCAL YEAR 2011-12 STATE OF CALIFORNIA CITIZENS' OPTIONS FOR PUBLIC SAFETY (COPS) PROGRAM GRANT AND BUDGET ADJUSTMENT –** Request Council accept a FY 2011-12 Citizens' Options for Public Safety (COPS) Program Grant in an amount up to \$275,534; and approve grant expenditures consistent with guidelines in AB 1913; and authorize the Chief of Police to submit the COPS spending plan to the San Diego County Supplemental Law Enforcement Oversight Committee (SLEOC); and authorize staff to establish budgets to spend grant funds to support front-line law enforcement needs. (File No. 0480-70)

Staff Recommendation: Approval (**Police Department: Jim Maher**)

6. **FISCAL YEAR 2011 OPERATION STONEGARDEN GRANT AND BUDGET ADJUSTMENT –** Request Council authorize the Escondido Police Department to accept FY 2011 Operation Stonegarden grant funds in the amount of \$69,695 from the California Emergency Management Agency through the County of San Diego; and authorize the Chief of Police to submit grant documents on behalf of the City; and approve budget adjustments needed for equipment and overtime expenses. (File No. 0480-70)

Staff Recommendation: Approval (**Police Department: Jim Maher**)

7. **CARE YOUTH PROJECT GRANT AND BUDGET ADJUSTMENTS –** Request Council accept \$39,500 in funds from the Escondido Union School District's CARE Youth Project Grant; and approve grant expenditures consistent with guidelines; and authorize the Chief of Police to submit grant documents on behalf of the City; and authorize staff to establish budgets to spend grant funds. (File No. 0480-70)

Staff Recommendation: Approval (**Police Department: Jim Maher**)

8. **FISCAL YEAR 2011-12 DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL MINOR DECOY/SHOULDER TAP MINI-GRANT AND BUDGET ADJUSTMENT –** Request Council authorize the Escondido Police Department to accept a mini-grant award from the California Department of Alcoholic Beverage Control (ABC) in the amount of \$7,500; and authorize the Chief of Police to submit grant documents; and approve budget adjustments needed for overtime expenses. (File No. 0480-70)

Staff Recommendation: Approval (**Police Department: Jim Maher**)

9. **CITY COUNCIL AND MAYORAL COMPENSATION AND BENEFITS** – Request Council approve the increase to the salary schedule for the City Council members to \$1569 per month and update the current salary for the Mayor; and approve to reduce the paying and reporting of the value of Employer Paid Member Contributions (EPMC) from four percent (4%) to zero percent (0%) effective December 1, 2012 for elected officials. (File No. 0720-20)

Staff Recommendation: Approval (**Attorney's Office: Jennifer McCain**)

- a. **ORDINANCE NO. 2012-04R Introduction and First Reading**
- b. **ORDINANCE NO. 2012-05 Introduction and First Reading**
- c. **RESOLUTION NO. 2012-10**

Abed indicated there would be no salary increase to City Council members.

Michael Garcia, Escondido Police Officers Association President, noted the Association supported the Council's decision to not accept a pay raise and encouraged them to restore employee's salaries and benefits.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve the increase to the salary schedule for the City Council members to \$1569 per month and update the current salary for the Mayor; and approve to reduce the paying and reporting of the value of Employer Paid Member Contributions (EPMC) from four percent (4%) to zero percent (0%) effective December 1, 2012 for elected officials, introduce Ordinance No. 2012-04R, Ordinance No. 2012-05 and adopt Resolution No. 2012-10. Ayes: Abed, Diaz, Gallo, and Morasco. Noes: Waldron. Absent: None. Motion carried.

CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)

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.)

10. **MASTER DEVELOPMENT PLAN MODIFICATION TO AMEND THE LIST OF PERMITTED USES FOR THE CENTRE CITY VILLAGE/URBANA MIXED-USE DEVELOPMENT (PHG 11-0037) – Approved on January 11, 2012, with a vote of 5/0.** (File No. 0800-40 PHG 11-0037)

ORDINANCE NO. 2012-01 Second Reading and Adoption

11. **EXTENSION OF WESTFIELD SHOPPING CENTER GROUND LEASE – Approved on January 11, 2012, with a vote of 5/0.** (File No. 0600-10 [A-0813])

ORDINANCE NO. 2012-02 Second Reading and Adoption

PUBLIC HEARINGS

12. **SPECIFIC PLAN AMENDMENT FOR AN AT&T WIRELESS COMMUNICATION FACILITY (PHG 11-0010)** – Request Council approve an amendment to the Palos Vista Specific Plan to allow a modification to an existing AT&T wireless communication facility. (File No. 0800-40 PHG-11-0010)

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

RESOLUTION NO. 2012-08

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. No one asked to be heard. Therefore, he closed the public hearing.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve an amendment to the Palos Vista Specific Plan to allow a modification to an existing AT&T wireless communication facility and adopt Resolution No. 2012-08. Motion carried unanimously.

13. **CONDITIONAL USE PERMIT AND ZONE CHANGE FOR ESCONDIDO FIRE STATION NO. 4 (PHG 11-0017)** – Request Council approve a Conditional Use Permit for the reconstruction of an approximately 5,963 SF, single-story fire station (Fire Station No. 4) for the Escondido Fire Department in conjunction with a zone change to apply the Public Safety Facilities Overlay Zone to the approximately one-acre site located in Kit Carson Park. (File No. 0800-40 PHG-11-17)

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

- a. **RESOLUTION NO. 2012-05**
- b. **ORDINANCE NO. 2012-03 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. No one asked to be heard. Therefore, he closed the public hearing.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve a Conditional Use Permit for the reconstruction of an approximately 5,963 SF, single-story fire station (Fire Station No. 4) for the Escondido Fire Department in conjunction with a zone change to apply the Public Safety Facilities Overlay Zone to the approximately one-acre site located in Kit Carson Park, introduce Ordinance No. 2012-03 and adopt Resolution 2012-05. Motion carried unanimously.

CURRENT BUSINESS

14. **KIT CARSON PARK PROPOSAL FOR AGREEMENT WITH STONE BREWING FOR EXCLUSIVE CATERING/CONCESSION OPERATIONS AT ADULT SPORTS CENTER, QUEEN CALIFIA MAGICAL GARDEN AND AMPHITHEATER** – Request Council consider entering into a contract with Stone Brewing for exclusive catering and concessions services at Queen Califia Magical Garden, the Amphitheater and Adult Softball Complex. (File No. 0915-07)

Staff Recommendation: Provide direction to staff (**Community Services: Jerry VanLeeuwen**)

Jerry Van Leeuwen, Community Development Director, introduced Greg Koch from Stone Brewery, who gave the staff report and presented a series of slides.

Renee Glotzbach, San Marcos, indicated she did not support alcohol in Kit Carson Park.

Mary Anne Dijak, Escondido, stated Stone Brewery was a responsible business and questioned whether or not the community wanted alcohol in the park.

Scott Heidemann, Escondido, indicated he did not support Stone Brewery taking over the concessions at the amphitheater.

Krista Williams, Escondido, voiced concern with alcohol in Kit Carson Park.

Jan Bourgeois, Escondido, indicated she was in favor of Stone Brewery taking over the concessions at the amphitheater.

COUNCIL ACTION: Council consensus to move forward with contract negotiations.

- 15. ACCEPT THE FINAL ESCONDIDO CREEK MASTER PLAN AND AUTHORIZE STAFF TO SEEK AND ACQUIRE GRANTS TO CONTINUE CREEK REVITALIZATION** – Request Council approve the final Escondido Creek Master Plan and authorize staff to seek and acquire grant funding that will enable the City to continue revitalization of the Escondido Creek. (File No. 0480-70)

Staff Recommendation: Approval (**Neighborhood Services: Rich Buquet**)

RESOLUTION NO. 2012-11

Rich Buquet, Neighborhood Services, introduced Glen Schmidt of Schmidt Design Group, who gave the staff report and presented a series of slides.

Kevin Barnard, Escondido Creek Conservancy, indicated the environmentalists and businesses had worked together to support the master plan vision.

Katie Ragazzi, Reveal Escondido Creek, stated she supported the master plan.

Jerry Harmon, Escondido, indicated he supported the combination of environmental and business efforts that had worked together on this project.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Morasco to approve the final Escondido Creek Master Plan and authorize staff to seek and acquire grant funding that will enable the City to continue revitalization of the Escondido Creek and adopt Resolution No. 2012-11. Motion carried unanimously.

- 16. REDEVELOPMENT DISSOLUTION** – Discussion and actions necessary to create successor agency, adopt Recognized Enforceable Obligation Schedule, administrative budget and other matters. (File No. 0860-20)

Staff Recommendation: (**Attorney's Office: Jeffrey Epp**)

- a. RESOLUTION NO. 2012-16**
- b. RESOLUTION NO. 2012-17**

Gil Rojas, Finance Director, and Jerry Van Leeuwen, Community Services Director, gave the staff report and presented a series of slides.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to create a successor agency, adopt the Recognized Enforceable Obligation Schedule, administrative budget and other matters and adopt Resolution No. 2012-16 and Resolution No. 2012-17. Motion carried unanimously.

- 17. ISSUANCE OF REVENUE BONDS FOR WATER SYSTEM IMPROVEMENTS –** Request Council and the Escondido Joint Powers Financing Authority authorizing the Issuance of not to exceed \$41,000,000 Principal Amount of Revenue Bonds (Water System Financing), Series 2012 and approving certain documents and authorizing certain actions including modifying the FY 2011/12 Water CIP budget to reflect the projects listed within this Bond Issue. (File No. 0440-50)

Staff Recommendation: Approval (**Finance Department: Gil Rojas**)

- a. **RESOLUTION NO. 2012-13**
- b. **RESOLUTION NO. EJPFA 2012-01**

Chris McKinney, Utilities Director, gave the staff report and presented a series of slides.

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Diaz to authorize the Issuance of not to exceed \$41,000,000 Principal Amount of Revenue Bonds (Water System Financing), Series 2012 and approving certain documents and authorizing certain actions including modifying the FY 2011/12 Water CIP budget to reflect the projects listed within this Bond Issue and adopt Resolution No. 2012-13 and Resolution No. EJPFA 2012-01. Motion carried unanimously.

- 18. ISSUANCE OF REVENUE BONDS FOR WASTEWATER SYSTEM IMPROVEMENTS –** Request Council and the Escondido Joint Powers Financing Authority authorizing the issuance of not to exceed \$35,000,000 Principal Amount of Revenue Bonds (Wastewater System Financing), Series 2012 and approving certain documents and authorizing certain actions including modifying the FY 2011/12 Wastewater CIP budget to reflect the projects listed within this Bond Issue. (File No. 0440-55)

Staff Recommendation: Approval (**Finance Department: Gil Rojas**)

- a. **RESOLUTION NO. 2012-14R**
- b. **RESOLUTION NO. EJPFA 2012-02R**

Chris McKinney, Utilities Director, gave the staff report and presented a series of slides.

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Diaz to authorize the issuance of not to exceed \$35,000,000 Principal Amount of Revenue Bonds (Wastewater System Financing), Series 2012 and approving certain documents and authorizing certain actions including modifying the FY 2011/12 Wastewater CIP budget to reflect the projects listed within this Bond Issue and adopt Resolution No. 2012-14R and Resolution No. EJPFA 2012-02R. Motion carried unanimously.

WORKSHOP

19. **2011-2012 CITY COUNCIL ACTION PLAN UPDATE** – Request Council receive and file the 2011-2012 City Council Action Plan update and provide direction on potential adjustments to the document. (File No. 0)

Staff Recommendation: Receive and file (**City Manager's Office: Joyce Masterson**)

Joyce Masterson, Assistant to the City Manager, gave the staff report.

Moe Jorbozch, Escondido, indicated he was losing business because he could not display a business sign.

Bill Durney, Escondido, stated he was losing business and requested Code Enforcement relax the sign ordinance.

COUNCIL ACTION: Consensus to accept the Council Action Plan and add two additional items: Encourage growth in the local wineries and revise Chapter 23 of the Municipal Code regarding the methodology for determining mandatory off-site improvements and utility undergrounding requirements to the Economic Development Section.

FUTURE AGENDA

20. **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: Marsha Whalen**)

ORAL COMMUNICATIONS

None

COUNCIL MEMBERS' COMMITTEE REPORTS/COMMENTS/BRIEFING

Councilmember Morasco stated the Awards Committee had eight categories of awards to be presented to citizens at the State of the City address.

Councilmember Gallo indicated the North County Transit District was selling wraps for advertising on buses.

Mayor Abed stated he and Joyce Masterson had attended an Economic Development Roundtable and read a complimentary letter given to the Council by a contractor.

ADJOURNMENT

Mayor Abed adjourned the meeting at 9:52 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4
Date: March 7, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Barbara J. Redlitz, Director of Community Development
SUBJECT: Business License Tax Audit Services

RECOMMENDATION:

Direct staff to prepare a consulting agreement with MuniServices, LLC for business license tax audit services, to be considered at a future meeting.

FISCAL ANALYSIS:

The program is designed to assist the City in locating and collecting business license tax revenue from all businesses operating within the City. For FY 2010-11, the City had 9,261 active business licenses which generated \$1,438,041 in revenue, an average of \$155.28 per business. Based on similar services provided in other California cities, MuniServices, LLC estimates an additional 15% recovery based on the number of existing businesses. Assuming the minimum business license fee of \$45, the program could generate annual revenue in excess of \$62,505. MuniServices' compensation for providing the discovery and assessment services is a contingency fee of 40% of the actual additional revenue received by the City from the services for the current tax year, all eligible prior period revenues (typically three years) and any applicable penalties, interest and late charges. The City would receive 100% of the ongoing revenue generated by these businesses in subsequent years.

COUNCIL ACTION PLAN:

The anticipated revenue from this program could provide additional General Fund revenue which could be used to augment the Code Enforcement activities related to Image and Appearance. Further, the information developed through this program could provide a useful inventory augmenting our business database that may benefit the City's economic development efforts.

BACKGROUND:

MuniServices currently provides audit services for the Finance Department. The firm also provides local tax compliance services that can assist the City in locating tax revenue that the City may not be receiving through the business license process by identifying, documenting and collecting from

Business License Tax Audit Services

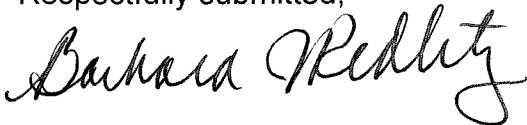
March 7, 2012

Page 2

businesses operating within the City without the required license. A sample work plan is attached describing the type of services available and the methodology used by MuniServices. The consultant currently provides business license tax services for several cities throughout California, including the cities of Los Angeles, Beverly Hills, Sacramento, San Leandro and Sausalito dating back to 2003, as well as some previous discovery work for the City of Carlsbad.

Chapter 16 of the Municipal Code addresses the requirements for procuring a business license and paying the annual license tax established in EMC Section 16-61. Staff feels the proposed program would provide an equitable means enhancing revenue by ensuring that all legitimate license fees are paid pursuant to existing City ordinances. Since Code Enforcement activities often identify unlicensed businesses, the program will augment these efforts and reduce demand on code enforcement staff.

Respectfully submitted,

A handwritten signature in cursive script, reading "Barbara J. Redlitz". The signature is written in black ink and is positioned to the left of the typed name.

Barbara J. Redlitz

Director of Community Development

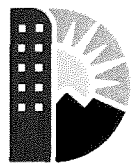


REVENUE ENHANCEMENT SOLUTIONS

For the PUBLIC SECTOR

WORK PLAN

DRAFT



City of Sample
Project #: 200x_v1.0
September 200x

v1.0 (09/20/XX): Initial Draft Work Plan.

Tax Discovery Program – Project Overview

Discovery Process

MuniServices Discovery Service is designed to identify entities subject to taxation by the City, which are not properly registered, or otherwise not reporting and paying the correct taxes. Utilizing proprietary database integration technologies, MuniServices will develop a comprehensive inventory of the entities subject to taxation.

Data Standardization

By using the City's most up-to-date registration information, MuniServices will standardize all addresses within the registry with United States Post Service (USPS) standards. This same process will be conducted on the variety of public and private data sources that MuniServices obtains to facilitate the discovery process. This standardization process will identify addressing errors (e.g. 123 First St. vs. 123 1st St.) so that MuniServices can cross-reference accurately.

During the standardization process, MuniServices will establish accurate City address ranges to identify zip code overlaps or addresses not associated with the City of Sample.

Identification Process

Through consistent application of the City of Sample taxation requirements, MuniServices staff will identify all entities that have a taxable nexus within the City, but do not appear to be registered and paying the tax. MuniServices will verify the validity of this lead prior to sending written notification to the taxpayer.

Notification and Consultation

MuniServices correspondence will inform the taxpayer that it appears they are subject to taxation within the City, however it does not appear that they are registered or paying the tax. Any and all applicable registration forms specific to the tax will be sent to the taxpayer along with the notice. If the taxpayer has questions regarding the tax, the registration forms, or believes they are currently registered, the letter will instruct the taxpayer to contact a MuniServices Representative via MuniServices nationwide call center.

For those taxpayers who contact MuniServices via its call center during the hours of operation, a MuniServices representative will be available to discuss with the taxpayer any requirements they might have to register, and the process of how to do so. At all times, MuniServices representatives will treat all callers with courtesy and respect in accordance with all applicable laws and the highest standards of the City of Sample.

Registration

For each unregistered entity identified and confirmed, MuniServices will assist the entity, as necessary, to complete the applicable registration form(s) and determine the amount of tax due for current and prior periods (plus applicable interest and penalties, where appropriate).

Collections

Once a tax liability has been established, MuniServices will begin a standard collections process to collect the outstanding balance on each account. Invoices are sent detailing the tax liability and directing payment to our processing facility.

Audit

MuniServices can also conduct a comprehensive analysis of both newly discovered businesses and, currently registered businesses, to ensure accurate reporting of taxable activity. Businesses records are reviewed and findings are reviewed with the City prior to moving the account in to the collections process.

Project Phases

MuniServices implements its new projects in phases. The phased approach ensures the highest quality of service to both our client and their constituents. The Project will be executed in three (3) phases. Each phase will be discussed briefly below, along with the projected timing of these phases.

Phase 1: Preparation Phase

The Preparation Phase will allow MuniServices to make certain that all necessary steps are accomplished to lay the foundation for a successful project. These steps include meeting with the client to obtain a thorough understanding of the client's processes and requirements, obtaining data from both the client and external sources, standardizing this data for use in MuniServices proprietary database integration software, generating correspondence and forms, and modifications to our Compliance Administration System to calculate delinquent taxes.

The standard timing of this phase is approximately 30 to 60 days. This timeframe is dependant on items such as timely receipt of data and client requirements. Because of this, the timeframe may be shortened or lengthened as necessary.

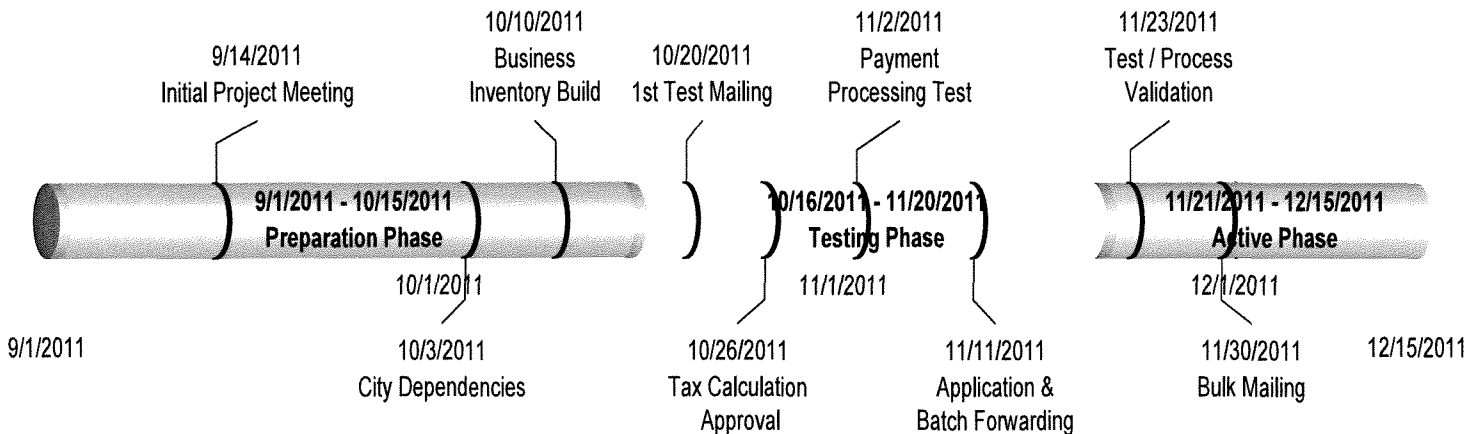
Phase 2: Testing Phase

During this phase we will begin to test the processes and procedures developed during the preparation phase. Prior to bulk mailing, a smaller test batch of notifications will be mailed to ensure that the processes outlined are functioning correctly. During this phase any modifications to process can be initiated in a timely manner. The standard timing of this phase is 60 days.

Phase 3: Active Phase

Stated simply, this phase will be the execution of the work plan developed by MuniServices for the notification and registration of non-compliant entities. During the testing phase, MuniServices will work with the City to refine the processes and ensure accuracy prior to the volumes associated with the active phase. MuniServices will continue to modify the timing related to new milestones of the active phase as the project continues.

Project Milestones and Timing



Phase 1: Preparation

Initial Project Meeting / Draft Work Plan Review • (09/14/2011)

The first draft version of the work plan will be completed and submitted to the City of Sample for their review on this date. Revisions to the work plan will be implemented in conjunction with the City after the initial meeting and throughout the duration of the project.

City Dependencies • (10/03/2011)

Prior to execution of the discovery program, MuniServices needs certain items from the City of Sample in order to ensure the highest level of performance.

- ✓ Registration Database – MuniServices will need a copy of the business license tax registry in electronic format along with the payment history of all registered businesses in the City of Sample.
- ✓ Supporting City Data – MuniServices would also like to receive additional City database files to include in the master business inventory build for the City of Sample. Examples include a copy of the commercial utility billing records and a copy of City preferred vendors.
- ✓ Registration Forms – MuniServices will need a copy of the business tax application currently used by the City (in Microsoft Word if available).
- ✓ Accompanying Documents to the Business Registration Forms - MuniServices will also need any other documentation required as a prerequisite to the issuing of a certificate.

Business Inventory Build • (10/10/2011)

The tax registration file(s) provided by the City will be integrated with multiple public and private database files. The end result will be an inventory of the compliant and non-compliant entities operating in the City. At this stage our staff of tax specialists can review the potential non-compliant accounts or “leads” for accuracy.

Phase 2: Testing

1st Test Mailing • (10/20/2011)

MuniServices will prepare a mailing designed to assess the procedures outlined in the work plan. The test batch usually consists of 100 - 150 notices and will be tracked closely to determine impact on MuniServices as well as City staff. During the testing phase, MuniServices and the City can make immediate modifications to the processes to ensure the highest level of effectiveness prior to bulk notifications starting.

Invoice & Tax Calculation Approval • (10/26/2011)

Once the first round of respondents has been processed, MuniServices will submit draft account statements for the City’s review. This allows the City to validate tax calculations and classifications prior to invoicing of the non-compliant entities.

Payment Process Test • (11/02/2011)

This procedure will validate MuniServices payment posting and application processing procedures. MuniServices and the City will ensure funds are transmitted timely and that documentation for each payment batch meets the City’s guidelines.

Application & Batch Forwarding • (11/11/2011)

MuniServices will submit to the City the first batch of applications where payment has been received by the taxpayer.

Phase 3: Active

Testing Validation • (11/23/2011)

Upon completion of the testing phase, MuniServices will review the processes with the City and review any additions or modifications to the procedures outlined in the work plan. MuniServices will then prepare a final operation version of the work plan and submit to the City for approval.

Bulk Mailing - Active Phase • (11/30/2011)

The active phase begins with MuniServices first bulk mailing. Each mailing will continue the processes refined during the testing phase and continue on a weekly basis throughout the duration of the project.

Discovery Program – Business License

MuniServices BLT program will identify entities not compliant with the BLT tax requirements for the City. Entities that have failed to make their initial registration, or have failed to maintain their registration obligations, are what constitute the bulk of the accounts processed by MuniServices. The processes described below and outlined in the attached flowcharts have been tailored to meet the needs of the City. As the project continues forward, MuniServices will revisit the procedures in place and make any necessary adjustments to the process in order to facilitate the BLT process on behalf of the City.

Business Inventory

In order to ensure complete registration from the business community, MuniServices must build and maintain an up to date and accurate inventory of businesses subject to all Tax types. MuniServices uses a multitude of different vendors, both public and private, to acquire the electronic data used in building this inventory. In addition to electronic data, MuniServices uses information received from business-business activity, as well as physical canvassing of streets to compliment the business inventory. Once combined with the City registration data, MuniServices can get an accurate understanding of the compliant and non-compliant entities.

Lead Generation

MuniServices proprietary integration technology allows MuniServices to electronically match the business inventory with City registration data. However, relying electronic matching alone can lead to erroneous taxpayer notification. Therefore, MuniServices utilizes a staff of tax specialists who review the potential non-compliant accounts for accuracy. Prior to contacting a taxpayer each account is reviewed for accuracy, matching errors, possible exempt status, and telephone and address verification. Final results are loaded in to MuniServices compliance software and await initial mailing notification to the taxpayer.

Taxpayer Notification Process

Entities found to be non-compliant are processed through a standard mailing notification process normally consisting of 3 or 4 notices. The Initial notice is a more business friendly and is more informative and less inflammatory. This less confrontational style allows MuniServices to work through the cooperative taxpayers more quickly and in a manner more conducive to educating taxpayers to their tax liability. Subsequent notices begin to become more direct and final notices will indicate the negative repercussions of failing to comply with the tax code.

Notices will direct taxpayers to fill out the required forms and remit to MuniServices in a specified amount of time. Taxpayers are given address information as well as the toll-free number to MuniServices nationwide call center. MuniServices tax specialists are available to assist with documentation filing requirements and other questions that the taxpayer may have.

Important Notes

- All MuniServices notices are submitted to the City for final approval
- Test batch sizes and timing are submitted to the City
- Bulk mailings are timed to meet City staffing needs

Application and Documentation Processing

MuniServices staff of tax specialists processes all incoming correspondence. This includes applications and special documentation requested during a telephone consultation. Entities that provide proof of registration or exemption are notated and removed from the notification process.

MuniServices an electronic copy (scanned image) of all incoming correspondence attached to the account in MuniServices tax compliance system. Original correspondence is submitted to the City once the account has paid in full.

Tax Calculation and Collection

Once MuniServices receives the necessary documentation for an account, a tax calculation is made and an invoice is created for the taxpayer. The entity enters another notification process specifically designed to facilitate the collection of unpaid taxes. The entity will receive a detailed statement of how the tax was calculated and is given strict instructions with regard to payment remittance.

Taxpayers are afforded a 15-day window to remit payment prior to additional notification and follow-up telephone calls. As in previous processes, the taxpayer has access to MuniServices National Call Center for assistance with understanding their BLT liability.

Important Notes

- All calculation methodologies are reviewed with the City
- Invoice language and format is approved by the City

Payment Processing

Payments are processed through MuniServices Receipts and Controls department. Payments are posted in to MuniServices Tax Compliance System on no less than a weekly basis. Entities that have resolved their tax liability are marked as paid in full and removed from the Collection process. Entities with a balance are sent additional invoices indicating the remaining balance due.

Batch Processing

MuniServices will combine the payments into a batch format and will forward them directly to the City for processing. Payment batches along with the calculation detail and all original documentation received from the taxpayer will be delivered to the City on a weekly or bi-weekly basis.

Tax Compliance Audits - Business License

Audit Preparation

In addition to the Comprehensive Discovery Program, MuniServices can also perform financial audits at the request of the City. A formal review of registered businesses is conducted to determine full compliance with the municipal tax laws. The Primary objective of the tax audit is to determine, with the least possible impact on the taxpayer, the correct measure of tax. The audit also provides information and assistance to taxpayers, enabling them to complete returns and pay their taxes correctly and efficiently.

MuniServices will make every effort to have the least impact on the business community as possible. To assist in this, MuniServices maintains two phases of a tax audit. The first phase is a brief compliance review. These are approximately 30-60 minute interviews scheduled to assess a business's compliance. They are conducted with an office manager or business owner with operating knowledge of the business in question. Based on the findings from this review, a more thorough audit may be required.

Selection Criteria

MuniServices Company uses many sources to identify potential audit leads. The primary tool used is MuniServices proprietary database integration utility to validate business information from the City's tax register against a myriad of public and private data sources. The audit leads are targeted by discrepancies in the businesses reported gross receipts to the various taxing agencies. MuniServices also draws from its extensive experience to focus on specific business industries that are often under-reporting taxes to the City. Finally, the City may identify businesses that they suspect may be in need of audits. Below is a detailed list of the selection criteria:

1. Random Selection - Random selection allows the City and MuniServices to ensure an accurate coverage of all business types in the City. This method ensures taxpayers are treated equally and helps identify whole industries that may be under-reporting.
2. Industry Specific - Using experience gained from auditing multiple jurisdictions throughout the United States, MuniServices has identified certain industries that are known to have major issues across the state with local taxes. MuniServices analyzes these industries in the City and determines if industry wide audits are necessary.
3. Variance Reporting - This selection measure is data centered. MuniServices compares the four most recent tax returns and identifies any major reporting discrepancies. A business whose payments vary will likely be subject to review. Additionally, variance reports are conducted against similar business types in the City to establish averages for that industry, entities that fall outside the average, are candidates.

Notification Process

Once identified, MuniServices notifies the business that a review will be conducted to verify their compliance with the City's tax laws on a given date and time, and states that MuniServices is authorized to conduct the review on behalf of the City. This correspondence also lists the items that should be made available to ensure that the audit is completed in a timely fashion.

- Additionally, a preliminary authorization letter may be sent from the City prior to contact by MuniServices

Review Procedures

In the review process an auditor will perform a physical inspection of the business location. Further inquiries will be made to the owner or manager as to the business transactions and compliance with the City's ordinances. MuniServices will conduct short tests before starting a complete verification of three years operations of a business. An extensive examination may not be justified. If the short tests indicate the taxpayer has not properly reported their tax liability, then more extensive tests will be conducted.

When conducting the audit, a preliminary discussion with the taxpayer or with the person who has charge of the records is performed to determine the exact nature of the business activity. The following briefly describes the books, records and detail that may be used in any given audit:

- The General Ledger accounts may be examined for debits and credits, which may represent unreported transactions.
- The cash receipts record will be examined to determine the receipts from cash transactions have been credited to the proper sales or revenue accounts.
- Bank deposits may be reviewed to determine accuracy of recorded figures.
- Compare State and Federal tax returns with local tax returns

Also during the initial review of the records provided by the taxpayer, many new leads may be discovered. For example, when auditing entities, 1099's are requested for payments made to any sub-contactors. Upon further research of the discovery it may be found that the sub-contractor does not have a license.

Audit Summary

Upon completion of the audit, MuniServices will prepare an audit summary report for the City. The report will contain all information obtained during the audit as well as MuniServices recommended course of action and the legal basis, if any, for the recommendations.

Assessment Collections

Once the City has approved the deficiency, MuniServices will invoice the businesses and process through the standard collection processes followed through the discovery process.

Special Processes & Procedures

Duplication of Effort

MuniServices will partner with the City to minimize duplication of effort and prevent overlap of our discovery program and any City internal programs. The City will provide MuniServices with an exceptions list of active accounts being pursued by the City at the onset of the Tax Discovery Program. To the extent possible, MuniServices will use its internal processes to ensure that these accounts are excluded from the Tax Discovery Program.

MuniServices Referral Process (to be determined)

From time to time, MuniServices encounters situations where taxpayers are reluctant to work with an outside firm, or in rare cases, refuse to pay the tax to anyone. MuniServices will work with the City to develop an account referral process by which the City can institute citation processes, legal proceedings, or other actions deemed appropriate.

Tax Year Collection

MuniServices standard collection period is the current year and 3 back years from non-compliant entities where applicable. Additional back years may be collected as requested by the City.

Direct Payments

From time to time, taxpayers / entities may directly or indirectly circumvent the procedures identified in this work plan for making payments. While MuniServices makes every effort to prevent this, payments from taxpayers for deficiencies identified through this program may be made directly at the City. MuniServices and the City will work together to develop a process to identify and assure the accuracy of these payments and develop a process to facilitate a billing process for these accounts by MuniServices to the City.

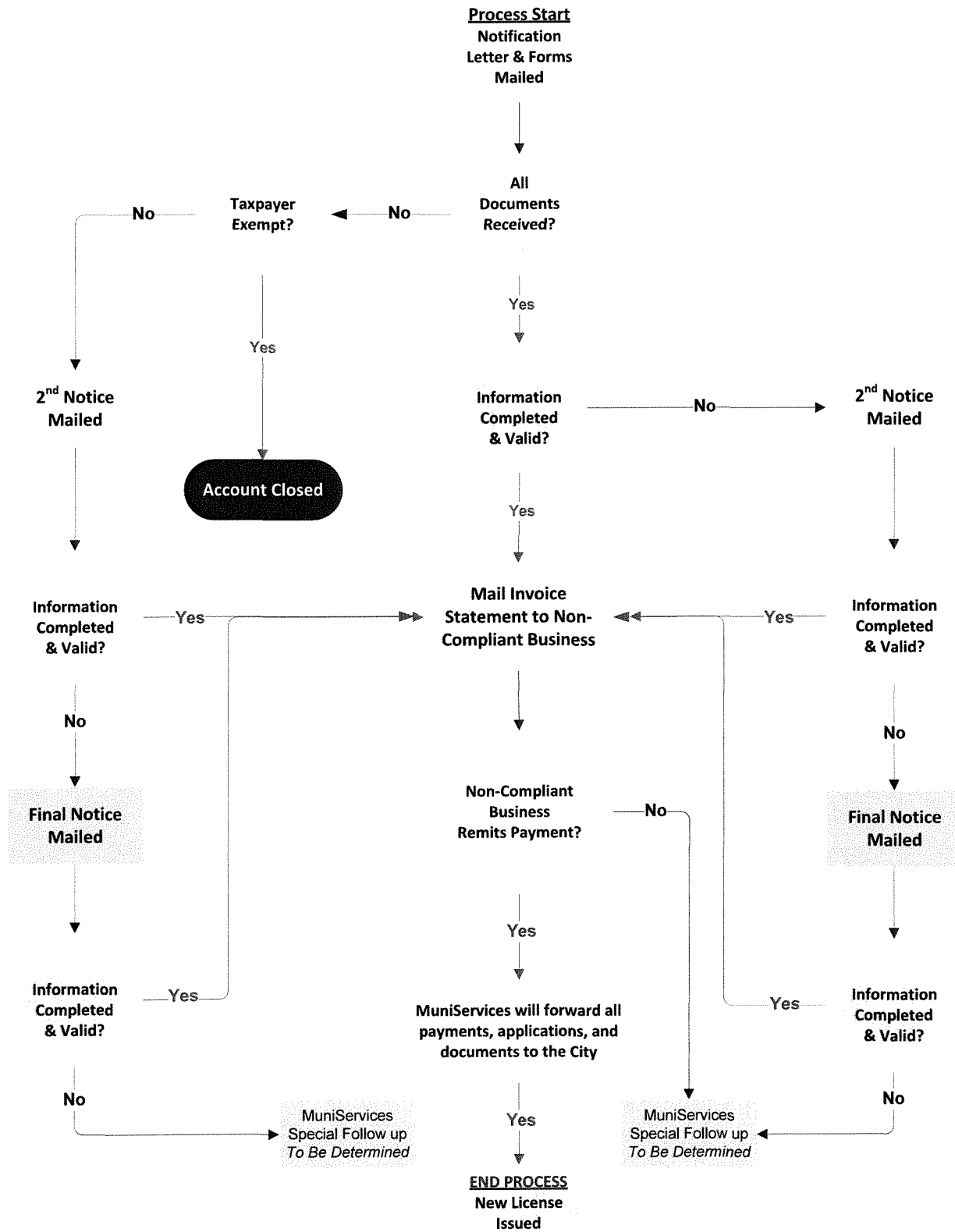
Zoning Requirements

To be determined

Compliance Audit Candidate Selection

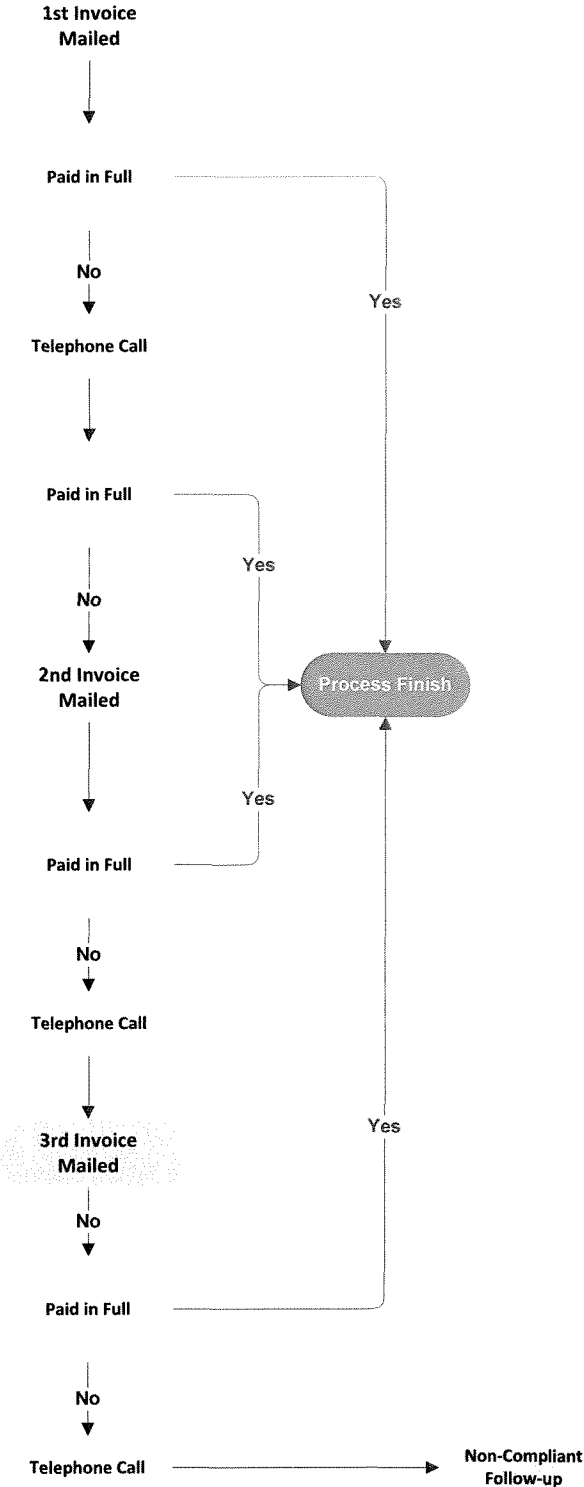
The City and MuniServices will work closely to develop the list of candidates subjected to the compliance audit service. Accounts subjected to the scope of work in this work plan will be mutually agreed by both parties prior to commencement of work.

City of Sample Notification Process



Collections Procedures

This is a subset of the initial mailing process. At this time, the taxpayer will be sent an invoice showing the amount of the tax they have been billed.





CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 5
Date: March 07, 2013

TO: Honorable Mayor and Members of the City Council
FROM: Robert Zornado, Assistant City Clerk
SUBJECT: Destruction of Police Records

RECOMMENDATION:

It is requested the City Council adopt Resolution No. 2012-31 authorizing the destruction of the specified Police Department Internal Affairs Investigation records.

FISCAL ANALYSIS:

None

GENERAL PLAN ANALYSIS:

Not applicable.

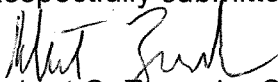
PREVIOUS ACTION:

Not applicable.

BACKGROUND:

The records listed on proposed Resolution No. 2012-31 are more than two years old, do not affect the title to real property or liens thereon, are not court records, are not required to be kept further by a statute, and are no longer required by the City. Authority to destroy these records is requested as provided by Government Code Section 34090 of the State of California and the City's adopted Records Retention Schedule. Said records consist of documents identified in Resolution 2012-31, which are Internal Affairs Investigation files. The Chief of Police and the City Attorney's office have approved these records for destruction.

Respectfully submitted,


Robert C. Zornado, CMC, CRM
Assistant City Clerk

RESOLUTION NO. 2012-31

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE DESTRUCTION OF THE
LISTED POLICE DEPARTMENT INTERNAL
AFFAIRS INVESTIGATION RECORDS

WHEREAS, the City Clerk of the City of Escondido has described and identified the Police Department Internal Affairs Investigation Records (listed below) that are more than two (2) years old, do not affect the title to real property or liens thereon, are not court records, are not required to be kept further by a statute and are no longer required by the City Clerk as listed, and are of a classification qualifying for destruction in accordance with the provisions of Government Code Section 34090; and

WHEREAS, the City Attorney consents to the destruction of the described records in the certification and application of the City Clerk, which is 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 Council finds that there is good cause to approve the destruction of the identified records listed below:

2006-01-E	2006-02-E	2006-03-E	2006-04-E	2006-05-E	2006-06-E
2006-07-E	2006-08-E	2006-09-E	2006-10-E	2006-11-I	2006-12-I
2006-13-E	2006-14-I	2006-15-I	2006-16-I	2006-17-E	2006-18-I

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 6
Date: March 7, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey R. Epp, City Attorney

SUBJECT: Confirmation of proxy designation from the Vista Irrigation District to the San Diego County Water Authority for the City of Escondido.

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2012-38, confirming the designation of the Vista Irrigation District as the designated proxy vote in the absence of Marilyn Dailey, representative to the San Diego County Water Authority for the City of Escondido.

FISCAL ANALYSIS:

None.

BACKGROUND:

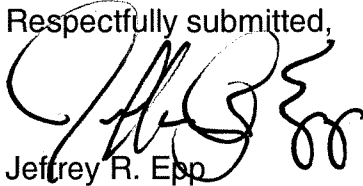
Marilyn Dailey serves as a Director on the San Diego County Water Authority Board and is a representative to the Authority on behalf of the City of Escondido. Ms. Dailey attends Escondido City Council meetings on a quarterly basis reporting on any updates and changes by the Water Authority.

Pursuant to Section 6(g) of the County Water Authority Act, a member agency's representative to the San Diego County Water Authority may designate another member of the board of directors of the Water Authority to vote in the absence of said representative, provided the designee is confirmed by the governing body of the member agency. Upon confirmation of the designee, a certified copy of the resolution confirming the designation must be filed with the San Diego County Water Authority. Once the designee is confirmed and a certified copy of the confirming resolution is filed with the Water Authority, a Director Proxy Designee Notice must be submitted to the Clerk of the Board of the Water Authority or the vote of the absent director will not be counted. For the most part, Ms. Dailey's ability to attend all meetings at which voting has occurred has been exemplary. However, there have been rare occasions where a proxy vote may be desirable, for use at Ms. Dailey's discretion. Discussions have been held recently with the representative from Vista Irrigation District serving as the proxy for the City of Escondido.

March 7, 2012
San Diego County Water Authority Vote Designation
Page 2

Even though the proxy is used rarely, it is desirable to have an arrangement in place and this absentee designation will ensure consistent representation for the City of Escondido at future San Diego County Water Authority Board meetings.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. R. Esp", written over the typed name.

Jeffrey R. Esp
City Attorney

RESOLUTION NO. 2012-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A DULY SELECTED REPRESENTATIVE FROM THE VISTA IRRIGATION DISTRICT AS THE DESIGNATED PROXY VOTE IN THE ABSENCE OF THE CITY'S REPRESENTATIVE TO THE SAN DIEGO COUNTY WATER AUTHORITY

WHEREAS, Marilyn Dailey serves as a Director for the San Diego County Water Authority Board and is a representative to the San Diego County Water Authority for the City of Escondido; and

WHEREAS, pursuant to Section 6(g) of the County Water Authority Act, a member agency's representative to the San Diego County Water Authority may designate another member of the board of Directors of the Water Authority to vote in the absence of said representative, provided the designee is confirmed by the governing body of the member agency; and

WHEREAS, the City of Escondido wishes to designate and confirm a duly selected representative from the Vista Irrigation District as the designated proxy vote in the absence of Marilyn Dailey at future San Diego County Water Authority Board meetings.

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

1. That the above recitations are true.
2. That a duly selected representative from the Vista Irrigation District is hereby confirmed and authorized as the designated proxy vote for Marilyn Dailey, City of Escondido City Representative to the San Diego County Water Authority,

when she is absent from a meeting of the Authority.

3. That the City Clerk is directed to file a certified copy of this Resolution with the Clerk of the San Diego County Water Authority Board.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7

Date: **March 7, 2012**

TO: Honorable Mayor and Members of the City Council
FROM: Christopher McKinney, Director of Utilities
SUBJECT: Authorization to Approve and Execute Second Amendments for the Chemical Bid Awards

RECOMMENDATION:

The Utilities Department requests Council approval of the Second Amendments for the Chemical Bid Awards to Kemira Water Solutions, Olin Corporation, Polydyne, and BHS Corporation. These amendments increase the contractual authorization for chemical purchases through the end of the fiscal year by \$1,066,000. Funds for these increases are in the FY 2012 operating budget.

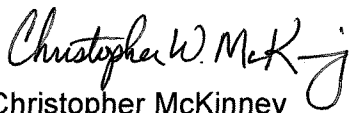
FISCAL ANALYSIS:

Greater use of local water realizes net savings to the Water Fund because the additional chemical cost associated with treating local water is less than the avoided cost of purchasing the same volume of imported water.

BACKGROUND:

FY 2011 saw above average rainfall totals, resulting in higher than average local water in storage at the beginning of FY 2012. So far in FY 2012, the Utilities Department has used more local than originally projected. A portion of the money originally budgeted for imported water purchases has been transferred for chemical purchases. These amendments will increase the amounts of the PO's used for purchasing chemicals to meet the plants updated treatment requirements. Approval of this request will increase Kemira PO# 32925 by \$460,000, Olin PO# 32923 by \$502,000, BHS PO# 32926 by \$52,000, and Polydyne PO# 32886 by \$52,000.

Respectfully submitted,


Christopher McKinney
Director of Utilities

RESOLUTION NO. 2012-46

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO APPROVING A SECOND AMENDMENT TO THE CHEMICAL BID AWARDS WITH KEMIRA WATER SOLUTIONS, OLIN CORPORATION, POLYDYNE, AND BHS CORPORATION TO INCREASE THE CONTRACTUAL AUTHORIZATION FOR CHEMICAL PURCHASES THROUGH THE END OF THE FISCAL YEAR

WHEREAS, on August 8, 2008, the City Council of the City of Escondido approved the Chemical Bid Awards; and

WHEREAS, in FY 2011, due to the increase in treating local water, City Council approved a First Ammendment to the Chemical Bid Awards with Kemira Water Solutions and Olin Corporation; and

WHEREAS, the Director of Utilities now recommends execution of a Second Amendment to the Chemical Bid Awards to increase the amounts of purchase orders ("POs") used for purchasing chemicals to meet the plants updated treatment requirements; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the Second Amendment to the Chemical Bid Awards with Kemira Water Solutions for \$460,000, Olin corporation for \$502,000, Polydyne for \$52,000, and BHS Corpoaration for \$52,000 in order to increase the amounts of the POs used for purchasning chemicals; and.

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 of the City of Escondido approves a Second Amendment to the Chemical Bid Awards for the total amount of \$1,066,000.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8

Date: March 7, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Christopher McKinney, Director of Utilities
SUBJECT: Offering Statement for Wastewater Revenue Bonds

RECOMMENDATION:

The Utilities Department requests Council adoption of Resolution No. 2012-37 and Escondido Joint Powers Financing Authority adoption of Resolution No. EJPFA 2012-03. These resolutions add the Offering Statement for Wastewater Revenue Bonds to the principal financing documents approved by Council (Resolution No. 2012-14) and the Escondido Joint Powers Financing Authority (Resolution No. EJPFA 2012-02) on January 25, 2012.

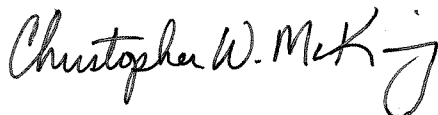
FISCAL ANALYSIS:

No additional financial impact beyond that already approved on January 25, 2012 in Resolution Nos. 2012-14 and EJPFA 2012-02.

BACKGROUND:

On January 25, 2012, the Council and the Escondido Joint Powers Financing Authority approved issuing Wastewater Fund Revenue Bonds in a principal amount not to exceed \$39 million. At that time, the Council and Escondido Joint Powers Financing Authority were advised that the Offering Statement for Wastewater Revenue Bonds was not included in the principal financing documents under consideration. Resolution Nos. 2012-37 and EJPFA 2012-03 will include the Offering Statement for Wastewater Revenue Bonds among the approved principal financing documents. There is no change to the authorized issue amount not to exceed \$39 million and the projects proposed to receive funding from the issue.

Respectfully submitted,



Christopher McKinney
Director of Utilities

RESOLUTION NO. 2012-37

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO APPROVING THE FORM OF OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF NOT TO EXCEED \$39,000,000 PRINCIPAL AMOUNT OF REVENUE BONDS (WASTEWATER SYSTEM FINANCING), SERIES 2012 AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH (WASTEWATER SYSTEM)

WHEREAS, the City Council (the "City Council") of the City of Escondido (the "City") has determined to acquire and construct certain local wastewater system collection and treatment improvements consisting of replacement of existing facilities and other wastewater enterprise capital improvement projects of the City (the "2012 Project") and to refinance the acquisition of certain recycled water distribution lines (the "2000 Project"); and

WHEREAS, in order to accomplish the financing of the 2012 Project and the refinancing of the 2000 Project, the City Council adopted Resolution No. 2012-14 on January 25, 2012, authorizing the execution and delivery and approving the form of certain documents in connection therewith; and

WHEREAS, the Board of Directors of the Escondido Joint Powers Financing Authority (the "Authority") adopted Resolution No. 2012-02 on January 25, 2012, approving the Authority's participation in the financing of the 2000 Project and the refinancing of the 2012 Project through the execution, and delivery of certain documents, and the issuance of those certain Revenue Bonds (Wastewater System Financing), Series 2012 (the "Bonds") in connection therewith; and

WHEREAS, the City Council desires to approve the form of a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") to be distributed to potential investors, for the purposes of facilitating the sale of the Bonds at the lowest feasible interest rate, the form of which has been presented to this City Council at the meeting at which this Resolution has been adopted; and

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

SECTION 1. Each of the foregoing recitals is true and correct.

SECTION 2. The form of the Preliminary Official Statement presented at this meeting is hereby approved, and the Preliminary Official Statement may be distributed to prospective purchasers in the form so approved, together with such additions thereto and changes therein as are determined necessary by the Finance Director, or his designee, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"). Each and any of the Mayor, the City Manager and the Finance Director is hereby authorized to sign a certificate pursuant to Rule 15c2-12 relating to the Preliminary Official Statement and to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Finance Director, or his designee, and the officer executing the same to make such Official Statement complete and accurate as of its date. The underwriter of the Bonds is further authorized to distribute the final Official Statement for the Bonds to the purchasers thereof upon its execution by an officer of the City as described above. The City

Manager, the Finance Director and their written designees are hereby authorized and directed to take whatever steps are necessary to comply with the requirements of Rule 15c2-12 applicable to the Bonds following their execution and delivery.

SECTION 3. The Mayor, the City Manager, the Finance Director and the City Clerk are hereby authorized, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary and advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 4. This Resolution shall take effect from and after its date of adoption.

RESOLUTION NO. EJPFA 2012-03

RESOLUTION OF THE ESCONDIDO JOINT
POWERS FINANCING AUTHORITY
APPROVING THE FORM OF OFFICIAL
STATEMENT IN CONNECTION WITH THE
ISSUANCE OF NOT TO EXCEED
\$39,000,000 PRINCIPAL AMOUNT OF
REVENUE BONDS (WASTEWATER SYSTEM
FINANCING), SERIES 2012, AND
AUTHORIZING CERTAIN ACTIONS IN
CONNECTION THEREWITH (WASTEWATER
SYSTEM)

WHEREAS, the City of Escondido (the "City") and the Community Development Commission of the City of Escondido (the "Commission") have heretofore entered into a Joint Exercise of Powers Agreement, dated as of November 20, 1991, establishing the Escondido Joint Powers Financing Authority (the "Authority") for the purpose of, among other things, providing financing and refinancing for public capital improvements of the City and the Commission; and

WHEREAS, the Authority is a joint powers agency organized and existing under the laws of the State of California with the authority to assist in the financing of the acquisition of certain local wastewater system public capital improvements and to reimburse the City for certain expenses incurred in connection therewith on behalf of the City, and in the refunding of the City's or Authority's bonds and obligations; and

WHEREAS, the City Council of the City has determined to acquire and construct certain local wastewater system collection and treatment improvements consisting of replacement and improvement of existing facilities and other wastewater enterprise capital improvement projects of the City (the "2012 Project") and to refinance the acquisition of certain recycled water distribution lines (the "2000 Project"); and

WHEREAS, in order to assist the City in the financing of the 2012 Project and the refinancing of the 2000 Project, the Board of Directors (the "Board") of the Authority adopted Resolution No. 2012-02 on January 25, 2012, authorizing the execution and delivery and approving the form of certain documents and approving the issuance of those certain Revenue Bonds (Wastewater System Financing), Series 2012 (the "Bonds") in connection therewith; and

WHEREAS, there has been presented to the Authority for approval the form of a Preliminary Official Statement to be delivered to prospective purchasers of the Bonds; and

NOW, THEREFORE, the City Council of the City of Escondido, acting as the Commissioners of the Escondido Joint Powers Financing Authority does hereby resolve, determine and order as follows:

SECTION 1. Each of the foregoing recitals is true and correct.

SECTION 2. The form of the Preliminary Official Statement presented herewith is hereby approved, subject to such changes as the City Finance Director or his designee may approve, and as may be approved by the City Manager prior to the distribution thereof. Each and any of the Chairman, the Vice Chairman, the Executive Director (which shall be the City Manager of the City), the Auditor and Treasurer and the Secretary (the "Authorized Officers") is hereby authorized to sign a certificate pursuant to Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") relating to the Preliminary Official Statement. The Authority consents to the distribution by the City of a Preliminary Official Statement to prospective purchasers of the Bonds in

the form deemed final by the City and the Authority for purposes of Rule 15c2-12 and to the preparation of a final Official Statement in substantially the form of the Preliminary Official Statement, with such additions thereto and changes therein as are recommended or approved by the City Attorney and approved by the officer or officers executing the same on behalf of the City.

SECTION 3. The Authorized Officers and other officers of the Authority are hereby authorized, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary and advisable in order to effectuate the purposes of this Resolution and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 4. In the event that an Authorized Officer is unavailable or unable to execute and deliver any of the above-referenced documents, any other member of the Board of the Authority may validly execute and deliver such documents, and any documents required to be signed by the Secretary may be signed by any deputy secretary.

SECTION 5. This Resolution shall take effect from and after its date of adoption.



CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ file No. _____

Ord No. _____

Agenda Item No.: 9
Date: March 7, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Gilbert Rojas, Director of Finance
SUBJECT: Financial Report for the Quarter Ended December 31, 2011

RECOMMENDATION:

It is requested that Council receive and file the second quarter financial report.

PREVIOUS ACTION:

On November 2, 2011, the City Council received and approved the FY2010/11 fourth 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, Reidy Creek, Water, and Wastewater Funds.

Respectfully submitted,

Gilbert Rojas
Director of Finance

Quarterly Financial Status Report



Prepared by the Finance Department

Second Quarter Ending December 31, 2011

This report summarizes the City's overall financial position for the period of July 1, 2011 through December 31, 2011. While the focus of this report is the General Fund, the financial status of the Water and Wastewater Enterprises, the Recreation Fund, and the Reidy Creek Municipal Golf Course 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 December 31, 2011.

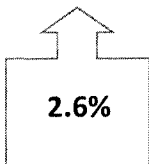
General Fund

At the end of the second quarter, General Fund revenues are at 29% of the revised budget, while expenditures are at 48%. 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.

General Fund Balance	Original Budget	Revised Budget	Actual	Actual/ Revised
Revenues	\$72,081,425	\$72,091,655	\$20,655,603	29%
Expenditures	72,543,740	72,709,495	34,913,922	48%
Other Sources (Uses)	462,315	(12,440)	(12,440)	100%
Fund Balance, Beg of Year	34,641,542	34,641,542	34,641,542	
Fund Balance, End of Year (1)	\$34,641,542	\$34,011,262	\$20,370,783	

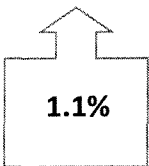
- (1) The amount in revised end of year fund balance represents unspendable fund balance of \$5.5 million and committed or assigned fund balance of \$28.5 million. The \$5.5 million in unspendable fund balance is for advances to other funds and non-current loans receivable. Amounts included in committed 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

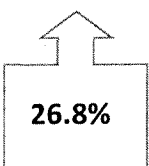


Sales Taxes (\$6.9 million) – Sales tax revenue received through December 31, 2011 increased from the previous fiscal year during the same time frame by about \$172,000. For sales occurring in the first quarter of fiscal year 2011/12 (the most recent data available), the City saw sales tax receipts increase by 6% with gains in every economic category but construction. The City's largest economic category transportation experienced an increase in sales tax of 16.4% over calendar year third quarter 2010. This category includes new/used auto sales and service stations that saw growth in quarterly sales tax revenue of 25.5% and 15.2% respectively. This is in line with the national economy in which Chrysler, Ford, Nissan and Hyundai reported double digit gains over last November. Service station sales tax revenue is up due to the increase in gas prices.

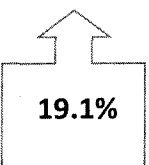
Actual sales tax receipts through December are down about 2% over projected revenue or about \$138,000. This variance is mainly due to a large cleanup payment of about \$.8 million received in September 2010 of the prior year that did not occur again in September 2011 of this year. This is because the State is now taking into account the economic recovery when estimating the City's monthly sales tax advances. Looking beyond the cleanup payment, the City's first quarter sales tax results saw growth of 6%. Based on this first quarter results, it appears the City is on track to reach projected growth in sales tax revenue of about 5.6% over the prior year.



Property Taxes (\$4.4 million) – Property tax revenues collected through December were up about \$46,000 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 is the first time in three years that the taxable value of property in the City has increased. This increase 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.





Franchise Fees (\$1.3 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 \$.3 million 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 (\$1.6 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 \$249,000. Business license revenues increased by approximately \$31,000 compared to the last fiscal year or about 4.9%. TOT receipts reflected an increase of

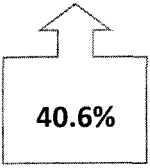
approximately \$166,000 or 42% greater than last fiscal year. Part of this increase or \$72,000 came from prior year unpaid taxes that will be collected over the next 2 years as part of a court ordered settlement. The transfer station fee is up about \$56,000 or 33% compared to last year. The property transfer tax is down about \$4,000 compared to last fiscal year due to the slowdown in the real estate sales.

 17.3% **Intergovernmental (\$1.2 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 \$186,000. This increase is due to additional one-time funding received on Vehicle License fees of \$127,000 for excess fees collected by the State in prior years and distributed to the City in the current year. The amount collected for fire services in the Rincon Fire District is also up about \$112,000 compared to receipts received through December last year at this time. These increases are offset by a decrease of about \$53,000 in grant revenue mainly from the library literacy grant.

 39.8% **Permits & Licenses (\$507,000)** – 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 \$336,000 compared to last year at this time mainly due to a decrease in building permit fees. In the prior fiscal year, building permit revenue of \$360,000 was collected on a large development in the City that did not occur in the current year.

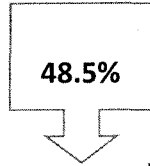
 22.6% **Fines and Forfeitures (\$675,000)** – Fines and forfeitures are collected by the City for red light photo citations, vehicle code fines, parking ticket fines, other court fines, library fines, code enforcement citations and impound fees. The City recognizes revenues when the citizen pays the fine or forfeiture as opposed to when the fine is imposed. These revenues are down about \$197,000. This decrease in revenue is the result of decreases in red light camera fines, impound fees, and parking ticket fines.

 3.6% **Charges for Services (\$2.5 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 \$95,000 due to declines in police service revenue from abandoned vehicle abatement, 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 (\$1.3 million) – Income from interest and property includes rent received from leased City property and interest income on City investments. This revenue is up \$372,000 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. The increase in revenue from rental property is offset by a decrease in investment earnings of about \$90,000.

This decrease is attributed to a decline in the City’s portfolio yield and cash balance.



Other Revenue (\$164,000) – 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 \$154,000 compared to last year. This decrease is mainly due to the elimination of OASIS program and the corresponding revenue.

General Fund Expenditures

Operating costs and departmental operating expenditures are on target for the second quarter of the year as summarized below. Total expenditures are lower than the prior year second quarter by about \$.5 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 48% of the total amount budgeted for in fiscal year 2011-12.

GENERAL FUND					
REVENUE COMPARISON - BUDGET TO ACTUAL					
	FY 2011-2012 Revised Budget	FY 2011-2012 Actual	Projected Revenue	Variance Over (Under)	%
TAXES					
SALES TAX AND IN LIEU SALES TAX	\$26,016,995	\$6,900,116	\$7,038,128	(\$138,012)	-2.0
PROPERTY TAX AND IN LIEU VLF	20,998,000	4,450,129	4,373,040	\$77,089	1.8
FRANCHISE TAX	6,041,000	1,290,873	1,323,755	(\$32,882)	-2.5
BUSINESS LICENSE TAX	1,567,000	661,897	700,557	(\$38,660)	-5.5
TRANSIENT OCCUPANCY TAX	986,000	559,582	430,562	\$129,020	30.0
TRANSFER STATION FEE	671,000	225,114	229,093	(\$3,979)	-1.7
PROPERTY TRANSFER TAX	400,000	106,042	142,147	(\$36,105)	-25.4
TOTAL TAXES	56,679,995	14,193,753	14,237,282	(\$43,529)	-0.3
INTERGOVERNMENTAL					
VEHICLE LICENSE FEES	469,000	377,421	243,592	\$133,829	54.9
RINCON FIRE AGREEMENT	1,752,000	633,112	560,083	\$73,029	13.0
GRANTS	735,000	248,589	307,673	(\$59,084)	-19.2
TOTAL INTERGOVERNMENTAL	2,956,000	1,259,122	1,111,348	\$147,774	13.3
PERMITS AND LICENSES	1,181,000	507,591	714,007	(\$206,416)	-28.9
FINES AND FORFEITURES	1,855,000	674,854	825,471	(\$150,617)	-18.2
CHARGES FOR SERVICES					
PARAMEDIC FEES	3,777,430	1,761,590	1,843,391	(\$81,801)	-4.4
POLICE SERVICES	596,000	126,785	215,322	(\$88,537)	-41.1
COMMUNITY SERVICES	85,000	39,176	42,847	(\$3,671)	-8.6
COMMUNITY DEVELOPMENT FEES	691,000	309,816	342,132	(\$32,316)	-9.4
OTHER SERVICES	381,000	328,876	207,675	\$121,201	58.4
TOTAL CHARGES FOR SERVICES	5,530,430	2,566,243	2,651,367	(\$85,124)	-3.2
INCOME FROM INT & PROPERTY	3,473,000	1,290,009	918,994	\$371,015	40.4
OTHER REVENUE	416,230	164,031	150,978	\$13,053	8.6
TOTAL GENERAL FUND	\$72,091,655	\$20,655,603	\$20,609,447	\$46,156	0.2



GENERAL FUND				
REVENUE COMPARISON - PRIOR YEAR TO CURRENT YEAR				
	July - December 2010	July - December 2011	Prior Year to Current Year Change	%
TAXES				
SALES TAX AND IN LIEU SALES TAX	\$6,728,217	\$6,900,116	\$171,899	2.6
PROPERTY TAX AND IN LIEU VLF	4,403,832	4,450,129	46,297	1.1
FRANCHISE TAX	1,018,200	1,290,873	272,673	26.8
BUSINESS LICENSE TAX	630,820	661,897	31,077	4.9
TRANSIENT TAX	393,476	559,582	166,106	42.2
TRANSFER STATION FEE	169,284	225,114	55,830	33.0
PROPERTY TRANSFER TAX	110,141	106,042	(4,099)	-3.7
TOTAL TAXES	13,453,970	14,193,753	739,783	5.5
INTERGOVERNMENTAL				
VEHICLE LICENSE FEES	249,953	377,421	127,468	51.0
RINCON FIRE AGREEMENT	521,432	633,112	111,680	21.4
GRANTS	301,841	248,589	(53,252)	-17.6
TOTAL INTERGOVERNMENTAL	1,073,226	1,259,122	185,896	17.3
PERMITS AND LICENSES	843,791	507,591	(336,200)	-39.8
FINES AND FORFEITURES	872,122	674,854	(197,268)	-22.6
CHARGES FOR SERVICES				
PARAMEDIC FEES	1,828,868	1,761,590	(67,278)	-3.7
POLICE SERVICES	161,217	126,785	(34,432)	-21.4
COMMUNITY SERVICES	47,559	39,176	(8,383)	-17.6
COMMUNITY DEVELOPMENT FEES	358,670	309,816	(48,854)	-13.6
OTHER SERVICES	264,750	328,876	64,126	24.2
TOTAL CHARGES FOR SERVICES	2,661,064	2,566,243	(94,821)	-3.6
INCOME FROM INT & PROPERTY	917,701	1,290,009	372,308	40.6
OTHER REVENUE	318,468	164,031	(154,437)	-48.5
TOTAL GENERAL FUND REVENUE	\$20,140,342	\$20,655,603	\$515,261	2.6



GENERAL FUND			
EXPENDITURE STATUS BY DEPARTMENT - BUDGET TO ACTUAL			
	FY 2011/12 Revised Budget	FY 2011/12 Year to Date Actual	% Expended
GENERAL GOVERNMENT			
CITY COUNCIL	\$273,305	\$130,594	47.8
CITY MANAGER/VIDEO SERVICES	891,985	527,171	59.1
CITY ATTORNEY	158,270	96,659	61.1
CITY CLERK	482,140	225,549	46.8
CITY TREASURER	288,440	136,954	47.5
SUBTOTAL GENERAL GOVERNMENT	2,094,140	1,116,927	53.3
ADMINISTRATIVE SERVICES			
FINANCE	1,070,355	478,246	44.7
HUMAN RESOURCES/RISK MGMT	458,940	168,090	36.6
INFORMATION SYSTEMS	916,885	423,684	46.2
SUBTOTAL ADMINISTRATIVE SERVICES	2,446,180	1,070,020	43.7
COMMUNITY SERVICES			
LIBRARY	3,220,130	1,622,793	50.4
OLDER ADULT SERVICES	604,025	273,850	45.3
NUTRITION CENT.	259,180	111,040	42.8
SUBTOTAL COMMUNITY SERVICES	4,083,335	2,007,683	49.2
COMMUNITY DEVELOPMENT			
PLANNING	1,265,635	581,054	45.9
CODE ENFORCEMENT	888,290	402,305	45.3
BUILDING	694,320	321,677	46.3
SUBTOTAL COMMUNITY DEVELOPMENT	2,848,245	1,305,036	45.8
PUBLIC WORKS			
ENGINEERING	1,902,825	796,947	41.9
STREETS	5,006,360	2,413,366	48.2
PARKS	2,363,445	986,629	41.7
SUBTOTAL PUBLIC WORKS	9,272,630	4,196,942	45.3
PUBLIC SAFETY			
POLICE	32,873,545	16,312,674	49.6
FIRE/EMERGENCY MGT.	17,265,525	8,634,120	50.0
SUBTOTAL PUBLIC SAFETY	50,139,070	24,946,794	49.8
OTHER			
NON-DEPARTMENTAL	1,681,845	202,520	12.0
COMMUNITY RELATIONS	144,050	68,000	47.2
SUBTOTAL OTHER	1,825,895	270,520	14.8
TOTAL GENERAL FUND	\$72,709,495	\$34,913,922	48.0

GENERAL FUND				
EXPENDITURE STATUS BY DEPARTMENT - PRIOR YEAR TO CURRENT YEAR				
	July - December 2010	July - December 2011	Prior Year to Current Year Change	%
GENERAL GOVERNMENT				
CITY COUNCIL	\$123,322	\$130,594	\$7,272	5.6
CITY MANAGER / VIDEO SERVICES	573,996	527,171	(46,825)	-8.9
CITY ATTORNEY	102,283	96,659	(5,624)	-5.8
CITY CLERK	210,097	225,549	15,452	6.9
CITY TREASURER	137,960	136,954	(1,006)	-0.7
SUBTOTAL GENERAL GOVERNMENT	1,147,658	1,116,927	(30,731)	-2.8
ADMINISTRATIVE SERVICES				
FINANCE	474,773	478,246	3,473	0.7
HUMAN RESOURCES / RISK MGMT	177,785	168,090	(9,695)	-5.8
INFORMATION SYSTEMS	926,137	423,684	(502,453)	-118.6
SUBTOTAL ADMINISTRATIVE SERVICES	1,578,695	1,070,020	(508,675)	-47.5
COMMUNITY SERVICES				
LIBRARY	1,560,507	1,622,793	62,286	3.8
OLDER ADULT SERVICES	293,042	273,850	(19,192)	-7.0
NUTRITION CENT.	81,296	111,040	29,744	26.8
OASIS	131,155	0	(131,155)	0.0
SUBTOTAL COMMUNITY SERVICES	2,066,000	2,007,683	(58,317)	-2.9
COMMUNITY DEVELOPMENT				
PLANNING	584,794	581,054	(3,740)	-0.6
CODE ENFORCEMENT	397,866	402,305	4,439	1.1
BUILDING	309,274	321,677	12,403	3.9
SUBTOTAL COMMUNITY DEVELOPMENT	1,291,934	1,305,036	13,102	1.0
PUBLIC WORKS				
ENGINEERING	714,237	796,947	82,710	10.4
STREETS	2,376,268	2,413,366	37,098	1.5
PARKS	1,115,587	986,629	(128,958)	-13.1
SUBTOTAL PUBLIC WORKS	4,206,092	4,196,942	(9,150)	-0.2
PUBLIC SAFETY				
POLICE	16,488,980	16,312,674	(176,306)	-1.1
FIRE	8,329,608	8,592,851	263,243	3.1
EMERGENCY MGT.	31,646	41,269	9,623	23.3
SUBTOTAL PUBLIC SAFETY	24,850,234	24,946,794	96,560	0.4
OTHER				
NON-DEPARTMENTAL	225,626	202,520	(23,106)	-11.4
COMMUNITY RELATIONS	144,000	68,000	(76,000)	-111.8
SUBTOTAL OTHER	369,626	270,520	(99,106)	-36.6
TOTAL GENERAL FUND	\$35,510,239	\$34,913,922	(\$596,317)	-1.7

Recreation Fund

OPERATING REVENUES



22.2%

Overall Recreation operating revenues are down about \$479,000 compared to last year at this time. Key reasons for this change are discussed below:

Fees for Services (\$841,995) – 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 Skate Park. Revenues through December are up 24.7% or \$166,750. These increases are due to increased fees in Recreation programs and increased attendance.

Cable Franchise Fee – In Fiscal Year 2011-12 the Recreation Fund no longer receives a portion of the franchise fee paid by Cox Cable and the General Fund receives the full amount. This accounts for 47% of the overall loss of revenue in comparison to the prior year.

Golf Course Rent (\$163,730) – Golf Course Rent collected from the Vineyard Golf Course is down slightly compared to last fiscal year. The Vineyard Golf Course is owned by the City of Escondido and the City of San Diego and rent from the golf course is shared equally between the City and San Diego. The golf course is managed by a private golf course management company that pays this rent to the City.

Other Rent (\$179,174) – Other Rent collected during the year is up about \$14,000 compared to last year. The Recreation Fund receives rental income from East Valley Community Center rental spaces and cellular antenna site rental.

On Track State Grant (\$85,449) – On Track State grant revenue collected during the year is down about 84% in comparison to last year due to the timing of the billing for this grant. In the beginning of January this year \$555,397 was billed for, with that taken into account it is in line with the revenues compared to last 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 (\$407,483) – Interest and Principal on Loans collected during the year have increased compared to last year by about \$39,000. 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.

3.8%

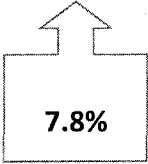
OPERATING EXPENDITURES (\$1,772,264) – Operating expenditures are down 3.8% or about \$70,000 in comparison to the prior year. This reduction is due to a reduction in staff.

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.

RECREATION FUND					
	FY 2011/12 Adopted Budget	July - December 2010	July - December 2011	Prior Year to Current Year Change	%
REVENUES					
FEES FOR SERVICES	\$ 2,163,125	\$ 675,245	\$ 841,995	\$ 166,750	24.7
CABLE FRANCHISE FEES		224,285		(224,285)	-100.0
GOLF COURSE RENT	150,000	167,994	163,730	(4,264)	-2.5
OTHER RENT	345,605	165,311	179,174	13,863	8.4
ON TRACK-STATE GRANT	904,490	555,419	85,449	(469,970)	-84.6
PRINCIPAL ON LOANS	531,220	234,214	305,421	71,207	30.4
INTEREST ON LOANS	169,050	134,734	102,062	(32,672)	-24.2
OTHER REVENUE	104,480	51		(51)	-100.0
TOTAL OPERATING REVENUE	4,367,970	2,157,253	1,677,831	(479,422)	-22.2
EXPENDITURES					
EMPLOYEE SERVICES	2,723,190	1,416,204	1,297,534	(118,670)	-8.4
MAINTENANCE AND OPERATIONS	659,775	282,139	286,990	4,851	1.7
INTERNAL SERVICE CHARGES	493,875	215,954	246,942	30,988	14.3
ALLOCATIONS	(138,395)	(71,676)	(59,202)	12,474	-17.4
TOTAL OPERATING EXPENDITURES	3,738,445	1,842,621	1,772,264	(70,357)	-3.8
TRANSFER OUT	882,070	678,810	882,070	203,260	29.9
TOTAL REVENUES OVER EXPENDITURES	\$ (252,545)	\$ (364,178)	\$ (976,503)	\$ (612,325)	168.1

Water Enterprise Fund

OPERATING REVENUES



Overall water operating revenues through December 31, 2011 are up about \$1.6 million over the previous year at this time. Key elements of this increase are the following:

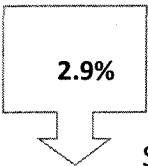
Water Consumption Charges (\$16.2 million) – The 7.6% increase in water consumption revenues was mainly due to a water rate increase of about 7% that went into effect on March 1, 2011.

Water Service Charges (\$5.1 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 7% primarily due to the rate increase in March 2011.

Vista Irrigation District Filtration Fees (\$.6 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 26.9% 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 (\$.6 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 \$.5 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 6.8% or \$.5 million compared to last year at this time. This is because the cost to purchase water from San Diego County Water Authority went up about 7.5%.

WATER FUND NET INCOME

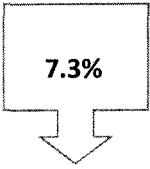
Income generated by the Water Fund will be used primarily to increase the capital and operating reserves to levels established by City Council policy following reserve levels recommended by the most recent rate study. Reserve levels will be important as large projects such as Wohlford Dam and the replacement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



WATER ENTERPRISE FUND					
	FY 2011-12 Adopted Budget	July - December 2010	July - December 2011	Prior Year to Current Year Change	%
OPERATING REVENUES					
Water Consumption Charges	\$35,468,420	\$15,071,478	\$16,219,768	1,148,290	7.6
Water Service Charges	9,549,975	4,742,107	5,073,286	331,179	7.0
Vista Irrigation Filtration & Other Fees	1,650,000	494,500	627,610	133,110	26.9
Other Charges for Services	150,000	597,295	612,423	15,128	2.5
TOTAL OPERATING REVENUE	46,818,395	20,905,380	22,533,087	1,627,707	7.8
OPERATING EXPENSES					
Staffing	7,860,575	3,598,899	3,563,913	(34,986)	-1.0
Purchased Water	21,805,200	7,253,212	7,744,737	491,525	6.8
Chemicals & Operating Supplies	3,125,345	1,763,276	1,736,878	(26,398)	-1.5
Repairs and Maintenance	901,135	531,852	461,317	(70,535)	-13.3
City Water	1,734,580	708,678	742,968	34,290	4.8
Professional Services	1,320,595	750,682	847,345	96,663	12.9
Utilities	886,660	346,764	297,738	(49,026)	-14.1
Other Operating Expenses	1,168,035	399,627	470,040	70,413	17.6
Allocations	4,262,095	2,267,982	2,265,286	(2,696)	-0.1
TOTAL OPERATING EXPENSES	43,064,220	17,620,972	18,130,222	509,250	2.9
NONOPERATING REVENUES (EXPENSES)					
Lake Fees and Concessions	800,000	330,970	381,499	50,529	15.3
Investment Income	200,000	23,467	15,261	(8,206)	-35.0
Other Revenues	434,000	52,270	146,730	94,460	180.7
Interest and Fiscal Charges	(2,425,225)	(418,318)	(431,161)	(12,843)	3.1
TOTAL NONOP REVENUES (EXPENSES)	(991,225)	(11,611)	112,329	123,940	-1,067.4
CAPITAL CONTRIBUTIONS					
Connection Fees	375,000	39,040	124,036	84,996	217.7
TOTAL CAPITAL CONTRIBUTIONS	375,000	39,040	124,036	84,996	217.7
TRANSFERS IN (OUT)					
Transfers Out	(2,450,000)	(14,400)	-	14,400	
TOTAL TRANSFERS	(2,450,000)	(14,400)	-	14,400	
INCOME (LOSS)	687,950	3,297,437	4,639,230	1,341,793	40.7

Wastewater Enterprise Fund

OPERATING REVENUE



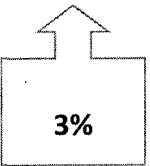
Overall wastewater operating revenues through December 31, 2011 are down about \$1 million over the previous year at this time. Key elements of this decrease are the following:

Sewer Service Charges (\$10.7 million) – Sewer service charges decreased by about \$1 million or 8.3% 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 (\$.3 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. These fees have not changed much compared to the prior year at this time.

Recyclable Water Sales (\$1.5 million) – The City's largest user of recycled water is Palomar Energy Center. These revenues from all users are down slightly by about 2.4%.

OPERATING EXPENSES



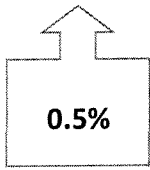
Wastewater operating expenses are up about \$225,000 over the previous year at this time. This increase came mainly from increased utility, supply and repair costs plus added professional services fees paid for the sewer master plan upgrade.

WASTEWATER FUND NET INCOME

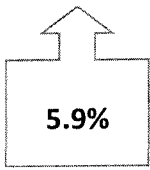
Similar to the Water Fund, income generated by the Wastewater Fund will be used to increase the capital and operating reserves to levels established by City Council policy following reserve levels recommended by the most recent rate study. Reserve levels will be important as wastewater capacity issues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

WASTEWATER ENTERPRISE FUND					
	FY 2011-12 ADOPTED BUDGET	July - December 2010	July - December 2011	Prior Year to Current Year Change	%
OPERATING REVENUES					
Sewer Service Charges	\$23,830,700	\$11,684,929	\$10,714,461	(\$970,468)	-8.3
Treatment Charges - San Diego	1,850,000	346,906	347,774	868	0.3
Recyclable Water Sales	3,150,000	1,490,946	1,454,936	(36,010)	-2.4
Other Charges for Service	85,000	169,111	176,432	7,321	4.3
TOTAL OPERATING REVENUES	28,915,700	13,691,892	12,693,603	(998,289)	-7.3
OPERATING EXPENSES					
Staffing	7,417,495	3,319,423	3,125,436	(193,987)	-5.8
Chemicals & Operating Supplies	1,788,905	536,893	589,893	53,000	9.9
Repairs and maintenance	1,087,750	555,463	620,498	65,035	11.7
Professional Services	2,899,745	994,112	1,141,851	147,739	14.9
Utilities	2,308,450	798,431	859,368	60,937	7.6
Allocations	2,330,680	1,028,252	1,033,216	4,964	0.5
Other Operating Expenses	1,080,385	340,864	428,049	87,185	25.6
TOTAL OPERATING EXPENSES	18,913,410	7,573,438	7,798,311	224,873	3.0
NONOPERATING REVENUES (EXPENSES)					
Investment Income	500,000	107,686	90,632	(17,054)	-15.8
Other Revenues	292,500	101,817	48,671	(53,146)	-52.2
Interest and Fiscal Charges	(1,976,920)	(283,096)	(277,193)	5,903	-2.1
TOTAL NONOP REVENUES (EXPENSES)	(1,184,420)	(73,593)	(137,890)	(64,297)	87.4
CAPITAL CONTRIBUTIONS					
Connection fees	375,000	210,891	198,891	(12,000)	-5.7
TOTAL CAPITAL CONTRIBUTIONS	375,000	210,891	198,891	(12,000)	-5.7
TRANSFERS OUT	(25,000)	(184,300)	(25,000)	159,300	-86.4
INCOME (LOSS)	9,167,870	6,071,452	4,931,293	(1,140,159)	-18.8

Reidy Creek Golf Course Fund



OPERATING REVENUES (\$286,604) – Due to unusual weather patterns and an increased marketing effort overall revenues are up 0.5% in comparison to last year. With a particularly warm winter, we have seen an increase in rounds played in December alone by 30%. 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 (\$324,069) – 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.

REIDY CREEK GOLF COURSE FUND					
	FY 2011-12 Adopted Budget	July - December 2010	July - December 2011	Prior Year to Current Year Change	%
REVENUES					
Green Fees	\$435,315	\$181,356	\$174,409	(\$6,947)	-3.8
Cart Rentals	176,205	79,843	86,661	6,818	8.5
Golf Merchandise Sales	41,720	18,344	19,097	753	4.1
Food and Beverage Rent	9,665	3,722	3,894	172	4.6
Other Golf Revenue	2,115	2,044	2,543	499	24.4
TOTAL REVENUES	665,020	285,309	286,604	1,295	0.5
EXPENDITURES					
Management Fee	70,905	34,140	34,729	589	1.7
Golf Course Operations	188,405	91,334	94,827	3,493	3.8
Golf Course Maintenance	292,410	134,803	144,695	9,892	7.3
Administrative & General	61,780	30,936	31,117	181	0.6
Golf Course Merchandise	25,450	11,573	13,197	1,624	14.0
Golf Cart Lease	4,800	1,148	2,803	1,655	144.2
Insurance	5,160	2,166	2,701	535	24.7
TOTAL EXPENDITURES	648,910	306,100	324,069	17,969	5.9
TOTAL REVENUES OVER EXPENDITURES	\$16,110	(20,791)	(37,465)	(\$16,674)	80.2

FUTURE CITY COUNCIL AGENDA ITEMS
March 1, 2012

AGENDA ITEMS AND COUNCIL MEETING DATES ARE SUBJECT TO
CHANGE. CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617

Green Sheet Due by Noon on Monday 2/27/12
Staff Reports/Resos due by Noon on Tuesday 3/6/12

MARCH 14, 2012
B/C Interviews 3:30 – 6:15

Green Sheet Due by Noon on Monday 3/5/12
Staff Reports/Resos due by Noon on Tuesday 3/13/12

MARCH 21, 2012
4:30 p.m.

CONSENT CALENDAR

2011 Annual Housing Element Report
(J. Van Leeuwen)

Government Code Section 65400 requires each governing body (City Council or Board of Supervisors) to prepare an annual report on the status and progress in implementing the jurisdiction's housing element of the General Plan using forms and definitions adopted by the Department of Housing and Community Development.

City of Escondido Landscape Maintenance District Preliminary Engineer's Report for FY 2012-13 For Zones 1-37
(F. Schmitz)

Each year the City is required to submit and approve an engineer's report that details the City's Landscape Maintenance District Budget and assessments for the upcoming fiscal year. The purpose of the Council Meeting on March 21, 2012 is to begin this process by approving the preliminary Engineer's report and setting a public hearing date.

Fourth Quarter 2011 Treasurer's Report
(K. Hugins)

In accordance with the City's Investment Policy, the City Treasurer is required to submit an investment report to the City Council for review on a quarterly basis. The report will include the type of investment, issuer, date of maturity, par value, book value and market value for each security held by the City.

MARCH 21, 2012
Continued

CONSENT CALENDAR CONTINUED

Revise Policies for Façade and Property Improvement Grant Program
 (M. Geller)

The Façade and Property Improvement Program has existed since 1989 and has provided almost \$1M in matching grant awards to businesses. As a result of the program, over \$9M in private funds have been invested in property improvements that enhance the appearance, safety and vitality of our business community. In November 2011, City Council approved a \$500,000 allocation to revive the grant program as part of the 2011-2013 Council Action Plan. It is requested that some of the program's policies be revised to remain flexible and relevant to today's competitive economy.

Approve Purchase of Fuel
 (R. O'Donnell)

This approval of funds will cover the purchase of unleaded fuel until the end of the fiscal year. This purchase of fuel for the City of Escondido's fleet would be through a cooperative purchase agreement with City of San Diego, pursuant to Escondido Municipal Code section 10-90. This fuel will be purchased from The SOCO Group Inc.

Daley Ranch Access Road Rehabilitation Project
 (E. Domingue)

Road improvements will provide improved access for fire suppression, maintenance, and the proposed activities at the Ranch House.

Surplus Equipment for Sale
 (G. Rojas)

Declare vehicles and equipment as surplus property and authorize the Director of Finance to dispose of the surplus property at auction.

Streamlining of Traffic Control Plan Process for Downtown Special Events
 (J. Masterson)

The City Council has expressed its desire to streamline government processes and encourage more special events in downtown Escondido. Offering pre-approved traffic control plans at a nominal cost to special event coordinators may encourage more events to be held downtown and simplify the process.

MARCH 21, 2012
Continued

CONSENT CALENDAR CONTINUED

Quitclaim Deed – V.I.S Ltd. – Leslie Lane Public Utility Easement Project
 (E. Domingue)

In 2001 the City sought to acquire a Public Utilities Easement and a Temporary Construction Easement for its Leslie Lane Reservoir Access Project. Negotiations were unsuccessful and Council authorized eminent domain proceedings to secure the required land rights. Through the eminent domain action, the City was inadvertently awarded fee simple interest in the entire parcel, rather than an easement interest. The previous property owner has asked the City to correct this error, which the Quitclaim Deed will satisfy. A Public Utilities Easement will be reserved.

PUBLIC HEARINGS:

Short Form Rent Review Board Hearing – Ponderosa MobileHome Park – Continued from January 11, 2012
 (J. VanLeeuwen)

The application meets all the eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 2-year period of consideration from June 30, 2009 to June 30, 2011. 75% of the change in the consumer Price Index for the 2-year period is 3.601%. The Owner is requesting an increase for 60 of the 104 spaces in the Park. Spaces not subject to rent control are on long-term leases or are vacant. The average space rent for the 60 spaces subject to a rent increase is \$564.44. The average increase per space is approximately \$20.32.

Authorize the Purchase of Wastewater Collection Vector Truck
 (R. O'Donnell)

Request Council adopt Resolution 2012-39 authorizing the purchase of Wastewater Collection Vector Truck.

CURRENT BUSINESS

Appointments to the City's Boards and Commissions
 (D. Halverson)

The Council conducted interviews on March 7 and March 14, 2012. All Board/Commission terms are for four (4) years with the exception of the Library Board of Trustees, who serve three (3) year terms. In accordance with State law, the Mayor will nominate members for each Board or Commission and the Council will vote to ratify those nominations.

Feasibility Study of Relocation of the Water Distribution Yard to Eureka Ranch
 (C. McKinney)

Feasibility of relocating the Water Distribution Yard to Eureka Ranch.

MARCH 21, 2012
Continued

CURRENT BUSINESS CONTINUED

CalPERS Contract Amendment – Sworn Fire

(S. Bennett)

Adoption of Resolution of Intent and First Reading of CalPERS Contract Amendment for Sworn Fire: Section 20475, Different levels of Benefits 2% @ 50, and Section 20037 – Three Year Final Compensation

Joslyn Senior Center

(J. Van Leeuwen)

Staff is requesting approval to change the name of the Joslyn Senior Center to Park Avenue Community Center. The request is made to more appropriate reflect current and future programs and to assist in marketing the facility for rental by outside organizations. In addition, staff is recommending the non-smoking designation due to difficulty of meeting state law requirements and to promote healthier lifestyles for users of the building and grounds.

WORKSHOP

Workshop on Code Enforcement Activities

(B. Redlitz)

This report implements a task under the Council's Action Plan for Image and Appearance. The report is intended to summarize Code Enforcement activities under current staff levels and identify resources and funding needed to resume proactive enforcement.

Budget Briefing for Fiscal Year 2012/13

(G. Rojas)

The City Council adopted a two-year budget for the General Fund. The budget consisted of a detailed 2011/12 budget and a summary 2012/13 budget. The Finance Department will update the General Fund 2012/13 information and take direction from the Council on preparing a new two-year budget to be considered in June 2012.

Future Agenda Items (D. Halverson)