



# Council Meeting Agenda

**MAY 21, 2014**

**CITY COUNCIL CHAMBERS**

**3:30 P.M. Closed Session; 4:30 P.M. Regular Session**

**201 N. Broadway, Escondido, CA 92025**

MAYOR	<b>Sam Abed</b>
DEPUTY MAYOR	<b>Olga Diaz</b>
COUNCIL MEMBERS	<b>Ed Gallo</b> <b>John Masson</b> <b>Michael Morasco</b>
CITY MANAGER	<b>Clay Phillips</b>
CITY CLERK	<b>Diane Halverson</b>
CITY ATTORNEY	<b>Jeffrey Epp</b>
DIRECTOR OF COMMUNITY DEVELOPMENT	<b>Barbara Redlitz</b>
DIRECTOR OF PUBLIC WORKS	<b>Ed Domingue</b>

**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

May 21, 2014  
3:30 P.M. Meeting

Escondido City Council

## CALL TO ORDER

**ROLL CALL:** Diaz, Gallo, Masson, Morasco, Abed

## ORAL COMMUNICATIONS

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

## CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

- I. **CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
  - a. **Agency Negotiator:** Sheryl Bennett, Clay Phillips  
**Employee Organization:** Escondido City Employee Association: Administrative/Clerical/Engineering Bargaining Unit
  - b. **Agency Negotiator:** Sheryl Bennett, Clay Phillips  
**Employee Organization:** Non-Sworn Police Bargaining Unit
  - c. **Agency Negotiator:** Sheryl Bennett, Clay Phillips  
**Employee Organization:** Escondido City Employee Association: Supervisory Bargaining Unit
- II. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
  - a. **Property:** 210 South Broadway  
**City Negotiator:** Debra Lundy, Real Property Manager  
**Negotiating Parties:** Dr. Stanley Schaeffer  
**Under Negotiation:** Price and Terms of Agreement

- b. **Property:** 1750 W. Citracado Parkway, #37  
**City Negotiator:** Debra Lundy, Real Property Manager  
**Negotiating Parties:** Randall Farrar Trust  
**Under Negotiation:** Price and Terms of Agreement
  
- c. **Property:** Multiple Locations/City Right of Way  
**City Negotiator:** Debra Lundy, Real Property Manager  
**Negotiating Parties:** Verizon Wireless  
**Under Negotiation:** Price and Terms of Agreement

**ADJOURNMENT**



# Council Meeting Agenda

**May 21, 2014  
4:30 P.M. Meeting**

## **Escondido City Council Mobilehome Rent Review Board**

### **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, Masson, Morasco, Abed

**PROCLAMATIONS:** National Historic Preservation Month  
National Public Works Week, May 18-24

### **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.) NOTE: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total of 15 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.

### **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/SUCCESSOR AGENCY/RRB)**

2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency )**
3. **APPROVAL OF MINUTES: Regular Meeting of April 23, 2014**
4. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2014 -**  
Request Council receive and file the Quarterly Investment Report.  
  
Staff Recommendation: **Receive and File (City Treasurer: Kenneth C. Hugins)**
5. **EXTENSION OF THE SAN DIEGUITO RIVER PARK JOINT POWERS AUTHORITY AGREEMENT -**  
Request Council authorize extension of the Joint Exercise of Powers Agreement for the San Dieguito River Valley Regional Open Space Park Joint Powers Authority.  
  
Staff Recommendation: **Approval (City Manager's Office: Joyce Masterson)**  
  
RESOLUTION NO. 2014-66
6. **APPLICATION SUBMITTAL FOR INTEGRATED REGIONAL WATER MANAGEMENT GRANT FUNDING -**  
Request Council authorize the Director of Utilities or his designee to submit an application for Round 3 Prop 84 Integrated Regional Water Management (IRWM) grant funding in the amount of \$6,000,000 for Phase A of the Agricultural Reuse and Salt Reduction Project.  
  
Staff Recommendation: **Approval (Utilities Department: Christopher W. McKinney)**
7. **SET THE DATE OF JUNE 11, 2014 FOR A PUBLIC HEARING TO CONSIDER ADOPTION OF RESOLUTIONS OF NECESSITY AUTHORIZING THE CITY ATTORNEY TO INITIATE CONDEMNATION PROCEEDINGS -**  
Request Council approve setting the date of June 11, 2014 at 4:30 p.m. for Public Hearings to consider adoption of Resolutions of Necessity authorizing the City Attorney to initiate condemnation proceedings to acquire the property rights across portions of Assessor Parcel Numbers 240-230-29, 30, 31 (Charles Norbert Lypps) and 241-171-01 (Djukic) for the construction of the Cemetery Pipeline Replacement Project.  
  
Staff Recommendation: **Approval (City Manager's Office/Real Property: Charles Grimm)**  
  
RESOLUTION NO. 2014-53
8. **FIRST AMENDMENT TO LEASE AGREEMENT WITH GRAND DENTISTRY AT 418 E. SECOND AVENUE -**  
Request Council authorize the Real Property Manager and City Clerk to execute a First Amendment to Lease Agreement with Grand Dentistry at 418 E. Second Avenue.  
  
Staff Recommendation: **Approval (City Manager's Office/Real Property: Charles Grimm)**  
  
RESOLUTION NO. 2014-38
9. **APPROVAL OF A LINE OF CREDIT WITH ESCONDIDO EDUCATION COMPACT (EEC) -**  
Request Council approve a Line of Credit Agreement with the EEC for its financial obligations, up to the amount of \$30,000.  
  
Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**  
  
RESOLUTION NO. 2014-55
10. **FINANCIAL REPORT FOR THE QUARTER ENDED MARCH 31, 2014 -**  
Request Council receive and file the third quarter financial report for fiscal year 2013/2014.

Staff Recommendation: **Receive and File (Finance Department: Sheryl Bennett)**

## **CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)**

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

**11. [PROPOSED AMENDMENT TO CHAPTER 22 OF THE ESCONDIDO MUNICIPAL CODE SECTION CONCERNING WASTEWATER DISCHARGE REGULATIONS FOR BREWERIES, WINERIES AND DISTILLERIES -](#)**

Approved on May 7, 2014 with a vote of 5/0

ORDINANCE NO. 2014-11 (Second Reading and Adoption)

## **PUBLIC HEARINGS**

**12. [SHORT-FORM RENT INCREASE APPLICATION FOR WESTWINDS MOBILEHOME PARK -](#)**

Request Council approve the short-form rent increase application submitted by Westwinds Mobilehome Park granting an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 1.281% (an average of \$5.19) for the period of December 31, 2012 to December 31, 2013.

Staff Recommendation: **Approval (Community Development Department: Barbara Redlitz)**

RRB RESOLUTION NO. 2014-04

**13. [SECOND PUBLIC HEARING ON PROPOSED CITY CHARTER -](#)**

Request Council hold a second public hearing on the proposed city charter for the City of Escondido; listen to public comments and suggestions; and provide direction on any changes to the proposed city charter.

Staff Recommendation: **Provide Direction (City Attorney's Office: Jennifer K. McCain)**

## **FUTURE AGENDA**

**14. [FUTURE AGENDA -](#)**

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)**

## **COUNCIL MEMBERS SUBCOMMITTEE REPORTS**

## CITY MANAGER'S UPDATE/BRIEFING

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- [CITY MANAGER'S UPDATE -](#)

## ORAL COMMUNICATIONS

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## ADJOURNMENT

### UPCOMING MEETING SCHEDULE

Date	Day	Time	Meeting Type	Location
May 28	-	-	No Meeting	-
June 4	-	-	No Meeting	-
June 11	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers
June 18	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers



## 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. Submission of Speaker forms prior to the discussion of an item is highly encouraged. 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.

Nomination forms for Community Awards are available at the Escondido City Clerk's Office or at <http://www.escondido.org/city-clerks-office.aspx>

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.escondido.org/meeting-agendas.aspx>
- 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](http://www.escondido.org), and clicking the "Live Streaming –City Council Meeting now in progress" button on the home page.

**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 Successor Agency to the CDC, Escondido Joint Powers  
Financing Authority and the Mobilehome Rent Review Board.**

**CITY HALL HOURS OF OPERATION  
Monday-Friday 8:00 a.m. to 5:00 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**  
**April 23, 2014**  
**3:30 P.M. Meeting Minutes**  
**Escondido City Council**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, April 23, 2014 in the Council Chambers at City Hall with Mayor Abed presiding.

**ATTENDANCE**

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

**ORAL COMMUNICATIONS**

None

**CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)**

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

**Items I, a, b and c were not discussed.**

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
- a. **Agency Negotiator:** Sheryl Bennett, Clay Phillips  
**Employee Organization:** Escondido City Employee Association: Supervisory Bargaining Unit
  - b. **Agency Negotiator:** Sheryl Bennett, Clay Phillips  
**Employee Organization:** Non-Sworn Police Bargaining Unit
  - c. **Agency Negotiator:** Sheryl Bennett, Clay Phillips  
**Employee Organization:** Escondido City Employee Association: Administrative/Clerical/Engineering Bargaining Unit
- II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
- a. **Property:** 418 E. Second Avenue  
**City Negotiator:** Debra Lundy, Real Property Manager  
**Negotiating Parties:** Grand Dentistry  
**Under Negotiation:** Price and Terms of Agreement

b. **Property:** 1201 E. Washington Avenue  
**City Negotiator:** Debra Lundy, Real Property Manager  
**Negotiating Parties:** The Phair Company  
**Under Negotiation:** Price and Terms of Agreement

## ADJOURNMENT

Mayor Abed adjourned the meeting at 3:57 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

## CITY OF ESCONDIDO

**April 23, 2014  
4:30 P.M. Meeting Minutes**

### **Escondido City Council Mobilehome Rent Review Board**

#### **CALL TO ORDER**

The Regular Meeting of the Escondido City Council and Mobilehome Rent Review Board was called to order at 4:30 p.m. on Wednesday, April 23, 2014 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: Deputy Mayor Olga Diaz, Councilmember Ed Gallo, Councilmember John Masson, Councilmember Michael Morasco, and Mayor Sam Abed. Quorum present.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Public Works Director; Eva Heter, Assistant City Clerk; and Liane Uhl, Minutes Clerk.

#### **ORAL COMMUNICATIONS**

**Steven Sidlovsky, San Diego**, asked Council to initiate a Life Peace Zone in Escondido.

**Tom Cowan, Escondido**, indicated there would be a BMX Track meeting on Saturday, May 10, 2014 at Kettle Coffee & Tea at 10:30 am.

**Mike O'Connor, Escondido**, stated the City should have paramedic firefighters.

#### **CONSENT CALENDAR**

**MOTION:** Moved by Councilmember Diaz and seconded by Councilmember Masson that the following Consent Calendar items be approved. Motion carried unanimously.

- 1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
- 2. APPROVAL OF WARRANT REGISTER (Council/Successor Agency )**
- 3. APPROVAL OF MINUTES: Regular Meeting of April 2, 2014**

4. **TIGER DISCRETIONARY GRANT APPLICATION -**  
Request Council authorize the Public Works Director/City Engineer to complete applications to the US Department of Transportation for a TIGER Discretionary Grant for the construction of the Citracado Parkway Extension Project. (File No. 0480-70)

Staff Recommendation: **Approval (Public Works Department/Engineering: Ed Domingue)**

5. **APPROVAL OF SECOND AMENDMENT TO NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM, SAN DIEGO REGIONAL COPERMITTEES MEMORANDUM OF UNDERSTANDING -**

Request Council authorize the Mayor and City Clerk to sign the Second Amendment to the National Pollutant Discharge Elimination System, San Diego Regional Stormwater Copermittees Memorandum of Understanding. (File Number 0600-10 [A-2896])

Staff Recommendation: **Approval (Utilities Department/Environmental Programs: Christopher McKinney)**

**RESOLUTION NO. 2014-45**

**CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)**

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

**PUBLIC HEARINGS**

6. **SHORT-FORM RENT REVIEW BOARD HEARING FOR CITY-OWNED SPACES IN THE MOUNTAIN SHADOWS MOBILE HOME PARK -**

Request Council approve the short-form rent increase application submitted for the City-owned spaces in Mountain Shadows Mobile Home Park granting an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 2.460% (an average of \$8.18) for the period of December 31, 2011 to December 31, 2013. (File No. 0697-20-9994)

Staff Recommendation: **Approval (Community Development Department: Barbara Redlitz)**

**RRB RESOLUTION NO. 2014-02**

Karen Youel, Housing 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 Diaz and seconded by Councilmember Morasco to approve the short-form application and adopt RRB Resolution No. 2014-02. Motion carried unanimously.

**7. SHORT-FORM RENT REVIEW BOARD HEARING FOR CITY-OWNED SPACES IN THE ESCONDIDO VIEWS MOBILE HOME PARK -**

Request Council approve the short-form rent increase application submitted for the City-owned spaces in Escondido Views Mobile Home Park granting an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 2.460% (an average of \$9.65) for the period of December 31, 2011 to December 31, 2013. (File No. 0697-20-9995)

Staff Recommendation: **Approval (Community Development Department: Barbara Redlitz)**

**RRB RESOLUTION NO. 2014-03**

Karen Youel, Housing 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 Masson to approve the short-form application and adopt RRB Resolution No. 2014-03. Motion carried unanimously.

**CURRENT BUSINESS**

**8. INITIATION OF AN ANNEXATION AND ASSOCIATED PROJECT PROCESSING FOR THE PROPOSED DEVELOPMENT OF THE 'SAFARI HIGHLANDS RANCH SPECIFIC PLAN' -**

Request Council initiate the proposed application authorizing staff to work on the project; and direct staff to collect an initial deposit of \$5,000 from the applicant to establish a cost-recovery account for reimbursing staff time on work involved in conducting interviews and drafting contracts associated with hiring contract personnel to oversee the project processing under the City's supervision. (File No. 0850-20)

Staff Recommendation: **Provide Direction (Community Development Department: Barbara Redlitz)**

Jay Petrek, Assistant Planning Director, gave the staff report and presented a series of slides.

**Don Underwood, Concordia Communities**, listed the qualities of the proposed project and urged Council to proceed with the initiation of the annexation.

**Kevin Clark, Escondido**, voiced concern with traffic and environmental issues and urged Council not to approve the annexation.

**John Imperato, Escondido**, expressed concern with the proposed access road and stated he was opposed to the project.

**Erin Sowden, Escondido**, stated the developer has not met with the homeowners and that she was opposed to the project.

**Ed Swidershl, Escondido**, voiced concern with water issues and that he was opposed to the project.

**David Granum, Escondido**, expressed concern with the environment and he did not support the project.

**Billy Dial, Escondido**, stated he was opposed to the project.

**Kirk Ackermann, Escondido**, voiced concern with the density of the project and stated he was opposed to it.

**Josie Ackermann, Escondido**, indicated she objected to the proposed annexation.

**Lee Terdic, Escondido**, expressed concern that the HARRF could take on more capacity and stated she was opposed to the project.

**Francisco Centurian, Escondido**, voiced concern with road accessibility during fire storms and indicated he was opposed to the project.

**Scott Graves, Escondido**, stated the open space should be preserved and he was opposed to the project.

**Tom Kammin, Escondido**, voiced traffic concerns and was opposed to the project.

**Trent Smiley, Escondido**, expressed concern with traffic and he was opposed to the project.

**John Parrillo, Escondido**, voiced concern with traffic at the local school and Safari Park.

**Jennifer Burrows, Escondido**, expressed concern with traffic and stated she was opposed to the project.

**Ken Beeunas Escondido**, voiced traffic concerns and stated he was opposed to the project.

**Courtney Hamilton, Escondido**, indicated she was opposed to the project.

**Laura Hunter, Escondido**, stated the project was too dense for the area and she did not support it.

**William Leininger Escondido**, expressed concern with previous fire storms and he was opposed to the development.

**Blaise Jackson, Escondido**, indicated it was difficult to evacuate when during a wild fire and he was opposed to the project.

**Derek Wilson, Escondido**, suggested the area be kept as open space and urged Council not to approve the annexation initiation.

**Laura Young, Escondido**, voiced concern with traffic issues and stated she was opposed to the project.

**Mark Skok, Escondido**, expressed concern with the infrastructure costs and the high risk wildfire.

**Patricia Borchmann, Escondido**, stated she was opposed to the project.

**Carl Skaja, Escondido**, indicated he supported the project.

**Barbara Bell, Escondido**, voiced concern with water issues and indicated she was opposed to the project.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Masson to initiate the proposed application authorizing staff to work on the project; and direct staff to collect an initial deposit of \$5,000 from the applicant to establish a cost-recovery account for reimbursing staff time on work involved in conducting interviews and drafting contracts associated with hiring contract personnel to oversee the project processing under the City's supervision. Ayes: Abed, Gallo, Masson and Morasco. Noes: Diaz. Absent: None. Motion carried.

## WORKSHOP

### 9. FISCAL YEAR 2014/2015 BUDGET BRIEFING -

Request Council provide direction regarding the Fiscal Year 2014/2015 General Fund Operating Budget. (File No. 0430-30)

Staff Recommendation: **Provide Direction (Finance Department: Sheryl Bennett)**

Sheryl Bennett, Administrative Services Director; Jodi Coco Cleveland, Budget Manager; and Joan Ryan, Assistant Finance Director, gave the staff report and presented a series of slides.

**Patricia Borchmann, Escondido**, stated that more funding should be allotted to recreation programs.

### NO ACTION, INFORMATION ONLY

### 10. CODE ENFORCEMENT WORKSHOP -

Request Council provide direction on Code Enforcement activities, strategies, priorities and budget alternatives; and provide direction to implement Council's goal of proactive Code Enforcement. (File No. 0110-20)

Staff Recommendation: **Provide Direction (Community Development Department/Code Enforcement: Barbara Redlitz)**

Brian Gustafson, Code Enforcement Manager, gave the staff report and presented a series of slides.

**COUNCIL ACTION: Directed staff to research allocating funds to re-staff Code Enforcement positions and to restructure the citation fees.**

## FUTURE AGENDA

### 11. FUTURE AGENDA -

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)**

## COUNCIL MEMBERS SUBCOMMITTEE REPORTS

None



**CITY MANAGER'S UPDATE/BRIEFING**

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety and Community Development.

- **CITY MANAGER'S UPDATE -**

**ORAL COMMUNICATIONS**

None

**ADJOURNMENT**

Mayor Abed adjourned the meeting at 8:40 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

# CITY COUNCIL

For City Clerk's Use:

APPROVED       DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 4**

**Date: May 21, 2014**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Kenneth C. Hugins, City Treasurer  
**SUBJECT:** Treasurer's Investment Report for the Quarter Ended March 31, 2014

RECOMMENDATION:

It is requested that Council receive and file the Quarterly Investment Report.

PREVIOUS ACTION:

The Investment Report for the quarter ended December 31, 2013, was filed with the City Clerk's Office on February 10, 2014, and presented to the City Council on March 19, 2014.

BACKGROUND:

From January 1, 2014, to March 31, 2014, the City's investment portfolio increased from \$112.9 million to \$113.9 million. The adjusted average annual yield decreased from 1.129 % to 1.0905%. An excess of cash receipt inflows over cash payment outflows for the quarter resulted in an increase of \$1 million in the book value of the investment portfolio. Major components of the net \$1 million increase are:

	<u>IN MILLIONS</u>	
County Property Tax Allocation	\$	4.90
County Redevelopment Distributions		2.20
County Property Tax In Lieu Allocations		9.30
Sales Tax Allocations		6.00
Franchise Fee Receipts		2.40
County Water Authority Payments		(5.50)
Debt Service Payments		(7.40)
CALPERS Contributions		(5.60)
Employee Health Payments		(2.00)
Workers Compensation Expenses		(0.60)
Sempra Pass through payment to CCAE		(0.20)
Other		<u>(2.50)</u>
Net Increase to Investment Portfolio	\$	<u>1.00</u>

Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation Graph as of March 31, 2014
- Summary of General Obligation Bond Proceeds Balance as of March 31, 2014
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – January 2014 through March 2014
- Schedule of Investments Matured and Sold – January 2014 through March 2014
- Schedule of Funds Managed by Outside Parties as of March 31, 2014

There are adequate funds to meet the next six month's expected expenditures. The Bank of New York Mellon Trust's monthly statement is the source for the market valuation. At March 31, the current portfolio investments balance exceeded the City's \$40.8 million investment policy requirement by over \$3.2 million. As of March 31, 2014, the City is in compliance with all requirements of the City Investment Policy.

Investment transactions are executed in compliance with the City of Escondido's Investment Policy. Investment purchases have been made in accordance with the City's prioritized Investment Policy objectives of safety of principal, sufficiency of liquidity and maximization of yield. The City's investment portfolio has therefore historically been comprised of United States Treasury Notes, obligations issued by United States Government Agencies, Money Market accounts and investments in the Local Agency Investment fund (LAIF) established by the State Treasurer. Over the past 5 years, a greater than 70% decline in the City's monthly investment portfolio yield has been realized, decreasing from 3.8% at March, 2009 to 1.1% at March, 2014. This decline is representative of the continuous decline in investment interest rates and the portfolio's maturing, higher yielding investments being replaced with newer, lower yielding investments.

The investment committee will continue to monitor the City's portfolio trends and will investigate the feasibility of other allowable investment options that are consistent with the City's investment strategy and objectives. Additional information on these options and recommendations will continue to be communicated to council by the investment committee.

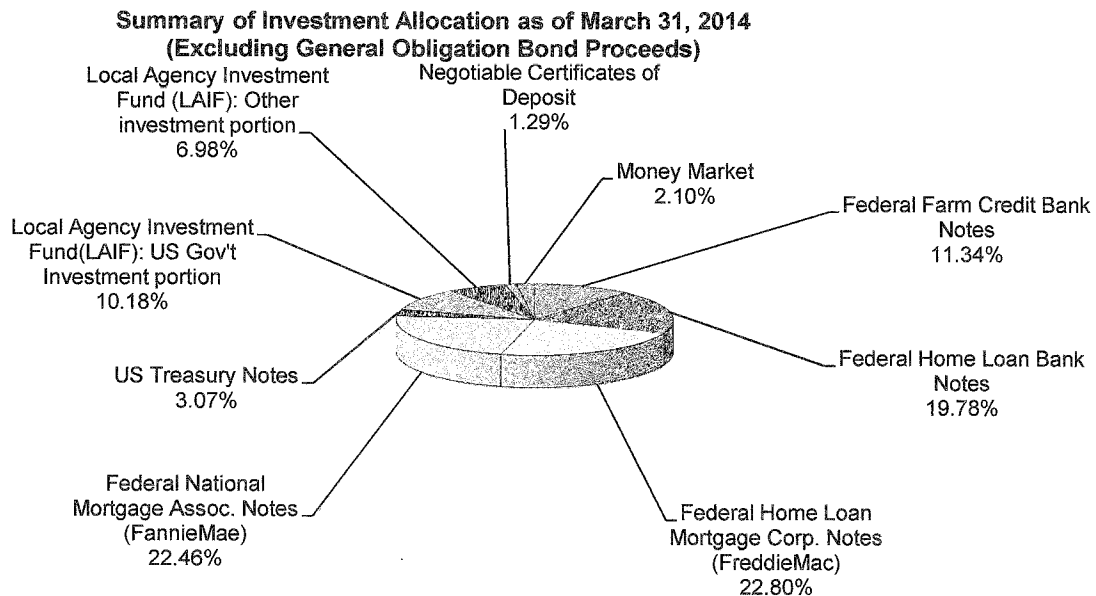
Respectfully submitted,



Kenneth C. Hugins  
City Treasurer

**City of Escondido  
Summary of Investment Allocation  
as of March 31, 2014**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	\$ 12,944,547.04	\$ 13,010,294.80	11.34%
Federal Home Loan Bank Notes	22,490,520.67	22,695,400.90	19.78%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	25,727,196.85	26,163,195.00	22.80%
Federal National Mortgage Assoc. Notes (FannieMae)	25,596,293.43	25,778,748.55	22.46%
US Treasury Notes	3,502,120.58	3,524,480.00	3.07%
Local Agency Investment Fund(LAIF): US Gov't Investment portion	11,677,587.81	11,677,587.81	10.18%
Local Agency Investment Fund (LAIF): Other investment portion	8,014,803.10	8,014,803.10	6.98%
Negotiable Certificates of Deposit	1,482,000.00	1,481,232.87	1.29%
Money Market	2,412,560.81	2,412,560.81	2.10%
<b>Total Investment Portfolio - March 2014</b>	<b>\$ 113,847,630.29</b>	<b>\$ 114,753,303.84</b>	<b>100%</b>
2004 Election General Obligation Bond Proceeds held separately in LAIF	\$ 50,503.93	\$ 50,503.93	
<b>Reported Total Investments - March 2014</b>	<b>\$ 113,898,134.22</b>	<b>\$ 114,803,807.77</b>	
<b>Total Investment Portfolio - December 2013</b>	<b>\$ 112,871,371.02</b>	<b>\$ 113,880,857.93</b>	
<b>2004 Election General Obligation LAIF- December 2013</b>	<b>\$ 50,471.41</b>	<b>\$ 50,471.41</b>	
<b>Reported Total Investments- December 2013</b>	<b>\$ 112,921,842.43</b>	<b>\$ 113,931,329.34</b>	
<b>Change from Prior Quarter</b>	<b>\$ 976,291.79</b>	<b>\$ 877,478.43</b>	
<b>Portfolio Effective Duration</b>	<b>1.640</b>		
<b>Portfolio Effective Duration - (Excluding LAIF and Money Market)</b>	<b>2.030</b>		



City of Escondido  
 General Obligation Bonds, Election of 2004, Series A  
 Public Safety Facilities Project  
 Calculation of Bond Proceeds Balance  
 As of March 31, 2014

Description	other Interest Earnings	(*) LAIF Interest Earnings	(*) LAIF Interest Withdrawals	Project Cost Reimbursement to the City	Balance
<b>Par Value</b>					<b>\$ 84,350,000.00</b>
Add:					
Original Issue Bond Premium					914,861.55
Less:					
Underwriter's Discount					(292,829.00)
Cost of Issuance Expense					(220,000.00)
Credit Enhancement					(275,000.00)
<b>Net Bond Proceeds</b>					<b>84,477,032.55</b>
<b>Monthly Activities:</b>					
August to September 2006	\$ 48.33	\$ -	\$ -	\$ (3,190,032.55)	81,287,000.00
September 2006 - Interest withdrawn	(48.33)	-	-		
October to December 2006		445,726.90		(3,300,000.00)	78,432,726.90
January to March 2007		1,033,671.72		(1,880,000.00)	77,586,398.62
April to June 2007		996,045.58		(200,000.00)	78,382,444.20
July to September 2007		1,022,452.03		(1,670,000.00)	77,734,896.23
October to December 2007		1,033,456.91		(1,980,000.00)	76,788,353.14
January to March 2008		970,394.61		(6,250,000.00)	71,508,747.75
April to June 2008		774,021.46		(8,300,000.00)	63,982,769.21
June 2008 - Interest Drawdown			(1,513,000.00)		62,469,769.21
July - September 2008		530,295.74		(14,000,000.00)	49,000,064.95
October to December 2008		386,163.16		(10,700,000.00)	38,686,228.11
January to March 2009		284,700.95		(7,500,000.00)	31,470,929.06
April to June 2009		169,983.58		(10,533,000.00)	21,107,912.64
July to September 2009		101,934.35		(7,300,000.00)	13,909,846.99
October to December 2009		42,769.87		(6,600,000.00)	7,352,616.86
January to March 2010		17,670.57		(1,074,000.00)	6,296,287.43
Feb 2010 - Interest Drawdown			(626,000.00)		5,670,287.43
April to June 2010		9,059.54			5,679,346.97
April 2010 - Interest Drawdown			(1,300,000.00)		4,379,346.97
June 2010 - Interest Drawdown			(1,825,000.00)		2,554,346.97
July to September 2010		6,114.18			2,560,461.15
August 2010 - Interest Drawdown			(1,300,000.00)		1,260,461.15
October 2010		2,484.95			1,262,946.10
November 2010 - Interest Drawdown			(850,000.00)		412,946.10
October to December 2010		951.61			413,897.71
January to March 2011		517.72			414,415.43
April to June 2011		491.83			414,907.26
July to September 2011		397.80			415,305.06
October to December 2011		398.52			415,703.58
January to March 2012		390.76			416,094.34
Subtotal		<u>7,830,094.34</u>	<u>(7,414,000.00)</u>	<u>(84,477,032.55)</u>	
June 2012- Transfer to Debt Service FD 320			(366,094.34)		50,000.00
April to June 2012 Interest		287.39			50,287.39
July to Sept. 2012 Interest		44.87			50,332.26
October to December 2012 Interest		40.83			50,373.09
January to March 2013 Interest		35.08			50,408.17
April to June 2013 Interest		30.61			50,438.78
July to September 2013 Interest		32.63			50,471.41
October to December 2013 Interest		32.52			50,503.93
<b>Ending Balance, 03/31/2014</b>	<b>\$ -</b>	<b>\$ 7,830,598.27</b>	<b>\$ (7,780,094.34)</b>	<b>\$ (84,477,032.55)</b>	<b>\$ 50,503.93</b>

33,114.00

(\*) LAIF Interest is paid quarterly in the month following quarter end.

**CITY OF ESCONDIDO  
SUMMARY OF INVESTMENT PORTFOLIO YIELDS  
FOR THE LAST 12 MONTHS  
As of March 31, 2014**

<b>Date</b>	<b>Book Value</b>	<b>Yield</b>
<b>Mar-14</b>	<b>\$ 113,898,134.22</b>	<b>1.1060%</b>
<b>Feb-14</b>	<b>\$ 116,190,926.23</b>	<b>1.0880%</b>
<b>Jan-14</b>	<b>\$ 119,387,994.05</b>	<b>1.0060%</b>
<b>Dec-13</b>	<b>\$ 112,921,842.43</b>	<b>1.0610%</b>
<b>Nov-13</b>	<b>\$ 102,670,253.77</b>	<b>1.0680%</b>
<b>Oct-13</b>	<b>\$ 103,207,187.39</b>	<b>1.0660%</b>
<b>Sep-13</b>	<b>\$ 100,003,564.90</b>	<b>1.1270%</b>
<b>Aug-13</b>	<b>\$ 103,105,165.15</b>	<b>1.1720%</b>
<b>Jul-13</b>	<b>\$ 123,383,159.85</b>	<b>1.0530%</b>
<b>Jun-13</b>	<b>\$ 127,425,499.74</b>	<b>1.0610%</b>
<b>May-13</b>	<b>\$ 120,726,896.91</b>	<b>1.1090%</b>
<b>Apr-13</b>	<b>\$ 113,786,953.14</b>	<b>1.1690%</b>

**Average Annual Investment Portfolio Yield 1.0905%**

Tracker  
 City of Escondido  
 Portfolio Holdings  
 Investment Portfolio - by Asset Class, Summary  
 Report Format: By Totals  
 Group By: Asset Class  
 Average By: Face Amount / Shares  
 Portfolio / Report Group: All Portfolios  
 As of 1/31/2014

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	21,692,390.91	21,692,390.91	21,692,390.91	21,692,390.91	1	0.244
Federal Agency Coupon Securities	76,610,000.00	79,125,955.25	78,893,905.49	77,749,194.81	812	1.405
LAIF - Public Safety Facility Bonds	50,503.93	50,503.93	50,503.93	50,503.93	1	0.244
Money Market Account	11,911,055.14	11,911,055.14	11,911,055.14	11,911,055.14	1	0.200
Negotiable Certificate of Deposit	984,000.00	984,000.00	985,269.59	984,000.00	371	0.813
Treasury Coupon Securities	7,000,000.00	7,006,891.25	7,026,255.00	7,000,849.26	242	0.400
<b>Total / Average</b>	<b>118,247,949.98</b>	<b>120,770,796.48</b>	<b>120,559,390.06</b>	<b>119,387,994.05</b>	<b>562</b>	<b>1.006</b>

*Kenneth C. Hugins*  
 Kenneth C. Hugins, City Treasurer

Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 1/31/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
<b>Money Market Account</b>								
Bank of America MM	MM0555	Bank of Americ	5/31/2011	11,911,055.14	11,911,055.14	11,911,055.14	1	0.200
<b>Sub Total / Average</b>				<b>11,911,055.14</b>	<b>11,911,055.14</b>	<b>11,911,055.14</b>	<b>1</b>	<b>0.200</b>
<b>Negotiable Certificate of Deposit</b>								
Capital One Bank 0.6 10/30/2015	140420NCO	Capital One Bar	10/30/2013	246,000.00	246,614.51	246,000.00	637	0.600
Celtic Bank 1.25 12/20/2017	15118RIL2	Celtic Bank	12/20/2013	246,000.00	246,404.33	246,000.00	1419	1.250
Gold Coast Bank 1.2 10/30/2017	38058KCS3	Gold Coast Ban	12/30/2013	246,000.00	246,246.74	246,000.00	1368	1.200
WEBBANK 0.2 3/31/2014	947547GRO	WEBBANK	12/31/2013	246,000.00	246,004.01	246,000.00	59	0.200
<b>Sub Total / Average</b>				<b>984,000.00</b>	<b>985,269.59</b>	<b>984,000.00</b>	<b>871</b>	<b>0.813</b>
<b>Treasury Coupon Securities</b>								
FFCB 0 8/12/2014	313313B64	FFCB	1/31/2014	3,500,000.00	3,498,705.00	3,498,311.25	193	0.091
T-Bond 0.25 8/31/2014	912828TL4	Treasury	3/28/2013	2,500,000.00	2,502,050.00	2,500,693.78	212	0.201
T-Note 2.125 5/31/2015	912828NF3	Treasury	6/18/2010	1,000,000.00	1,025,510.00	1,001,844.23	485	1.978
<b>Sub Total / Average</b>				<b>7,000,000.00</b>	<b>7,026,265.00</b>	<b>7,000,849.26</b>	<b>242</b>	<b>0.400</b>
<b>Total / Average</b>				<b>118,247,949.98</b>	<b>120,559,390.06</b>	<b>119,387,984.05</b>	<b>548</b>	<b>1.006</b>



Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 1/31/2024

Description	CUSIP/Tricker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
FHLB 4 6/16/2015	3133XTYD2	FHLB	9/30/2010	1,000,000.00	1,051,030.00	1,033,205.81	501	1.485
FHLMC 1 7/28/2017	3137EADJ5	FHLMC	12/20/2013	1,500,000.00	1,498,800.00	1,496,921.49	1274	1.060
FHLMC 2 8/25/2016	3137EACW7	FHLMC	8/31/2011	3,000,000.00	3,104,760.00	3,059,790.02	937	1.197
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	5,000,000.00	5,236,000.00	5,048,695.62	847	2.055
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	6/1/2011	2,500,000.00	2,618,000.00	2,533,002.55	847	1.900
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	3,000,000.00	3,141,600.00	3,029,299.99	847	2.054
FHLMC 3 7/28/2014	3137EACD9	FHLMC	6/18/2010	5,000,000.00	5,068,850.00	5,026,142.64	178	1.880
FHLMC 5 2/16/2017	3137EAA11	FHLMC	2/16/2012	5,000,000.00	5,628,000.00	5,584,369.09	1112	1.048
FNMA 0.5 5/27/2015	3135G0KM4	FNMA	6/29/2012	3,000,000.00	3,009,900.00	3,000,391.32	481	0.490
FNMA 0.875 5/21/2018	3135G0WJ8	FNMA	12/20/2013	1,500,000.00	1,465,740.00	1,459,531.90	1571	1.526
FNMA 1.06 5/29/2018	3136G0SG2	FNMA	12/20/2013	500,000.00	490,765.00	489,996.10	1579	1.540
FNMA 1.125 4/27/2017	3135G0JA2	FNMA	5/31/2012	2,000,000.00	2,013,820.00	2,009,326.72	1182	0.977
FNMA 1.25 1/30/2017	3135G0GY3	FNMA	1/24/2012	3,000,000.00	3,041,670.00	3,002,831.59	1095	1.217
FNMA 1.25 9/28/2016	3135G0CM3	FNMA	9/29/2011	5,000,000.00	5,079,150.00	4,994,227.71	971	1.295
FNMA 1.375 11/15/2016	3135G0E58	FNMA	12/29/2011	2,000,000.00	2,040,240.00	2,009,715.65	1019	1.195
FNMA 2.375 7/28/2015	31398AU34	FNMA	3/24/2011	2,000,000.00	2,061,600.00	2,012,021.27	543	1.951
FNMA 2.375 7/28/2015	31398AU34	FNMA	9/30/2010	1,000,000.00	1,030,800.00	1,012,801.49	543	1.480
FNMA 4.625 10/15/2014	31359MWJ8	FNMA	6/18/2010	1,000,000.00	1,031,406.25	1,017,803.92	257	1.972
<b>Sub Total / Average</b>				<b>76,610,000.00</b>	<b>79,893,905.49</b>	<b>77,749,194.81</b>	<b>812</b>	<b>1.405</b>
<b>LAIF - Public Safety Facility Bonds</b>								
LAIF LGIP	LGIP7018	LAIF	6/30/2011	50,503.93	50,503.93	50,503.93	1	0.244
<b>Sub Total / Average</b>				<b>50,503.93</b>	<b>50,503.93</b>	<b>50,503.93</b>	<b>1</b>	<b>0.244</b>

Tracker  
 City of Escondido  
 Portfolio Holdings  
 Investment Portfolio - by Asset Class  
 Report Format: By Transaction  
 Group By: Asset Class  
 Average By: Face Amount / Shares  
 Portfolio / Report Group: All Portfolios  
 As of: 1/31/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
<b>Money Market Account</b>								
Bank of America MM	MM0555	Bank of Americ	5/31/2011	11,911,055.14	11,911,055.14	11,911,055.14	1	0.200
<b>Sub Total / Average</b>				<b>11,911,055.14</b>	<b>11,911,055.14</b>	<b>11,911,055.14</b>	<b>1</b>	<b>0.200</b>
<b>Negotiable Certificate of Deposit</b>								
Capital One Bank 0.6 10/30/2015	140420NCO	Capital One Bar	10/30/2013	246,000.00	246,614.51	246,000.00	637	0.600
Celtic Bank 1.25 12/20/2017	15118RUL2	Celtic Bank	12/20/2013	246,000.00	246,404.33	246,000.00	1419	1.250
Gold Coast Bank 1.2 10/30/2017	38058KCS3	Gold Coast Ban	12/30/2013	246,000.00	246,246.74	246,000.00	1368	1.200
WEBBANK 0.2 3/31/2014	947547GRO	WEBBANK	12/31/2013	246,000.00	246,004.01	246,000.00	59	0.200
<b>Sub Total / Average</b>				<b>984,000.00</b>	<b>985,269.59</b>	<b>984,000.00</b>	<b>871</b>	<b>0.813</b>
<b>Treasury Coupon Securities</b>								
FFCB 0 8/12/2014	313313B64	FFCB	1/31/2014	3,500,000.00	3,498,705.00	3,498,311.25	193	0.091
T-Bond 0.25 8/31/2014	912828TL4	Treasury	3/28/2013	2,500,000.00	2,502,050.00	2,500,693.78	212	0.201
T-Note 2.125 5/31/2015	912828NF3	Treasury	6/18/2010	1,000,000.00	1,025,510.00	1,001,844.23	485	1.978
<b>Sub Total / Average</b>				<b>7,000,000.00</b>	<b>7,026,265.00</b>	<b>7,000,849.26</b>	<b>242</b>	<b>0.400</b>
<b>Total / Average</b>				<b>118,247,949.98</b>	<b>120,559,390.06</b>	<b>119,387,984.05</b>	<b>548</b>	<b>1.006</b>

Tracker  
 City of Escondido  
 Portfolio Holdings  
 Investment Portfolio - by Asset Class, Summary  
 Report Format: By Totals  
 Group By: Asset Class  
 Average By: Face Amount / Shares  
 Portfolio / Report Group: All Portfolios  
 As of 2/28/2014

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	19,692,390.91	19,692,390.91	19,692,390.91	19,692,390.91	1	0.236
Federal Agency Coupon Securities	82,205,000.00	84,726,527.59	84,478,633.25	83,307,038.94	838	1.405
LAIF - Public Safety Facility Bonds	50,503.93	50,503.93	50,503.93	50,503.93	1	0.236
Money Market Account	4,412,096.29	4,412,096.29	4,412,096.29	4,412,096.29	1	0.200
Negotiable Certificate of Deposit	1,728,000.00	1,728,000.00	1,732,216.37	1,728,000.00	793	0.784
Treasury Coupon Securities	7,000,000.00	7,006,891.25	7,025,328.13	7,000,896.16	214	0.400
<b>Total / Average</b>	<b>115,087,991.13</b>	<b>117,616,409.97</b>	<b>117,391,168.88</b>	<b>116,190,926.23</b>	<b>624</b>	<b>1.088</b>

  
 Kenneth C. Hugins, City Treasurer

Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - By Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 7/28/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
<b>California Local Agency Investment Fund</b>								
LAIF LGIP	LGIP7282	LAIF	5/31/2011	19,692,390.91	19,692,390.91	19,692,390.91	1	0.236
<b>Sub Total / Average</b>				<b>19,692,390.91</b>	<b>19,692,390.91</b>	<b>19,692,390.91</b>	<b>1</b>	<b>0.236</b>
<b>Federal Agency Coupon Securities</b>								
FFCB 0 6/10/2014	313313XX1	FFCB	10/10/2013	2,000,000.00	1,999,840.00	1,999,093.33	102	0.162
FFCB 0 3 8/21/2014	3133EAM70	FFCB	3/28/2013	2,500,000.00	2,502,175.00	2,501,067.50	174	0.210
FFCB 1.61 8/1/2018	3133ECW75	FFCB	2/3/2014	1,000,000.00	1,008,690.00	1,007,259.62	1615	1.440
FFCB 2.4 3/15/2016	31331KEK2	FFCB	3/24/2011	1,000,000.00	1,036,260.00	1,002,590.89	746	2.265
FFCB 4.55 3/4/2015	31331SNP4	FFCB	6/18/2010	1,000,000.00	1,043,740.00	1,021,833.22	369	2.260
FFCB 4.75 9/30/2015	31331GCR8	FFCB	9/30/2010	1,000,000.00	1,069,920.00	1,049,129.39	579	1.520
FFCB 5.125 11/15/2018	31331YE15	FFCB	12/26/2013	760,000.00	876,766.40	871,378.11	1721	1.856
FHLB 0.7 12/19/2016	3130A0HC71	FHLB	12/19/2013	1,455,000.00	1,454,490.75	1,455,000.00	1025	0.700
FHLB 1.375 12/11/2015	313371NW2	FHLB	12/29/2010	1,000,000.00	1,018,690.00	983,512.56	651	2.360
FHLB 1.375 3/9/2018	313378A43	FHLB	3/28/2013	3,000,000.00	3,015,990.00	3,058,010.90	1470	0.883
FHLB 1.375 3/9/2018	313378A43	FHLB	12/26/2013	2,000,000.00	2,010,660.00	1,989,018.12	1470	1.516
FHLB 1.625 12/11/2015	313371VF0	FHLB	12/29/2010	1,000,000.00	1,021,850.00	987,779.35	651	2.355
FHLB 1.625 12/9/2016	313371PV2	FHLB	12/29/2011	1,500,000.00	1,539,960.00	1,518,771.32	1015	1.160
FHLB 1.625 9/28/2015	3133716Z4	FHLB	9/30/2010	1,000,000.00	1,020,640.00	1,001,271.68	577	1.541
FHLB 1.63 8/20/2015	313370NE4	FHLB	3/24/2011	1,000,000.00	1,020,540.00	995,502.19	538	1.950
FHLB 1.75 12/14/2018	313376BR5	FHLB	12/26/2013	895,000.00	901,273.95	891,287.28	1750	1.841
FHLB 1.75 9/11/2015	313370J85	FHLB	9/30/2010	1,000,000.00	1,022,060.00	1,003,306.70	560	1.525
FHLB 2.3 12/8/2016	313371ZU3	FHLB	12/29/2011	500,000.00	520,450.00	514,633.94	1014	1.210
FHLB 2.5 6/13/2014	3133XWE70	FHLB	6/7/2012	3,000,000.00	3,019,980.00	3,018,189.54	105	0.382
FHLB 3.125 3/11/2016	3133XXP43	FHLB	3/24/2011	3,000,000.00	3,164,310.00	3,047,759.60	742	2.291

Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 2/28/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
FHLB 3.25 9/12/2014	3133XUMR1	FHLB	6/18/2010	1,000,000.00	1,016,400.00	1,006,081.45	196	2.060
FHLB 4 6/16/2015	3133XTYD2	FHLB	9/30/2010	1,000,000.00	1,048,190.00	1,031,350.00	473	1.485
FHLMC 1 7/28/2017	3137EADJ5	FHLMC	12/20/2013	1,500,000.00	1,502,490.00	1,496,989.15	1246	1.060
FHLMC 2 8/25/2016	3137EACW7	FHLMC	8/31/2011	3,000,000.00	3,107,250.00	3,058,003.34	909	1.197
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	5,000,000.00	5,234,700.00	5,047,085.85	819	2.055
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	3,000,000.00	3,140,820.00	3,028,331.40	819	2.054
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	6/1/2011	2,500,000.00	2,617,350.00	2,531,911.56	819	1.900
FHLMC 3 7/28/2014	3137EACD9	FHLMC	6/18/2010	5,000,000.00	5,057,150.00	5,022,030.31	150	1.880
FHLMC 5 2/16/2017	3137EAAM1	FHLMC	2/16/2012	5,000,000.00	5,622,900.00	5,569,654.76	1084	1.048
FNMA 0.5 5/27/2015	3135GOKM4	FNMA	6/29/2012	3,000,000.00	3,009,870.00	3,000,368.54	453	0.490
FNMA 0.875 5/21/2018	3135GOWJ8	FNMA	12/20/2013	1,500,000.00	1,470,225.00	1,460,253.16	1543	1.526
FNMA 0.875 8/28/2017	3135GOMZ3	FNMA	2/3/2014	2,000,000.00	1,990,900.00	1,987,308.46	1277	1.060
FNMA 1.06 5/29/2018	3136G05G2	FNMA	12/20/2013	500,000.00	491,630.00	490,173.49	1551	1.540
FNMA 1.125 4/27/2017	3135G0JAZ	FNMA	5/31/2012	2,000,000.00	2,015,200.00	2,009,105.78	1154	0.977
FNMA 1.25 1/30/2017	3135G0GY3	FNMA	1/24/2012	3,000,000.00	3,047,400.00	3,002,759.18	1067	1.217
FNMA 1.25 9/28/2016	3135G0CMB	FNMA	9/29/2011	5,000,000.00	5,078,750.00	4,994,394.16	943	1.295
FNMA 1.375 11/15/2016	3135G0ES8	FNMA	12/29/2011	2,000,000.00	2,039,760.00	2,009,448.68	991	1.195
FNMA 1.75 1/30/2019	3136FTZ5	FNMA	2/3/2014	2,595,000.00	2,603,355.90	2,605,987.48	1797	1.660
FNMA 2.375 7/28/2015	31398AU34	FNMA	9/30/2010	1,000,000.00	1,029,450.00	1,012,141.37	515	1.480
FNMA 2.375 7/28/2015	31398AU34	FNMA	3/24/2011	2,000,000.00	2,058,900.00	2,011,401.39	515	1.951
FNMA 4.625 10/15/2014	31359MWJ8	FNMA	6/18/2010	1,000,000.00	1,027,656.25	1,015,864.19	229	1.972
<b>Sub Total / Average</b>				<b>82,205,000.00</b>	<b>84,478,633.25</b>	<b>83,307,038.94</b>	<b>838</b>	<b>1.405</b>

Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 2/28/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
<b>LAIIF - Public Safety Facility Bonds</b>								
LAIIF LGIP	LGIP7018	LAIIF	6/30/2011	50,503.93	50,503.93	50,503.93	1	0.236
<b>Sub Total / Average</b>				<b>50,503.93</b>	<b>50,503.93</b>	<b>50,503.93</b>	<b>1</b>	<b>0.236</b>
<b>Money Market Account</b>								
Bank of America MM	MM0555	Bank of America	5/31/2011	4,412,096.29	4,412,096.29	4,412,096.29	1	0.200
<b>Sub Total / Average</b>				<b>4,412,096.29</b>	<b>4,412,096.29</b>	<b>4,412,096.29</b>	<b>1</b>	<b>0.200</b>
<b>Negotiable Certificate of Deposit</b>								
Capital One Bank 0.6 10/30/2015	140420NC0	Capital One Bank	10/30/2013	246,000.00	246,612.52	246,000.00	609	0.600
Celtic Bank 1.25 12/20/2017	15118RIL2	Celtic Bank	12/20/2013	246,000.00	246,711.38	246,000.00	1391	1.250
G E Capital 1.85 2/7/2019	36157PWB1	G E Capital	2/7/2014	246,000.00	248,581.65	246,000.00	1805	1.850
Gold Coast Bank 1.2 10/30/2017	38058KCS3	Gold Coast Bank	12/30/2013	246,000.00	246,546.61	246,000.00	1340	1.200
Susquehanna Bank 0.2 8/7/2014	86910RBW7	Susquehanna Bank	2/7/2014	249,000.00	248,933.64	249,000.00	160	0.200
SYNOVUS 0.2 10/14/2014	87164DDV9	SYNOVUS	2/11/2014	249,000.00	248,822.11	249,000.00	228	0.200
WEBBANK 0.2 3/31/2014	947547GR0	WEBBANK	12/31/2013	246,000.00	246,008.46	246,000.00	31	0.200
<b>Sub Total / Average</b>				<b>1,728,000.00</b>	<b>1,732,216.37</b>	<b>1,728,000.00</b>	<b>793</b>	<b>0.784</b>
<b>Treasury Coupon Securities</b>								
FFCB 0.8/12/2014	313313B64	FFCB	1/31/2014	3,500,000.00	3,499,195.00	3,498,556.25	165	0.091
T-Bond 0.25 8/31/2014	912828TL4	Treasury	3/28/2013	2,500,000.00	2,501,953.13	2,500,602.15	184	0.201
T-Note 2.125 5/31/2015	912828NF3	Treasury	6/18/2010	1,000,000.00	1,024,180.00	1,001,737.76	457	1.978
<b>Sub Total / Average</b>				<b>7,000,000.00</b>	<b>7,025,328.13</b>	<b>7,000,896.16</b>	<b>214</b>	<b>0.400</b>
<b>Total / Average</b>				<b>115,087,991.13</b>	<b>117,591,168.88</b>	<b>116,190,926.23</b>	<b>624</b>	<b>1.088</b>

Tracker  
 City of Escondido  
 Portfolio Holdings  
 Investment Portfolio - by Asset Class, Summary  
 Report Format: By Totals  
 Group By: Asset Class  
 Average By: Face Amount / Shares  
 Portfolio / Report Group: All Portfolios  
 As of 3/31/2014

Description	Face Amount/Shares	Cost Value	Market Value	Book Value	Days To Maturity	YTM @ Cost
California Local Agency Investment Fund	19,692,390.91	19,692,390.91	19,692,390.91	19,692,390.91	1	0.236
Federal Agency Coupon Securities	82,205,000.00	84,726,527.59	84,148,304.25	83,259,730.49	807	1.405
LAF - Public Safety Facility Bonds	50,503.93	50,503.93	50,503.93	50,503.93	1	0.236
Money Market Account	2,412,560.81	2,412,560.81	2,412,560.81	2,412,560.81	1	0.200
Negotiable Certificate of Deposit	1,482,000.00	1,482,000.00	1,481,232.87	1,482,000.00	888	0.881
Treasury Coupon Securities	7,000,000.00	7,006,891.25	7,023,815.00	7,000,948.08	182	0.400
<b>Total / Average</b>	<b>112,842,455.65</b>	<b>115,370,874.49</b>	<b>114,808,807.77</b>	<b>113,898,134.22</b>	<b>611</b>	<b>1.106</b>

*Kenneth C. Hugins*  
 Kenneth C. Hugins, City Treasurer

Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - By Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 3/31/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
<b>California Local Agency Investment Fund</b>								
LAIF LGIP	LGIP7282	LAIF	5/31/2011	19,692,390.91	19,692,390.91	19,692,390.91	1	0.236
<b>Sub Total / Average</b>				<b>19,692,390.91</b>	<b>19,692,390.91</b>	<b>19,692,390.91</b>	<b>1</b>	<b>0.236</b>
<b>Federal Agency Coupon Securities</b>								
FFCB 0 6/10/2014	313313XX1	FFCB	10/10/2013	2,000,000.00	1,999,880.00	1,999,368.89	71	0.162
FFCB 0 3 8/21/2014	3133EAM70	FFCB	3/28/2013	2,500,000.00	2,502,125.00	2,500,877.31	143	0.210
FFCB 1.61 8/1/2018	3133ECW75	FFCB	2/3/2014	1,000,000.00	999,390.00	1,007,120.27	1584	1.440
FFCB 2.4 3/15/2016	31331KEK2	FFCB	3/24/2011	1,000,000.00	1,034,250.00	1,002,483.23	715	2.265
FFCB 4.55 3/4/2015	31331SNP4	FFCB	6/18/2010	1,000,000.00	1,040,740.00	1,019,998.99	338	2.260
FFCB 4.75 9/30/2015	31331GCR8	FFCB	9/30/2010	1,000,000.00	1,066,290.00	1,046,498.97	548	1.520
FFCB 5.125 11/15/2018	31331YEJ5	FFCB	12/26/2013	760,000.00	868,284.80	869,371.88	1690	1.856
FHLB 0.7 12/19/2016	3130A0HC71	FHLB	12/19/2013	1,455,000.00	1,448,772.60	1,455,000.00	994	0.700
FHLB 1.375 12/11/2015	313371NW2	FHLB	12/29/2010	1,000,000.00	1,015,530.00	984,297.68	620	2.360
FHLB 1.375 3/9/2018	313378A43	FHLB	12/26/2013	2,000,000.00	1,995,640.00	1,989,249.71	1439	1.516
FHLB 1.375 3/9/2018	313378A43	FHLB	3/28/2013	3,000,000.00	2,993,460.00	3,056,787.54	1439	0.883
FHLB 1.625 12/11/2015	313371VF0	FHLB	12/29/2010	1,000,000.00	1,020,670.00	988,361.28	620	2.355
FHLB 1.625 12/9/2016	313371PV2	FHLB	12/29/2011	1,500,000.00	1,532,100.00	1,518,198.01	984	1.160
FHLB 1.625 9/28/2015	3133716Z4	FHLB	9/30/2010	1,000,000.00	1,018,090.00	1,001,203.36	546	1.541
FHLB 1.65 8/20/2015	313370NE4	FHLB	3/24/2011	1,000,000.00	1,018,340.00	995,761.35	507	1.950
FHLB 1.75 12/14/2018	313376BR5	FHLB	12/26/2013	895,000.00	892,798.30	891,353.05	1719	1.841
FHLB 1.75 9/11/2015	313370IB5	FHLB	9/30/2010	1,000,000.00	1,020,390.00	1,003,123.65	529	1.525
FHLB 2.3 12/8/2016	313371ZU3	FHLB	12/29/2011	500,000.00	517,930.00	514,186.55	983	1.210
FHLB 2.5 6/13/2014	3133XWE70	FHLB	6/7/2012	3,000,000.00	3,014,490.00	3,012,819.29	74	0.382
FHLB 3.125 3/11/2016	3133XP43	FHLB	3/24/2011	3,000,000.00	3,148,170.00	3,045,764.26	711	2.291



Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - By Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 3/31/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
FHLB 3.25 9/12/2014	3133XUMR1	FHLB	6/18/2010	1,000,000.00	1,014,190.00	1,005,119.59	165	2.060
FHLB 4 6/16/2015	3133XTYD2	FHLB	9/30/2010	1,000,000.00	1,044,830.00	1,029,295.35	442	1.485
FHLMC 1 7/28/2017	3137EADJ5	FHLMC	12/20/2013	1,500,000.00	1,493,250.00	1,497,064.06	1215	1.060
FHLMC 2 8/25/2016	3137EACW7	FHLMC	8/31/2011	3,000,000.00	3,097,410.00	3,056,025.22	878	1.197
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	5,000,000.00	5,211,850.00	5,045,303.60	788	2.055
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	5/25/2011	3,000,000.00	3,127,110.00	3,027,259.03	788	2.054
FHLMC 2.5 5/27/2016	3137EACT4	FHLMC	6/1/2011	2,500,000.00	2,605,925.00	2,530,703.67	788	1.900
FHLMC 3 7/28/2014	3137EACD9	FHLMC	6/18/2010	5,000,000.00	5,045,950.00	5,017,477.38	119	1.880
FHLMC 5 2/16/2017	3137EAAM1	FHLMC	2/16/2012	5,000,000.00	5,581,700.00	5,553,363.89	1053	1.048
FNMA 0.5 5/27/2015	3135G0KM4	FNMA	6/29/2012	3,000,000.00	3,010,470.00	3,000,343.32	422	0.490
FNMA 0.875 5/21/2018	3135G0WJ8	FNMA	12/20/2013	1,500,000.00	1,459,410.00	1,461,051.70	1512	1.526
FNMA 0.875 8/28/2017	3135G0MZ3	FNMA	2/3/2014	2,000,000.00	1,978,220.00	1,987,616.56	1246	1.060
FNMA 1.06 5/29/2018	3136G05G2	FNMA	12/20/2013	500,000.00	489,090.00	490,369.90	1520	1.540
FNMA 1.125 4/27/2017	3135G0JA2	FNMA	5/31/2012	2,000,000.00	2,010,020.00	2,008,861.17	1123	0.977
FNMA 1.25 1/30/2017	3135G0GY3	FNMA	1/24/2012	3,000,000.00	3,033,300.00	3,002,679.02	1036	1.217
FNMA 1.25 9/28/2016	3135G0CM3	FNMA	9/29/2011	5,000,000.00	5,070,350.00	4,994,578.44	912	1.295
FNMA 1.375 11/15/2016	3135G0E58	FNMA	12/29/2011	2,000,000.00	2,031,120.00	2,009,153.11	960	1.195
FNMA 1.75 1/30/2019	3136FTZ5	FNMA	2/3/2014	2,595,000.00	2,587,448.55	2,605,797.94	1766	1.660
FNMA 2.375 7/28/2015	31398AU34	FNMA	9/30/2010	1,000,000.00	1,028,300.00	1,011,410.53	484	1.480
FNMA 2.375 7/28/2015	31398AU34	FNMA	3/24/2011	2,000,000.00	2,056,600.00	2,010,715.10	484	1.951
FNMA 4.625 10/15/2014	31359MWJ8	FNMA	6/18/2010	1,000,000.00	1,024,420.00	1,013,716.64	198	1.972
<b>Sub Total / Average</b>				<b>82,205,000.00</b>	<b>84,148,304.25</b>	<b>83,259,730.49</b>	<b>807</b>	<b>1.405</b>

Tracker  
City of Escondido  
Portfolio Holdings  
Investment Portfolio - by Asset Class  
Report Format: By Transaction  
Group By: Asset Class  
Average By: Face Amount / Shares  
Portfolio / Report Group: All Portfolios  
As of 3/31/2014

Description	CUSIP/Ticker	Issuer	Settlement Date	Face Amount/Shares	Market Value	Book Value	Days To Maturity	YTM @ Cost
<b>LAI - Public Safety Facility Bonds</b>								
LAI LGIP	LGIP7018	LAI	6/30/2011	50,503.93	50,503.93	50,503.93	1	0.236
<b>Sub Total / Average</b>				<u>50,503.93</u>	<u>50,503.93</u>	<u>50,503.93</u>	<u>1</u>	<u>0.236</u>
<b>Money Market Account</b>								
Bank of America MM	MM0555	Bank of America	5/31/2011	2,412,560.81	2,412,560.81	2,412,560.81	1	0.200
<b>Sub Total / Average</b>				<u>2,412,560.81</u>	<u>2,412,560.81</u>	<u>2,412,560.81</u>	<u>1</u>	<u>0.200</u>
<b>Negotiable Certificate of Deposit</b>								
Capital One Bank 0.6 10/30/2015	140420NCO	Capital One Bank	10/30/2013	246,000.00	246,365.11	246,000.00	578	0.600
Celtic Bank 1.25 12/20/2017	15118RIL2	Celtic Bank	12/20/2013	246,000.00	245,202.47	246,000.00	1360	1.250
G E Capital 1.85 2/7/2019	36157PWB1	G E Capital	2/7/2014	246,000.00	246,700.63	246,000.00	1774	1.850
Gold Coast Bank 1.2 10/30/2017	38058KCS3	Gold Coast Bank	12/30/2013	246,000.00	245,118.07	246,000.00	1309	1.200
Susquehanna Bank 0.2 8/7/2014	86810RBW7	Susquehanna Bank	2/7/2014	249,000.00	248,973.21	249,000.00	129	0.200
SYNOVUS 0.2 10/14/2014	87164DDV9	SYNOVUS	2/11/2014	249,000.00	248,873.38	249,000.00	197	0.200
<b>Sub Total / Average</b>				<u>1,482,000.00</u>	<u>1,481,232.87</u>	<u>1,482,000.00</u>	<u>888</u>	<u>0.881</u>
<b>Treasury Coupon Securities</b>								
FFCB 0.8/12/2014	313313864	FFCB	1/31/2014	3,500,000.00	3,499,335.00	3,498,827.50	134	0.091
T-Bond 0.25 8/31/2014	912828T14	Treasury	3/28/2013	2,500,000.00	2,501,750.00	2,500,500.70	153	0.201
T-Bond 2.125 5/31/2015	912828NF3	Treasury	6/18/2010	1,000,000.00	1,022,730.00	1,001,619.88	426	1.978
<b>Sub Total / Average</b>				<u>7,000,000.00</u>	<u>7,023,815.00</u>	<u>7,000,948.08</u>	<u>182</u>	<u>0.400</u>
<b>Total / Average</b>				<u>112,842,455.65</u>	<u>114,808,807.77</u>	<u>113,898,134.22</u>	<u>611</u>	<u>1.106</u>

Tracker  
 City of Escondido  
 Transactions Summary  
 Transaction Summary Report - Matured Investments  
 Group By: Action  
 Portfolio / Report Group: All Portfolios  
 From 1/1/2014 To 3/31/2014

Description	CUSIP/Ticker	Settlement Date	Face Amount/Shares	Principal	Total
<b>Matured</b>					
WEBBANK .2 3/31/2014	947547GRO	3/31/2014	246,000.00	246,000.00	246,000.00
<b>Total / Average</b>			<b>246,000.00</b>	<b>246,000.00</b>	<b>246,000.00</b>

CITY OF ESCONDIDO  
 FUNDS MANAGED BY OUTSIDE PARTIES  
 March 31, 2014

Type of Funds / Institution	Market Value	Interest Rate	Type of Investment
<b>BOND FUNDS</b>			
BANK OF NEW YORK MELLON TRUST COMPANY, N.A. :			
1993 Vineyard Golf Course Certificates of Participation	\$ 674,241.51	0.193%	Money Market/ U.S. Agency Bond
2007 COP - Water Project (Certificates issued September 2007)	7,179,207.84	0.010%	Money Market
2004A Wastewater Bond (1996 Wastewater Refunding)	2,024,021.72	0.201%	Money Market/ U.S. Agency Bond
2004B Wastewater Bond - Brine Project	3,586,613.69	0.057%	Money Market/ U.S. Agency Bond
2006 Community Facility District (Eureka Ranch)	1,219,356.30	0.201%	Money Market/ U.S. Agency Bond
1986-1R/98 Auto Parkway Assessment District	335,953.44	0.201%	Money Market/ U.S. Agency Bond
1998-1 Rancho San Pasqual Assessment District	342,126.13	0.260%	Money Market/ U.S. Agency Bond
2012 JPFA Revenue Bonds ( Water System Financing)	20,000,000.87	0.236%	LAIF/Money Market
2012 JPFA Revenue Bonds ( Wastewater System Financing)	25,000,001.13	0.236%	LAIF/Money Market
2013 JPFA Reidy Creek Refunding	75,684.40	0.020%	Money Market
2013 CFD 2000-01 Hidden Trails Special Tax Refunding Bonds	9,997.19	0.060%	Money Market / Cash
<b>TOTAL FUNDS MANAGED BY OUTSIDE PARTIES</b>	<b>\$ 60,447,204.12</b>		

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 5**  
**Date: May 21, 2014**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Joyce Masterson, Director of Economic Development and Community Relations  
**SUBJECT:** Extension of the San Dieguito River Park Joint Powers Authority Agreement

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2014-66 extending the Joint Exercise of Powers Agreement for the San Dieguito River Valley Regional Open Space Park Joint Powers Authority.

**FISCAL ANALYSIS:**

None

**PREVIOUS ACTION:**

On November 20, 2013, the Escondido City Council adopted resolution No. 2013-144 approving an Amended Joint Exercise Powers Agreement for the San Dieguito River Valley Regional Open Space Park Joint Powers Authority.

**BACKGROUND:**

On November 20, 2013, the Escondido City Council adopted resolution No. 2013-144 approving an Amended Joint Exercise Powers Agreement for the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (JPA). Signed approval is required from all six member agencies before the agreement can become effective. The City of San Diego has not approved the agreement, prompting the JPA Board of Directors to approve and distribute an extension agreement for the original 1989 agreement to member agencies. To be executed, the extension requires approval from only two member agencies. The City of Del Mar approved the extension agreement on May 5, 2014, and the County approved it on May 7. It will be considered by the Solana Beach City Council on May 14 and by the Poway City Council on May 20.

The extension will be in effect for fifty years, or as long as two member agencies participate, or until an alternative agreement is executed, whichever is first. If the City of San Diego signs the pending revised agreement then that agreement will take the place of the extension.

Extension of the San Dieguito River Park Joint Powers Authority Agreement  
May 21, 2014  
Page 2

On May 2, 2014 San Diego Mayor Kevin Faulconer said he will restore the city's annual \$254,000 contribution to the San Dieguito River Park, a 55-mile hiking and bicycling oasis stretching from Del Mar to Julian but has not yet approved an Amended Joint Exercise Powers Agreement.

A copy of the extension agreement is attached as Exhibit A to Resolution No. 2014-66.

Respectfully submitted,

A handwritten signature in blue ink that reads "Joyce Masterson". The signature is written in a cursive, flowing style.

Joyce Masterson  
Director of Economic Development and Community Relations

RESOLUTION NO. 2014-66

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING AN EXTENSION OF THE JOINT  
EXERCISE OF POWERS AGREEMENT BY AND  
BETWEEN THE COUNTY OF SAN DIEGO, AND  
THE CITIES OF DEL MAR, ESCONDIDO,  
POWAY, SAN DIEGO, AND SOLANA BEACH,  
CREATING THE SAN DIEGUITO RIVER VALLEY  
REGIONAL OPEN SPACE PARK JOINT  
POWERS AUTHORITY

WHEREAS, the SANDAG / San Dieguito River Valley Regional Open Space Park Executive Committee approved a Joint Powers Agreement allowing the creation of an independent agency irrespective of jurisdictional boundaries and provides for the planning, designing and improving of the park as well as acquiring and disposing of property for park purposes for the benefit of the public; and

WHEREAS, the City Council adopted Resolution 89-193 on May 24, 1989, adopting the original agreement creating the San Dieguito River Valley Regional Open Space Park Joint Powers Authority ("JPA"); and

WHEREAS, the initial term of the original agreement was for 25 years with an option to extend, and the participating agencies anticipated a continuation of the JPA and beyond its initial term if the JPA successfully carried out the purpose for which it was formed; and

WHEREAS, the JPA has successfully carried out its duties as an independent agency and has facilitated the expansion and improvement of the San Dieguito River Park through the adoption of a River Park Concept Plan, attainment of grant funding for

the purchase and preservation of over 2,976 acres of open space lands, completion of restoration projects involving biological and cultural resources, and the development of an extensive trail system; and

WHEREAS, on November 20, 2013, the Escondido City Council adopted resolution No. 2013-144 approving an Amended Joint Exercise Powers Agreement for the San Dieguito River Valley Regional Open Space Park Joint Powers Authority; and

WHEREAS, signed approval is required from all six member agencies before the agreement can become effective. The City of San Diego has not approved the agreement, prompting the JPA Board of Directors to approve and distribute an extension agreement for the original 1989 agreement to member agencies. To be executed, the extension requires approval from only two member agencies; and

WHEREAS, the extension will be in effect for fifty years, or as long as two member agencies participate, or until an alternative agreement is executed, whichever is first; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said agreement extension;

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

1. That the above recitations are true.
2. That the Mayor and City Clerk are authorized to execute, on behalf of the



City, an extension of the Joint Exercise of Powers Agreement ("Agreement") by and between the County of San Diego, and the Cities of Del Mar, Escondido, Poway, San Diego, and Solana Beach, creating the San Dieguito River Valley Regional Open Space Park Joint Powers Authority. A copy of the extension agreement is attached as Exhibit "A" and incorporated by this reference.

**EXTENSION OF JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE COUNTY OF SAN DIEGO AND THE CITIES OF DEL MAR, ESCONDIDO, POWAY, SAN DIEGO, AND SOLANA BEACH CREATING THE SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY**

The term of the Joint Exercise of Powers Agreement between the COUNTY OF SAN DIEGO, a political subdivision of the State of California, and the cities of DEL MAR, ESCONDIDO, POWAY, SAN DIEGO, and SOLANA BEACH, municipal corporations, which shall individually or collectively be referred to as "Public Agencies" dated June 12, 1989 ("Agreement") is hereby extended pursuant to Section 2 of the Agreement and the following terms and conditions:

1. This extension shall take effect immediately upon approval and execution by at least two Public Agencies.

2. After the initial twenty-five year term, the Agreement shall continue in full force and effect so long as any two Public Agencies continue as members or for fifty years, whichever occurs first.

3. Public Agencies that approve and execute this extension shall continue as members of the Authority after the Agreement's initial twenty-five year term expires.

4. Public Agencies that do not approve and execute this extension shall be deemed withdrawn from the Authority after the Agreement's initial twenty-five year term expires, but shall retain the right to renew their membership by executing this extension or pursuant to an alternative agreement approved by all members.

5. This extension may be signed in one or more counterparts.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

CITY OF DEL MAR

By: \_\_\_\_\_  
City Manager

Dated \_\_\_\_\_

CITY OF ESCONDIDO

By: \_\_\_\_\_  
City Manager

Dated \_\_\_\_\_

CITY OF POWAY

By: \_\_\_\_\_  
City Manager

Dated \_\_\_\_\_

CITY OF SAN DIEGO

By: \_\_\_\_\_  
Mayor

Dated \_\_\_\_\_

CITY OF SOLANA BEACH

By: \_\_\_\_\_  
City Manager

Dated \_\_\_\_\_

COUNTY OF SAN DIEGO

By: \_\_\_\_\_  
Clerk of the Board of Supervisors

Dated \_\_\_\_\_

## CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 6**

**Date: May 21, 2014**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Christopher McKinney, Director of Utilities  
**SUBJECT:** Application Submittal for Integrated Regional Water Management Grant Funding

### RECOMMENDATION:

The Utilities Department requests that Council authorize the Director of Utilities or his designee to submit an application for Round 3 Prop 84 Integrated Regional Water Management (IRWM) grant funding in the amount of \$6,000,000 for Phase A of the Agricultural Reuse and Salt Reduction Project.

### FISCAL ANALYSIS:

The grant has a minimum matching fund requirement of 25% from the City. The current project phase for which the grant is being requested has a total estimated cost of over \$30 million. Staff will continue to investigate other funding opportunities, including grants and low interest loans that may be available for the balance of this and future phases of the project.

### BACKGROUND:

On March 1, 2014, Governor Brown signed legislation to assist drought-affected communities and provide funding to better use local water supplies. The CA Department of Water Resources (DWR) was directed to expedite the solicitation and award \$200 million in IRWM funding, of which an estimated \$20 million will be available in the San Diego region, to support projects and programs that in part, provide immediate regional drought preparedness and increase local water supply reliability.

The City was awarded Round 2 IRWM Prop 84 funds for a recycled water line extension to serve agricultural needs in this area, but salt and salinity management issues have come into focus with the drought in California. Round 2 IRWM Prop 84 funds also funded a short reach of brine line that will be constructed in a common trench with the recycled water line.

The City of Escondido's Agricultural Reuse and Salt Reduction Project meets the real needs of these agricultural users and provides a means to evaluate salt reduction processes. These pilot scale evaluations will provide insight into the growth of the City's non-potable reuse system and other agricultural uses of recycled water. The system is also set up to allow pilot testing for the City's planned development of an Indirect Potable Reuse System.

The project is set up in five phases, A through E. Phase A is the only phase for which the City is requesting funding at this time. As part of the Project approximately 4,400 AFY of recycled water will be produced and distributed to agricultural users in the north and east areas of the City.

Salt management was found to be a critical factor to the agricultural users of this water. In addition, with the California Drought and limited availability of State Water Project supplies, it is envisioned that higher salinity supplies will be utilized from the Colorado River. The project will mitigate salinity impacts through the Agricultural Membrane Plant. Data has shown that for some soil types, higher salinity recycled water requires approximately 20% more water to enable salt flushing. As such, the 4,400 AFY of desalted recycled water produced and distributed through the Phase A project is expected to displace 880 AFY (20% of 4,440) of potable water demand.

The City of Escondido's Agriculture Reuse and Salt Reduction Project is also an important initial phase of a larger plan by the City to develop approximately 8,000 AFY of new supply through Indirect Potable Reuse.

This grant request is directed at Phase A which includes an initial 2 mgd reverse osmosis facility, approximately 13,500 feet of brine discharge pipeline, approximately 15,000 feet of recycled water distribution pipeline to supply the end users, and a 0.25 mgd Advanced Water Purification Facility for demonstration and education purposes. Phase A is a portion of the project that was presented to City Council on April 2, 2014 as the Recycled Water and Potable Reuse Program. At that time Council directed staff to pursue all possible grant opportunities due to the magnitude of the program.

CONCLUSIONS:

Staff recommends pursuing IRWM grant funding through the CA Department of Water Resources for Phase A of the Agricultural Reuse and Salt Reduction Project.

Respectfully submitted,



Christopher W. McKinney  
Director of Utilities



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 7

**Date:** May 21, 2014

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Debra Lundy, Real Property Manager

**SUBJECT:** Set the Date of June 11, 2014 for a Public Hearing to Consider Adoption Resolutions of Necessity Authorizing the City Attorney to Initiate Condemnation Proceedings

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2014-53 setting the date of June 11, 2014 at 4:30 p.m. for Public Hearings to consider adopting Resolutions of Necessity authorizing the City Attorney to initiate condemnation proceedings to acquire the property rights across portions of Assessor Parcel Numbers 240-230-29, 30 & 31 (Charles Norbert Lypps) and 241-171-01 (Djukic) for construction of the Cemetery Pipeline Replacement Project.

FISCAL ANALYSIS:

Funding for the easement acquisitions will come from an existing Water Utility Capital fund called the Waterline-Cemetery Area Project #801202. This project currently has an available balance of \$5.1 million.

BACKGROUND:

The City of Escondido's Cemetery Waterline Pipeline Project ("Project") involves the abandonment of approximately 17,500 linear feet of existing potable water pipeline and the construction of approximately 12,600 linear feet of new replacement potable water transmission and distribution pipeline. The Project will also include 2,545 linear feet of new recycled water pipeline. The Project area covers approximately 32 acres in the eastern portion of the City's Utility Department, Water Division service area and includes land both within the City and unincorporated County of San Diego.

To date, the City has acquired 15 easements from 13 property owners in the Project area. Although negotiations have been ongoing for approximately two years, so far staff has been unsuccessful in acquiring the necessary easement interests across the remaining four parcels from two private property owners, which are the subject of this request. Negotiations will continue with the property owners in the hopes of acquiring the interests by agreement.

Respectfully submitted,

Debra Lundy  
Real Property Manager

RESOLUTION NO. 2014-53

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING NOTICES OF INTENT TO  
ADOPT RESOLUTIONS OF NECESSITY TO  
CONDEMN INTERESTS IN PROPERTY  
IDENTIFIED AS ASSESSOR PARCEL  
NUMBERS 241-171-01, 240-230-29, 30 & 31

Hearing Date: June 11, 2014

WHEREAS, the City of Escondido's Cemetery Waterline Pipeline Project ("Project") anticipates the abandoning of approximately 17,500 linear feet of aged potable water pipeline and the construction of approximately 12,600 linear feet of new replacement potable water transmission and distribution pipeline; and

WHEREAS, the Project will also include 2,545 linear feet of new recycled water pipeline; and

WHEREAS, it will be necessary to acquire easement interests in properties identified as Assessor Parcel Numbers 241-171-01, owned by Borka Djukic and the Djukic Living Trust.; and 240-230-29, 30 & 31, owned by Charles Norbert Lypps, and described in the attached Exhibit "1," which is incorporated by this reference, in order to accomplish the Project; and

WHEREAS, attempts thus far to acquire the properties from the property owners have been unsuccessful; and

WHEREAS, the easements are necessary to complete the Cemetery Pipeline Replacement Project; and

WHEREAS, this City Council desires to give notice to all interested parties that they may appear and be heard on June 11, 2014, at 4:30 p.m. as to the following issues pertaining to this matter:

- a. Whether the public interest and necessity require the project;
- b. Whether the project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury;
- c. Whether the property sought to be acquired is necessary for the project.

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 a public hearing shall be held on June 11, 2014, at 4:30 p.m. in the City Hall Council Chambers, located at 201 North Broadway, Escondido, California.
3. That the City Council of the City of Escondido authorizes the issuance of a notice of its intent to adopt Resolutions of Necessity for the initiation of eminent domain proceedings with regard to the subject properties. A copy of the Notice of Hearing is attached as Exhibit "2" and is incorporated by this reference.
4. That the City Clerk is directed to send a copy of this Resolution and the Notice of Hearing to the person or persons who appear on the latest equalized assessment roll as the owners of the subject properties.



J-15345d

EXHIBIT "A"

WATER LINE EASEMENT  
LEGAL DESCRIPTION

Being a portion of Parcel 3 of Parcel Map No. 12163 in the County of San Diego, State of California according to Parcel Map thereof filed in the Office of the County Recorder June 3, 1982 as File No. 82-169621 said portion being more particularly described as follows:

**Beginning** at a point in the Northerly line of Parcel 2 of said Parcel Map No. 12163 which bears North 78°07'03" East along said Northerly line a distance of 211.01 feet from the most Northwestern corner of said Parcel 2, said point being the beginning of a non-tangent 129.50 foot radius curve concave Southwesterly to which a radial line bears North 55°31'43" East; thence Northwesterly along the arc of said curve through a central angle of 30°59'59" a distance of 70.07 feet; thence North 65°28'16" West 39.74 feet to the beginning of a tangent 171.50 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of 09°48'45" a distance of 29.37 feet to a point in the Westerly line of Parcel 3 of said Parcel Map 12163 which bears North 37°40'24" East along said Westerly line a distance of 150.19 feet from said Northwestern corner of said Parcel 2; thence along said Westerly line of Parcel 3 and non-tangent to said curve South 37°40'24" West 20.03 feet to the beginning of a non-tangent 191.50 foot radius curve concave Northeasterly to which a radial line bears South 34°41'23" West; thence leaving said Westerly line, Southeasterly along the arc of said curve through a central angle of 10°09'39" a distance of 33.96 feet; thence South 65°28'16" East 39.74 feet to the beginning of a tangent 109.50 foot radius curve concave Southwesterly; thence Southeasterly along the arc of said curve through a central angle of 26°34'13" a distance of 50.78 feet to the Northerly line of said Parcel 2; thence non-tangent to said curve, along said Northerly line, North 78°07'03" East 22.02 feet to the **POINT OF BEGINNING.**

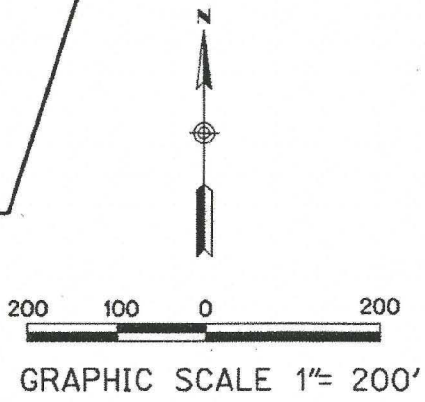
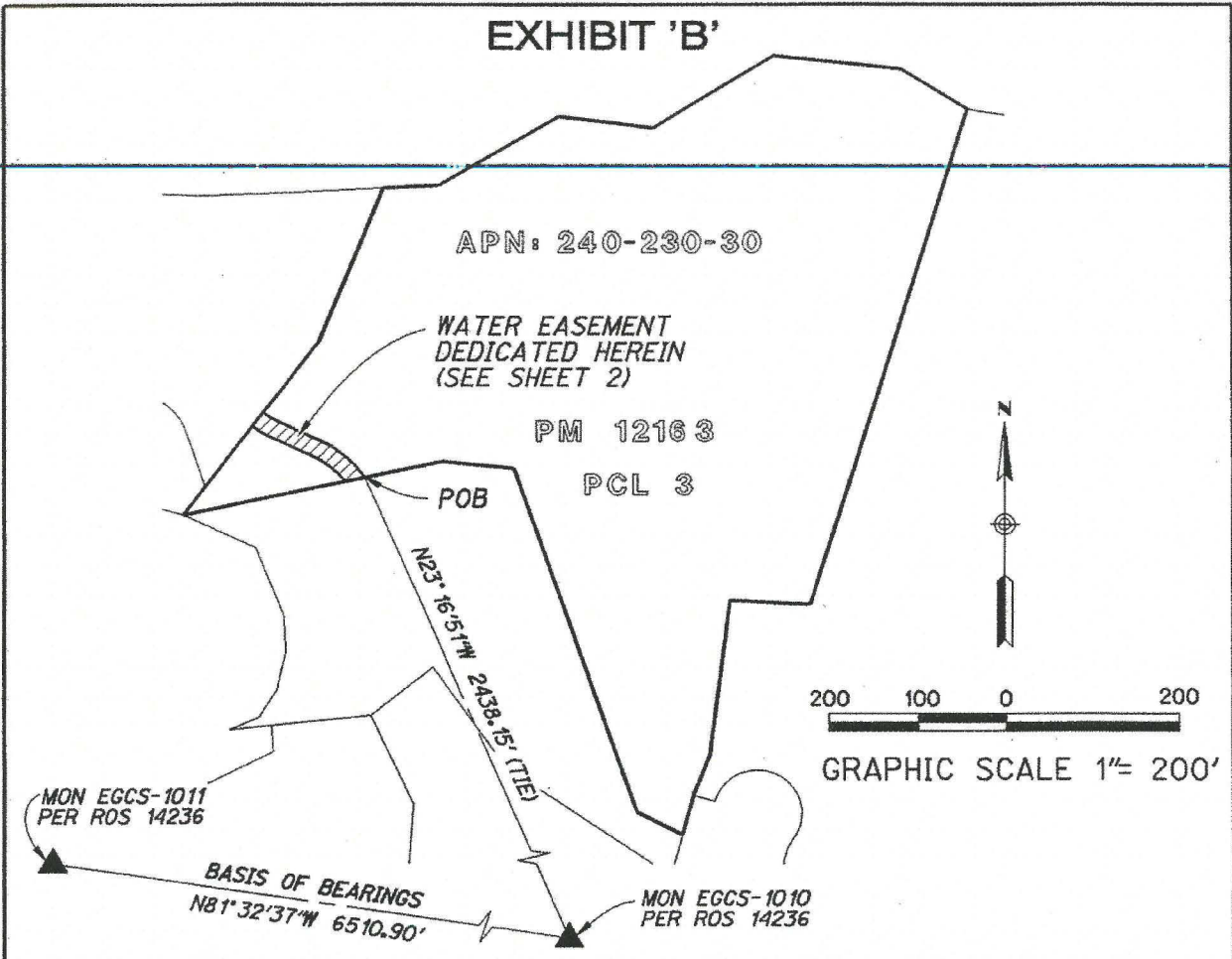
Containing 2637 Square Feet, more or less.

The above-described easement is more particularly delineated on Exhibit "B", attached hereto and made a part of hereof.



Patrick A. McMichael 12-23-2011  
Patrick A. McMichael, L.S. 6187 Date



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**LEGEND**

-  WATER EASEMENT DEDICATED HEREIN (CONTAINS 2637 S.F.)
- POB** POINT OF BEGINNING
-  ESCONDIDO MUNICIPAL WATER EASEMENT RECORDED 4/23/1982 AS INST. 82-116208

**BASIS OF BEARINGS**



THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM CCS83 ZONE 6, AND IS DETERMINED BY RTK G.P.S. MEASUREMENTS TAKEN ON NOVEMBER 30, 2009 AT GPS STA EGCS-1010 AND GPS STA EGCS-1011 AS SHOWN HEREON, PER RECORD OF SURVEY MAP No 14236.

GRID BEARING GPS STA EGCS-1010 TO GPS STA EGCS-1011:  
 N 81°32'37\"/>



*Patrick A. McMichael* 12-23-2014  
 PATRICK A. McMICHAEL DATE  
 LS 6167

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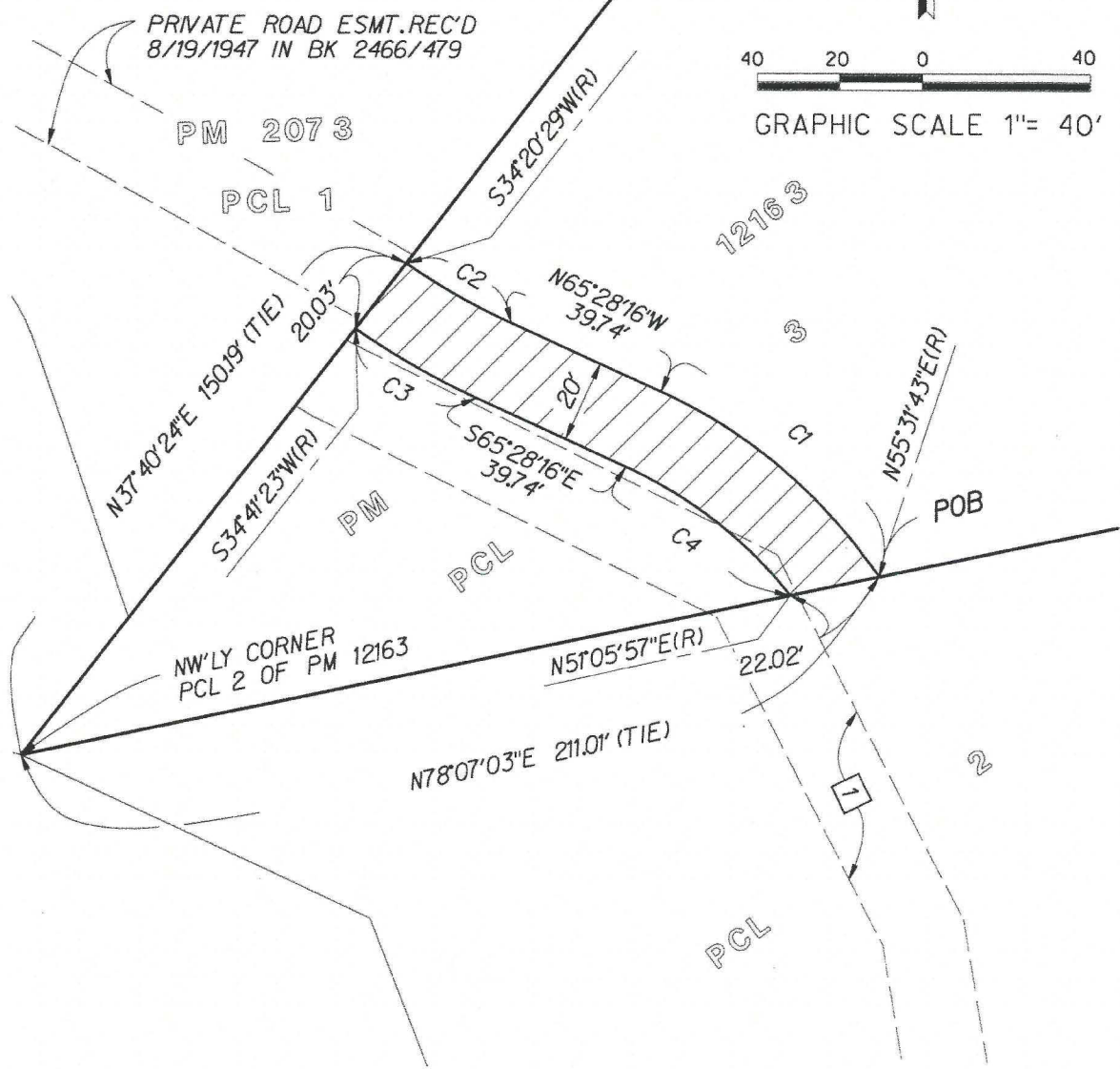
Prepared by:  <b>RICK</b> ENGINEERING COMPANY J. 15345d 5620 FRIARS ROAD 619.291.0707 SAN DIEGO, CA 92110 (FAX)619.291.4165	Date	PUBLIC WORKS DEPARTMENT, Engineering Division 201 North Broadway, CA 92025 (760) 839-4651	 DOC NO: SHEET 1 OF 2
		WATER LINE EASEMENT DEDICATION PLAT EXHIBIT "B" APN: 240-230-30	

### EXHIBIT 'B'

CURVE TABLE	NAME	DELTA	RADIUS	ARC
C1		30° 59' 59"	129.50	70.07
C2		9° 48' 45"	171.50	29.37
C3		10° 09' 39"	191.50	33.96
C4		26° 34' 13"	109.50	50.78



GRAPHIC SCALE 1" = 40'



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Prepared by: **RICK ENGINEERING COMPANY**  
 Date: \_\_\_\_\_  
 J. 15345d  
 5620 FRIARS ROAD SAN DIEGO, CA 92110  
 619.291.0707 (FAX) 619.291.4165

PUBLIC WORKS DEPARTMENT, Engineering Division  
 201 North Broadway, CA 92025 (760) 839-4651  
 WATER LINE EASEMENT DEDICATION PLAT  
 EXHIBIT "B"  
 APN: 240-230-30

**ESCONDIDO**  
 City of Choice  
 DOC NO: \_\_\_\_\_  
 SHEET 2 OF 2

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J-15345d

EXHIBIT "A"

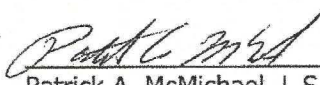
WATER LINE EASEMENT  
LEGAL DESCRIPTION

Being a portion of Parcel 2 of Parcel Map No. 12163 in the County of San Diego, State of California according to Parcel Map thereof filed in the Office of the County Recorder June 3, 1982 as File No. 82-169621 said portion being more particularly described as follows:

**Beginning** at the most Southerly corner of said Parcel 2; thence along the Southeasterly line of said Parcel 2 North 15°56'02" East 22.04 feet; thence leaving said Southeasterly line North 56°21'25" West 214.78 feet; thence North 35°34'35" West 211.31 feet; thence North 09°36'13" West 55.93 feet to the beginning of a tangent 170.00 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of 18°52'03" a distance of 55.98 feet; thence North 28°28'16" West 37.88 feet to the beginning of a tangent 129.50 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of 06°00'01" a distance of 13.56 feet to a point in the Northerly line of said Parcel 2 which bears North 78°07'03" East along said Northerly line a distance of 211.01 feet from the most Northwesterly corner of said Parcel 2; thence along said Northerly line and non-tangent to said curve South 78°07'03" West 22.02 feet to the beginning of a non-tangent 109.50 foot radius curve concave Southwesterly to which a radial line bears North 51°05'57" East; thence leaving said Northerly line, Southeasterly along the arc of said curve through a central angle of 10°25'47" a distance of 19.93 feet; thence South 28°28'16" East 37.88 feet to the beginning of a tangent 150.00 foot radius curve concave Southwesterly; thence Southeasterly along the arc of said curve through a central angle of 18°52'03" a distance of 49.39 feet; thence South 09°36'13" East 62.83 feet to a point of intersection with the Northwesterly prolongation of the Northeasterly line in Parcel 1 of said Parcel Map No. 12163 shown as bearing "South 35°32'00" East 145.00 feet" on said Parcel Map; thence along said prolongation South 35°34'35" East 72.53 feet to the most Northerly corner of said Parcel 1; thence continuing along said Northeasterly line South 35°34'35" East 145.19 feet; thence continuing along said Northeasterly line South 56°21'25" East 225.33 feet to the **POINT OF BEGINNING.**

Containing 0.286 acres, more or less.

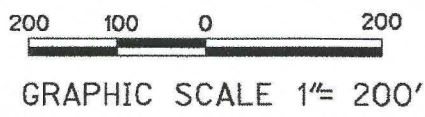
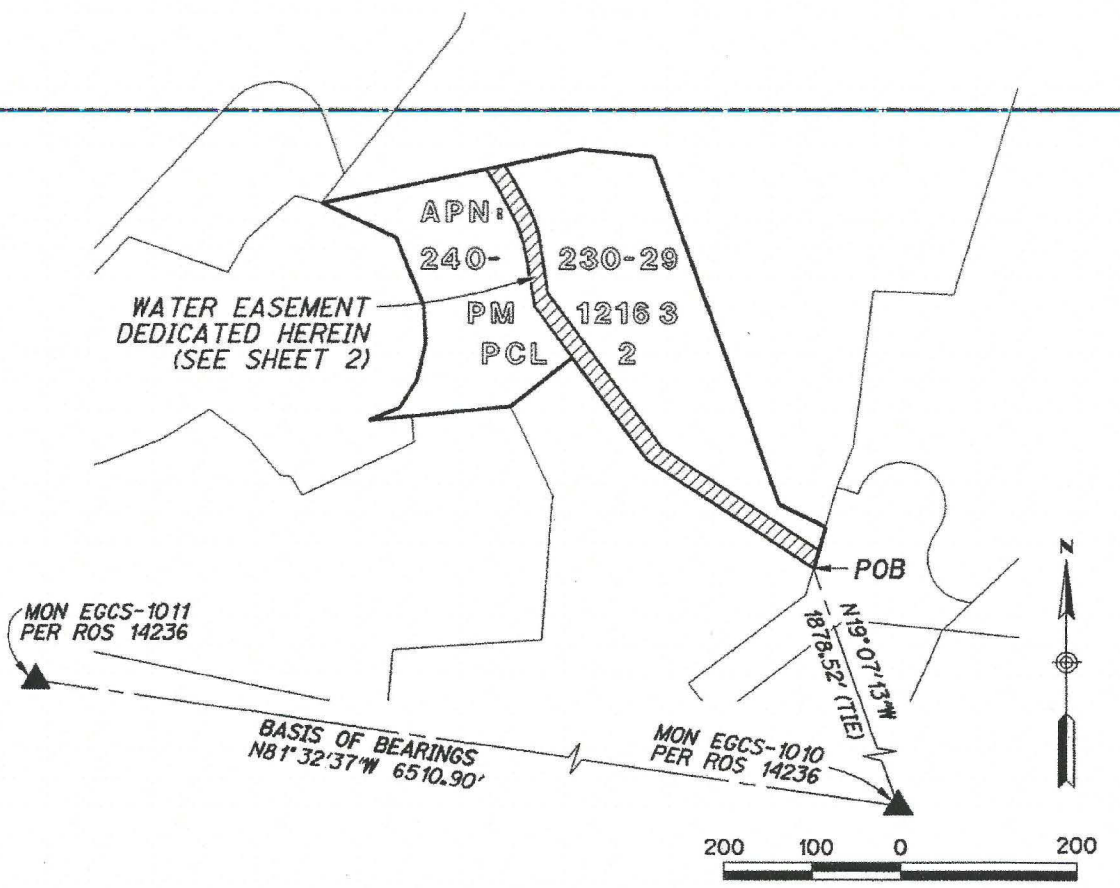
The above-described easement is more particularly delineated on Exhibit "B", attached hereto and made a part of hereof.

  
Patrick A. McMichael, L.S. 6187      Date 12-23-2014

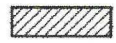



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**EXHIBIT 'B'**



**LEGEND**

-  WATER EASEMENT DEDICATED HEREIN (CONTAINS 0.286 ACRES)
- POB** POINT OF BEGINNING
-  ESCONDIDO MUNICIPAL WATER EASEMENT RECORDED 4/23/1982 AS INST. 82-116208

**BASIS OF BEARINGS**



THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM CCS83 ZONE 6, AND IS DETERMINED BY RTK G.P.S. MEASUREMENTS TAKEN ON NOVEMBER 30, 2009 AT GPS STA EGCS-1010 AND GPS STA EGCS-1011 AS SHOWN HEREON, PER RECORD OF SURVEY MAP No 14236.

GRID BEARING GPS STA EGCS-1010 TO GPS STA EGCS-1011:  
 N 81°32'37"W



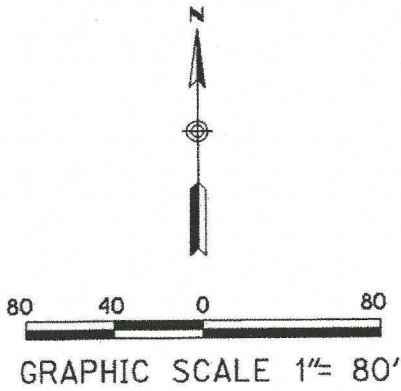
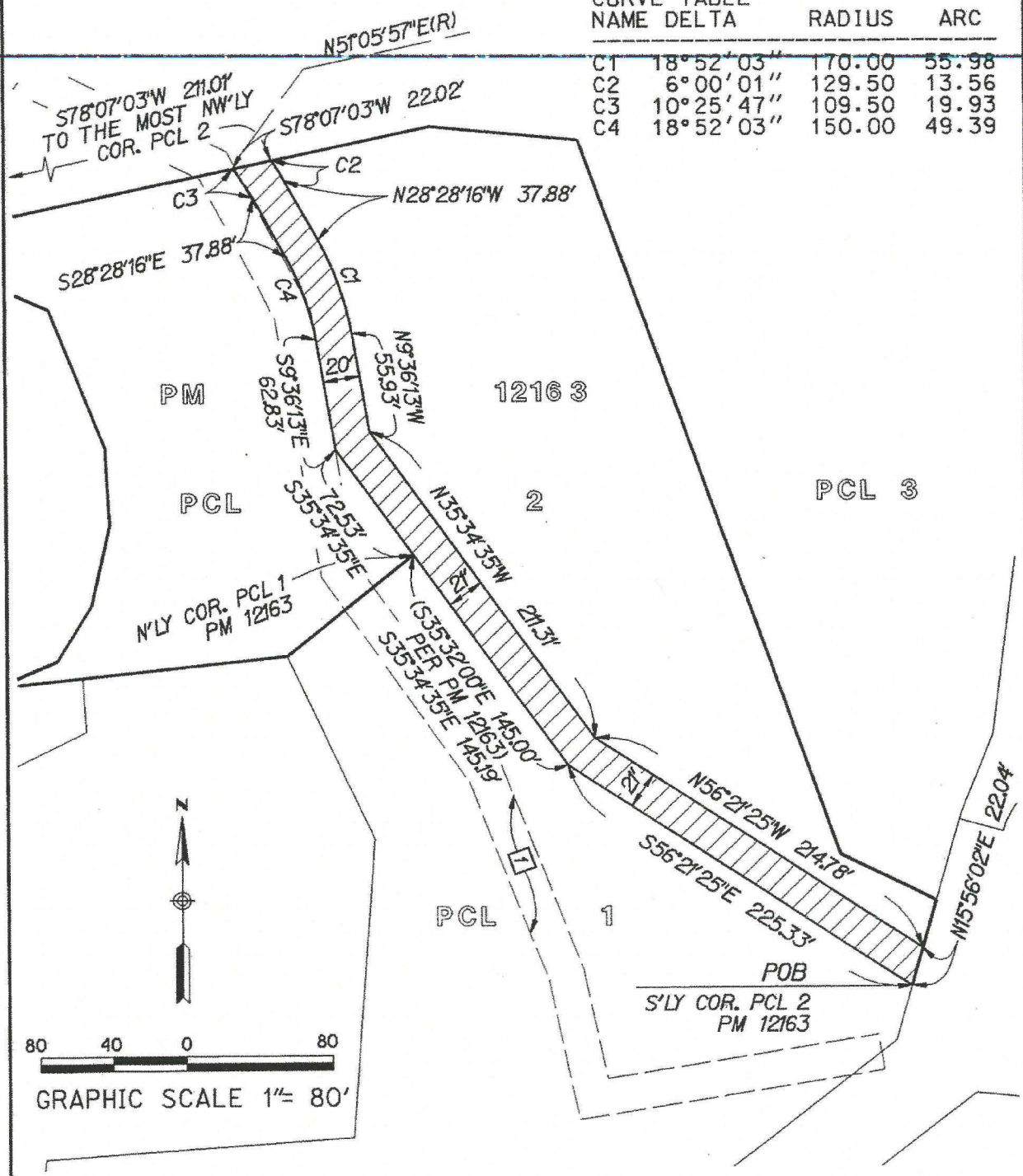
*Patrick A. McMichael* 12-23-2014  
 PATRICK A. McMICHAEL DATE  
 LS 6167

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Prepared by:  <b>RICK</b> ENGINEERING COMPANY J. 15345d 5620 FRIARS ROAD 619.291.0707 SAN DIEGO, CA 92110 (FAX)619.291.4165	Date	PUBLIC WORKS DEPARTMENT, Engineering Division 201 North Broadway, CA 92025 (760) 839-4651	 DOC NO: SHEET 1 OF 2
		WATER LINE EASEMENT DEDICATION PLAT EXHIBIT "B" APN: 240-230-29	

### EXHIBIT 'B'

CURVE TABLE NAME	DELTA	RADIUS	ARC
C1	18° 52' 03"	170.00	55.98
C2	6° 00' 01"	129.50	13.56
C3	10° 25' 47"	109.50	19.93
C4	18° 52' 03"	150.00	49.39



© 2011 Rick Engineering Company

Prepared by:  
**RICK ENGINEERING COMPANY**  
 J. 15345d  
 5620 FRIARS ROAD SAN DIEGO, CA 92110  
 619.291.0707 (FAX) 619.291.4165

PUBLIC WORKS DEPARTMENT, Engineering Division  
 201 North Broadway, CA 92025 (760) 839-4651

**WATER LINE EASEMENT DEDICATION PLAT**  
**EXHIBIT "B"**  
 APN: 240-230-29

**ESCONDIDO**  
 City of Choice

DOC NO:  
 SHEET 2 OF 2

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J-15345d

EXHIBIT "A"

WATER LINE EASEMENT  
LEGAL DESCRIPTION

Being a portion of Parcel 4 of Parcel Map No. 12163 in the County of San Diego, State of California according to Parcel Map thereof filed in said County Recorder's Office June 3, 1982 as File No. 82-169621 said portion being more particularly described as follows:

**Beginning** at the most Southerly corner of said Parcel 4, thence along the Southeasterly line of said Parcel 4, North 46°14'44" East 5.47 feet; thence leaving said Southeasterly line North 80°28'16" West 7.11 feet to the beginning of a tangent 35.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of 47°00'00" a distance of 28.71 feet; thence North 33°28'16" West 24.98 feet; thence North 78°28'16" West 9.86 feet to a point in the Southerly line of said Parcel 4, said point being the beginning of a non-tangent 50.59 foot radius curve concave Northeasterly to which a radial line bears South 80°55'42" West; thence along said Southerly line, Southeasterly along the arc of said curve through a central angle of 73°58'11" a distance of 65.31 feet; thence continuing along said Southerly line South 83°02'29" East 6.12 feet to **POINT OF BEGINNING.**

Containing 552 Square Feet, more or less.

The above-described easement is more particularly delineated on Exhibit "B", attached hereto and made a part of hereof.

Patrick A. McMichael 12-23-2017  
Patrick A. McMichael, L.S. 6187 Date




Ec:k:files:15345/Legals\_15345d\_align\_A4\_water

## EXHIBIT 'B'

### LEGEND

 WATER EASEMENT DEDICATED HEREIN  
 (CONTAINS 552 S.F.)

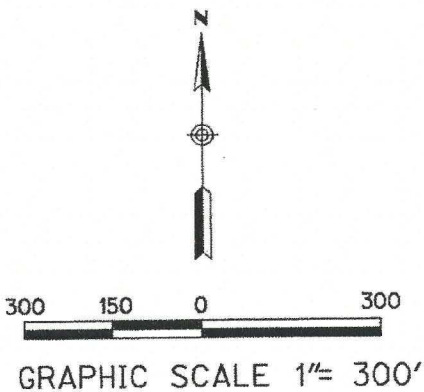
POB POINT OF BEGINNING

 PRIVATE ROAD EASEMENT RECORDED  
 7/16/1969 AS FILE NO. 128451

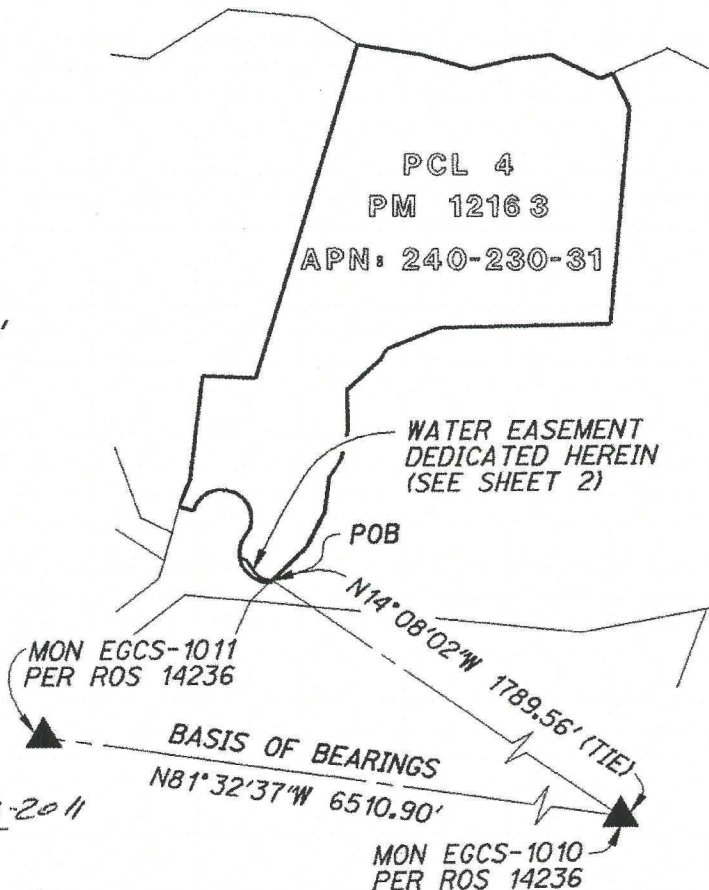
### BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM CCS83 ZONE 6, AND IS DETERMINED BY RTK G.P.S. MEASUREMENTS TAKEN ON NOVEMBER 30, 2009 AT GPS STA EGCS-1010 AND GPS STA EGCS-1011 AS SHOWN HEREON, PER RECORD OF SURVEY MAP No 14236.

GRID BEARING GPS STA EGCS-1010 TO GPS STA EGCS-1011:  
 N 81°32'37"W




*Patrick A. McMichael* 12-23-2011  
 PATRICK A. McMICHAEL DATE  
 LS 6167



© 2011 Rick Engineering Company

Prepared by: **RICK ENGINEERING COMPANY** J. 15345d  
 Date: \_\_\_\_\_  
 5620 FRIARS ROAD SAN DIEGO, CA 92110 619.291.0707 (FAX) 619.291.4165

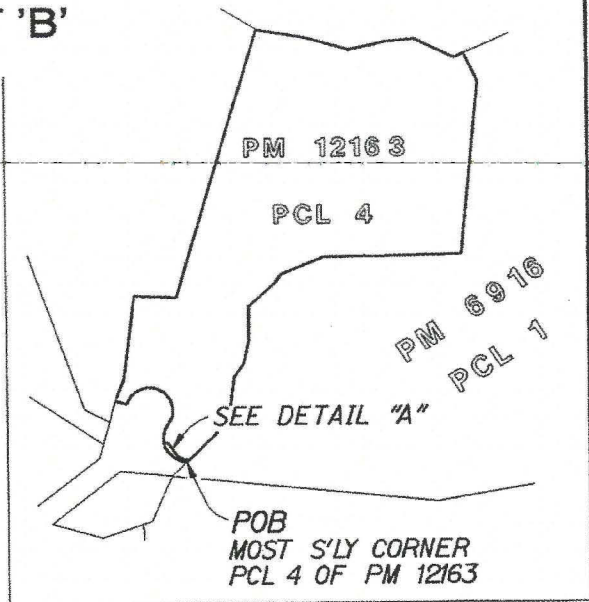
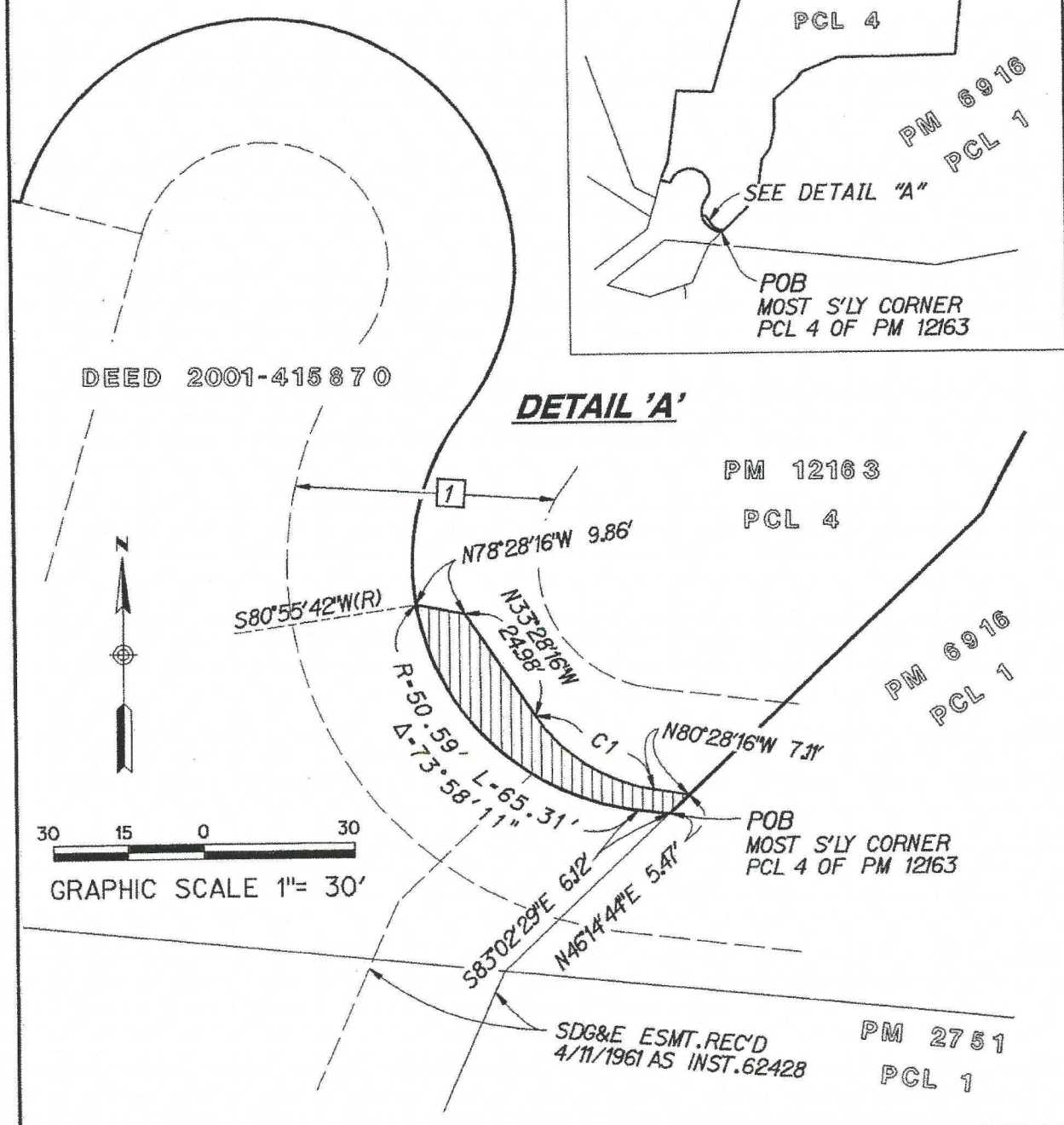
PUBLIC WORKS DEPARTMENT, Engineering Division  
 201 North Broadway, CA 92025 (760) 839-4651  
 WATER LINE EASEMENT DEDICATION PLAT  
 EXHIBIT "B"  
 APN: 240-230-31

  
 DOC NO: \_\_\_\_\_  
 SHEET 1 OF 2

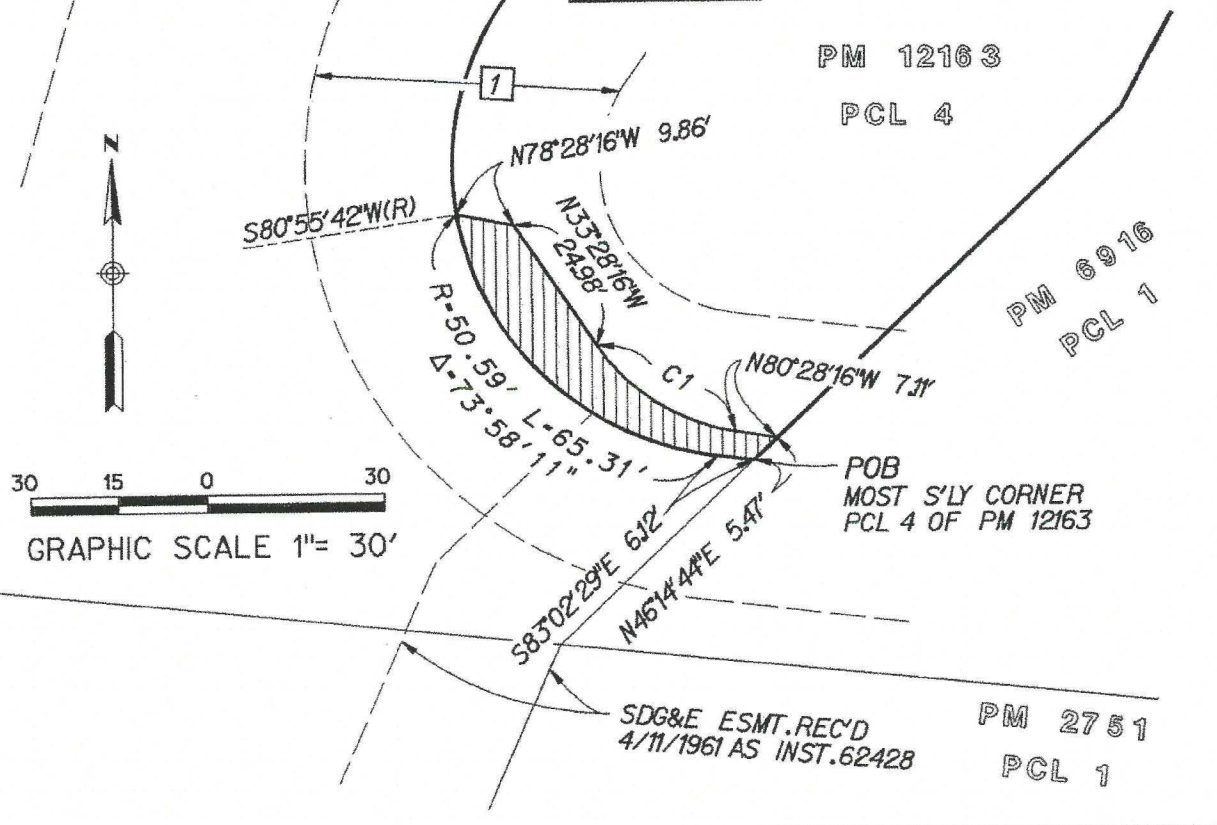


### EXHIBIT 'B'

CURVE TABLE			
NAME	DELTA	RADIUS	ARC
C1	47°00'00"	35.00	28.71



### DETAIL 'A'



Prepared by:  
**RICK**  
 ENGINEERING COMPANY  
 5620 FRIARS ROAD  
 SAN DIEGO, CA 92110

Date:  
 J. 15345d  
 619.291.0707  
 (FAX)619.291.4165

PUBLIC WORKS DEPARTMENT, Engineering Division  
 201 North Broadway, CA 92025 (760) 839-4651

WATER LINE EASEMENT DEDICATION PLAT  
 EXHIBIT "B"  
 APN: 240-230-31

**ESCONDIDO**  
 city of choice

DOC NO:  
 SHEET 2 OF 2

© 2011 Rick Engineering Company

EXHIBIT "A"

WATER LINE EASEMENT  
LEGAL DESCRIPTION

Being a portion of Lots 6 and 7 in Block 263 of the Rancho Rincon Del Diablo, in the County of San Diego, State of California, according to Map thereof No. 725 by J.M. Graham filed in the Office of the County Recorder of San Diego County August 13, 1892 as described in the Grant Deed recorded June 4, 2007 as Document No. 2007-0375619, more particularly described as follows:

**Beginning** at the Southeasterly corner of Parcel 1 of Parcel Map No. 6916 filed in said County Recorder's Office February 16, 1978 as File No. 78-064677, thence along the Southerly line of said Parcel Map No. 6916 South 79°34'34" West 184.18 feet; thence leaving said Southerly line South 34°31'53" West 125.89 feet; thence North 83°26'22" West 64.34 feet; thence South 89°33'38" West 405.42 feet to said Southerly line of Parcel Map No. 6916; thence along said Southerly line South 79°34'34" West 570.59 feet to the Northeasterly corner of Parcel 1 of Parcel Map No. 2751 filed in said County Recorder's Office June 13, 1974 as File No. 74-157803; thence leaving said Southerly line and along the Easterly line of said Parcel 1 of Parcel Map No. 2751 South 20°46'04" West 39.75 feet to the intersection of a line parallel with and 34.00 feet southerly of said Southerly line of Parcel 1 of Parcel Map No. 6916; thence leaving said Southerly line and along said parallel line North 79°34'34" East 541.77 feet; thence leaving said parallel line South 80°26'22" East 42.39 feet; thence North 75°33'38" East 121.58 feet; thence North 89°33'38" East 287.25 feet; thence South 83°26'22" East 75.14 feet; thence North 34°31'53" East 114.78 feet to a line parallel with and 30.50 feet southerly of said Southerly line of Parcel 1 of Parcel Map No. 6916; thence along said parallel line North 79°34'34" East 187.70 feet to the Easterly line of the land described in said Grant Deed; thence along said Easterly line North 12°54'49" West 30.53 feet to the **POINT OF BEGINNING.**

Containing 0.901 acres, more or less.

The above-described easement is more particularly delineated on Exhibit "B", attached hereto and made a part of hereof.


Patrick A. McMichael 12-23-11  
Patrick A. McMichael, L.S. 6187 Date

Bo:k:files:15345/legal/15345d\_align\_A1\_water




**EXHIBIT 'B'**

**LEGEND**

 WATER EASEMENT DEDICATED HEREIN  
 (CONTAINS 0.901 ACRES)

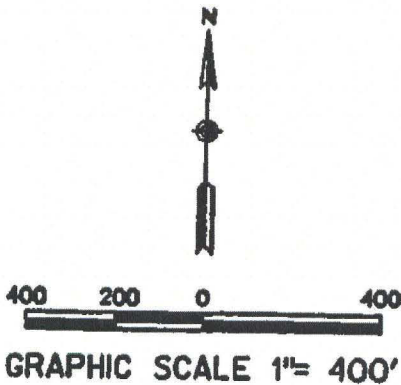
**POB** POINT OF BEGINNING

 EASEMENT & R-O-W FOR INGRESS/EGRESS FOR  
 PUBLIC UTILITY PURPOSES PER DEED REC'D  
 10/23/1990 IN BK 3833, PG 398

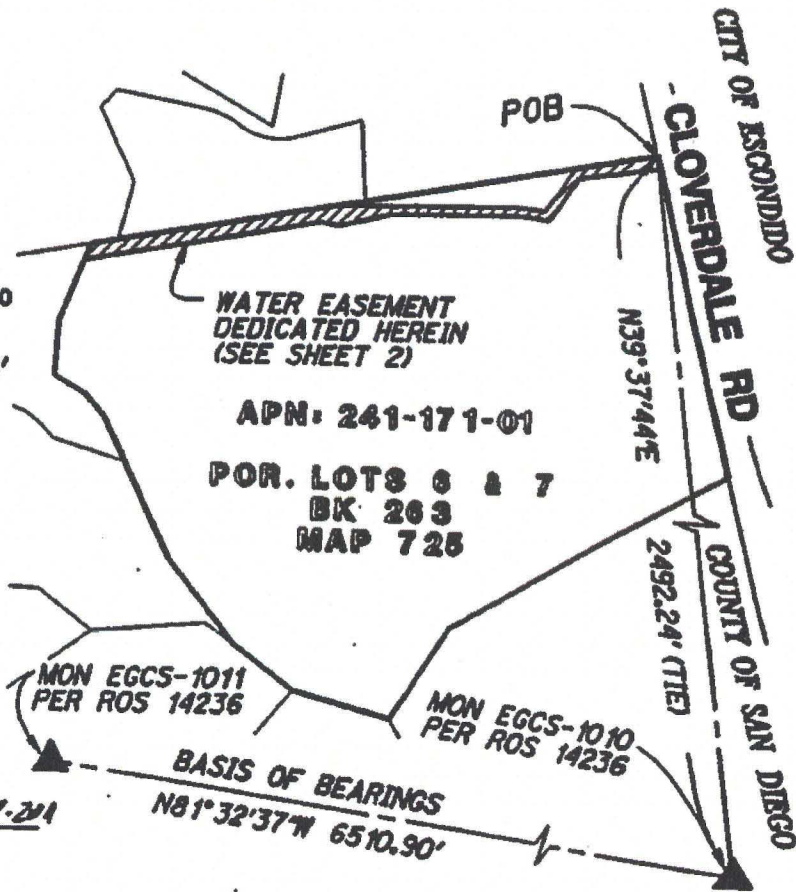
**BASIS OF BEARINGS**

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA  
 COORDINATE SYSTEM CCS83 ZONE 6, AND IS DETERMINED BY  
 RTK G.P.S. MEASUREMENTS TAKEN ON NOVEMBER 30, 2009 AT  
 GPS STA EGCS-1010 AND GPS STA EGCS-1011 AS SHOWN  
 HEREON, PER RECORD OF SURVEY MAP NO 14236.

GRID BEARING GPS STA EGCS-1010 TO GPS STA EGCS-1011  
 N 81°32'37"W



*Patrick A. McMichael*  
 PATRICK A. McMICHAEL DATE 12-27-2011  
 LS 6187



Prepared by **RICK ENGINEERING COMPANY**  
**J. 18348d**  
 5630 FRIARS ROAD SAN DIEGO, CA 92110  
 619.291.0707 (FAX) 619.291.4168

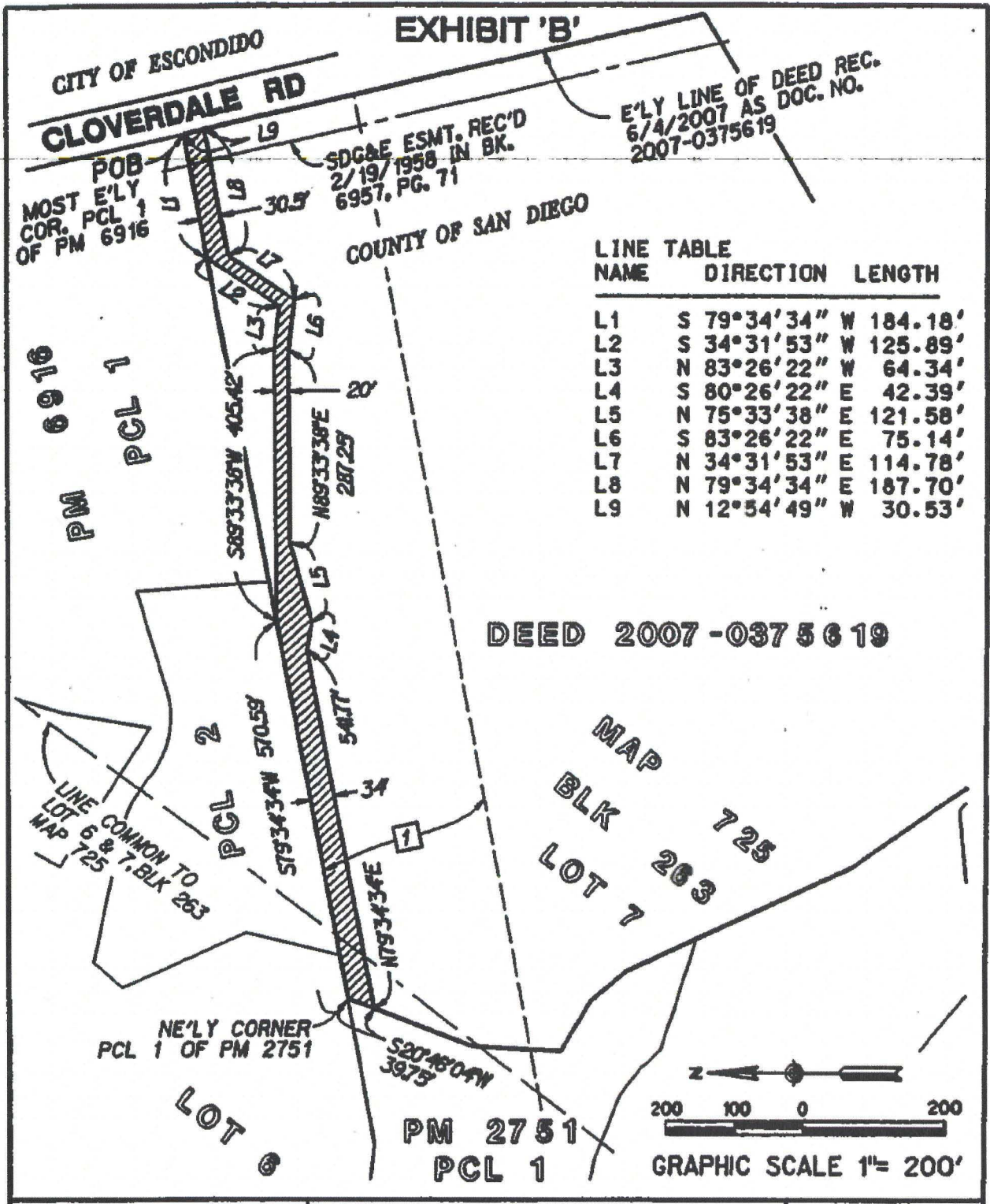
PUBLIC WORKS DEPARTMENT, Engineering Division  
 201 North Broadway, CA 92025 (760) 639-4631

WATER LINE EASEMENT DEDICATION PLAT  
 EXHIBIT "B"  
 APN: 241-171-01



DOC NO:  
 SHEET 1 OF 2

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LINE NAME	DIRECTION	LENGTH
L1	S 79°34'34" W	184.18'
L2	S 34°31'53" W	125.89'
L3	N 83°26'22" W	64.34'
L4	S 80°26'22" E	42.39'
L5	N 75°33'38" E	121.58'
L6	S 83°26'22" E	75.14'
L7	N 34°31'53" E	114.78'
L8	N 79°34'34" E	187.70'
L9	N 12°54'49" W	30.53'

© 2011 Rick Engineering Company

Prepared by: **RICK ENGINEERING COMPANY, J. 16348d**  
 Date: \_\_\_\_\_  
 3620 FRIARS ROAD SAN DIEGO, CA 92110 619.291.0707 (FAX) 619.291.4165

PUBLIC WORKS DEPARTMENT, Engineering Division  
 201 North Broadway, CA 92025 (760) 439-4651  
**WATER LINE EASEMENT DEDICATION PLAT**  
**EXHIBIT "B"**  
 APN: 241-171-01

**ESCONDIDO**  
 City of Escondido  
 DOC NO: \_\_\_\_\_  
 SHEET 2 OF 2

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 27-DEC-2011 07:48



CITY OF ESCONDIDO  
OFFICE OF THE CITY CLERK  
201 NORTH BROADWAY  
ESCONDIDO, CA 92025-2798  
(760) 839-4617

Resolution No. 2014-53  
EXHIBIT 2  
Page 1 of 1

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN on June 11, 2014 at 4:30 p.m., the Escondido City Council of the City of Escondido will hold a Public Hearing to consider the following item:

**Adopt a Resolution of Necessity to initiate condemnation proceedings to acquire the property rights across portions of Assessor Parcel Numbers 240-230-29, 30, 31 (Charles Norbert Lypps) and Assessor Parcel Number 241-171-01 (Djukic).**

IF YOU CHALLENGE this item in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council, at or prior to the Public Hearing.

The City of Escondido recognizes its obligation to provide equal access to public services for those individuals with disabilities. Please contact the American Disabilities Act (A.D.A.) Coordinator (760) 839-4641 with any requests for reasonable accommodations at least 24 hours prior to the meeting. The City of Escondido does not discriminate against any person with a handicapped status.

**ALL INTERESTED PERSONS are invited to attend said Public Hearing to express their opinion in this matter. Said Public Hearing will be held in the Council Chambers, 201 N. Broadway, Escondido, California, 92025.** For additional information, please contact **Debra Lundy, (760)839-4034**

DIANE HALVERSON, City Clerk  
City of Escondido

Date: May 22, 2014

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 8  
**Date:** **May 21, 2014**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Debra Lundy, Real Property Manager  
**SUBJECT:** First Amendment to Lease Agreement with Grand Dentistry at 418 E. Second Avenue

RECOMMENDATION

It is requested that Council adopt Resolution No. 2014-38 authorizing the Real Property Manager and City Clerk to execute a First Amendment to Lease Agreement with Grand Dentistry at 418 E. Second Avenue.

FISCAL ANALYSIS:

Rental revenue in the amount of \$192/month will be deposited into the general fund.

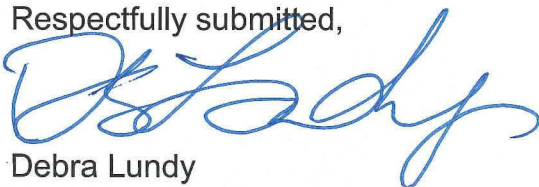
PREVIOUS ACTION:

Resolution 2011-49 was adopted on April 13, 2011 authorizing the Original Lease.

BACKGROUND:

This property is surplus property left over from the Second Avenue/Valley Parkway Project and has been improved and leased as a 12-space private parking lot since 1979. Grand Dentistry has been leasing the parking lot for employee parking since 2011 and now desires to exercise the first option to extend the term of the lease for an additional two-year term. As a result of increased operating expenses, Grand Dentistry has requested the City evaluate its current lease payment and reduce it from \$3,000 per year to \$2,000 per year. This parking lot is not within the downtown parking district and is not in demand by the other surrounding businesses at this time. A review of City rents for parking spaces outside of the core downtown parking district reveals a median fair market rent of \$16 per space per month. This First Amendment would serve to extend the lease term for another two-year term and reduce the annual rent payment to \$2,304 per year (\$16 per space per month), in line with fair market rent. The rent will be increased annually by 3%.

Respectfully submitted,



Debra Lundy  
Real Property Manager

RESOLUTION NO. 2014-38

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE REAL PROPERTY  
MANAGER AND CITY CLERK TO EXECUTE,  
ON BEHALF OF THE CITY, A FIRST  
AMENDMENT TO LEASE AGREEMENT  
WITH GRAND DENTISTRY

(418 E. Second Avenue)

WHEREAS, the City of Escondido owns certain real property at 418 E. Second Avenue which was surplus to the needs of the Second Avenue/Valley Parkway Project, for which it was acquired; and

WHEREAS, the property has been improved and leased as a 12-space private parking lot since 1979 and has been leased to Grand Dentistry since 2011 for its employee parking ("Original Lease"); and

WHEREAS, the Original Lease expired on March 31, 2014, and contains provisions for two additional two-year term extensions; and

WHEREAS, the current rent paid by Lessee is \$3,000 per year, which equates to \$21 per space per month, and staff has determined that fair market rent for similar parking spaces outside of the core downtown parking district is \$16 per space per month; and

WHEREAS, the City and Grand Dentistry desire to exercise the first option for a two-year term extension to March 31, 2016, and adjust the rent to fair market rent of \$2,304 per year; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the First Amendment to Lease Agreement.

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

1. That the above recitations are true.
2. The Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the First Amendment to Lease Agreement with Grand Dentistry which is attached hereto as Exhibit "1" and incorporated by this reference.





**FIRST AMENDMENT TO LEASE AGREEMENT**

**(418 E. Second Ave.)**

This FIRST AMENDMENT TO LEASE AGREEMENT is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Between: City of Escondido  
201 North Broadway  
Escondido, California 92025  
("City")

And: Grand Dentistry  
457 E. Grand Avenue, Suite 4  
Escondido, CA 92025  
("Lessee")

**WITNESSESS THAT WHEREAS:**

- A. City and Lessee entered into a Lease Agreement dated April 28, 2011, with an effective date of April 1, 2011 ("ORIGINAL AGREEMENT") for the lease of real property for the purpose of providing parking for patrons and employees at 418 E. Second Avenue, Escondido, California ("Premises"); and
- B. The ORIGINAL AGREEMENT expired on March 31, 2014 with provisions to extend the term for two additional 2-year terms; and
- C. As a result of increased operational costs, in order for Lessee to continue leasing the parking lot, Lessee has requested a rent reduction from \$3,000/year to \$2,304/year, which reflects the fair market rent for similar leases of City-owned parking spaces, with a median rent of \$16/space/month; and
- D. City and Lessee desire to extend the term of the lease for another 2-year period and adjust the rent to \$2304/year with 3% annual escalations; and

**NOW THEREFORE, it is mutually agreed by and between City and Lessee as follows:**

- 1. The term of the lease as specified in Section 3 of the ORIGINAL AGREEMENT shall be extended to March 31, 2016.
- 2. The rent as specified in Section 4 of the ORIGINAL AGREEMENT shall be reduced to \$2,304 a year.

3. Section 6 Cost of Living of the ORIGINAL AGREEMENT shall be amended to read: "Rent shall increase by 3% from the previous year's rent for each option exercised."
4. All other terms and condition of the ORIGINAL AGREEMENT shall remain in full force and effect.
5. This FIRST AMENDMENT and the ORIGINAL AGREEMENT, together with their respective attachments, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year noted below.

**CITY OF ESCONDIDO**

Date: \_\_\_\_\_

\_\_\_\_\_  
Debra Lundy  
Real Property Manager

Date: \_\_\_\_\_

\_\_\_\_\_  
Diane Halverson  
City Clerk

**GRAND DENTISTRY**

Date: \_\_\_\_\_

\_\_\_\_\_  
By (Print Name): \_\_\_\_\_

Its (Print Title): \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
By (Print Name): \_\_\_\_\_

Its (Print Title): \_\_\_\_\_

Approved as to Form:

Office of the City Attorney  
JEFFERY R. EPP, City Attorney

By: \_\_\_\_\_

Deputy City Attorney

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 9

**Date:** May 21, 2014

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Sheryl Bennett, Director of Administrative Services  
Joan Ryan, Assistant Director of Finance

**SUBJECT:** Approval of a Line of Credit with Escondido Education Compact (EEC)

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2014-55 approving a Line of Credit Agreement with the EEC for its financial obligations, up to the amount of \$30,000.

FISCAL ANALYSIS:


This agreement has no financial impact on the City due to Escondido Education Compact paying portfolio interest rates.

BACKGROUND:

This agreement renews a Line of Credit that has been in place since January 3, 2001. It has been renewed on October 23, 2002, July 14, 2004, May 24, 2006, October 1, 2008, May 19, 2010, and May 9, 2012. The City funds are used by EEC as cash flow since all grant reimbursements received by the agency are on a cost reimbursement basis.

Respectfully submitted,

  
Sheryl Bennett,  
Director of Administrative Services

  
Joan Ryan,  
Assistant Director of Finance

RESOLUTION NO. 2014-55

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE CITY MANAGER TO  
EXECUTE, ON BEHALF OF THE CITY, A  
LINE OF CREDIT AGREEMENT WITH THE  
ESCONDIDO EDUCATION COMPACT

WHEREAS, the City Council co-founded Escondido Education Compact (“EEC”) with the Chamber of Commerce, school districts, and area businesses in 1989; and

WHEREAS, EEC is a non-profit organization chartered by a partnership of community groups to support the transition of young people from school to careers; and

WHEREAS, EEC was awarded two grants totaling \$833,809 for a one year period that are cost reimbursable; and

WHEREAS, EEC desires a Line of Credit to cover expenditures incurred before receiving reimbursements from the San Diego Workforce Partnership Grants; and

WHEREAS, the City Council desires to provide a Line of Credit to EEC for its financial obligations, up to the amount of thirty thousand dollars (\$30,000), and has authorized the City Manager to enter into this Line of Credit Agreement (“Agreement”) on behalf of the City;

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 Manager is authorized to execute, on behalf of the City, an

Agreement establishing a Line of Credit in an amount not to exceed \$30,000 with EEC.

A copy of the Agreement is attached to this Resolution as Exhibit "A" and is incorporated by this reference.

## LINE OF CREDIT AGREEMENT

This Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Between: City of Escondido  
201 North Broadway  
Escondido, CA 92025  
("City")

And: Escondido Education COMPACT  
2247 East Valley Parkway  
Escondido, CA 92027  
("EEC")

### WHEREAS:

- A) The City Council co-founded EEC with the Chamber of Commerce, school districts and area businesses in 1989;
- B) EEC is a non-profit organization chartered by a partnership of community groups to support the transition of young people from school to careers;
- C) EEC was awarded two grants totaling \$833,809 for a one-year period that are cost reimbursable;
- D) EEC requested a Line of Credit to cover expenditures before receiving reimbursement from the San Diego Workforce Partnership Grants;
- E) On May 9, 2012, the City Council approved Resolution 2012-71 for a line of credit for this same purpose (the "Original Line of Credit"); and
- F) The City Council desires to extend the Original Line of Credit to EEC for its financial obligations, up to the amount of thirty thousand dollars (\$30,000), and has authorized the City Manager to enter into this Agreement on behalf of the City.

### NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1) City agrees to provide a Line of Credit up to a maximum amount of thirty thousand dollars (\$30,000) to aid EEC to fulfill its financial obligations.

- 2) EEC may make a draw under this Line of Credit by submitting a letter request ("Draw") to the City Assistant Director of Finance, Joan Ryan, specifying the desired amount of the Draw.
- 3) Upon payment by the City of any amount requested in a Draw by EEC under this Agreement, EEC will become indebted by that amount to the City. Such indebtedness shall bear interest at the City's average portfolio rate, which shall be reviewed quarterly.
- 4) Interest will be paid at the time of principal payment or semi-annually if no principal payment is made within 6 months. Repayment is based on interest due first, then on oldest principal draw.
- 5) Any payment made by the City to EEC as a Draw under this Agreement, shall be accompanied by a letter from the City's Assistant Director of Finance, Joan Ryan, stating the amount of the current Draw, the total amount of outstanding principal owed by EEC under this Agreement to the City of Escondido, and the amount of remaining credit available to EEC. A copy of each such letter shall be attached to this Agreement, and shall be incorporated by reference.
- 6) The City may terminate this Agreement at any time for any reason with fourteen (14) days advance written notice to EEC.
- 7) If this Agreement has not terminated pursuant to the paragraph above, the Agreement will automatically terminate on June 30, 2016.
- 8) Full repayment of all interest and principal shall be made on the earliest of June 30, 2016, upon termination of this Agreement or in the event of discontinued funding from Grantors.
- 9) After June 30, 2016, any unpaid principal and interest owed by EEC under this Agreement shall be deemed a "Delinquent Balance." The Delinquent Balance shall begin accruing interest on July 1, 2016, at the rate of ten percent (10%) per annum until paid in full.
- 10) This Agreement is between the City and EEC exclusively, and the parties do not intend there to be any third party beneficiaries to the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year noted below.

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Clay Phillips  
City Manager

Escondido Education COMPACT

Date: \_\_\_\_\_

\_\_\_\_\_  
Jack Anderson  
Chairman

*(The above signature must be notarized)*

APPROVED AS TO FORM:

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

By: \_\_\_\_\_



**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:** 10

**Date:** May 21, 2014

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Sheryl Bennett, Director of Administrative Services  
Joan Ryan, Assistant Finance Director

**SUBJECT:** Financial Report for the Quarter Ended March 31, 2014

RECOMMENDATION:

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

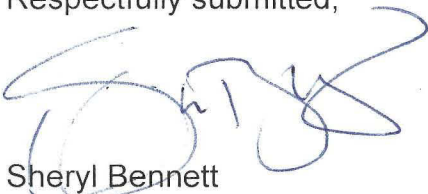
PREVIOUS ACTION:

On March 19, 2014, the City Council received and approved the Fiscal Year 2013/14 second quarter financial report.

BACKGROUND:

Quarterly financial reports present written financial updates to Council concerning certain funds of the City based on the most recent financial information available. These quarterly financial reports include budgetary information for certain funds, 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 provide year to date information for the General Fund, Recreation Fund, Water and Wastewater Funds, and the Reidy Creek Fund. The quarterly financial report is for internal use only.

Respectfully submitted,



Sheryl Bennett  
Director of Administrative Services



Joan Ryan  
Assistant Finance Director



# CITY OF ESCONDIDO

## THIRD QUARTER FINANCIAL REPORT

### MARCH 31, 2014

#### OVERVIEW

This report summarizes the City's overall financial position for the period of July 1, 2013 through March 31, 2014. While the focus of this report is the General Fund, the financial status of the Recreation Fund, the Water and Wastewater Funds, 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).

The revenue projections and budget include adjustments for encumbrances, carryovers, and any other supplemental appropriations approved by the City Council as of March 31, 2014.

#### General Fund

At the end of the third quarter, General Fund revenues are at 59.6% of the amended budget, while expenditures are at 68.5%. Based on past history of revenue receipts and payment of expenditures, it appears that General Fund revenues are projected to be down about \$0.2 million compared to amended revenue and expenditures will be under budget by about \$2.3 million through year end.

On November 6, 2013, the City Council adopted the 2013-14 City Council Action Plan that established a future goal of maintaining a Reserve balance of 25% of General Fund operating revenue and also to achieve a minimum reserve of \$25 million. The current Reserve balance as of March 31, 2014 is \$16,551,659.

*General Fund – Budget Monitoring  
Comparison of Projected Budget to Actuals  
As of March 31, 2014*

INDICATOR	PROJECTED BUDGET	ACTUAL
Total Revenue	\$48,838,000	\$48,745,111
Total Expenditures	\$58,355,000	\$56,709,390
Reserve Balance		\$16,551,659

The following pages summarize General Fund operating revenues and operating expenditures; any significant variances are noted in the narrative below.

**General Fund Revenue.** General Fund total revenue is up 2.6% compared to the prior fiscal year this time or about \$1.2 million. Overall these key revenues are performing as projected based on estimates and past trends for the third quarter.

General Fund Revenue	Budget	YTD Actual	% Received
Sales Tax	33,584,000	18,351,586	54.6%
Property Tax	21,396,000	12,088,400	56.5%
Other Taxes	11,033,915	7,614,146	69.0%
Intergovernmental	2,427,500	1,297,463	53.4%
Permits & Fees	934,000	869,748	93.1%
Fines & Forfeitures	1,316,500	830,518	63.1%
Charges for Services	7,008,765	5,091,472	72.6%
Investment & Property	3,678,415	2,230,533	60.6%
Other Revenue	372,240	371,245	99.7%
<b>Total</b>	<b>81,751,335</b>	<b>48,745,111</b>	<b>59.6%</b>

**Sales Tax.** Sales tax revenue received through March 31, 2014 increased from the previous fiscal year during the same time frame by about \$728,000. For sales occurring in the second quarter of fiscal year 2013/14 (the most recent data available), the City saw sales tax cash receipts increase by 3.5%. The City's largest economic category, transportation, experienced an increase in sales tax of 3.7% over the second quarter of fiscal year 2012/13. Actual sales tax receipts through March are on target to meet budgeted amounts.

**Property Tax.** Property tax revenue received through March 31, 2014 increased from the previous fiscal year during the same time frame by about \$601,000. The County of San Diego Assessor's Office reported assessed value growth for Escondido in the 2013/14 assessment year of 2.7%. Based on this information, property tax growth of 2 to 3% should be achieved this year.

**Intergovernmental.** Intergovernmental revenues have decreased from the prior year by about \$213,000. This decrease is due to reimbursements from State and Federal grants that have not yet been received.

**General Fund Expenditures.** Operating costs and departmental expenditures are on target for the third quarter of the year. The amount expended to date is approximately 68.5% of the total amount budgeted for in fiscal year 2013-14.

General Fund Expenditures	Budget	YTD Actual	% Expended
Employee Services	71,290,620	49,051,340	68.8%
Maintenance & Operations	13,052,905	8,823,006	67.6%
Internal Service Charges	10,236,030	7,676,856	75.0%
Capital Outlay	30,060	24,764	82.4%
Allocations In/(Out)	(11,836,655)	(8,866,576)	74.9%
<b>Total</b>	<b>82,772,960</b>	<b>56,709,390</b>	<b>68.5%</b>

General Fund Expenditures	Budget	YTD Actual	% Expended
General Government	5,711,130	3,519,910	61.6%
Community Services	4,433,780	3,016,926	68.0%
Community Development	3,202,385	2,082,410	65.0%
Public Works	10,380,630	6,683,445	64.4%
Public Safety	56,408,615	39,606,102	70.2%
Other Expenditures	2,636,420	1,800,597	68.3%
<b>Total</b>	<b>82,772,960</b>	<b>56,709,390</b>	<b>68.5%</b>

#### RECREATION FUND

Recreation Fund Revenues are up by 10.4%, or \$265,500 in comparison to the prior year third quarter. A majority of the increase can be contributed to increased rental revenue and facility use rentals. With the increased revenue this fiscal year and projected expenditures consistent with the prior year at this time, the Recreation Fund is projected to possibly break even this fiscal year.

Recreation Fund	Budget	YTD Actual	Percent
Revenues	4,505,680	2,826,534	62.7%
Expenditures	3,945,065	2,680,042	67.9%
Other Sources (Uses)	(592,953)	(592,953)	100.0%
<b>Net Income (Loss)</b>	<b>(32,338)</b>	<b>(446,461)</b>	

#### REIDY CREEK GOLF COURSE FUND

Reidy Creek Fund revenues and expenditures are consistent with the prior year. Based on this trend the Fund is projected to end the year with a loss between \$5,000 and \$10,000.

Reidy Creek Golf Course	Budget	YTD Actual	Percent
Revenues	633,160	424,808	67.1%
Expenditures	632,670	464,287	73.4%
Other Sources (Uses)	-	7,937	0.0%
<b>Net Income (Loss)</b>	<b>490</b>	<b>(31,542)</b>	

#### ENTERPRISE FUNDS

Enterprise fund revenues and expenditures are consistent with past trends. Income generated from enterprise funds will be used to increase the capital and operating reserve levels established by City Council policy as a result of the most recent rate study. Reserve levels are important as water reserve levels and wastewater capacity issues are addressed.

Water Fund	Budget	YTD Actual	Percent
Operating Revenues	53,455,154	40,417,447	75.6%
Operating Expenses	49,253,220	32,817,948	66.6%
Nonoperating Rev (Exp)	(1,291,055)	(980,500)	75.9%
Capital Contributions	375,000	353,630	94.3%
<b>Net Income (Loss)</b>	<b>3,285,879</b>	<b>6,972,629</b>	<b>212.2%</b>

Wastewater Fund	Budget	YTD Actual	Percent
Operating Revenues	28,972,000	21,208,283	73.2%
Operating Expenses	21,597,315	13,262,885	61.4%
Nonoperating Rev (Exp)	(2,398,465)	(2,240,392)	93.4%
Capital Contributions	350,000	644,266	184.1%
Transfer Out	(125,000)	(125,000)	100.0%
<b>Net Income (Loss)</b>	<b>5,201,220</b>	<b>5,580,006</b>	<b>107.3%</b>

#### FOR MORE INFORMATION

This summary report is based on detailed information generated by the City's finance department. If you have any questions or would like additional information on this report, please contact the finance department at (760) 839-4676 or visit [www.escondido.org](http://www.escondido.org).

ORDINANCE NO. 2014-11

AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AMENDING ARTICLES 1 AND 8 OF CHAPTER  
22 OF THE ESCONDIDO MUNICIPAL CODE  
TO CLARIFY WASTEWATER DISCHARGE  
AND PERMITTING REQUIREMENTS OF  
BREWERIES, WINERIES, AND DISTILLERIES

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

SECTION 1. Article 1, Chapter 22 of the Escondido Municipal Code is hereby  
amended to add the following definitions:

**Article 1 – In General.**

**Sec. 22-1. Definitions.**

*Beer Manufacturer* shall mean a manufacturer of beer as defined in California  
Business and Professions Code Section 23012.

*Brandy Manufacturer* shall mean a manufacturer of brandy as defined California  
Business and Professions Code Section 23014.

*Distilled Spirits Manufacturer* shall mean a manufacturer of distilled spirits as  
defined in California Business and Professions Code Section 23015.

*Winegrower* shall mean a winegrower as defined in California Business and  
Professions Code Section 23013.

SECTION 2. Article 8, Section 22-176 of Chapter 22 of the Escondido  
Municipal Code is hereby amended to read as follows:

**Article 8 – Industrial Wastewaters.**

**Sec. 22-176. Permit requirement.**

(h) Any Beer Manufacturer, Winegrower, Brandy Manufacturer, or Distilled  
Spirits Manufacturer must obtain a permit prior to initiating a discharge.

SECTION 3. Article 8, Section 22-185 of Chapter 22 of the Escondido Municipal Code is hereby amended to read as follows:

**Sec. 22-185. Pretreatment.**

(c) Pretreatment requirements for a Beer Manufacturer, Winegrower, Brandy Manufacturer, or Distilled Spirits Manufacturer may be determined administratively by the director based on the quality and quantity of the operations and in accordance with all provisions of this Chapter.

SECTION 4. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 5. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 6. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.

## RENT REVIEW BOARD

For City Clerk's Use:

APPROVED  DENIED

Reso No. RRB \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. RRB \_\_\_\_\_

**Agenda Item No.: 12**

**Date: May 21, 2014**

**TO:** Honorable Chairman and Members of the Rent Review Board

**FROM:** Barbara Redlitz, Director of Community Development

**SUBJECT:** Short-form Rent Increase Application for Westwinds Mobilehome Park (File Number 0697-20-9996)

### RECOMMENDATION:

- Consider the short-form rent increase application submitted by Westwinds Mobilehome Park.
- If approved, adopt Rent Review Board Resolution No. 2014-04 granting an increase of seventy-five percent (75%) of the change in the Consumer Price Index, or 1.281% (an average of \$5.19) for the period of December 31, 2012, to December 31, 2013.

### INTRODUCTION:

Westwinds Mobilehome Park ("Park"), located at 1415 S. Pine Street, has filed a short-form rent increase application. The Board is asked to accept the staff report, hear public testimony, and make a determination concerning the request in accordance with the Escondido Rent Protection Ordinance and the short-form procedures as outlined in the Rent Review Board Guidelines. The application and the staff report have been made available to the Board for review and consideration prior to the hearing.

### THE RENT INCREASE APPLICATION:

Westwinds Mobilehome Park is an all-age park which has a total of 65 spaces. There are 12 spaces subject to rent control, and the Park is requesting an increase for the 12 rent controlled spaces. The other spaces not included in this application are on long-term leases, occupied as rentals or by management, are rented as RV spaces or are vacant. The amenities available for the residents include a furnished clubhouse, a pool, and coin laundry facilities.

The application meets all the eligibility criteria for submittal of a short-form rent increase application.

**PARK OWNER'S REQUEST:**

The Park is requesting an increase of 75% of the change in Consumer Price Index for the period of December 31, 2012, to December 31, 2013. Seventy-five percent of the change in the CPI for the period of consideration is 1.281%. The average monthly rent for the residents that are affected by this application is \$404.84. The average monthly increase requested for the 12 spaces is \$5.19 per space, per month.

This is the seventeenth rent increase request filed by this Park since the Ordinance was implemented. The last increase was granted in May of 2013 for an average amount of \$4.56, per space, per month.

**RESIDENT MEETING AND COMMENTS:**

Individual notices were sent to each affected resident notifying them of the increase application and the hearing date. The notice included information about a resident meeting scheduled at the Park's clubhouse on April 10, 2014. As there was no resident participation, the meeting was cancelled. Residents have not expressed any issues or concerns to staff.

**CODE ENFORCEMENT INSPECTION:**

An inspection of the common areas of the Park by the Code Enforcement Division of the City noted some violations of the Health and Safety Code. A copy of the Code Report ("Report") is attached as "Exhibit A." The Owner and Resident Manager received a copy of the Report. Since the last hearing, the Park has completed a renovation on the clubhouse to include a new park office. The Park is now in the process of converting the old space into a new mobile home space. All violations have been cleared as of April 24, 2014.

**ADDITIONAL FACTORS AFFECTING THE APPLICATION:**

In conformance with the Rent Review Board Guidelines, the decision of the Board will be finalized by adoption of the Resolution confirming the findings of the Public Hearing. The Notice of Determination will be mailed to the applicant and residents immediately upon adoption of the Resolution. The Park owner may send the 90-day notice of any rent increase granted to the residents upon the adoption of the Resolution.

Respectfully Submitted,



Barbara Redlitz  
Director of Community Development




Karen Youel  
Management Analyst



**DATE:** APRIL 17, 2014

**TO:** HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

**FROM:** BRIAN GUSTAFSON, CODE ENFORCEMENT MANAGER 

**SUBJECT:** WESTWINDS MOBILEHOME PARK RENT CONTROL

Westwinds Mobilehome Park was inspected on April 16, 2014, with the lighting inspection conducted the evening of April 15, 2014. This inspection was a result of an application for a rent increase having been filed. Five general and one lighting violation were found and noted in the attached inspection report. During the inspection it was determined the park office and carport had been removed without proper demolition permits and a new MH pad installed, complete with gas, sewer, water, electrical pedestal and road base, also without permits.

The resident meeting for the park was scheduled for April 10, 2014, however there was no resident participation or response. The park manager, the district manager and city staff were the only three to attend and there has been no contact from anyone desiring to be the resident representative and no information received regarding any resident concerns.

There were no code enforcement cases in this park in the past year.

CC: Barbara Redlitz, Director of Community Development  
Karen Youel, Rent Control Administration





April 16, 2014

**MOBILEHOME PARK RENT CONTROL**  
**CODE ENFORCEMENT INSPECTION REPORT**

**Park Name:** Westwinds Mobile Home Park  
1415 S. Pine St  
Escondido, CA. 92025

**Park Owner:** Westwinds Mobile Home Park LLC  
c/o Thomsen Properties  
301 E. 17<sup>th</sup> Street #208  
Costa Mesa, CA. 92627

**Park Manager:** Jim Younce , Bill Clark    **Phone:** (760) 207-9727

**Inspection Date:** 4/16/2014                      **Inspector:** Art Stephens

The following report is based on the inspection of the mobile home park conducted under provisions outlined in the California Code of Regulations, Title 25, Division I, Chapter 2 and the Escondido Zoning Code, Article 45. This inspection report only addresses health and safety issues that are related to areas for which maintenance, repair and operations is the responsibility of the owners and managers of the park.

**General Violations:**

1. The men's restroom has a shower valve with a significant leak. **25 CCR 1605 (e).**
2. The two swimming pool step ladders hand rails are loose and unsafe. **25 CCR 1608 (a) (6), 25 CCR 1608 (i).**

3. Repair the inoperable light in the laundry room. **25 CCR 1605 (d) (2)**
4. The old office and carport has been removed without the required demolition permit. Building inspection required to ensure all utilities are capped off properly. Submit plans to obtain a demolition permit. **25 CCR 1018(a)**.
5. Obtain required Planning Department approvals and obtain permits for the installation of the electrical pedestal and other utilities already installed without permits on proposed Site #2 Bali Hai. **25 CCR 1018(a)**.

**Areas of the park requiring illumination per 25 CCR 1108**

**Lighting Inspection; 04/15/14**

1. Exterior light N/W corner of club house is not working.



Code Enforcement Division  
201 North Broadway, Escondido, CA 92025  
Phone: 760-839-4650 Fax: 760-432-6819

April 28, 2014

Bart Thomsen Properties  
Attn: Kattie Morris  
301 E. 17<sup>th</sup> Street, #208  
Costa Mesa, CA 92627

Bill Clark/Jim Younce  
Westwinds Mobilehome Park  
1415 S. Pine St.  
Escondido, CA 92025

Dear Kattie, Bill and Jim,

This notice is to formally advise you that the violations noted in the rent control inspection report dated April 16, 2014 have been inspected and signed off.

We appreciate having the parks cooperation during this process. Our mutual efforts are important in maintaining safe and healthy parks in our city. Please feel free to call me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian D. Gustafson".

Brian D. Gustafson  
Code Enforcement Manager

CC: City Council/Rent Review Board  
Karen Youel, Rent Control Administrator

RESOLUTION NO. RRB 2014-04

A RESOLUTION OF THE ESCONDIDO  
MOBILEHOME RENT REVIEW BOARD  
MAKING FINDINGS AND GRANTING A  
RENT INCREASE FOR WESTWINDS  
MOBILEHOME PARK

(File Number: 0697-20-9996)

WHEREAS, Article V of Chapter 29 of the Escondido Municipal Code is a codification of the Escondido Mobilehome Rent Protection Ordinance ("Ordinance") and provides for mobilehome space rent regulation; and

WHEREAS, the City of Escondido Mobilehome Park Rental Review Board ("Board") is charged with the responsibility of considering applications for rent increases; and

WHEREAS, a short-form rent increase application pursuant to Section 12 of the Rent Review Board Guidelines was filed on March 25, 2014, by Westwinds Mobilehome Park, LLC, the owner of the rental spaces in Westwinds Mobilehome Park, located at 1415 S. Pine Street in Escondido; and

WHEREAS, this is the seventeenth rent increase application filed by the Park since the Ordinance became effective in 1988. The last rent increase was granted by Rent Review Board Resolution 2013-02 on May 22, 2013, for an increase of 1.163%, or approximately \$4.56 per space, per month; and

WHEREAS, at the time of the current application, the average monthly rent per affected space was \$404.84 for 12 spaces subject to the rent increase. The owner requested a rent increase in the amount of 75% of the change in the Consumer Price

Index ("CPI") for the period December 31, 2012, through December 31, 2013, in accordance with the Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of \$5.19 (an increase of 1.281%) per space, per month; and

WHEREAS, a notice of the Park's Rent Increase Application was sent to all affected homeowners. All parties were given notice of the time, date, and place of the rent hearing before the Board; and

WHEREAS, on April 17, 2014, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed. It noted Health and Safety Code violations in the Park; and

WHEREAS, on May 21, 2014, the Board held its public hearing. After an initial staff presentation, the Board invited testimony from Park ownership, residents of the Park, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members, and clarifying questions to the parties and Staff, the Board voted to grant an average rent increase of \$5.19 per space, per month, for the 12 spaces which are subject to the rent increase.

NOW, THEREFORE, BE IT RESOLVED by the Rent Review Board of the City of Escondido, as follows:

1. That the above recitations are true.
2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the short-form Guidelines

("Guidelines").

3. That following the Guidelines, an increase based on 75% of the change in the Consumer Price Index (CPI) for San Diego County from December 31, 2012, through December 31, 2013, would amount to an increase of 1.281%, which averages \$5.19 per space, per month, for the 12 spaces that are subject to the rent increase.

4. That the Board concluded that an increase of \$5.19 per space, per month, is consistent with the Guidelines, and is fair, just, and a reasonable increase in light of the information presented by all parties.

5. That the increase may not be implemented until after the health and safety code violations noted in the Inspection Report have been corrected, signed off, and are in compliance with the various state and local code sections as noted in the Inspection.

6. That the increase may be implemented upon the expiration of the required 90-day notice to the residents, which may be issued upon the adoption of this Resolution.

## CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 13**

**Date: May 21, 2014**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jennifer K. McCain, Assistant City Attorney

**SUBJECT:** Second Public Hearing on Proposed City Charter

### RECOMMENDATION

Council is requested to hold a second public hearing on the proposed city charter for the City of Escondido (attached), listen to public comments and suggestions, and provide direction on any changes to the proposed city charter. Council may also direct staff to return to the Council on June 18, 2014, to approve submission of the proposal to adopt a charter to the voters of Escondido.

### FISCAL ANALYSIS

If a proposed charter is placed on the November 2014 ballot, the City Clerk estimates a revised cost of \$20,000 to \$30,000 for the election and staff estimates approximately \$4,000 for informational mailers distributed with the City water bills. To date, approximately \$322 has been spent for public notices for two public hearings. For the 2012 charter proposal, expenses were as follows: \$19,961 for community fliers, \$1,573 for duplication of water bill inserts, \$322 for two public hearing notices, and \$33,118 for the election.

### PREVIOUS ACTION

The City Council adopted a Work Program on November 6, 2013, which includes the goal of resubmitting a charter city proposal to the electorate. The strategy listed in the Work Program for this goal is to hold public hearings on a revised charter city proposal for possible inclusion in the 2014 election ballot. On January 15, 2014, the City Council directed staff to proceed with a workshop and to schedule two public hearings regarding a charter city proposal. Additionally, on March 19, 2014, the City Council held a workshop to receive input from the public. The staff report for the March 19, 2014 meeting included a draft charter for comment and discussion. The first public hearing to consider becoming a charter city was held on April 9, 2014. The staff report for the April 9, 2014 meeting also included a draft charter for comment and discussion.

### BACKGROUND

The staff reports for the 2014 charter city proposal dated January 15, 2014, March 19, 2014, and April 9, 2014, are attached and incorporated fully into this report. They can also be found at <https://www.escondido.org/charter-city-proposal.aspx>. In addition to the previous staff reports,

additional background materials and resources regarding the City's 2014 charter proposal have been placed on the City's website. The materials and resources include draft charters, slide presentations, copies of charters for other North County cities (Carlsbad, Del Mar, Oceanside, San Marcos and Vista), a 2002 San Diego Grand Jury report entitled, "Home Rule' Is Chartering a City a Good Idea?" and League of California Cities information regarding charter cities. The background materials and resources are also located at <https://www.escondido.org/charter-city-proposal.aspx>.

#### First Public Hearing held on April 9, 2014

In addition to the public meeting on January 15, 2014, and public workshop on March 19, 2014, the first public hearing was properly noticed and held on April 9, 2014, to receive public input regarding the charter city proposal. Seventeen members of the public testified during the April 9, 2014 public hearing. Most of the speakers opposed the charter proposal or questioned the need to become a charter city. Public and Councilmember comments also provided input on a number of topics, including the following: the costs associated with a charter city proposal; more opportunities for public input; meaningful control of Mayor and Council salaries; and the extent of a charter city's authority to make its own laws in a variety of areas including, local planning and zoning laws, public contract and bidding, prevailing wage, quorums, governance and financial matters.

#### Draft City Charter Proposal

This second public hearing has been properly noticed and scheduled for 6:00 p.m., to ensure public participation. The draft attached to this staff report was posted on the City's website on April 21, 2014, and was referenced in the public notice of this hearing. Consistent with other local charters, the draft charter presented and discussed thus far includes: doctrine of municipal affairs (Article 1); council-manager form of government (Article 2); elected officers (Article 3); fiscal matters (Article 4); revenue retention/state mandates limited (Article 5); councilmember compensation governed by state law limits (Article 6); interpretation (Article 7); and amendments to charter by electors (Article 8).

To address the issue raised at the first public hearing regarding whether a charter city must comply with State law on land use, planning and zoning matters, an additional provision has been added to the draft charter to expressly state that the City is governed by State law with regards to these matters. This provision (modeled after a provision in the City of San Marcos charter) preserves the status quo and ensures that land use, planning and zoning matters must be consistent with the General Plan. Accordingly, the attached draft charter has an additional provision which states:

#### Section 602. Land Use, Planning & Zoning Matters

Notwithstanding its Charter city status, the City shall be governed by State law as it applies to general law cities with respect to the application, interpretation and enforcement of land use, planning and zoning matters, including, but not limited to, the requirement of consistency between the General Plan of the City and the terms of its zoning ordinances.



The draft proposal mirrors the 2012 proposed charter with four exceptions. Reference to district elections has been omitted due to the recent adoption of districts pursuant to the consent decree. Reference to prevailing wages has also been omitted due to the continuing uncertainty of the law. The timeframe to fill City Council vacancies by appointment was changed from 30 days to 60 days. Lastly, the City shall follow State law in matters of land use, planning and zoning matters.

CONCLUSION

Council is requested to hold a second public hearing on the proposed city charter for the City of Escondido (attached), listen to public comments and suggestions, and provide direction on any changes to the proposed city charter. Council may also direct staff to return to the Council on June 18, 2014, to approve submission of the proposal to adopt a charter to the voters of Escondido.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jennifer K. McCain".

JENNIFER K. MCCAIN  
Assistant City Attorney

Attachments: Draft Charter City Proposal  
January 15, 2014 Staff Report  
March 19, 2014 Staff Report  
April 9, 2014 Staff Report

# CHARTER OF THE CITY OF ESCONDIDO

## PREAMBLE

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

## CHARTER

### Article 1 Municipal Affairs

#### **Section 100. Municipal Affairs**

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

#### **Section 101. Powers**

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

#### **Section 102. Incorporation and Succession**

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

conflict with or inconsistent herewith, are hereby continued in force until the same have been duly repealed, amended, changed or superseded by proper authority.

**Article 2  
Form of Government**

**Section 200. Form of Government**

This municipal government established by this Charter shall be known as the "Council-Manager" form of government. The City Council will establish the policy of the City and the City Manager will carry out that policy.

**Article 3  
Elected Officers**

**Section 300. Enumeration and Term**

The elected officers of the City shall consist of:

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

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

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

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

**Section 301. Eligibility**

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

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

**Section 302. Vacancies**

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

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

**Section 303. Prior Laws**

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

**Article 4  
Fiscal Matters**

**Section 400. Economic and Community Development**

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

**Section 401. Fair and Open Competition**

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

**Section 402. Voluntary Employee Political Contributions**

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

**Article 5  
Revenue Retention**

**Section 500. Reductions Prohibited**

Revenues raised and collected by the City shall not be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.

**Section 501. Mandates Limited**

No person whether elected or appointed, acting on behalf of the City, shall be required to perform any function which is mandated by any other level of government, unless and

until funds sufficient for the performance of such function are provided by said mandating authority.

## **Article 6 General Laws**

### **Section 600. General Law Powers**

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

### **Section 601. Council Member Compensation**

Notwithstanding its Charter city status, the salary of the Mayor and the Council Members will continue to be set pursuant to California Government Code sections 36516 and 36516.1 where the formula considers city population and state law.

### **Section 602. Land Use, Planning & Zoning Matters**

Notwithstanding its Charter city status, the City shall be governed by State law as it applies to general law cities with respect to the application, interpretation and enforcement of land use, planning and zoning matters, including, but not limited to, the requirement of consistency between the General Plan of the City and the terms of its zoning ordinances.

## **Article 7 Interpretation**

### **Section 700. Construction and Interpretation**

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

### **Section 701. Severability**

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

**Article 8  
Amendment**

**Section 800. Amendment to Charter, revised or repealed**

This Charter, and any of its provisions, may be amended by a majority vote of the electors voting on the question. Amendment or repeal may be proposed by initiative or by the governing body.

DRAFT



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 10**  
**Date: January 15, 2014**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jennifer K. McCain, Assistant City Attorney

**SUBJECT:** Council Work Program Item: Charter City Proposal

The City Council adopted a Work Program on November 6, 2013, which includes the goal of resubmitting a charter city proposal to the electorate. The strategy listed in the Work Program for this goal is to hold public hearings on a revised charter city proposal for possible inclusion in the 2014 election ballot. This item has been placed on the agenda by staff to ensure ample time for the City Council to consider this Work Program Item in light of the City Council meeting schedule and the strict statutory timeframes for public hearings on city charter proposals. In furtherance of the City Council's adopted goal and strategy, this staff report provides general background information regarding charter cities, a brief summary of the City's previous charter city proposal and recent legal developments which affect the content and adoption requirements for a charter ballot measure.

## RECOMMENDATION:

Provide direction to staff.

## FISCAL ANALYSIS:

If a charter city proposal is placed on the November 2014 ballot, the City Clerk estimates a cost of \$20,000 in addition to approximately \$4,000 for informational mailers distributed with the City water bills.

## BACKGROUND:

In California, there are two kinds of cities: charter cities and general law cities. See Cal. Gov't Code §§ 34100-34102. General law cities derive their corporate powers from general laws enacted by the legislature. See generally *Irwin v. City of Manhattan Beach* (1966) 65 Cal. 2d 13. Charter cities, on the other hand, derive their corporate powers directly from the constitution, subject to limitations of their respective charters and enactments of the legislature on matters of statewide concern. See *Johnson v. Bradley* (1992) 4 Cal. 4th 389, 394. The City of Escondido is a general law city and was incorporated in 1888. Of the 482 cities in the state, approximately 120 are charter cities. In North County, Carlsbad (adopted 2008), Oceanside (adopted 2010), Del Mar (adopted 1960), Vista (adopted 2007) and San Marcos (adopted 1994) are charter cities.

Charters can be drafted to be very broad or narrowly tailored to address a few specific local needs. For instance, the City of San Diego's charter is 121 pages and addresses many issues, including, corporate powers, nominations and elections, legislative power, the mayor, executive and administrative service, board of education, finance, civil service, retirement of employees, transfer of police and fire department employees into the retirement system, fireman's relief and pension fund, labor on public work, city police court, and the strong mayor form of governance. By contrast, Vista, Carlsbad, Oceanside, and other north San Diego County cities have adopted shorter, simplified charter documents which address specific issues including public works contracts, prevailing wage, public financing, and retirement benefits.

The authority provided in the state constitution to organize as a charter city is extended only to an existing city. An advantage of the charter form of government stems from the potential breadth of local authority which may be exercised. Since the powers of a charter city are not restricted to only those outlined in the general state municipal law, a city can adopt a charter and customize its organization and elective offices to provide for unique local conditions and needs.

A charter is a written document, approved by the electorate, which operates as a "constitution" for the adopting city. The provisions of Cal. Const. Art. XI, § 3(a) authorize the adoption of a city charter and provide that such a charter has the force and effect of state law. Charter cities have the power to make and enforce all ordinances and regulations with respect to municipal affairs, including those relating to the creation and regulation of a police force and sub-government within the city, the conduct of city elections, and the dealings with municipal officers and employees. Cal. Const. Art. XI, § 5(b). Charters act as instruments of limitation on the broad power of charter cities over matters of municipal affairs. *City of Glendale v. Trondsen* (1957) 48 Cal. 2d 93, 98. A charter can only be adopted and/or changed by a majority vote of the city residents.

The provision of Cal. Const. Art. XI, § 5(a), the "home rule" provision, affirmatively grant charter cities supremacy over "municipal affairs." However, the California Constitution does not define the term "municipal affair." The "home rule" provision of the California Constitution authorizes a charter city to exercise plenary authority over municipal affairs, free from any constraint imposed by the general law and subject only to constitutional limitations. See Cal. Const. Art. XI, § 5(a); *Ex Parte Braun* (1903) 141 Cal. 204, 209; *Bishop v. City of San Jose* (1969) 1 Cal. 3d 56, 61; *Comm. of Seven Thousand v. Super. Ct. (City of Irvine)* (1988) 45 Cal. 3d 491. The primary advantage of a charter is that it allows greater authority for a city's governance than that provided by state law. A city charter is subject only to conflicting provisions in the state or federal constitutions and preemptive state law on matters of statewide concern.

Whether a given activity is a municipal affair over which a city has sovereignty or a statewide concern, over which the legislature has authority, is a legal determination for the courts to resolve. Thus, the determination of whether a given activity is a municipal affair or statewide concern is done on a case-by-case basis. The court's determination will depend on the particular facts and circumstances of each case. See *In Re Hubbard* (1964) 62 Cal. 2d 119, 128. The concept of "municipal affairs" is a fluid one that changes over time as local issues become statewide concerns. See *Issac v. City of Los Angeles* (1998) 66 Cal. App. 4th 586.



### Municipal Affairs

There are some areas that the courts have consistently classified as municipal affairs as set forth below:

- Municipal Election Matters. See *Mackey v. Thiel* (1968) 262 Cal. App. 2d 362.
- Procedures for Initiative, Referendum and Recall. See *Lawing v. Faull* (1964) 227 Cal. App. 2d 23, 29.
- Procedures for Adopting Ordinances. See *Brougher v. Board of Public Works* (1928) 205 Cal. 426.
- Compensation of City Officers and Employees. Cal. Const. Art. XI, § 5(b); See *Sonoma County Organization of Public Employees v. County of Sonoma* (1979) 23 Cal. 3d 296; but see *San Leandro Police Officers Association v. City of San Leandro* (1976) 55 Cal. App. 3d 553 (labor relations is not a municipal affair; Charter cities are subject to the Meyers-Milias Brown Act. Cal. Gov't Code § 3500).
- Processes Associated with City Contracts. See *First Street Plaza Partners v. City of Los Angeles* (1998) 65 Cal. App. 4th 650; but see *Domar Electric, Inc. v. City of Los Angeles* (1995) 41 Cal. App. 4th 810 (state law establishing employment policy may preempt local regulation of bidding criteria).
- Financing Public Improvements. See *City of Santa Monica v. Grubb* (1996) 245 Cal. App. 2d 718.
- Making Charitable Gifts of Public Funds for Public Purposes. See Cal Const art. XVI, § 6; *Tevis v. City and County of San Francisco* (1954) 43 Cal. 2d 190.
- Term Limits for Council Members. See *Cawdrey v. City of Redondo Beach* (1996) 15 Cal. App. 4th 1212; but see Cal. Gov't Code § 36502(b) (regulating term limits).
- Land Use and Zoning Decisions (with a few exceptions). See *Brougher v. Bd. of Pub. Works* (1928) 205 Cal. 426.

### Matters of Statewide Concern

Alternatively, the following have consistently been classified by the courts as matters of statewide concern over which a charter city may not have local control:

- School Systems. *Whisman v. San Francisco Unified Sch. Dist.* (1978) 86 Cal. App. 3d 782, 789.
- Traffic and Vehicle Regulation. Cal. Veh. Code § 21.
- Licensing of Members of a Trade or Profession. *City and County of San Francisco v. Boss* (1948) 83 Cal. App. 2d 445.
- Tort Claims Against a Governmental Entity. *Helbach v. City of Long Beach* (1942) 50 Cal. App. 2d 242, 247.
- Open and Public Meetings. Ralph M. Brown Act. Cal. Gov't Code §§ 54951, 54953(a).
- Exercise of the Power of Eminent Domain. *Wilson v. Beville* (1957) 47 Cal. 2d 852, 856.

### Process Used to Adopt a Charter

If the City Council wishes to pursue the adoption of a charter, there are two alternative procedures to draft and adopt a city charter. The first is for the City Council, on its own motion, to draft the charter. The other alternative allows for the election of a charter commission which would be responsible for drafting the charter. In either case, the charter is not adopted by the city until it is ratified by a majority vote of the city's electorate.

The more expedient procedure (and the one used by the City Council in 2012) is for the City Council to develop and draft the charter. An election to decide on the adoption of a charter may be called by initiative or the City Council. See Cal. Const. Art. XI, § 3. On its own motion, the City Council may propose a charter and submit it to the voters for adoption. See Cal. Gov't Code § 34458. With this option, the City Council can allow the charter to be voted on at an established statewide general election. See Cal. Gov't Code § 34458.<sup>1</sup>

Alternatively, if the City Council opted for the charter commission approach, the first step is to elect the commission. The vote to elect a charter commission is called for by either a majority vote of the City Council or by a petition signed by not less than fifteen percent of the registered voters within the city. See Cal. Gov't Code § 34452. Once it has been decided that a charter commission election will take place, candidates for commissioners must be nominated. Candidates for the office of charter commissioner are nominated either in the same manner as officers of the city or by petition. A candidate for charter commissioner must be a registered voter of the city. After the election of commissioners, any vacancy on the commission will be filled by a mayoral appointment. See Cal. Gov't Code § 34452.

Once formed, the charter commission will have the responsibility of developing the city's charter. After a simple majority of commissioners have decided that the proposed charter is appropriate, they file the charter with the city's clerk in preparation for a vote by the city's electorate. See Cal. Gov't Code § 34455. However, instead of sending the whole charter at once, periodically the commission may send portions of the charter to the city's electorate for a vote. See Cal. Gov't Code § 34462.

Both approaches require that a majority of voters must vote in favor of the proposed charter for it to be ratified. The charter will not go into effect until it has been filed and accepted by the Secretary of State. See Cal. Gov't Code § 34459. After a charter is approved by a majority vote of the voters, the mayor and city clerk shall certify that the charter was submitted to the voters of the city and that it was approved by a majority vote. See Cal. Gov't Code § 34460. One copy of the approved charter shall be filed with the County Recorder's Office and one shall be kept in the city's archive. See Cal. Gov't Code § 34460. A third copy of the charter must be submitted to the Secretary of State with (1) copies of all publications and notices in connection with the calling of the election; (2) certified copies of any arguments for or against the charter proposal which were mailed to the voters; (3) a certified abstract of the vote at the election on the charter. See Cal. Gov't Code § 34460.

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<sup>1</sup> SB 311, effective January 1, 2014, limits a city charter proposal [as opposed to a voter initiated charter] to statewide general elections only.

Charters are effective when filed with the Secretary of State; the charter must also be published in the official state statutes. Amendments, revisions, and repeal of a charter are generally handled in the same manner as adoption of a charter. An amendment or repeal to a charter may be proposed by the governing body or by initiative; the governing body's consent is not needed in the case of an initiative. *Birkenfeld v. City of Berkeley* (1976) 17 Cal. 3d 129, 143.

#### Public Hearing Requirements, Election Dates and Costs

The state legislature has more recently adopted laws addressing notice, public hearings and the type of election permissible for a charter city proposal.

AB 1344, effective January 1, 2012, sets forth the public hearing process for a charter proposal and the timelines for submission of ballot language for a charter election. AB 1344 changed the timeframes to submit ballot language to the voters by a charter commission from 88 days before the election to 95 days before an established statewide general election. A city charter proposal by a city must be submitted 88 days before the election. See Cal. Gov't Code § 34458; Cal. Elec. Code § 1415. In addition, state law mandates that the ballot language contain an enumeration of new city powers as a result of the adoption of the charter, including, but not limited to, whether the city council will, pursuant to an adopted charter, have the power to raise its own compensation and the compensation of other city officials without voter approval. See Cal. Gov't Code § 34458.5. SB 311, effective January 1, 2014, repeals a city's ability to submit a charter proposal to the electorate at a special election, statewide primary election, or regularly scheduled municipal election. With a few limited exceptions, charter proposals initiated by a city can only be submitted to the electorate during a general statewide election. See Cal. Elec. Code § 1415.

Cal. Gov't Code section 34458 requires that prior to approving the submission to the voters of a proposal to adopt a charter, the governing body shall hold at least two public hearings on the matter of the proposed charter and the content of the proposed charter. Notice of the public hearings shall be given by publication in a newspaper designated by the governing body and circulated throughout the city and by posting the notice in three public places within the jurisdiction at least 21 calendar days prior to the date of each public hearing. The second hearing shall be held at least 30 days after the first public hearing. At least one of the public hearings shall be held outside of normal business hours to facilitate public participation. The governing body shall not conduct a vote on whether to approve the submission to the voters of the proposal to adopt a charter until 21 days after the second public hearing. Based on these specific statutory requirements, the City Clerk has estimated timelines for the November 2014 general statewide election to coincide with the required deadline to submit the district election resolutions to the Registrar of Voters as follows:

April 9, 2014	1 <sup>st</sup> Public Hearing
May 21, 2014	2 <sup>nd</sup> Public Hearing
June 18, 2014	City Council approves ballot language
June 20, 2014	Measure submitted to Registrar of Voters

The above scheduled comes well within the required statutory timeframes.

Further, the City Clerk estimates a cost of \$20,000 to place a charter proposal on the November 2014 ballot. Staff estimates an additional cost of \$4,000 for informational mailers to be inserted in the City water bills.

#### 2012 City Charter Ballot Measure

The City Council previously proposed a charter to the voters in 2012. A copy of the 2012 City Charter Ballot Measure is attached for your reference. Key provisions of the 2012 proposal included (a) district elections for Councilmembers, (b) establishing the City Treasurer's duties and compensation by ordinance, (c) exempting the City from state statutes regarding public contracts (unless required by state or federal grants), (d) prohibiting the deduction of political contributions from wages of city employees, (e) adhering to state law for Councilmember salaries, (f) promotion of fair and open competition for City construction projects, and (g) including the eligibility requirement of being a United States citizen for elective office. There has been considerable speculation that the inclusion of the district election requirement in the 2012 proposal was controversial. Moreover, as noted in the City Council Work Program, the recent establishment of districts pursuant to a Consent Decree renders any language in a proposed charter unnecessary.

#### State Prevailing Wage Requirements: Municipal Affair or Statewide Concern?

##### The Vista Case

Escondido holds a considerable advantage in being able to review the experience of other cities adopting the more limited charters, especially in the area of prevailing wages. By way of background, California law has included State prevailing wage requirements since 1931, when the Legislature adopted the Public Wage Rate Act. The current requirements are set forth in Labor Code § 1720 *et seq.* State law requires that all workers employed on a public works project of more than \$1,000 must be paid the general prevailing rate of per diem wages for the work performed. Labor Code § 1771. This requirement does not apply to work done by a public agency's own forces. *Id.* The prevailing wage rates for various job classifications in each locality are set by the State Department of Industrial Relations generally based on wage rates paid in the locality and the nearest market area to a majority or the largest number of workers in a given classification. Labor Code § 1773.9.

The prevailing wage law is designed to ensure that private contractors who enter into collective bargaining agreements can compete for public works contracts. However, the law is not applicable to private agreements. Historically, charter cities were not bound by state law prevailing wage requirements so long as the project is a municipal affair, and not one funded by state or federal grants. *Vial v. City of San Diego* (1981) 122 Cal. App. 3d 346, 348. However, the League of California Cities notes a growing trend on the part of the courts and the Legislature to expand the applicability of prevailing wages to charter cities under an analysis arguing that the payment of prevailing wages is a matter of statewide concern. And, in 2004, the California Supreme Court described the issue of whether a charter city may exempt itself from compliance with the prevailing wage law as an "open" and "important" question. See *City of Long Beach v. Dept. of Indust. Relations* (2004) 34 Cal. 4th 942.

More recently, the California Supreme Court has provided charter cities with more certainty than years past by its decision involving a legal challenge to the City of Vista's charter status which allowed the City to exempt itself from state prevailing wage laws. In the lower courts, the City of Vista successfully defended its ordinance exempting municipal contracts from prevailing wage laws based on the City's charter status. See *State Building and Construction Trades Council of California, AFL CIO v. City of Vista* (2009) 173 Cal. App. 4th 567 rev. granted. In 2012, the California Supreme Court agreed with the lower courts thereby affirming that prevailing wages could be included in a charter and that the construction of city-operated facility for the benefit of a city's inhabitants with city funds is a municipal affair. See *State Building and Construction Trades Council of California, AFL-CIO v City of Vista* (2012) 54 Cal.4th 547.

### SB 7

Notwithstanding the California Supreme Court's decision, Governor Brown signed legislation enacted by the California Legislature on October 13, 2013, bearing directly on the prevailing wage issue. SB 7 prohibits a charter city from receiving or using state funding or financial assistance for a construction project if the city has a charter provision or ordinance that authorizes a contractor to not comply with prevailing wage provisions of any public works contract. The bill prohibits a charter city from receiving or using state funding or financial assistance for a construction project if the city has awarded, within the prior 2 years, a public works contract without requiring the contractor to comply with prevailing wage provisions. The bill authorizes charter cities to receive or use state funding or financial assistance if the city has a local prevailing wage ordinance, applicable to all of its public works contracts, that includes requirements that are equal to or greater than the state's prevailing wage requirements. The bill excludes contracts for projects of \$25,000 or less for construction work, or projects of \$15,000 or less for alteration, demolition, repair or maintenance work. The bill requests the Director of Industrial Relations to maintain a list of charter cities that receive and use state funding or financial assistance for their construction projects.

As demonstrated by SB 7, the ability of the State Legislature to influence which laws become matters of statewide concern and which cities may receive state funding will likely remain a limitation on the authority and control of a charter city. Litigation over the legality of SB 7 is certain in the near future and may affect the validity of a charter proposal which exempts the City from prevailing wage laws.

### City Treasurer

The previous 2012 charter ballot measure included provisions to ensure that the duties, responsibilities and compensation of the City Treasurer will be set by Ordinance of the City Council.

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


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

The language proposed in the 2012 charter ballot measure preserved the right of the electorate to elect a City Treasurer with independent oversight of the City's finances. However, it also allowed the City Council to efficiently determine the duties, responsibilities, and compensation requirements of the City Treasurer position by ordinance. Further, it aligned the appointment process for a vacancy to be the same for all elected officials.

#### Conclusion

The City Council adopted a Work Program on November 6, 2013, which includes the goal of resubmitting a charter city proposal to the electorate. The strategy for this goal is to hold public hearings on a revised charter city proposal for possible inclusion in the 2014 election ballot. This report provides the framework for City Council discussion and possible direction to staff regarding whether to submit a charter city proposal to the electorate, the contents of such a proposal and the scheduling of the public hearings regarding the proposal in light of the statutory requirements.

Respectfully submitted,

  
JENNIFER K. MCCAIN  
Assistant City Attorney

Attachments: 2012 City Charter Ballot Measure  
Escondido Municipal Code Chapter 2, Article 4b Proposition N

# CHARTER OF THE CITY OF ESCONDIDO

## PREAMBLE

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

## CHARTER

### Article 1 Municipal Affairs

#### **Section 100. Municipal Affairs**

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

#### **Section 101. Powers**

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

#### **Section 102. Incorporation and Succession**

The City shall continue to be a municipal corporation known as the City of Escondido. The boundaries of the City of Escondido shall continue as now established until changed in the manner authorized by law. The City shall remain vested with and shall continue to own, have, possess, control and enjoy all property rights and rights of action of every nature and description owned, had, possessed, controlled or enjoyed by it at the time this Charter takes effect, and is hereby declared to be the successor of same. It shall be subject to all debts, obligations and liabilities, which exist against the City at the time this Charter

## 2012 CITY CHARTER BALLOT MEASURE

takes effect. All lawful ordinances, resolutions, rules and regulations, or portions thereof, in force at the time this Charter takes effect and not in conflict with or inconsistent herewith, are hereby continued in force until the same have been duly repealed, amended, changed or superseded by proper authority.

### **Article 2 Form of Government**

#### **Section 200. Form of Government**

This municipal government established by this Charter shall be known as the "Council-Manager" form of government. The City Council will establish the policy of the City and the City Manager will carry out that policy.

### **Article 3 Elected Officers**

#### **Section 300. Enumeration and Term**

The elected officers of the City shall consist of:

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

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

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

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

#### **Section 301. Districts**

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

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

#### **Section 302. Redistricting**

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



## 2012 CITY CHARTER BALLOT MEASURE

### **Section 303. Eligibility**

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

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

### **Section 304. Vacancies**

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

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

### **Section 305. Invalidation of California Voting Rights Act**

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

### **Section 306. Prior Laws**

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

## **Article 4 Fiscal Matters**

### **Section 400. Economic and Community Development**

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

### **Section 401. Public Works Contracts**

The City is exempt from the provisions of all California statutes regulating public contracting and purchasing except as provided by ordinance or by agreement approved by the City Council. The City shall establish all standards, procedures,

## 2012 CITY CHARTER BALLOT MEASURE

rules or regulations to regulate all aspects of the bidding, award and performance of any public works contract, including but not limited to, the compensation rates to be paid for the performance of such work.

### **Section 402. Prevailing Wage**

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

### **Section 403. Fair and Open Competition**

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

### **Section 404. Definition of Public Works**

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

### **Section 405. Voluntary Employee Political Contributions**

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

## **Article 5 Revenue Retention**

### **Section 500. Reductions Prohibited**

Revenues raised and collected by the City shall not be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.

## 2012 CITY CHARTER BALLOT MEASURE

### **Section 501. Mandates Limited**

No person whether elected or appointed, acting on behalf of the City, shall be required to perform any function which is mandated by any other level of government, unless and until funds sufficient for the performance of such function are provided by said mandating authority.

## **Article 6 General Laws**

### **Section 600. General Law Powers**

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

### **Section 601. Council Member Compensation**

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

## **Article 7 Interpretation**

### **Section 700. Construction and Interpretation**

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

### **Section 701. Severability**

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

## **Article 8 Amendment**

### **Section 800. Amendment to Charter, revised or repealed**

This Charter, and any of its provisions, may be amended by a majority vote of the electors voting on the question. Amendment or repeal may be proposed by initiative or by the governing body.

2012 CITY CHARTER BALLOT MEASURE

**AUTHENTICATION  
AND  
CERTIFICATION**

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

Date of Municipal Election: November 6, 2012

ATTEST:

\_\_\_\_\_  
Sam Abed, Mayor

\_\_\_\_\_  
Diane Halverson, City Clerk

**Escondido Municipal Code**

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[Chapter 2 ADMINISTRATION](#)

**ARTICLE 4B. CITY TREASURER**

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**Note**

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

**Sec. 2-93. Treasurer's position created.**

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

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

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

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

**Sec. 2-95. Salary and benefits.**

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

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

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

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

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

**Sec. 2-96.1. Fiduciary bond requirements.**

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

**Sec. 2-96.2. Management of treasurer's office.**

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

**Sec. 2-96.3. Duties and responsibilities.**

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

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

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

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

**Sec. 2-96.4. Audit.**

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



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 22**  
**Date: March 19, 2014**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Jennifer K. McCain, Assistant City Attorney  
**SUBJECT:** City Council Workshop: Charter City Proposal

The City Council adopted a Work Program on November 6, 2013, which includes the goal of resubmitting a charter city proposal to the electorate. The strategy listed in the Work Program for this goal is to hold public hearings on a revised charter city proposal for possible inclusion in the 2014 election ballot. On January 15, 2014, the City Council directed staff to proceed with a workshop and to schedule two public hearings regarding a charter city proposal. This staff report provides general background information regarding charter cities, a brief summary of the City's previous charter city proposal, recent legal developments which affect the content and adoption requirements for a charter ballot measure and a draft charter city proposal for public review and discussion.

BACKGROUND:

In California, there are two kinds of cities: charter cities and general law cities. See Cal. Gov't Code §§ 34100-34102. General law cities derive their corporate powers from general laws enacted by the legislature. See generally *Irwin v. City of Manhattan Beach* (1966) 65 Cal. 2d 13. Charter cities, on the other hand, derive their corporate powers directly from the constitution, subject to limitations of their respective charters and enactments of the legislature on matters of statewide concern. See *Johnson v. Bradley* (1992) 4 Cal. 4th 389, 394. The City of Escondido is a general law city and was incorporated in 1888. Of the 482 cities in the state, approximately 121 are charter cities. In North County, Carlsbad (adopted 2008), Oceanside (adopted 2010), Del Mar (adopted 1960), Vista (adopted 2007) and San Marcos (adopted 1994) are charter cities.

Charters can be drafted to be very broad or narrowly tailored to address a few specific local needs. For instance, the City of San Diego's charter is 121 pages and addresses many issues, including, corporate powers, nominations and elections, legislative power, the mayor, executive and administrative service, board of education, finance, civil service, retirement of employees, transfer of police and fire department employees into the retirement system, fireman's relief and pension fund, labor on public work, city police court, and the strong mayor form of governance. By contrast, Vista, Carlsbad, Oceanside, and other north San Diego County cities have adopted shorter, simplified charter documents which address specific issues including public works contracts, prevailing wage, public financing, and retirement benefits.

The authority provided in the state constitution to organize as a charter city is extended only to an existing city. An advantage of the charter form of government stems from the potential breadth of local authority which may be exercised. Since the powers of a charter city are not restricted to only those outlined in the general state municipal law, a city can adopt a charter and customize its organization and elective offices to provide for unique local conditions and needs.

A charter is a written document, approved by the electorate, which operates as a "constitution" for the adopting city. The provisions of Cal. Const. Art. XI, § 3(a) authorize the adoption of a city charter and provide that such a charter has the force and effect of state law. Charter cities have the power to make and enforce all ordinances and regulations with respect to municipal affairs, including those relating to the creation and regulation of a police force and sub-government within the city, the conduct of city elections, and the dealings with municipal officers and employees. Cal. Const. Art. XI, § 5(b). Charters act as instruments of limitation on the broad power of charter cities over matters of municipal affairs. *City of Glendale v. Trondsen* (1957) 48 Cal. 2d 93, 98. A charter can only be adopted and/or changed by a majority vote of the city residents.

The provision of Cal. Const. Art. XI, § 5(a), the "home rule" provision, affirmatively grants charter cities supremacy over "municipal affairs." However, the California Constitution does not define the term "municipal affair." The "home rule" provision of the California Constitution authorizes a charter city to exercise plenary authority over municipal affairs, free from any constraint imposed by the general law and subject only to constitutional limitations. See Cal. Const. Art. XI, § 5(a); *Ex Parte Braun* (1903) 141 Cal. 204, 209; *Bishop v. City of San Jose* (1969) 1 Cal. 3d 56, 61; *Comm. of Seven Thousand v. Super. Ct. (City of Irvine)* (1988) 45 Cal. 3d 491. The primary advantage of a charter is that it allows greater authority for a city's governance than that provided by state law. A city charter is subject only to conflicting provisions in the state or federal constitutions and preemptive state law on matters of statewide concern.

Whether a given activity is a municipal affair over which a city has sovereignty or a statewide concern, over which the legislature has authority, is a legal determination for the courts to resolve. Thus, the determination of whether a given activity is a municipal affair or statewide concern is done on a case-by-case basis. The court's determination will depend on the particular facts and circumstances of each case. See *In Re Hubbard* (1964) 62 Cal. 2d 119, 128. The concept of "municipal affairs" is a fluid one that changes over time as local issues become statewide concerns. See *Issac v. City of Los Angeles* (1998) 66 Cal. App. 4th 586.

### Municipal Affairs

There are some areas that the courts have consistently classified as municipal affairs as set forth below:

- Municipal Election Matters. See *Mackey v. Thiel* (1968) 262 Cal. App. 2d 362.
- Procedures for Initiative, Referendum and Recall. See *Lawing v. Faull* (1964) 227 Cal. App. 2d 23, 29.
- Procedures for Adopting Ordinances. See *Brougher v. Board of Public Works* (1928) 205 Cal. 426.



- Compensation of City Officers and Employees. Cal. Const. Art. XI, § 5(b); See *Sonoma County Organization of Public Employees v. County of Sonoma* (1979) 23 Cal. 3d 296; but see *San Leandro Police Officers Association v. City of San Leandro* (1976) 55 Cal. App. 3d 553 (labor relations is not a municipal affair; Charter cities are subject to the Meyers-Milias Brown Act. Cal. Gov't Code § 3500).
- Processes Associated with City Contracts. See *First Street Plaza Partners v. City of Los Angeles* (1998) 65 Cal. App. 4th 650; but see *Domar Electric, Inc. v. City of Los Angeles* (1995) 41 Cal. App. 4th 810 (state law establishing employment policy may preempt local regulation of bidding criteria).
- Financing Public Improvements. See *City of Santa Monica v. Grubb* (1996) 245 Cal. App. 2d 718.
- Making Charitable Gifts of Public Funds for Public Purposes. See Cal Const art. XVI, § 6; *Tevis v. City and County of San Francisco* (1954) 43 Cal. 2d 190.
- Term Limits for Council Members. See *Cawdrey v. City of Redondo Beach* (1996) 15 Cal. App. 4th 1212; but see Cal. Gov't Code § 36502(b) (regulating term limits).
- Land Use and Zoning Decisions (with a few exceptions). See *Brougner v. Bd. of Pub. Works* (1928) 205 Cal. 426.

#### Matters of Statewide Concern

Alternatively, the following have consistently been classified by the courts as matters of statewide concern over which a charter city may not have local control:

- School Systems. *Whisman v. San Francisco Unified Sch. Dist.* (1978) 86 Cal. App. 3d 782, 789.
- Traffic and Vehicle Regulation. Cal. Veh. Code § 21.
- Licensing of Members of a Trade or Profession. *City and County of San Francisco v. Boss* (1948) 83 Cal. App. 2d 445.
- Tort Claims Against a Governmental Entity. *Helbach v. City of Long Beach* (1942) 50 Cal. App. 2d 242, 247.
- Open and Public Meetings. Ralph M. Brown Act. Cal. Gov't Code §§ 54951, 54953(a).
- Exercise of the Power of Eminent Domain. *Wilson v. Beville* (1957) 47 Cal. 2d 852, 856.

#### Process Used to Adopt a Charter

An election to decide on the adoption of a charter may be called by initiative or the City Council. See Cal. Const. Art. XI, § 3. On its own motion, the City Council may propose a charter and submit it to the voters for adoption. See Cal. Gov't Code § 34458. With this option, the City Council can allow the charter to be voted on at an established statewide general election. See Cal. Gov't Code § 34458.<sup>1</sup>

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<sup>1</sup> SB 311, effective January 1, 2014, limits a city charter proposal [as opposed to a voter initiated charter] to statewide general elections only.

A majority of voters must vote in favor of the proposed charter for it to be ratified. The charter will not go into effect until it has been filed and accepted by the Secretary of State. See Cal. Gov't Code § 34459. After a charter is approved by a majority vote of the voters, the mayor and city clerk shall certify that the charter was submitted to the voters of the city and that it was approved by a majority vote. See Cal. Gov't Code § 34460. One copy of the approved charter shall be filed with the County Recorder's Office and one shall be kept in the city's archive. See Cal. Gov't Code § 34460. A third copy of the charter must be submitted to the Secretary of State with (1) copies of all publications and notices in connection with the calling of the election; (2) certified copies of any arguments for or against the charter proposal which were mailed to the voters; (3) a certified abstract of the vote at the election on the charter. See Cal. Gov't Code § 34460.

Charters are effective when filed with the Secretary of State; the charter must also be published in the official state statutes. Amendments, revisions, and repeal of a charter are generally handled in the same manner as adoption of a charter. An amendment or repeal to a charter may be proposed by the governing body or by initiative; the governing body's consent is not needed in the case of an initiative. *Birkenfeld v. City of Berkeley* (1976) 17 Cal. 3d 129, 143.

#### Public Hearing Requirements, Election Dates and Costs

The state legislature has more recently adopted laws addressing notice, public hearings and the type of election permissible for a charter city proposal.

AB 1344, effective January 1, 2012, sets forth the public hearing process for a charter proposal and the timelines for submission of ballot language for a charter election. AB 1344 changed the timeframes to submit ballot language to the voters by a charter commission from 88 days before the election to 95 days before an established statewide general election. A city charter proposal by a city must be submitted 88 days before the election. See Cal. Gov't Code § 34458; Cal. Elec. Code § 1415. In addition, state law mandates that the ballot language contain an enumeration of new city powers as a result of the adoption of the charter, including, but not limited to, whether the city council will, pursuant to an adopted charter, have the power to raise its own compensation and the compensation of other city officials without voter approval. See Cal. Gov't Code § 34458.5. SB 311, effective January 1, 2014, repeals a city's ability to submit a charter proposal to the electorate at a special election, statewide primary election, or regularly scheduled municipal election. With a few limited exceptions, charter proposals initiated by a city can only be submitted to the electorate during a general statewide election. See Cal. Elec. Code § 1415.

Cal. Gov't Code section 34458 requires that prior to approving the submission to the voters of a proposal to adopt a charter, the governing body shall hold at least two public hearings on the matter of the proposed charter and the content of the proposed charter. Notice of the public hearings shall be given by publication in a newspaper designated by the governing body and circulated throughout the city and by posting the notice in three public places within the jurisdiction at least 21 calendar days prior to the date of each public hearing. The second hearing shall be held at least 30 days after the first public hearing. At least one of the public hearings shall be held outside of normal business hours to facilitate public participation. The governing body shall not conduct a vote on whether to approve the submission to the voters of the proposal to adopt a charter until 21 days after the second

public hearing. Based on these specific statutory requirements and direction received from the City Council on January 15, 2014, the City Clerk has scheduled public hearings for April 9, 2014 and May 21, 2014. The matter will be presented to the City Council on June 18, 2014 for consideration and approval of the ballot language. If approved, the City Clerk will then submit the measure to the Registrar of Voters.

Further, the City Clerk estimates a cost of \$20,000 to place a charter proposal on the November 2014 ballot. Staff estimates an additional cost of \$4,000 for informational mailers to be inserted in the City water bills. The information will also be placed on the City's website.

#### 2012 City Charter Ballot Measure

The City Council previously proposed a charter to the voters in 2012. Key provisions of the 2012 proposal included (a) district elections for Councilmembers, (b) establishing the City Treasurer's duties and compensation by ordinance, (c) exempting the City from state statutes regarding public contracts (unless required by state or federal grants), (d) prohibiting the deduction of political contributions from wages of city employees, (e) adhering to state law for Councilmember salaries, (f) promotion of fair and open competition for City construction projects, and (g) including the eligibility requirement of being a United States citizen for elective office.

#### State Prevailing Wage Requirements: Municipal Affair or Statewide Concern?

##### The Vista Case

Escondido holds a considerable advantage in being able to review the experience of other cities adopting the more limited charters, especially in the area of prevailing wages. By way of background, California law has included State prevailing wage requirements since 1931, when the Legislature adopted the Public Wage Rate Act. The current requirements are set forth in Labor Code § 1720 *et seq.* State law requires that all workers employed on a public works project of more than \$1,000 must be paid the general prevailing rate of per diem wages for the work performed. Labor Code § 1771. This requirement does not apply to work done by a public agency's own forces. *Id.* The prevailing wage rates for various job classifications in each locality are set by the State Department of Industrial Relations generally based on wage rates paid in the locality and the nearest market area to a majority or the largest number of workers in a given classification. Labor Code § 1773.9.

The prevailing wage law is designed to ensure that private contractors who enter into collective bargaining agreements can compete for public works contracts. However, the law is not applicable to private agreements. Historically, charter cities were not bound by state law prevailing wage requirements so long as the project is a municipal affair, and not one funded by state or federal grants. *Vial v. City of San Diego* (1981) 122 Cal. App. 3d 346, 348. However, the League of California Cities notes a growing trend on the part of the courts and the Legislature to expand the applicability of prevailing wages to charter cities under an analysis arguing that the payment of prevailing wages is a matter of statewide concern. And, in 2004, the California Supreme Court described the issue of whether a charter city may exempt itself from compliance with the prevailing

wage law as an “open” and “important” question. See *City of Long Beach v. Dept. of Indust. Relations* (2004) 34 Cal. 4th 942.

More recently, the California Supreme Court has provided charter cities with more certainty than years past by its decision involving a legal challenge to the City of Vista’s charter status which allowed the City to exempt itself from state prevailing wage laws. In the lower courts, the City of Vista successfully defended its ordinance exempting municipal contracts from prevailing wage laws based on the City’s charter status. See *State Building and Construction Trades Council of California, AFL CIO v. City of Vista* (2009) 173 Cal. App. 4th 567 rev. granted. In 2012, the California Supreme Court agreed with the lower courts thereby affirming that prevailing wages could be included in a charter and that the construction of city-operated facility for the benefit of a city’s inhabitants with city funds is a municipal affair. See *State Building and Construction Trades Council of California, AFL-CIO v City of Vista* (2012) 54 Cal.4th 547.

### SB 7

Notwithstanding the California Supreme Court’s decision, Governor Brown signed legislation enacted by the California Legislature on October 13, 2013, bearing directly on the prevailing wage issue. SB 7 prohibits a charter city from receiving or using state funding or financial assistance for a construction project if the city has a charter provision or ordinance that authorizes a contractor to not comply with prevailing wage provisions of any public works contract. The bill prohibits a charter city from receiving or using state funding or financial assistance for a construction project if the city has awarded, within the prior 2 years, a public works contract without requiring the contractor to comply with prevailing wage provisions. The bill authorizes charter cities to receive or use state funding or financial assistance if the city has a local prevailing wage ordinance, applicable to all of its public works contracts, that includes requirements that are equal to or greater than the state’s prevailing wage requirements. The bill excludes contracts for projects of \$25,000 or less for construction work, or projects of \$15,000 or less for alteration, demolition, repair or maintenance work. The bill requests the Director of Industrial Relations to maintain a list of charter cities that receive and use state funding or financial assistance for their construction projects.

As demonstrated by SB 7, the ability of the State Legislature to influence which laws become matters of statewide concern and which cities may receive state funding will likely remain a limitation on the authority and control of a charter city. Litigation over the legality of SB 7 has been initiated and may affect the validity of a charter proposal which exempts the City from prevailing wage laws.

### City Treasurer

The previous 2012 charter ballot measure included provisions to ensure that the duties, responsibilities and compensation of the City Treasurer will be set by Ordinance of the City Council.

By way of background, the government of a general law city is vested in governing officers and employees, which include a City Treasurer. Cal. Gov’t Code § 36501(c). The City Treasurer may be elected or appointed. The City Council may submit to the voters whether the City Treasurer should be appointed. See Cal. Gov’t Code §§ 36503, 36508-36510. A City Treasurer must be an elector of

the city at the time of assuming the office. The candidate for City Treasurer must be a registered voter of the city at the time nomination papers are issued to the candidate. Cal. Gov't Code § 36502(a).

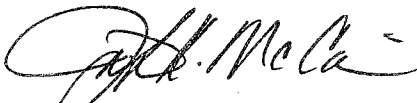
In Escondido the City Treasurer is governed by specific municipal regulations in addition to the applicable State laws. Proposition N, passed in 1986, was codified under Chapter 2, Article 4b of the Escondido Municipal Code (attached) and reflects the current municipal regulations of that office. The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

The language proposed in the 2012 charter ballot measure preserved the right of the electorate to elect a City Treasurer with independent oversight of the City's finances. However, it also allowed the City Council to efficiently determine the duties, responsibilities, and compensation requirements of the City Treasurer position by ordinance. Further, it aligned the appointment process for a vacancy to be the same for all elected officials.

Draft City Charter Proposal

Based on the January 15, 2014 City Council meeting and in light of the recent redistricting process, a draft charter is attached for public comment and City Council consideration. The draft proposal mirrors the 2012 proposed charter with three exceptions. Reference to district elections has been omitted due to the recent adoption of districts pursuant to the consent decree. Reference to prevailing wages has also been omitted due to the continuing uncertainty of the law. The timeframe to fill City Council vacancies by appointment was changed from 30 days to 60 days.

Respectfully submitted,



JENNIFER K. MCCAIN  
Assistant City Attorney

Attachments: Draft Charter City Proposal  
Escondido Municipal Code Chapter 2, Article 4b Proposition N

# CHARTER OF THE CITY OF ESCONDIDO

## PREAMBLE

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

## CHARTER

### Article 1 Municipal Affairs

#### **Section 100. Municipal Affairs**

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

#### **Section 101. Powers**

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

#### **Section 102. Incorporation and Succession**

The City shall continue to be a municipal corporation known as the City of Escondido. The boundaries of the City of Escondido shall continue as now established until changed in the manner authorized by law. The City shall remain vested with and shall continue to own, have, possess, control and enjoy all property rights and rights of action of every nature and description owned, had, possessed, controlled or enjoyed by it at the time this Charter takes effect, and is hereby declared to be the successor of same. It shall be subject to all debts, obligations and liabilities, which exist against the City at the time this Charter

takes effect. All lawful ordinances, resolutions, rules and regulations, or portions thereof, in force at the time this Charter takes effect and not in conflict with or inconsistent herewith, are hereby continued in force until the same have been duly repealed, amended, changed or superseded by proper authority.

## **Article 2 Form of Government**

### **Section 200. Form of Government**

This municipal government established by this Charter shall be known as the "Council-Manager" form of government. The City Council will establish the policy of the City and the City Manager will carry out that policy.

## **Article 3 Elected Officers**

### **Section 300. Enumeration and Term**

The elected officers of the City shall consist of:

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

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

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

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

### **Section 301. Eligibility**

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

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

**Section 302. Vacancies**

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

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

**Section 303. Prior Laws**

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

**Article 4  
Fiscal Matters**

**Section 400. Economic and Community Development**

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

**Section 401. Fair and Open Competition**

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

**Section 402. Voluntary Employee Political Contributions**

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

**Article 5  
Revenue Retention**

**Section 500. Reductions Prohibited**

Revenues raised and collected by the City shall not be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.

**Section 501. Mandates Limited**

No person whether elected or appointed, acting on behalf of the City, shall be required to perform any function which is mandated by any other level of



government, unless and until funds sufficient for the performance of such function are provided by said mandating authority.

## **Article 6 General Laws**

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### **Section 800. Amendment to Charter, revised or repealed**

This Charter, and any of its provisions, may be amended by a majority vote of the electors voting on the question. Amendment or repeal may be proposed by initiative or by the governing body.

## Escondido Municipal Code

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### Chapter 2 ADMINISTRATION

#### **ARTICLE 4B. CITY TREASURER**

##### **Note**

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

##### **Sec. 2-93. Treasurer's position created.**

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

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

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

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

##### **Sec. 2-95. Salary and benefits.**

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

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

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

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

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

**Sec. 2-96.1. Fiduciary bond requirements.**

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

**Sec. 2-96.2. Management of treasurer's office.**

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

**Sec. 2-96.3. Duties and responsibilities.**

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

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

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

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

**Sec. 2-96.4. Audit.**

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



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 12**

**Date: April 9, 2014**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jennifer K. McCain, Assistant City Attorney

**SUBJECT:** Public Hearing on Proposed City Charter

This staff report provides an updated draft charter city proposal for additional public review and discussion.

## RECOMMENDATION

Council is requested to hold a public hearing on the proposed city charter for the City of Escondido (attached) and listen to public comments and suggestions and provide direction on any changes to the proposed city charter.

## FISCAL ANALYSIS

If a proposed charter is placed on the November 2014 ballot, the City Clerk estimates a cost of \$20,000 in addition to approximately \$4,000 for informational mailers distributed with the City water bills.

## PREVIOUS ACTION

The City Council adopted a Work Program on November 6, 2013, which includes the goal of resubmitting a charter city proposal to the electorate. The strategy listed in the Work Program for this goal is to hold public hearings on a revised charter city proposal for possible inclusion in the 2014 election ballot. On January 15, 2014, the City Council directed staff to proceed with a workshop and to schedule two public hearings regarding a charter city proposal. Additionally, on March 19, 2014, the City Council held a workshop to receive input from the public. The staff report for the March 19, 2014 meeting, included a draft charter for comment and discussion. Both the draft charter and the workshop presentation are at <https://www.escondido.org/charter-city-proposal.aspx>

## Draft City Charter Proposal

The draft charter was placed on the City's website on March 16, 2014, and is at <https://www.escondido.org/charter-city-proposal.aspx>. This public hearing has been properly noticed and the second public hearing is scheduled for May 21, 2014 at 6:00 p.m. The draft charter presented to the Council on March 19, 2014, is attached for public comment and City Council consideration.

Honorable Mayor and Members of the City Council  
April 9, 2014  
Page 2

May 21, 2014 at 6:00 p.m. The draft charter presented to the Council on March 19, 2014, is attached for public comment and City Council consideration.

Consistent with other local charters, the draft charter which has been presented and discussed thus far includes: doctrine of municipal affairs (Article 1); council-manager form of government (Article 2); elected officers (Article 3); fiscal matters (Article 4); revenue retention/state mandates limited (Article 5); councilmember compensation governed by state law limits (Article 6); interpretation (Article 7); and amendments to charter by electors (Article 8). The draft proposal mirrors the 2012 proposed charter with three exceptions. Reference to district elections has been omitted due to the recent adoption of districts pursuant to the consent decree. Reference to prevailing wages has also been omitted due to the continuing uncertainty of the law. The timeframe to fill City Council vacancies by appointment was changed from 30 days to 60 days.

#### March 19, 2014 Charter Proposal Workshop

Four members of the public spoke at the March 19, 2014 workshop. Some members of the public questioned the need to become a charter city and suggested the use of a charter commission. Public and councilmember comments also included input on a number of topics, which included: more opportunities for public input; meaningful control on Mayor and Council salaries and benefits; term limits; limitations on the City's ability to change the current council/manager form of government to a strong mayor form of government; and Council vacancies of more than 480 days to be filled by special election only, not by Council appointment. Consistent with the workshop format, however, no motions or other action occurred to result in changes to the current draft.

#### CONCLUSION

Council is requested to hold a public hearing on the proposed city charter for the City of Escondido (attached) and listen to public comments and suggestions and either provide direction of any changes to the proposed city charter or leave the draft in its present form for the next public hearing, which is scheduled for May 21, 2014.

Respectfully submitted,



JENNIFER K. MCCAIN  
Assistant City Attorney

Attachment: Draft Charter City Proposal

# CHARTER OF THE CITY OF ESCONDIDO

## PREAMBLE

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

## CHARTER

### Article 1 Municipal Affairs

#### **Section 100. Municipal Affairs**

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

#### **Section 101. Powers**

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

#### **Section 102. Incorporation and Succession**

The City shall continue to be a municipal corporation known as the City of Escondido. The boundaries of the City of Escondido shall continue as now established until changed in the manner authorized by law. The City shall remain vested with and shall continue to own, have, possess, control and enjoy all property rights and rights of action of every nature and description owned, had, possessed, controlled or enjoyed by it at the time this Charter takes effect, and is hereby declared to be the successor of same. It shall be subject to all debts, obligations and liabilities, which exist against the City at the time this Charter

takes effect. All lawful ordinances, resolutions, rules and regulations, or portions thereof, in force at the time this Charter takes effect and not in conflict with or inconsistent herewith, are hereby continued in force until the same have been duly repealed, amended, changed or superseded by proper authority.

## **Article 2 Form of Government**

### **Section 200. Form of Government**

This municipal government established by this Charter shall be known as the "Council-Manager" form of government. The City Council will establish the policy of the City and the City Manager will carry out that policy.

## **Article 3 Elected Officers**

### **Section 300. Enumeration and Term**

The elected officers of the City shall consist of:

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

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

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

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

### **Section 301. Eligibility**

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

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

**Section 302. Vacancies**

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

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

**Section 303. Prior Laws**

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

**Article 4  
Fiscal Matters**

**Section 400. Economic and Community Development**

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

**Section 401. Fair and Open Competition**

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

**Section 402. Voluntary Employee Political Contributions**

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

**Article 5  
Revenue Retention**

**Section 500. Reductions Prohibited**

Revenues raised and collected by the City shall not be subject to subtraction, retention, attachment, withdrawal or any other form of involuntary reduction by any other level of government.

**Section 501. Mandates Limited**

No person whether elected or appointed, acting on behalf of the City, shall be required to perform any function which is mandated by any other level of



government, unless and until funds sufficient for the performance of such function are provided by said mandating authority.

## **Article 6 General Laws**

### **Section 600. General Law Powers**

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

### **Section 601. Council Member Compensation**

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

## **Article 7 Interpretation**

### **Section 700. Construction and Interpretation**

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

### **Section 701. Severability**

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

## **Article 8 Amendment**

### **Section 800. Amendment to Charter, revised or repealed**

This Charter, and any of its provisions, may be amended by a majority vote of the electors voting on the question. Amendment or repeal may be proposed by initiative or by the governing body.



**FUTURE CITY COUNCIL AGENDA ITEMS**  
**May 15, 2014**

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

**May 28, 2014**  
**No Meeting (Memorial Day)**

**June 4, 2014**  
**No Meeting**

# City Manager's WEEKLY UPDATE to City Council

May 14, 2014

## ECONOMIC DEVELOPMENT

- The quarterly meeting of the Economic Development Sub-committee meeting, previously scheduled for May 15, has been cancelled. The next meeting will be August 21, 2014.
- Now that the water well at Daley Ranch has been approved by the County and State, we have scheduled our first event there. The Escondido Chamber of Commerce will hold its annual Installation Dinner there on June 13. Although our marketing materials are still being finalized, word of mouth is spreading the news that we are accepting reservations. We also have booked two additional events for late summer. Reservations are being handled by Teresa Collins.

## SPECIAL EVENTS

It's a BIG weekend for events in Escondido:

Saturday, May 17<sup>th</sup> – Grape Day Park

- 11:00 a.m. - 4:00 p.m.: Holi Festival of colors
- 11:00 a.m. - 4:00 p.m. Escondido High School 50<sup>th</sup> Reunion
- 5:00 p.m.: Bonsall Rotary event at CCAE & Great Green

Saturday, May 17<sup>th</sup> – San Pasqual High School/Kit Carson

- 6:00 – 10:00 am: Fighting Eagles Run/Walk

Sunday, May 18<sup>th</sup> – Downtown Escondido

- 9:30am – 5:30 pm: Grand Avenue Festival

## STATUS OF QUEEN CALIFIC REPAIRS

The following is an update:

- The artist under contract (who incidentally was involved in the original construction) estimates he is slightly over 50% complete.
- The artist is focusing repairs to one side of the entrance (as you may recall visitors entering the sculpture garden can proceed either to the left or the right through the maze of black, white, and mirrored tiles). By completing repairs on one of the two paths the facility can be accessed while the artist works on the other path. We feel this will serve as a demonstration activity of the repairs occurring on the site.
- The Public Art Commission (PAC) has established a subcommittee to develop a docent program for training and scheduling volunteers who will watch over the facility. Phyllis

# City Manager's WEEKLY UPDATE to City Council

Savin (former PAC member) is the Docent Coordinator and she has experience overseeing docent programs.

- The initial plan is to start by opening the facility 4 hours per day (10 AM – 2 PM) Fridays and Saturdays.
- The subcommittee is working with Grant Taylor (Friends of Kit Carson Park) and Wendy Wilson (Escondido Arts Partnership) to establish a reliable list of docents.
- We are aiming for an early fall 'soft' opening of the Sculpture Garden (September). The subcommittee is discussing coordinating a grander re-opening with publicity to coincide with "October Arts Month."
- Electrical service was extended to an area adjacent to the Sculpture Garden (outside the Queen Califia fencing) and a 200-amp meter was installed. This will accommodate events and revenue generating opportunities.

## COMMUNITY DEVELOPMENT UPDATES

### Planning:

- Major Projects Update:
  - Oak Creek (NUW) – A Screencheck Draft Environmental Impact Report (EIR) was submitted to staff on 5/12/14. Staff is coordinating with the applicant on a public agency scoping meeting to be held on 5/19/14. The applicant is evaluating project revisions to eliminate residences that are within 500 feet of Interstate 15 based on to public comments regarding the potential public health exposure.
  - Amanda Lane (NUW) – The application remains incomplete; the applicant is working on a resubmittal package and has not provided an anticipated resubmittal date
  - Zak/NCA Development – The City Council hearing date has been tentatively scheduled for 6/11/14.
  - Centerpointe – Preparation of the draft EIR is underway; the first screencheck anticipated in mid-June.
  - North Broadway Deficiency Area Projects – The public comment period for the Mitigated Negative Declaration (MND) for the proposed 16-lot subdivision at 836 Stanley Ave. (Boer) closed on 5/12/14; no comments were received. The MND for the 16-lot subdivision at 926 Lehner Ave (Baker) was issued 5/2/14 and public comments are due on 5/22/14. Both projects are tentatively scheduled for Planning Commission on 5/27/14. Development Agreement negotiations are nearing completion.
  - Habitat for Humanity – Staff is reviewing plans necessary for HFH to obtain bonding for improvements. The applicant intends to pull foundation permits for three units by Friday and commence construction on the building foundations next week.

# City Manager's **WEEKLY UPDATE** to City Council

- Vinehenge Art Sculpture: Repairs on this interactive children's play structure in Grape Day Park were completed this week and the facility is open for play.

## **Building Division:**

- The Building Department issued 49 permits for the week with a valuation of \$423,437.
- The building counter was busy averaging 27 visitors a day with 21 visitors on Friday. Inspections averaged 27 per day with 20 on Friday.
- Building issued 13 photovoltaic permits this week, and a total of 191 permits to date.
- Permits were issued for the new Chipolte restaurant at 1201 E Valley Pkwy, the former Blockbuster Video site.

## **CAPITAL IMPROVEMENT PROJECTS**

### **2013 - 2014 Pavement Repair and Rehabilitation Program:**

Activity on the completion of the punch list is ongoing.

### **Red Flex Camera Removal:**

The contractor delivered a traffic control plan for review on May 9, 2014. The package was incomplete requiring additional sheets to encompass all of the Photo Enforcement signage associated with the system removal. We are presently awaiting the additional information for review.

## **Private Development**

### **1146 East Valley Parkway- McDonald's Restaurant:**

The construction schedule calls for the removal of the existing concrete median on May 13 with the new concrete median curb being completed by Friday May 16. The work requires day time closures of one lane in east and west bound traffic along Valley Parkway.

### **Tract 888-Cambell Court:**

The contractor has completed the import of base material for the construction of the new roadway.

### **Black Angus-North County Fair:**

The construction of the underground utilities has been postponed. The grading of the building pad is progressing.

## **PUBLIC SAFETY**

### **Police:**

- The following promotions are effective immediately:
  - James Stuard to Captain
  - Michael Kearney to Lieutenant



# City Manager's **WEEKLY UPDATE** to City Council

- Jared Sinclair to Sergeant
- Facebook "likes" are now at 1604

## Fire:

- We have two engines and a strike team leader (STL) and STL trainee assigned to the Bernardo Fire. We have back filled those positions, so all of our stations will be fully covered until units return.
- The Fire Department's Senior Volunteer program is celebrating its' Seventh Anniversary this week. There are currently 13 active senior volunteers in the program that collectively worked more than 4,300 hours this past year.

###