

Council Meeting Agenda

May 11, 2011

CITY COUNCIL CHAMBERS

3:30 p.m. Closed Session; 4:30 p.m. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Sam Abed
DEPUTY MAYOR	Marie Waldron
COUNCIL MEMBERS	Olga Diaz Ed Gallo Michael Morasco
CITY MANAGER	Clay Phillips
CITY CLERK	Marsha Whalen
CITY ATTORNEY	Jeffrey Epp
DIRECTOR OF COMMUNITY DEVELOPMENT	Barbara Redlitz
DIRECTOR OF ENGINEERING SERVICES	Ed Domingue

ELECTRONIC MEDIA:

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

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

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

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



Council Meeting Agenda

May 11, 2011
3:30 p.m. Meeting

Escondido City Council Community Development Commission

CALL TO ORDER

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

ORAL COMMUNICATIONS

At this time the public may comment on items not appearing on the agenda. 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.)

CLOSED SESSION: (COUNCIL/CDC/RRB)

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: **Escondido City Employee Association
Administrative/Clerical/Engineering (ACE) Bargaining Unit**
- c. Agency Negotiator: Sheryl Bennett, Clay Phillips
Employee organization: **Maintenance & Operations, Teamsters Local 911**

CLOSED SESSION: Continued

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

Name of case: Paula Westenberger v. City of Escondido; Case No.: WCAB #ADJ3448350;
ADJ4436156

ADJOURNMENT



Council Meeting Agenda

May 11, 2011
4:30 p.m. Meeting

Escondido City Council
Community Development Commission

CALL TO ORDER

MOMENT OF REFLECTION:

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

FLAG SALUTE

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

PRESENTATIONS:

PROCLAMATIONS:

- ◇ Escondido Mounted Posse
- ◇ Poppy Week
- ◇ Celebration of Educators
- ◇ Recognition of Map Donors
- ◇ Drowning Prevention Month
- ◇ Public Works Week: Engineering Services, Community Services and Utilities

ORAL COMMUNICATIONS

At this time the public may comment on items not appearing on the agenda. 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 30 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/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Regular Meeting of April 6, 2011**
4. **BUDGET ADJUSTMENT TO TRANSFER FUNDS TO THE BUILDING MAINTENANCE OPERATING BUDGET FOR UNANTICIPATED UTILITIES AND REPAIRS TO CITY FACILITIES** – Request Council approve a budget adjustment to transfer funds from the Building Maintenance reserve, in the amount of \$500,000, to the Building Maintenance operating budget.

Staff Recommendation: Approval (**Community Services: Jerry VanLeeuwen**)

5. **DALEY RANCH FIRE SPRINKLER SYSTEM** – Request Council authorize the Mayor and City Clerk to execute an agreement with Vanguard Fire Protection Inc. in the amount of \$131,900 to complete the fire sprinkler system at the Daley Ranch house and garage.

Staff Recommendation: Approval (**Community Services: Jerry VanLeeuwen**)

RESOLUTION NO. 2011-60

6. **CONTRACT FOR THE CITY'S THIRD-PARTY ADMINISTRATOR SERVICES FOR THE CITY'S WORKERS' COMPENSATION PROGRAM** – Request Council authorize the Mayor and City Clerk to execute a one-year renewable contract with Tristar Risk Management to provide third-party administrator services for the City of Escondido Workers' Compensation Program.

Staff Recommendation: Approval (**Human Resources: Sheryl Bennett**)

RESOLUTION NO. 2011-51

CONSENT CALENDAR - Continued

7. **SECOND AMENDMENTS FOR TWO CHEMICAL BID AWARDS** – Request Council approve the Second Amendments for the Chemical Bid awards with Kemira Water Solutions, in the amount of \$229,370, and Olin Corporation, in the amount of \$163,403, to increase our chemical purchases through the end of the current fiscal year.

Staff Recommendation: Approval (**Utilities Division: Lori Vereker**)

8. **BID AWARD FOR FLEET REPLACEMENT OF TWELVE TRUCKS** – Request Council award the bid for fleet replacement of twelve trucks to North County Ford of Vista, California in the amount of \$264,314.

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

9. **NOTICE OF COMPLETION FOR GRADING, UTILITIES, AND CONSTRUCTION IMPROVEMENTS FOR THE ESCONDIDO SPORTS CENTER PROJECT** – Request Council authorize staff to file a Notice of Completion for the Grading, Utilities, and Construction Improvements for the Escondido Sports Center Project.

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

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

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

10. **SECOND AMENDMENT TO DEVELOPMENT AGREEMENT 2005-52-DA (TRACT 933) – Approved with a vote of 5/0 on May 4, 2011.**

ORDINANCE NO. 2011-08 Adoption and Second Reading

PUBLIC HEARINGS

11. **CITY OF ESCONDIDO LANDSCAPE MAINTENANCE DISTRICT ZONES 1-36** – Request Council receive public input on the levy of the proposed annual assessments for the City of Escondido Landscape Maintenance District (LMD) Zones 1-36 for FY 2011/2012.

Staff Recommendation: Receive public input (**Engineering Services: Frank Schmitz**)

12. **CITY OF ESCONDIDO LANDSCAPE MAINTENANCE DISTRICT ZONE 37** – Request Council receive public input on the levy of the proposed initial assessment for the City of Escondido Landscape Maintenance District (LMD) Zone 37 beginning in FY 2011/2012.

Staff Recommendation: Receive public input (**Engineering Services: Frank Schmitz**)

CURRENT BUSINESS

13. **RESOLUTION OPPOSING SENATE BILL 468** – Request Council oppose Senate Bill 468 which would impose additional, unnecessary requirements on capacity-increasing highway projects in the coastal zone, as well as prevent the implementation of the Regional Transportation Plan.

Staff Recommendation: None (**Mayor Sam Abed and Councilmember Marie Waldron**)

RESOLUTION NO. 2011-62

14. **FINANCIAL REPORT FOR THE QUARTER ENDED MARCH 31, 2011, AND AMENDMENTS TO THE FISCAL YEAR 2010/2011 OPERATING BUDGET AND FISCAL YEAR 2010/2011 CAPITAL IMPROVEMENT PROGRAM BUDGET** – Request Council receive and file the third quarter financial report for Fiscal Year 2010/2011 and approve amendments to the Fiscal Year 2010/2011 budget.

Staff Recommendation: Receive and file the third quarter financial report and approve amendments (**Finance Department: Gil Rojas**)

15. **REVIEW DRAFT OF GENERAL FUND TWO YEAR BUDGET AND DISCUSS CHANGES TO RECREATION PROGRAM** – Request Council give staff direction in preparing a preliminary budget to be discussed in a public hearing on June 8, 2011.

Staff Recommendation: Provide direction to staff (**Finance Department: Gil Rojas**)

WORKSHOP

16. **PRELIMINARY CITY COUNCIL ACTION PLAN – FINANCIAL STABILITY ELEMENT –**
 Request Council provide direction regarding proposed content for the Financial Stability element of the 2011-2012 City Council Action Plan.

Staff Recommendation: Provide direction (**City Manager’s Office: Joyce Masterson and Finance Department: Gil Rojas**)

FUTURE AGENDA

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

Staff Recommendation: None (**City Clerk’s Office: Marsha Whalen**)

ORAL COMMUNICATIONS

At this time the public may comment on items not appearing on the agenda. 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.

COUNCIL MEMBERS’ COMMITTEE REPORTS/COMMENTS/BRIEFING

ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
May 18			No Meeting Scheduled	
May 25	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
June 1			No Meeting Scheduled	
June 8	Wednesday	3:30 & 4:30 p.m.	Council 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. Comments are generally limited to 3 minutes.

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

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

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

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

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

LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and can be viewed the following Sunday and Monday evenings at 6:00 p.m. on Cox Cable. The Council meetings are also available live via the Internet by accessing the City's website at www.escondido.org, and selecting: City Council/broadcasts of City Council Meetings/live video streaming.

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

**The City Council is scheduled to meet the first four Wednesdays
of the month at 3:30 in Closed Session and 4:30 in Open Session.
(Verify schedule with City Clerk's Office)**

**Members of the Council also sit as the Community Development Commission
and the Mobilehome Rent Review Board.**

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



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

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

CITY OF ESCONDIDO
April 6, 2011
3:30 p.m. Meeting Minutes

Escondido City Council
Community Development Commission

CALL TO ORDER

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 3:30 p.m. on Wednesday, April 6, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE

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

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/CDC/RRB)

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

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

- a. Property: 210 E. Park
Agency Negotiators: Jerry VanLeeuwen
Negotiating parties: City of Escondido and Ruth Pickard
Under negotiation: Price and terms of payment

- b. Property: 272 E. Via Rancho Parkway, Escondido
City Negotiator: Clay Phillips
Negotiating parties: City and Westfield Shopping Town, Inc.
Under negotiation: Price and terms of payment

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

- a. Agency Negotiator: Sheryl Bennett, Clay Phillips
Employee organization: **Escondido City Employee Benefit Association
Supervisory Bargaining Unit**
- b. Agency Negotiator: Sheryl Bennett, Clay Phillips
Employee organization: **Escondido City Employee Association
Administrative/Clerical/Engineering (ACE) Bargaining Unit**
- c. Agency Negotiator: Sheryl Bennett, Clay Phillips
Employee organization: **Maintenance & Operations, Teamsters Local 911**

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:40 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY OF ESCONDIDO
April 6, 2011
4:30 p.m. Meeting Minutes

Escondido City Council
Community Development Commission
Mobilehome Rent Review Board

CALL TO ORDER

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 4:30 p.m. on Wednesday, April 6, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

FLAG SALUTE

Mayor Abed led the flag salute.

ATTENDANCE

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

PROCLAMATIONS

Mayor Abed introduced Mary Anne Dijak and Reverend Faith Conklin who accepted a proclamation for CROP Hunger Walk Day held on April 3, 2011.

Mayor Abed introduced Deputy City Librarian Cynthia Smith who accepted a proclamation for National Library Week: April 9-16, 2011.

PRESENTATIONS

Mayor Abed introduced Jessica Cissel, California Parks and Recreation Society President, who presented Recreation Supervisor Joel Agg with the Scholarship Award and the Achievement Award for the Washington Park CDBG Swim Program.

ORAL COMMUNICATIONS

Wayne Louth, Escondido, distributed information, reported on the patriot flag and asked that a flag be painted on a rooftop in Escondido.

Tom Pressley, Escondido, urged Council to keep the adult literacy program going and the library open.

Roy Garrett, Escondido, requested Council use the reserve fund to keep the branch library open and for recreation programs.

Thomas Armstrong, Escondido, expressed support for illegal immigrants and voiced concern for the homeless.

CONSENT CALENDAR

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

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

4. **LAKE WOHLFORD ROAD EMERGENCY REPAIR BID AWARD** – Request Council ratify the City Manager’s execution of an emergency contract with Southland Paving, Inc. in an amount not to exceed \$250,000 for the stabilization of the Lake Wohlford Road to allow for reopening of the road. (File No. 0600-10 Misc.)

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

RESOLUTION NO. 2011-48

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

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

5. **MODIFICATION TO DEVELOPMENT AGREEMENT FOR TRACT 933 (PHG 10-0001)**
(Approved by Council on March 23, 2011 with a vote of 5/0.) (File No. 0800-10 Tract 933)

ORDINANCE NO. 2011-01 Adoption and Second Reading

PUBLIC HEARINGS

6. **SHORT-FORM RENT REVIEW BOARD HEARING FOR CASA DE AMIGOS MOBILEHOME PARK** – Request Council approve an increase of 75% of the change in the Consumer Price Index, an average of \$5.89 per space per month, for the period of June 30, 2009 to June 30, 2010. (File No. 0697-20-9778)

Staff Recommendation: Approval (**Housing Division: Roni Keiser**)

RESOLUTION NO. RRB 2011-01

Michelle Henderson, Housing Division, gave the staff report and presented a series of slides.

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

Heather Woolsey, Park Owner Representative, indicated there was a good relationship with the residents and asked Council to grant the short form rent increase.

Bill Zeigler, Escondido, voiced concern with Council approving all short form rent increases.

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

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve the short form rent increase and adopt Resolution No. RRB 2011-01. Motion carried unanimously.

7. **GENERAL PLAN AMENDMENT (PHG 09-0009)** – Request Council approve a General Plan Amendment to change the land-use designation of approximately 11.62 acres of privately-owned land (Escondido Drive-Inn/Swap Meet) and 2.54 acres of City-owned land (Reidy Creek Flood Control Channel) from Light Industrial (LI) and General Commercial (GC) to Planned Commercial (PC), establishing Planned Commercial designation No. 20 with associated General Plan Policy language; and adopt the Mitigated Negative Declaration and Mitigation Monitoring Program issued for the proposed project addressed as 635 W. Mission Avenue. (File No. 0830-20)

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

RESOLUTION NO. 2011-35

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

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

Dave Ferguson, Attorney, urged Council to approve the amendment.

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

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve a General Plan Amendment to change the land-use designation of approximately 11.62 acres of privately-owned land (Escondido Drive-Inn/Swap Meet) and 2.54 acres of City-owned land (Reidy Creek Flood Control Channel) from Light Industrial (LI) and General Commercial (GC) to Planned Commercial (PC), establishing Planned Commercial designation No. 20 with associated General Plan Policy language; adopt the Mitigated Negative Declaration and Mitigation Monitoring Program issued for the proposed project addressed as 635 W. Mission Avenue and adopt Resolution No. 2011-35. Ayes: Gallo, Morasco, Waldron and Abed. Noes: Diaz. Absent: None. Motion carried.

8. **ONE-YEAR ACTION PLAN FOR FISCAL YEAR 2011-2012 HOME FUNDS FOR AFFORDABLE HOUSING ACTIVITIES AND CDBG FUNDS FOR COMMUNITY DEVELOPMENT PROGRAMS AND PROJECTS** – Request Council adopt Fiscal Year 2011-2012 HOME Budget and Allocations to Project; and approve allocations of FY 2011-2012 CDBG funds; and adopt FY 2011-12 One-Year Action Plan authorizing the Director of Community Services and the City Clerk to execute contracts with service providers as appropriate. (File No. 0870-11)

Staff Recommendation: Approval (**Neighborhood Services: Roni Keiser**)

RESOLUTION NO. 2011-14

Rich Buquet and Michelle Geller, Neighborhood Services; and Roni Keiser, Housing Manager, 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.

Trisha Gooch, San Diego Food Bank Backpack Program, asked Council to continue their funding.

Kelly Mathews, North County Lifeline, urged Council to continue their funding.

Susan Hall, Angels Depot, requested Council fund their program.

Jamie Kasvikis, North County Serenity House, asked Council to provide funding for repairs to their facility.

Wesley Lindquist, North County Serenity House, asked Council for financial help.

Al Trevisan, Palomar Family Counseling, urged Council to continue funding their programs.

Betty Recard, Easter Seals, requested Council fund their program.

Cheryl Crawford, Meals on Wheels, asked Council to continue their funding.

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

MOTION: Moved by Councilmember Waldron and seconded by Councilmember Morasco to adopt Fiscal Year 2011-2012 HOME Budget and Allocations to Project; approve allocations of FY 2011-2012 CDBG funds; adopt FY 2011-12 One-Year Action Plan authorizing the Director of Community Services and the City Clerk to execute contracts with service providers as appropriate and adopt Resolution No. 2011-14. Ayes: Diaz, Morasco, Waldron and Abed. Noes: Gallo. Absent: None. Motion carried.

CURRENT BUSINESS

9. **PRELIMINARY 2011-2012 CITY COUNCIL ACTION PLAN** – Request Council provide direction regarding proposed format, content and process for final development of the City Council Action Plan. (File No. 0610-95)

Staff Recommendation: Provide direction (**City Manager's Office: Joyce Masterson**)

Joyce Masterson, Assistant to the City Manager, gave the staff report and presented a series of slides.

COUNCIL ACTION: RECEIVED AND FILED AS PRESENTED

WORKSHOP

10. **CITY SOURCED OVERVIEW/GO LIVE** – A presentation providing an overview of the City sourced Mobile Communications Platform. (File No. 1260-40)

Staff Recommendation: Receive and File (**Information Systems: Mark Becker**)

THIS ITEM WAS CONTINUED TO MAY 4, 2011

FUTURE AGENDA

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

Staff Recommendation: None (**City Clerk's Office: Marsha Whalen**)

Councilmember Waldron asked if the gun violence item on a future agenda was possibly a Police Department grant.

ORAL COMMUNICATIONS

Jerry Lenhardt, Escondido, stated the Council always supported short form rent increases.

COUNCIL MEMBERS COMMITTEE REPORTS/COMMENTS/BRIEFING

Councilmember Diaz asked for an update on the hotel project and that the Economic Development Subcommittee receives a copy of the recent new proposal for their review.

Councilmember Waldron indicated the Oceanside Council was considering the E-Verify program and Chelsea's Light Foundation wanted to do a baseball tournament fundraiser and asked if they could use the baseball fields in Jesmond Dene Park.

Councilmember Gallo stated NCTD ridership was up and they were working to set up a kiosk information board at the transit center. The SANDAG Boarders Committee would have a representative on the Tijuana Commission on Border Affairs board. Kit Carson Park, Grape Day Park and Jesmond Dene Park all had volunteer opportunities available in the next months.

Councilmember Morasco indicated the Education subcommittee would be meeting this month and he had an opportunity to attend the Palomar Pomerado Healthcare Annual Awards and would be touring the new hospital facility later this month.

ADJOURNMENT

Mayor Abed adjourned the meeting at 7:40 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4
Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: Budget adjustment to transfer funds to the Building Maintenance Operating Budget for unanticipated utilities and repairs to City facilities

RECOMMENDATION:

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

FISCAL ANALYSIS:

The estimated ending building Maintenance reserve balance for FY 2011 is \$2,800,000. The amount of the requested transfer is \$500,000, leaving a balance of \$2,300,000. Any funds that are not used will be returned back to the reserve.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

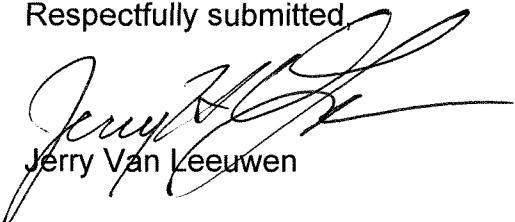
N/A

BACKGROUND:

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

Additionally, our utility bills are greater than anticipated and the transferred funds will also be used to ensure they are paid.

Respectfully submitted,



Jerry Van Leeuwen

UNANTICIPATED EXPENSES 2010/11 FY

PROJECT	COST	ACCOUNT NUMBER	
1 Mold Remediation - Firestation 4	\$ 17,624	5131	Jul-10
2 New Silder Door - JSC / Nutrition	\$ 4,976	5131	Jul-10
3 Door Repairs - CCAE	\$ 8,016	5131	Jul-10
4 40 HP AH #1 Motor - CCAE / Concert Hall	\$ 9,094	5131	Jul-10
5 New Landry Equipment / City Hall	\$ 3,992	5125	Aug-10
6 Castle Door Repairs - CCAE / Conf Center	\$ 4,115	5131	Aug-10
7 Pressure Regulator - Library	\$ 3,855	5131	Sep-10
3 Fountain VFD - City Hall	\$ 1,612	5131	Sep-10
9 Teleco Lines Replaced - CCAE / Central Plant	\$ 3,188	5131	Sep-10
10 Carpet Replacement - Lake Whlford	\$ 4,105	5131	Sep-10
11 Tennis Court Resurfacing - Kit Carson	\$ 33,720	5131	Oct-10
12 Fuel Tank Removal - Old EPD	\$ 19,917	5131	Oct-10
13 Stage Repair - CCAE / Concert Hall	\$ 21,216	5131	Oct-10
14 HVAC Repairs - CCAE / Central Plant	\$ 10,300	5131	Oct-10
15 Elevator Repair (Pump) - CCAE / Concert Hall	\$ 7,279	5131	Nov-10
16 Roll Up Door Repairs - Various Fire Stations	\$ 17,767	5131	Nov-10
17 Roof Repairs and Drain Mods - City Hall	\$ 4,700	5131	Jan-11
18 Soccer Turf Repairs - Sports Park	\$ 7,400	5131	Jan-11
19 Sliding wood Door Repair - CCAE/Museum	\$ 2,600	5131	Jan-11
20 HVAC Control Programing - Fire Station 1	\$ 5,910	5131	Jan-11
21 Elevator Repair (Door Edges) - CCAE / Concert Hall	\$ 4,067	5131	Jan-11
22 HVAC Replacment - EVCC	\$ 16,381	5131	Jan-11
23 Security System Insatll - Collection Site	\$ 2,848	5131	Jan-11
24 Gas Lines Replacement - EVCC	\$ 35,118	5131	Feb-11
25 Window Shades - PAFH / Dispatch, Investigations	\$ 5,022	5131	Feb-11
26 Boiler Repair - Central Plant	\$ 5,974	5131	Feb-11
27 Strand Lighting Repairs - CCAE/Concert Hall	\$ 3,650	5131	Feb-11
28 Fountain Controls - City Hall	\$ 1,687	5131	Mar-11
29 Boiler Repair - Central Plant	\$ 2,775	5131	Mar-11
30 Plumbing Repairs - Sports Park	\$ 2,180	5131	Apr-11
31 House Demolition - 1140 S Citrus	\$ 15,300	5131	Mar-11
32 House Demolition - 123 E 2nd	\$ 14,471	5131	Mar-11
TOTAL	\$ 300,859		

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 5
Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council
FROM: Jerry Van Leeuwen, Director of Community Services
Danny W. Sadek, Facilities Project Coordinator
SUBJECT: Daley Ranch Fire Sprinkler System

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-60 authorizing the Mayor and City Clerk to enter into an agreement with Vanguard Fire Protection Inc. in the amount of \$131,900 to complete the fire sprinkler system at the Daley Ranch house and garage. Monies for these improvements are from the Daley Ranch restoration fund.

BACKGROUND:

City staff accepted bids for the Daley Ranch fire sprinkler system. The Engineers estimate was \$24,000, and staff received four bids as follows: Mid Coast Fire Protection for \$17,020 (went out of business); Vanguard Fire Protection Inc. for \$27,000; J. G. Tate for \$38,700; and Bradshaw Engineering for \$46,000. Van Guard Fire Protection Inc. was determined to be the lowest responsive and responsible bidder.

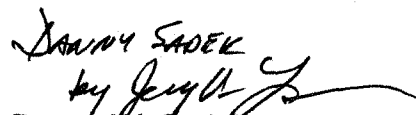
The sprinkler system was designed, approved and installed for the main house and the garage. That portion of the project has been inspected and signed off.

In the review process it was determined: 1) the well pump could not provide enough volume for the fire sprinkler system and a fire pump would have to be provided. (See proposal attached to the Public Improvement Agreement for \$43,800); and 2) a one hour volume of water storage was required to protect the house and its occupants because of the location of the ranch with the fire danger. (See proposal attached to the Public Improvement Agreement for a 16,000 gallon tank installed for \$88,100).

It is noted the amount of this request is substantial relative to the original agreement and scope. In this particular circumstance, the design services and installation revealed the need for the additional work and materials. The City Attorney's office has advised staff that the approval complies with the purchasing policies of the City.

Respectfully submitted,


Jerry Van Leeuwen
Director of Community Services


Danny W. Sadek
Facilities Project Coordinator

RESOLUTION NO. 2011-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK, TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC IMPROVEMENT AGREEMENT WITH VANGUARD FIRE PROTECTION, INC., FOR THE COMPLETION OF THE FIRE SPRINKLER SYSTEM FOR THE DALEY RANCH PROJECT

WHEREAS, the City Council has allocated funding for the Daley Ranch Renovation Improvements, and

WHEREAS, city staff accepted bids for the Daley Ranch fire sprinkler system project ("Project"), and

WHEREAS, the Engineers estimate for the project was \$24,000; and

WHEREAS, the City staff received four bids as follows: Mid Coast Fire Protection for \$17,020 (went out of business); Vanguard Fire Protection Inc. for \$27,000; J. G. Tate for \$38,700; and Bradshaw Engineering for \$46,000.

WHEREAS, it was determined that Vanguard was the low responsive and responsible bidder; and

WHEREAS, the Director of Community Services recommends the execution of a Public Improvement Agreement with Vanguard Fire Protection, Inc., in the amount of \$131,900 for the Project as per the Fire Department design changes.

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 Council accepts the recommendation of the Director of Community Services and finds Vanguard Fire Protection, Inc. to be the lowest responsive and responsible bidder, and competent to perform the services.

3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Public Improvement Agreement ("Agreement") with Vanguard Fire Protection, Inc., for the Project. A copy of the Agreement is attached as Exhibit "A" and is incorporated by this reference.



CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Agreement is made this 11th day of May, 2011.

Between: CITY OF ESCONDIDO
 a Municipal Corporation
 201 N. Broadway
 Escondido, California 92025
 Attn: Danny W. Sadek
 760-802-0396
 ("CITY")

And: Vanguard Fire Protection Inc.
 925 Poinsettia Avenue, Suite 11
 Vista, CA 92081
 Attn: Tom Byrne
 760-727-8540
 ("CONTRACTOR")

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

NOW, THEREFORE, it is mutually agreed as follows:

1. Description of Services. CONTRACTOR will furnish all of the services described in "Attachment A," which is attached and incorporated by this reference. CONTRACTOR agrees to diligently perform such services to their completion, with professional quality and technical accuracy.
2. Compensation. The CITY will pay and CONTRACTOR will accept in full payment for the above work, the sum of \$131,900. Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in subsequent amendment(s) shall not exceed a cumulative total of ten percent (10%) of the maximum payment provided for in this Section 2.
3. Term and Time of Performance. CONTRACTOR must start working within one (1) week from City's notice to begin. CONTRACTOR must diligently perform and complete the work within (6) weeks after the pump and tank arrive. Extension of terms or time of performance may be made only upon the City's written consent.

4. Scope of Compensation. CONTRACTOR will be responsible for performance of the tasks specified in the Description of Services in "Attachment A." No compensation will be provided for any other tasks without specific prior written consent from the CITY.
5. Performance. CONTRACTOR must faithfully perform in a proficient manner, to the satisfaction of the CITY, all the work or services described in the Description of Services, above.
6. City Property. All original documents, drawings, electronic media, and other material prepared by CONTRACTOR under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONTRACTOR for any other purpose without prior written consent of the CITY.
7. Insurance Requirements.
 - a. The CONTRACTOR shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 7(b) below; and
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONTRACTOR acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of CONTRACTOR. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONTRACTOR _____

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
 - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.

- (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONTRACTOR's work, including its on-going operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.
 - d. In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
8. Indemnification. CONTRACTOR (which in this paragraph 8 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- a. Any claim of liability arising out of the negligence or any acts or omissions of CONTRACTOR in the performance of this Agreement;
 - b. Any personal injuries, property damage or death that CONTRACTOR may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
 - c. Any injury or death which results or increases by any action taken to medically treat CONTRACTOR.

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

9. Anti-Assignment Clause. Since the CITY has relied on the particular skills of CONTRACTOR in entering this Agreement, CONTRACTOR may not assign, delegate, or sublet any duty or right under this Agreement, or any portion of the Description of Services. Any such purported assignment, delegation, or subletting will void this entire Agreement, unless the CITY has previously approved such action in writing. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
10. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.

11. Independent Contractor. CONTRACTOR is an independent contractor and no agency or employment relationship is created by the execution of this Agreement.
12. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
13. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived because any other provision has been waived by CITY, in whole or in part.
14. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
15. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
16. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
17. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
18. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party.
19. Business License. The CONTRACTOR is required to obtain a City of Escondido Business License prior to execution of this Agreement.
20. Compliance with Applicable Laws, Permits and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. This shall include, but not limited to, all California Labor Code laws regarding payment of prevailing wages and all OSHA regulations. CONTRACTOR shall obtain any and all licenses, permits, and authorizations necessary to perform the services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the

'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (<http://www.dir.ca.gov/DLSR>). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONTRACTOR affirms that as a licensed Contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONTRACTOR agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.
23. E-Verify Participation. CONTRACTOR agrees to enroll in and begin use of the United States Department of Homeland Security's ("DHS") E-Verify program ("E-Verify") within thirty (30) days of the execution of this Agreement to confirm employment eligibility of all of CONTRACTOR'S potential new hires. CONTRACTOR agrees and understands that E-Verify enrollment requires CONTRACTOR to sign a Memorandum of Understanding ("MOU") with DHS which provides the E-Verify terms of use. Any violation of the MOU by CONTRACTOR is grounds for DHS' termination of CONTRACTOR'S participation in the E-Verify program. Any such termination by DHS shall constitute grounds for City's immediate termination of this Agreement.

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

CITY OF ESCONDIDO

Date: _____

Sam Abed
Mayor

Date: _____

Marsha Whalen
City Clerk

(Contractor name)

Date: _____

(Contractor signature)

Title

(The above signature must be notarized)

APPROVED AS TO FORM:

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

By: _____

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

VANGUARD FIRE PROTECTION, INC.
925 Poinsettia Avenue, Suite 11
Vista, CA 92081
760-727-8540
760-727-8542 Fax

Resolution No. 2011-60
EXHIBIT A
Page 1 of 9

April 11, 2011

Attachment A

City of Escondido Community Services Department
Building Maintenance Division
201 North Broadway
Escondido, CA 92025

Attention: Danny Sadek

PROJECT: Fire Sprinkler System Storage Tank Replacement and Underground Supply
Daley Ranch House/Garage
Escondido

PRICING: \$ 88,100.00

INCLUDES:

1. Installation of one(1) Pioneer Galaxy XL13/02, 16,528 gallon storage tank in "wilderness green" color.
2. Sand base pad with circular concrete footing.
3. 4" underground line from the tank to the pump room.
4. Shop drawing submittal to the Escondido Fire Department.
5. Installation of a tank fill line from near the house to the tank with mechanical float valve for operation.
6. The necessary trenching, backfilling and compaction for all underground work.
7. Testing and flushing of underground line.
8. Material, applicable taxes and installation labor at county prevailing wage rates.

EXCLUDES:

1. Soil compaction test for tank base.
2. Excessive rock removal for trenching

ALTERNATE: To provide the tank in a standard galvanized finish, DEDUCT...\$ 400.00.

Very truly yours,
VANGUARD FIRE PROTECTION, INC.

Tom Byrne

VANGUARD FIRE PROTECTION, INC.
925 Poinsettia Avenue, Suite 11
Vista, CA 92081
760-727-8540
760-727-8542 Fax

Resolution No. 2011-60
EXHIBIT A
Page 8 of 9

President

VANGUARD FIRE PROTECTION, INC.
925 Poinsettia Avenue, Suite 11
Vista, CA 92081
760-727-8540
760-727-8542 Fax

Resolution No. 2011-60
EXHIBIT A
Page 9 of 9

April 11, 2011

Attachment A

City of Escondido Community Services Department
Building Maintenance Division
201 North Broadway
Escondido, CA 92025

Attention: Danny Sadek

PROJECT: Fire Sprinkler System Fire Pump and Discharge Supply
Daley Ranch House/Garage
Escondido

PRICING: \$ 43,800.00

INCLUDES:

1. Installation of one(1) 150gpm rated fire pump to supply the ranch house and garage fire sprinkler systems. Pump is a UL listed vertical inline electric type. One(1) 10gpm jockey pump for pressure maintenance. Two(2) pump electric controllers operating at 230 volts.
2. 4" underground line from the fire pump discharge to the ranch house riser location and then to the front of the property line for a free standing fire department connection.
3. Shop drawing submittal to the Escondido Fire Department.
4. The necessary trenching, backfilling and compaction for all underground work. Testing and flushing of piping.
5. Fire pump valving, gauges and fittings including test header.
6. Upon completion the fire pump will be operationally tested to insure proper operation.
7. Material, applicable taxes and installation labor at county prevailing wage rates.

EXCLUDES:

1. Electrical wiring of pump controllers.

Very truly yours,
VANGUARD FIRE PROTECTION, INC.

Tom Byrne
President

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.:6

Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Sheryl Bennett, Human Resources Director
Cindy Titgen, Benefits and Workers' Compensation Manager

SUBJECT: Contract for the City of Escondido's Third-Party Administrator Services for the City's Workers' Compensation Program

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-51 authorizing the Mayor and City Clerk to execute a one-year renewable contract with Tristar Risk Management to provide third-party administrator services for the City of Escondido Workers' Compensation Program.

FISCAL ANALYSIS:

Fees are included in the FY 2011-2012 Workers' Compensation Budget.

BACKGROUND:

In 2006, Resolution 2006-128, authorized the City of Escondido ("City") to enter into a contract with Tristar Risk Management to provide third-party administrator and bill review service. This contract expires on June 30, 2011. A request for proposal sought proposals from qualified organizations to perform workers' compensation third-party administration as well as bill review services.

Proposals were received by the City of Escondido from firms with varying levels of experience, expertise and pricing. Based on an evaluation matrix criteria, four vendors whose proposals best met the criteria for Escondido's scope of services were invited to make an initial presentation to a selection panel. The first selection panel was composed of the City's Benefits and Workers' Compensation Manager, Sr. Human Resources Analyst/Workers' Compensation Division, Police Lieutenant and Deputy Director of Community Services. Of the four vendors who were interviewed, the selection panel recommended two finalists to advance to present to the final selection panel. The final selection panel was composed of the City's Assistant City Attorney, Director of Human Resources, City's Benefits and Workers' Compensation Manager, and the City's Sr. Human Resources Analyst/Workers' Compensation Division.

Contract for the City of Escondido Third-Party Administrator Services
May 11, 2011
Page 2

Based on the information provided in the Request for Proposal, the oral presentations, and recommendations by both selection panels, it has been determined to be in the City's best interest to appoint Tristar Risk Management for the City's workers' compensation third-party administrator and bill review vendor.

Therefore, staff recommends that the City Council adopt Resolution No. 2011-51 authorizing the Mayor and City Clerk to execute a contract with Tristar Risk Management as the City's workers' compensation third-party administrator beginning July 2011, with the option of extending four additional years.

Respectfully submitted,


Sheryl Bennett
Human Resources Director


Cindy Titgen
Benefits and Workers' Compensation Manager

RESOLUTION NO. 2011-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A CONTRACT WITH TRISTAR RISK MANAGEMENT TO PROVIDE THIRD PARTY ADMINISTRATOR SERVICES FOR THE CITY OF ESCONDIDO'S WORKERS' COMPENSATION PROGRAM

WHEREAS, it has been determined to be in the City's best interest to retain a third-party administrator to administer the City of Escondido worker's compensation program and bill review services; and

WHEREAS, the City sought proposals from qualified organizations to provide third party administrator services for its workers' compensation and bill review program beginning in November 2010; and

WHEREAS, based on the information provided in the responses to the Request for Proposals, oral presentations made to the selection committee and recommendations made by both selection panels, it is deemed that the most qualified and responsive proposal from a third-party administrator for administering the City's workers' compensation program and bill review services was Tristar Risk Management;

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

1. That the above recitations are true.

2. That the Mayor and the City Clerk are authorized to execute, on behalf of the City, a renewable one-year contract with Tristar Risk Management to provide third-party administrator and bill review services for the City of Escondido Workers' Compensation Program. A copy of the proposed contract is attached as Exhibit "A" and is incorporated by this reference.



CITY OF ESCONDIDO
CONTRACT FOR WORKERS' COMPENSATION CLAIM ADMINISTRATION

This Contract is made this 11th day of May, 2011.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Cynthia R. Titgen
760-839-4588
("CITY")

And: TRISTAR Risk Management
100 Oceangate, Suite 700
Long Beach, CA 90802
Attn: Thomas J. Veale
562-495-6600
("TPA")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a third party to administer ("TPA") the City's Workers' Compensation Program and bill review services; and
- B. The TPA is considered competent to perform the necessary professional services for CITY;

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

- 1. Services. The TPA will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference. Services are effective July 1, 2011 for a period of one year, and at the option of the City, may be extended year to year for up to a total of four (4) additional years.
- 2. Compensation. The CITY will pay the TPA in accordance with the conditions specified in "Attachment B," which is attached and incorporated by this reference. Any breach of this Contract will relieve CITY from the obligation to pay TPA, if TPA has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Contract is amended at any time, additional compensation of TPA contained in subsequent amendment(s) shall not exceed a cumulative total of twenty-five percent (25%) of the maximum payment provided for in this Section 2.

3. Scope of Compensation. The TPA will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
4. Duties. TPA will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the TPA under this Contract, except that the TPA will not be responsible for the accuracy of information supplied by the CITY.
5. Personnel. The performance of services under this Contract by certain professionals is significant to the CITY. TPA will assign the persons listed on "Attachment C," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. If no designation is made, then TPA may not assign services without obtaining the advance written consent of the CITY. TPA will not subcontract any tasks under this Contract without obtaining the advance written consent of the CITY.
6. Termination. Either TPA or the CITY may terminate this Contract with ninety (90) days advance written notice.
7. City Property. All original documents, drawings, electronic media, and other material prepared by TPA under this Contract immediately becomes the exclusive property of the CITY, and may not be used by TPA for any other purpose without prior written consent of the CITY.
8. Nondisclosure of Confidential Information.

TPA agrees that neither it nor any of its subsidiaries, divisions, employees, agents or other persons or organizations over which it has control, if, at any time during the term of its relationship with CITY, directly or indirectly make use of or disclose any information furnished to TPA by CITY or at the request of CITY (the "Information") for any purposes other than in furtherance of the workers' compensation claims and related services being provided by TPA. It is understood by the parties hereto that TPA may make in-house use of the information, and, in the ordinary course of rendering services to CITY, may release to third parties all or any portion of the information that is relevant to handling the processing of claims.

Upon the request of CITY, TPA agrees that all documents and records in its possession containing the Information, including copies thereof, whether prepared by it or others, will be returned to CITY. TPA may, however, retain copies of documents and records which CITY has agreed (which will not be unreasonably withheld) are necessary for the conduct and proper recordkeeping of TPA's business in accordance with TPA's standard operating procedure.

TPA will not disclose the Information to third parties or use the Information other than as set forth herein and/or as required by state or federal laws. However, this Contract shall not apply to any information:

- (1) Which at the time disclosed or obtained is in the public domain;
- (2) Which becomes part of the public domain through no act, omission or fault of TPA;

- (3) Which TPA demonstrates was received by it from a third party, who had no confidentiality obligations to the CITY with respect thereto; or
- (4) Which the law requires be disclosed by statute, regulations enacted pursuant to statute, the terms of a court-issued subpoena or other similar document; however. TPA shall use its best efforts to give prior timely notice of such disclosure to the CITY. Such prior timely notice will be a minimum of ten (10) days unless ordered to turn over such information in less than ten (10) days by an administrative or judicial body of appropriate jurisdiction, in which case timely notice will be as soon as practicably possible.

9. Insurance.

- a. The TPA must have insurance in the following amounts at all time during this Contract, which insurance shall be primary to any issuance of the CITY; but only for claims arising solely from TPA's provisions of services hereunder:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, and \$2,000,000 General Aggregate.
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage.
 - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
- b. Each insurance policy required above must be acceptable to the City Attorney.
 - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from TPA's work, including its on-going operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.
- c. In executing this Contract, TPA agrees to have completed insurance documents on file with the CITY within sixty (60) days after the date of execution. Failure to

comply with insurance requirements under this Contract will be a material breach of this Contract, resulting in immediate termination at CITY's option.

10. Indemnification. TPA (which in this paragraph 10 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
 - a. Any claim of liability arising out of the negligence or any acts or omissions of TPA in the performance of this Contract;
 - b. Any personal injuries, property damage or death that TPA may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
 - c. Any injury or death which results or increases by any action taken to medically treat TPA.
11. Anti-Assignment Clause. The TPA may not assign, delegate or transfer any interest or duty under this Contract without advance written approval of the CITY, and any attempt to do so will immediately render this entire Contract null and void. Unless TPA assigns this entire Contract, including all rights and duties herein, to a third party with the CITY'S written consent, TPA shall be the sole payee under this Contract. Any and all payments made pursuant to the terms of this Contract are otherwise not assignable.
12. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Contract, the prevailing party will be entitled to reasonable attorneys' fees and costs.
13. Independent Contractor. TPA is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Contract.
14. Merger Clause. This Contract and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Contract and any of its Attachments, the provisions of this Contract must prevail.
15. Anti-Waiver Clause. None of the provisions in this Contract will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.
16. Severability. The invalidity in whole or in part of any provision of this Contract will not void or affect the validity of any other provisions of this Contract.
17. Choice of Law. This Contract is governed by the laws of the State of California. Venue for all actions arising from this Contract must be exclusively in the state or federal courts located in San Diego County, California.
18. Multiple Copies of Contract/Counterparts. Multiple copies and/or counterparts of this Contract may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Contract on file in the office of the Escondido City Clerk is the copy of the Contract that

shall take precedence should any differences exist among copies or counterparts of the document.

19. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
20. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Contract must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
21. Business License. The TPA is required to obtain a City of Escondido Business License prior to execution of this Contract.
22. Compliance with Applicable Laws, Permits and Licenses. TPA shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Contract. TPA shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Contract. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of TPA to comply with this section.
23. Immigration Reform and Control Act of 1986. TPA shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. TPA affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. TPA agrees to comply with such provisions before commencing and continuously throughout the performance of this Contract.
24. E-Verify Participation. TPA agrees to enroll in and begin use of the United States Department of Homeland Security's ("DHS") E-Verify program ("E-Verify") within thirty (30) days of the execution of this Contract to confirm employment eligibility of all of TPA's potential new hires. TPA agrees and understands that E-Verify enrollment requires TPA to sign a Memorandum of Understanding ("MOU") with DHS which provides the E-Verify terms of use. Any violation of the MOU by TPA is grounds for DHS' termination of TPA'S participation in the E-Verify program. Any such termination by DHS shall constitute grounds for City's immediate termination of this Contract.

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

CITY OF ESCONDIDO

Date: _____

Sam Abed
Mayor

Date: _____

Marsha Whalen
City Clerk

TRISTAR Risk Management
100 Oceangate Suite 700
Long Beach, CA 90802

Date: _____

Thomas J. Veale
President

(The above signature must be notarized)

APPROVED AS TO FORM:

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

By: _____

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

Attachment "A" – Scope of Service

The scope of service includes all TPA and Bill Review services. Specifically, claims management and bill review services which includes review and processing of all claims and medical bills against the City for Workers' Compensation benefits in accordance with the requirements of applicable State of California laws and regulations to include, but is not limited to:

1. TPA agrees that claim files and claim and statistical data shall remain the property of the City.
2. The City wishes to maintain an aggressive return to work program. Upon receipt of work limitations the TPA will notify the City's Principal HR Analyst/Workers' Compensation Division. The City will determine if suitable temporary modified duty is available. The Principal HR Analyst will keep the TPA informed of any conversations and decisions made regarding return to work.
3. The TPA within 1 business day of receipt will fax or e-mail medical reports documenting any permanent and stationary status and/or any permanent disability to the Principal HR Analyst so that permanent or modified accommodation consideration can be initiated.
4. On-site annual claim reviews at the City are required. The TPA is expected to send claim staff and supervisory personnel to attend claim reviews at no charge to the City.
5. The City requires the claims administrator to aggressively control fraud and pursue restitution in all fraud cases. The Principle HR Analyst shall be notified of all claims involving potential fraud and involved in the decisions to initiate fraud investigation activities.
6. Provide two dedicated adjusters to handle the City's claims. These adjusters shall be solely dedicated to the City's account and shall not work on another account. One adjuster must have at least five (5) years of California workers' compensation claims experience with an organization of similar size and complexity as the City. This adjuster must be a "senior" adjuster and the adjuster must be state certified to administer self-insured workers' compensation claims. In the event the adjuster is not state certified, the adjuster needs to become state certified within 12 months of working on the City's account. The second adjuster must have a minimum of three (3) years of California workers' compensation claims experience with an organization of similar size and complexity as the City.
7. The City needs to approve any change of an adjuster working on the City's account. The City has the right to request a change of adjuster and be involved in the selection and/or replacement of the adjuster. The City will not interfere with any progressive discipline and/ or personnel issues that may warrant a change of adjusters. When the adjuster is off on an extended leave, the City must be notified of who will cover the workload.

8. The City requires coordination between the TPA and the Principal HR Analyst who oversees such programs as Subrogation, RTW, ADA and CalPERS Retirements. The TPA will be required to provide documentation and information as needed for the City to effectively manage these programs.
9. The TPA shall be responsible for paying all assessed penalties out of an account not associated with the City of Escondido's financial account. The TPA will be responsible for paying all penalties unless the penalty results from the City's failure to:
 - Provide Employers First Report of Injury form
 - Provide an employee claim form to an injured employee within 24 hours of knowledge of the injury. If request for an employee claim form comes to TPA first, then the TPA is to advise the requesting party to notify The City while at the same time, call The City identifying the request so the documentation provision of the Claim Form can be maintained at The City's premises
 - Date stamp the returned employee claim form
 - Provide an employer's first report of work injury to the administrator within five days from the date of knowledge of any injury
 - Provide accurate information to the TPA
 - Provide information requested by the TPA within a timely manner
10. Provide an annual senior-level presentation to review/discuss the overall workers' compensation program. Presentation to be reviewed by the Benefits/Workers' Compensation Manager and/or Human Resources Director at least seven (7) days prior to the scheduled presentation. Provide monthly statistical data/reports – content to be established between the TPA and the City. The monthly data report is to be given to the City's Benefits/Workers' Compensation Manager, Sr. Principle HR Analyst, and the claims adjustors assigned to the City's account.
12. Every claim file is subject to audit by the City representatives at the City's expense. Notice of audit will be provided at least 10 calendar days prior to an audit. The City retains the right to audit any file with 24-hours notice.
13. Assure compliance with Labor Code section 4906 (g), declaring under penalty of perjury, that there has not been a violation committed by claims personnel of L.C. sec 39.3 prohibiting compensation or inducement for any referred examinations or evaluations.
14. In the event of termination of the Contract, the TPA will furnish all claim files, computer files, and financial information at no cost to the City. The TPA will be responsible for filing an interim annual Self-Insured Report and any other required State of California report.

SCOPE OF WORK - Claim Management

15. Claims will be reported by the City's Principle HR Analyst/Workers' Compensation to the TPA. The TPA will be responsible for appropriate electronic reporting to the state or any other required agency.
16. Files must be created, initially reserved and entered into the computer within three (3) days of receipt by the TPA. This will include initial telephone investigation and an arrangement for an on-site investigation, if applicable.
17. Claim file should include notations regarding exposure, diary, all monetary transactions, supervision, disposition plan and other pertinent information. TPA should fully document all statements and each contact with employees, witnesses, City staff, doctors, lawyers and other in written memorandum to either the hard copy or electronic file. The TPA database should have the capability for specified City-staff to view the progression of any claim.
18. On behalf of the City, prepare and file all reports, forms and other documents in a timely manner which are now or will be required by the State of California or other governmental agencies relating to worker's compensation claims, including but not limited to the Self-Insurer's Annual Report. Present all reports to the City 30 days in advance of their due date.
19. Upon receipt of the claim (including WC medical only claims), the adjuster will contact (via telephone) the City contact, the treating physician, and if necessary the employee and any witnesses within twenty-four (24) hours.
20. All telephone inquires requiring return calls **must** be answered within twenty-four hours of the original inquiry. Same day is desired.
21. Professional services such as Utilization Review, Investigations, Medical Nurse Case Management and Defense Attorney must have approval from the Principle HR Analyst prior to referral. The City maintains the right to approve the professional services panel.
22. The TPA will issue timely benefit payments to injured employees and any state mandated correspondence.
23. The TPA will process all bills for bill review and issue timely payments along with all EOB have associated with the payment.
24. The TPA will comply with CMS' mandatory reporting requirements per Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA). The TPA will act as the Reporting Agent for the City.
25. The TPA will comply with all EDI requirements on behalf of the CITY.

SCOPE OF WORK – Correspondence

24. Correspondence received by the TPA shall be date stamped on the day received and should be matched to the appropriate claims file and given to the

responsible claims staff within twenty-four (24) hours. The TPA claim manager or supervisor will review unmatched mail within seven (7) days of receipt and appropriate action taken. An efficient system for matching mail shall be maintained.

25. While correspondence must comply with legal requirements, all correspondence to City employees should also align with the City's customer service and claim approach.
26. The City maintains and updates "essential job functions." The TPA should always use the City's essential job functions analysis when appropriate.
27. At a minimum, all lost time claims need to be checked through an index system and be re-indexed every six months.
28. The TPA will mail required correspondences associated with the City's MPN.
29. Additional Services as indicated in TPA's response to request for proposal (documents dated November 1, 2010 and December 1, 2010).

SCOPE OF WORK - Investigation/Subrosa/Excess Insurance/Litigation

28. Investigations and the hiring of independent subcontractors shall be approved by the City prior to retaining services. The City shall have the right to initiate investigation directly with these identified resources in those circumstances where The City feels strongly that time is of the essence.
29. Delay or denial of claims and final determination of such claims shall be made only after prior discussion with the designated City contact and City Attorney approval.
30. Pursue all subrogation involving responsible third parties and work closely with City staff to resolve subrogation issues. The City must approve all settlements. The City will provide specific language to incorporate in any subrogation settlement. The City will be responsible for protecting the statute; however, the TPA must notify City Staff in writing at least 60 days prior to expiration of the statute. The City retains the right to handle any subrogation issue it deems appropriate. The City requires copies of all subrogation correspondence.
31. Report and handle excess claims in compliance with the conditions of the excess insurance contract(s). The City requires copies of all correspondence with the excess insurance carrier.
32. The City will designate a panel of attorneys to handle litigated cases. The City must receive copies of all legal correspondence. The City Attorney's office is responsible for oversight of all outside counsel, including bill review and approval.

33. All vendors (e.g. nurse case management, vocational rehabilitation, utilization review and investigators) must be approved by the City prior to assigning the case to that vendor.
34. The TPA must have approval from the City Attorney on who will represent the City at WCAB hearings. The City retains the right to determine who will appear to represent the City.
35. The City must pre-approve all settlements or structured settlements **prior to** entering into any settlement discussions with claimants or applicant attorneys. The City has an established settlement process that must be adhered to. The settlement process is a written process and must be started well in advance of anticipated MSC's or trials. The City retains the right to assign potential claims to a structured settlement broker.

SCOPE OF WORK – INSURANCE REQUIREMENTS

36. In addition to the insurance requirements listed under paragraph 9 of the Contract, the TPA agrees to provide a \$1 Million fidelity bond which will be a blanket position bond with an approved corporate surety covering all officers and employees involved with the City's claim handling.

Attachment "B" – Compensation

For services rendered pursuant to the attached Agreement, the City will pay TPA the following fees as compensation:

Claims Administration

A flat annual fee, payable in advance, in twelve (12) equal monthly installments as follows:

Year 1 (7/1/11-6/30/12) - \$349,463 (\$29,121.92 per month)
Option Year 2 (7/1/12-6/30/13) - \$354,705 (\$29,558.75 per month)
Option Year 3(7/1/13-6/30/14) - \$360,026 (\$30,002.17 per month)
Option Year 4 (7/1/14-6/30/15) - \$365,426 (\$30,452.17 per month)
Option Year 5 (7/1/15-6/30/16) - \$370,907 (\$30,908.92 per month)

TRISTAR Claims System License Fee

TPA will provide the City access for two concurrent users at no charge. If the City wants access for additional users, such access will be provided at the annual fee of \$2,000 per additional user.

Bill Review Fees

TRISTAR shall utilize TRISTAR Managed Care (TMC) for **Medical Bill Review and PPO Network Access**. TMC fees for such services will be paid against individual Client files. The following TMC fees have been agreed to:

- a) For medical treatment and pharmacy bills reviewed to the Official Medical Fee Schedule or Usual and Customary database:
 - o The fee is \$7.25 per bill
- b) For medical treatment and pharmacy bills that belong to the PPO:
 - o The fee is twenty – four percent (24%) of the PPO savings.
- c) For IMFS (Inpatient Medical Fee Schedule):
 - o The fee is twelve percent (12%) of savings.
 - o IMFS fees capped at \$2500 per bill.
- d) For Specialty Bill reductions:
 - o The fee is twenty – five percent (25%) of savings
- e) For courier service, attendance at WCAB hearings and duplicate bill reviews:
 - o No charge

Case Management Fees

TRISTAR Managed Care (TMC) fees for such services will be paid against individual Client files. The City will use Case Management on an "as needed" basis as approved by The City. The following TMC fees have been agreed to:

Utilization Review:	\$95.00 for Inpatient and Outpatient cases. This includes review to treatment protocols, negotiating treatment, directing into PPO, preparing file for Peer Review, sending all parties documentation and noting the file.
Telephonic Case Management:	\$95.00 per hour
Field Case Management:	\$95.00 per hour
Peer Review:	\$200.00 – Flat Rate for 1 st Level Peer Review
	\$250.00 – Flat rate for 2 nd Level Peer Review

Attachment "C" – Personnel

The City shall have the right and opportunity to approve or reject any proposed TPA Adjustor(s) or other staff placed on the City of Escondido account. The City shall also have the opportunity to request a new adjustor if the service is unacceptable to the City at any time.

It is critical to the City's workers' compensation program that the persons (talent) currently working on the City of Escondido account remains consistent. If at all possible, the current adjusters working on the City of Escondido account should be employed by TRISTAR.

Current Adjusters:

Alita Swanson

Melinda Hawkins

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7

Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council
FROM: Lori Vereker, Director of Utilities
SUBJECT: Utilities Department Water Division Bid Award Amendment

RECOMMENDATION:

It is requested that the City Council approve Second Amendments for the Chemical Bid Awards with Kemira Water Solutions and Olin Corporation to increase our chemical purchases through the end of the fiscal year. \$229,370 should be added to Kemira's PO# 32253 and \$163,403 should be added to Olin's PO# 32252.

FISCAL ANALYSIS:

The increased use of local water will result in purchased water savings.

BACKGROUND:

Due to recent rains, the City of Escondido now has more local water that it can provide to its customers instead of purchased water. Higher than average utilization of local water necessitates the use of more chemicals. This Amendment will ensure Utilities can purchase the necessary amount of chemicals for our water treatment processes.

Respectfully submitted,



Lori Vereker
Director of Utilities

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8

Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: Bid Award for Fleet Replacement of Twelve Trucks

RECOMMENDATION:

It is requested that Council award the bid for fleet replacement of twelve trucks to North County Ford of Vista, California as the lowest responsive and responsible bidder in the amount of \$264,314.08.

FISCAL ANALYSIS:

Sufficient funds are located in the Motive Equipment Replacement Fund.

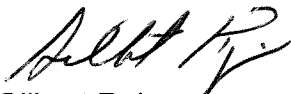
BACKGROUND:

On March 28, 2011, requests for bids for fleet replacement of twelve trucks were mailed to nine vendors and seven bids were opened and evaluated on April 13, 2011. The bid results are outlined below:

VENDORS	AMOUNT
North County Ford	\$ 264,314.08
Kearny Ford	274,655.29
Heller Ford	276,167.46
Hoblit Ford	282,227.15
Raceway Ford	287,550.21
Theodore Robins Ford	302,852.19
Fairview Ford	94,925.69 (only bid on three items)

The Fleet Superintendent has reviewed all bid responses and recommends awarding this bid to North County Ford of Vista, California as the lowest responsive and responsible bidder.

Respectfully submitted,



Gilbert Rojas,
Director of Finance

Distribution of Old Trucks

Department	Number of Trucks Replaced	Year of Truck	Mileage of Truck
Recreation	1	1995	86,619
Building	2	2000	68,377
		2000	96,738
Public Works Engineering	4	1998	93,449
		1999	163,140
		1999	140,913
		1999	108,887
Public Works Collections	2	1988	55,368
		1997	89,312
Hale Avenue Resource Recovery Facility	1	1995	86,423

DATE: April 20, 2011

TO: Blanca Wolf, Purchasing Supervisor

FROM: Raul Juarez, Fleet Maintenance Superintendent

SUBJECT: Award of Ford Trucks; Bid Number 11-03

I have thoroughly reviewed the bid submitted from North County Ford of Vista, California and agree that they have met all of our bid requirements. I also feel that their bid meets or exceeded our minimum requirements in the technical specifications area.

Therefore, please award bid number 11-03 to North County Ford of Vista, California for the purchase of twelve replacement trucks.

Respectfully Submitted,



Raul Juarez

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 9
Date: **May 11, 2011**

TO: Honorable Mayor and Members of the City Council

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

SUBJECT: Notice of Completion for Grading, Utilities and Construction Improvements for the Escondido Sports Center Project.

RECOMMENDATION:

It is requested that Council approve and accept the public improvements and authorize staff to file a Notice of Completion for Grading, Utilities and Construction Improvements for the Escondido Sports Center Project.

FISCAL ANALYSIS:

The contract was awarded to Try Kirtley General Engineering, Inc. The total cost of the project was \$102,958.00.

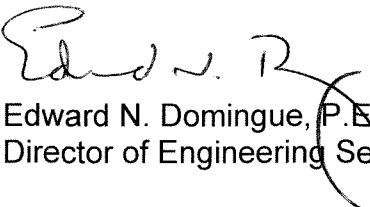
PREVIOUS ACTION:


Council awarded the contract to Try Kirtley General Engineering on October 27, 2010

BACKGROUND:

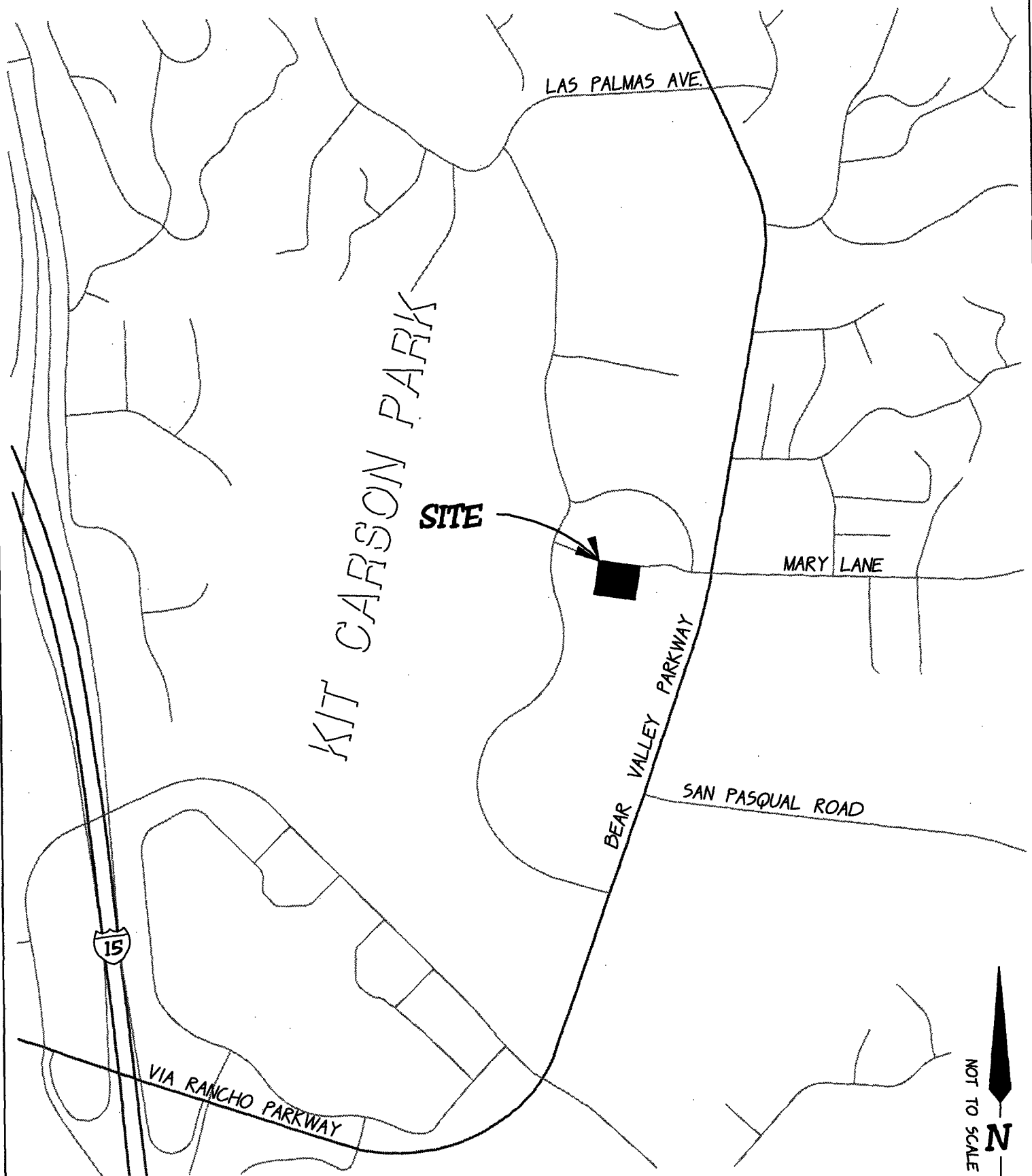
The Grading, Utilities and Construction Improvements for the Escondido Sports Center Project includes a pedestrian ramp, sidewalk, 2" water main, sewer, a small section of storm drain, and two (2) pads for future Administration and Community Buildings.

Respectfully submitted,


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


Dan Higbee
Acting Construction Project Manager

GRADING, UTILITIES AND CONSTRUCTION IMPROVEMENTS FOR THE ESCONDIDO SPORTS CENTER PROJECT



NOTICE OF COMPLETION
CITY COUNCIL MEETING 05-11-2011

ORDINANCE NO. 2011-08

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE MAYOR AND CITY
CLERK TO EXECUTE, ON BEHALF OF THE
CITY, A SECOND AMENDMENT TO THE
DEVELOPMENT AGREEMENT FOR THE 20-
LOT, TRACT 933 RESIDENTIAL
DEVELOPMENT

PLANNING CASE NO. PHG 10-0001

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

SECTION 1. That proper notices of a public hearing have been given and
public hearings have been held before the City Council on this issue.

SECTION 2. That the City Council has reviewed and considered the Mitigated
Negative Declaration (City Log No. ER 2005-38) and Mitigation Monitoring Report
prepared at the time the project was originally approved and has determined that all
environmental issues associated with the project have been addressed and no
significant environmental impacts will result from approving this amendment to the
Development Agreement.

SECTION 3. That upon consideration of the staff report and all public
testimony presented at the hearing held on this amendment, this City Council finds that
the proposed second amendment to the Development Agreement for Tract 933 is
consistent with the General Plan and all applicable specific plans of the City of
Escondido.

SECTION 4. That the City Council desires at this time and deems it to be in the best public interest to approve the Second Amendment to the Development Agreement, attached as Exhibit "A," which is incorporated by this reference, and authorizes the Mayor and City Clerk, on behalf of the City, to execute the Second Amendment to the Development Agreement.

SECTION 5. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 6. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 7. That the City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the City of Escondido.

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 11

Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Director of Engineering Services
Frank P. Schmitz, Parks and Open Space Administrator

SUBJECT: City of Escondido Landscape Maintenance District Zones 1-36 Public Hearing

RECOMMENDATION:

It is requested that the City Council receive input from the property owners in Zones 1-36 of the City of Escondido Landscape Maintenance District (LMD) (map attached) on the proposed budget and assessments for FY 2011/2012.

FISCAL ANALYSIS:

The LMD reimburses all costs incurred by the City in all zones except Zone 12 and Zone 13. The City of Escondido purchased property adjacent to the Reidy Creek environmental channel that lies within Zone 12 and therefore assumed the assessment assigned to this property. The Escondido Police and Fire Headquarters building is located on this property. Zone 13 was formed to pay for the maintenance of the median landscaping in Centre City Parkway south of Felicita Avenue and north of Montview Drive. The City shares the cost of the maintenance in Zone 13 with the two shopping centers on either side of the parkway.

PREVIOUS ACTION:

The City Council approved the formation of the LMD in 1986. The City Council approved the FY 2011/2012 preliminary LMD Engineer's report for Zones 1-36 on March 23, 2011.

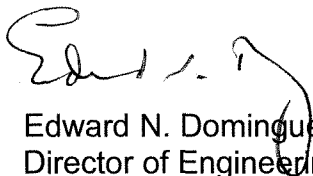
BACKGROUND:

Each year the City Council reviews and approves the next year's budget and assessments for each zone within the LMD. As part of the approval process a public hearing is held to give the property owners within each zone of the LMD the opportunity to comment on the proposed LMD budget and assessments. This is the purpose of the public hearing today. The LMD budget and assessments addressed in this public hearing are for LMD Zones 1-36. No City Council action is required. Staff

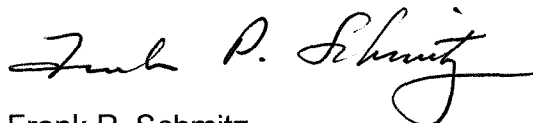
May 11, 2011
LMD Zones 1-36 Public Hearing
Page 2

will be requesting City Council approval of the final LMD Engineer's report and the setting of assessments for fiscal year 2011/2012 for LMD Zones 1-36 at the June 22, 2011 City Council meeting.

Respectfully submitted,

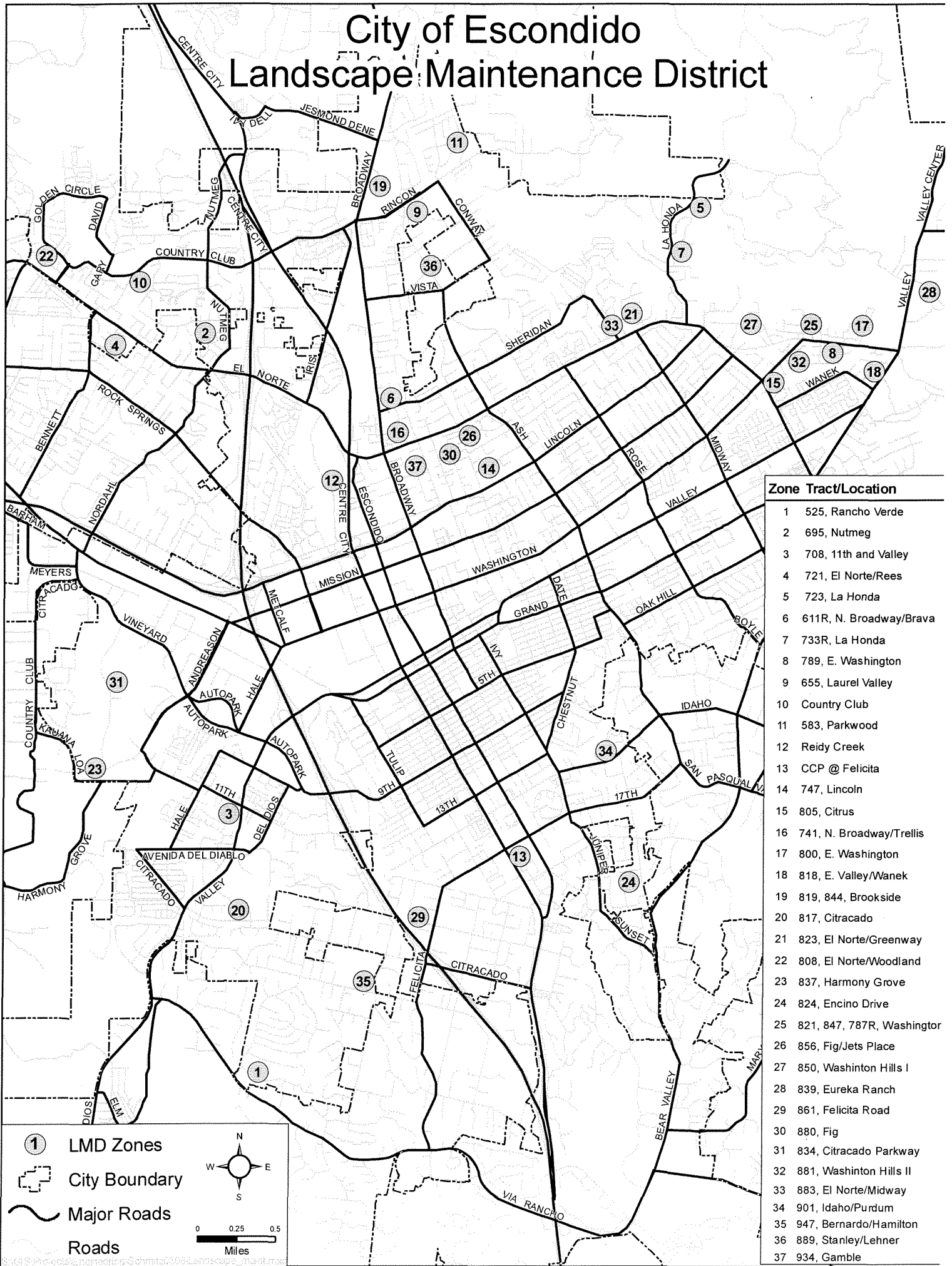


Edward N. Domingue, P.E.
Director of Engineering Services



Frank P. Schmitz
Parks and Open Space Administrator

City of Escondido Landscape Maintenance District



Zone Tract/Location	
1	525, Rancho Verde
2	695, Nutmeg
3	708, 11th and Valley
4	721, El Norte/Rees
5	723, La Honda
6	611R, N. Broadway/Brava
7	733R, La Honda
8	789, E. Washington
9	655, Laurel Valley
10	Country Club
11	583, Parkwood
12	Reidy Creek
13	CCP @ Felicita
14	747, Lincoln
15	805, Citrus
16	741, N. Broadway/Trellis
17	800, E. Washington
18	818, E. Valley/Wanek
19	819, 844, Brookside
20	817, Citracado
21	823, El Norte/Greenway
22	808, El Norte/Woodland
23	837, Harmony Grove
24	824, Encino Drive
25	821, 847, 787R, Washingt
26	856, Fig/Jets Place
27	850, Washinton Hills I
28	839, Eureka Ranch
29	861, Felicita Road
30	880, Fig
31	834, Citracado Parkway
32	881, Washinton Hills II
33	883, El Norte/Midway
34	901, Idaho/Purdum
35	947, Bernardo/Hamilton
36	889, Stanley/Lehner
37	934, Gamble

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 12

Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Director of Engineering Services
Frank P. Schmitz, Parks and Open Space Administrator

SUBJECT: City of Escondido Landscape Maintenance District Zone 37 Public Hearing

RECOMMENDATION:

It is requested that the City Council receive input from the property owner in Zone 37 of the City of Escondido Landscape Maintenance District (LMD) (map attached) on the proposed budget and assessment for Zone 37 for FY 2011/2012.

FISCAL ANALYSIS:

The LMD will reimburse all costs incurred by the City in Zone 37.

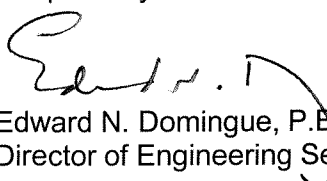
PREVIOUS ACTION:

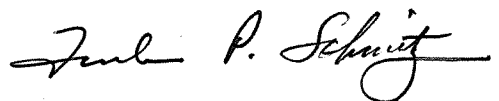
The City Council approved the annexation of Tract 934 into the LMD as Zone 37 on March 2, 2011, and approved the FY 2011/2012 preliminary LMD Engineer's report for Zone 37 on March 23, 2011.

BACKGROUND:

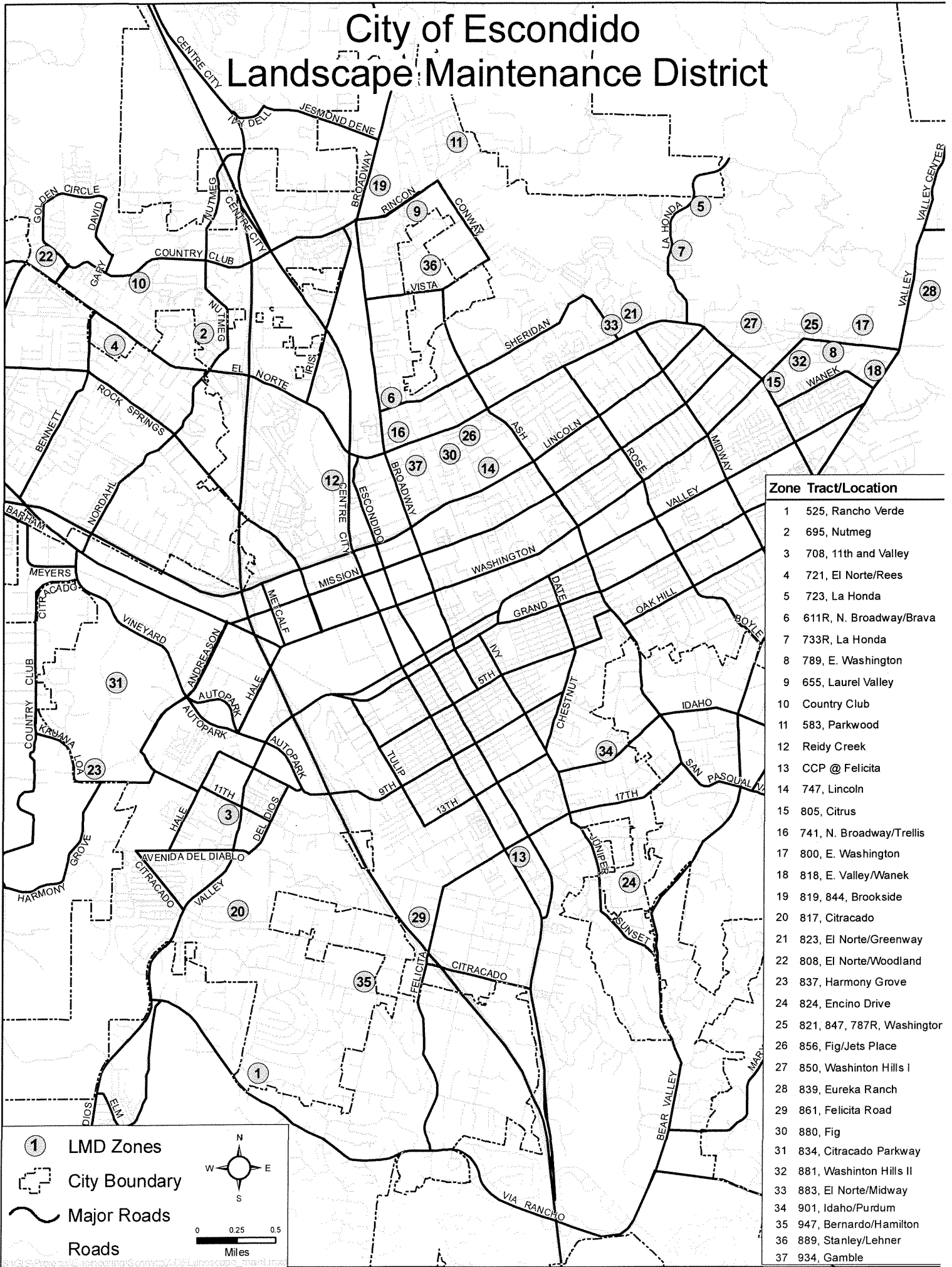
On November 5, 1996, the California voters approved Proposition 218 which, among other things, requires property owner approval for any new assessment and any increase in any existing assessment. In FY 2011/2012 there is a proposed new assessment for Zone 37. A ballot has been sent to the property owner in Zone 37 giving her the option of approving or rejecting the proposed assessment. The completed ballot will be accepted until the close of the public hearing on May 11, 2011. The ballot will be tabulated on Thursday, May 12, 2011, at 9:30 AM in the Parkview Room at City Hall. The public is invited to observe this tabulation. The result of the ballot tabulation will be reported to the City Council at the June 22, 2011, City Council meeting in conjunction with the City Council action to approve the final LMD Engineer's report and setting of assessments for LMD Zone 37 for FY 2011/2012.

Respectfully submitted,


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


Frank P. Schmitz
Parks and Open Space Administrator

City of Escondido Landscape Maintenance District



Zone	Tract/Location
1	525, Rancho Verde
2	695, Nutmeg
3	708, 11th and Valley
4	721, El Norte/Rees
5	723, La Honda
6	611R, N. Broadway/Brava
7	733R, La Honda
8	789, E. Washington
9	655, Laurel Valley
10	Country Club
11	583, Parkwood
12	Reidy Creek
13	CCP @ Felicita
14	747, Lincoln
15	805, Citrus
16	741, N. Broadway/Trellis
17	800, E. Washington
18	818, E. Valley/Wanek
19	819, 844, Brookside
20	817, Citracado
21	823, El Norte/Greenway
22	808, El Norte/Woodland
23	837, Harmony Grove
24	824, Encino Drive
25	821, 847, 787R, Washingt
26	856, Fig/Jets Place
27	850, Washinton Hills I
28	839, Eureka Ranch
29	861, Felicita Road
30	880, Fig
31	834, Citracado Parkway
32	881, Washinton Hills II
33	883, El Norte/Midway
34	901, Idaho/Purdum
35	947, Bernardo/Hamilton
36	889, Stanley/Lehner
37	934, Gamble

RESOLUTION NO. 2011-62

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
OPPOSING SENATE BILL 468

WHEREAS, it has been more than 40 years since substantial improvements have been made along the I-5 North Coast Corridor; and

WHEREAS, the I-5 North Coast Corridor Project represents a \$4.5 billion investment in the region and would create thousands of jobs over the next decade; and

WHEREAS, improvements along the I-5 North Coast Corridor are part of a balanced regional transportation phasing plan that includes transit, highway, community and environmental improvements, and was developed to address funding constraints, projected demand and maximizes environmental opportunities; and

WHEREAS, sequencing as proposed in Senate Bill 468 ("SB 468") creates conflict with local street improvements, causing unnecessary delays in construction timelines; and

WHEREAS, SB 468 would have wide-reaching, detrimental impacts on transportation projects throughout the state, such as the I-5 North Coast Corridor project; and

WHEREAS, SB 468 would delay the construction of four carpool lanes to relieve future congestion along the I-5 North Coast Corridor; and

WHEREAS, without improvements, the current commute time of 38 minutes along the I-5 North Coast Corridor would double to 70 minutes by 2030; and

WHEREAS, SB 468 would jeopardize hundreds of millions of dollars for transit and environment enhancements along the I-5 North Coast Corridor; and

WHEREAS, SB 468 threatens the region's ability to secure federal funding for highway and transportation projects; and

WHEREAS, SB 468 would prevent the I-5 North Coast Corridor project from moving forward after nearly ten years of work and more than \$50 million of preliminary study and engineering.

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 of Escondido does hereby oppose SB 468 and authorizes the Mayor to sign a letter of opposition to it.

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 14

Date: May 11, 2011

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

RECOMMENDATION:

It is requested that Council receive and file the third quarter financial report and approve the following amendments to the Fiscal Year 2010/11 operating budget and the Fiscal Year 2010/11 capital improvement program budget:

1. Approve a budget adjustment to increase General Fund revenue estimates by \$1,787,500 to reach budgeted revenue of \$84.7 million.
2. Approve 3 budget adjustments that total \$36,010 that will increase the Public Art Fund capital project budget to cover repairs of public artwork located in the City. These increases will be partially funded by insurance recoveries of \$31,510 and the remaining amount of \$4,500 will come from available fund balance in the Public Art Fund.
3. Approve a budget adjustment in the amount of \$2,000 that will increase the budget for the Library Technology capital project in the Library Trust Fund. This increase was funded by a private grant received from the Escondido Rotary Club in September 2010.
4. Approve a budget adjustment that was inadvertently left out of the FY 2010-11 Housing Budget in the amount of \$1,026,467 to establish a budget to make a loan payment to California Housing Finance Authority for the Cobblestone Village project in the Redevelopment Housing Debt Service Fund. In addition, approval is needed for the corresponding budget transfer of \$788,753 from the Low and Moderate Income Housing Fund to the Redevelopment Housing Debt Service Fund to make the loan payment.
5. Approve a budget adjustment in the amount of \$34,000 to budget a transfer out from the General Fund to the Vehicle Parking District Fund to cover the operating deficit due to the suspension of the parking permit restrictions downtown. The source of funding for this budget adjustment is the Economic Uncertainty Reserve.

FISCAL ANALYSIS:

The net effect of these proposed amendments to the General Fund operating budget in fiscal year 2010/11 will be to lower the use of Economic Uncertainty Reserves by \$1,753,500. The other budget adjustments have no effect on the General Fund.

PREVIOUS ACTION:

On March 16, 2011, the City Council received and approved the Fiscal Year 2010/11 second quarter financial report.

BACKGROUND:

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

Respectfully submitted,



Gilbert Rojas
Director of Finance



Quarterly Financial Status Report

Prepared by the Finance Department

Third Quarter Ending March 31, 2011

This report summarizes the City's overall financial position for the period of July 1, 2010 through March 31, 2011. While the focus of this report is the General Fund, the financial status of the Redevelopment Agency (Community Development Commission), the Low and Moderate Housing Fund, the Water and Wastewater Enterprises, the Vehicle Parking District, the Recreation Fund, and the Reidy Creek Municipal Golf Course are included. This report is for internal use only. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Adjusted Budget and Revenue Estimates

The revenue projections and budget include adjustments for encumbrances, carryovers, and any other supplemental appropriations approved by the City Council as of March 31, 2011. In addition, the Finance Department is requesting Council approve amendments to the FY 2010-11 General Fund operating budget that will increase revenue estimates by \$1.8 million. Details of these adjustments are outlined in this report.

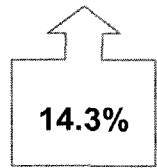
General Fund Balance

At the end of the third quarter, General Fund revenues are at 67.6% of the revised budget, while expenditures are at 71.3%. Revised revenue of \$84.7 million includes the proposed increases to revenue estimates of \$1.8 million. Based on past history of revenue receipts and payment of expenditures, the General Fund is on track to meet the revised revenue estimates and budgeted expenditures in the current fiscal year.

General Fund Balance	Adopted Budget	Revised Budget	YTD Actual	Actual/ Revised
Revenues	82,940,369	84,727,869	57,296,356	67.62%
Expenditures	73,478,380	73,478,380	52,381,020	71.29%
Other Sources (Uses)	1,568,690	1,568,690	1,568,835	100.00%
Fund Balance, Beg of Year (1)	31,691,483	31,691,483	31,691,483	-
Fund Balance, Year-to-Date (1)	42,722,162	44,509,662	38,175,654	-

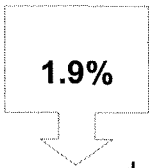
(1) This amount represents reserved fund balance of \$11 million and designated fund balance of \$20.6 million. The \$11 million in reserved fund balance are for advances to other funds and non-current loans receivable. Amounts included in designated fund balance are for Daley ranch improvements, economic uncertainty and underground waivers. The General Fund has no undesignated fund balance.

General Fund Revenues

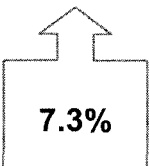


Sales Taxes (\$14.3 million) – Sales tax revenue received through March 31, 2011 increased from the previous fiscal year during the same time period by \$1.8 million. Due to these positive results, sales tax projections for FY 2010-11 have been increased by \$1.4 million to bring total yearly growth over prior year to \$2.9 million or 13%. The State of California experienced an overall sales tax growth for the fourth quarter in a row and statewide sales tax receipts during October – December 2010 grew by 6.5% from the same three months in 2009.

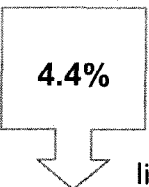
The City saw increases in general retail (5.1%), food products (6.5%), and transportation (13.0%) sales tax revenue from the prior year. The largest sales tax revenue gain so far in fiscal year 2010/2011 was in furniture and appliances (55.4%). The largest economic segments in the city continue to be new auto sales, department stores, service stations, restaurants, and retail building materials. Together, they generate 51% of the city's sales tax revenues.



Property Taxes (\$11.2 million) – Property tax revenues collected through March 31 were less than collected compared to last year at this time by \$.2 million. This decline is due to Prop 8 reductions, foreclosures, lower prices on home sales and commercial property tax appeals. Because of these results, property tax projections for FY 2010-11 have been decreased by an additional \$.3 million to bring the total yearly decrease over prior year to \$.5 million or -2%.



Franchise Fees (\$3.5 million) – Franchise fees are generated from privately owned utility companies and other businesses for the privilege of using City rights-of-way while conducting business within City limits. Businesses that are required to pay franchise fees to the City include: San Diego Gas and Electric (SDG&E) on gas and electric services, Cox Cable and AT&T for cables and video services, and Escondido Disposal for refuse collection services. Franchise fees were up \$.2 million compared to the same period last fiscal year primarily due to franchise fees received from SDG&E. Due to these results, franchise fee projections for FY 2010-11 have been increased by \$.2 million to bring the total yearly increase over prior year to \$.3 million or 6%.



All Other Taxes (\$2.4 million) – All other taxes include transient occupancy tax (TOT), property transfer tax, transfer station fee and business licenses. In total, these revenues are down over last year at this time by about \$.1 million. TOT collected through March 31 reflected an increase of approximately \$26,000, 4.2% greater than last fiscal year. Business license revenues decreased by approximately \$87,000 compared to the first three quarters of the previous fiscal year and were less than projected by approximately -\$65,000. The property transfer tax is down about -\$9,700 compared to the same time frame last fiscal year and was less than projected by approximately -\$22,000. This revenue is down due to the depressed real estate market in Escondido. To take into account these results, FY 2010-11 revenue estimates within the all other taxes category were revised, however; the total yearly projection for the all other taxes category for the current year was left unchanged at \$3.5 million.



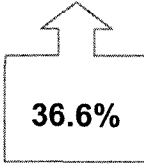
0.5%

Intergovernmental (\$1.7 million) – Intergovernmental revenues include vehicle license fees, the Rincon fire services agreement, state library grants, senior nutrition grants, P.O.S.T. reimbursement, and state mandated cost reimbursements. Revenues have decreased through March 2011 primarily due to a decrease in the revenue collected from the Rincon Fire Agreement, approximately -\$130,000 compared to the same time last fiscal year.

This revenue is a property tax based fee, so the decrease in this fee correlates with the decline in property assessed values. To take into account these declines, FY 2010-11 revenue estimates for the Rincon Fire Agreement have been reduced by \$80,000.

The decrease in revenue from the Rincon Fire Agreement has partially been offset by an increase in the Vehicle License Fees (VLF) which have increased by \$70,000 over 2009-10 figures. VLF revenues are allocated to the various jurisdictions throughout the state on a prorated basis, based on population. A recent rise in new auto sales has led to this increase. Due to these results, VLF projections for FY 2010-11 have been increased by \$80,000.

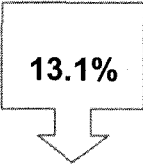
Grant revenue projections need to be increased by \$40,000 in FY 2010-11 to account for the Public Library Foundation grant. The FY 2010-11 approved budget did not include this grant due to uncertainty over the maintenance of effort requirements. In March 2011, the grant was received.



36.6%

Development-Related Revenues (\$1.0 million) – Development related revenues, which include building permits, planning fees, building department fees, and engineering fees, reflected an increase of approximately \$296,000 in the revenue collected compared to the prior fiscal year. The rise in revenue is primarily due to the increase in permit fees collected on a new housing development located on El Notre Parkway. As a result of this increase,

development related revenue projections for FY 2010-11 have been increased by \$.2 million.



13.1%

Fines and Forfeitures (\$1.3 million) – Fines and forfeitures are collected by the City for red light photo citations, vehicle code fines, parking ticket fines, other court fines, library fines, code enforcement citations and impound fees. The City recognizes revenues when the citizen pays the fine or forfeiture as opposed to when the fine is imposed. The decrease in revenue is the result of decreases in vehicle code fines, parking ticket fines, and impounds fees.

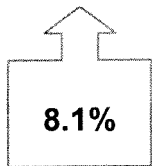
We are recommending no changes to these revenue estimates in FY 2010-11.



3.9%

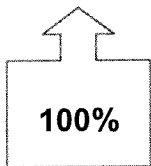
Charges for Services (\$4.0 million) – Charges for services include false alarm fees, fingerprinting revenue, abandoned vehicle fees, alarm registration, library fees, senior center fees, the OASIS program, paramedic fees, fire prevention inspection fees, fire mutual aid and passport processing fees. Revenue collected through March has decreased compared to last year at this time mainly due to declines in police services revenue and fire mutual aid. These declines were partially offset by increases in paramedic transport revenue from increased transports. Due to these positive results, paramedic transport projections for FY 2010-11 have

been increased by \$.2 million. Staff is recommending no additional changes to the other revenue estimates in this revenue category for FY 2010-11.

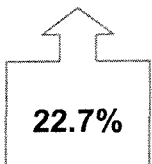


Income from Interest and Property (\$2.3 million) – Income from interest and property includes rent received from leased City property and interest income on City investments. This revenue is up \$.2 million compared to last year at this time due to rental payments collected from new lease agreements with tenants at the Harmony Grove and Spruce Street properties. To account for this increase, rental income from property projections for FY 2010-11 was increased by \$.3 million.

The increase in revenue from rental property is offset by a decrease in investment earnings. Investment earnings have decreased by \$135,000 compared to prior year amounts at this time. This decrease is attributed to a decline in the General Fund cash balance and the City's portfolio yield. Due to this result, investment income projections for FY 2010-11 have been decreased by \$.3 million.



Redevelopment Interest (\$15.1 million) – Redevelopment interest is the interest portion received by the General Fund for the partial repayment of the advance owed by the CDC to the City approved by Council on February 16, 2011. These funds will be segregated as committed fund balance to be spent on capital projects that spur economic development.



Other Revenue (\$.4 million) – Other revenue includes contributions to the City, NSF check charges, damages to City property, sale of City property, mobile home fees and other miscellaneous revenue. Other Revenue collected through March 31 was less than projected by approximately -\$25,000.

General Fund Expenditures

Operating cost and departmental operating expenditures are on target for the third quarter of the year as summarized below. Total expenditures are \$1.7 million lower than the prior year third quarter, which represents a savings of 3.2%. The amount expended to date is approximately 71.3% of the total amount budgeted for in fiscal year 2010-11.

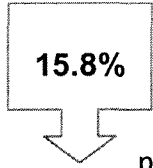
GENERAL FUND						
REVENUE COMPARISON - BUDGET TO ACTUAL						
	FY 2010-2011 Adopted Budget	FY 2010-2011 Revised Budget	Year to Date Actual	Projected Revenue	Difference	%
TAXES						
SALES TAX AND IN LIEU SALES TAX	\$23,247,000	\$24,667,000	\$14,329,281	\$14,299,221	\$30,060	0.2
PROPERTY TAX AND IN LIEU VLF	20,641,000	20,309,000	11,227,418	11,260,842	(33,424)	-0.3
FRANCHISE TAX	5,000,000	5,177,000	3,489,044	3,476,035	13,009	0.4
BUSINESS LICENSE TAX	1,555,000	1,521,000	1,142,143	1,206,641	(64,498)	-5.3
TRANSIENT OCCUPANCY TAX	935,000	957,000	649,159	642,217	6,942	1.1
TRANSFER STATION FEE	687,000	651,000	388,452	419,100	(30,648)	-7.3
PROPERTY TRANSFER TAX	343,000	388,000	214,774	236,847	(22,073)	-9.3
TOTAL TAXES	52,408,000	53,670,000	31,440,271	31,540,903	(100,632)	-0.3
INTERGOVERNMENTAL						
VEHICLE LICENSE FEES	375,000	455,000	343,473	329,742	13,731	4.2
RINCON FIRE AGREEMENT	1,700,000	1,620,000	912,506	991,612	(79,106)	-8.0
GRANTS	590,000	630,000	495,715	404,956	90,759	22.4
TOTAL INTERGOVERNMENTAL	2,665,000	2,705,000	1,751,694	1,726,310	25,384	1.5
BUILDING AND MISC PERMITS	994,000	1,155,000	1,038,950	862,023	176,927	20.5
FINES AND FORFEITURES	2,090,000	2,090,000	1,309,010	1,416,911	(107,901)	-7.6
CHARGES FOR SERVICES						
BUILDING PLAN CHECK	124,000	163,000	125,488	126,353	(865)	-0.7
PLANNING CHARGES	219,000	218,000	170,545	161,902	8,643	5.3
ENGINEERING FEES	275,000	288,000	244,091	224,363	19,728	8.8
PARAMEDIC FEES	3,527,500	3,778,000	2,793,777	2,819,786	(26,009)	-0.9
POLICE SERVICES	626,000	626,000	224,653	326,923	(102,270)	-31.3
COMMUNITY SERVICES	107,000	101,000	75,251	74,712	539	0.7
OTHER SERVICES	490,000	511,000	385,439	404,140	(18,701)	-4.6
TOTAL CHARGES FOR SERVICES	5,368,500	5,685,000	4,019,244	4,138,180	(118,936)	-2.9
INCOME FROM INT & PROPERTY	3,608,000	3,608,000	2,320,474	2,342,292	(21,818)	-0.9
REDEVELOPMENT INTEREST	15,088,154	15,088,154	15,088,154	15,088,154	-	-
OTHER REVENUE	718,715	726,715	378,559	404,125	(25,566)	-6.3
TOTAL GENERAL FUND	\$82,940,369	\$84,727,869	\$57,346,356	\$57,518,897	(\$172,541)	-0.3

GENERAL FUND				
REVENUE COMPARISON - PRIOR YEAR TO CURRENT YEAR				
	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
TAXES				
SALES TAX AND IN LIEU SALES TAX	\$12,541,460	\$14,329,281	\$1,787,821	14.3
PROPERTY TAX AND IN LIEU VLF	11,443,584	11,227,418	(216,166)	-1.9
FRANCHISE TAX	3,252,038	3,489,044	237,006	7.3
BUSINESS LICENSE TAX	1,229,076	1,142,143	(86,933)	-7.1
TRANSIENT TAX	623,045	649,159	26,114	4.2
TRANSFER STATION FEE	427,382	388,452	(38,930)	-9.1
PROPERTY TRANSFER TAX	224,512	214,774	(9,738)	-4.3
TOTAL TAXES	29,741,097	31,440,271	1,699,174	5.7
INTERGOVERNMENTAL				
VEHICLE LICENSE FEES	273,580	343,473	69,893	25.5
RINCON FIRE AGREEMENT	1,042,623	912,506	(130,117)	-12.5
GRANTS	444,771	495,715	50,944	11.5
TOTAL INTERGOVERNMENTAL	1,760,974	1,751,694	(9,280)	-0.5
BUILDING AND MISC PERMITS	760,670	1,038,950	278,280	36.6
FINES AND FORFEITURES	1,506,480	1,309,010	(197,470)	-13.1
CHARGES FOR SERVICES				
BUILDING PLAN CHECK	134,373	125,488	(8,885)	-6.6
PLANNING CHARGES	192,099	170,545	(21,554)	-11.2
ENGINEERING FEES	195,707	244,091	48,384	24.7
PARAMEDIC FEES	2,702,130	2,793,777	91,647	3.4
POLICE SERVICES	346,439	224,653	(121,786)	-35.2
COMMUNITY SERVICES	79,272	75,251	(4,021)	-5.1
OTHER SERVICES	534,154	385,439	(148,715)	-27.8
TOTAL CHARGES FOR SERVICES	4,184,174	4,019,244	(164,930)	-3.9
INCOME FROM INT & PROPERTY	2,147,288	2,320,474	173,186	8.1
REDEVELOPMENT INTEREST	-	15,088,154	15,088,154	100.0
OTHER REVENUE	308,440	378,559	70,119	22.7
TOTAL GENERAL FUND	\$40,409,123	\$57,346,356	\$16,937,233	41.9

GENERAL FUND			
EXPENDITURE STATUS BY DEPARTMENT - BUDGET TO ACTUAL			
	FY 2010/11 Adopted Budget	Year to Date Actual	% Expended
GENERAL GOVERNMENT			
CITY COUNCIL	\$280,985	\$215,406	76.7
CITY MANAGER	972,320	813,555	83.7
VIDEO SERVICES	35,105	17,219	49.0
CITY ATTORNEY	205,560	111,237	54.1
CITY CLERK	452,505	306,248	67.7
CITY TREASURER	282,655	213,291	75.5
SUBTOTAL GENERAL GOVERNMENT	2,229,130	1,676,956	75.2
ADMINISTRATIVE SERVICES			
FINANCE	1,032,315	666,584	64.6
HUMAN RESOURCES	462,445	308,111	66.6
RISK MGMT	23,665	(52,187)	-220.5
ADMIN	368,170	272,036	73.9
DATA PROCESSING	391,265	266,742	68.2
OFFICE AUTOMATION	1,130,605	881,719	78.0
GEOGRAPHIC	159,340	125,278	78.6
SUBTOTAL ADMINISTRATIVE SERVICES	3,567,805	2,468,283	69.2
COMMUNITY SERVICES			
LIBRARY	3,290,515	2,263,187	68.8
OLDER ADULT SERVICES	595,390	431,963	72.6
NUTRITION CENT.	260,550	151,517	58.2
OASIS	254,435	175,866	69.1
SUBTOTAL COMMUNITY SERVICES	4,400,890	3,022,533	68.7
COMMUNITY DEVELOPMENT			
PLANNING	1,240,340	862,298	69.5
CODE ENFORCEMENT	886,420	589,858	66.5
BUILDING	691,125	470,673	68.1
SUBTOTAL COMMUNITY DEVELOPMENT	2,817,885	1,922,829	68.2
PUBLIC WORKS			
ENGINEERING	1,828,815	1,091,347	59.7
STREETS	5,025,660	3,511,584	69.9
PARKS	2,347,770	1,678,719	71.5
COMMUNICATIONS		(35,647)	
SUBTOTAL PUBLIC WORKS	9,202,245	6,246,003	67.9
PUBLIC SAFETY			
POLICE	32,247,245	24,460,157	75.9
FIRE	16,790,425	12,040,655	71.7
EMERGENCY MGT.	121,065	45,847	37.9
SUBTOTAL PUBLIC SAFETY	49,158,735	36,546,659	74.3
OTHER			
NON-DEPARTMENTAL	1,806,640	271,079	15.0
COMMUNITY RELATIONS	295,050	226,678	76.8
SUBTOTAL OTHER	2,101,690	497,757	23.7
TOTAL GENERAL FUND	\$73,478,380	\$52,381,020	71.3

GENERAL FUND				
EXPENDITURE STATUS BY DEPARTMENT - PRIOR YEAR TO CURRENT YEAR				
	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
GENERAL GOVERNMENT				
CITY COUNCIL	\$176,388	\$215,406	\$39,018	18.1
CITY MANAGER	756,031	813,555	57,524	7.1
VIDEO SERVICES	10,400	17,219	6,819	39.6
CITY ATTORNEY	191,472	111,237	(80,235)	-72.1
CITY CLERK	343,806	306,248	(37,558)	-12.3
CITY TREASURER	196,683	213,291	16,608	7.8
SUBTOTAL GENERAL GOVERNMENT	1,674,780	1,676,956	2,176	0.1
ADMINISTRATIVE SERVICES				
FINANCE	683,501	666,584	(16,917)	-2.5
HUMAN RESOURCES	330,546	308,111	(22,435)	-7.3
RISK MGMT	(44,498)	(52,187)	(7,689)	14.7
ADMIN	272,548	272,036	(512)	-0.2
DATA PROCESSING	282,940	266,742	(16,198)	-6.1
OFFICE AUTOMATION	813,491	881,719	68,228	7.7
GEOGRAPHIC	128,857	125,278	(3,579)	-2.9
SUBTOTAL ADMINISTRATIVE SERVICES	2,467,385	2,468,283	898	0.0
COMMUNITY SERVICES				
LIBRARY	2,100,049	2,263,187	163,138	7.2
OLDER ADULT SERVICES	479,091	431,963	(47,128)	-10.9
HOUSING/NEIGHBORHOOD SER.	39,148	-	(39,148)	-
NUTRITION CENT.	142,646	151,517	8,871	5.9
BRANCH LIBRARY	362,382	-	(362,382)	-
OASIS	136,492	175,866	39,374	22.4
SUBTOTAL COMMUNITY SERVICES	3,259,808	3,022,533	(237,275)	-7.9
COMMUNITY DEVELOPMENT				
PLANNING	1,022,562	862,298	(160,264)	-18.6
CODE ENFORCEMENT	831,140	589,858	(241,282)	-40.9
BUILDING	485,057	470,673	(14,384)	-3.1
SUBTOTAL COMMUNITY DEVELOPMENT	2,338,759	1,922,829	(415,930)	-21.6
PUBLIC WORKS				
ENGINEERING	1,203,653	1,091,347	(112,306)	-10.3
STREETS	3,510,814	3,511,584	770	0.0
PARKS	1,812,344	1,678,719	(133,625)	-8.0
COMMUNICATIONS	(28,534)	(35,647)	(7,113)	20.0
SUBTOTAL PUBLIC WORKS	6,498,277	6,246,003	(252,274)	-4.0
PUBLIC SAFETY				
POLICE	24,593,830	24,460,157	(133,673)	-0.5
FIRE	12,683,764	12,086,502	(597,262)	-4.9
SUBTOTAL PUBLIC SAFETY	37,277,594	36,546,659	(730,935)	-2.0
OTHER				
NON-DEPARTMENTAL	204,876	271,079	66,203	24.4
COMMUNITY RELATIONS	315,000	226,678	(88,322)	-39.0
SUBTOTAL OTHER	519,876	497,757	(22,119)	-4.4
TOTAL GENERAL FUND	\$54,036,479	\$52,381,020	(\$1,655,459)	-3.2

Community Development Commission

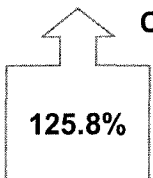


OPERATING REVENUES

Tax Increment (\$11.4 million) – The decline in tax increment revenue of \$.3 million is due to Prop 8 reductions, foreclosures, the lower prices on home sales and commercial property tax appeals.

Investment Income (\$174,163) – When reviewing investment income on a cash basis, the majority of the decrease in investment income is due to: a 28% decrease in the yield of LAIF investments, a 10% decrease in the yield of Federal investments and a 13% decrease in the average amount of the investment portfolio balances.

Other Revenue – In the prior fiscal year, the CDC received \$1.6 million from the County of San Diego as a result of the CDC suing the County for miscalculating their portion of tax increment revenue.



OPERATING EXPENDITURES

Community Development (\$658,737) – The majority of this increase is due to legal, financial and redevelopment consulting work related to the construction of a minor league baseball park.

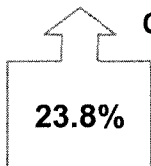
Debt Expense (\$27.1 million) – The increase in debt expense is due to the partial repayment of the advance owed by the CDC to the City approved by Council on February 16, 2011. The CDC repaid the General Fund \$15,088,154 in interest and \$4,911,846 of principal. The CDC also repaid a \$1,026,467 loan issued from the California Housing Financing Agency in accordance with the HELP program for the Community Development Commission's multifamily rehabilitation loan program. Other debt expense includes bond principal and interest payments for the Series 2001 Lease Revenue Bonds, 2007A Lease Revenue Refunding Bonds, and the 2007B Taxable Lease revenue Refunding Bonds.

Agency Tax Sharing Agreement (\$1.8 million) – The calculation used to calculate the County's portion of tax increment revenue is based on the amount of tax increment revenue received by the CDC, which decreased in the current year.

Other Expenditures (\$5 million) – Other expenditures include the purchase of property. These properties were: 3 vacant lots at East Grand Avenue and Juniper Street, 542 West 3rd (including 2 adjacent lots) and 480 North Spruce Street.

COMMUNITY DEVELOPMENT COMMISSION DEBT SERVICE & CAPITAL PROJECT FUNDS					
	FY 2010/11 Adopted Budget	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
REVENUES					
TAX INCREMENT	\$19,132,000	\$ 11,752,862	\$ 11,438,183	\$ (314,679)	-2.7%
INVESTMENT INCOME	255,000	375,175	174,163	(201,012)	-53.6%
OTHER REVENUES	349,640	1,671,224	-	(1,671,224)	-100.0%
TOTAL OPERATING REVENUE	19,736,640	13,799,261	11,612,346	(2,186,915)	-15.8%
EXPENDITURES					
COMMUNITY DEVELOPMENT	674,839	16,125	658,737	642,612	3985.2%
DEBT EXPENSE	10,851,615	11,125,271	27,134,781	16,009,510	143.9%
AGENCY TAX SHARING AGREEMENT	9,218,000	1,976,521	1,829,039	(147,482)	-7.5%
SERAF	2,000,000	-	-	-	-
TOTAL OPERATING EXPENDITURES	22,744,454	13,117,917	29,622,557	16,504,640	125.8%
PURCHASE OF CITY PROPERTY	5,710,300	-	5,002,068	5,002,068	100.0%
TOTAL REVENUES OVER EXPENDITURES	\$ (8,718,114)	\$ 681,344	\$ (23,012,279)	\$ (23,693,623)	-3477.5%

Low & Moderate Housing Fund



OPERATING REVENUES

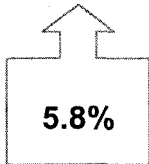
Tax Increment (\$2.7 million) – The decrease in tax increment revenue is due to Prop 8 reductions, foreclosures, the lower prices on home sales and commercial property tax appeals.

Investment Income (\$116,194) – When reviewing investment income on a cash basis, the majority of the decrease in investment income is due to: a 28% decrease in the yield of LAIF investments, a 10% decrease in the yield of Federal investments and a 13% decrease in the average amount of the investment portfolio balances.

Intergovernmental (\$805,021) – At the end of the 3rd quarter, the CDC has received \$803,820 in Housing and Economic Recovery Act funds to be used for Neighborhood Stabilization Program activities. These funds were received from the California Department of Housing and Community Development, which were passed through from the U.S. Department of Housing and Urban Development. Grant revenue was budgeted for in the year the grant was awarded and was not carried forward into the current fiscal year.

Lease Income (\$60,300) – A mobile home rent increase was approved and has been billed for resulting in an increase in lease income.

Other Income (\$6,710) – HELP fees are deposited into this account. HELP fees are application/renewal fees related to the first time home buyer loan program.




OPERATING EXPENDITURES

Community Development (\$996,980) – Operating cost and departmental operating expenditures are 5.8% higher for the third quarter of the year as summarized below. The amount expended to date is approximately 67% of the total amount budgeted for in fiscal year 2010-11.

Other Expenditures (\$162,193) – Other expenditures include the purchase of property. Federal stimulus funds under the Neighborhood Stabilization Program (NSP) have been used since fiscal year 2009-2010 to purchase abandoned or previously developed properties for future affordable housing units. In June 2010, City Council approved the allocation of Low and Moderate Income Housing Set Aside funds in the 2010-2011 Set-Aside budget to offset a potential shortfall from NSP funds to assist in the acquisition of 542 West 3rd (including 2 adjacent lots), an additional property in need of redevelopment.


COMMUNITY DEVELOPMENT COMMISSION LOW AND MODERATE INCOME HOUSING FUND					
	FY 2010/11 Adopted Budget	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
REVENUES					
TAX INCREMENT	\$ 4,867,975	\$ 2,938,216	\$ 2,859,546	\$ (78,670)	-2.7%
INVESTMENT INCOME	75,000	122,830	116,194	(6,636)	-5.4%
INTERGOVERNMENTAL	-	-	813,985	813,985	100.0%
LEASE INCOME	48,000	45,355	60,300	14,945	33.0%
OTHER INCOME	-	9,955	6,710	(3,245)	-32.6%
TOTAL OPERATING REVENUE	4,990,975	3,116,356	3,856,735	740,379	23.8%
EXPENDITURES					
COMMUNITY DEVELOPMENT	1,483,850	941,948	996,980	55,032	5.8%
PURCHASE OF CITY PROPERTY	162,193	-	162,193	162,193	100.0%
TOTAL REVENUES OVER EXPENDITURES	\$ 3,344,932	\$ 2,174,408	\$ 2,697,562	\$ 523,154	24.1%

Vehicle Parking District



22.5%

OPERATING REVENUES (\$42,589) – Parking permit revenue increased 23.0% compared to the same time period in the previous fiscal year due to a rate increase effective April 1, 2010. However, no additional permit revenue will be collected for the remainder of the fiscal year due to the suspension of the parking permit restrictions downtown.



3.8%

OPERATING EXPENDITURES (\$54,449) – Operating expenditures related to the maintenance and utilities of City owned parking lots are approximately 3.8% less when compared to the same time period in the prior year; however, expenditures appear to be in line with budgeted amounts resulting in an operating deficit of approximately \$34,058.

City staff is requesting City Council approve a transfer from General Fund Reserves of \$34,000 to cover the fiscal year operating deficit in the Vehicle Parking District Fund.

VEHICLE PARKING DISTRICT					
	FY 2010/11 Adopted Budget	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
REVENUES					
PARKING PERMITS	\$ 85,800	\$ 34,373	\$ 42,285	\$ 7,912	23.0%
INVESTMENT INCOME	230	396	304	(92)	-23.2%
TOTAL OPERATING REVENUE	86,030	34,769	42,589	7,820	22.5%
EXPENDITURES					
OFFICE SUPPLIES	500	375	-	(375)	-100.0%
UTILITIES	6,000	3,276	3,305	29	0.9%
CITY WATER	4,500	4,009	2,040	(1,969)	-49.1%
MAIL SERVICES	115	441	90	(351)	-79.6%
ALLOCATIONS IN	65,355	48,483	49,014	531	1.1%
TOTAL OPERATING EXPENDITURES	76,470	56,584	54,449	(2,135)	-3.8%
TRANSFER IN	-	34,000	-	(34,000)	100.0%
TOTAL REVENUES OVER EXPENDITURES	\$ 9,560	\$ 12,185	\$ (11,860)	\$ (24,045)	-197.3%

Recreation Fund



2.9%

OPERATING REVENUES

Fees for Services (\$1 million) – Fees for services include monies collected for various Recreation programs such as Hockey, Soccer, Softball, Learn to Swim, Tiny Tots, Enrichment Classes, Summer Day Camp and Skate Park. Revenue collected through March has decreased compared to last year at this time by -\$46,000, a decrease of 4.3%. These decreases are due to lower participation in Recreation programs as a result of the downturn in the economy.

Cable Franchise Fee (\$449,338) – Franchise Fee revenue is up \$23,600 compared to the same period last fiscal year, which is an increase of 5.5%. Last year this revenue came in over budget by about \$93,000 and it looks like it is on track to do the same thing in FY 2010-11.

Golf Course Rent (\$54,000) – Golf Course Rent collected through March is about the same as last year at this time. The Vineyard Golf Course is owned by the City of Escondido and the City of San Diego and rent from the golf course is shared equally between the City and San Diego. The Vineyard Golf Course is managed by a private golf course management company that pays this rent to the City.

Other Rent (\$275,211) – Other Rent collected through March is a little lower than last year at this time. The Recreation Fund receives rental income from East Valley Community Center rental spaces and cellular antenna site rental.

On Track State Grant (\$555,419) – On Track State grant revenue collected through March is less than collected compared to last year at this time by about \$19,000. This difference is due to a timing difference so On Track grant monies should come in as budgeted. The City receives these grant monies to offer free after-school day care to all students currently enrolled in certain schools in the City.

Interest and Principal on Loans (\$576,587) – Interest and Principal on Loans collected through March have decreased compared to last year at this time by -\$32,018. The interest and principal loan payments paid to the City from the golf course management company are used to make the debt service payments on the bonds that built the golf course.

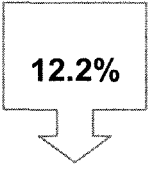


3.6%

OPERATING EXPENDITURES (\$2.7 million) – Operating cost and departmental operating expenditures are on target for the third quarter of the year as summarized below. Total expenditures are approximately \$96,000 greater than the prior year third quarter, which represents an increase of 3.6%. The amount expended to date is approximately 70% of the total amount budgeted for in fiscal year 2010-11.

RECREATION FUND					
	FY 2010/11 Revised Budget	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
REVENUES					
FEE FOR SERVICES	\$ 1,730,500	\$ 1,099,812	\$ 1,053,534	\$ (46,278)	-4.2%
CABLE FRANCHISE FEES	770,000	425,740	449,338	23,598	5.5%
GOLF COURSE RENT	100,000	54,328	53,999	(329)	-0.6%
OTHER RENT	318,405	277,727	275,211	(2,516)	-0.9%
ON TRACK-STATE GRANT	910,120	574,871	555,419	(19,452)	-3.4%
PRINCIPAL ON LOANS	396,335	357,073	357,073	-	0.0%
INTEREST ON LOANS	317,000	251,532	219,514	(32,018)	-12.7%
REIMBURSEMENT FROM OUTSIDE AGENCIES	-	12,300	-	(12,300)	-100.0%
OTHER REVENUE	-	500	51	(449)	-89.8%
TOTAL OPERATING REVENUE	4,542,360	3,053,883	2,964,139	(89,744)	-2.9%
EXPENDITURES					
EMPLOYEE SERVICES	2,906,785	1,967,761	2,099,845	132,084	6.7%
MAINTENANCE AND OPERATIONS	692,010	392,483	409,961	17,478	4.5%
INTERNAL SERVICE CHARGES	430,755	377,743	323,639	(54,104)	-14.3%
ALLOCATIONS	(143,355)	(107,955)	(107,514)	441	-0.4%
TOTAL OPERATING EXPENDITURES	3,886,195	2,630,032	2,725,931	95,899	3.6%
TRANSFER OUT	678,810	678,810	678,810	-	0.0%
TOTAL REVENUES OVER EXPENDITURES	\$ (22,645)	\$ (254,959)	\$ (440,602)	\$ (185,643)	72.8%

Water Enterprise Fund



12.2%

OPERATING REVENUES

Water Consumption Charges (\$19 million) – The 15.7% decrease in water consumption revenues was mostly due to heavier than normal rainfall in late 2010 and early 2011.

Vista Irrigation District Filtration and Other Fees (\$1 million) – Vista Irrigation District Filtration and Other Fees decreased 32.3%, or approximately \$485 thousand from the prior year. Consistent with City water consumption decrease, the Vista Irrigation District is selling less water due to heavier than normal rainfall in FY 2011.

Other Revenue (\$787,597) – The 46.6% decrease in other revenues is substantially due to \$535 thousand less in water connection fees in 2011 and an \$80 thousand decrease in electric power sales by the Bear Valley Power Plant. The plant was shut down for an extended period due to electrical failure caused by squirrels.



6.1%

OPERATING EXPENSES

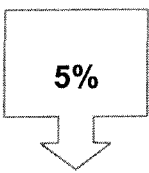
Purchased Water (\$9.9 million) – Purchased water, which is the Utility's largest expense, decreased 19% (\$2.33 million) from prior year due to higher than normal rainfall which filled local reservoirs in FY 2011.

Chemicals & Other Operating Supplies (\$2.3 million) – Chemicals and other operating supplies increased 45% due to the increased use of local water which requires more treatment/chemicals than purchased water.

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

WATER ENTERPRISE FUND					
	FY 2010-11 Revised Budget	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
REVENUES					
Water Consumption Charges	\$33,779,445	\$22,976,091	\$19,362,146	(3,613,945)	-15.7%
Water Service Charges	9,009,410	7,046,982	7,198,730	151,748	2.2%
State and Federal Grants	1,420,712	-	605,401	605,401	-
Vista Irrigation Filtration & Other Fees	1,650,000	1,500,404	1,015,307	(485,097)	-32.3%
Lake Fees and Concessions	800,000	533,329	550,737	17,408	3.3%
Investment Income	200,000	180,349	84,500	(95,849)	-53.1%
Other Revenues	1,088,310	1,475,508	787,597	(687,911)	-46.6%
TOTAL REVENUE	47,947,877	33,712,663	29,604,418	(4,108,245)	-12.2%
EXPENSES					
Staffing	7,926,120	5,225,557	5,144,361	(81,196)	-1.6%
Purchased Water	19,822,900	12,234,751	9,900,374	(2,334,377)	-19.1%
Chemicals & Operating Supplies	3,060,770	1,565,567	2,271,216	705,649	45.1%
City Water	1,734,580	873,525	832,217	(41,308)	-4.7%
Professional Services	1,335,145	637,361	706,586	69,225	10.9%
Utilities	696,115	385,782	413,001	27,219	7.1%
Interest and Fiscal Charges	2,470,615	1,617,767	1,593,088	(24,679)	-1.5%
Other Operating Expenses	2,482,858	1,401,226	1,407,101	5,875	0.4%
Allocations	4,260,442	3,390,291	3,401,973	11,682	0.3%
TOTAL EXPENSES	43,789,545	27,331,827	25,669,917	(1,661,910)	-6.1%
INCOME (LOSS)	\$4,158,332	\$6,380,836	\$3,934,501	(\$2,446,335)	-38.3%

Wastewater Enterprise Fund



OPERATING REVENUE

Sewer Service Charges (\$15.9 million) – Sewer service charges decreased \$398 thousand (2.4%) for the nine months ended March 31, 2011. This decrease is offset by a \$142 thousand (10.8%) increase in City of San Diego Treatment fees.

Recyclable Water Sales (\$1.6 million) – Recycled water sales were down 12.9% (\$243 thousand) primarily due to the prolonged shutdown of the Palomar Energy Center after a fire in one of the transformers.

Other Revenue (\$722,982) – Other miscellaneous revenues declined \$242 thousand (25%), largely due to CIP reimbursements of \$277 thousand received in the prior year and \$0 in the current year.

OPERATING EXPENSES

5.3%




Total decrease in expenses of 5.3% is consistent with the revenue decrease and is primarily due to a decrease in the volume of wastewater treated and very limited production of reclaimed water.

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

WASTEWATER ENTERPRISE FUND					
	FY 2010-11 REVISED BUDGET	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
REVENUES					
Sewer Service Charges	\$23,830,700	\$16,278,935	\$15,880,639	(\$398,296)	-2.4%
Treatment Charges - San Diego	1,850,000	1,313,302	1,455,726	142,424	10.8%
Connection Fees	375,000	547,760	280,378	(267,382)	-48.8%
Recyclable Water Sales	3,000,000	1,878,516	1,635,952	(242,564)	-12.9%
Stormwater Management Charges		1,033,846	1,047,005	13,159	1.3%
Investment Income	200,000	414,769	286,155	(128,614)	-31.0%
Other Revenues	608,200	965,607	722,982	(242,625)	-25.1%
TOTAL REVENUE	29,863,900	22,432,735	21,308,837	(1,123,898)	-5.0%
EXPENSES					
Staffing	7,429,430	4,817,658	4,821,177	3,519	0.1%
Chemicals & Operating Supplies	1,472,000	804,205	717,731	(86,474)	-10.8%
Professional Services	3,041,690	1,374,374	1,259,591	(114,783)	-8.4%
Utilities	2,123,000	1,406,078	1,190,902	(215,176)	-15.3%
Interest and Fiscal Charges	2,050,285	1,343,732	1,308,682	(35,050)	-2.6%
Allocations	2,333,360	1,604,760	1,542,707	(62,053)	-3.9%
Other Operating Expenses	2,517,050	1,625,814	1,452,989	(172,825)	-10.6%
TOTAL EXPENSES	20,966,815	12,976,621	12,293,779	(682,842)	-5.3%
INCOME (LOSS)	\$8,897,085	\$9,456,114	\$9,015,058	(\$441,056)	-4.7%


Reidy Creek Golf Course Fund

9.6%



OPERATING REVENUES (\$413,788) – The overall decrease in Reidy Creek's revenue is attributed to both economic factors and unusual weather conditions. This year there was a significant increase in the amount of rainfall, which contributed to a decrease of 10% in the number of golf rounds played compared to the prior year.

4.8%



OPERATING EXPENDITURES (\$455,716) – While the rainfall reduced revenue, it also was a major contributor to the 7.3% decrease in maintenance costs which reduced the amount of water, fertilizers and chemicals needed so far for this year.

Reidy Creek's golf cart lease agreement was renewed this year; however, while this process was taking place there was a quarter where they were not under a lease agreement. This resulted in a 31% decrease compared to the prior year.

REIDY CREEK GOLF COURSE FUND					
	FY 2010-11 Adopted Budget	July - March 2010	July - March 2011	Prior Year to Current Year Change	%
REVENUES					
Green Fees	\$458,375	\$301,938	\$262,727	(\$39,211)	-13.0
Cart Rentals	181,105	121,595	115,990	(5,605)	-4.6
Golf Merchandise Sales	35,815	23,859	26,992	3,133	13.1
Food and Beverage Rent	11,880	5,984	5,390	(594)	-9.9
Other Golf Revenue	2,295	4,165	2,689	(1,476)	-35.4
TOTAL REVENUES	689,470	457,541	413,788	(43,753)	-9.6
EXPENDITURES					
Management Fee	69,105	49,917	51,104	1,187	2.4
Golf Course Operations	187,255	141,981	134,649	(7,332)	-5.2
Golf Course Maintenance	318,110	217,090	201,223	(15,867)	-7.3
Administrative & General	65,565	47,923	45,672	(2,251)	-4.7
Golf Course Merchandise	22,205	14,579	17,370	2,791	19.1
Golf Cart Lease	4,515	3,383	2,335	(1,048)	-31.0
Insurance	6,000	3,682	3,363	(319)	-8.7
TOTAL EXPENDITURES	672,755	478,555	455,716	(22,839)	-4.8
TOTAL REVENUES OVER EXPENDITURES	\$16,715	(21,014)	(41,928)	(\$20,914)	99.5



**CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST**

Date of Request: 5/11/2011

Department: Finance

Division: _____

Project/Budget Manager: Gil Rojas 4033
Name Extension

Council Date (if applicable): 5/11/2011
(attach copy of staff report)

For Finance Use Only	
Log #	_____
Fiscal Year	_____
_____	Budget Balances
_____	General Fund Accts
_____	Revenue
_____	Interfund Transfers
_____	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Sales Tax	4001-001-000	\$1,143,000	
Prop Tax in Lieu of Sales Tax	4003-001-000	277,000	
Property Tax – PY Secured	4012-001-000		233,000
CDC Tax Sharing Payment	4017-001-000		48,000
Prop Tax In Lieu of VLF	4014-001-000		51,000
Franchise Fees	4031-001-000	201,000	
Other Incentive Fees	4037-001-000		24,000
Transient Occupancy Tax	4032-001-000	22,000	
Property Transfer Tax	4030-001-000	45,000	
Transfer Station Fee	4034-001-000		36,000
Business Licenses	4033-001-000		34,000
Building Permits	4045-001-000	183,000	
Fire Code Permits	4050-001-000		24,000
Building Plan Check	4207-001-000	39,000	
Eng Subdiv & Prcel Maps	4227-001-000	21,000	
Proc Fee - Street Vacation	4262-001-000		8,000
Vehicle in Lieu Fees	4100-001-000	80,000	
Rincon Fire Agreement	4122-001-000		80,000
Library Funding – SB 358	4111-001-000	40,000	
Paramedic Revenue	4255-001-000	250,500	

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
OASIS Class Fees	4384-001-000	16,000	
Interest Earnings	4600-001-000		268,000
Rent	4610-001-000	276,000	

Explanation of Request:

Budget adjustment to increase General Fund operating revenue estimates by \$1,787,500 in FY 2010-11.

APPROVALS

Department Head _____ Date _____
Albert R
Finance _____ Date _____

City Manager _____ Date _____
City Clerk _____ Date _____

Distribution (after approval): Original: Finance



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: April 25, 2011

Department: Community Services

Division: Public Art

Project/Budget Manager: Susan Pollack 4331
Name Extension

Council Date (if applicable): May 11, 2011
(attach copy of staff report)

For Finance Use Only	
Log #	_____
Fiscal Year	_____
_____	Budget Balances
_____	General Fund Accts
_____	Revenue
_____	Interfund Transfers
_____	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Niki de Saint Phalle Recoveries Account	4913-130-420119	←	\$19,906.00
Niki de Saint Phalle Recoveries Account	4913-130-420119	←	\$11,604.00
Niki de Saint Phalle Expenditure Account	5130-130-730-420119	\$19,906.00	
Niki de Saint Phalle Expenditure Account	5130-130-730-420119	\$11,604.00	

Explanation of Request:

Transfer of insurance payments from the Niki de Saint Phalle Recovery Account into the Niki de Saint Phalle Expenditure Account in order to pay for the repairs due to vandalism to the project.

APPROVALS

Department Head Date

City Manager Date

Finance Date

City Clerk Date



**CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST**

Date of Request: March 29, 2011
 Department: Community Services
 Division: Public Art
 Project/Budget Manager: Susan Pollack 4331
 Name Extension
 Council Date (if applicable): _____
 (attach copy of staff report)

For Finance Use Only	
Log #	_____
Fiscal Year	_____
_____	Budget Balances
_____	General Fund Accts
_____	Revenue
_____	Interfund Transfers
_____	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
EM Project Repairs	5131-130-730-427101	\$3,800.	
J PA-Available Appropriation	130-429999		3,800.

Explanation of Request:
 Transfer of money from PA_Available Appropriations account for repairs for another public art project, Pillars of the Community. Transfer needed to cover the cost of recent repairs to the project.

APPROVALS

 _____
 Department Head Date City Manager Date

 Finance Date City Clerk Date

Distribution (after approval): Original: Finance



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: March 9, 2011
Department: Community Services
Division: Public Art
Project/Budget Manager: Susan Pollack 4331
Name Extension
Council Date (if applicable): N/A
(attach copy of staff report)

For Finance Use Only
Log # BA 03-08
Fiscal Year 2010/2011
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Includes entries for Project Repairs and PA-Available Appropriation.

Explanation of Request:

Transfer of money from PA-Available Appropriation account to establish Blue Granite Shift repairs project. Transfer needed to cover the cost of recent repairs to the project.

APPROVALS

Handwritten signatures and dates for Department Head, Finance, City Manager, and City Clerk.

Distribution (after approval): Original: Finance

**CITY OF ESCONDIDO
APPROPRIATION JOURNAL**

For Finance Use Only

- Budget Balances
- General Fund Accts
- Revenue
- Interfund Transfers
- Fund Balance

Appropriation # _____ - _____

Authorization: To increase project budget for private grant received from the Escondido Rotary Club.

Date: April 26, 2011

ACCOUNT DESCRIPTION	ACCOUNT NUMBER	INCREASE	DECREASE
Library Technology	004-4119-400819	2,000.00	
Library Technology	004-0000-400819	2,000.00	
Page 1 of 1		TOTAL	4,000.00
			0.00

PREPARED BY: E Molina

APPROVED BY:

ENTERED BY:

DATE: April 26, 2011

DATE:

DATE:

**CITY OF ESCONDIDO
APPROPRIATION JOURNAL**

For Finance Use Only
 _____ Budget Balances
 _____ General Fund Accts
 _____ Revenue
 _____ Interfund Transfers
 _____ Fund Balance

Appropriation # POS-01-07
 Authorization: To establish debt service expenditure line items for
 FY2010-11 payment due on California Housing Finance Authority
 Loan for Cobblestone Village. All funds for debt service payment
 have been reserved in fund 381 fund balance account 3021.

Date: January 27,2011

ACCOUNT DESCRIPTION	ACCOUNT NUMBER	INCREASE	DECREASE
Loan Principal Expense- Redev Housing Debt Service	5525-381-081	800,000.00	
Loan Interest Expense- Redev Housing Debt Service	5501-381-081	226,466.78	
Page 1 of 1		TOTAL	1,026,466.78

APPROP =
 50981
 OR =
 56982
 L

PREPARED BY: R Bojorquez APPROVED BY: Judi Cristoforo ENTERED BY:
 DATE: January 27,2011 DATE: 1/27/11 DATE:

1/27/11
1/27/11



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: May 11, 2011
Department: Finance Department
Division:
Project/Budget Manager: Gil Rojas 4322
Name Extension
Council Date (if applicable): May 11, 2011
(attach copy of staff report)

For Finance Use Only
Log #
Fiscal Year
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Rows include Parking Permits, Economic Uncertainty Reserve, Transfer In, and Transfer Out.

Explanation of Request:

Approve a budget adjustment in the amount of \$34,000 to budget a transfer out from the General Fund to the Vehicle Parking District Fund to cover the operating deficit from the suspension of the parking permit restrictions downtown. The source of funding for this budget adjustment is the Economic Uncertainty Reserve.

APPROVALS

Department Head Date City Manager Date
Finance Date City Clerk Date

Distribution (after approval): Original: Finance



CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 15

Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance
Jerry Van Leeuwen, Director of Community Services

SUBJECT: Review Draft of General Fund Two-Year Budget and Discuss Changes to Recreation Program

RECOMMENDATION:

It is requested that Council provide direction to staff.

FISCAL ANALYSIS:

A two-year General Fund budget projection has been submitted with the assumption that sales tax and property tax will continue to show growth. The Fiscal Year 11/12 budget has General Fund sources equaling uses with no use of reserves. The Fiscal Year 12/13 budget has the city projecting \$472,645 being added to our reserves.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

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

PREVIOUS ACTION:

On January 26, 2011, staff presented to the City Council preliminary revenue estimates and appropriations which left an unfunded gap of 2.8 million dollars. The City Council directed staff to look at the following areas for possible reductions: Center for the Arts funding, Pension Reform, East Valley Branch Library and recreation facility, Recreation funding, Police budget, Funding to Outside Agencies and Outsourcing city services and making operations more efficient.

On February 16, 2011, staff brought back financial information regarding areas that Council had asked staff to evaluate. The Council directed staff to proceed with plans to lower service levels in those areas in order to accomplish a budget that does not rely on reserves.

On March 23, 2011, a presentation was done by Community Services regarding the Recreation budget and the Branch Library budget to show the affect a funding reduction would have to those programs. The Chief of Police also reviewed the Police budget and the affect that a \$250,000

reduction would have on their budget. The City Council directed staff to proceed with the plan and to come back with information on how a two year budget would affect city finances.

BACKGROUND:

At the request of the City Council, a working draft of the General Fund budget has been prepared. The proposed budget has some significant changes to service levels. The East Valley Branch Library will be closed effective June 2011. Contributions will be discontinued for Education Compact, Arts Partnership and History Center. The City will negotiate with the different employee groups a change in funding retirement benefits as well as the actual retirement benefit. Due to the length of time to evaluate the possibility of outsourcing city services this budget does not address the possible savings brought about by outsourcing. The contribution for the Center for the Arts has been reduced. The Police Department budget has been reduced.

The Recreation budget has been analyzed further by staff. In addition, staff conducted a survey to determine the ability and willingness of the customers to pay increase fees for various programs. Other strategies to increase revenues and decrease expenses, including reductions in the number of staff, result in recommendations to:

Eliminate the position of Assistant Director for the short term and conduct a reorganization study for the Recreation and Older Adults Divisions of the Community Services Department.

Increase fees for all programs that are not currently covering all costs but be sensitive to market conditions.

Expand revenues from corporate partnerships, naming rights, and sponsorships

Expand/revise schedule of programs at the Sports Center to increase revenues.

Restructure Tiny Tots from a staff directed program and consider alternative uses at one or both locations.

Maximize use of the East Valley Community Center and decrease use of the Mathes Center for recreation programs. Explore expanded use of the Mathes Center for Library based programs/services.

Evaluate the Skate Park operation. Consider alternative operating models to maintain some accessibility or close the facility and restrict its use to private rentals. (Staffing costs will be reduced by implementation of new programs suggested above)

With these actions completed, it is possible that revenues will be adequate to cover all expenses by the end of the two-year budget cycle. If revenue shortfalls occur, the recreation fund balance will be used to augment revenues.

Staff has also evaluated pool operations. Because the City pools are the only resource of this type for the community, staff has explored several options. Staff is recommending that programming for the summer continue as planned with an increase in fees. In addition, open pool time has been reduced in order to increase swimming lessons that are more profitable. As for the fall, it is necessary to increase fees by 107% to achieve full cost recovery. This is a substantial fee increase and staff is requesting additional time to explore alternatives with the schools and community. One option under consideration is the closing of Jim Stone Pool in Grape Day Park. However, the capacity at Washington Park is not adequate to meet all the demands for programming, particularly by the schools. Demolition and removal costs for this option have not been assessed but would be significant.

Respectfully submitted,



Gilbert Rojas
Director of Finance



Jerry Van Leeuwen
Director of Community Services



Agenda Item No. 15
Date: May 11, 2011

() There is no material for this agenda item

THE FOLLOWING ITEM(S) WILL BE DISTRIBUTED WHEN AVAILABLE:

- () Staff Report**
- () Resolution No.**
- () Ordinance No.**
- () Exhibits/Attachments**

DUE TO THE SIZE OF THIS AGENDA ITEM:

- | | |
|--------------------------------|--|
| () COUNCIL MEMBERS: | A copy is in the council Reading File |
| (X) Staff & Others: | A copy of the Draft General Fund Operating Budget is available in the City Clerk's Office for viewing |

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 16

Date: May 11, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Gil Rojas, Director of Finance

Joyce Masterson, Assistant to the City Manager

SUBJECT: Preliminary City Council Action Plan – Financial Stability Element

RECOMMENDATION:

It is requested that Council provide direction to staff on the proposed content of the Financial Stability Element of the 2011-2012 City Council Action Plan.

FISCAL ANALYSIS:

None

PREVIOUS ACTION:

The City Council held a workshop for the development of the 2011-2012 Council Action Plan on February 2, 2011. On April 6, 2011, Council approved the format and schedule for the development of the 2011-2012 City Council Action Plan.

BACKGROUND:

The City Council Action Plan represents the City Council's collective vision for Escondido's future and the key strategies that will be used to achieve that vision. It is developed biennially following a workshop where key policy goals are identified and discussed.

On April 6, 2011, Council approved the format as well as a recommendation that a review of a draft of each priority area be scheduled individually to provide the City Council with adequate time to discuss each section and to provide feedback to ensure the action plan truly reflects the Council's desires.

The schedule is as follows:

May 11, 2011: Financial Stability

June 8, 2011: Economic Development

June 15, 2011: Image and Appearance

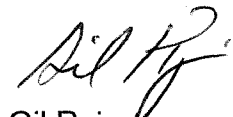
June 22, 2011: Embrace Diversity & Community Outreach

Staff will incorporate any revisions into a final draft to be presented on July 13, 2011.

Preliminary Council Action Plan
May 11, 2011
Page 2

A draft Financial Stability element is attached to this document as Attachment 1.

Respectfully submitted,



Gil Rojas
Director of Finance



Joyce Masterson
Assistant to the City Manager

City Council Action Plan 2011-2012

Financial Stability

Goal	Current Reality	Strategy	Evaluation Measures	Outcome
Adopt balanced budget without using reserves	For the past 4 years, the budget has been balanced by relying on City reserves.	<ol style="list-style-type: none"> 1. Adopt a 2 year operating budget 2. Negotiate employee sharing pension costs 3. Close Branch Library 4. Conduct fiscal analysis of Recreation operations 5. Reduce funding for Center for the Arts 6. Reduce funding for outside agencies 	Adoption of a budget that does not use reserves	
Reform pension benefits to ensure they are affordable	The City's pension obligation is 17% of the General Fund. The present pension system is no longer affordable or sustainable. Contracts with labor groups have varying expiration dates: Teamsters, ACE, and Supervisory union contracts expire June 30, 2011. Police and Fire union contracts expire December 31, 2011. Non-sworn police contracts expire June 30, 2012	<ol style="list-style-type: none"> 1. Increase employee contributions to their own pensions. 2. Implement a two tiered pension system 	Approved revised contracts with each labor group Implementation of a two tiered system	
Focus on Core Service	The Police Department has a labor-intensive and paper-driven data collection and reporting process. Efficiencies in this area will allow officers to do more proactive law enforcement by spending less time writing reports, as well as provide significant time-saving for the Records Division. Staff has requested \$525,200 for a Records Management System as part of the 2011-12 CIP process.	Fund \$525,200 for a Capital Improvement Program that will be used for implementation of the Records Management System	Implementation of Records Management System	

	<p>Fire Station 6 was designed to house an engine company, not an ambulance crew. Due to the economic downturn, when construction was completed the City could not afford to hire staff for an engine company. Instead the ALS paramedic ambulance and crew from Fire Station 5 was moved to Station 6. Hiring personnel to staff Engine 6 would improve response capabilities and response time for all emergency incidents and assist with call distribution throughout the entire City. If an engine company is put in at Station 6 the ambulance and crew likely will be moved to Station 1 to help with EMS call distribution.</p>	<p>Conduct an assessment of the City's delivery of fire services to ensure they are meeting the community's fire safety goals</p>	<p>Completion of assessment</p>
<p>The current Street Maintenance program targets streets for reconstruction, overlays and seal coats based on staff's assessment of physical conditions and available funding. Also considered are resident complaints and areas in constant need of repair work.</p> <p>Downtown area alleys are generally excluded from street maintenance projects as they are classified a lower priority than major arterials, collectors and residential streets in need of repair.</p> <p>Maintenance and Operations Division performs pothole and road edge repair as needed. They also refresh striping and limit lines on roads throughout the City.</p>	<p>Repair 3-5% of total city streets each year with an emphasis on major roadways and on reducing the annual pothole/edge repair work required of in-house forces</p>	<p>Lane miles of streets improved to good or better condition per the Pavement Condition Index</p> <p>Number of pothole complaints/repairs</p>	<p>Dollar amount saved by outsourcing certain City services</p>
<p>Outsource city services where appropriate for cost savings and efficiency</p>	<p>The City currently outsources or contracts for some services such as custodial and landscaping. A study of other opportunities for cost savings or cost avoidance has not been undertaken for several years. Upcoming facility moves make this an opportune time for</p>	<p>Systematically evaluate a minimum of five strategies for outsourcing</p>	<p>Dollar amount saved by outsourcing certain City services</p>

Maintain \$15-20 million in reserve		considering additional outsourcing strategies.	Reserves are now at approximately \$15 million. The city does not have a written policy defining a minimum amount to be kept in reserves, as well as potential uses for it.	Develop a Reserve Policy for the General Fund based on cash flows during the first 6 months of the fiscal year and/or the average of 2 months of expenditures	Adoption of Reserve Policy				



FUTURE CITY COUNCIL AGENDA ITEMS
May 5, 2011

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

Green Sheet Due by Noon on Monday, 5/2/11
Staff Reports/Resos due by Noon on Tuesday 5/10/11

MAY 18, 2011 – NO REGULAR MEETING (Legis. Days)

Green Sheet Due by Noon on Monday, 5/9/11
Staff Reports/Resos due by Noon on Tuesday 5/17/11

MAY 25, 2011

CONSENT CALENDAR	
	<p>First Quarter 2011 Treasurer's Report (K. Hugins)</p> <p><i>In accordance with the City's Investment Policy, the City Treasurer is required to submit an investment report to the City Council for review on a quarterly basis. The report will include the type of investment, issuer, date of maturity, par value, book value and market value for each security held by the City.</i></p>
	<p>Street Vacation Portion of North Elm Street (E. Domingue)</p> <p><i>This street vacation is a 1,315 square foot section of excess right of way at the end of a cul-de-sac on North Elm Street.</i></p>
	<p>Mr. B's Landscape Maintenance Second Amendment to Public Service Agreement (F. Schmitz)</p> <p><i>Mr. B's Landscape Maintenance provides the landscape maintenance for a number of zones in the City of Escondido Landscape Maintenance District. This amendment will extend the term of their agreement with the City for an additional year and add one additional zone to the number of zones being maintained.</i></p>
	<p>Quarterly Transportation and Community Safety Commission (TCSC) Meetings (E. Domingue)</p> <p><i>Conducting the TCSC meeting on a quarterly basis with the option to have an earlier emergency meeting on an as needed basis would conserve staff time as the current Commission's work load does not required monthly meetings. Flexibility would still be retained for additonal meetings as situations would require.</i></p>

MAY 25, 2011, Continued

PUBLIC HEARINGS:

Short-Form Rent Increase Application for Westwinds Mobilehome Park
(R. Keiser)

Need green sheet

CURRENT BUSINESS

Demonstration of New Library Web Site
(L. Mitchell)

Downtown Business Improvement District (BID) Annual Report and Resolution of Intention to Set the Date for the Public Hearing (6.15.11) to Modify the BID Boundary and to Levy the BID Assessment for FY 2011-2012

(B. Redlitz)

The City Council initially adopted Ordinance No. 89-28 on June 4, 1989, establishing a Downtown Business Improvement Assessment District. The City Council reviews the DBA's annual report and budget for the next fiscal year and adopts an annual resolution to set the assessment schedules and rates. This is done in accordance with the provisions of the California Streets and Highways Code. The DBA has worked with PPH to include their downtown property within an expanded assessment boundary.

Fund Balance Policy and Commitment of Fund Balance in the General Fund

(G. Rojas)

In March 2009, the Governmental Accounting Standards Board (GASB) issued its Statement No. 54, Fund Balance Reporting and Governmental fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood. Part of the City's implementation of this statement for FY 2010-11 is the formal adoption of a fund balance policy as well as a formal commitment of fund balance in the General Fund.

WORKSHOP

Utilities Bond Financing

(G. Rojas)

The FY 2011/12 CIP Budget will propose that water and wastewater use bond financing to fund \$17.8 million dollars in capital projects.

Future Agenda Items (M. Whalen)