

Council Meeting Agenda

November 16, 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

November 16, 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: Police Officers' Association
 - b. Agency negotiator: Sheryl Bennett, Clay Phillips
Employee organization: Escondido Firefighters' Association

- II. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION (Government Code §54956.9(a) -** Name of case: Sampson v. City of Escondido

CLOSED SESSION: (COUNCIL/CDC/RRB) - Continued

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

- a. Property: 455 N. Quince St.
Agency Negotiators: Debra Lundy
Negotiating parties: City and Wickline Bedding
Under negotiation: Terms of Lease

ADJOURNMENT



Council Meeting Agenda

**November 16, 2011
4:30 p.m. Meeting**

**Escondido City Council
Community Development Commission
Mobilehome Rent Review Board**

CALL TO ORDER

MOMENT OF REFLECTION:

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

FLAG SALUTE

ROLL CALL: Diaz, Gallo, 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.) *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: None Scheduled**
4. **TREASURER'S INVESTMENT REPORT FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2011** – Request Council receive and file the Quarterly Investment Report.

Staff Recommendation: Receive and file **(City Treasurer's Office: Kenneth Hugins)**
5. **CALPERS INDUSTRIAL DISABILITY RETIREMENT OF DOUGLAS SAMS** – Request Council approve the Industrial Disability Retirement of Police Sergeant Douglas Sams.

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

RESOLUTION NO. 2011-138
6. **CALPERS INDUSTRIAL DISABILITY RETIREMENT OF DONALD TULIMERO** – Request Council approve the Industrial Disability Retirement of Police Officer Donald Tulimero.

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

RESOLUTION NO. 2011-139
7. **FOURTEENTH AMENDMENT TO FRANCHISE AGREEMENT WITH ESCONDIDO DISPOSAL (EDI) FOR ANNUAL CPI INCREASE TO SOLID WASTE AND RECYCLING RATES AND FEES FOR RESIDENTIAL AND COMMERCIAL COLLECTIONS** – Request Council authorize the Mayor and City Clerk to execute a Fourteenth Amendment to the Franchise Agreement with Escondido Disposal to revise the rates for Residential and Commercial Solid Waste and Recycling Services. Effective January 1, 2012, a 1.29% increase would apply to all residential collection services and a 0.895% increase would apply to all commercial collection services.

Staff Recommendation: Approval **(Community Services/Recycling: Jerry VanLeeuwen and Kathy Winn)**

RESOLUTION NO. 2011-143
8. **NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) GENERAL PERMIT FOR STORM WATER CONSTRUCTION DISCHARGES (ORDER NO. 2009-0009-DWQ) – DESIGNATION OF LEGALLY RESPONSIBLE PERSON (LRPs) FOR THE CITY OF ESCONDIDO** – Request Council designate the Legally Responsible Person(s) (LRP) to certify reports and other submissions required by the 2010 General Construction Permit.

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

RESOLUTION NO. 2011-145

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.)

9. **BERNARDO-YOUNG PREZONE AND ANNEXATION CASE NOS. PHG 09-0021, PHG 09-0022 AND ENV 11-0002** – Approved on November 9, 2011 with a vote of 5/0.

ORDINANCE NO. 2011-10 Adoption and 2nd Reading

PUBLIC HEARINGS

10. **GREENCREST MOBILEHOME PARK SHORT-FORM RENT INCREASE APPLICATION** – Request Council approve an increase of 75% of the change in the Consumer Price Index, an average of \$10.10, for the period of June 30, 2010 to June 30, 2011.

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

RESOLUTION RRB 2011-08

CURRENT BUSINESS

11. **FAÇADE AND PROPERTY IMPROVEMENT PROGRAM BUDGET ADJUSTMENT** – Request Council modify the Fund Balance Policy and authorize a budget adjustment in the amount of \$500,000 from the General Fund Economic Development Commitment Fund to the Façade and Property Improvement Account to provide matching grants for commercial property façade improvements.

Staff Recommendation: Approval (**City Manager's Office: Joyce Masterson and Community Development/Planning: Rozanne Cherry**)

RESOLUTION NO. 2011-146

12. **REPORT ON OUTSOURCING** – Report on outsourcing the City of Escondido's Fueling, Street Sweeping and Street Striping services.

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

CURRENT BUSINESS - Continued

13. **MASSAGE ORDINANCE** – Request Council approve the licensing and operational changes to the existing massage ordinance, by recognizing the California Massage Therapy Council as the governing body for state licensing requirements.

Staff Recommendation: Approval (**Police Department: Cory Moles**)

ORDINANCE NO. 2011-17 Introduction and First Reading

FUTURE AGENDA

14. **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
November 23	No Meeting			
November 30	No Meeting			
December 7	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
December 14	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 U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City's website at www.escondido.org, and selecting: City Council/broadcasts of City Council Meetings/live video streaming.

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

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

(Verify schedule with City Clerk's Office)

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

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



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

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

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4

Date: November 16, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Kenneth C. Hugins, City Treasurer

SUBJECT: Treasurer's Investment Report for the Quarter Ended September 30, 2011

RECOMMENDATION:

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

PREVIOUS ACTION:

The Investment Report for the quarter ended June 30, 2011, was filed with the City Clerk's Office on August 2, 2011, and presented to the City Council on August 10, 2011.

BACKGROUND:

From July 1, 2011, to September 30, 2011, the City's investment portfolio decreased from \$138.4 million to \$118.4 million. The adjusted average yield decreased from 2.11 % to 1.98 %. An excess of cash payment outflows over cash receipt inflows for the quarter resulted in a decrease of \$20 million in the book value of the investment portfolio. Major components of the net \$20 million decrease are:

	<u>In Millions</u>
Sales Tax Allocations	\$ 4.9
Project Reimbursements	2.3
CALPERS Contributions	(3.4)
Bond Debt Service Payments	(16.7)
CCAE Management Fee	(0.2)
County Water Authority Payments	(3.1)
Employee Health Benefit Payments	(1.8)
Third July Payroll disbursement	(1.4)
Net Increase in Operational Cash	(0.6)
 Net Decrease to Investment Portfolio	 \$ <u>(20.0)</u>

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

- Summary of Investment Allocation Graph as of September 30, 2011
- Summary of General Obligation Bond Proceeds Balance as of September 30, 2011
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – July 2011 through September 2011
- Schedule of Investments Matured and Sold – Third Quarter 2011
- Schedule of Funds Managed by Outside Parties as of September 30, 2011

The General Obligation bond proceeds are invested in a separate LAIF account as authorized by Council on August 9, 2006. This is a permitted investment pursuant to the bond's Official Statement and also meets the City's investment objectives of safety, liquidity, and risk.

There are adequate funds to meet the next six month's expected expenditures. The Union Bank of California's monthly statement and Bloomberg are the sources for the market valuation. Investment transactions are executed in compliance with the City of Escondido's Investment Policy.

Respectfully submitted,



Kenneth C. Hugins
City Treasurer

**City of Escondido
Summary of Investment Allocation
as of September 30, 2011**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	\$ 9,309,461.97	\$ 9,551,410.00	7.93%
Federal Home Loan Bank Notes	37,281,758.09	38,242,843.90	31.77%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	28,384,886.25	29,068,776.00	24.15%
Federal National Mortgage Assoc. Notes (FannieMae)	22,374,695.78	22,832,299.58	18.97%
US Treasury Notes	1,581,069.46	1,652,409.00	1.37%
Local Agency Investment Fund (LAIF)	17,525,232.74	17,525,232.74	14.56%
Money Market	1,517,882.92	1,517,882.92	1.26%
Total Investment Portfolio - June 2011	\$117,974,987.21	\$120,390,854.14	100%

2004 Election General Obligation Bond Proceeds held separately in LAIF	\$ 414,907.26	\$ 414,907.26
---	---------------	---------------

Reported Total Investments- June 2011	\$118,389,894.47	\$120,805,761.40
--	-------------------------	-------------------------

Total Investment Portfolio - June 2011	\$137,936,173.75	\$139,854,759.62
--	------------------	------------------

2004 Election General Obligation LAIF- June 2011	\$ 414,415.43	\$ 415,068.74
--	---------------	---------------

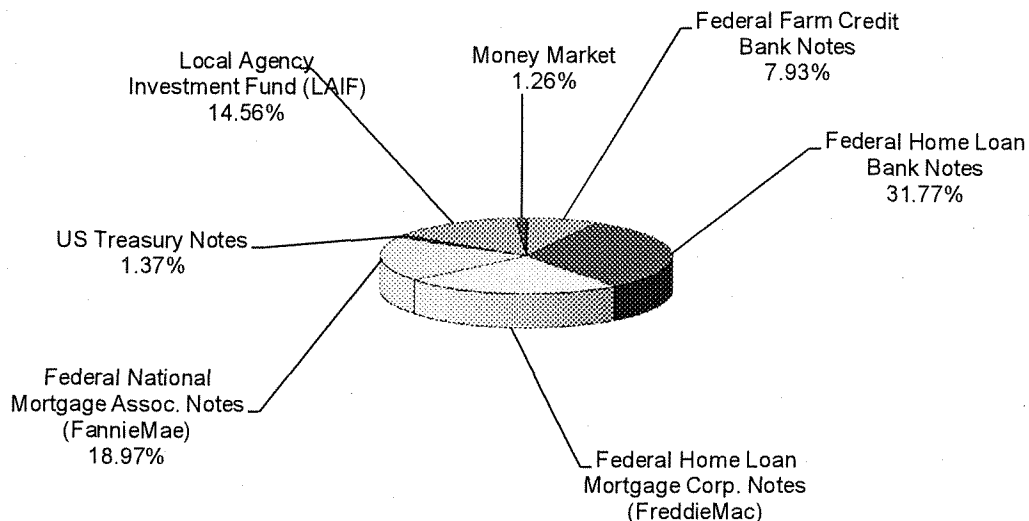
Reported Total Investments- June 2011	\$138,350,589.18	\$140,269,828.36
---------------------------------------	------------------	------------------

Change from Prior Quarter	\$ (19,960,694.71)	\$ (19,464,066.96)
---------------------------	--------------------	--------------------

Portfolio Effective Duration	1.927
------------------------------	-------

Portfolio Effective Duration - (Excluding LAIF and Money Market)	2.297
---	-------

**Summary of Investment Allocation as of September 30, 2011
(Excluding General Obligation Bond Proceeds)**



City of Escondido
General Obligation Bonds, Election of 2004, Series A
Public Safety Facilities Project
Calculation of Bond Proceeds Balance
As of September 30, 2011

Description	(*) LAIF Interest Earnings	Project Cost Reimbursement to the City	Balance
Par Value			\$84,350,000.00
Add:			
Original Issue Bond Premium			914,861.55
Less:			
Underwriter's Discount			(292,829.00)
Cost of Issuance Expense			(220,000.00)
Credit Enhancement			(275,000.00)
Net Bond Proceeds			84,477,032.55
Monthly Activities:			
August to September 2006	\$ -	\$ (3,190,032.55)	81,287,000.00
September 2006 - Interest withdrawn	-		
October to December 2006	445,726.90	(3,300,000.00)	78,432,726.90
January to March 2007	1,033,671.72	(1,880,000.00)	77,586,398.62
April to June 2007	996,045.58	(200,000.00)	78,382,444.20
July to September 2007	1,022,452.03	(1,670,000.00)	77,734,896.23
October to December 2007	1,033,456.91	(1,980,000.00)	76,788,353.14
January to March 2008	970,394.61	(6,250,000.00)	71,508,747.75
April to June 2008	774,021.46	(8,300,000.00)	63,982,769.21
June 2008 - Interest Drawdown	(1,513,000.00)		62,469,769.21
July - September 2008	530,295.74	(14,000,000.00)	49,000,064.95
October to December 2008	386,163.16	(10,700,000.00)	38,686,228.11
January to March 2009	284,700.95	(7,500,000.00)	31,470,929.06
April to June 2009	169,983.58	(10,533,000.00)	21,107,912.64
July to September 2009	101,934.35	(7,300,000.00)	13,909,846.99
October to December 2009	42,769.87	(6,600,000.00)	7,352,616.86
January to March 2010	17,670.57	(1,074,000.00)	6,296,287.43
Feb 2010 - Interest Drawdown	(626,000.00)		5,670,287.43
April to June 2010	9,059.54		5,679,346.97
April 2010 - Interest Drawdown	(1,300,000.00)		4,379,346.97
June 2010 - Interest Drawdown	(1,825,000.00)		2,554,346.97
July to September 2010	6,114.18		2,560,461.15
August 2010 - Interest Drawdown	(1,300,000.00)		1,260,461.15
October 2010	2,484.95		1,262,946.10
November 2010 - Interest Drawdown	(850,000.00)		412,946.10
October to December 2010	951.61		413,897.71
January to March 2011	517.72		414,415.43
April to June 2011	491.83		414,907.26
Ending Balance, 09/30/2011	\$ 414,907.26	\$(84,477,032.55)	\$ 414,907.26

**CITY OF ESCONDIDO
SUMMARY OF INVESTMENT PORTFOLIO YIELDS
FOR THE LAST 12 MONTHS
as of September 30, 2011**

Date	Book Value	Yield
Sep-11	\$118,389,894.47	1.9810%
Aug-11	\$121,316,911.31	2.0010%
Jul-11	\$134,853,312.17	2.0280%
Jun-11	\$137,936,173.75	2.1110%
May-11	\$147,129,978.08	2.0310%
Apr-11	\$140,119,784.16	2.0780%
Mar-11	\$131,558,926.62	2.0120%
Feb-11	\$134,759,167.06	2.0410%
Jan-11	\$141,503,295.59	2.0150%
Dec-10	\$130,571,350.60	2.1850%
Nov-10	\$131,748,046.66	2.2080%
Oct-10	\$133,326,910.85	2.2330%

Average Annual Investment Portfolio Yield **2.0770%**



**City of Escondido
Portfolio Management
Portfolio Summary
September 30, 2011**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM/C
Calif. Local Agency Investment Fund	17,525,232.74	17,525,232.74	17,525,232.74	14.80	1	0.378
Money Market Accounting	1,517,882.92	1,517,882.92	1,517,882.92	1.28	1	0.250
Federal Agency Coupon Securities	95,741,000.00	99,695,329.48	97,350,802.09	82.23	874	2.290
Treasury Coupon Securities	1,575,000.00	1,652,409.00	1,581,069.46	1.34	973	2.769
LAIF - Public Safety Facility Bonds	414,907.26	414,907.26	414,907.26	0.35	1	0.378
Investments	116,774,022.92	120,805,761.40	118,389,894.47	100.00%	732	1.981

Total Earnings	September 30	Month Ending	Fiscal Year To Date
Current Year	195,065.90		647,913.25
Average Daily Balance	119,748,260.43		128,079,317.11
Effective Rate of Return	1.98%		2.01%

Kenneth C. Hugins
Kenneth C. Hugins, City Treasurer

**City of Escondido
Portfolio Management
Portfolio Details - Investments
September 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
Calif. Local Agency Investment Fund											
SYS1000	1000	Local Agency Investment Fund			17,525,232.74	17,525,232.74	17,525,232.74	0.378	1	0.378	
SYS1001	1001	Local Agency Investment Fund			0.00	0.00	0.00	0.448	1	0.448	
		Subtotal and Average	22,191,899.41		17,525,232.74	17,525,232.74	17,525,232.74		1	0.378	

Money Market Accounting

SYS2001	2001	Bank of America			1,517,882.92	1,517,882.92	1,517,882.92	0.250	1	0.250	
		Subtotal and Average	2,047,488.00		1,517,882.92	1,517,882.92	1,517,882.92		1	0.250	

Federal Agency Coupon Securities

31331Y3F3	3313	Federal Farm Credit		03/23/2010	1,000,000.00	1,000,000.00	1,000,152.73	3.500	2	0.730	10/03/2011
31339MZ30	3246	Federal National Mtg Assoc		04/17/2007	2,000,000.00	2,003,260.00	2,000,041.36	5.000	14	4.925	10/15/2011
3133MJUQ1	3275	Federal Home Loan Bank		05/14/2008	1,005,540.00	1,005,540.00	1,001,556.92	4.875	45	3.510	11/15/2011
3128X3K69	3269	Federal Home Loan Mtg Assoc		04/22/2008	1,005,120.00	1,005,120.00	1,001,243.52	4.500	45	3.410	11/15/2011
3134A1GH7	3244	Federal Home Loan Mtg Assoc		03/30/2007	1,800,000.00	1,819,476.00	1,804,610.05	6.480	65	4.850	12/05/2011
31359M5H2	3248	Federal National Mtg Assoc		04/18/2007	2,000,000.00	2,035,800.00	2,000,285.85	5.000	138	4.955	02/16/2012
3137EAAR0	3250	Federal Home Loan Mtg Assoc		05/22/2007	1,000,000.00	1,019,510.00	998,977.50	4.750	156	5.020	03/05/2012
3137EAAR0	3260	Federal Home Loan Mtg Assoc		06/18/2007	500,000.00	509,755.00	498,646.53	4.750	156	5.474	03/05/2012
3133XJUT3	3242	Federal Home Loan Bank		03/19/2007	1,000,000.00	1,021,050.00	1,000,723.18	5.000	160	4.810	03/09/2012
31331GNQ8	3291	Federal Farm Credit		05/28/2009	2,000,000.00	2,021,960.00	2,005,802.77	2.250	206	1.719	04/24/2012
3133XKSK2	3276	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,028,560.00	1,007,350.95	4.875	251	3.710	06/08/2012
3137EACC1	3292	Federal Home Loan Mtg Assoc		05/28/2009	2,000,000.00	2,020,820.00	1,999,305.38	1.750	258	1.801	06/15/2012
3133XTHE9	3295	Federal Home Loan Bank		08/05/2009	1,000,000.00	1,013,400.00	1,000,493.10	2.000	286	1.935	07/13/2012
31359MYQ0	3270	Federal National Mtg Assoc		04/22/2008	2,000,000.00	2,078,240.00	2,020,546.18	5.000	306	3.660	08/02/2012
31359MYQ0	3272	Federal National Mtg Assoc		04/25/2008	1,000,000.00	1,039,120.00	1,009,958.26	5.000	306	3.700	08/02/2012
3137EAAV1	3290	Federal Home Loan Mtg Assoc		05/28/2009	3,000,000.00	3,137,610.00	3,093,468.10	5.500	324	1.860	08/20/2012
3133XYF91	3318	Federal Home Loan Bank		05/10/2010	2,000,000.00	2,018,320.00	1,999,818.67	1.250	331	1.260	08/27/2012
3133XX4Z7	3310	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,019,280.00	2,000,881.97	1.350	332	1.299	08/28/2012
3133XUK93	3316	Federal Home Loan Bank		05/05/2010	3,000,000.00	3,048,630.00	3,018,216.57	2.000	349	1.350	08/14/2012
3133XML66	3279	Federal Home Loan Bank		10/29/2008	2,000,000.00	2,089,360.00	2,008,880.93	4.625	375	4.150	10/10/2012
3133XXLX3	3312	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,022,820.00	1,998,935.37	1.375	391	1.426	10/26/2012
3133XVNT42	3304	Federal Home Loan Bank		03/24/2010	1,000,000.00	1,016,480.00	1,002,421.27	1.750	440	1.543	12/14/2012
31359MQV8	3273	Federal National Mtg Assoc		04/25/2008	2,000,000.00	2,119,860.00	2,023,594.47	4.750	509	3.811	02/21/2013
31359MQV8	3294	Federal National Mtg Assoc		07/23/2009	2,000,000.00	2,119,860.00	2,071,809.01	4.750	509	2.055	02/21/2013
3133XPBB9	3293	Federal Home Loan Bank		06/17/2009	1,535,000.00	1,595,683.90	1,549,552.20	3.125	524	2.430	03/08/2013
31331VTY2	3277	Federal Farm Credit		05/14/2008	1,000,000.00	1,069,950.00	1,017,645.45	5.200	536	3.870	03/20/2013
31331YZQ2	3308	Federal Farm Credit		03/23/2010	2,000,000.00	2,134,240.00	2,082,353.08	4.250	646	1.840	07/08/2013

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5

**City of Escondido
Portfolio Management
Portfolio Details - Investments
September 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
Federal Agency Coupon Securities											
31359MSL80	3317	Federal National Mtg Assoc		05/05/2010	1,000,000.00	1,069,410.00	1,045,601.32	4.375	655	1.750	07/17/2013
3133XXL21	3311	Federal Home Loan Bank		03/23/2010	3,000,000.00	3,082,980.00	2,998,613.09	1.875	699	1.900	08/30/2013
3133XUPZ0	3302	Federal Home Loan Bank		03/24/2010	3,000,000.00	3,127,740.00	3,038,309.30	2.625	713	2.221	09/13/2013
3133XUPZ0	3314	Federal Home Loan Bank		05/05/2010	1,050,000.00	1,094,709.00	1,065,108.11	2.625	713	1.860	09/13/2013
31364GBF54	3315	Federal National Mtg Assoc		05/05/2010	1,006,000.00	1,101,499.58	1,072,949.90	5.380	732	1.930	10/02/2013
3133XYDK8	3319	Federal Home Loan Bank		05/07/2010	1,000,000.00	1,031,880.00	1,002,298.92	2.000	758	1.885	10/28/2013
3133XHW57	3303	Federal Home Loan Bank		03/24/2010	1,350,000.00	1,478,331.00	1,428,616.94	4.875	804	2.108	12/13/2013
3137EACD9	3321	Federal Home Loan Mtg Assoc		06/18/2010	5,000,000.00	5,331,850.00	5,151,484.90	3.000	1,031	1.880	07/28/2014
3133XUMR1	3322	Federal Home Loan Bank		06/18/2010	1,000,000.00	1,070,200.00	1,033,417.32	3.250	1,077	2.060	09/12/2014
31359MWJ8	3320	Federal National Mtg Assoc		06/18/2010	1,000,000.00	1,118,210.00	1,076,907.43	4.625	1,110	1.972	10/15/2014
3133XSNP4	3323	Federal Farm Credit		06/18/2010	1,000,000.00	1,126,020.00	1,073,987.27	4.550	1,250	2.260	03/04/2015
3133XYD2	10011	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,112,750.00	1,089,734.67	4.000	1,354	1.485	06/16/2015
31398AU34	10013	Federal National Mtg Assoc		09/30/2010	1,000,000.00	1,052,130.00	1,032,911.73	2.375	1,396	1.480	07/28/2015
31398AU34	10016	Federal National Mtg Assoc		03/24/2011	2,000,000.00	2,104,260.00	2,030,933.20	2.375	1,396	1.951	07/28/2015
31337ONE4	10018	Federal Home Loan Bank		03/24/2011	1,000,000.00	1,028,000.00	988,127.02	1.630	1,419	1.950	08/20/2015
313370JB5	10012	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,029,940.00	1,008,507.24	1.750	1,441	1.525	09/11/2015
3133716Z4	10009	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,024,830.00	1,003,212.87	1.625	1,458	1.541	09/28/2015
31331GCR8	10010	Federal Farm Credit		09/30/2010	1,000,000.00	1,146,800.00	1,123,865.92	4.750	1,460	1.520	09/30/2015
313371VF0	10014	Federal Home Loan Bank		12/29/2010	1,000,000.00	1,018,990.00	971,240.52	1.625	1,532	2.355	12/11/2015
313371NW2	10015	Federal Home Loan Bank		12/29/2010	1,000,000.00	1,007,160.00	961,199.27	1.375	1,532	2.360	12/11/2015
3133XPP43	10019	Federal Home Loan Bank		03/24/2011	3,000,000.00	3,256,200.00	3,104,541.69	3.125	1,623	2.291	03/11/2016
31331KEK2	10019	Federal Farm Credit		03/24/2011	1,052,440.00	1,052,440.00	1,005,654.75	2.400	1,627	2.265	03/15/2016
3137EACT4	10021	Federal Home Loan Mtg Assoc		05/25/2011	3,000,000.00	3,176,790.00	3,058,846.02	2.500	1,700	2.054	05/27/2016
3137EACT5	10028	Federal Home Loan Mtg Assoc		05/25/2011	5,000,000.00	5,294,650.00	5,097,800.13	2.500	1,700	2.055	05/27/2016
3137EACT6	10029	Federal Home Loan Mtg Assoc		06/01/2011	2,500,000.00	2,647,325.00	2,566,249.13	2.500	1,700	1.900	05/27/2016
3137EACW7	10030	Federal Home Loan Mtg Assoc		08/31/2011	3,000,000.00	3,105,870.00	3,114,254.99	2.000	1,790	1.197	08/25/2016
3135GOCM3	10031	Federal National Mtg Assoc		09/29/2011	5,000,000.00	4,990,650.00	4,989,157.07	1.250	1,824	1.295	09/28/2016
Subtotal and Average					95,741,000.00	99,695,329.48	97,350,802.09		874	2.290	
Treasury Coupon Securities											
912828GZ7	4023	U.S. Treasury Note		10/05/2007	275,000.00	285,088.00	275,854.89	4.625	304	4.207	07/31/2012
912828HE3	4024	U.S. Treasury Note		10/05/2007	300,000.00	312,081.00	300,126.77	4.250	365	4.203	09/30/2012
912828NF3	4027	U.S. Treasury Note		06/18/2010	1,000,000.00	1,055,230.00	1,005,087.80	2.125	1,338	1.978	05/31/2015
Subtotal and Average					1,575,000.00	1,652,409.00	1,581,069.46		973	2.789	

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5

**City of Escondido
Portfolio Management
Portfolio Details - Investments
September 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
LAIF - Public Safety Facility Bonds											
SYS10002	10002	Local Agency Investment Fund			414,907.26	414,907.26	414,907.26	0.378	1	0.378	
		Subtotal and Average	414,907.26		414,907.26	414,907.26			1	0.378	
Bank of America Escrow Account											
SYS5000	5000	Bank of America			0.00	0.00	0.00	0.130	1	0.130	
		Subtotal and Average	0.00		0.00	0.00			0	0.000	
UBOC Money Market Sweep											
SYS2501	2501	Union Bank			0.00	0.00	0.00	0.010	1	0.010	
		Subtotal and Average	0.05		0.00	0.00			0	0.000	
		Total and Average	119,748,260.43		116,774,022.92	120,805,761.40	118,389,894.47		732	1.981	

City of Escondido
 Portfolio Management
 Portfolio Details - Cash
 September 30, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C
		Average Balance	0.00						0	
		Total Cash and Investments	119,748,260.43		116,774,022.92	120,805,761.40	118,389,894.47		732	1.981



**City of Escondido
Portfolio Management
Portfolio Summary
August 31, 2011**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM/C
Calif. Local Agency Investment Fund	22,525,232.74	22,525,232.74	22,525,232.74	18.57	1	0.408
Money Market Accounting	1,417,474.38	1,417,474.38	1,417,474.38	1.17	1	0.250
Federal Agency Coupon Securities	93,691,000.00	97,991,678.75	95,378,018.61	78.62	826	2.398
Treasury Coupon Securities	1,575,000.00	1,658,550.50	1,581,278.32	1.30	1,003	2.789
LAIF - Public Safety Facility Bonds	414,907.26	414,907.26	414,907.26	0.34	1	0.408
Investments	119,623,614.38	124,007,843.63	121,316,911.31	100.00%	563	2.001

Total Earnings	August 31	Month Ending	Fiscal Year To Date
Current Year	216,523.35		452,847.35
Average Daily Balance	135,463,168.54		132,110,473.57
Effective Rate of Return	1.88%		2.02%

Kenneth C. Hugins
 Kenneth C. Hugins, City Treasurer

**City of Escondido
Portfolio Management
Portfolio Details - Investments
August 31, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
Calif. Local Agency Investment Fund											
SYS1000	1000	Local Agency Investment Fund			22,525,232.74	22,525,232.74	22,525,232.74	0.408	1	0.408	
SYS1001	1001	Local Agency Investment Fund			0.00	0.00	0.00	0.448	1	0.448	
		Subtotal and Average	27,202,652.09		22,525,232.74	22,525,232.74			1	0.408	
Money Market Accounting											
SYS2001	2001	Bank of America			1,417,474.38	1,417,474.38	1,417,474.38	0.250	1	0.250	
		Subtotal and Average	9,580,032.57		1,417,474.38	1,417,474.38			1	0.250	
Federal Agency Coupon Securities											
31331GCR8	10010	Federal Farm Credit		09/30/2010	1,000,000.00	1,147,160.00	1,126,448.26	4.750	1,490	1.520	09/30/2015
31331KEN2	10019	Federal Farm Credit		03/24/2011	1,000,000.00	1,055,470.00	1,005,760.51	2.400	1,657	2.265	03/15/2016
31331VTY2	3277	Federal Farm Credit		05/14/2008	1,000,000.00	1,075,350.00	1,018,646.14	5.200	566	3.870	03/20/2013
31331GNQ8	3291	Federal Farm Credit		05/28/2009	2,000,000.00	2,025,460.00	2,006,660.33	2.250	236	1.719	04/24/2012
31331Y2Q2	3308	Federal Farm Credit		03/23/2010	2,000,000.00	2,142,340.00	2,086,231.56	4.250	676	1.840	07/08/2013
31331Y3P3	3313	Federal Farm Credit		03/23/2010	1,000,000.00	1,002,970.00	1,002,443.64	3.500	32	0.730	10/03/2011
31331SNP4	3323	Federal Farm Credit		06/18/2010	1,000,000.00	1,128,620.00	1,075,787.45	4.550	1,280	2.260	03/04/2015
3133716Z4	10009	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,023,470.00	1,003,279.94	1.625	1,488	1.541	09/28/2015
3133XTYD2	10011	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,114,820.00	1,091,751.18	4.000	1,384	1.485	06/16/2015
313370JB5	10012	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,034,110.00	1,008,686.97	1.750	1,471	1.525	09/11/2015
313371VF0	10014	Federal Home Loan Bank		12/29/2010	1,000,000.00	1,021,630.00	970,669.14	1.625	1,562	2.355	12/11/2015
313371NW2	10015	Federal Home Loan Bank		12/29/2010	1,000,000.00	1,006,610.00	960,428.40	1.375	1,562	2.360	12/11/2015
3133XP43	10017	Federal Home Loan Bank		03/24/2011	3,000,000.00	3,264,030.00	3,106,501.85	3.125	1,653	2.291	03/11/2016
313370NE4	10018	Federal Home Loan Bank		03/24/2011	1,000,000.00	1,026,650.00	987,872.42	1.630	1,449	1.950	08/20/2015
3133XJUT3	3242	Federal Home Loan Bank		03/19/2007	1,000,000.00	1,025,100.00	1,000,860.48	5.000	190	4.810	03/09/2012
3133XF5T9	3254	Federal Home Loan Bank		05/29/2007	1,000,000.00	1,001,040.00	999,977.66	5.000	8	5.111	09/09/2011
3133XF5T9	3274	Federal Home Loan Bank		05/14/2008	1,950,000.00	1,952,028.00	1,950,587.45	5.000	8	3.549	09/09/2011
3133MJUQ1	3275	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,009,660.00	1,002,618.46	4.875	75	3.510	11/15/2011
3133XKSK2	3276	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,032,440.00	1,008,243.78	4.875	281	3.710	06/08/2012
3133XML66	3279	Federal Home Loan Bank		10/29/2008	2,000,000.00	2,097,720.00	2,009,602.96	4.625	405	4.150	10/10/2012
3133XPBB9	3293	Federal Home Loan Bank		06/17/2009	1,535,000.00	1,600,621.25	1,550,396.62	3.125	554	2.430	03/08/2013
3133XTHE9	3295	Federal Home Loan Bank		08/05/2009	1,000,000.00	1,015,140.00	1,000,545.56	2.000	316	1.935	07/13/2012
3133XUP20	3302	Federal Home Loan Bank		03/24/2010	3,000,000.00	3,136,500.00	3,039,946.45	2.625	743	2.221	09/13/2013
3133XHW57	3303	Federal Home Loan Bank		03/24/2010	1,350,000.00	1,485,486.00	1,431,594.86	4.875	834	2.108	12/13/2013
3133XVNT42	3304	Federal Home Loan Bank		03/24/2010	1,000,000.00	1,018,170.00	1,002,589.02	1.750	470	1.543	12/14/2012
3133XX4Z7	3310	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,021,600.00	2,000,962.88	1.350	362	1.299	08/28/2012
3133XXL21	3311	Federal Home Loan Bank		03/23/2010	3,000,000.00	3,089,760.00	2,998,552.70	1.875	729	1.900	08/30/2013

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5

**City of Escondido
Portfolio Management
Portfolio Details - Investments
August 31, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
Federal Agency Coupon Securities											
3133XXLX3	3312	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,025,360.00	1,998,852.41	1.375	421	1.426	10/26/2012
3133XUPZO	3314	Federal Home Loan Bank		05/05/2010	1,050,000.00	1,097,775.00	1,065,753.75	2.625	743	1.860	09/13/2013
3133XUK93	3316	Federal Home Loan Bank		05/05/2010	3,000,000.00	3,053,880.00	3,019,809.86	2.000	379	1.350	09/14/2012
3133XYF91	3318	Federal Home Loan Bank		05/10/2010	2,000,000.00	2,020,560.00	1,999,801.98	1.250	361	1.260	08/27/2012
3133XYDK8	3319	Federal Home Loan Bank		05/07/2010	1,000,000.00	1,034,370.00	1,002,391.25	2.000	788	1.885	10/28/2013
3133XUMR1	3322	Federal Home Loan Bank		06/18/2010	1,000,000.00	1,081,470.00	1,034,362.20	3.250	1,107	2.060	09/12/2014
3137EACT4	10021	Federal Home Loan Mitg Assoc		05/25/2011	3,000,000.00	3,192,600.00	3,059,899.35	2.500	1,730	2.054	05/27/2016
3137EACT5	10028	Federal Home Loan Mitg Assoc		05/25/2011	5,000,000.00	5,321,000.00	5,098,550.73	2.500	1,730	2.055	05/27/2016
3137EACT6	10029	Federal Home Loan Mitg Assoc		06/01/2011	2,500,000.00	2,660,500.00	2,567,434.97	2.500	1,730	1.900	05/27/2016
3137EACT7	10030	Federal Home Loan Mitg Assoc		08/31/2011	3,000,000.00	3,112,260.00	3,116,198.10	2.000	1,820	1.197	08/25/2016
3134A1GH7	3244	Federal Home Loan Mitg Assoc		03/30/2007	1,800,000.00	1,829,394.00	1,806,771.01	6.480	95	4.850	12/05/2011
3137EAAR0	3250	Federal Home Loan Mitg Assoc		09/22/2007	1,000,000.00	1,023,340.00	998,778.32	4.750	186	5.020	03/05/2012
3137EAAR0	3260	Federal Home Loan Mitg Assoc		06/18/2007	500,000.00	511,670.00	498,382.87	4.750	186	5.474	03/05/2012
3128X3K69	3269	Federal Home Loan Mitg Assoc		04/22/2008	1,000,000.00	1,008,960.00	1,002,091.38	4.500	75	3.410	11/15/2011
3137EAAV1	3290	Federal Home Loan Mitg Assoc		05/28/2009	3,000,000.00	3,152,190.00	3,102,258.20	5.500	354	1.860	08/20/2012
3137EACC1	3292	Federal Home Loan Mitg Assoc		05/28/2009	2,000,000.00	2,023,780.00	1,999,223.34	1.750	288	1.801	06/15/2012
3137EACD9	3321	Federal Home Loan Mitg Assoc		06/18/2010	5,000,000.00	5,353,400.00	5,155,953.48	3.000	1,061	1.880	07/28/2014
31398AU34	10013	Federal National Mitg Assoc		09/30/2010	1,000,000.00	1,060,800.00	1,033,628.76	2.375	1,426	1.480	07/28/2015
31398AU34	10016	Federal National Mitg Assoc		03/24/2011	2,000,000.00	2,121,600.00	2,031,607.12	2.375	1,426	1.951	07/28/2015
31359MZ30	3246	Federal National Mitg Assoc		04/17/2007	2,000,000.00	2,011,880.00	2,000,129.99	5.000	44	4.925	10/15/2011
31359M5H2	3248	Federal National Mitg Assoc		04/18/2007	2,000,000.00	2,043,980.00	2,000,349.37	5.000	168	4.955	02/16/2012
31359MYQ0	3270	Federal National Mitg Assoc		04/22/2008	2,000,000.00	2,087,180.00	2,022,593.97	5.000	336	3.660	08/02/2012
31359MYQ0	3272	Federal National Mitg Assoc		04/25/2008	1,000,000.00	1,043,590.00	1,010,950.78	5.000	336	3.700	08/02/2012
31359MQV8	3273	Federal National Mitg Assoc		04/25/2008	2,000,000.00	2,129,460.00	2,025,010.14	4.750	539	3.811	02/21/2013
31359MQV8	3294	Federal National Mitg Assoc		07/23/2009	2,000,000.00	2,129,460.00	2,076,117.55	4.750	539	2.055	02/21/2013
31364BGF54	3315	Federal National Mitg Assoc		05/05/2010	1,006,000.00	1,107,354.50	1,075,735.61	5.380	762	1.930	10/02/2013
31359MSL80	3317	Federal National Mitg Assoc		05/05/2010	1,000,000.00	1,074,270.00	1,047,719.03	4.375	685	1.750	07/17/2013
31359MMWJ8	3320	Federal National Mitg Assoc		06/18/2010	1,000,000.00	1,125,640.00	1,079,016.41	4.625	1,140	1.972	10/15/2014
Subtotal and Average					93,691,000.00	97,991,678.75	95,378,018.61		826	2.398	
Treasury Coupon Securities											
912828GZ7	4023	U.S. Treasury Note		10/05/2007	275,000.00	286,280.50	275,939.25	4.625	334	4.207	07/31/2012
912828HE3	4024	U.S. Treasury Note		10/05/2007	300,000.00	313,290.00	300,137.19	4.250	395	4.203	09/30/2012
912828NF3	4027	U.S. Treasury Note		06/18/2010	1,000,000.00	1,058,980.00	1,005,201.88	2.125	1,368	1.978	05/31/2015
Subtotal and Average					1,575,000.00	1,658,550.50	1,581,278.32		1,003	2.789	

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5

City of Escondido
 Portfolio Management
 Portfolio Details - Investments
 August 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date	
LAIF - Public Safety Facility Bonds												
SYS10002	10002	Local Agency Investment Fund			414,907.26	414,907.26	414,907.26	0.408	1	0.408		
		Subtotal and Average	414,907.26		414,907.26	414,907.26			1	0.408		
Bank of America Escrow Account												
SYS5000	5000	Bank of America			0.00	0.00	0.00	0.130	1	0.130		
		Subtotal and Average	0.00		0.00	0.00			0	0.000		
UBOC Money Market Sweep												
SYS2501	2501	Union Bank			0.00	0.00	0.00	0.010	1	0.010		
		Subtotal and Average	0.00		0.00	0.00			0	0.000		
		Total and Average	135,463,168.54		119,623,614.38	124,007,843.63	121,316,911.31		663	2.001		

City of Escondido
Portfolio Management
Portfolio Details - Cash
August 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C
		Average Balance	0.00						0	
		Total Cash and Investments	135,463,168.54		119,623,614.38	124,007,843.63	121,316,911.31		663	2.001



**City of Escondido
Portfolio Management
Portfolio Summary
July 29, 2011**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM/C
Calif. Local Agency Investment Fund	27,525,232.74	27,525,232.74	27,525,232.74	20.35	1	0.448
Money Market Accounting	5,015,451.18	5,015,451.18	5,015,451.18	3.71	1	0.250
Federal Agency Coupon Securities	98,691,000.00	102,500,959.65	100,333,579.01	74.17	761	2.536
Treasury Coupon Securities	1,975,000.00	2,048,153.75	1,981,515.90	1.46	827	3.053
LAIF - Public Safety Facility Bonds	414,907.26	414,907.26	414,907.26	0.31	1	0.448
Investments	133,621,591.18	137,504,704.58	135,270,686.09	100.00%	577	2.028

Total Earnings	July 29	Month Ending	Fiscal Year To Date
Current Year	228,262.32		228,262.31
Average Daily Balance	137,637,625.40		137,637,625.40
Effective Rate of Return	2.09%		2.09%

Kenneth C. Huggins 4/1/11
 Kenneth C. Huggins, City Treasurer

**City of Escondido
Portfolio Management
Portfolio Details - Investments
July 29, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
Calif. Local Agency Investment Fund											
SYS1000	1000	Local Agency Investment Fund			27,525,232.74	27,525,232.74	27,525,232.74	0.448	1	0.448	
SYS1001	1001	Local Agency Investment Fund			0.00	0.00	0.00	0.448	1	0.448	
		Subtotal and Average	27,510,548.05		27,525,232.74	27,525,232.74			1	0.448	

Money Market Accounting

SYS2001	2001	Bank of America			5,015,451.18	5,015,451.18	5,015,451.18	0.250	1	0.250	
		Subtotal and Average	2,928,654.38		5,015,451.18	5,015,451.18			1	0.250	

Federal Agency Coupon Securities

31331GCRB	10010	Federal Farm Credit		09/30/2010	1,000,000.00	1,138,820.00	1,129,116.67	4.750	1,523	1.520	09/30/2015
31331KEK2	10019	Federal Farm Credit		03/24/2011	1,000,000.00	1,038,570.00	1,005,869.80	2.400	1,690	2.265	03/15/2016
31331SSJ3	3243	Federal Farm Credit		03/21/2007	3,000,000.00	3,007,740.00	2,999,663.61	4.625	23	4.830	08/22/2011
31331VTY2	3277	Federal Farm Credit		05/14/2008	1,000,000.00	1,077,660.00	1,019,680.18	5.200	599	3.870	03/20/2013
31331GNO8	3291	Federal Farm Credit		05/28/2009	2,000,000.00	2,027,560.00	2,007,546.46	2.250	269	1.719	04/24/2012
31331Y202	3308	Federal Farm Credit		03/23/2010	2,000,000.00	2,144,420.00	2,090,239.32	4.250	709	1.840	07/08/2013
31331Y3P3	3313	Federal Farm Credit		03/23/2010	1,000,000.00	1,005,660.00	1,004,810.91	3.500	65	0.730	10/03/2011
31331SNP4	3323	Federal Farm Credit		06/18/2010	1,000,000.00	1,122,020.00	1,077,647.63	4.550	1,313	2.260	03/04/2015
313371624	10009	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,013,510.00	1,003,349.25	1.625	1,521	1.541	09/28/2015
3133XTYD2	10011	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,106,570.00	1,093,834.91	4.000	1,417	1.485	06/16/2015
313370JB5	10012	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,015,000.00	1,008,872.70	1.750	1,504	1.525	09/11/2015
313371VF0	10014	Federal Home Loan Bank		12/29/2010	1,000,000.00	1,007,660.00	970,078.71	1.625	1,595	2.355	12/11/2015
313371NW2	10015	Federal Home Loan Bank		12/29/2010	1,000,000.00	994,610.00	959,631.82	1.375	1,595	2.360	12/11/2015
3133XP43	10017	Federal Home Loan Bank		03/24/2011	3,000,000.00	3,222,930.00	3,108,527.34	3.125	1,686	2.291	03/11/2016
313370NE4	10018	Federal Home Loan Bank		03/24/2011	1,000,000.00	1,017,290.00	987,609.33	1.630	1,482	1.950	08/20/2015
3133MGYH3	3227	Federal Home Loan Bank		12/27/2006	2,000,000.00	2,004,220.00	2,000,655.76	5.750	16	4.860	08/15/2011
3133XJUT3	3242	Federal Home Loan Bank		03/19/2007	1,000,000.00	1,028,160.00	1,001,002.38	5.000	223	4.810	03/09/2012
3133XF5T9	3254	Federal Home Loan Bank		05/29/2007	1,000,000.00	1,004,930.00	999,891.10	5.000	41	5.111	09/09/2011
3133MGYH3	3271	Federal Home Loan Bank		04/25/2008	1,000,000.00	1,002,110.00	1,000,869.24	5.750	16	3.520	08/15/2011
3133XF5T9	3274	Federal Home Loan Bank		05/14/2008	1,950,000.00	1,959,613.50	1,952,863.81	5.000	41	3.549	09/09/2011
3133XJUT3	3275	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,013,490.00	1,003,715.38	4.875	108	3.510	11/15/2011
3133XJUT3	3276	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,035,080.00	1,009,166.37	4.875	314	3.710	06/08/2012
3133XJUT3	3279	Federal Home Loan Bank		06/17/2009	2,000,000.00	2,102,600.00	2,010,349.05	4.625	438	4.150	10/10/2012
3133XJUT3	3293	Federal Home Loan Bank		08/05/2009	1,535,000.00	1,601,757.15	1,551,269.19	3.125	587	2.430	03/08/2013
3133XJUT3	3295	Federal Home Loan Bank		03/24/2010	3,000,000.00	3,132,870.00	3,041,638.17	2.625	776	2.221	07/13/2013
3133XJUT3	3302	Federal Home Loan Bank		03/24/2010	1,350,000.00	1,483,960.50	1,434,672.04	4.875	867	2.108	09/13/2013
3133XJUT3	3303	Federal Home Loan Bank									

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5

**City of Escondido
Portfolio Management
Portfolio Details - Investments
July 29, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
Federal Agency Coupon Securities											
3133XVNT42	3304	Federal Home Loan Bank		03/24/2010	1,000,000.00	1,018,070.00	1,002,762.37	1.750	503	1.543	12/14/2012
3133XX4Z7	3310	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,021,140.00	2,001,046.49	1.350	395	1.299	08/28/2012
3133XX121	3311	Federal Home Loan Bank		03/23/2010	3,000,000.00	3,085,020.00	2,998,490.30	1.875	762	1.900	08/30/2013
3133XX1X3	3312	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,024,760.00	1,998,766.69	1.375	454	1.426	10/26/2012
3133XUPZ0	3314	Federal Home Loan Bank		05/05/2010	1,050,000.00	1,096,504.50	1,066,420.92	2.625	776	1.860	09/13/2013
3133XUK93	3316	Federal Home Loan Bank		05/05/2010	3,000,000.00	3,054,720.00	3,021,456.25	2.000	412	1.350	09/14/2012
3133XYF91	3318	Federal Home Loan Bank		05/10/2010	2,000,000.00	2,020,040.00	1,999,784.74	1.250	394	1.260	08/27/2012
3133XYDK8	3319	Federal Home Loan Bank		05/07/2010	1,000,000.00	1,031,910.00	1,002,486.65	2.000	821	1.885	10/28/2013
3133XUMIR1	3322	Federal Home Loan Bank		06/18/2010	1,000,000.00	1,074,010.00	1,035,338.58	3.250	1,140	2.060	09/12/2014
3137EACT4	10021	Federal Home Loan Mtg Assoc		05/25/2011	3,000,000.00	3,125,220.00	3,060,987.79	2.500	1,763	2.054	05/27/2016
3137EACT5	10028	Federal Home Loan Mtg Assoc		05/25/2011	5,000,000.00	5,208,700.00	5,101,359.69	2.500	1,763	2.055	05/27/2016
3137EACT6	10029	Federal Home Loan Mtg Assoc		06/01/2011	2,500,000.00	2,604,350.00	2,568,660.34	2.500	1,763	1.900	05/27/2016
3134A1GHT7	3244	Federal Home Loan Mtg Assoc		03/30/2007	1,800,000.00	1,838,448.00	1,809,004.01	6.480	128	4.850	12/05/2011
3137EAAR0	3250	Federal Home Loan Mtg Assoc		05/22/2007	1,000,000.00	1,026,160.00	998,572.49	4.750	219	5.020	03/05/2012
3137EAAR0	3260	Federal Home Loan Mtg Assoc		06/18/2007	500,000.00	513,080.00	498,110.42	4.750	219	5.474	03/05/2012
3128X3K69	3269	Federal Home Loan Mtg Assoc		04/22/2008	1,000,000.00	1,012,440.00	1,002,967.50	4.500	108	3.410	11/15/2011
3137EAAV1	3290	Federal Home Loan Mtg Assoc		05/28/2009	3,000,000.00	3,161,760.00	3,111,341.31	5.500	387	1.860	08/20/2012
3137EACC1	3292	Federal Home Loan Mtg Assoc		05/28/2009	2,000,000.00	2,024,540.00	1,999,138.56	1.750	321	1.801	06/15/2012
3137EACD9	3321	Federal Home Loan Mtg Assoc		06/18/2010	5,000,000.00	5,318,500.00	5,160,571.01	3.000	1,094	1.880	07/28/2014
31398AU34	10013	Federal National Mtg Assoc		09/30/2010	1,000,000.00	1,046,100.00	1,034,369.69	2.375	1,459	1.480	07/28/2015
31398AU34	10016	Federal National Mtg Assoc		03/24/2011	2,000,000.00	2,092,200.00	2,032,303.51	2.375	1,459	1.951	07/28/2015
31359MZ30	3246	Federal National Mtg Assoc		04/17/2007	2,000,000.00	2,019,760.00	2,000,221.57	5.000	77	4.925	10/15/2011
31359M5H2	3248	Federal National Mtg Assoc		04/18/2007	2,000,000.00	2,050,360.00	2,000,415.01	5.000	201	4.955	02/16/2012
31359MYQ0	3270	Federal National Mtg Assoc		04/22/2008	2,000,000.00	2,092,780.00	2,024,710.03	5.000	369	3.660	08/02/2012
31359MYQ0	3272	Federal National Mtg Assoc		04/25/2008	1,000,000.00	1,046,390.00	1,011,976.38	5.000	369	3.700	08/02/2012
31359MQV8	3273	Federal National Mtg Assoc		04/25/2008	2,000,000.00	2,133,360.00	2,026,473.00	4.750	572	3.811	02/21/2013
31359MQV8	3294	Federal National Mtg Assoc		07/23/2009	2,000,000.00	2,133,360.00	2,080,569.70	4.750	572	2.055	02/21/2013
31398ATL6	3300	Federal National Mtg Assoc		12/28/2009	1,000,000.00	1,001,330.00	1,001,166.78	3.625	16	0.956	08/15/2011
31398ATL60	3306	Federal National Mtg Assoc		03/24/2010	1,000,000.00	1,001,330.00	1,001,219.16	3.625	16	0.680	08/15/2011
31364GBF54	3315	Federal National Mtg Assoc		05/05/2010	1,006,000.00	1,107,606.00	1,078,614.17	5.380	795	1.930	10/02/2013
31359MSL80	3317	Federal National Mtg Assoc		05/05/2010	1,000,000.00	1,075,040.00	1,049,907.33	4.375	718	1.750	07/17/2013
31359MWJ8	3320	Federal National Mtg Assoc		06/18/2010	1,000,000.00	1,117,570.00	1,081,195.68	4.625	1,173	1.972	10/15/2014
Subtotal and Average					98,691,000.00	102,500,959.65	100,333,579.01		761	2.536	

Portfolio CITY
AP
PM (PRF_PM2) 7.2.5

City of Escondido
Portfolio Management
Portfolio Details - Investments
July 29, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date	
Treasury Coupon Securities												
912828FN5	4022	U.S. Treasury Note		10/05/2007	400,000.00	400,000.00	400,007.84	4.875	1	4.093	07/31/2011	
912828GZ7	4023	U.S. Treasury Note		10/05/2007	275,000.00	286,827.75	276,032.05	4.625	367	4.207	07/31/2012	
912828HE3	4024	U.S. Treasury Note		10/05/2007	300,000.00	313,746.00	300,148.65	4.250	428	4.203	09/30/2012	
912828NF3	4027	U.S. Treasury Note		08/18/2010	1,000,000.00	1,047,580.00	1,005,327.36	2.125	1,401	1.978	05/31/2015	
		Subtotal and Average	1,981,723.14		1,975,000.00	2,048,153.75	1,981,515.90		827	3.053		
LAIF - Public Safety Facility Bonds												
SYS10002	10002	Local Agency Investment Fund			414,907.26	414,907.26	414,907.26	0.448	1	0.448		
		Subtotal and Average	414,669.82		414,907.26	414,907.26			1	0.448		
Bank of America Escrow Account												
SYS5000	5000	Bank of America			0.00	0.00	0.00	0.130	1	0.130		
		Subtotal and Average	0.00		0.00	0.00			0	0.000		
UBOC Money Market Sweep												
SYS2501	2501	Union Bank			0.00	0.00	0.00	0.010	1	0.010		
		Subtotal and Average	0.00		0.00	0.00			0	0.000		
		Total and Average	137,637,625.40		133,621,591.18	137,504,704.58	135,270,686.09		577	2.028		

City of Escondido
Portfolio Management
Portfolio Details - Cash
July 29, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C
		Average Balance	0.00						0	
		Total Cash and Investments	137,637,625.40		133,621,591.18	137,504,704.58	135,270,686.09		577	2.028



**City of Escondido
Maturity Report**

Sorted by Maturity Date

Received or due during July 1, 2011 - September 30, 2011

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
3136F3K21	3247	003	FAC	FNMA	2,000,000.00	07/14/2011	04/18/2007	3.640	2,000,000.00	36,400.00	2,036,400.00	36,400.00
31331VJ80	3226	003	FAC	FFCB	1,030,000.00	07/18/2011	12/27/2006	5.375	1,030,000.00	27,681.25	1,057,681.25	27,681.25
31331VJ80	3296	003	FAC	FFCB	5,000,000.00	07/18/2011	12/28/2009	5.375	5,000,000.00	134,375.00	5,134,375.00	134,375.00
912828FN5	4022	004	TRC	T NOTE	400,000.00	07/31/2011	10/05/2007	4.875	400,000.00	9,750.00	409,750.00	9,750.00
3133MGYH3	3227	003	FAC	FHLB	2,000,000.00	08/15/2011	12/27/2006	5.750	2,000,000.00	57,500.00	2,057,500.00	57,500.00
3133MGYH3	3271	003	FAC	FHLB	1,000,000.00	08/15/2011	04/25/2008	5.750	1,000,000.00	28,750.00	1,028,750.00	28,750.00
31398ATL6	3300	003	FAC	FNMA	1,000,000.00	08/15/2011	12/28/2009	3.625	1,000,000.00	18,125.00	1,018,125.00	18,125.00
31398ATL60	3306	003	FAC	FNMA	1,000,000.00	08/15/2011	03/24/2010	3.625	1,000,000.00	18,125.00	1,018,125.00	18,125.00
31331SSJ3	3243	003	FAC	FFCB	3,000,000.00	08/22/2011	03/21/2007	4.625	3,000,000.00	69,375.00	3,069,375.00	69,375.00
3133XF5T9	3254	003	FAC	FHLB	1,000,000.00	09/09/2011	05/29/2007	5.000	1,000,000.00	25,000.00	1,025,000.00	25,000.00
3133XF5T9	3274	003	FAC	FHLB	1,950,000.00	09/09/2011	05/14/2008	5.000	1,950,000.00	48,750.00	1,998,750.00	48,750.00
Total Maturities					19,380,000.00				19,380,000.00	473,831.25	19,853,831.25	473,831.25

CITY OF ESCONDIDO
 FUNDS MANAGED BY OUTSIDE PARTIES
 As of September 30, 2011

Type of Funds / Institution	Market Value	Interest Rate	Reserve Fund	
			Investment	Type of Investment
<u>BOND FUNDS</u>				
BANK OF NEW YORK:				
1993 Vineyard Golf Course Certificates of Participation	\$ 703,021.43	0.169%	FHLB	Discount Note / Money Market
2001 Reidy Creek Golf Course Lease Revenue Bonds (issued April 2001)	543,450.04	0.169%	FHLB	Discount Note / Money Market
1992 Community Development Commission Revenue Bond	348,989.36	0.143%	FHLB	Discount Note / Money Market
2000A COP - Water Project (Certificates issued March 2000)	904,649.56	0.069%	FNMA	Discount Note / Money Market
2002A COP - Water Project (Certificates issued August 2002)	881,233.02	0.163%	FHLB	Discount Note / Money Market
2007 COP - Water Project (Certificates issued September 2007)	11,371,009.90	0.010%		Money Market
2004A Wastewater Bond (1996 Wastewater Refunding)	2,024,834.63	0.170%	FHLB	Discount Note / Money Market
2004B Wastewater Bond - Brine Project	3,586,941.83	0.050%	FHLB	Discount Note / Money Market
2001 Community Facility District (Hidden Trails)	230,466.18	0.499%		Certificate of Deposit / Money Market
2006 Community Facility District (Eureka Ranch)	1,933,687.81	0.111%	FHLB	Discount Note / Money Market
1986-1R/98 Auto Parkway Assessment District	331,708.92	0.170%	FHLB	Discount Note / Money Market
1998-1 Rancho San Pasqual Assessment District	337,075.60	0.170%	FHLB	Discount Note / Money Market

TOTAL FUNDS MANAGED BY OUTSIDE PARTIES

\$ 23,197,068.28

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 5
Date: November 16, 2011

TO: Honorable Mayor and Members of the City Council
FROM: Sheryl Bennett, Director of Human Resources
Cindy Titgen, Benefits and Workers' Compensation Manager
SUBJECT: Approval of CalPERS Industrial Disability Retirement for Douglas Sams

RECOMMENDATION:

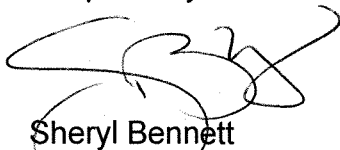
It is requested that Council adopt Resolution No. 2011-138 approving the California Public Employees' Retirement Systems (CalPERS) Industrial Disability Retirement for Police Sergeant, Douglas Sams.

BACKGROUND:


Mr. Sams is a 52 year old male Police Sergeant. He has been employed by the City of Escondido for over 19 years. He service retired on October 14, 2011, pending Industrial Disability Retirement. The basis for Mr. Sams' Industrial Disability Retirement application is confirmed by medical reports from Dr. Christopher Rogers and his condition is orthopedic in nature. Accordingly, Mr. Sams is incapacitated within the meaning of the Public Employees' Retirement Law for the performance of his usual and customary duties in the position of Police Sergeant.

Under State Law, the City Council is required to adopt a Resolution determining that competent medical evidence supports the granting of an Industrial Disability Retirement. Based on medical evidence, staff recommends the City Council adopt Resolution No. 2011-138 approving the CalPERS Industrial Disability Retirement for Douglas Sams to be effective October 14, 2011.

Respectfully submitted,



Sheryl Bennett
Human Resources Director



Cindy Titgen
Benefits and Workers' Compensation Manager

RESOLUTION NO. 2011-138

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE CALPERS INDUSTRIAL
DISABILITY RETIREMENT FOR DOUGLAS
SAMS

WHEREAS, the City of Escondido (hereinafter referred to as "Agency") is a contracting agency of the California Public Employees' Retirement System (CalPERS); and

WHEREAS, the California Public Employees' Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he is classified as a local safety member is disabled for purposes of the Public Employees' Retirement Law and whether such disability is "industrial" within the meaning of such law; and

WHEREAS, an application for Industrial Disability Retirement of Douglas Sams employed by the Agency in the position of Police Sergeant has been filed with CalPERS; and

WHEREAS, the City of Escondido has reviewed the medical and other evidence relevant to such alleged disability.

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

1. That the above recitations are true.
2. That the City Council of the City of Escondido does find and determine that Douglas Sams is incapacitated within the meaning of the Public Employees' Retirement Law for performance of his usual duties in the position of Police Sergeant.

3. That the City Council of the City of Escondido does find and determine that such disability is a result of injury or disease arising out of and in the course of employment.

4. That neither Douglas Sams nor the Agency, has applied to the Workers' Compensation Appeals Board for a determination pursuant to Section 21166 whether such disability is industrial.

5. That there is not a possibility of third party liability.

6. That the service member did service retire on October 14, 2011, pending approval of Industrial Disability Retirement and no dispute exists with regards to the retirement date. Mr. Sams' last day on pay status was October 13, 2011.

7. That advanced permanent disability payments will not be made.

8. That the City Council of the City of Escondido finds that the primary disability is orthopedic.

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 6
Date: November 16, 2011

TO: Honorable Mayor and Members of the City Council
FROM: Sheryl Bennett, Director of Human Resources
Cindy Titgen, Benefits and Workers' Compensation Manager
SUBJECT: Approval of CalPERS Industrial Disability Retirement for Donald Tulimero

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-139 approving the California Public Employees' Retirement Systems (CalPERS) Industrial Disability Retirement for Police Officer, Donald Tulimero.

BACKGROUND:

Mr. Tulimero is a 52 year old male Police Officer. He has been employed by the City of Escondido for over 19 years. The basis for Mr. Tulimero's Industrial Disability Retirement application is confirmed by medical reports from Dr. Peter Hoagland and his condition is cardiac in nature. Accordingly, Mr. Tulimero is incapacitated within the meaning of the Public Employees' Retirement Law for the performance of his usual and customary duties in the position of Police Officer.

Under State Law, the City Council is required to adopt a Resolution determining that competent medical evidence supports the granting of an Industrial Disability Retirement. Based on medical evidence, staff recommends the City Council adopt Resolution No. 2011-139 approving the CalPERS Industrial Disability Retirement for Donald Tulimero to be effective December 30, 2011.

Respectfully submitted,



Sheryl Bennett
Human Resources Director



Cindy Titgen
Benefits and Workers' Compensation Manager

RESOLUTION NO. 2011-139

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE CALPERS INDUSTRIAL
DISABILITY RETIREMENT FOR DONALD
TULIMERO

WHEREAS, the City of Escondido (hereinafter referred to as "Agency") is a contracting agency of the California Public Employees' Retirement System (CalPERS); and

WHEREAS, the California Public Employees' Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he is classified as a local safety member is disabled for purposes of the Public Employees' Retirement Law and whether such disability is "industrial" within the meaning of such law; and

WHEREAS, an application for Industrial Disability Retirement of Donald Tulimero employed by the Agency in the position of Police Officer has been filed with CalPERS; and

WHEREAS, the City of Escondido has reviewed the medical and other evidence relevant to such alleged disability.

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

1. That the above recitations are true.
2. That the City Council of the City of Escondido does find and determine that Donald Tulimero is incapacitated within the meaning of the Public Employees' Retirement Law for performance of his usual duties in the position of Police Officer.

3. That the City Council of the City of Escondido does find and determine that such disability is a result of injury or disease arising out of and in the course of employment.

4. That neither Donald Tulimero nor the Agency, has applied to the Workers' Compensation Appeals Board for a determination pursuant to Section 21166 whether such disability is industrial.

5. That there is not a possibility of third party liability.

6. That the City Council of the City of Escondido finds that the primary disability is cardiac in nature.

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7

Date: November 16, 2011

TO: Honorable Mayor and City Council

FROM: Jerry VanLeeuwen, Director of Community Services
Kathy Winn, Program Coordinator

SUBJECT: Fourteenth Amendment to Franchise Agreement with Escondido Disposal (EDI) for Annual CPI Increase to Solid Waste and Recycling Rates and Fees for Residential and Commercial Collections

RECOMMENDATION:

It is requested that City Council adopt Resolution 2011-143 authorizing the Mayor and City Clerk to execute a Fourteenth Amendment to the Franchise Agreement to revise the rates for Residential and Commercial Solid Waste and Recycling Services. Effective January 1, 2012, a 1.29 percent increase would apply to all residential collection services and a 0.895 percent increase would apply to all commercial collection services.

FISCAL ANALYSIS:

The increase in solid waste and recycling rates for residential and commercial accounts will result in an approximate one percent increase in the franchise fees received by the General Fund. Residential rates will increase by \$0.22 per month. Commercial rates will increase by varying amounts, depending on individual service levels.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

The continued provision of solid waste, recycling, litter prevention, and household hazardous waste collection services and programs serves to enhance the image and appearance of the city's private and public areas as designated in the Image and Appearance section of the City Council Action Plan.

PREVIOUS ACTION:

On October 6, 1999, the Council approved a contract with Escondido Disposal, Inc., and Escondido Resource Recovery, divisions of Refuse Services, Inc., specifying rates to be charged for solid waste and recycling services. The contract established initial maximum rates paid by the ratepayers and gave the contractor the right to increase the maximum rates annually according to the change in the previous year's Consumer Price Index (CPI).

The contract specifies that if the Escondido ratepayers' effective mean rate (the rate not including AB939, Household Hazardous Waste and Franchise fees) is not within the lowest 25 percent being charged in San Diego County, the City has the right to propose that EDI adjust its proposed rates to fall within the lowest 25 percent.

In accordance with these contract specifications, the following rate increases have been granted to EDI for basic residential and commercial collection services:

Date	Residential Increase	Commercial Increase
July 2001	6.8%	6.8%
July 2002	3.6%	3.6%
July 2003	2.1%	4.0%
July 2004	2.9%	3.4%
January 2006	1.13%	3.97%
January 2007	0%	3.38%
March 2007	2.4%	0%
January 2008	0%	1.316%
January 2009	0%	4.39%
April 2009	1.045%	0%
Proposed January 2012	1.29%	0.895%

Household Hazardous Waste fees and AB939 fees were established in 1994 at \$0.25 and \$0.21 per month, respectively. On July 1, 2003, Household Hazardous Waste fees were increased from \$0.25 to \$0.35 per month. On January 1, 2006, Household Hazardous Waste fees were increased from \$0.35 to \$0.52 per month. No increases in either the AB939 or Household Hazardous Waste Fees are being requested at this time. The franchise fee also remains at 10 percent of gross receipts. These fees apply equally to both residential and commercial collections and all solid waste and recycling services.

BACKGROUND:

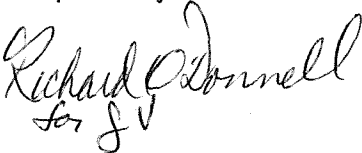
On August 23, 2011 the City received notification from Escondido Disposal, Inc. (EDI) regarding an increase in the solid waste and recycling rates in accordance with Section 8 (C) of the Solid Waste Disposal and Recycling Franchise Agreement. The rate increases are based on the 3.36 percent change in the CPI between the first half of 2010 and the first half of 2011 (Exhibit 1, Attachment A) after adjustments to keep the Escondido ratepayers' effective mean rate within the lowest 25 percent in San Diego County. After review and discussion, it was determined that the contractual CPI formula allows for a 1.29 percent residential rate increase and a 0.895 percent commercial rate increase, effective January 1, 2012. Utility bill inserts noticing the residential rate increase are included in the November and December 2011 residential utility bill mailings.

Under the proposed CPI rate increase of 1.29 percent for residential accounts, the total monthly rate for curbside trash and recycling collection will increase by \$0.22 per month from \$17.91 to \$18.13. The residential effective mean rate (the rate not including AB939, Household Hazardous Waste and Franchise fees) for the same service is currently \$15.46 and is proposed to increase to \$15.66. The last residential rate increase was in 2009 and was 1.045 percent.

Under the proposed CPI rate increase of 0.895 percent for commercial accounts, the total monthly rate for a three-yard permanent bin collected once per week will increase by \$0.85 per month from \$96.29 to \$97.14. The commercial effective mean rate for the same service is currently \$86.00 and is proposed to increase to \$86.77. The last commercial rate increase was in 2009 and was 4.39 percent.

The proposed 1.29 percent residential rate increase for CPI and the proposed 0.895 percent commercial rate increase for CPI will become effective January 1, 2012 and applies to all residential collection rates and services as presented in Exhibit 1, Attachment A.

Respectfully submitted,



Jerry VanLeeuwen
Director of Community Services



Kathy Winn
Program Coordinator

RESOLUTION NO. 2011-143

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND THE CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A FOURTEENTH AMENDMENT TO THE FRANCHISE AGREEMENT WITH REFUSE SERVICES, INC. FOR THE ANNUAL CPI INCREASE TO RESIDENTIAL AND COMMERCIAL SOLID WASTE AND RECYCLING RATES AND FEES

WHEREAS, in October 1999, the City entered into a Solid Waste Disposal and Recycling Franchise Agreement (the "Agreement") with Escondido Resource Recovery and Escondido Disposal, Inc., Divisions of Refuse Services, Inc., to provide residential, commercial and industrial trash, and recycling collection services; and

WHEREAS, Section 8(C) of the Agreement grants an annual increase in the rates not to exceed the percentage increase in the Consumer Price Index for the year, upon receipt of written notice of the proposed increase, no later than 60 days prior to the effective date of the proposed increase; and

WHEREAS, Escondido Disposal has requested in a letter dated and received August 23, 2011, an increase in the residential and commercial rates to be effective January 1, 2012; and

WHEREAS, revised residential rates and fees were last approved on April 1, 2009, with a May 1, 2009 effective date; and

WHEREAS, revised commercial rates were last approved on December 17, 2008, with a January 1, 2009 effective date; and

WHEREAS, the proposed revised residential and commercial rates and fees, to be effective January 1, 2012, and the calculation of the increase percentage in the Consumer Price Index are attached to this Fourteenth Amendment ("Amendment") to Franchise Agreement; and

WHEREAS, residential rates revised for the allowed annual CPI increase are being noticed in utility bill mailings to all affected parcels in Escondido during November and December 2011; and

WHEREAS, the Director of Community Services recommends approval of the proposed Amendment to the Franchise Agreement for an increase in Solid Waste Disposal and Recycling rates and fees for residential and commercial accounts, effective January 1, 2012;

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

1. That the above recitations are true.
2. That the City Council hereby accepts the recommendation of the Director of Community Services.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, an Amendment to the Franchise Agreement with Refuse Services, Inc., to revise the rates and fees for Solid Waste Disposal and Recycling Services for residential and commercial accounts effective January 1, 2012. A copy of the Amendment to Franchise Agreement is attached as Exhibit "1" to this Resolution and is incorporated by this reference.



CITY OF ESCONDIDO
FOURTEENTH AMENDMENT TO FRANCHISE AGREEMENT

This "Amendment" is made this November 16, 2011.

Between: CITY OF ESCONDIDO
a municipal corporation
201 N. Broadway
Escondido, California 92025
("CITY")

And: Refuse Services, Inc.
Dba Escondido Disposal, Inc.
P.O. Box 1818
Escondido, CA 92033
("CONTRACTOR")

Witness that whereas:

- A. CITY and CONTRACTOR entered into an agreement on October 12, 1999 ("Agreement"), wherein CITY retained CONTRACTOR to provide services for Solid Waste and Recycling Services throughout the City of Escondido; and
- B. Section 8 (C) of the Agreement authorizes annual amendments pertaining to increases in rates for Solid Waste and Recycling Services provided by Contractor and requires an amendment to the Agreement before such increase becomes effective; and
- C. On December 17, 2008, the Twelfth Amendment to Franchise Agreement was executed to revise commercial rates and fees and to remove the exclusion of the application of the ten percent franchise fee to revenues from commercial recycling services, effective January 1, 2009; and
- D. On April 1, 2009, the Thirteenth Amendment to Franchise Agreement was executed to revise residential rates and fees and to remove the exclusion of the application of the ten percent franchise

fee to revenues from residential recycling services, effective May 1, 2009; and

- E. CITY and CONTRACTOR desire to amend the agreement to include an increase in residential and commercial rates and fees, effective January 1, 2012, as set forth in Attachment A to this Amendment, which is incorporated by reference;

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

1. The CITY hereby adopts the new residential and commercial rates as set forth in Attachment A to this Amendment, effective January 1, 2012.
2. All other terms of the original Agreement between CITY and CONTRACTOR shall remain in full force and effect; in the event of any conflict between any specific provision of the original Agreement and this Amendment, this Amendment shall prevail.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

CITY OF ESCONDIDO

Date: _____

Sam Abed, Mayor

Date: _____

Marsha Whalen, City Clerk

REFUSE SERVICES, INC.

Date: _____

Edward G. Burr, Chairman

Date: _____

Jeff Ritchie, Vice President/General Manager

(The above two signatures must be notarized)

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
Jeffrey R. Epp, City Attorney

By: _____

CONSUMER PRICE INDEX CALCULATION**CPI: 3.36%**

Last 12 month period for which statistics are available is the first half of 2010 compared to the first half of 2011 in the San Diego area

All Urban Consumers (all items), base period of 1982-84 = 100

Current CPI	252.451 (first half of 2011)
Previous CPI	244.242 (first half of 2010)
Change	8.209 points
Percentage change	3.36%

BASIC RESIDENTIAL RATE**Actual Residential Rate Increase: 1.29%**

	Current 5/1/2009	Proposed Effective 1/1/2012
Base	\$ 15.46	\$ 15.66
Franchise Fee	1.72	1.74
AB939	0.21	0.21
HHW	0.52	0.52
Total	\$ 17.91	\$ 18.13

MISCELLANEOUS

Bulk item	10.90 per item
Tires (under 17") Rim Diam.	3.26 /each
(17" - 23") Rim Diam.	13.08 /each
(Over 23") Rim Diam.	217.94 /each
Refrigerator, freezer, a.c.	43.60 /each
Bags (under 25 lbs.)	1.09 /each

RESIDENTIAL RATE

Service 18.13 Per month

MOBILE HOME RATE

Service 18.13 Per month

ADDITIONAL CART

Trash 3.82 Per additional cart (3 month minimum)
Recycling 0.00 Per additional cart

AUTOMATED OVERAGE CHARGES

10.90 Trip charge
1.10 Per bag

GREEN WASTE CART RENTAL 3.00

BASIC COMMERCIAL RATE

Actual Commercial Rate Increase: 0.895%

	Current 1/1/2009	Proposed Effective 1/1/2012
3yard 1/week	\$ 86.00	\$ 86.77
Franchise Fee	9.56	9.64
AB939	0.21	0.21
HHW	0.52	0.52
Total	\$ 96.29	\$ 97.14

PERMANENT BINS

<u>BIN SIZE</u>	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>	<u>6 x WK</u>
1 1/2 YARD	65.31	109.66	154.08	198.50	242.88	287.29
3 YARD	97.14	169.98	242.83	315.64	388.48	461.28
4 YARD	127.14	225.99	324.88	423.76	522.62	621.50

EXTRA DUMP CHARGES FOR PERMANENT BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	18.72	27.70	34.65

T-BINS

Customer is allowed to keep bin for 1 week

84.29 101.12

GREENS T-BIN

75.18 93.04

CONSTRUCTION BINS

<u>BIN SIZE</u>	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>
1 1/2 YARD	92.92	146.57	200.24	253.89	307.53
3 YARD	131.66	238.98	346.33	453.62	560.96
4 YARD	150.62	293.76	436.82	579.94	723.04

NOTE: ALL CONSTRUCTION BINS HAVE A ONE TIME DELIVERY FEE OF \$30.27

EXTRA DUMP CHARGES FOR CONSTRUCTION BINS

	<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
Per Bin Dump	24.23	32.98	40.09

OFF-RD BINS

<u>BIN SIZE</u>	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>
1 1/2 YARD	112.96	216.28	319.57	422.90	526.23
3 YARD	130.19	250.71	371.23	491.78	612.31

4 YARD	141.66	273.72	405.74	537.80	669.82
--------	--------	--------	--------	--------	--------

NOTE: ALL OFF ROAD BINS HAVE A ONE TIME DELIVERY FEE OF \$31.43

EXTRA DUMP CHARGES FOR OFF ROAD BINS

<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
24.23	32.98	40.10

MATRIX FOR 3 YARD AND 4 YARD BINS

3 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
1	97.14	169.98	242.83	315.64	388.48	461.28
2	194.27	339.93	485.65	631.28	776.92	922.56
3	291.39	509.91	728.47	946.92	1,165.41	1,383.84
4	388.53	679.90	971.29	1,262.54	1,553.87	1,845.12
5	485.65	849.86	1,214.13	1,578.19	1,942.36	2,306.42
6	582.79	1,019.83	1,456.96	1,893.86	2,330.79	2,767.68
7	679.93	1,189.81	1,699.81	2,209.48	2,719.27	3,228.95
8	777.06	1,359.78	1,942.62	2,525.13	3,107.72	3,690.24
9	874.18	1,529.74	2,185.44	2,840.76	3,496.21	4,151.52
10	971.33	1,699.71	2,428.28	3,156.41	3,884.64	4,612.78

4 YARD BINS

<u># OF BINS</u>	<u>DUMPS PER WEEK</u>					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
1	127.14	225.99	324.88	423.76	522.62	621.50
2	254.28	452.02	649.78	847.52	1,045.27	1,242.97
3	381.43	678.02	974.68	1,271.28	1,567.87	1,864.48
4	508.56	904.03	1,299.53	1,695.06	2,090.51	2,485.99
5	635.73	1,130.03	1,624.44	2,118.83	2,613.14	3,107.47
6	762.84	1,356.04	1,949.32	2,542.59	3,135.78	3,728.96
7	889.98	1,582.05	2,274.21	2,966.35	3,658.41	4,350.47
8	1,017.14	1,808.05	2,599.09	3,390.13	4,181.04	4,971.96
9	1,144.27	2,034.05	2,924.00	3,813.87	4,703.64	5,593.45
10	1,271.41	2,260.07	3,248.86	4,237.64	5,226.29	6,214.93

COMPACTOR / DOB RATES

COMPACTORS:

"C"	202.69 + \$43.38 Per Ton Landfill fees
"D"	206.90 + \$43.38 Per Ton Landfill fees
"F"	216.73 + \$43.38 Per Ton Landfill fees
"P"	182.95 + \$43.38 Per Ton Landfill fees

<u>DROP OFF BINS:</u>	<u>Haul</u>	<u>Disposal</u> (6 tons)	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	204.09	\$260.28	\$464.37	48.18	\$512.55
25 YARD (8' X 18' X 5')	204.09	\$260.28	\$464.37	48.18	\$512.55
38 YARD (8' X 22' X 6')	204.09	\$260.28	\$464.37	48.18	\$512.55
<u>GREENS DOB:</u>	219.31	\$191.14	\$410.45	53.52	\$463.97
<u>SCRAP METAL DOB</u>	219.31	\$122.58	\$341.89	53.52	\$395.41
<u>CARDBOARD DOB</u>	219.31	\$0.00	\$219.31	53.52	\$272.83

STEAM CLEAN: 30.96 Per hour
 UNABLE TO SERVICE: 73.41
 STANDBY TIME: 2.88 Per minute
 DOB DEL. CHARGE: 48.18 (One time charge)

Container Rental 3.44 Per day starting with the 8th day
 (temporary boxes)
 3.44 Per day starting with the 13th day
 (permanent boxes 3 months or more)

DOB - MANIFESTED WASTE:

	<u>Haul</u>	<u>Disposal</u> (6 tons)	<u>Sub-total</u>	<u>Del Charge</u>	<u>Total</u>
14 YARD (8' X 16' X 3')	204.09	\$353.89	\$ 557.98	48.18	\$ 606.16
25 YARD (8' X 18' X 5')	204.09	\$353.89	\$ 557.98	48.18	\$ 606.16
38 YARD (8' X 22' X 6')	204.09	\$353.89	\$ 557.98	48.18	\$ 606.16
MANIFEST FEE:			55.16		
SPECIAL HANDLING:			55.16		
PORTAL TO PORTAL CHARGE:			107.17 Per hour		

RECYCLE BIN RATES

	<u>1 x WK</u>	<u>2 x WK</u>	<u>3 x WK</u>	<u>4 x WK</u>	<u>5 x WK</u>
1 1/2 YARD	39.48	81.79	124.08	166.39	208.68
3 YARD	49.36	91.66	133.95	176.26	218.57
4 YARD	63.45	105.75	148.05	190.36	232.66

EXTRA DUMP CHARGES FOR OFF-ROAD RECYCLING BINS

<u>1 1/2 YARD</u>	<u>3 YARD</u>	<u>4 YARD</u>
19.74	29.22	36.54

<u>95 GALS</u>	<u>Commercial Recycling Carts</u>	<u>SERVICE</u>	<u>CHARGE</u>
950T	Extra Dump		7.75 Fee
950N	Newspaper	1 X WK	17.64 Per month
950G	Glass	1 X WK	17.64 Per month
950P	Plastic & Aluminum	1 X WK	17.64 Per month
950GR	Green Waste	1 X WK	3.00 Per month/Cart

Multi- Family Recycling Fee \$0.95 per month per dwelling unit

COMPACTOR BIN FORMULA

Less bin rental	459.20 - \$18 =	\$ 441.20
Divide by 4.333 weeks	\$ 441.20 / 4.333 =	\$ 101.82
Divide by # of days pick up	\$ 101.82 / 6 =	\$ 16.97
Multiply by 3 to 1 ratio	\$ 16.97 x 3 =	\$ 50.91
Multiply by # of days pick up	\$ 50.91 x 6 =	\$ 305.46
Multiply by 52 weeks	\$ 305.46 x 52 =	\$ 15,883.92
Divide by 12 months	15,883.92 / 12 =	\$ 1,323.66

COMPACTOR PER DUMP FORMULA

FOR EXTRA DUMPS

Rate less bin rental	\$ 97.20 - \$18 =	\$ 79.20
Divide by 4.333	\$ 79.20 / 4.333	\$ 18.28
Multiply by 3 to 1 ratio	\$ 18.28 x 3 =	\$ 54.84
Add'l overhead labor cost		21.19
Total per dump		<u>\$ 76.03</u>

COMPACTOR BOX RENTAL

Large Comp: \$ 128.54 Per month

ROLL OUT FEE SCHEDULE:

ANYTHING UNDER 25 FEET IS FREE; OVER IS \$.05 PER FOOT

i.e. Roll out 100 ft is figured as follows:

100 ft - 25 ft = 75 ft x 2 (number of days dumped per week) = 150 x \$.0524 (per foot charge)
 \$7.85 (weekly charge) x 52 (weeks per year) = \$408.20 (yearly charge / 12 (months per year)
 \$34.05 (monthly charge) then add to regular charges. Minimum charge is \$1.00 per month.

MISCELLANEOUS COMMERCIAL FEES

Locking Lids	5.60 Per Month
Balanced Lids	6.73 Per Month
Enclosure Cleaning	50.46 Minimum-subject to estimate
Brakes	56.08 1 time charge
Bar Locks	34.03 1 time charge
Extra Keys	1.68 each
Locks	17.38 each

Lock & Unlock Charge
(Barlock Bins)

1.12 for each lock/unlock (x per wk service)

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 8
Date: November 16, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Director of Engineering Services
Cheryl Filar, Environmental Programs Manager

SUBJECT: National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Construction Discharges (Order No. 2009-0009-DWQ) – Designation of Legally Responsible Persons (LRPs) for the City of Escondido

RECOMMENDATION:

In compliance with Order No. 2009-0009-DWQ (Order), it is requested that Council adopt Resolution No. 2011-145 to designate Legally Responsible Persons (LRPs) to certify reports and other submissions required by the 2010 General Construction Permit.

FISCAL ANALYSIS:

Since the requested recommendation is an administrative formality specified by the Order, there is no fiscal impact.

BACKGROUND:

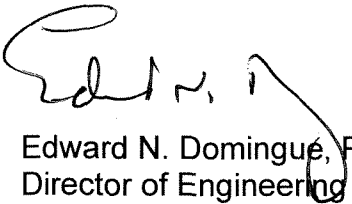
In 1972 the Federal Clean Water Pollution Control Act was amended to provide that discharges of pollutants (e.g., sediment) to waters of the United States are unlawful unless the discharge is in compliance with a National Pollutant Discharge Elimination System (NPDES) permit. In 1990 the U.S. Environmental Protection Agency (USEPA) published final regulations that established NPDES storm water permit application requirements for specified categories of industries, including but not limited to municipalities and construction. While federal regulations allow two permitting options for storm water discharges (Individual and General Permits), the California State Water Board elected to adopt only one statewide General Construction Permit, which regulates construction sites as small as one acre and greater.

On September 2, 2009, the California State Water Resources Control Board adopted several revisions to the General Construction Permit, which became effective on July 1, 2010. In adopting these changes, the State Water Board considered the findings of a technical panel, as well as related public comments. Based on this solicited technical and public input, the Board made some significant changes to the permit that impose more site-specific monitoring and management of storm water discharges, including the following: technology-based numeric effluent limits; more minimum Best

Management Practices (BMPs); risk levels based on sediment and receiving water risk; project site soil characteristics monitoring and reporting; effluent reporting; and annual reporting related to all projects that are enrolled for more than one continuous three-month period.

For the provision of annual reports and other information required to be electronically submitted to the State Water Resources Control Board, a storm water management agency such as Escondido must designate a Legally Responsible Person(s) (LRP(s)) to certify required submittals in terms of their accuracy and completeness. Once identified, LRPs may also appoint signatories to perform these certification functions. In accordance with the Order, LRPs and signatories must be an official in charge of a principal business function or any other person who performs similar policy or decision-making functions of an organization. To comply with this administrative requirement, staff recommends that the Director of Engineering Services and the Director of Utilities serve as the City's LRPs, because their positions oversee Escondido's construction programs and the storm water requirements that regulate them.

Respectfully submitted,



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



Cheryl Filar
Environmental Programs Manager

RESOLUTION NO. 2011-145

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO DESIGNATE LEGALLY RESPONSIBLE PERSONS (LRPS) TO CERTIFY NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) REPORTS AND ELECTRONIC SUBMITTALS IN COMPLIANCE WITH THE 2010 GENERAL PERMIT FOR STORM WATER CONSTRUCTION DISCHARGES, ORDER NO. 2009-0009-DWQ

WHEREAS, in 1972 the Federal Clean Water Pollution Control Act was amended to provide that discharges of pollutants to waters of the United States are unlawful unless the discharge is in compliance with a National Pollutant Discharge Elimination System ("NPDES") Permit; and

WHEREAS, in 1990 the U.S. Environmental Protection Agency ("USEPA") published final regulations that established NPDES storm water permit application requirements for specified categories of industries, including construction; and

WHEREAS, the federal regulations allow two permitting options for storm water discharges: individual permits and general permits; and

WHEREAS, the California State Water Resources Control Board elected to adopt only one statewide General Construction Permit, which regulates construction sites as small as one acre and greater; and

WHEREAS, on September 2, 2009, the California State Water Resources Control Board adopted several revisions to the General Construction Permit, which became effective July 2010; and

WHEREAS, one of these revisions requires a storm water management agency such as the City of Escondido ("City") to designate a Legally Responsible Person(s) ("LRPs") to certify the accuracy and completeness of annual reports and electronic submittals.

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

1. That the above recitations are true.
2. That the Mayor and City Clerk are authorized to designate, on behalf of the City, the Director of Engineering Services and the Director of Utilities as LRPs to certify General Construction Permit annual reports and electronic submittals in compliance with Order No. 2009-0009-DWQ.

ORDINANCE NO. 2011-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, PREZONING THREE RESIDENTIAL LOTS TOTALING 3.42 ACRES ADDRESSED AS 2950 BERNARDO AVENUE, 1029 VEREDA CALLADA AND A THIRD UNADDRESSED LOT ON BERNARDO WITH APN 238-400-1200 FROM COUNTY ZONING TO CITY PREZONING RE-40 (RESIDENTIAL ESTATES; 40,000 SQ. FT. MINIMUM LOT SIZE)

Planning Case No. PHG09-0022
Related Cases: PHG09-0021, ENV11-0002

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

SECTION 1. That notice of a public hearing has been given and public hearings have been held before the Planning Commission September 27, 2011, and City Council on November 9, 2011, on this issue.

SECTION 2. That the City Council has reviewed and considered the Mitigated Negative Declaration (Case No. ENV11-0002) prepared for this project and has determined no significant environmental impacts will result from approving this project.

SECTION 3. That upon consideration of the staff report, Planning Commission recommendation and all public testimony presented at the hearing held on this prezoning, the City Council finds that this prezoning is consistent with the General Plan and all applicable specific plans of the City of Escondido.

SECTION 4. That the Zone District Map of the City of Escondido is hereby amended by reclassifying the real property depicted on Exhibit "A" and legally described

**A COMPLETE COPY OF THIS ORDINANCE
IS ON FILE IN THE OFFICE OF THE
CITY CLERK FOR YOUR REVIEW.**

RENT REVIEW BOARD

For City Clerk's Use:

APPROVED **DENIED**

Reso No. RRB _____ File No. _____

Ord No. RRB _____

Agenda Item No.: 10

Date: November 16, 2011

TO: Honorable Chairman and Members of the Rent Review Board
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: Greencrest Mobilehome Park Short-form Rent Increase Application

STAFF RECOMMENDATION:

- Consider the short-form rent increase application submitted by Greencrest Mobilehome Park.
- If approved, adopt Rent Review Board Resolution No. 2011-08 granting an increase of 75% of the change in the Consumer Price Index, or 2.520% (an average of \$10.10), for the period of June 30, 2010, to June 30, 2011. The application meets the eligibility criteria for submittal of a short-form rent increase application.

INTRODUCTION:

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

THE RENT INCREASE APPLICATION:

Greencrest is an all age Mobilehome park located at 541 W. 15th Avenue in Escondido. The Park contains 129 spaces, and 69 spaces are subject to rent control. The remaining spaces are either rentals or subject to a long-term lease.

Common facilities include a clubhouse, a community swimming pool and a playground. Also, laundry facilities are available to the residents for a fee.

PARK OWNER'S REQUEST:

The Park owner is requesting an increase of 75% of the change in the CPI for the past year. The CPI period covered by this application is June 30, 2010, to June 30, 2011. Seventy-five percent (75%) of the change in the CPI for the period of consideration is 2.520%, and \$400.97 is the current average monthly base rent per space of the spaces affected. The average increase requested is approximately \$10.10 per space, per month.

RENT INCREASE HISTORY:

This is the 10th application for a rent increase filed by the Park since the Ordinance was implemented. The Park last came before the Rent Review Board in November 2010, for a hearing on a short-form application where the Board granted an increase based on 75% of the one-year change in CPI, an average of \$4.09 per space, per month.

Greencrest currently has 2 residents participating in the City of Escondido's Mobilehome Park Space Rent Subsidy Program.

RESIDENT MEETING AND COMMENTS:

The Resident meeting was held October 20, 2011, at 6:00 p.m. in the Park's clubhouse. Four residents attended the meeting. Residents were briefed on the short-form procedures and the process, including their need to appear at the hearing and sign-in if they wish to protest the short-form application. The meeting was also attended by the Park owner's representative, Jim Younce and the Park Manager, Leticia Amavisca, Senior Code Enforcement Officer, Al Bates and consultant Michelle Henderson.

Resident issues and concerns included the need for additional ventilation in the laundry room, which the Park will look into and consider adding an exhaust fan. The condition of the fence around the Park was discussed, however this fence is not owned by the Park so any improvements to the fence would have to be discussed with the Park's neighbors. One resident stated that residents of the Park are parking in the guest spaces, and the manager asked the residents to help by reporting this occurrence to her. This resident also expressed a concern about lighting near the entrance of the Park. Lighting was addressed in the Code Inspection Report, and after the Park makes the corrections, the entrance will have better lighting.

CODE ENFORCEMENT ISSUES:

The Code Enforcement Division conducted a health and safety inspection of the common areas of the Park and noted a few existing code violations. A copy of the Code Inspection Report is attached as "Exhibit A." The Park owner's representative, resident manager and resident representative received a copy of the report and are aware that no increase, if granted, may be implemented until the health and safety code violations have been cleared.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

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

Respectfully Submitted,




Jerry Van Leeuwen
Director of Community Services



DATE: OCTOBER 26, 2011

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

FROM: BRIAN GUSTAFSON, CODE ENFORCEMENT MANAGER 

SUBJECT: GREENCREST MOBILEHOME PARK RENT CONTROL

Greencrest Mobilehome Park was inspected on October 24, 2011, with the lighting inspection conducted the morning of October 20, 2011. This inspection was a result of an application for a rent increase having been filed. Eight general and one lighting violations were found and noted in the attached inspection report.

The resident representative for the park was contacted and attended the resident meeting on October 20, 2011 along with three others residents. She advised there were no health and safety concerns and said she had received no complaints from any of the park's residents. She stated she would not be attending the actual inspection as she had no concerns.

There were two code enforcement cases in this park in the past year concerning overflowing dumpsters that were the responsibility of the park; one in September and the other in October which is addressed in this rent control inspection report.

CC: Barbara Redlitz, Director of Community Development
 Michelle Henderson, Rent Control Administration



October 25, 2011

MOBILEHOME PARK RENT CONTROL
CODE ENFORCEMENT INSPECTION REPORT

Park Name: Greencrest Mobilehome Park
541 W. 15th Ave.
Escondido, CA 92025

Park Owner: GC MHP L L C
301 E. 17th St., Ste. 208
Costa Mesa, CA 92627

Park Manager: Leticia Amavisca **Phone:** (760) 745-4352

Inspection Date: 10/24/11 **Inspectors:** S. Moore/A. Bates

The following report is based on the inspection of the mobile home park conducted under provisions outlined in the California Health & Safety Code, Division 13, Part 2.1; the California Code of Regulations, Title 25; the Escondido Zoning Code, Article 45; and the Escondido Municipal Code. This inspection report only addresses health and safety issues related to the common facilities and areas in the mobile home park for which maintenance, repair and operations is the responsibility of the owners and managers of the park.

General Violations:

1. Replace the missing smoke alarm in the clubhouse. 25 CCR 1605 (l)
2. Repair/replace the broken tile flooring between the two rooms inside the clubhouse. 25 CCR 1605 (a) (6)

3. Replace the protective cover over the electrical wiring on the light fixture adjacent to the swimming pool. Repair the electrical conduit on the clubhouse so that it is properly attached to the building. 25 CCR 1605 (d) (1)
4. Repair the toilet in the bathroom adjacent to the clubhouse so that it flushes properly and repair the sink faucet to ensure that hot water is accessible. 25 CCR 1605 (e), 25 CCR 1605 (a) (3)
5. Repair the vent hood connection on the hot water heater inside the equipment room for the laundry room. 25 CCR 1605 (e)
6. Take the necessary steps to alleviate the excessive accumulation of trash, garbage and other discarded waste in the dumpsters inside and outside the trash collection area. 25 CCR 1120 (d)
8. Install chain-link fencing on the bottom of the pool fence, at the southwest corner of the swimming pool. Repair the perimeter wood fence on the west property line of the park. 25 CCR 1608 (i), 25 CCR 1608 (j)

**Areas of the park needing illumination per 25 CCR 1108
(Lighting Inspection; 10-20-11)**

1. Although the lighting in the park was found to be generally sufficient and lighting levels were within the minimum requirements for illumination, the inspection revealed that the lighting fixtures adjacent to spaces 15 and 113 were inoperable.

MOBILEHOME PARK RENT REVIEW

RESIDENT REPRESENTATIVE REPORT FORM

Park Name: Greencrest MHP

Date of Inspection: 10-24-11

Resident Representative Maureen Winstanley

This park will be inspected as a result of an application having been filed for a rent increase. The Code Enforcement Division will base their inspection under provisions outlined in the California Health and Safety Code, Division 13, Part 2.1; California Code of Regulations – Title 25, the Escondido Zoning Code, Article XLV; and the Escondido Municipal Code, Section 6-480 Property Maintenance.

The report compiled by the Code Enforcement Division will address the health and safety issues related to the common areas of the mobile home park and those items for which the repair and maintenance is the responsibility of the owners and managers of the park. The attached list is to assist you and the residents in noting your current concerns so that they can be addressed as part of the process.

At the time of the inspections, each item on this list will be discussed with the participants. If it is a violation of Title 25 it will be made part of the Inspection Report.

Occasionally there are no concerns noted by park residents. If that is the case, we ask that you check the appropriate statement below, sign the form and return it to the Code Enforcement Division.

The residents have expressed no specific concerns or issues at this time.

The residents have expressed the specific issues and concerns that are noted on the accompanying pages of this report.

Maureen Winstanley
Print Name of Resident Representative

Maureen Winstanley
Signature

10-24-11
Date

65 / 760-747-6076
Space # / Phone Number

**City of Escondido
Code Enforcement Division
201 N. Broadway
Escondido, CA 92025
(760) 839-4650**

**RENT CONTROL INSPECTION CHECKLIST
RESIDENT COMMENTS**

Responsible person: There shall be a person available who shall be responsible for the operation and maintenance of the mobile home park. The person or designee shall reside in parks of 50 units or more, and shall have knowledge of emergency procedures of the park facilities.

Rubbish, accumulation of waste material: The park shall be kept clean and free of the accumulation of refuse, garbage, rubbish, excessive dust or debris.

Drainage: The park common areas and roadways shall be graded and sloped to provide storm drainage runoff. Standing water should evaporate within 72 hours.

Building and park lighting: During hours of darkness, artificial lighting shall be maintained in accordance with requirements of Title 25.

Lot address identification: Each lot shall be identified by letters, numbers or a street address mounted in a conspicuous place facing the roadway.

Permanent park buildings: Park buildings, structures and facilities shall be maintained free from hazards.

Emergency information: Emergency information is to be printed and posted in a conspicuous location and shall contain the following telephone numbers/information:

- Fire Department
- Police Department
- Park office
- Responsible person for operation and maintenance
- Code Enforcement
- Park location – address
- Nearest public telephone

Other questions, comments or concerns:

RESOLUTION NO. RRB 2011-08

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

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

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

WHEREAS, a Short-form Rent Increase Application ("Application") pursuant to Section 12 of the Rent Review Board Guidelines was filed on September 29, 2011, by Bart Thomsen, the Owner of Greencrest Mobilehome Park ("Park"), located at 541 W. 15th Avenue in Escondido. The Application applies to 69 of the 129 spaces; and

WHEREAS, this is the tenth rent increase application filed by the Park since the Ordinance became effective in 1988. The last rent increase was granted by the Board in November 2010. The previous increase affected 72 spaces; the average increase was \$4.09 per space, per month; and

WHEREAS, at the time of the current Application, the average monthly space rent was \$400.97 for the 69 spaces subject to rent control. The owner requested a rent increase in the amount of 75% of the change in the Consumer Price Index (CPI) for the period June 30, 2010, through June 30, 2011, in accordance with the Rent Review Board short-form policy guidelines. The Application estimated this amount to be an

average of \$10.10, (2.520%) per space, per month; and

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

WHEREAS, on October 24, 2011, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed in the Park; and

WHEREAS, on November 16, 2011, the Board held its public hearing and after an initial staff presentation, the Board invited testimony from Park ownership, residents of the Park, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members and clarifying questions to the parties and Staff, the Board voted to grant an increase of 2.520%, an average of \$10.10 per space, per month, for the 69 spaces which are subject to rent control.

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

1. That the above recitations are true.
2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the Short-Form Guidelines ("Guidelines").
3. That following the Guidelines, an increase based on 75% of the change in the CPI for San Diego County from June 30, 2010, through June 30, 2011, would amount to 2.520%, which averages \$10.10 per space, per month, for the 69 spaces that

are subject to rent control.

4. That the Board concluded that an increase of \$10.10 per space, per month, is consistent with the Guidelines, and is fair, just, and a reasonable increase in light of the information presented by all parties.

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

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

CITY COUNCIL

For City Clerk's Use:

APPROVED **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 11

Date: Nov. 16, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Joyce Masterson, Assistant to the City Manager

SUBJECT: Budget Adjustment for Façade and Property Improvement Program

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-146 modifying the Fund Balance Policy and authorize a budget adjustment in the amount of \$500,000 from the General Fund Economic Development Commitment Fund to the Façade and Property Improvement Program Account (229-101039) to provide matching grants for commercial property façade improvements.

FISCAL ANALYSIS:

Currently, there is \$9,059,255 in the General Fund Economic Development Commitment Fund. If this request is approved, it will reduce the fund to \$8,559,255.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Economic Development.

PREVIOUS ACTION:

None

BACKGROUND:

On September 14, 2011, the City Council approved the 2011-2012 City Council Action Plan which contained the objective of reinstating and funding the Façade and Property Improvement Program through the General Fund Economic Development Commitment Fund.

Since that time, Council has expressed its desire to use the General Fund Economic Development Commitment Fund, if needed, to protect the City's Redevelopment Agency. Should that become necessary in the future, then funds will need to be transferred from the

Budget Adjustment for Façade and Property Improvement Program
November 16, 2011
Page 2

General Fund Reserve Commitment Fund to the General Fund Economic Development
Commitment Fund.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joyce Masterson".

Joyce Masterson
Assistant to the City Manager

RESOLUTION NO. 2011-146

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
MODIFYING THE CITY OF ESCONDIDO
FUND BALANCE POLICY, GENERAL FUND
RESERVE AND ECONOMIC DEVELOPMENT
COMMITMENT OF FUND BALANCE FOR
THE GENERAL FUND AND OTHER CITY
FUNDS

WHEREAS, the Governmental Accounting Standards Board ("GASB") has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and

WHEREAS, the City Council of the City of Escondido has adopted Resolution No. 2011-56, the Fund Balance Policy; and

WHEREAS, the Fund Balance Policy provides that the City Council may commit General Fund balance for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, the City Council has determined that the General Fund Reserve balance be established at \$19,727,333; and that the General Fund Economic Development Reserve be established at \$9,059,255; and

WHEREAS, the City Council has determined that the specific purposes for which the General Fund Economic Development Reserve be used to fund any capital project

that spurs economic development, and funding the Facade and Property Improvement Program for \$500,000 qualifies under this definition.

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

1. That the above recitations are true.
2. That the City Council hereby establishes and approves the new balance of the General Fund Economic Development Reserve at \$8,559,255 as of the date of this resolution and \$500,000 for the Façade and Property Improvement Program be established in the fiscal year 2011/12 budget.

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 12

Date: November 16, 2011

TO: Honorable Mayor and Members of the City Council
FROM: Jerry Van Leeuwen, Director of Community Services
SUBJECT: Report on Outsourcing Opportunities: Consideration of Studies on Fueling Services, Street Sweeping and Street Striping

RECOMMENDATION:

It is requested that Council direct staff to issue Request for Proposals for Fueling, Street Sweeping and Street Striping Services.

FISCAL ANALYSIS:

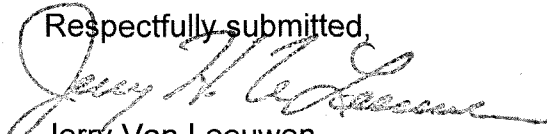
Potential for savings, if any, through outsourcing will be determined upon receipt of proposals for the various services.

BACKGROUND:

In April staff presented an outline of decision criteria and guiding principles for the investigation of outsourcing various City services. Three areas, Fueling, Street Sweeping and Street Striping, have been analyzed and are ready for consideration by the City Council. These three areas were selected primarily for their impact on the new Maintenance and Operations Facility. If these services are continued through City staff, it will be necessary to incorporate their operations into the new Maintenance and Operations Facility. The plans for the new facility are moving forward and a determination is needed for additional planning efforts.

Attached to this report are two studies: Street Sweeping and Street Striping. Staff will provide information about fueling services at the Council meeting. Staff is recommending that RFP's be issued for all areas in order to objectively determine the potential financial benefits of outsourcing.

Respectfully submitted,


Jerry Van Leeuwen
Director of Community Services

City of Escondido

Department of Public Works



Street Sweeping Services

Costs of Operation

24 October 2011
Escondido CA 92025
Prepared by Jeff Wyner

Introduction

By direction of City Council, the City is to explore the possibility of outsourcing some of its routine functions. Whereas, the City has determined that it is in the public's interest of safety to provide regular street sweeping services throughout the community; and whereas the National Pollutant Discharge Elimination System (NPDES) as managed state-wide by the California Environmental Protection Agency's State Water Resources Control Board requires periodic sweeping of streets to reduce pollutant contaminants in stormwater runoff; therefore, the Public Works Department is exploring the area of Street Sweeping Services.

To determine the cost effectiveness of outsourcing street sweeping services for the City of Escondido, it is necessary to determine what it costs the City currently. It is important to note that street sweeping is a high-maintenance service. All figures are for the 2010-2011 fiscal year (July 1, 2010 – June 30, 2011). Future costs could change depending on maintenance and replacement costs, salary and benefit costs as well as whether or not a newer, more efficient vehicle is purchased. Personnel costs were obtained from the Payroll Department. Vehicle figures were provided by Fleet Services. Publication 946 from the Internal Revenue Service provided the depreciation rates.

Personnel

The City currently employs one full-time employee for street sweeping and uses ≈25% of a second employee's time. Employee costs can change in the future depending on who is assigned, negotiated salary and benefit costs and frequency of the sweeps. The following figures represent full-time hours, i.e. no loss of wages due to furlough hours, etc. or overtime.

Personnel Costs				
Position	Salary + Benefits	Cost/hour	Hours sweeping	Cost
Lead Maintenance Technician	\$ 82,903	\$ 39.86	1,976	\$ 78,760
Senior Maintenance Technician	\$ 86,727	\$ 41.69	520	\$ 21,680
TOTAL			2,496	\$ 100,440

Vehicles

The City owns three street sweepers. Yearly costs include parts & labor (both internal and external) and fuel.

Vehicle #	3227	3228	3271	TOTALS
Yearly cost	\$ 39,435	\$ 33,665	\$ 14,050	\$ 87,150
Yearly miles	5,954	2,908	1,281	10,143
Yearly fuel (Gal.)	3,090	1,110	495	4,695
Cost new	\$ 166,080	\$ 166,080	\$ 139,715	\$ 471,875
Lifetime costs - June 2011	\$ 181,335	\$ 150,860	\$ 185,480	\$ 517,675
	\$ 347,415	\$ 316,940	\$ 325,195	\$ 989,550
Lifetime miles - June 2011	38,868	23,944	48,469	111,281
Date acquired	2/23/2006	2/23/2006	10/25/2001	6/30/2011
Years in service - June 2011	5.35	5.35	9.68	20.39
Cost / Year	\$ 64,930	\$ 59,235	\$ 33,575	\$ 48,540
Cost / Mile	\$ 8.94	\$ 13.24	\$ 6.71	\$ 8.89

The above chart assumes 100% vehicle depreciation with no residual value. Any funds obtained from the sale of a vehicle would be subtracted from the lifetime costs, thus reducing those costs. Street sweeping, as mentioned earlier, is a high-maintenance service. These vehicles need constant servicing because of the dirty environment in which they operate. For optimal service and cost-efficiency, street sweepers, on average, need to be replaced every five years.

Up-front totals

Total operating costs for fiscal year 2010-2011:

Personnel Costs	\$ 100,440
Vehicle Costs	\$ 87,150
TOTAL	\$ 187,590

Cost per mile

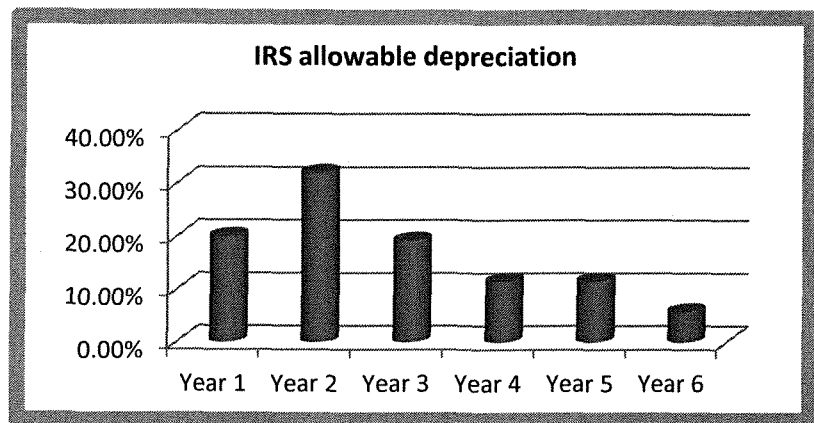
The cost per mile figure changes depending on two primary factors, 1. Total vehicle miles driven; and 2. Actual miles swept (this figure is somewhat flexible as it is estimated that actual broom miles is ≈80-90% of total miles driven. As such, the following demonstrates the City's current costs using these estimates:

	Sweeping miles	Cost per mile
Total miles driven	10,143.00	\$18.49
90% broom miles	9,128.70	\$20.55
80% broom miles	8,114.40	\$23.12

Depreciation

However, the above figures do not account for depreciation of the street sweeping vehicles. This figure is a bit harder to pin down. It will be assumed that any prospective, outsourced company would purchase a new street sweeper. According to IRS rules, such a vehicle has a 5-year depreciation life, but because of the way the IRS applies its rules, this actually takes place over six tax years. The IRS rate of depreciation follows.

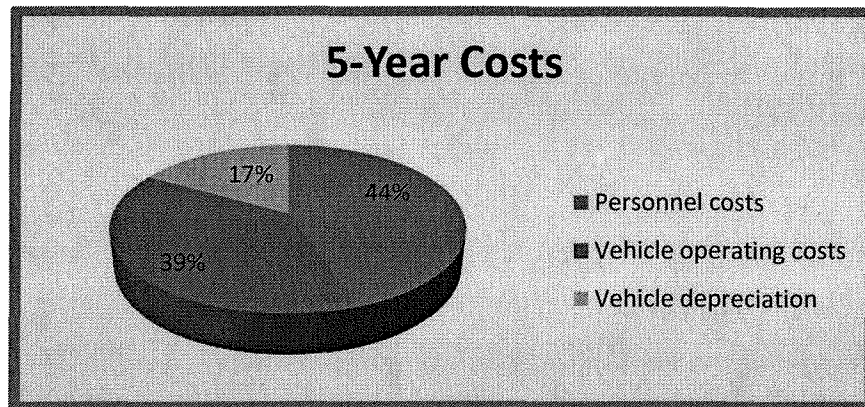
Year 1	20.00%
2	32.00%
3	19.20%
4	11.52%
5	11.52%
6	5.76%



5-Year totals

Assuming the cost of a new street sweeper to be \$200,000, the above rate of depreciation will be applied to the chart that follows, which will be extended out for five years. Five years is being used for two primary reasons, 1. According to the proposed RFP, a prospective contractor cannot have a primary sweeping vehicle more than five years old (a back-up vehicle may be older), and 2. This is the anticipated length of a street sweeping contract because of the investment costs involved. Although residual value of a vehicle would reduce these costs, it will be ignored as it is very difficult to determine this value. Besides, a prospective contractor may keep it as a back-up.

Costs of Street Sweeping						
	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Personnel costs	\$ 100,440	\$ 100,440	\$ 100,440	\$ 100,440	\$ 100,440	\$ 502,200
Vehicle operating costs	\$ 87,150	\$ 87,150	\$ 87,150	\$ 87,150	\$ 87,150	\$ 435,750
Vehicle depreciation	\$ 40,000	\$ 64,000	\$ 38,400	\$ 23,040	\$ 23,040	\$ 188,480
TOTAL	\$ 227,590	\$ 251,590	\$ 225,990	\$ 210,630	\$ 210,630	\$ 1,126,430
\$/mile	\$ 22.44	\$ 24.80	\$ 22.28	\$ 20.77	\$ 20.77	\$ 22.21
\$/broom mile (90%)	\$ 24.93	\$ 27.56	\$ 24.76	\$ 23.07	\$ 23.07	\$ 24.68
\$/broom mile (80%)	\$ 28.05	\$ 31.01	\$ 27.85	\$ 25.96	\$ 25.96	\$ 27.76



Conclusion

Assuming the City purchases a new street sweeper, based on current costs the 5-year, average annual cost to the City would be \$225,286. If current furlough hours for the operators were to be applied to the overall costs, the total, average, annual cost to the City would be reduced by a mere one percent. Based on the presentation and recommendation made to City Council by Jerry Van Leeuwen, Director of Community Services, a service should be considered a good candidate for outsourcing if it can surpass a threshold of saving at least \$25,000 per year. It would be in the best interest of the City, therefore, to consider outsourcing Street Sweeping Services only if a vendor can provide the services on a 5-year average for \$200,000 or less per year. For each year the City believes that it can operate street sweeping services without purchasing a new sweeper, the contract threshold drops to \$162,000.

City of Escondido

Department of Public Works



Road Striping Services Costs of Operation

24 October 2011
Escondido CA 92025
Prepared by Jeff Wyner

Introduction

By direction of City Council, the City is to explore the possibility of outsourcing some of its routine functions. Whereas, the City has determined that it is in the public's interest toward safety to maintain clearly defined and visible street lane markings; and whereas, well-maintained lines present a positive image of the City; therefore, the Public Works Department is exploring the area of Road Striping Services.

To determine the cost effectiveness of outsourcing road striping services for the City of Escondido, it is necessary to determine what it costs the City currently. It is important to note that road striping in Escondido has not been done on a regular basis, particularly since the most recent economic turmoil has descended upon the City. Even when performed on a regular basis, road striping services are not performed every working day of the year. Rather it is generally accomplished periodically over a six-month period. All vehicle use figures are from the 6-month period, January 1, 2011 – June 30, 2011. Future costs could change depending on cost of materials (consumables), salary and benefit costs, and maintenance costs as well as whether or not a newer vehicle is purchased. Personnel costs were obtained from the Payroll Department. Vehicle figures were provided by Fleet Services. The rate at which paint and reflective beads are dispersed was obtained by calculations of provided information and confirmed by M-B companies, Inc. of Salem, Oregon. Publication 946 from the Internal Revenue Service provided the depreciation rates.

Due to a number of conditions, traffic being the most prevalent, some lines wear out faster than others. What this means is that some lines need to be repainted more than once per year, while others probably do not need an annual touch-up. The number of lineal feet needing painting per year will be calculated as if every line were repainted only once per year, and it is based on this calculation that the ensuing costs will be estimated.

As mentioned above, due to the recent economic conditions that have plagued the City, road striping has not been maintained at an optimal level. All costs below will, however, be given as if the desired level will be maintained; that is, every traffic line will be painted once per year.

Personnel

It is difficult to determine an exact personnel cost as the make-up of a road striping crew varies. In general, the crew consists of three individuals: one Senior Maintenance Technician (Tech IV) and two Lead Maintenance Technicians (Tech III). A fourth person may be included during the colder times of the year to set cones, as it takes longer for the paint to dry. Depending on who is assigned, the second Lead Maintenance Technician may be replaced with a Maintenance Technician II (Tech II). Always using a Tech III and a Tech II instead of two Tech III's would save

≈\$1,700 annually, but the more costly option will be used in the personnel cost estimates. Similarly, the fourth person could be a Tech III (costing ≈\$92 more annually) or a Tech II, but in this case, the less costly option will be used.

When in full operation, road striping is usually performed over a six month period. The employees assigned to this spend some of their time actively engaged in other activities. Based on the most recent data available the striping crew works at a rate of ≈5.4 miles per day. With an estimated 296 miles of road striping to be accomplished it would take a crew approximately 55 days; at nine hours per day, this is 495 hours of work. It is further estimated that a fourth person is assigned to the crew only three days (27 hours) each year.

Some employee costs vary depending on the particular individual who is assigned. Because the crew members can vary it was necessary to use an average cost for each position; these numbers, in the form of a Benefits Matrix, were supplied by the Payroll department.

Employee costs can change in the future depending on who is assigned, negotiated salary and benefit costs and frequency of the striping. The following figures represent full-time, road striping hours, i.e. no loss of wages due to furlough hours, etc. or overtime.

Personnel Costs				
Position	Salary + Benefits	Cost/hour	hours striping	Cost
Senior Maintenance Technician	\$ 96,245	\$ 46.27	495	\$22,905
Lead Maintenance Technician	\$ 88,455	\$ 42.53	495	\$21,050
Lead Maintenance Technician	\$ 88,455	\$ 42.53	495	\$21,050
Maintenance Technician II	\$ 81,400	\$ 39.13	27	\$1,055
TOTAL			1,512	\$66,065

Vehicles

The City owns one road striper. Yearly costs include parts & labor (both internal and external) and fuel. Although the vehicle itself is still in operable condition, the painting equipment is potentially in need of replacement. Unfortunately, due to the mechanics of how the equipment is incorporated into the vehicle, it may be easier, and possibly just as cost-effective, to replace the entire configuration rather than attempting to replace only the painting equipment. Additionally, it must be noted, as can be seen in the chart below, that the paint striping vehicle (#3250) has been used for little more than 1,000 miles per year, on average.

Vehicle #3250 is used only for road striping. The other two vehicles are used interchangeably as chase vehicles, but their 6-month stated costs are for all operations, not just for road striping.

Vehicle #	3250	3214	3273	TOTALS
6-month* cost	\$ 2,545	\$ 1,605	\$ 5,605	\$ 9,755
6-month* miles	400	2,000	1,155	3,555
6-month* fuel (Gal.)	270	225	230	725
Cost new	\$ 199,780	\$ 19,835	\$ 51,815	\$ 271,430
Painting equipment repair†	\$ 6,170			\$ 6,170
Lifetime costs -June 2011	\$ 25,035	\$ 23,975	\$ 8,555	\$ 57,560
	\$ 230,985	\$ 43,810	\$ 60,370	\$ 335,165
Lifetime miles - June 2011	9,525	50,238	2,386	62,149
Date acquired	2/27/2003	7/1/2001	10/1/2009	6/30/2011
Years in service - June 2011	8.34	10.00	1.75	20.09
Cost / Year	\$ 27,690	\$ 4,380	\$ 34,590	\$ 66,660
Cost / Mile	\$ 24.25	\$ 0.87	\$ 25.30	\$ 5.39

*January 1, 2011 – June 30, 2011 †not reported to Fleet Maintenance

Cost per mile

During a 6-month period (January – June 2011), as stated above, 86.4 miles of roadway were striped over 16 working days for an average of 5.4 miles/day. It is from this time period that all vehicle costs were extrapolated. It is assumed that the two chase vehicles were used equally, thus each vehicle's road striping mileage is half of the striper itself. Total mileage driven is greater than the actual striped mileage, which is reflected in the numbers below.

vehicle	miles	cost
3250	401	\$ 2,915
3214	201	\$ 160
3273	201	\$ 975
		\$ 4,050
	Cost/mile	\$ 10.10
	Cost/day	\$ 253.10
	Cost/painted mile	\$ 46.87

As can be seen in the chart above, the cost/painted mile is higher than the general cost/mile. The cost/mile is reflective of not only the actual striped miles, but also all ancillary driving required to complete the task including commuting miles to and from the job site. The cost/painted mile is higher to reflect the full-recovery cost that would be similar to that of an outside contractor; they only bid by painted mile, but must recover all of their costs.

By projection, if the road striping had covered the entire 296 miles, the total yearly vehicle costs would have been **\$13,875**.

Consumables

Other than petroleum products, the most used consumable is paint. Three colors of paint are used: yellow, white, and black. All of the yellow and some of the white paints are applied in 4-inch line widths, some solid, some dashed (aka skip lines); the remaining white paint is applied in either 6-inch or 8-inch line widths; the black is applied in a 3-inch line width. All lines are applied in accordance with Caltrans Standard Plans (A20A-A20D). Detail 21, double-yellow, no-passing zone centerlines are painted with a black line between the two yellow lines so that when repainting is applied, the lines do not inadvertently appear as one, massively-wide, yellow line.

Unlike house paint that often covers up to around 400 sq. ft. per gallon, road paint covers \approx 103.5 sq. ft. per gallon. Paint currently varies in price at \$12.00-13.00 per gallon. The following charts show the costs using the higher (\$13.00) cost.

Also, the City has decided that it is best for the white and yellow lines to be reflective, making it easier to see the lines at night. Therefore, in addition to the paint cost, there is an added cost for reflective beads. They are applied at a rate of \approx 7 pounds per gallon of paint. Current cost for #1 Potters double-coated Traffic Paint Beads is around \$16 per 50-pound bag.

Paint and Bead costs					
	Sq. Ft.	Gallons	Pounds	Cost/Gal or lb.	Totals
White line	219,267	2,117.9		\$ 13.00	\$ 27,535
Yellow line	307,692	2,972.0		\$ 13.00	\$ 38,635
Black line	58,344	563.6		\$ 13.00	\$ 7,325
Beads	526,959		35,629.6	\$ 0.32	\$ 11,400
TOTAL		5,653.5	35,629.6		\$ 84,895

Up-front totals

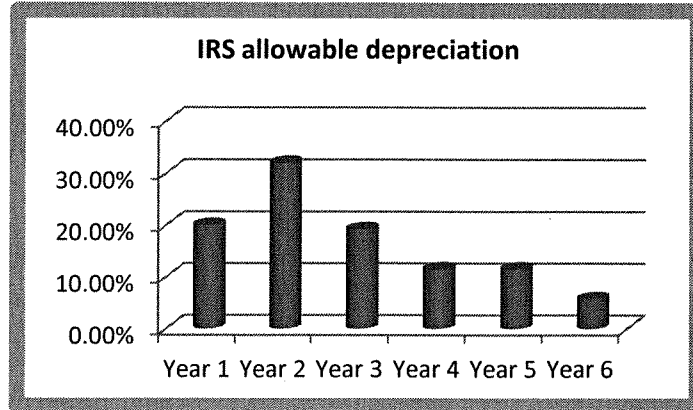
Total projected, annual, operating costs for striping the entire city is based on the 6-month (Jan. – June 2011) costs and is presented in the chart below:

Personnel Costs	\$ 66,065
Paint & Bead Costs	\$ 84,895
Vehicle Costs	\$ 13,875
TOTAL	\$ 164,835

Depreciation

However, the above figures do not account for depreciation of the road striping vehicle. This figure is a bit harder to pin down. It will be assumed that any prospective, outsourced company may purchase a new road striper. According to IRS rules, such a vehicle has a 5-year depreciation life, but because of the way the IRS applies its rules, this actually takes place over six tax years. The IRS rate of depreciation follows.

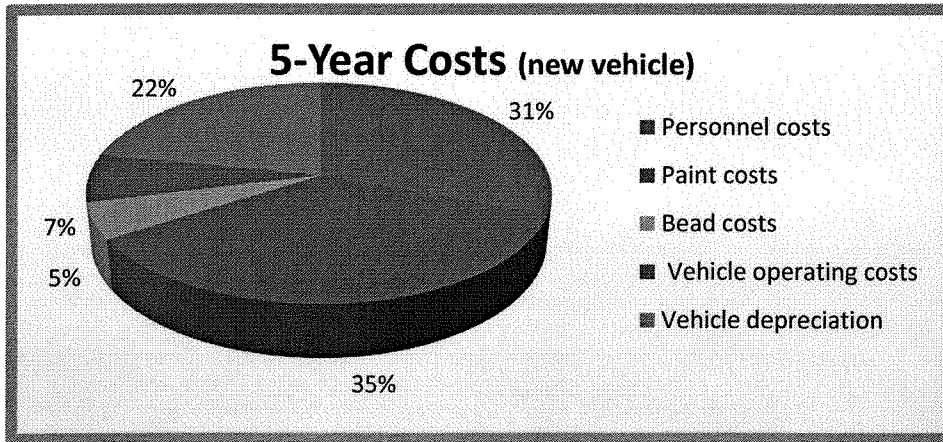
Year 1	20.00%
2	32.00%
3	19.20%
4	11.52%
5	11.52%
6	5.76%



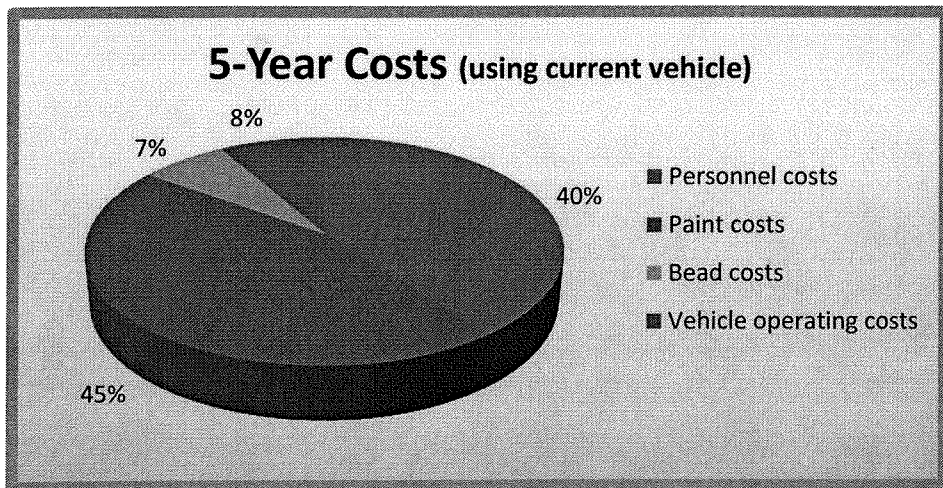
5-Year totals

Assuming the cost of a new road striper to be \$250,000, the above rate of depreciation will be applied to the chart that follows, which will be extended out for five years. Five years is being used for two reasons, 1. This is the length of allowable depreciation as dictated by the IRS, and 2. If the City were to purchase a new vehicle, the entire cost would be borne by the City. Although residual value of a vehicle would reduce these costs, it will be ignored as it is very difficult to determine this value. Besides, a prospective company may keep it as a back-up. Additionally, the depreciation cost would most likely be spread over other projects in which the contractor is engaged. In fact, considering the projected time needed to complete Escondido's road striping project (55 working days @9 hours/day [or ≈62 8-hour days]), a contractor may be able to use this same striper for up to four additional, similar-sized projects, thus reducing their depreciation costs to the City to around one-fifth of those listed below.

Costs of Road Striping (new vehicle)						
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year TOTAL
Personnel costs	\$ 66,065	\$ 66,065	\$ 66,065	\$ 66,065	\$ 66,065	\$ 330,325
Paint costs	\$ 73,495	\$ 73,495	\$ 73,495	\$ 73,495	\$ 73,495	\$ 367,475
Bead costs	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 57,000
Vehicle operating costs	\$ 13,875	\$ 13,875	\$ 13,875	\$ 13,875	\$ 13,875	\$ 69,375
Vehicle depreciation	\$ 50,000	\$ 80,000	\$ 48,000	\$ 28,800	\$ 28,800	\$ 235,600
TOTAL	\$ 214,835	\$ 244,835	\$ 212,835	\$ 193,635	\$ 193,635	\$ 1,059,775
\$/mile	\$ 725.79	\$ 827.15	\$ 719.04	\$ 654.17	\$ 654.17	\$ 716.06
Average \$/lineal foot	\$ 0.1375	\$ 0.1567	\$ 0.1362	\$ 0.1239	\$ 0.1239	\$ 0.1356



Costs of Road Striping (using current vehicle)						
	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year TOTAL
Personnel costs	\$ 66,065	\$ 66,065	\$ 66,065	\$ 66,065	\$ 66,065	\$ 330,325
Paint costs	\$ 73,495	\$ 73,495	\$ 73,495	\$ 73,495	\$ 73,495	\$ 367,475
Bead costs	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 57,000
Vehicle operating costs	\$ 13,875	\$ 13,875	\$ 13,875	\$ 13,875	\$ 13,875	\$ 69,375
TOTAL	\$ 164,835	\$ 164,835	\$ 164,835	\$ 164,835	\$ 164,835	\$ 824,175
\$/mile	\$ 556.88	\$ 556.88	\$ 556.88	\$ 556.88	\$ 556.88	\$ 556.88
Average \$/lineal foot	\$ 0.1055	\$ 0.1055	\$ 0.1055	\$ 0.1055	\$ 0.1055	\$ 0.1055



Cost per lineal foot

Using the current striper, the chart presented here represents the City's current cost per lineal foot, rounded to the nearest penny, for each Detail type. This is presented to act as a comparison to any potential bid by an outside contractor since a similar presentation would be requested as part of the bidding process in a RFP.

Detail #	Cost/lineal foot
1	\$ 0.07
8	\$ 0.07
21	\$ 0.18
24	\$ 0.10
27B	\$ 0.10
31	\$ 0.22
37B	\$ 0.07
38	\$ 0.15
39 (includes 39A)	\$ 0.15

Conclusion

Nearly all the information presented to this point is based on the assumption that the City will do a complete painting of all road stripes once-per-year, every year. This has not been the case in the last few years because of economic conditions experienced by the City. This translates to an actual cost increase to the City whether or not the service is outsourced or kept in-house since less-than-all striping has been done for a number of years. Even though a properly-worded contract would allow the City to not paint all lines, a good faith effort should be made for complete road striping else it could be viewed in such a way that it could harm the City's ability to obtain good bids in the future.

Assuming the City purchases a new road striper, the 5-year, average annual cost to the City would be \$211,955. Based on the presentation and recommendation made to City Council by Jerry Van Leeuwen, Director of Community Services, a service should be considered a good candidate for outsourcing if it can surpass a threshold of saving at least \$25,000 per year. It would be in the best interest of the City, therefore, to consider outsourcing Road Striping Services only if a vendor can provide the services on a 5-year average for \$187,000 or less per year. For each year the City believes that it can operate road striping services without purchasing a new striper, the contract threshold drops to \$140,000.

Since the road striping vehicle (#3250) itself is in reasonably, good condition, this last figure (\$140,000) may make the most sense. However, this really depends on the condition of the painting equipment, and how often, and for what cost, it can be repaired before needing to be replaced.

CITY COUNCIL

For City Clerk's Use:

APPROVED DENIED

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 13

Date: November 16, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Jim Maher, Chief of Police

SUBJECT: Massage Ordinance

RECOMMENDATION:

It is requested that Council adopt Ordinance No. 2011-17.

FISCAL ANALYSIS:

The Police Department receives approximately \$15,000 per year in massage permit fees for those establishments and individuals who have chosen to not obtain California Massage Therapy Council (CAMTC) certification. Significant Police Department staff time is utilized in the processing of City massage permits. Under this ordinance, those fees will not be collected as City permits will no longer be issued and no police staffing time will be needed to be utilized for processing the permits.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

None.

PREVIOUS ACTION:

On April 12, 2000, City Council adopted Ordinance 2000-12 which regulated Massages, Massage Establishments and Alternative Healthcare Practitioners.

BACKGROUND:

The massage industry presents various challenges to local jurisdictions in regards to certification/licensing to work within the jurisdiction and regulation of illegal practices by law enforcement. The Escondido Municipal Code Chapter 16A governs Massages, Massage Establishments and Alternative Healthcare Practitioners operating within the City of Escondido. This Municipal Code was adopted on April 12, 2000, and has been the primary means of governing businesses in Escondido conducting massage. The new ordinance consolidates the various types of permits into Massage Establishments and Massage Therapists.

The State of California passed SB 731 which amended Business and Professions Code 4600. This bill created the CAMTC and charged it with implementing a voluntary statewide certification program for massage professionals beginning September 1, 2009. Contrary to initial misconceptions, the State did not take control of massage regulation.

Protecting consumers and enhancing public safety is the main goal of the CAMTC. This is accomplished by verifying that all applicants have completed adequate education and have cleared Department of Justice and FBI background checks. CAMTC can deny applicants or discipline certificate holders based on "unprofessional conduct."

The ordinance will eliminate the City of Escondido from the permitting of massage therapists and establishments. All certification and verification will take place through the CAMTC. This process will not only increase consistency within our organization, but will make us consistent with other cities and counties throughout the State.

In addition to having the CAMTC handle all certification and background checks, this ordinance will provide additional enforcement tools to address massage establishments and therapists who are using their massage certification for the purposes of prostitution or human trafficking. Regulations specifically aimed at illegitimate businesses are incorporated into the new ordinance to provide law enforcement and the City Attorney's Office with tools for prosecution and nuisance abatement. The following are some of the more significant changes or additions in the new ordinance:

1. Owners/operators will be required to have an on-site manager who is responsible for the operations of the business. That person's name must be posted and a record will be kept of the name of the manager for each day.
2. The doors to the business will remain unlocked at all times during business hours unless there is only one person present at the establishment and services are being rendered. The door may be locked to ensure the personal safety of the therapist and client as well guard against theft.
3. Owners/operators must properly supervise any employee or independent contractor working in the massage establishment. A violation of any regulation in this chapter shall be prima facie evidence of the failure to supervise.
4. All employees will dress in a uniform consistent with the services being rendered. At no time may an employee remove their clothing or be dressed in underwear, lingerie or swimwear.
5. Every business will be required to have a one million dollar liability insurance policy.
6. Massage technicians may only perform services that are posted at the establishment.
7. Massage technicians may not accept direct payment or gratuities from the patron.

All current City permitted individuals and establishments will be allowed to continue working under their existing permit until the annual business license expires. As permits expire, the applicants will be required to obtain CAMTC certification prior to renewing their City of Escondido business license.

Applicants whose current city massage permit will expire before May 31, 2012, may extend their current permit and may continue to provide message services until June 1, 2012. After June 1, 2012, all individuals providing massage services who seek to renew their business license must have a CAMTC certificate. To allow this up to one year transition period for current local permit holders, Articles 1, 2, 3 and 4 of the current Escondido Municipal Code Chapter 16A will be repealed effective January 1, 2013. Ordinance No. 2011-17 adopts a parallel set of Articles (A, B and C) that will co-exist with the local permit regulations during 2012.

The proposed ordinance has been in a state of revision for several years. During that time many changes have been made in the laws and with State certification. Now that the CAMTC has been established, we have been able to complete a comprehensive ordinance that does not significantly impact legitimate massage establishments and provides enforcement tools for the Police Department and City Attorney's office. Many departments and individuals have had input on the design and creation of the ordinance. Representatives from the Police Department, City Attorney's Office, Code Enforcement and Planning have all collaborated in this effort. Additionally, members of the local massage community were invited to the Police Department to participate in a presentation and open discussion regarding the proposed changes to the ordinance. After receiving input from this group, revisions to the ordinance were made and are included in this report.

By approving this ordinance, the certification of massage establishments and technicians will be standardized through the CAMTC. The Police Department and City Attorney's Office will have additional sections to utilize in the prosecution of persons using the massage industry to conduct criminal operations.

Respectfully submitted,



Jim Maher
Chief of Police

ORDINANCE NO. 2011-17

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING ESCONDIDO MUNICIPAL CODE
CHAPTER 16A

WHEREAS, the City of Escondido may make and enforce within its limits all local police, sanitary and other regulations not in conflict with general laws; and

WHEREAS, California Business and Professions Code section 4612 expressly authorizes a city to adopt reasonable health and safety requirements with respect to massage establishments including, but not limited to, requirements for cleanliness of massage rooms, towels and linens, and reasonable attire and personal hygiene requirements for persons providing massage services; and

WHEREAS, the City Council passed Escondido Ordinance 2000-12 to enact the current Escondido Municipal Code Chapter 16A – Massages, Massage Establishments and Alternative Health Care Practitioners; and

WHEREAS, in September 2009, the California Legislature adopted Senate Bill 731 to create a state-organized non-profit organization the California Massage Therapy Council (“CAMTC”) and authorized CAMTC to issue certificates to massage technicians; and

WHEREAS, the Escondido Police Department has worked closely with City staff to simplify and standardize regulation of massage establishments and has recommended adopting the state CAMTC certification as the only acceptable licensing standard for massage technicians in the City of Escondido; and

WHEREAS, the Escondido Police Department continues to receive complaints and investigate illicit activities conducted at some massage establishments; and

WHEREAS, the Escondido Police Department held a public forum with massage establishment owners and operators and incorporated several recommendations into the proposed ordinance; and

WHEREAS, the City Council understands that current local massage permit holders may continue to operate as massage technicians under their current permitting procedures until their annual business license expires during 2012 and those whose permits expire before June 1, 2012, may extend their local massage permit until May 31, 2012, but beginning on June 1, 2012, no business license for a massage technicians or a massage establishment will be issued without appropriate CAMTC certification; and

WHEREAS, the local massage permit regulations provided in Escondido Municipal Code Chapter 16A, Articles 1, 2, 3 and 4 will be become obsolete as the local massage permits expire during 2012 and are replaced with the state CAMTC certification; and

WHEREAS, the City Council believes that the proposed ordinance contains reasonable health and safety requirements that protect the public and support the activities of legitimate massage providers.

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

SECTION 1. That the above recitations are true.

SECTION 2. That Escondido Municipal Code Chapter 16A is amended to add Articles A, B and C to read as follows:

Chapter 16A MASSAGE REGULATION

ARTICLE A. GENERAL

Sec. 16A-1. Definitions.

For the purpose of this Chapter, the following words and phrases shall have the meanings ascribed to them in this Section:

(a) *California Massage Therapy Council (CAMTC)* shall mean the state-organized non-profit organization created to regulate the massage industry set forth in Chapter 10.5 of Division 2 of the Business and Professions Code of the state (commencing with Section 4600).

(b) *City* shall mean the City of Escondido.

(c) *CAMTC certificate* shall mean a current and valid certificate issued by the California Massage Therapy Council to a massage technician.

(d) *Massage* shall mean any method of pressure on, or friction against, or stroking, kneading, rubbing, tapping, pounding, vibrating, or stimulating of the external parts of the body with the hands or the other parts of the body, with or without the aid of any mechanical or electrical apparatus or appliances or with or without such supplementary aids as rubbing alcohol, liniments, antiseptic, oils, powder, creams, lotions, ointments, or other preparations commonly used in this practice. It does not include contact with Specified Anatomical Areas, as defined below, which is prohibited by this Chapter and by Chapter 16E of the Escondido Municipal Code.

(e) *Massage Establishment* shall mean a business or organization where an individual, firm, association, partnership, corporation, or other combination of individuals, certified in accordance with California Business & Professions Code sections 4600 through 4620: provide, offer, sell, deliver, or dispense massage as a distinct service for consideration.

(f) *Massage Technician* shall mean any person who gives or administers to another person, for any form of consideration whatsoever, a massage as defined in this Chapter. The terms "massage therapist," "massage practitioner," or any

other terms used within the massage industry are included within this definition for the purposes of this Chapter.

(g) *Operator* shall mean any person who supervises, manages, directs, organizes, controls, or in any other way is responsible for or in charge of the daily operation, conduct, or activities of a Massage Establishment.

(h) *Owner* shall mean any of the following individuals:

- (1) The sole practitioner of a sole proprietorship operating a Massage Establishment.
- (2) Any general partner of a general or limited partnership that owns a Massage Establishment.
- (3) Any person who has ten (10) percent or greater ownership interest in a corporation that owns a Massage Establishment.
- (4) Any person who is a member of a limited liability company that owns a Massage Establishment.
- (5) All Owners of any other type of business entity that owns a Massage Establishment.

(i) *Specified Anatomical Areas* shall mean any of the following areas of the human body: pubic region, human genitals, perineum, anal region, and the areas of the female breasts that include the areola and the nipple.

Sec. 16A-2. Exemptions.

This Chapter does not apply to the following:

a) State-licensed professionals while engaged in the performance of the duties of their respective professions and while limited to the scope of their California state licenses including acupuncturists, aestheticians, barbers, chiropractors, cosmetologists, exercise physiologists, manicurists, nurses, naturopathic doctors, occupational therapists, osteopaths, physical therapists, and physicians.

(b) Trainers of any semiprofessional or professional athlete or athletic team, or athletic trainers hired by a local, state or federal government agency.

(c) Any educational institution regulated by the State of California, including any portion of the institution providing Massage services, such as student clinics and work study programs, regulated under such state license.

Sec. 16A-3—16A-5. Reserved.

ARTICLE B. MASSAGE CERTIFICATION & OPERATION

Sec. 16A-6. Massage certification required.

It shall be unlawful for any person to engage in, conduct or carry on, in or upon any premises within the City the business of providing Massage, for any consideration without being in possession of a valid CAMTC certificate.

Sec. 16A-7. Owner & operator requirements.

(a) It is unlawful for any person to own, manage, or operate in or upon any premises within the City a Massage Establishment in the absence of a valid business license pursuant to Chapter 16 of the Escondido Municipal Code.

(b) It is unlawful for the Owner or Operator of any Massage Establishment to allow any person to perform Massage at the Massage Establishment while committing any violation of this Chapter.

(c) It shall be unlawful for the Owner or Operator of any Massage Establishment to offer or provide massage services unless the Owner or a designated on-site Operator is present at the Massage Establishment.

(d) It is unlawful for a person to own or operate a Massage Establishment that does not meet one of the following conditions:

- (1) The Massage Establishment is a sole proprietorship and the sole proprietor possesses a valid CAMTC certificate; or,
- (2) The Massage Establishment only employs or uses Massage Technicians who possess a valid CAMTC certificate.

(e) It shall be unlawful for an Owner or Operator to fail to properly supervise any employee or independent contractor working in their Massage Establishment. Owners and Operators are responsible for the conduct of their Massage Technicians at the Massage Establishment. A violation of any regulation by a Massage Technician contained in this Chapter shall be prima facie evidence of the failure to supervise.

(f) It shall be unlawful for an Owner or Operator to operate a Massage Establishment without posting a list of services and the name of the on-site Operator on the wall closest to the main entrance in the Massage Establishment.

(g) It shall be unlawful for an Owner or Operator to operate a Massage Establishment unless the CAMTC certificate for each Massage Technician is

clearly posted or maintained in a clearly labeled and identifiable binder that is kept in the immediate vicinity of the cash register.

(h) It shall be unlawful for an Owner or Operator to allow or permit a Massage Technician to provide any services not specifically provided on the posted list of services as required in paragraph (f) or for an Owner or Operator to receive any compensation for additional services not specifically included on the posted list of services.

(i) It shall be unlawful for an Owner or Operator to allow a Massage Technician to lock any door or doors leading to a room used to provide Massage. This provision shall not apply when there is no staff available to ensure the security for clients and staff who are behind closed doors. A patron may lock any door when alone in any room at any time.

(j) It shall be unlawful for an Owner or Operator to fail to maintain a record of services provided for each treatment. The record of treatment shall include the name and address of the patron, the name of the Massage Technician, the name of the Operator, the type of service provided, and the time the service began and ended.

(k) It shall be unlawful for the Owner or Operator to provide any Massage between the hours of 10:00 p.m. and 7:00 a.m. or to remain open and provide any other services between the same hours.

(l) It shall be unlawful for an Owner or Operator to fail to provide to all patrons clean and sanitary towels, and opaque coverings capable of covering the patron's Specified Anatomical Areas. Such coverings shall be used for one customer and shall not be reused without first being cleaned.

(m) It shall be unlawful for an Owner or Operator to fail to provide or use disinfecting agents and sterilizing equipment sufficient to assure cleanliness.

(n) It shall be unlawful for an Owner or Operator to fail to provide or use disposable or washable protective coverings on massage tables and all massage tables shall be covered with durable, washable plastic, or other waterproof material.

(o) It shall be unlawful for an Owner or Operator to fail to keep or maintain on file and ready for inspection a statement designating the individual Operator(s) responsible for the day-to-day operations when the Massage Establishment Owner is not on the premises.

(p) It shall be unlawful for an Owner or Operator to not have a designated Owner or Operator on the premises at all times the Massage Establishment is open.

(q) It shall be unlawful for an Owner or Operator to engage in, conduct or carry on business of a Massage Establishment unless they have a policy of insurance issued by an insurance company authorized to do business in the State of California evidencing that the person is insured under a liability insurance policy providing minimum coverage of one million dollars (\$1,000,000.00) for injury or death to any person arising out of the operation of any Massage Establishment and the administration of a Massage. Evidence of such a policy should be available at inspection upon request.

(r) It shall be unlawful for an Owner or Operator to operate a Massage Establishment if the main entrance to a Massage Establishment is locked during posted business hours. An Owner or Operator shall ensure at least one employee or independent contractor directly observes the entrance, without use of camera surveillance equipment, to ensure access to the main entrance and to ensure the security of all patrons.

(s) It shall be unlawful for an Owner or Operator to operate a Massage Establishment if unless every employee or independent contractor of a Massage Establishment wears a uniform consistent with the service provided. The uniform shall be made of non-transparent material and may not expose any Specified Anatomical Area. Swimwear, lingerie, and undergarments may not be used as a uniform or displayed as part of a uniform.

Sec. 16A-8. Inspection by officials.

The investigating officials of the City shall have the right as otherwise provided for by law to enter the premises of a Massage Establishment from time to time during regular business hours for the purpose of making a reasonable inspection to enforce compliance with this Chapter.

Sec. 16A-9. Massage technician requirements.

(a) It shall be unlawful for any person to give, provide, or administer to another person for any form of consideration a Massage as defined in this Chapter at a Massage Establishment or any location removed from a Massage Establishment within the City without a valid CAMTC certificate.

(b) It shall be unlawful for a Massage Technician to practice Massage for any form of consideration within the City without providing their CAMTC certificate to the Department of Community Development as part of the business licensing process. The registration application shall include the i) Massage Technician's name, residence address and telephone number; ii) the employer name, work addresses and telephone number; and iii) a copy of the Massage Technician's CAMTC certificate.

(c) It shall be unlawful for any person to give, provide, or administer to another person for any form of consideration whatsoever a Massage as defined in this Chapter at a Massage Establishment or any location from a Massage Establishment within the City in the absence of a valid business license pursuant to Chapter 16 of the Escondido Municipal Code. A separate business license is required for each location if a Massage Technician works at multiple Massage Establishments.

(d) It shall be unlawful for a Massage Technician to provide any service not specifically listed on the Massage Establishment's posted list of services.

(e) It shall be unlawful for a Massage Technician to remove any article of the Massage Establishment uniform or other article of clothing as part of any service provided.

(f) It shall be unlawful for a Massage Technician to provide Massage when any Specified Anatomical Areas of either patron or Massage Technician are exposed.

(g) It shall be unlawful for a Massage Technician to touch the Specified Anatomical Area of a patron.

(h) It shall be unlawful for a Massage Technician to lock the door to the room where Massage is provided or to provide Massage unless no staff is available to ensure security for clients and massage staff.

(i) It shall be unlawful for a Massage Technician to accept direct payment or gratuity from any patron.

Sec. 16A-10—16A-15. Reserved.

ARTICLE C. ENFORCEMENT

Sec. 16A-16. Violations.

Violation of any provisions of this Chapter shall be treated as a strict liability offense, regardless of intent. Any person, firm or corporation violating any of the provisions of this Chapter is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine in an amount not to exceed one thousand dollars (\$1,000.00), or imprisonment in the county jail not to exceed six (6) months, or both. Any violation may also be subject to civil penalties and any other legal remedy provided in this Code or state law.

Sec. 16A-17. Injunctive relief.

In addition to the legal remedies provided for in this code, the violation of any

provision of this Chapter shall be deemed a public nuisance, and may be enjoined by the City of Escondido.

Sec. 16A-18. Severability.

If any Section, subsection, sentence, clause or phrase of this Chapter is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Chapter. The council hereby declares that it would have adopted the division and each Section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 3. That effective January 1, 2013, Escondido Municipal Code Chapter 16A, Articles 1, 2, 3 and 4 are repealed.

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

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

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



FUTURE CITY COUNCIL AGENDA ITEMS
November 10, 2011

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

NOVEMBER 23, 2011
NO MEETING (Thanksgiving)

NOVEMBER 30, 2011
NO MEETING (Fifth Wednesday)