JUNE 21, 2017
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
John Masson

COUNCIL MEMBERS
Olga Diaz
Ed Gallo
Michael Morasco

CITY MANAGER
Jeffrey Epp

CITY CLERK
Diane Halverson

CITY ATTORNEY
Michael McGuinness

DIRECTOR OF COMMUNITY DEVELOPMENT
Bill Martin

DIRECTOR OF ENGINEERING SERVICES
Julie Procopio
ELECTRONIC MEDIA:
Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk’s Office at least 24 hours prior to the Council meeting at which it is to be shown.

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

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

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

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

ORAL COMMUNICATIONS

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

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)
   a. Agency Negotiator: Sheryl Bennett and Jeffrey Epp
      Employee Organization: Non-Sworn Police Bargaining Unit
   b. Agency Negotiator: Sheryl Bennett and Jeffrey Epp
      Employee Organization: Escondido City Employee Association: Administrative/Clerical/Engineering Bargaining Unit
   c. Agency Negotiator: Sheryl Bennett and Jeffrey Epp
      Employee Organization: Escondido City Employee Association: Supervisory Bargaining Unit
ADJOURNMENT
MOMENT OF REFLECTION:
City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

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

PRESENTATIONS:  North County Stand Down

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) NOTE: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total of 15 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.
CONSENT CALENDAR

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

1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)
2. APPROVAL OF WARRANT REGISTER (Council/Successor Agency)
3. APPROVAL OF MINUTES: Regular Meeting of June 7, 2017
4. PROFESSIONAL SERVICES AGREEMENT WITH WITTMAN ENTERPRISES, LLC TO OUTSOURCE BILLING SERVICES FOR EMERGENCY MEDICAL SERVICES (EMS)
   Request the City Council approve authorizing a three (3) year Public Service Agreement with Wittman Enterprises, LLC effective July 1, 2017 through June 30, 2020, with two additional two-year renewal options.
   Staff Recommendation: Approval (Finance Department: Sheryl Bennett)
   RESOLUTION NO. 2017-68

5. ANNUAL SUBMISSION OF THE CITY OF ESCONDIDO'S INVESTMENT POLICY
   Request the City Council approve the City of Escondido's June 2017 Investment Policy.
   Staff Recommendation: Approval (City Treasurer's Office: Douglas W. Shultz)
   RESOLUTION NO. 2017-73

6. SECOND AMENDMENT TO THE PUBLIC SERVICES AGREEMENT FOR VEHICLE OUTFITTING SERVICES WITH AMERICAN EMERGENCY PRODUCTS
   Request the City Council approve authorizing the Mayor and the City Clerk to execute a Second Amendment to the Public Services Agreement (PSA), exercising the Option Period 2, and amending paragraph two of the PSA to clarify that three (3) optional periods were included in the Vehicle Outfitting Services Request for Proposal No. 14-01.
   Staff Recommendation: Approval (Public Works Department: Ed Domingue)
   RESOLUTION NO. 2017-90

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

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

7. ZONING CODE AMENDMENT (AZ 16-0009) -
   Approved on June 14, 2017 with a vote of 5/0.
   ORDINANCE NO. 2017-10RR (Second Reading and Adoption)

Request the City Council approve adopting Fiscal Years 2017/18-2021/22 Five-Year Capital Improvement Program (CIP), Fiscal Year 2017/18 CIP Project Budgets, and the Regional Transportation Improvement Program for Fiscal Years 2016/17-2020/21.

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett and Engineering Services Department: Julie Procopio)**

A) RESOLUTION NO. 2017-100  B) RESOLUTION NO. 2017-101

9. **APPOINTMENT TO PUBLIC ART COMMISSION -**

Request the City Council ratify the Mayor's appointment to fill an unscheduled vacancy on the Public Art Commission, term to expire March 31, 2018.

Staff Recommendation: **Ratify the Mayor's Appointment (City Clerk's Office: Diane Halverson)**

10. **FUTURE AGENDA -**

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

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

**COUNCIL MEMBERS' SUBCOMMITTEE REPORTS**

**CITY MANAGER'S WEEKLY ACTIVITY REPORT**

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

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

## UPComing Meeting SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Time</th>
<th>Meeting Type</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 28</td>
<td>Wednesday</td>
<td>3:30 &amp; 4:30 PM</td>
<td>Regular Meeting</td>
<td>City Council Chambers</td>
</tr>
<tr>
<td>July 5</td>
<td></td>
<td></td>
<td>No Meeting</td>
<td></td>
</tr>
<tr>
<td>July 12</td>
<td>Wednesday</td>
<td>3:30 &amp; 4:30 PM</td>
<td>Regular Meeting</td>
<td>City Council Chambers</td>
</tr>
<tr>
<td>July 19</td>
<td>Wednesday</td>
<td>3:30 &amp; 4:30 PM</td>
<td>Regular Meeting</td>
<td>City Council Chambers</td>
</tr>
</tbody>
</table>
TO ADDRESS THE COUNCIL

The public may address the City Council on any agenda item. Please complete a Speaker’s form and give it to the City Clerk. Submission of Speaker forms prior to the discussion of an item is highly encouraged. Comments are generally limited to 3 minutes.

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

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

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

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

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

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

LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City’s website at www.escondido.org, and clicking the “Live Streaming –City Council Meeting now in progress” button on the home page.

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

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

(Verify schedule with City Clerk’s Office)

Members of the Council also sit as the Successor Agency to the CDC, Escondido Joint Powers Financing Authority and the Mobilehome Rent Review Board.

CITY HALL HOURS OF OPERATION
Monday-Friday 8:00 a.m. to 5:00 p.m.

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4643. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

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

June 7, 2017
3:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, June 7, 2017 in the City Council Chambers at City Hall with Mayor Abed presiding.

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

ORAL COMMUNICATIONS

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

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

I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)
   a. Agency Negotiator: Sheryl Bennett and Jeffrey Epp
      Employee Organization: Non-Sworn Police Bargaining Unit
   b. Agency Negotiator: Sheryl Bennett and Jeffrey Epp
      Employee Organization: Escondido City Employee Association:
      Administrative/Clerical/Engineering Bargaining Unit
   c. Agency Negotiator: Sheryl Bennett and Jeffrey Epp
      Employee Organization: Escondido City Employee Association: Supervisory
      Bargaining Unit

II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)
   a. Property: California Center for the Arts, Escondido, 340 N. Escondido Blvd., Escondido, California 92025
      City Negotiator: Jay Petrek, Assistant City Manager
      Negotiating Parties: A Step Beyond
      Under Negotiation: Price and Terms of Lease

III. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION/SIGNIFICANT EXPOSURE (Government Code 54956.9(d)(2))
   a. One Case
Mayor Abed adjourned the meeting at 4:30 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK
CITY OF ESCONDIDO

June 7, 2017
4:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:35 p.m. on Wednesday, June 7, 2017 in the City Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

FLAG SALUTE
Councilmember Diaz led the flag salute.

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

Also present were: Jeffrey Epp, City Manager; Michael McGuinness, City Attorney; Mike Strong, Assistant Director of Planning; Julie Procopio, Director of Engineering Services; Diane Halverson, City Clerk; and Jennifer Ekblad, Deputy City Clerk.

ORAL COMMUNICATIONS

Josh Brock, Director of Market Development for Renovate America, provided information regarding the HERO Program.

CONSENT CALENDAR

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve all Consent Calendar items with the exception of items 4, 7, 9, 10, and 11. Motion carried unanimously.

1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)
2. APPROVAL OF WARRANT REGISTER (Council/Successor Agency)
3. APPROVAL OF MINUTES: None Scheduled
4. FINAL MAP FOR ESCONDIDO TRACT SUB 15-0003 LOCATED AT 332-444 WEST WASHINGTON AVENUE -
   Request the City Council approve the Final Map for Tract SUB 15-0003, a single lot, 112-Unit Residential Condominium Subdivision located at 332-444 West Washington Avenue. (File No. 0800-10)
   
   Staff Recommendation: Approval (Engineering Services Department: Julie Procopio)

5. **AWARD OF BID FOR THE PURCHASE OF WATER METERS** -
   Request the City Council approve accepting the lowest responsive, responsible bid from National Meter & Automation for the purchase of water meters and authorize the Director of Administrative Services to execute a contract with National Meter & Automation, effective July 1, 2017 through June 30, 2018, for the estimated amount of $168,642.76, with the option to renew the contract for four additional one-year periods conditioned upon budget appropriations. (File No. 0470-35)

   Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

   RESOLUTION NO. 2017-74

6. **NOTICE OF COMPLETION: EMERGENCY REPAIR OF SEWER PIPELINE IN GREEN TREE MOBILE HOME ESTATES** -
   Request the City Council approve authorizing the Director of Utilities to file a Notice of Completion for the emergency repair of a sewer pipeline in Green Tree Mobile Home Estates. (File No. 0600-10 [A-3213])

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

   RESOLUTION NO. 2017-80

7. **LEASE AGREEMENT WITH CROSS CONNECTION CHURCH FOR UNIMPROVED SURPLUS RIGHT OF WAY LOCATED AT THE NORTHEAST CORNER OF EL NORTE PARKWAY AND SEVEN OAKES ROAD** -
   Request the City Council approve authorizing the Real Property Manager and the City Clerk to execute a five-year lease agreement for use of right of way, located at the northeast corner of El Norte Parkway and Seven Oakes Road, in the City of Escondido. (File No. 0600-10 [A-3219])

   Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**

   RESOLUTION NO. 2017-82R

   Vince McCaw, Real Property Manager, was available to answer questions.

   **MOTION:** Moved by Councilmember Diaz and seconded by Councilmember Gallo to approve authorizing the Real Property Manager and the City Clerk to execute a five-year lease agreement for use of right of way, located at the southeast corner of El Norte Parkway and Seven Oakes Road, in the City of Escondido and adopt Resolution No. 2017-82R. Motion carried unanimously.

8. **FINAL ENGINEER’S REPORT FOR ZONES 1 THROUGH 38 OF THE CITY OF ESCONDIDO LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT FOR FISCAL YEAR 2017/2018** -
   Request the City Council approve the Assessment Engineer’s Report and the annual levy and collection of assessments in Zones 1 through 38 of the Escondido Landscape Maintenance Assessment District for FY 2017/2018. (File No. 0685-10)

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

   RESOLUTION NO. 2017-83
9. EXTENSION OF TIME FOR TENTATIVE SUBDIVISION MAP 898 (SUB 17-0003) -
Request the City Council approve a three-year extension of time for a ten-lot, single-family residential subdivision located at 701 San Pasqual Valley Road and 1201 East 5th Avenue. (File No. 0800-10)

Staff Recommendation: Approval (Community Development Department: Bill Martin)

RESOLUTION NO. 2017-84

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve a three-year extension of time for a ten-lot, single-family residential subdivision located at 701 San Pasqual Valley Road and 1201 East 5th Avenue and adopt Resolution No. 2017-84. Motion carried unanimously.

10. GRANT OF ACCESS FOR THE CENTRE CITY SHOPPING CENTER -
Request the City Council approve authorizing the Real Property Manager to execute a grant of access for the Centre City Shopping Center, located at 425 and 427 West Mission Avenue. (File No. 0690-80)

Staff Recommendation: Approval (Engineering Services Department: Julie Procopio)

RESOLUTION NO. 2017-85

Adam Finestone, Principal Planner, and Homi Namdari, Assistant City Engineer, presented a PowerPoint presentation regarding the project.

Carol Rea, Escondido, commented regarding the current state of the property and suggested that Escondido needs quality lodging.

MOTION: Moved by Councilmember Gallo and seconded by Deputy Mayor Masson to approve authorizing the Real Property Manager to execute a grant of access for the Centre City Shopping Center, located at 425 and 427 West Mission Avenue and adopt Resolution No. 2017-85. Motion carried unanimously.

11. CALIFORNIA COASTAL CONSERVANCY PROPOSITION 1 GRANT PROGRAM APPLICATION -
Request the City Council approve authorizing the Environmental Programs Manager or her designee to submit grant documents for an amount up to $1,000,000 to the California Coastal Conservancy for Proposition 1 funds; and if awarded, accept the grant funds and complete the necessary documents required by the Conservancy for participation in the Proposition 1 Grant Program for the installation of drainage improvements to the unlined (earthen) portions of the channel draining the Spruce Street area near the Transit Station. (File No. 0480-70)

Staff Recommendation: Approval (Utilities Department: Christopher W. McKinney)

RESOLUTION NO. 2017-91

Helen Davies, Environmental Program Manager, presented a PowerPoint presentation regarding the project.

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Morasco to approve authorizing the Environmental Programs Manager or her designee to submit grant documents for an amount up to $1,000,000 to the California Coastal Conservancy for Proposition 1 funds; and if awarded, accept the grant funds and complete the necessary documents required by the Conservancy for participation in the Proposition 1 Grant Program for the installation of drainage improvements to the unlined (earthen) portions of the channel draining the Spruce Street area near the Transit Station and adopt Resolution No. 2017-91. Motion carried unanimously.
CONSENT – RESOLUTIONS AND ORDINANCES (COUNCIL/SUCCESSOR AGENCY/RRB)

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

12. ZONING CODE AMENDMENT AND REZONE (AZ 16-0005/PHG 17-0007) -
   Approved on May 24, 2017 with a vote of 5/0. (File No. 0810-20)
   A) ORDINANCE NO. 2017-07 (Second Reading and Adoption)
   B) ORDINANCE NO. 2017-09 (Second Reading and Adoption)

PUBLIC HEARINGS

13. PUBLIC HEARING FOR RECOMMENDATIONS FOR ALLOCATION OF HOME FUNDS -
   Request the City Council conduct the public hearing and receive public input in order to reaffirm City Council Resolution No. 2017-66R, authorizing the Director of Community Development to conditionally commit federal HOME funds in an amount not to exceed $450,000 to Interfaith Community Services for the acquisition and rehabilitation of four affordable multi-family rental units located at 557-563 Aster Place; and authorize the Mayor and City Clerk to execute an Affordable Housing Loan Agreement and all necessary loan and supporting agreements in forms acceptable to the City Attorney which was previously adopted by the City Council on May 3, 2017. (File No. 0873-01)

   Staff Recommendation: Approval (City Manager's Office: Jay Petrek)
   RESOLUTION NO. 2017-66R

Karen Youel, Housing and Neighborhood Services Manager, presented the staff report utilizing a PowerPoint presentation.

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

Greg Anglea, Executive Director of Interfaith Community Services, was available to answer questions.

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

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Gallo to approve authorizing the Director of Community Development to conditionally commit federal HOME funds in an amount not to exceed $450,000 to Interfaith Community Services for the acquisition and rehabilitation of four affordable multi-family rental units located at 557-563 Aster Place; and authorize the Mayor and City Clerk to execute an Affordable Housing Loan Agreement and all necessary loan and supporting agreements in forms acceptable to the City Attorney which was previously adopted by the City Council on May 3, 2017 and adopt Resolution No. 2017-66R. Motion carried unanimously.

14. FISCAL YEAR 2017-2018 ONE-YEAR ACTION PLAN FOR USE OF CDBG FUNDS FOR COMMUNITY DEVELOPMENT PROGRAMS AND PROJECTS, ESG FUNDS FOR HOMELESS PRIORITIES, HOME FUNDS FOR AFFORDABLE HOUSING ACTIVITIES, AND BUDGET ADJUSTMENT -
   Request the City Council solicit and consider citizen input for the FY 2017-2018 One-Year Action Plan for the use of Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnership (HOME) funds; approve the CDBG, ESG, and HOME budgets and allocations; authorize the Director of Community Development and City Clerk to execute contracts with service providers as appropriate; approve the FY 2016-2017 One-Year Action Plan and submittal to the U.S. Department of Housing and Urban Development; and approve a budget adjustment in the amount of $287,783.09 from the unallocated fund to the Tulip Street Improvement Project. (File No. 0870-11)
Staff Recommendation: Approval (City Manager’s Office: Jay Petrek)

A) RESOLUTION NO. 2017-71R  B) RESOLUTION NO. 2017-87

Karen Youel, Housing and Neighborhood Services Manager, and Nancy Melander, Management Analyst, presented the staff report utilizing a PowerPoint presentation.

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

Greg Anglea, Executive Director of Interfaith Community Services, provided information regarding Alliance for Regional Bridge Housing Network and reported the results of ESG funds for rapid rehousing and homeless prevention issues.

Javier Guerrero, Executive Director of the San Diego Children’s Discovery Museum, commented that approved CDBG request for funds would benefit the scholarship fund “Access for All.”

Jesse Hanwit, Escondido, thanked the Council for considering street lighting for the Old Escondido Historic District.

Carol Rea, President of the Old Escondido Historic District, thanked staff for considering the request for lighting for the Old Escondido Historic District.

Jim Wiese, Escondido, ECCDC, thanked City Council for their continued support of the Escondido Child Care Development Center.

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

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Gallo to approve the CDBG, ESG, and HOME budgets and allocations with an increase of $10,000 additional funds each to Code Enforcement and Graffiti using funds from the street light LED retrofit program, and increasing Interfaith ESG allocation to $100,000, reducing money allocated to Compact; authorize the Director of Community Development and City Clerk to execute contracts with service providers as appropriate; approve the FY 2016-2017 One-Year Action Plan and submittal to the U.S. Department of Housing and Urban Development; and approve a budget adjustment in the amount of $287,783.09 from the unallocated fund to the Tulip Street Improvement Project and adopt Resolution No. 2017-71R and Resolution No. 2017-87. No action was taken.

AMENDED MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Gallo to modify the original motion to approve the CDBG, ESG, and HOME budgets and allocations increasing funding to Code Enforcement and Graffiti with an additional $25,000 each using funds from the street light LED retrofit program; authorize the Director of Community Development and City Clerk to execute contracts with service providers as appropriate; approve the FY 2016-2017 One-Year Action Plan and submittal to the U.S. Department of Housing and Urban Development; and approve a budget adjustment in the amount of $287,783.09 from the unallocated fund to the Tulip Street Improvement Project and adopt Resolution No. 2017-71R and Resolution No. 2017-87. Motion carried unanimously.

FUTURE AGENDA

15. FUTURE AGENDA -

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

Staff Recommendation: None (City Clerk’s Office: Diane Halverson)
COUNCIL MEMBERS' SUBCOMMITTEE REPORTS

Councilmember Gallo reported attending the Borders Committee and commented on road construction at the U.S. and Mexico border; and reported attending San Diego County Water Authority meeting where budget preparation and CALPERS obligations were discussed.

Councilmember Morasco shared information regarding Escondido Disposal’s Resource Recovery facility grand opening.

Mayor Abed reported attending SANDAG Regional Planning and Transportation joint meeting and provided information regarding new criteria for Transnet Smart Growth Incentive Program and the Active Transportation Grant Program.

CITY MANAGERS WEEKLY ACTIVITY REPORT

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

- WEEKLY ACTIVITY REPORT -

ORAL COMMUNICATIONS

ADJOURNMENT

Mayor Abed adjourned the meeting at 6:53 p.m.

____________________________   ________________________
MAYOR                             CITY CLERK

____________________________
DEPUTY CITY CLERK

June 7, 2017  Escondido City Council Minutes  Book 56 Page 117
TO: Honorable Mayor and Members of the City Council

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

SUBJECT: Professional Services Agreement with Wittman Enterprises, LLC to Outsource Billing Services for Emergency Medical Services (EMS)

RECOMMENDATION:

Staff recommends the City Council approve Resolution No. 2017-68, authorizing a three (3) year Public Service Agreement with Wittman Enterprises, LLC effective July 1, 2017, through June 30, 2020, with two additional two-year renewal options.

FISCAL ANALYSIS:

Sufficient funds will be budgeted for this contract in the Finance Department's budget. The service fee will be based on a 4.95 percent of net revenues collected. This fee will be firm for the life of the contract including the renewal option years. The contract is contingent upon budgetary appropriations.

PREVIOUS ACTION:

The City Council approved a three (3) year Public Service Agreement with Wittman Enterprises, LLC effective July 1, 2014, through June 30, 2017, on November 20, 2013.

BACKGROUND:

Firefighter/paramedics in the Fire Department provide necessary emergency ambulance services to the citizens of Escondido and the Rincon del Diablo Fire Protection District, visitors, and businesses. Paramedic billing for emergency medical services were processed by City employees until early 2001 when it was determined by an expert review that outside paramedic billing services could increase fee collections, provide timelier customer billing, and maintain a higher level of collective expertise in a highly complex billing environment.

Pursuant to the City's purchasing policy and Municipal Code, services can be procured by open bidding procedures. On May 11, 2017, Request for Quotes (RFQ) were sent to three firms, CCSB, Sharp, and Wittman Enterprises, LLC. Wittman Enterprises, LLC (Wittman) was the only responder
to the City’s RFQ. Wittman was determined to be a responsive and responsible bidder that conformed to the City's RFQ specifications and requirements. The proposal was evaluated on technical capabilities, overall cost and past performance including references.

To establish comparison and to determine if the proposal submitted by Wittman was advantageous to the City, the staff also reviewed a recent Request for Proposal issued in February 2015 by the City of Carlsbad for EMS billing services. Wittman received the highest scores in accordance with evaluation criteria established by the City.

Wittman Enterprises, LLC past performance with the City of Escondido has been highly satisfactory. This company also has extensive experience in providing billing services to governmental entities similar in size and scope to the City of Escondido. Therefore, staff is recommending that a new three-year Public Services Agreement be awarded to Wittman Enterprises, LLC based on the staff findings and the response to the RFQ.

In Fiscal Year 2015-2016, Fire Department paramedics transported approximately 9,000 patients and Wittman Enterprises, LLC billed $5.8 million in net ambulance fees (gross revenues less Medicare, Medi-Cal and other contractual write downs). As of March 31, 2017, paramedics have transported approximately 8,200 patients and $5.7 million in net ambulance fees have been billed.

Respectfully submitted,

Sheryl Bennett
Director of Administrative Services

Joan Ryan
Assistant Finance Director
RESOLUTION NO. 2017-68

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 PUBLIC SERVICE AGREEMENT
WITH WITTMAN ENTERPRISES, LLC

WHEREAS, the City of Escondido provides paramedic and transport services and
bills for those services; and

WHEREAS, outsourcing the billing function to Wittman Enterprises, LLC in 2013
has greatly improved collection rates, service standards and cost effectiveness; and

WHEREAS, Fire Administration and Finance Management as well as internal
collection staff have all been highly satisfied with current paramedic billing services
provided; and

WHEREAS, a Request for Quotes were submitted by the City to three firms with
Wittman Enterprises, LLC being the only responder; and

WHEREAS, Wittman Enterprises, LLC has demonstrated their ability to conform
to the City’s specifications and requirements for paramedic billing services; and

WHEREAS, the City of Carlsbad ("Carlsbad") conducted an extensive RFP
process for emergency medical billing services and determined that Wittman Enterprises,
LLC was the best qualified, and Carlsbad awarded them a three-year contract with two
additional two-year renewal options; and
WHEREAS, the City desires to use the paramedic billing service offered by Wittman Enterprises, LLC, an independent contractor, as its agent for the purpose of performing the services described in Exhibit “1” to the Public Services Agreement (“Agreement”).

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

1. That the above recitations are true.

2. That the firm of Wittman Enterprises, LLC is selected to perform ambulance billing services.

3. That the first term of the Agreement is for three years with options to extend the Agreement for two additional two-year terms.

4. That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City, an Agreement with Wittman Enterprises, LLC for the purpose of paramedic billing service. A copy of the Agreement is attached as Exhibit “1” and is incorporated by this reference.
CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Agreement is made this 21st day of June, 2017.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Sheryl Bennett
760-839-4586
("CITY")

And: WITTMANN ENTERPRISES, LLC
21 Blue Sky Court
Sacramento, CA 95828
Attn: Corrine Wittman
800-906-6552
("CONTRACTOR")

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

NOW, THEREFORE, it is mutually agreed as follows:

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

2. Compensation. Subject to any limitations set forth in this Agreement, CITY agrees to pay and CONTRACTOR agrees to accept the amounts specified in "Attachment A" for all services provided by the CONTRACTOR as defined in the Description of Services above. CONTRACTOR will invoice CITY at the end of the month. CITY shall independently review each invoice submitted by the CONTRACTOR to determine whether the services provided are in compliance with the provisions of this Agreement. In the event that no charges or fees are disputed, the invoice shall be approved and paid within thirty (30) days of receipt of CONTRACTOR'S invoice. In the event any charges or fees are disputed by CITY, the original invoice shall be returned by CITY to CONTRACTOR for correction and resubmission.

3. Term and Time of Performance. The term of this Agreement will be effective for a period of three (3) years with the CONTRACTOR starting work on July 1, 2017. The City may amend the Agreement to extend it for two (2) additional two (2) year periods or parts thereof. Extension of terms or time of performance may be made only upon the City's written consent.
4. **Scope of Compensation.** CONTRACTOR will be responsible for performance of the tasks specified in the Description of Services in "Attachment A." No compensation will be provided for any other tasks without specific prior written consent from the CITY.

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

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

7. **Insurance Requirements.**

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

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

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

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

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

      Acknowledged by CONTRACTOR __________________________

      Waiver appropriate by CITY __________________________

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

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

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

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

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

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

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

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

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

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

Stormwater Indemnification. CONTRACTOR shall further indemnify, defend, and hold harmless CITY and its officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorney’s fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001), as amended or renewed, of the California Regional Water Quality Control Board Region 9, San Diego, which CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF ESCONDIDO

DATE: ______________________

Sam Abed
Mayor

Diane Halverson
City Clerk

DATE: ______________________

Corrine Wittman
Chief Executive Officer,
Wittman Enterprises, LLC

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, City Attorney

BY: ________________________

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

CONTRACTOR shall provide complete medical billing and accounts receivable management services for CITY’S ambulance services in accordance with the responsibilities outlined below.

I. **Private Billing**

CONTRACTOR to prepare all invoices and follow-up mailings. Initial invoicing with both English and Spanish instructions will be on 8X11 billings and will be placed in envelopes, sealed and mailed, postage prepaid. Initial invoicing occurs within three (3) days of receipt of transport tickets. Toll Free 800 telephone number provided to patients. An initial telephone call will also be made at this time to elicit any insurance information from the patient or patient’s family. If no answer on this call is received, CONTRACTOR will send an inquiry letter in addition to the initial invoice. The standard bill schedule is as follows:

1. Invoice Immediately
2. Statement 30 days
3. Past Due 20 days
4. Final Demand 10 days

II. **Medicare, Medi-Cal, Medi-Medi**

CONTRACTOR to prepare all invoices and electronically convey to Medicare and Medi-Cal fiscal intermediaries.

All secondary and coinsurance billing transferred to the appropriate secondary pay source and promptly billed to that source.

III. **Workers’ Compensation and Private Insurance**

CONTRACTOR to bill private insurance, supplemental insurance, secondary insurance and Workers’ Compensation billed according to specific requirements. Electronic billing of insurance companies is performed where appropriate.

Any correspondence for additional information or follow up necessary to secure insurance payments will be performed by CONTRACTOR.

IV. **Delinquent Claim Handling**

Patients with claims aging over 45 days will be contacted by telephone for payment arrangements. Telephone follow up will continue until payment in full is received or account is dismissed by the City to an outside collection agency.

CONTRACTOR will utilize installment billing as allowed by the City in cases of financial hardship.

V. **Receipts Processing**

CONTRACTOR will receive direct payment, posting and depositing cash receipts within one (1) day of receipt. CONTRACTOR will deposit monies daily into the CITY’s bank account and provide a detailed electronic notification.
VI. Reports

Monthly, CONTRACTOR will perform accurate month end close procedures that will result in the following reports:

- Monthly Ticket Survey
- Monthly Sales Journal
- Monthly Cash Receipts Journal
- Monthly Receivables Aging
- Management A/R Analysis
- Statistical Reports customized to client needs

VII. CITY Responsibilities

Submit necessary transport information, including pay source information and patient condition, to CONTRACTOR for billing purposes.

Forward to CONTRACTOR all necessary information relating to patient transports services, payments and patient eligibility.

Notify CONTRACTOR of any accounts that require special attention.

Obtain signature of patient or guardian.

Provide patient’s Social Security Number.

VIII. Source Documents

CONTRACTOR will retain all source documents including attachments for six (6) years. When service contracted is terminated, all source documents are returned to City.

IX. Fees

CONTRACTOR’S compensation for all work performed in accordance with this Agreement is established as a fee of 4.95% of monthly net collected revenue from EMS billing services for a period of three years. Net collected revenue is stated as a percentage of collected revenue, minus any refunds or adjustments.

No work shall be performed by CONTRACTOR in excess of the total contract price without prior written approval of the Administrative Services Director. CONTRACTOR shall obtain approval by the Administrative Services Director prior to performing any work that would result in incidental expenses to CITY.
TO: Honorable Mayor and Members of the City Council

FROM: Douglas W. Shultz, City Treasurer

SUBJECT: Annual Submission of the City of Escondido’s Investment Policy

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-73, approving the City of Escondido’s June 2017 Investment Policy.

PREVIOUS ACTION:

The last adoption of the Investment Policy was on December 9, 2015, Resolution No. 2015-140.

BACKGROUND:

In compliance with California Government Code Section 53646, the City Treasurer may annually present the City’s Investment Policy to the legislative body at a public meeting to reaffirm or make any changes to the existing policy. The Investment Policy provides the City with guidelines for the investment of City funds. The Policy’s guidelines set forth the investment selection criteria of safety, liquidity, and yield.

The City of Escondido’s Investment Policy has been deemed current and up-to-date per the California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines. However, it currently lacks a lot of necessary elements that the State of California has declared suitable for investments. Exhibit A, as attached, is a detailed listing of the revisions to the 2017 Investment Policy.

The City of Escondido’s June 2017 Investment Policy is attached as Exhibit 1 to Resolution 2017-73 for your review and approval.

Respectfully submitted,

Douglas W. Shultz
City Treasurer
SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2017

Description of Change

1. Revision to Section XII(A) – Qualifying Investment Instrument Policy

On pages 6, Section XII(A)(1), the list of investment instruments of:

b. Certificates of deposit with banks and savings and loans doing business in the State of California.
c. Prime Banker’s Acceptances.
d. Prime Commercial Paper
e. Repurchase Agreements and Money Market Funds whose underlying collateral consists of the foregoing. (The City may invest in repurchase agreements with which the City has entered into a master repurchase contract, which specifies terms and conditions of repurchase agreements.)
f. Local Agency Investment Fund (LAIF) of the State of California.
g. San Diego County’s Investment Pool for local agencies, which includes the purchase of Reverse Repurchase Agreements.
h. Pools and other investment structures incorporating investments listed in a through e.

is replaced with:

a. U.S. Treasury Securities
b. U.S. Government Agency Securities
c. Local Agencies of California and other State obligations
d. Supranational Securities
e. Negotiable Certificates of Deposit
f. Banker’s Acceptances
g. Commercial Paper
h. Repurchase Agreements
i. Reverse Repurchase Agreements
j. Local Agency Investment Fund (LAIF) of the State of California.
k. Non-negotiable Time Deposits
l. Medium-term Notes/Bonds
m. Notes, Bonds, or other obligations

On pages 6-7, Section XII(A), Paragraphs (5), (6), (7), (8), and (9) have been added:

5. Trading is prohibited when cash or liquid securities are not available to pay for the securities being purchased. The taking of short positions, that is, selling securities which the City does not own, is also prohibited.

6. Investments which exceed 5 years in maturity require that authority be granted by City Council before purchase. Written authority of the City Council must be granted specifically or as part of an investment program no less than one month prior to the date of purchase (California Government Code Section 53601).
SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2017

Description of Change

7. The City may invest in securities issued by U.S. Government Agencies that contain embedded calls or options as long as those securities are not inverse floater, range notes, interest only strips that are derived from a pool of mortgages or a security that could result in a zero or negative accretion of interest if held to maturity (California Government Code Section 53601.6). The exception to this restriction would be a structured note in the final coupon period that has the same characteristics as any other simple fixed term security. The City may invest up to a maximum of 8% of the cost value of the portfolio at time of purchase in structured notes. These limitations will not apply to investments in shares of beneficial interest issued by diversified management companies as referenced in subparagraph (o) of this section (California Government Code Section 53601).

8. Callable securities (i.e. securities redeemable in part or in full by the issuer prior to the maturity date) shall not exceed 30% of the cost value of the portfolio. Callable securities which have passed their final call date and are no longer callable will not be included when calculating the 30% limit.

9. The City may invest in floating-rate securities whose coupon resets are based upon a single fixed income index which would representative of an eligible investment (e.g. LIBOR, T-bill, prime, 2-year CMT), provided that the security is not leveraged (e.g. 2 times an index) or has a coupon that resets inversely to the underlying index.

2. Revision to Section XII(B) – Diversification by Type of Investment

On page 7, Section XII(B)(1), the following has been removed:

“The target for investment in United States Government Securities will be 80 percent of the portfolio. United States Government Securities will be defined as 100 percent of the investments defined in XII (B)1 and 2 (U.S. Government Treasuries and U.S. Government Agency obligations), and the applicable percent of the investment defined in item XII(B)5 (Local Agency Investment Fund (LAIF)), equal to the LAIF’s portfolio composition percentage of investment in United States Government Securities. The percentage will fluctuate depending on market conditions, but in no case be lower than 70 percent. If the percentage falls below 80 percent, the 80 percent target rate will be restored within six months.”

On pages 7-8, Section XII(B), Paragraphs (3), (4), and (5) have been added:

3. Municipal Securities of Local Agencies of California. Pursuant to the California Government Code Section 53601(e), the City may invest in bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. The City may invest up to a maximum of 40 percent of the cost value at time of purchase of the pooled portfolio in these securities. No more than 5 percent of the cost value of the portfolio at time
SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2017

Description of Change

of purchase may be invested in notes issued by any one issuer or in notes insured by any one insurer, except for securities supported by the full faith of the State of California.

4. United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated “A” or better by an NRSRO and shall not exceed 30% of the cost value of the portfolio at the time of purchase. The 30% maximum percentage may be invested entirely in one of the listed names for this investment type. These investments shall be classified as “Supranationals” for reporting purposes.

5. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. Purchases of Negotiable Certificates of Deposit shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.

On page 8, Section XII(B)(6), 2nd sentence line 2:

“Purchases of banker’s acceptances may not exceed 180 days to maturity or 20 percent of the market value of the portfolio.”

is replaced with:

“Purchases of banker’s acceptances may not exceed 180 days to maturity or 30 percent of the market value of the portfolio.”

On page 8, Section XII(B)(7), paragraph:

“Commercial paper ranked P1 by Moody’s Investor Services and A1 by Standard and Poor’s, and issued by a domestic corporation having assets in excess of $500 million and having an A or better rating on its long-term debentures as provided by Moody’s or Standard and Poor’s. Purchases of eligible commercial paper may not exceed 180 days to maturity or 15 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation.”

is replaced with:

“Commercial paper ranked by an Nationally Recognized Statistical Rating Organizations (NRSRO), and issued by a domestic corporation having assets in excess of $500 million and having an A or better rating on its long-term debentures as provided by NRSRO. Purchases of eligible commercial paper may not exceed 270 days to maturity or 25 percent of the market value of the
SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2017

Description of Change

portfolio. No more than 10 percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation."

On pages 9, Section XII(B), Paragraphs (9), (10), and (11) have been added:

9. Non-negotiable Time Deposits shall not exceed five (5) years to maturity. Investments in Certificates of Deposit and Checking Accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Furthermore, the combined investments in Certificates of Deposit and deposits, if a private sector entity is used, shall not exceed, in total, more than 30 percent of the portfolio. The City may use a private sector entity that assists in the placement of Certificates of Deposit.

10. Medium-term Notes/Bonds issued by corporations organized and operating within the United States, pursuant to the California Government Code Section 53601(e). The issuing corporation must be in excess of $500,000,000 in shareholder’s equity. Purchase of Medium-term Notes/Bonds may not exceed 30 percent of the cost value of the portfolio. The Corporate Notes must have an “A” rating in categories by one Nationally Recognized Statistical Rating Organizations (NRSRO). If a rating changes on a Corporate Note below our threshold, the Treasury Department would review the security to determine if that security should be held or sold, even at a loss.

11. Notes, Bonds, or other obligations which are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of another secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities which the security interest is granted. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of “A” or its equivalent or better by an NRSRO and having a rating in the “A” category or higher for the issuer’s unsecured debt, as provided by an NRSRO.

On page 10, Section XII(B)(13), paragraph:

"Ineligible Investments. Investments not described herein, including, but not limited to, common stocks and corporate bonds, are prohibited from use in this portfolio. Investments, which exceed five years in maturity, require authorization by City Council prior to purchase. Further, any investments, purchased after January 1, 1996, that are in the form of inverse floaters, range notes, or mortgage derived interest only strips are prohibited."

is replaced with:
SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2017

Description of Change

“Ineligible Investments. Investments not described herein, including, but not limited to, common stocks, inverse floaters, range notes, or mortgage-derived interest-only strips are prohibited from use in this portfolio. Investments, which exceed five years in maturity, require authorization by City Council prior to purchase.”

3. Revision to Section XII(C) – Diversification by Institution

On page 10, Section XII(C)(1), paragraph:

“Not more than $100,000 shall be placed in any qualifying institution unless collateralized in accordance with this policy.”

is replaced with:

“Not more than $250,000 shall be placed in any qualifying institution unless collateralized in accordance with this policy.”

4. Revision to Section XII(E) – Investment Compliance Review

On page 11-12, Section XII(E), added:

Summary Table of the Policy’s Authorized and Suitable Investments: 7

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Maximum Maturity</th>
<th>Maximum % of Portfolio</th>
<th>Maximum % with One Issuer</th>
<th>Minimum Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Obligations (bills, bonds, or notes)</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>5 years</td>
<td>(2)</td>
<td>(2)</td>
<td>None</td>
</tr>
<tr>
<td>Supranationals</td>
<td>5 years</td>
<td>30%</td>
<td>30%</td>
<td>A</td>
</tr>
<tr>
<td>Municipal Securities of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>California Local Agencies</td>
<td>5 years</td>
<td>40%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Negotiable Certificates 6</td>
<td>5 years</td>
<td>30%</td>
<td>10%</td>
<td>(3)</td>
</tr>
<tr>
<td>Bankers' Acceptances 6</td>
<td>180 days</td>
<td>30%</td>
<td>10%</td>
<td>(3)</td>
</tr>
<tr>
<td>Commercial Paper 6</td>
<td>270 days</td>
<td>25%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Repurchase Agreements 4</td>
<td>1 year</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Reverse Repurchase Agreements 4</td>
<td>92 days</td>
<td>20%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>N/A</td>
<td>$50M</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Non-Negotiable Time Deposits 6</td>
<td>5 years</td>
<td>25%</td>
<td>10%</td>
<td>(3)</td>
</tr>
<tr>
<td>Medium Term Notes/Bonds</td>
<td>5 years</td>
<td>30%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Notes, Bonds, or Other Obligations</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>A</td>
</tr>
</tbody>
</table>
SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR JUNE 2017

Description of Change

1 In the absence of a specified maximum, the maximum is 5 years.

2 No more than one-third of the cost value of the total portfolio at time of purchase can be invested in the unsecured debt of any one agency.

3 Credit and maturity criteria must be in accordance with Section XII of the City Treasurer's Investment Policy.

4 Maximum percentage of portfolio for Reverse Repurchase Agreements is 20% of base value.

5 Minimum credit rating categories include modifications (+/-). Credit ratings are from any NRSRO.

6 Investment types with a 10% maximum with one issuer are further restricted per the City Treasurer's Investment Policy: 5% per issuer and an additional 5% with authorization by the City Treasurer.

7 The City's investments are governed by California Government Code Sections 53600 (et seq.). Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed above. In the event a discrepancy is found between this policy and the Summary Table above, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

5. Revision to Glossary of Terms

On page G5, added:

*Nationally Recognized Statistical Rating Organizations* (NRSRO) — a credit rating agency (CRA) that issues credit ratings which the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

On page G6, added:

*Time Deposit* — a savings account or certificate of deposit held in a financial institution for a fixed term.
RESOLUTION NO. 2017-73

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADOPTING THE CITY OF ESCONDIDO’S JUNE 2017 INVESTMENT POLICY

WHEREAS, the City Council has previously adopted annual Investment Policies pursuant to the requirements of the California Government Code; and

WHEREAS, the City of Escondido’s June 2017 Investment Policy is in accordance with Government Code Section 53601 and meets the Association of Public Treasurers of the United States & Canada ("APT US & C") Investment Policy Certification standards; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the City of Escondido’s June 2017 Investment Policy, a copy of which is attached as Exhibit “1” and is incorporated by this reference.

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

1. That the above recitations are true.

2. That the City Council hereby adopts the City of Escondido's June 2017 Investment Policy attached to this Resolution as Exhibit “1.”
City of Escondido

INVESTMENT POLICY

June 2017
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Policy Statement</td>
<td>1</td>
</tr>
<tr>
<td>II. Scope</td>
<td>1-2</td>
</tr>
<tr>
<td>III. Prudence</td>
<td>2</td>
</tr>
<tr>
<td>IV. Investment Objectives</td>
<td>2-3</td>
</tr>
<tr>
<td>V. Executive Investment Committee</td>
<td>3</td>
</tr>
<tr>
<td>VI. Required Reporting</td>
<td>3-4</td>
</tr>
<tr>
<td>VII. Authorized Financial Institutions and Broker/Dealers</td>
<td>4-5</td>
</tr>
<tr>
<td>VIII. Safekeeping and Custody</td>
<td>5</td>
</tr>
<tr>
<td>IX. Accountability and Authority</td>
<td>5</td>
</tr>
<tr>
<td>X. Ethics and Conflicts of Interest</td>
<td>5</td>
</tr>
<tr>
<td>XI. Internal Control</td>
<td>5-6</td>
</tr>
<tr>
<td>XII. Authorized and Suitable Investments</td>
<td>6-12</td>
</tr>
<tr>
<td>XIII. Maturity Goals</td>
<td>12-13</td>
</tr>
<tr>
<td>XIV. Policy Review</td>
<td>13</td>
</tr>
<tr>
<td>XV. Investment Procedures</td>
<td>13</td>
</tr>
<tr>
<td>XVI. Investment Strategy and Performance Standards</td>
<td>13</td>
</tr>
<tr>
<td>Glossary of Terms</td>
<td>G1-G7</td>
</tr>
</tbody>
</table>
CITY OF ESCONDIDO
INVESTMENT POLICY

I. Policy Statement

This policy establishes the limits within which the City's investment program shall be conducted. Investment goals and objectives are defined. Qualified investment instrumentalities and reporting requirements are identified. Authority, accountability, audit control and procedures governing the investment program are delineated.

The investment policies and practices of the City of Escondido are based upon state law, city ordinance, and prudent money management.

II. Scope

A. Pooled Investments.

This policy applies to the investment of all funds under the control of the City Treasurer. These funds are accounted for in the City of Escondido's Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds
- Any new fund created from proceeds of bond sales in the custody of the City Treasurer or any other funds under his control.

California Government Code Section 53601(1) permits money from bond proceeds, obligations under a lease, installment sales or other agreements to be invested in any security that meets the statutory provisions governing the issuance of the bond or other agreements made by the issuing agency.

B. Investments held separately.

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.
This policy does not apply to stocks, bonds, or other securities donated to the Escondido Public Library until such time as the Library Board of Trustees determines to dispose of such securities. Also, this investment policy does not apply to the Employees Deferred Compensation Fund and PERS funds, which are administered separately.

III. Prudence

Pursuant to California Government Code Section 53600.3, as amended, the City Council and all persons authorized to make investment decisions on behalf of the City are trustees of the public funds and therefore fiduciaries subject to the following prudent investor standard.

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The City Treasurer and other individuals who are assigned to manage the investment portfolio, when they are acting in accordance with the City’s investment policy, with written procedures and in reasonable reliance on existing California statutes and when they have properly exercised due diligence, will be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. Investment Objectives

A. The criteria for selecting investments by order of priority shall be:

1. Safety. Safety of principal is the City of Escondido’s foremost objective. Investments shall seek to ensure that capital losses resulting from institution default, broker-dealer default, or the erosion of market value are avoided. The City of Escondido shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

   a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see authorized investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City’s cash flow.

   b. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring
the portfolio to eliminate the need to sell securities prior to maturity; and by
prohibiting the taking of short positions, that is, selling securities that the City
does not own. It is explicitly recognized, however, that in a diversified
portfolio, occasional measured losses may occur, and must be considered
within the context of overall investment return.

2. **Liquidity.** The portfolio will be structured with sufficient liquidity to allow the City
to meet expected cash requirements. The investment portfolio shall remain
sufficiently liquid to ensure that projected expenditure requirements of the next
six months can be met with a combination of anticipated revenues, maturing
securities, and highly liquid investments and shall maintain a minimum level of
short-term investments (one year or less) equivalent to 25% of the General Fund
operating budget. The duration is also mentioned in the "Maturity" section.

3. **Yield.** In a manner consistent with the objectives of safety of principal and liquidity
uppermost, a yield higher than the market rate of return shall be sought. The core
of investments is limited to relatively low risk securities in anticipation of earning
a fair return relative to the risk being assumed. Securities shall generally be held
until maturity with the following exceptions:
   - A security with declining credit may be sold early to minimize loss of principal.
   - A security swap would improve the quality, yield, or target duration in the
   portfolio.
   - Liquidity needs of the portfolio require that the security be sold.

B. It shall be the policy of the City that all idle funds shall be invested consistent with
providing adequate cash to meet the City's obligation.

V. **Executive Investment Committee**

The Executive Investment Committee will act in an advisory and oversight capacity to
review and discuss investment portfolio management and investment policy compliance.
The City Manager, the City Treasurer, and the Director of Administrative Services will serve
as permanent members of the Executive Investment Committee. Other members, as
deemed necessary or desirable, may be appointed to the committee by the City Treasurer
or the City Manager. The Treasury and Finance Department personnel shall serve as staff
to the committee.

VI. **Required Reporting**

The City Treasurer or his designees shall report to the City Manager and City Council the
following reports:

A. Quarterly investment report (as per Government Code Section 53601) will include the
type of investment, issuer, date of maturity, par, and dollar amount invested and
market value for each security held by the City. The report shall state the source of
the market value valuation and include a statement denoting the ability to meet the City’s expected expenditure requirements for the next six months.

B. An annual report setting forth a statement of investment policy.

VII. Authorized Financial Institutions and Broker/Dealers

A. General criteria for the selection of financial institutions and broker/dealers shall be developed by the City Treasurer and reviewed by the City Investment Committee.

B. Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. As determined necessary by the Executive Investment Committee, the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The list may include primary or regional dealers that are credit worthy and qualify under the uniform net capital rule of the Securities & Exchange Commission Rule 15C3-1.

All financial institutions and broker/dealers who desire to provide investment services must participate in the City’s formal broker/dealer questionnaire process. To be considered, the financial institution or broker/dealers must supply the following as appropriate:

• Completed broker/dealer questionnaire
• Proof of National Association of Security Dealers (NASD) certification
• License to conduct business in the state of California
• Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
• Certification of having read and understood and agreeing to comply with the City of Escondido’s investment policy
• Evidence of adequate insurance coverage

Qualified broker/dealers selected to do business with the City shall submit annually a current audited financial statement.

After the annual adoption of the City’s Investment Policy by the City Council, a copy shall be sent to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City’s investment policies and intends to sell the City only appropriate investments authorized by this investment policy.
C. General criteria for the selection of banks and savings and loans into which the City shall invest its funds shall be developed by the City Treasurer and reviewed by the Executive Investment Committee subject to the limitations set forth in this policy.

D. Selection of specific institutions in which City funds may be invested shall be performed by authorized City staff under the direction of the Executive Investment Committee.

E. Institutions in which City funds may be invested shall be classified by the City Treasurer and reviewed by the Executive Investment Committee. The classification shall determine the maximum dollar amount allowable for investment in the specified institution.

VIII. Safekeeping and Custody

To protect against potential losses by the collapse of individual securities dealers, all securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of a custody agreement executed by the bank and the City. All securities will be received and delivered using standard delivery versus payment (DVP) procedures.

IX. Accountability and Authority

A. The Escondido Municipal Code vests authority for and control of investments to the City Treasurer.

B. The City Treasurer may delegate the authority to conduct investment transactions to qualified and competent officials and employees of the City. Daily management responsibility of the investment program may be delegated to the Treasury Manager and/or the Assistant Finance Director who shall establish procedures for operation consistent with the investment policy.

X. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally, the City Treasurer, the Assistant Finance Director, and the Treasury Manager are required to annually file a Statement of Economic Interest as mandated by Government Code Section 91013.

XI. Internal Control

The City Treasurer or his designee shall establish procedures for controlling daily investment transactions and monthly reconciliation of accounts. Separation of functions between the City Treasurer’s Office and the Finance Department is designed to provide an internal review to prevent the potential for converting assets or concealing transactions. The investment portfolio and all related transactions are balanced to appropriate general ledger accounts by the Finance Department on a monthly basis. Such
procedures and controls shall be subject to review and comments by the City’s independent auditor.

XII. **Authorized and Suitable Investments**

A. Qualifying Investment Instruments Policy:

1. The following instruments are generally approved as qualifying investment instruments for City funds:
   a. U.S. Treasury Securities
   b. U.S. Government Agency Securities
   c. Local Agencies of California and other State obligations
   d. Supranational Securities
   e. Negotiable Certificates of Deposit
   f. Banker’s Acceptances
   g. Commercial Paper
   h. Repurchase Agreements
   i. Reverse Repurchase Agreements
   j. Local Agency Investment Fund (LAIF) of the State of California.
   k. Non-negotiable Time Deposits
   l. Medium-term Notes/Bonds
   m. Notes, Bonds, or other obligations

2. Within the qualified investment instrument listing, the Executive Investment Committee may further define, qualify, and restrict use of City investment monies.

3. Additional investment instruments may be added by the City Treasurer from time to time but shall be reported in the next regular monthly report to the City Council and City Manager.

4. Investments of bond funds will be made in conformance with the trust indenture for each bond issue. Such investments will be held separately when required.

5. Trading is prohibited when cash or liquid securities are not available to pay for the securities being purchased. The taking of short positions, that is, selling securities which the City does not own, is also prohibited.

6. Investments which exceed 5 years in maturity require that authority be granted by City Council before purchase. Written authority of the City Council must be granted specifically or as part of an investment program no less than one month prior to the date of purchase (California Government Code Section 53601).
7. The City may invest in securities issued by U.S. Government Agencies that contain embedded calls or options as long as those securities are not inverse floater, range notes, interest only strips that are derived from a pool of mortgages or a security that could result in a zero or negative accretion of interest if held to maturity (California Government Code Section 53601.6). The exception to this restriction would be a structured note in the final coupon period that has the same characteristics as any other simple fixed term security. The City may invest up to a maximum of 8% of the cost value of the portfolio at time of purchase in structured notes. These limitations will not apply to investments in shares of beneficial interest issued by diversified management companies as referenced in subparagraph (o) of this section (California Government Code Section 53601).

8. Callable securities (i.e. securities redeemable in part or in full by the issuer prior to the maturity date) shall not exceed 30% of the cost value of the portfolio. Callable securities which have passed their final call date and are no longer callable will not be included when calculating the 30% limit.

9. The City may invest in floating-rate securities whose coupon resets are based upon a single fixed income index which would represent a portion of an eligible investment (e.g. LIBOR, T-bill, prime, 2-year CMT), provided that the security is not leveraged (e.g. 2 times an index) or has a coupon that resets inversely to the underlying index.

B. Diversification by Type of Investment:

The City is governed by California Government Code, Sections 53600 (et seq.). It shall be the policy of the City that investments shall be diversified with respect to the type of investment instruments used. Within the context of these limitations, the following investments are generally approved as qualifying investment instruments for City funds, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio, which can be invested in this category.

2. Obligations issued by the United States Government Agencies such as the Government National Mortgage Association (GNMA), Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Student Loan Marketing Association (SLMA). Although there is no percentage limitation of the dollar amount that can be invested in these issues, the "prudent investor" rule shall apply for any single agency name.

3. Municipal Securities of Local Agencies of California. Pursuant to the California Government Code Section 53601(e), the City may invest in bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including
bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. The City may invest up to a maximum of 40 percent of the cost value at time of purchase of the pooled portfolio in these securities. No more than 5 percent of the cost value of the portfolio at time of purchase may be invested in notes issued by any one issuer or in notes insured by any one insurer, except for securities supported by the full faith of the State of California.

4. United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "A" or better by an NRSRO and shall not exceed 30% of the cost value of the portfolio at the time of purchase. The 30% maximum percentage may be invested entirely in one of the listed names for this investment type. These investments shall be classified as "Supranationals" for reporting purposes.

5. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. Purchases of Negotiable Certificates of Deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

6. Bills of exchange or time drafts drawn on and accepted by a commercial bank otherwise known as banker's acceptances. Purchases of banker's acceptances may not exceed 180 days to maturity or 30 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in banker's acceptances issued by any one bank.

7. Commercial paper ranked by an Nationally Recognized Statistical Rating Organizations (NRSRO) and issued by a domestic corporation having assets in excess of $500 million and having an A or better rating on its long-term debentures as provided by NRSRO. Purchases of eligible commercial paper may not exceed 270 days to maturity or 25 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation.

8. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. The City's investment in LAIF will be determined according to the City's liquidity needs and may not exceed $50 Million. When calculating this limit, the City does not include bond proceeds invested with LAIF. These bond proceeds are held separately to
meet arbitrage regulations and are not part of our pooled investments. LAIF has traditionally limited investments to short-term government type bonds. Treasury staff reviews the LAIF statements quarterly to ensure that this practice is maintained.

9. Non-negotiable Time Deposits shall not exceed five (5) years to maturity. Investments in Certificates of Deposit and Checking Accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Furthermore, the combined investments in Certificates of Deposit and deposits, if a private sector entity is used, shall not exceed, in total, more than 30 percent of the portfolio. The City may use a private sector entity that assists in the placement of Certificates of Deposit.

10. Medium-term Notes/Bonds issued by corporations organized and operating within the United States, pursuant to the California Government Code Section 53601(e). The issuing corporation must be in excess of $500,000,000 in shareholder’s equity. Purchase of Medium-term Notes/Bonds may not exceed 30 percent of the cost value of the portfolio. The Corporate Notes must have an “A” rating in categories by one Nationally Recognized Statistical Rating Organizations (NRSRO). If a rating changes on a Corporate Note below our threshold, the Treasury Department would review the security to determine if that security should be held or sold, even at a loss.

11. Notes, Bonds, or other obligations which are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of another secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities which the security interest is granted. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of “A” or its equivalent or better by an NRSRO and having a rating in the “A” category or higher for the issuer’s unsecured debt, as provided by an NRSRO.

12. Money market funds are limited to 20 percent of the market value of the portfolio. The funds must be rated in the highest category of Moody’s or Standard and Poor’s, or must be administered by a domestic bank with long-term debt rated in one of the top two categories of Moody’s or Standard and Poor’s. A thorough investigation of any money market fund or investment pool is required prior to investing, as well as on an ongoing basis. The following information should be obtained and analyzed:

a. A description of eligible investment securities.

b. A written statement of investment policies and objectives.

d. A description of how the securities are safeguarded and how often the securities are priced and the program audited.

e. Information about the size and frequency of deposits and withdrawals allowed, and how much notice is needed for withdrawals.

f. A schedule for receiving statements and portfolio listings.

g. A fee schedule, as well as how and when the fees are assessed.

h. The rating of the pool/fund.

i. Information about investment advisers, including registration with the Securities and Exchange Commission, length of experience and total assets under management.

13. Ineligible Investments. Investments not described herein, including, but not limited to, common stocks, inverse floaters, range notes, or mortgage-derived interest-only strips are prohibited from use in this portfolio. Investments, which exceed five years in maturity, require authorization by City Council prior to purchase.

C. Diversification by Institution.

1. Not more than $250,000 shall be placed in any qualifying institution unless collateralized in accordance with this policy.

2. All certificates of deposit investments shall be collateralized by government securities with a market value of 110 percent of the City's investment or mortgages in value equal to 150 percent of the City's investments. Each investment institution must meet specific financial criteria as determined by the Executive Investment Committee.

3. In no event may any institution have City investments exceeding $5,000,000 without approval of the Executive Investment Committee. This restriction shall not apply for periods of seven days or less when the City is receiving substantial funds (e.g. proceeds of bond sales) or is consolidating funds for a major transaction.

D. Collateralization

1. An independent third party with whom the City has a current custodial agreement must always hold collateral.

2. State law regarding collateralization of deposits of public funds requires that securities must be held by an agent (i.e. a trust company) of the bank, which may include the bank's trust department, only if acceptable to both the bank and the
City Treasurer, pursuant to California Government Code Sections 53656 and 53658. Under the provisions of California Government Code Section 53652, banks are required to secure the deposits of public funds, including certificates of deposits, by: a) pledging government securities with a value of 110 percent of the principal and accrued interest; b) pledging first trust deed mortgage notes having a value 150 percent of the total agency deposit; or c) a letter of credit drawn on the Federal Home Loan Bank of 105 percent of the total agency deposit. Deposits must be secured at all times with eligible securities pursuant to California Government Code Section 53651.

3. Collateralization of repurchase agreements must be at least 102 percent of the market value of principal and accrued interest. Collateral must consist of U.S. Treasury obligations or U.S. Agency obligations. Other specific requirements on repurchase agreements must be addressed in a master repurchase agreement of the City and the financial institution or broker/dealer.

E. Investment Compliance Review

All securities held by the City will be maintained in compliance with Section XII, Authorized and Suitable Investments. The investment portfolio shall be reviewed quarterly to determine compliance with these parameters. Non-compliance events will be evaluated to determine and initiate actions needed to adjust investment yields, maturities, percentage requirements or other, in order to bring the portfolio back into compliance. In the event an instance of non-compliance is recommended by the City Treasurer, authorization may be given by the Executive Investment Committee and the Mayor if done unanimously. All major and critical incidences of non-compliance shall be reported in the quarterly treasurer’s report to the City Council.

Summary Table of the Policy’s Authorized and Suitable Investments:  

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Maximum Maturity 1</th>
<th>Maximum % of Portfolio</th>
<th>% with One Issuer</th>
<th>Minimum Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Obligations</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>(bills, bonds, or notes)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>5 years</td>
<td>(2)</td>
<td>(2)</td>
<td>None</td>
</tr>
<tr>
<td>Supranational</td>
<td>5 years</td>
<td>30%</td>
<td>30%</td>
<td>A</td>
</tr>
<tr>
<td>Municipal Securities of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>California Local Agencies</td>
<td>5 years</td>
<td>40%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Negotiable Certificates</td>
<td>5 years</td>
<td>30%</td>
<td>10%</td>
<td>(3)</td>
</tr>
<tr>
<td>Bankers' Acceptances</td>
<td>180 days</td>
<td>30%</td>
<td>10%</td>
<td>(3)</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>270 days</td>
<td>25%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td></td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

11
<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Maximum Maturity</th>
<th>Maximum % of Portfolio</th>
<th>Maximum % with One Issuer</th>
<th>Minimum Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reverse Repurchase Agreements</td>
<td>92 days</td>
<td>20%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>N/A</td>
<td>$50M</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Non-Negotiable Time Deposits</td>
<td>5 years</td>
<td>25%</td>
<td>10%</td>
<td>(3)</td>
</tr>
<tr>
<td>Medium Term Notes/Bonds</td>
<td>5 years</td>
<td>30%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Notes, Bonds, or Other Obligations</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>A</td>
</tr>
</tbody>
</table>

1 In the absence of a specified maximum, the maximum is 5 years.

2 No more than one-third of the cost value of the total portfolio at time of purchase can be invested in the unsecured debt of any one agency.

3 Credit and maturity criteria must be in accordance with Section XII of the City Treasurer’s Investment Policy.

4 Maximum percentage of portfolio for Reverse Repurchase Agreements is 20% of base value.

5 Minimum credit rating categories include modifications (+/-). Credit ratings are from any NRSRO.

6 Investment types with a 10% maximum with one issuer are further restricted per the City Treasurer’s Investment Policy: 5% per issuer and an additional 5% with authorization by the City Treasurer.

7 The City’s investments are governed by California Government Code Sections 53600 (et seq.). Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed above. In the event a discrepancy is found between this policy and the Summary Table above, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

### III. Maturity Goals

1. Subject to the availability of funds, short-term investments (maturity of one year or less) of the City shall not be less than 25 percent of the General Fund annual operating budget of the City.

2. The percentage of the City’s portfolio that may be invested intermediate term (maturity term over one year and not greater than five years) shall be determined by the City Treasurer based on estimated cash requirements.

3. Long-term investments (over five years to maturity date) shall be made only after review and approval by the City Council. Accordingly, no fixed percentage of the City’s portfolio is designed for long-term investments.
4. Additional and/or clarifying maturity guidelines shall be adopted from time to time as devised by the City Treasurer and reviewed by the Executive Investment Committee.

XIV. Policy Review

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield, and its relevance to current law and financial and economic trends. The City of Escondido’s investment policy shall be approved by the City Council on an annual basis.

XV. Investment Procedures

The City Treasurer and his/her delegated staff shall establish written investment policy procedures for the day-to-day operations of the investment program consistent with this policy. The procedures should include reference to cash balancing, safekeeping, wire transfer agreements, collateral/depository agreements, and the selection process for financial institutions and broker/dealers. The procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

XVI. Investment Strategy and Performance Standards

The City’s investment strategy is passive (buy and hold). Given this strategy, the basis used by the City Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City’s portfolio investment duration. Given the liquidity objective (25 percent of general fund operating budget shall be invested one year or less) and the portfolio duration, the 2-Year U.S. Treasury Note shall be the City’s selected benchmark.
APPENDIX
CITY OF ESCONDIDO
INVESTMENT PROCEDURE MANUAL

Purpose

The purpose of these guidelines is to help create a Procedure Manual to assist Treasury staff with day-to-day investment operations.

References and subjects at the beginning of each section refer to elements in the Investment Policy.

Cash Review

I. Policy
II. Scope
IX. Accountability and Authority

The City Treasurer or his/her designee, must review the cash balances and investment portfolio daily, or as needed. Items to be reviewed should include:

a) Balance of City of Escondido’s General Account
b) Maturing Investments (includes all investments)
c) Large incoming wires from the State, County, and other miscellaneous agencies
d) Large outgoing wires such as debt service payments and routine wires such as San Diego County Water Authority, Kaiser, and Workers’ Compensation Service provider and any other routine that may be added
e) Accounts payable and payroll disbursements

Investment Selection

III. Prudence
IV. Objective
XII. Authorized and Suitable Investments
XII B. Diversification
XIII. Maturity Goals

The City Treasurer or designee determines how much of the cash balance is available for investment and selects the area of the yield curve that most closely matches the required maturity date based on cash flow needs.
In determining the maturity date, the Treasury Manager or other Treasurer designee, should consider liquidity, cash flow, and expected expenditures. A review of some of the following sources should determine whether the investments should be placed to match projected expenditures or shorter, or take advantage of current and expected interest rate environments:

a) Review daily business publications and commentaries from financial institutions and brokers.

b) Read publications, Wall Street Journal, and watch media (CNBC) for general trends of economic interests.

c) Input from approved broker/dealers.

**Purchasing an Investment**

VII. Authorized Financial Institutions and Broker/Dealers

VIII. Safekeeping and Custody

XII. Authorized and Suitable Investments

XII B. Diversification of Investments

XIII. Maturity Goals

Financial institutions are selected through a “Request for Proposal” (RFP) process. Broker/dealers are selected through a formal questionnaire process, which helps provide the following evaluation:

a) Financial conditions, strength, and capability to fulfill commitments.

b) Overall reputation with other investors.

c) Regulatory status of the broker/dealer (all providers).

d) Background and expertise of the individual representative.

Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. Every three to five years the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The list may include primary or regional dealers that are credit worthy and Rule 15C3-1.

All financial institutions and broker/dealers who desire to provide investment services must participate in the City’s formal broker/dealer questionnaire process. To be considered, the financial institution or broker/dealers must supply the following as appropriate:

- Completed broker/dealer questionnaire
- Proof of National Association of Security Dealers (NASD) certification
• License to conduct business in the State of California
• Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
• Certification of having read and understood and agreeing to comply with the City of Escondido’s investment policy
• Evidence of adequate insurance coverage

Qualified broker/dealers selected to do business with the City shall submit annually current audited financial statement.

After the annual adoption of the City’s investment policy by the City Council, a copy shall be sent to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City’s investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

The Treasury Manager or other Treasurer designee shall be as specific as possible in requesting the offering in purchasing a security. If a particular type of investment or a particular agency is to be excluded due to policy limitations that should be stated to the providers. If collateral is required (i.e. for Repo’s or CD’s) the collateral limitations (excess margin, types of securities, maximum maturity, etc.) should be specified. The City may invest in repurchase agreements provided it has a signed master repurchase contract, which specifies terms and conditions of repurchase agreements.

The following must be determined prior to contacting the providers:

a) Settlement – cash, regular (next day), skip (2 business days), corporate (3 business days) or when-issued if a new issue.
b) Amount – either par value or total dollars to be invested.
c) Type of security to be purchased or type to be excluded.
d) Targeted maturity or maturity range.
e) Time limit to show offering – 5 minutes, 15 minutes, or a specified time.

If choosing an external pool (or LAIF or Money Market) as the preferred investment vehicle at the time, the following should be available for inspection prior to purchase and at reasonable time thereafter:

a) LAIF written investment policy and a copy of the “LAIF ANSWER BOOK” (which contains detailed information about LAIF).
b) A prospectus for the Money Market funds or bank-managed funds.
c) The balance of the LAIF account is reviewed to adhere to the City’s investment pool limit – not to exceed the investment policy limits of up to $50 million.

Before concluding the transaction, the following should be validated:
a) The security selected for purchase meets all criteria including portfolio-diversification, collateralization (if appropriate), and maturity. If the security has any imbedded options such as call provisions or coupon adjustments, these should also be reviewed. Current practice is to buy bullet securities, no callable. The strategy is buy and hold.

b) Verify yield.

c) Total purchase cost (including accrued interest) does not exceed funds available for investment.

d) Advise the successful provider that their offering has been selected for purchase.

e) After confirmation of the purchase, as a courtesy, notify the other broker/dealers that you have placed the investment. Best price may be disclosed if the other broker/dealers ask.

After consummation of the transaction, and prior to settlement date, the following information should be confirmed with the provider in order to ensure prompt and uninterrupted settlement:

a) Reconfirm amounts of transaction (principal, accrued interest, if any, and total cost).

b) Reconfirm settlement date.

c) Acquire CUSIP number of security, if applicable.

d) Obtain a copy of the Bloomberg (trade ticket plus description page).

All qualified broker/dealers have the City's delivery instructions, which consist of the following:

a) Name of third-party safekeeping agent (currently Bank of New York Mellon Trust, contact designated customer service representative)

b) ABA number of safekeeping agent.

c) Safekeeping account number.

**Settlement and Follow-Through**

**IX. Accountability and Authority**

The City Treasurer or other designee should forward to the safekeeping agent, by fax or e-mail, detailed information regarding investment transaction. The detailed information of the purchased security will consist of:

a) Type of security.

b) Par amount, stated coupon, interest yield, maturity date, and CUSIP number.

c) Specified dollar amount (principal amount, accrued interest, if applicable, and total cost).

d) Note the broker of the investment transaction.

e) Signature of the Treasurer designee.
A phone call should be made to the safekeeping agent to inform of purchase and confirm receipt of the investment information. When applicable the following should be verified:

- a) Provision of receipt or disbursement of funds.
- b) Internal transfer or wiring of funds.
- c) Written validation from safekeeping agent.
- d) Notification of discrepancy prior to acceptance or rejection of the transaction.
- e) Immediate notification if a fail has occurred: by provider if they are responsible, by safekeeping agent if they are responsible.
- f) That all verbal and written verifications have been forwarded to and received from applicable parties to ensure that transaction was successfully executed.

**Investment Strategy and Performance Standards**

XVI. Accountability and Authority

The City's strategy is buy and hold (passive v. active). The strategy is to ladder out the portfolio five years, taking cash flow into consideration. Given this strategy, the basis used by the City Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City's portfolio investment duration. The 2-Year U.S. Treasury Note shall be the City’s benchmark.
GLOSSARY OF TERMS

**Agencies** — agencies of the federal government set up to supply credit to various classes of institutions (e.g., S&Ls, small business firms, students, farmers, housing agencies, etc.)

**Amortized Cost** — cost of investments adjusted for premiums and discounts. Amortized cost is used to maintain comparability with market value.

**Arbitrage Regulation** — law to control the use of profit making by purchasing securities on one market for immediate resale on another in order to profit from a price difference.

**Asked** — the price at which securities are offered.

**Bankers Acceptance (BA)** — a draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Benchmark** — a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio’s investments.

**Bid** — price a prospective buyer is ready to pay.

**Bond Indenture** — written agreement specifying the terms and conditions for issuing bonds, stating the form of the bond being offered for sale, interest to be paid, the maturity date, call provisions and protective covenants, if any, collateral pledged, the repayment schedule, and other terms. It describes the legal obligations of a bond issuer and the powers of the bond trustee, who has the responsibility for ensuring that interest payments are made to registered bondholders.

**Book Value** — a term synonymous with amortized cost.

**Broker/Dealer** — individual or firm acting as principal in securities transaction.

**Buy and Hold Strategy** — investments in which management have the positive intent and ability to hold each issue until maturity.

**Callables** — securities that the issuer has the right to redeem prior to maturity.

**Certificates of Deposit (CD)** — a time deposit with a specific maturity evidenced by a certificate.

**Collateral** — securities pledged to secure repayment of a loan.

**Commercial Paper** — short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. It is a promissory note of the issuer used to finance current obligations, and is a negotiable instrument.
Comprehensive Annual Financial Report (CAFR) — an annual financial report that contains at a minimum, three sections: introductory, financial and statistical, and whose financial section provides information on each individual fund and component unit. (Definition source: 2005 Governmental Accounting, Auditing, and Financial Reporting (GAAFR)).

Coupon — a) the annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value; b) a certificate attached to a bond evidencing interest due on a payment date.

Custody — a banking service that provides safekeeping for the individual securities in a customer’s investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive, and deliver securities when ordered to do so by the principal.

Debenture — a bond secured only by the general credit of the issuer.

Delivery vs. Payment — there are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with a simultaneous exchange of money. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives — a) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor; b) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount — the difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities — non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification — dividing investment funds among a variety of securities offering independent returns.

Executive Investment Committee — a committee chaired and appointed by the City Treasurer to oversee the day-to-day investment program of the City.

Federal Credit Agencies — agencies of the federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L’s, small business firms, students, farmers, farm cooperatives and exporters.

Federal Deposit Insurance Corporation (FDIC) — a federal agency that insures bank deposits. Deposit coverage increased from $100,000 to $250,000 per depositor in 2008. The increased coverage limits of $250,000 per depositor, per insured institution, was extended indefinitely effective July 2010 with the passage of the Dodd-Frank Act.
Federal Farm Credit Bank System (FFCB) — created by Congress in 1916, this nationwide system of banks and associations provides mortgage loans, credit and related services to farmers, rural homeowners, and agricultural and rural cooperatives. The banks and associations are cooperatively owned, directly or indirectly, by their respective borrowers. The banks of the Farm Credit System issue securities on a consolidated basis through the Federal Farm Credit Banks Funding Corporation.

Federal Funds Rate — the rate of interest associated with borrowing a Federal Reserve Bank’s excess reserves. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Bank System (FHLB) — created in 1932, this system consists of 12 regional banks, which are owned by private member institutions and regulated by the Federal Housing Finance Board. Functioning as a credit reserve system, the system facilitates extension of credit through its owner-members in order to provide access to housing and to improve the quality of communities. Federal Home Loan Bank issues are joint and several obligations of the 12 Federal Home Loan Banks and issued through the Federal Home Loan Banks Office of Finance.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) — a stockholder-owned corporation established by Congress in 1970 to provide a continuous flow of funds to mortgage lenders, primarily through developing and maintaining an active nationwide secondary market in conventional residential mortgages. Freddie Mac purchases a large volume of conventional residential mortgages and uses them to collateralize mortgage-backed securities. Freddie Mac is a publicly held corporation; its stock trades on the New York Stock Exchange. Effective in 2008, the FHLMC was placed under U.S. Government conservatorship through the Federal Housing Finance Authority agency.

Federal National Mortgage Association (FNMA or Fannie Mae) — a federally chartered but privately owned corporation which traces its roots to a government agency created in 1938 to provide additional liquidity to the mortgage market. Fannie Mae carries a congressional mandate to promote a secondary market for conventional and FHA/VA single- and multifamily mortgages. Fannie Mae is a publicly held company whose stock trades on the New York Stock Exchange. Effective in 2008, the FNMA was placed under U.S. Government conservatorship through the Federal Housing Finance Authority agency.

Federal Open Market Committee (FOMC) — a committee that sets interest rate and credit policies for the Federal Reserve System, the United States’ central bank. The FOMC has 12 members. Seven are the members of the Federal Reserve Board, appointed by the president of the United States. The other five are presidents of the 12 regional Federal Reserve banks. Of the five, four are picked on a rotating basis; the other is the president of the Federal Reserve Bank of New York, who is a permanent member. The committee decides whether to increase or decrease interest rates through open market operations of buying or selling government securities. The committee’s decisions are closely watched and interpreted by economists and stock and bond market analysts, who try to predict whether the Fed is seeking to tighten credit to reduce inflation or to loosen credit to stimulate the economy.
Federal Reserve System — system established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System (the Fed) is comprised of 12 regional Federal Reserve Banks, their branches, and all national and state that are a part of the system. The Federal Reserve System’s main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for transfer of funds throughout the banking system, and examine member banks to make sure they meet various Federal Reserve regulations.

Government National Mortgage Association (GNMA or Ginnie Mae) — government-owned corporations, nicknamed Ginnie Mae, which is an agency of the U.S. Department of Housing and Urban Development. Security holder is protected by full faith and credit of the U.S. government. Ginnie Mae securities are backed by the FHA, VA or FM mortgages. The term “pass throughs” is often used to describe Ginnie Maes.

Interest Rate Risk — the risk that investments will lose market value because of increases in market interest rates. A rise in market interest rates will cause the market value of investments made earlier at lower interest rate to lose value. The reverse will cause a gain in market value.

Intermediate Maturity — investment period greater than one year but less than five years and one day.

Investment Committee — a committee chaired by the City Treasurer to advise the City Treasurer on policies governing the City’s investment program.

Laddered Portfolio — bond investment portfolio with securities in each maturity range (e.g. monthly) over a specified period of time (e.g. five years).

Leverage — investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

Liquidity — the ability to turn an asset into cash. The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset’s price.

Local Agency Investment Fund (LAIF) — the aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Long-Term Maturity — investment period greater than five years.

Long-Term Investment — maturity on investment greater than five years, as of the date of purchase.

Market Value — the price at which a security is trading, usually the liquidation value.

Master Repurchase Agreement — a written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party’s rights in the transactions. A master repurchase agreement will often specify the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.
**Maturity** — the date upon which the principal or stated value of an investment becomes due and payable.

**Modified Duration** — a measure of the sensitivity that the value of a fixed-income security has to changes in market rates of interest. Modified duration is the best single measure of a portfolio's or security's exposure to market risk. Modified duration identifies the potential gain/loss in value before the gain/loss actually occurs. It is a prospective measurement, e.g., a modified duration of 1.5 indicates that when and if a 1% change in market interest rates occurs, a 1.5% change in the value of a security will result. Investments with modified durations of one to three are considered to be relatively conservative.

**Money Market** — the market in which short-term debt instruments (Treasury bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Nationally Recognized Statistical Rating Organizations (NRSRO)** — a credit rating agency (CRA) that issues credit ratings which the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

**Offer** — price at which someone who owns a security offers to sell it, also known as the asked price.

**Open Market Operations** — activities by which the Securities Department of the Federal Reserve Bank of New York, popularly called the desk, carries out instructions of the Federal Open Market Committee designed to regulate the money supply. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Pooled Investment** — grouping of sources for the common advantage of the participants.

**Portfolio** — collection of securities held by an investor.

**Primary Dealer** — investment dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its execution of Fed Open Market Operations. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

**Prudent Person Rule** — standard adopted by some U.S. states to guide those with responsibility for investing money of others. Such fiduciaries, such as trustees, must act as a prudent man or woman would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. States not using the prudent-man system use the legal list system, allowing fiduciaries to invest only in a restricted list of securities, called the legal list.

**Qualified Investment** — an investment instrument (such as an insured certificate of deposit of $100,000 with California chartered savings and loan), which is approved by this policy or pursuant to procedures set forth in this policy.

**Range Note** — an investment instrument that pays a high interest rate, if a given index falls within a stipulated range, but pays no interest if the stipulated index falls outside that range.
Rate of Return — the yield obtainable on security based on its purchase price or its current market price.

Repurchase Agreement (RP or REPO) — agreement between a seller and a buyer, usually of U.S. government securities, whereby the seller agrees to repurchase the securities as an agreed upon price and usually, at a stated time. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

Required Reports — Section 53646 of the California Government Code specifies that certain information may be periodically transmitted to the City's governing body and chief executive officers by the City's chief fiscal or investment officer.

Safety — the ability of a security issuer to guarantee redemption of their security.

Safekeeping — sees custody

Secondary Market — a market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission (SEC) — an agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1 — see Uniform Net Capital Rule.

Short-term Maturities — investment period of one year or less.

Tennessee Valley Authority (TVA) — a wholly owned corporation of the U.S. government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to $30 billion. Under this authorization, TVA may also obtain advances from the Treasury of up to $150 million.

Time Deposit — a savings account or certificate of deposit held in a financial institution for a fixed term.

Treasury Bills — a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Treasury Bills have a maturity of one year or less.

Treasury Bonds — long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes — medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from one to ten years.
Uniform Net Capital Rule — Securities and Exchange Commission requirement that all SEC registered broker/dealers maintain sufficient liquid resources to promptly satisfy their liabilities, including all claims by customers, creditors and other broker-dealers. The rule requires broker-dealers to maintain the greater of (1) a specified percentage of net capital as it relates to either total broker indebtedness or total customer receivables, or (2) a specified dollar amount.

Yield - The annual rate of return on an investment generally expressed as a percentage of the securities current price.
TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director
       Joseph Goulart, Fleet Maintenance Superintendent

SUBJECT: Second Amendment to the Public Services Agreement for Vehicle Outfitting Services with American Emergency Products

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2017-90, authorizing the Mayor and the City Clerk to execute a Second Amendment to the Public Services Agreement (PSA), exercising the Option Period 2, and amending paragraph two of the PSA to clarify that three (3) optional periods were included in the Vehicle Outfitting Services Request for Proposal (RFP) No. 14-01.

FISCAL ANALYSIS:

Sufficient funds are available in Fleet Services Vehicle Replacement Fund.

PREVIOUS ACTION:


BACKGROUND:

The City of Escondido and American Emergency Products entered into an agreement dated August 4, 2014, to provide emergency vehicle outfitting services such as lights, sirens, and other emergency vehicle equipment. In addition to the initial two-year term, the RFP No. 14-01 for Vehicle Outfitting Services contained three (3) one-year option periods. The City and American Emergency Products desire to enter into a Second Amendment to the PSA for vehicle outfitting services to exercise Option Period 2, and extend the agreement through June 30, 2018. All terms and conditions of the original agreement shall remain in full force and effect. Compensation for Option Period 2 shall not exceed $345,000.

Respectfully submitted,

Edward N. Domingue, P.E.,
Public Works Director

Joseph Goulart,
Fleet Maintenance Superintendent

Staff Report - Council
RESOLUTION NO. 2017-90

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK, TO EXECUTE, ON BEHALF OF THE CITY, A SECOND AMENDMENT TO THE PUBLIC SERVICES AGREEMENT FOR VEHICLE OUTFITTING SERVICES WITH AMERICAN EMERGENCY PRODUCTS

WHEREAS, the City of Escondido ("City") solicited bids for vehicle outfitting services on April 24, 2014, Request for Proposal No. 14-01 ("RFP No. 14-01"); and

WHEREAS, on June 25, 2014, the City Council adopted Resolution 2014-80, awarding the vehicle outfitting services contract to American Emergency Products; and

WHEREAS, the City and American Emergency Products entered into a Public Services Agreement ("Agreement") on August 4, 2014, to provide vehicle outfitting services for a firm-fixed-price two-year contract ending June 30, 2016; and

WHEREAS, RFP No. 14-01 contained three (3) one-year optional contract periods following expiration of the initial two-year term; and

WHEREAS, on August 17, 2016, the City Council adopted Resolution No. 2016-77, executing a First Amendment to the Agreement for Option Period 1 extending the contract term through June 30, 2017; and

WHEREAS, the City and American Emergency Products desire to exercise Option Period 2 by executing a Second Amendment to the Agreement to extend the contract term through June 30, 2018, and amend the original Agreement to clarify
paragraph two, relative to the optional contract periods consistent with RFP No. 14-01; and

WHEREAS, compensation for outfitting services for Option Period 2 shall not exceed $345,000; and

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

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the Second Amendment to the Agreement to exercise Option Period 2, and amend the original Agreement to clarify paragraph two consistent with RFP No. 14-01.

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

1. That the above recitations are true.

2. That the Mayor and the City Clerk are authorized to execute, on behalf of the City, a Second Amendment to the Vehicle Outfitting Services Agreement with American Emergency Products, which is attached hereto as Exhibit "A" and incorporated by this reference.
CITY OF ESCONDIDO
SECOND AMENDMENT TO PUBLIC SERVICE AGREEMENT

This "Amendment" is made this _____ day of ____________, 20__.

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

And: AMERICAN EMERGENCY PRODUCTS
      10729 Wheatlands Avenue
      Santee, California 92071
      Attn: Adam Serr
      877-572-9111
      ("CONTRACTOR")

Witness that whereas:

A. CITY and CONTRACTOR entered into an agreement on August 4, 2014
   ("Agreement"), wherein CITY retained CONTRACTOR to provide vehicle
   outfitting services at a firm fixed price for two years;

B. The Request for Proposal for Vehicle Outfitting Services (RFP No. 14-01)
   also contained three (3) one-year option periods for which escalation of the
   contract price would be capped at five percent relative to the preceding
   contract year; and

C. CITY and CONTRACTOR desire to amend the Agreement to exercise
   Optional Period 2 and clarify paragraph two of the Agreement consistent
   with RFP No. 14-01.
NOW THEREFORE, it is mutually agreed by and between CITY and CONTRACTOR as follows:

1. Paragraph two of the Agreement is amended to read:

   **Compensation.** The CITY will pay for services provided, as specified in the Request for Proposal for Vehicle Outfitting Services (RFP No. 14-01) in full for the above services upon final inspection and approval by CITY staff. The payment amount for services provided during the initial two-year term shall not exceed $588,216.84. The CITY and CONTRACTOR may exercise three (3) one-year option periods following the initial two-year term. If this Agreement is amended to exercise any option period, the cumulative total of all said option period increases shall not exceed five percent of the prices in effect at the end of the preceding contract year. Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it.

2. The CONTRACTOR will furnish the services described in RFP No. 14-01 for Optional Period 2.

3. CITY will compensate the CONTRACTOR in an additional amount not to exceed $345,000, pursuant to the conditions contained in RFP No. 14-01.

4. 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: ____________________

_________________________
Diane Halverson
City Clerk

Date: ____________________

_________________________
American Emergency Products

_________________________
Adam Serr
Senior Account Manager

(The above signature should be notarized)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, City Attorney

By: ________________________

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.
ORDINANCE NO. 2017-10RR

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING ARTICLE 34 OF THE ESCONDIDO ZONING CODE PERTAINING TO WIRELESS COMMUNICATION FACILITIES WITHIN THE RIGHT-OF-WAY

Planning Case No. AZ 16-0009

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

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

SECTION 2. That the City Council has determined that this Zoning Code Amendment is exempt from the California Environmental Quality Act ("CEQA") in conformance with CEQA Guidelines Section 15061(b)(3) "General Rule" and finds that no significant environmental impact will result from approving this code amendment.

SECTION 3. That upon consideration of the staff report; Planning Commission recommendation; Factors to be Considered, attached as Exhibit "A" to this Ordinance and incorporated by this reference; and all public testimony presented at the hearing held on this project, this City Council finds the proposed Zoning Code Amendment is consistent with the General Plan and does not affect any specific plans of the City of Escondido.

SECTION 4. That Article 34 of the Escondido Zoning Code, Section 33-704(k)
TO: Honorable Mayor and Members of the City Council

FROM: Sheryl Bennett, Director of Administrative Services
       Julie Procopio, Director of Engineering Services/City Engineer

SUBJECT: The Five-Year Capital Improvement Program, the Fiscal Year 2017/18 CIP Budget, and the Regional Transportation Improvement Program

RECOMMENDATION:

It is requested that the City Council:

1) Approve Resolution No. 2017-100, adopting Fiscal Years 2017/18–2021/22 Five-Year Capital Improvement Program (CIP), and the Fiscal Year 2017/18 CIP Project Budgets; and


FISCAL ANALYSIS:

The CIP is a five-year planning tool which is developed and updated annually. The program allows identification of dependable funding resources for Fiscal Year 2017/18 and the corresponding uses of those funds. To view the complete document please visit: http://www.escondido.org/capital-improvement-program.aspx

PREVIOUS ACTION:

A preliminary summary of capital project requests was prepared and submitted to the City Council on May 10, 2017.

BACKGROUND:

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND FISCAL YEAR 2017/18 CIP BUDGET

The Five-Year Capital Improvement Program (CIP or Program) summarizes anticipated resources and their estimated uses. In order to maintain the City’s high quality-of-life standards and to affirm Escondido as the “City of Choice,” the CIP Budget has programmed major infrastructure, construction, capital improvements, and other maintenance projects. The proposed budget estimates sources of $87.4 million that are available to fund capital improvements and other maintenance and capital outlay
expenditures. The current year budget requests anticipate uses of $81.7 million in appropriated expenditures and transfers.

Upon completion of a project, any remaining balance is returned to the appropriate fund’s reserves and becomes available to fund future projects. Also any excess revenues over budgeted expenditures will be added to reserves. This program includes approximately $5.7 million in reserves available for future projects. The majority of the reserves are restricted funding only to be used for specific purposes.

The following charts highlight by category the funding Sources and Uses contained in the current Five-Year Capital Improvement Program for fiscal year 2017/18.

---

**FIVE-YEAR STREET CIP PLANNING PROCESS**

Each year the City updates the Five-Year Street Capital Improvement Program. In the past, the five-year plan was developed with the assistance and oversight of the Traffic and Transportation Task Force. For the last several years the Task Force has not been formed primarily due to the City Council’s stated priority to complete the extension of Citracado Parkway from Harmony Grove Village Parkway to Andreasen. Over the next five years, Traffic Impact Funding and TransNet funding is recommended to be programmed toward the extension of Citracado Parkway.

The City was also awarded two Active Transportation Program grants totaling $2.9 million. One grant will fund safe route to school improvements around Juniper Elementary School and fill sidewalk gaps. The other will fund street crossing improvements along the Escondido Creek Bike Path from Juniper Street to Citrus Avenue.
ANNUAL OPERATING AND MAINTENANCE PROGRAMS

The Five-Year Street CIP budget programs funding for the City’s Annual Pavement Maintenance and Rehabilitation project. With the additional funding anticipated from the recently approved Road Repair and Accountability Act of 2017 (SB1), Pavement Maintenance is recommended to be funded at $4.8 million during FY 2017/18, with projected annual funding increased to $5.5 Million - $5.7 Million thereafter. Funding is also programmed towards storm drain repair and improvement, traffic infrastructure, traffic signals and the Transportation and Community Safety Commission.

TRANSNET PROGRAM OF PROJECTS

The following four projects are being programmed with TransNet funds for Fiscal Years 2016/17 through 2020/21:

- ESC-04, Citracado Pkwy Extension
- ESC-37, Pavement Maintenance
- ESC-38, Pavement Rehabilitation
- ESC-39, Traffic Signals

TransNet funding for these projects constitutes the City of Escondido’s TransNet Local Street Improvement Program of Projects for Fiscal Years 2016/17 through 2020/21. Exhibit A of Resolution No. 2017-101 shows recommended funding to these projects for the 2016 RTIP, and has been input as an amendment into ProjectTrak, SANDAG’s automated system for programming of regional highway and street funds, by City staff. Amendments to the Program of Projects in the ProjectTrak system, if needed, are permitted by SANDAG quarterly.

Respectfully submitted,

[Signatures]

Sheryl Bennett
Director of Administrative Services

Julie Procopio, P.E.
Director of Engineering Services/City Engineer
RESOLUTION NO. 2017-100


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

SECTION 1. That the budgets for all capital projects for the period July 1, 2017, through June 30, 2018, inclusive, contained in the Fiscal Years 2017/18-2021/22 Five-Year Capital Improvement Program and Budget Document (a copy of which is on file in the Office of the City Clerk) as amended by the City Council, are adopted as the final project budgets for Fiscal Year 2017/18. Amendments to this budget may be made from time to time following review and approval by minute action of the City Council.

SECTION 2. That the Fiscal Year 2017/18 amount designated for each project and each fund in the Five-Year Capital Project Improvement Program and Budget, on file with the City Clerk, are hereby appropriated to the fund for which it is designated. Such appropriations as adjusted shall be neither increased nor decreased without approval of the City Council, except for transfers within funds allowed under the City of Escondido’s adopted budget adjustment policy. All amounts designated in each project budget on file with the City Clerk are hereby appropriated for such uses to the fund under which they are listed, and shall be neither increased nor decreased without approval of the City Manager.
SECTION 3. That any City Council action changing the above mentioned assumptions will cause the Five-Year Capital Improvement Program and Fiscal Year 2017/18 Project Budgets to be revised and brought back to the City Council for modification.
RESOLUTION NO. 2017-101

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE ADOPTION OF THE
TRANSNET LOCAL STREET IMPROVEMENT
PROGRAM OF PROJECTS FOR FISCAL
YEARS 2017 THROUGH 2021

WHEREAS, on November 4, 2004, the voters of San Diego County approved the
San Diego Transportation Improvement Program Ordinance and Expenditure Plan
(TransNet Extension Ordinance); and

WHEREAS, the TransNet Extension Ordinance provides that SANDAG, acting as
the Regional Transportation Commission, shall approve on a biennial basis a multi-year
program of projects submitted by local jurisdictions identifying those transportation
projects eligible to use transportation sales tax (TransNet) funds; and

WHEREAS, the City of Escondido was provided with an estimate of annual
TransNet local street improvement revenues for fiscal years 2017 through 2021; and

WHEREAS, the City of Escondido approved its 2016 TransNet Local Street
Improvement Program of Projects (POP) on June 15, 2016, and the City of Escondido
desires to make adjustments to its Program of Projects; and

WHEREAS, the City of Escondido has held a noticed public hearing with an
agenda item that clearly identified the proposed amendment prior to approval of the
projects by its authorized legislative body in accordance with Section 5(A) of the TransNet
Extension Ordinance and Rule 7 of SANDAG Board Policy No. 31.
NOW THEREFORE, BE IT RESOLVED that the City of Escondido requests that SANDAG make the following changes, as shown in Table 1, to its 2016 POP (the "Amendment"). A copy of Table 1 is attached as Exhibit "A" to this resolution and is incorporated by this reference.

BE IT FURTHER RESOLVED that pursuant to Section 2(C)(1) of the TransNet Extension Ordinance, the City of Escondido certifies that no more than 30 percent of its annual revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment.

BE IT FURTHER RESOLVED that pursuant to Section 4(E)(3) of the TransNet Extension Ordinance, the City of Escondido certifies that all new or changed projects, or major reconstruction projects included in the Amendment and funded by TransNet revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed was clearly noticed as part of the City of Escondido’s public hearing process for the Amendment.

BE IT FURTHER RESOLVED that the City of Escondido does hereby certify that all applicable provisions of the TransNet Extension Ordinance and SANDAG Board Policy No. 31 have been met.

BE IT FURTHER RESOLVED that the City of Escondido continues to agree to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to City of Escondido’s TransNet funded projects.
### Table 1
2016 Regional Transportation Improvement Program
Amendment No. 6
San Diego Region (in $000s)

**Escondido, City of**

<table>
<thead>
<tr>
<th>MPO ID: ESC04</th>
<th>RTIP #:16-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Title: Citracado Parkway II</td>
<td></td>
</tr>
<tr>
<td>Project Description: Citracado Parkway from West Valley to Harmony Grove - widen from 2 to 4 lanes with raised medians, construct bridge over Escondido Creek</td>
<td></td>
</tr>
<tr>
<td>Change Reason: Increase funding</td>
<td></td>
</tr>
<tr>
<td>Capacity Status: CI</td>
<td></td>
</tr>
<tr>
<td>Exempt Category: Non-Exempt</td>
<td></td>
</tr>
<tr>
<td>Est Total Cost: $31,443</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - L</td>
<td>$581</td>
<td>$581</td>
<td>$1,200</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$4,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI</td>
<td>$4,000</td>
<td>$988</td>
<td>$988</td>
<td>$1,700</td>
<td>$1,700</td>
<td>$988</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI (Cash)</td>
<td>$1,700</td>
<td>$1,700</td>
<td>$908</td>
<td>$908</td>
<td>$23,266</td>
<td>$16,025</td>
<td>$1,038</td>
<td>$1,162</td>
<td>$1,716</td>
<td>$1,687</td>
</tr>
<tr>
<td>HUD</td>
<td>$908</td>
<td>$908</td>
<td>$908</td>
<td>$21,427</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$23,266</td>
<td>$16,025</td>
<td>$1,038</td>
<td>$1,162</td>
<td>$1,716</td>
<td>$1,687</td>
<td>$1,639</td>
<td>$839</td>
<td>$1,000</td>
<td>$21,427</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$31,443</td>
<td>$18,502</td>
<td>$2,738</td>
<td>$1,162</td>
<td>$2,916</td>
<td>$3,087</td>
<td>$3,039</td>
<td>$1,747</td>
<td>$1,581</td>
<td>$28,115</td>
</tr>
</tbody>
</table>

**PROJECT LAST AMENDED 16-00**

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - L</td>
<td>$581</td>
<td>$581</td>
<td>$1,200</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$4,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI</td>
<td>$4,000</td>
<td>$988</td>
<td>$988</td>
<td>$1,700</td>
<td>$1,700</td>
<td>$988</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI (Cash)</td>
<td>$1,700</td>
<td>$1,700</td>
<td>$908</td>
<td>$908</td>
<td>$21,782</td>
<td>$16,025</td>
<td>$1,038</td>
<td>$1,221</td>
<td>$1,200</td>
<td>$1,166</td>
</tr>
<tr>
<td>HUD</td>
<td>$908</td>
<td>$908</td>
<td>$908</td>
<td>$19,943</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$21,782</td>
<td>$16,025</td>
<td>$1,038</td>
<td>$1,221</td>
<td>$1,200</td>
<td>$1,166</td>
<td>$1,132</td>
<td>$839</td>
<td>$1,000</td>
<td>$19,943</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$25,959</td>
<td>$18,502</td>
<td>$2,738</td>
<td>$1,221</td>
<td>$2,200</td>
<td>$1,166</td>
<td>$1,132</td>
<td>$1,747</td>
<td>$1,581</td>
<td>$22,631</td>
</tr>
</tbody>
</table>

**MPO ID: ESC06**

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - L</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$50</td>
<td>$1,950</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - L (Cash)</td>
<td>$167</td>
<td>$167</td>
<td>$167</td>
<td>$808</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI (Cash)</td>
<td>$808</td>
<td>$808</td>
<td>$808</td>
<td>$2,021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI Carry Over</td>
<td>$2,021</td>
<td>$571</td>
<td>$1,450</td>
<td>$2,021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HUD</td>
<td>$406</td>
<td>$406</td>
<td>$406</td>
<td>$2,021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$406</td>
<td>$406</td>
<td>$406</td>
<td>$571</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$5,402</td>
<td>$3,381</td>
<td>$571</td>
<td>$1,450</td>
<td>$50</td>
<td>$5,352</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PROJECT LAST AMENDED 16-00**

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - L</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$50</td>
<td>$1,950</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - L (Cash)</td>
<td>$167</td>
<td>$167</td>
<td>$167</td>
<td>$808</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI (Cash)</td>
<td>$808</td>
<td>$808</td>
<td>$808</td>
<td>$571</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI Carry Over</td>
<td>$571</td>
<td>$571</td>
<td>$571</td>
<td>$571</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$406</td>
<td>$406</td>
<td>$406</td>
<td>$571</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$3,952</td>
<td>$3,381</td>
<td>$571</td>
<td>$50</td>
<td>$3,902</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pending final SANDAG approval**

---

Tuesday, June 13, 2017
2016 Regional Transportation Improvement Program  
Amendment No. 6  
San Diego Region (in $000s)

Escondido, City of  
MPO ID: ESC08  
RTIP #:16-06  

Project Title: Felicita Ave/Juniper Street  
RTP PG NO: B-38  
Project Description: Juniper Street between Chestnut Street and Vermont Avenue; Felicita Avenue between Juniper Street and Escondido Boulevard - widen from 2 to 4 lanes with left turn pockets; traffic signal modifications at Felicita/Escondido Blvd., pin on curb median on Felicita Avenue, street improvements that will accommodate curb and gutter, sidewalk, street crossings, Class II bike lanes, and active transportation education/encouragement activities at Juniper, Oak Hill, and Central Elementary Schools
RAS (M-40)  
TransNet - LSI: CR

Change Reason: Add new funding source  
Capacity Status: CI  
Exempt Category: Non-Exempt  
Est Total Cost: $4,951  
Open to Traffic: May 2020

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - L (Cash)</td>
<td>$115</td>
<td>$115</td>
<td>$115</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI Carry Over</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATP - R</td>
<td>$1,286</td>
<td></td>
<td>$86</td>
<td>$93</td>
<td>$1,107</td>
<td></td>
<td>$50</td>
<td>$1,236</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$3,500</td>
<td>$3,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,951</strong></td>
<td><strong>$3,615</strong></td>
<td>$50</td>
<td>$86</td>
<td>$93</td>
<td>$1,107</td>
<td>$50</td>
<td>$3,615</td>
<td>$1,286</td>
<td></td>
</tr>
</tbody>
</table>

PROJECT LAST AMENDED 16-00

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - L (Cash)</td>
<td>$115</td>
<td>$115</td>
<td>$115</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI Carry Over</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$3,500</td>
<td>$3,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,665</strong></td>
<td><strong>$3,615</strong></td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,615</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pending final SANDAG approval**

Page 2  
Tuesday, June 13, 2017
Escondido, City of
MPO ID: ESC37

2016 Regional Transportation Improvement Program
Amendment No. 6
San Diego Region (in $000s)

Project Title: Pavement Maintenance

Project Description: This project includes maintenance of various streets primarily in the maintenance zone of focus, and those classified as Collector and above throughout the City; the City's maintenance zones can be identified in the uploaded Maintenance Zone Map, FY16 - Maintenance Zone CS, FY17 - Maintenance Zone EN, FY18 - Maintenance Zone NE - this is an annual project that includes maintenance (crackseal, chipseal, slurry, sidewalk repairs) of various street elements city-wide

Change Reason: Increase funding

Capacity Status: NCI
Exempt Category: Safety - Pavement resurfacing and/or rehabilitation

Est Total Cost: $25,658

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - LSI</td>
<td>$6,604</td>
<td>$1,002</td>
<td>$1,044</td>
<td>$1,072</td>
<td>$1,117</td>
<td>$1,161</td>
<td>$1,208</td>
<td></td>
<td></td>
<td>$6,604</td>
</tr>
<tr>
<td>TransNet - LSI (Cash)</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI Carry Over</td>
<td>$2,046</td>
<td>$978</td>
<td>$1,068</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$17,005</td>
<td>$5,533</td>
<td>$825</td>
<td>$1,294</td>
<td>$3,061</td>
<td>$3,151</td>
<td>$3,140</td>
<td></td>
<td></td>
<td>$17,005</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$25,658</td>
<td>$7,513</td>
<td>$2,940</td>
<td>$2,366</td>
<td>$4,178</td>
<td>$4,312</td>
<td>$4,348</td>
<td></td>
<td></td>
<td>$25,658</td>
</tr>
</tbody>
</table>

PROJECT LAST AMENDED 16-04

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - LSI</td>
<td>$6,604</td>
<td>$1,002</td>
<td>$1,044</td>
<td>$1,072</td>
<td>$1,117</td>
<td>$1,161</td>
<td>$1,208</td>
<td></td>
<td></td>
<td>$6,604</td>
</tr>
<tr>
<td>TransNet - LSI (Cash)</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TransNet - LSI Carry Over</td>
<td>$2,046</td>
<td>$978</td>
<td>$1,068</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Funds</td>
<td>$8,672</td>
<td>$5,533</td>
<td>$825</td>
<td>$670</td>
<td>$624</td>
<td>$648</td>
<td>$471</td>
<td></td>
<td></td>
<td>$8,672</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$17,325</td>
<td>$7,513</td>
<td>$2,940</td>
<td>$1,742</td>
<td>$1,741</td>
<td>$1,709</td>
<td>$1,679</td>
<td></td>
<td></td>
<td>$17,325</td>
</tr>
</tbody>
</table>

** Pending final SANDAG approval
### 2016 Regional Transportation Improvement Program
#### Amendment No. 6
#### San Diego Region (in $000s)

**Escondido, City of**

**MPO ID:** ESC38

**Project Title:** Pavement Rehabilitation/Reconstruction

**Project Description:** Includes rehabilitation of various streets primarily in the maintenance zone of focus, and those classified as Collector and above throughout the City; the City's maintenance zones can be identified in the uploaded Maintenance Zone Map, FY16 - Maintenance Zone CS, FY17 - Maintenance Zone NE, FY18 - Maintenance Zone NW - annual project to rehabilitate existing pavement greater than 1" in depth within the city's 8 maintenance zones. Each year the project rotates to a new zone, and we treat identified roads in poor condition.

**Change Reason:** Reduce funding

**Capacity Status:** NCI  
**Exempt Category:** Safety - Pavement resurfacing and/or rehabilitation

**Est Total Cost:** $14,604

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet - L (Cash)</strong></td>
<td>$2,843</td>
<td>$1,350</td>
<td>$1,493</td>
<td></td>
<td></td>
<td></td>
<td>$2,843</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TransNet - LSI</strong></td>
<td>$11,107</td>
<td>$2,235</td>
<td>$2,436</td>
<td>$2,452</td>
<td>$1,356</td>
<td>$1,260</td>
<td>$1,369</td>
<td>$11,107</td>
<td></td>
</tr>
<tr>
<td><strong>TransNet - LSI (Cash)</strong></td>
<td>$8</td>
<td>$8</td>
<td>$8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8</td>
</tr>
<tr>
<td><strong>TransNet - LSI Carry Over</strong></td>
<td>$646</td>
<td>$172</td>
<td>$473</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$646</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$14,604</td>
<td>$3,757</td>
<td>$4,410</td>
<td>$2,452</td>
<td>$1,356</td>
<td>$1,260</td>
<td>$1,369</td>
<td>$14,604</td>
<td></td>
</tr>
</tbody>
</table>

**PROJECT LAST AMENDED 16-04**

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet - L (Cash)</strong></td>
<td>$1,394</td>
<td>$1,350</td>
<td>$44</td>
<td></td>
<td></td>
<td></td>
<td>$1,394</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TransNet - LSI</strong></td>
<td>$15,307</td>
<td>$2,235</td>
<td>$2,436</td>
<td>$2,502</td>
<td>$2,506</td>
<td>$2,710</td>
<td>$2,819</td>
<td>$15,307</td>
<td></td>
</tr>
<tr>
<td><strong>TransNet - LSI (Cash)</strong></td>
<td>$8</td>
<td>$8</td>
<td>$8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8</td>
</tr>
<tr>
<td><strong>TransNet - LSI Carry Over</strong></td>
<td>$2,095</td>
<td>$172</td>
<td>$1,923</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,095</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$18,804</td>
<td>$3,757</td>
<td>$4,411</td>
<td>$2,502</td>
<td>$2,606</td>
<td>$2,710</td>
<td>$2,819</td>
<td>$18,804</td>
<td></td>
</tr>
</tbody>
</table>

**MPO ID:** ESC39

**Project Title:** Traffic Signals

**Project Description:** New signals and modification of existing signals Citywide; see the attached Priority Lists for project areas - construction of new signals and modification of existing signals Citywide; signals will be constructed in accordance with the adopted traffic signal priority list.

**Change Reason:** Increase funding

**Capacity Status:** NCI  
**Exempt Category:** Other - Intersection signalization projects

**Est Total Cost:** $350

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet - LSI</strong></td>
<td>$200</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td></td>
<td>$200</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TransNet - LSI Carry Over</strong></td>
<td>$150</td>
<td>$60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$120</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$350</td>
<td>$90</td>
<td>$60</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td>$30</td>
<td>$320</td>
<td></td>
</tr>
</tbody>
</table>

**PROJECT LAST AMENDED 16-00**

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet - LSI Carry Over</strong></td>
<td>$150</td>
<td>$60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$120</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$150</td>
<td>$90</td>
<td>$60</td>
<td></td>
<td></td>
<td></td>
<td>$30</td>
<td>$120</td>
<td></td>
</tr>
</tbody>
</table>

**Pending final SANDAG approval**
**Escondido, City of**

MPO ID: ESC46

Project Title: Escondido Creek Trail Bike Path Improvements

Project Description: Escondido Creek Bike Trail from Juniper Street to Citrus Avenue - This project closes gaps on approximately 2.5 miles of the Escondido creek trail bike path by adding lighting, ped signals, crosswalks, ramps and signage to 7 intersections. The project's construction limits are the Escondido creek trail bike path between Juniper Street and Citrus Avenue.

Change Reason: New project

Capacity Status: NCI

Exempt Category: Air Quality - Bicycle and pedestrian facilities

Est Total Cost: $1,632

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>PRIOR</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATP - R</td>
<td>$1,632</td>
<td></td>
<td></td>
<td></td>
<td>$90</td>
<td>$1,542</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,632</td>
<td></td>
<td></td>
<td></td>
<td>$90</td>
<td>$1,542</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pending final SANDAG approval**
### RTIP Fund Types

#### State Funding
- **ATP**
  - Active Transportation Program (Statewide and Regional)

#### Local Funding
- **TransNet-L**
  - Prop. A Local Transportation Sales Tax - Local Streets & Roads
- **TransNet-L (Cash)**
  - TransNet - L funds which agencies have received payment, but have not spent
- **TransNet-LSI**
  - Prop. A Extension Local Transportation Sales Tax - Local System Improvements
- **TransNet-LSI Carry Over**
  - TransNet - LSI funds previously programmed but not requested/paid in year of allocation
- **TransNet-LSI (Cash)**
  - TransNet - LSI funds which agencies have received payment, but have not spent

---

**Pending final SANDAG approval**
TO: Honorable Mayor and Members of the City Council

FROM: Diane Halverson, City Clerk

SUBJECT: Appointment to Public Art Commission

RECOMMENDATION:

It is requested that the City Council ratify the Mayor’s appointment to fill an unscheduled vacancy on the Public Art Commission, term to expire March 31, 2018.

BACKGROUND:

Following a letter of resignation from Phyllis Savin, indicating that she was no longer able to serve on the Public Art Commission, a Notice of Unscheduled Vacancy was duly posted for a 10-day period in accordance with State law and City policy. The City Clerk’s Office has four applications on file:

- Nan Grenier
- Wendy Hammerstrom
- Rose Osvald
- Vanessa Schumert

Respectfully submitted,

Diane Halverson, MMC
City Clerk
**FUTURE CITY COUNCIL AGENDA ITEMS**  
Updated June 14, 2017

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

---

### June 28, 2017  
4:30 p.m.

#### PRESENTATIONS

- County of San Diego Treasurer-Tax Collector: Dan McAllister

#### CONSENT CALENDAR

- **Amendment to Sections 12.H and 13 of the Mobilehome Rent Review Board Guidelines**  
  (B. Martin/M. McGuinness)
  
  On May 3, 2017, the City Council considered proposed changes to Section 12.H. of the Guidelines. City Council voted to continue the agenda item for sixty (60) days and instructed staff to communicate with mobilehome park residents and owners about the proposed changes.

- **Tow Services Agreement**  
  (C. Carter)
  
  Current Tow Contracts expire on June 30, 2017. Staff has conducted a request for qualification process (RFQ) and evaluated contractors to determine a list of qualified vendors. Contracts will be established with qualified towing companies.

- **Fiscal Year 2016 Operation Stonegarden Grant and Budget Adjustment**  
  (C. Carter)
  
  The Escondido Police Department received a $25,000 grant for Stonegarden Operations. Grant funds will cover overtime expenses related to crime suppression operations.

- **Fiscal Year 2017-18 Department of Alcoholic Beverage Control Local Law Enforcement Grant and Budget Adjustment**  
  (C. Carter)
  
  The Escondido Police Department received a FY 2017-18 Department of Alcoholic Beverage Control Local Law Enforcement Grant in the amount of $59,192. The Police Department will use this allocation to fund overtime expenses related to Shoulder Tap Details, Minor Decoy Operations, and training. Grant funds will enhance local efforts to reduce alcohol-related problems in the community.

- **Bid Award for Water and Wastewater Treatment Chemicals**  
  (S. Bennett)
  
  To procure chemicals for the Water and Wastewater Treatment plants.
CONSENT CALENDAR Continued

Contract Award for Right-of-Way Landscape Maintenance Services
(E. Domingue)

On May 5, 2017, requests for proposals for Right-of-Way Landscape Maintenance Services were mailed to landscape contractors. On June 1, 2017 at 2:00 p.m., the bid closes. The Public Services Agreement is for two years with three one-year extension options.

Award Purchase of Fuels for Fiscal Year 2017-18
(E. Domingue)

Annual award of Fiscal Year 2017-18 unleaded and diesel fuel purchase.

Lease of Property at 340 North Escondido Boulevard to A Step Beyond, A California Corporation
(J. Petrek)

A ground lease is proposed for A Step Beyond to construct an approximate 1,200 sq. ft. office and meeting area located in a secluded area of the site, in conjunction with their leased studio space at the California Center for the Arts.

Approval of Contract Amendment for the Escondido-Vista Water Treatment Plant Disinfection and Electrical System Upgrades Project
(C. McKinney)

The contract amendment is required to complete construction of the Escondido-Vista Water Treatment Plant Disinfection and Electrical System Upgrades project.

PUBLIC HEARINGS

Public Hearing to Adopt a Resolution of Necessity to Initiate Condemnation Proceedings
(J. Procopio)

This action is required to allow the City of Escondido to proceed with an eminent domain action to acquire property rights within a strip of land 13.5 feet in width, lying adjacent to the southeasterly portion of APN 232-100-16, located on Grand Avenue, more commonly known as 700 West Grand Avenue.

CURRENT BUSINESS

2017-2018 City Council Action Plan Update
(J. Petrek)

The City Council Action Plan represents the City Council’s collective vision for Escondido’s future and the key activities that will be used to achieve that vision. It is developed biennially following a workshop where key policy interests are identified and discussed by the City Council and City Staff. A draft plan was presented to City Council on April 5, 2017.

FUTURE AGENDA ITEMS (D. Halverson)
June 15, 2017

FEATURED THIS WEEK

- An additional thank you to all those involved in preparing, presenting, and adopting the City of Escondido’s Preliminary Annual Operating Budget for the upcoming fiscal year. At approximately $190 million for all operating funds, this budget is balanced without using reserves, and provides for full City operations, including a fully staffed and equipped Police and Fire Department.

- As part of the overall development plans in the downtown area involving Touchstone Communities, the former medical office building on Ivy Street and Valley Parkway will be demolished. Prior to demolition, Touchstone contacted the City to offer the Fire Department an opportunity to use the building for training purposes. The City appreciates this cooperation and the Fire Department has arranged several sessions to take advantage of this opportunity.

SPECIAL EVENTS

Symphony in the Park – Grape Day Park – 6 p.m. to 8 p.m., Sunday June 18
Free afternoon of music. Bring your low-backed chair, beach blanket, friends and family. Relax in the park as you listen to wonderful music presented by the Palomar College Symphony Orchestra.

ECONOMIC DEVELOPMENT

- The Kickin’ it Challenge youth soccer tournament will be played at Ryan Park June 16-18, 2017. Teams will be participating from all over Southern California. It is expected that 2000 families will be traveling to Escondido for this event.

- Coughlin Windows recently completed upgrades to their storefront in Escondido. They participated in the Façade Grant Improvement Program offered by the City, and received matching grant funds to help offset the costs of their remodel. Stop by and check out their new showroom located at 215 W. Washington Avenue. http://coughlinwindows.com/

COMMUNITY DEVELOPMENT

Major Projects Update

The following major projects are currently being reviewed and coordinated with Planning, Engineering, Fire, Building and Utilities staff. A complete description of each project can be viewed here. Updates provided below cover project milestones that occurred last week.
Commercial / Office:

1. Escondido Research and Technology Center – East (ERTC) (Developer: James McCann) – Project review and communications with the applicant are on-going but there are no new milestones to report this week: A grading plan for a temporary parking lot to serve the hospital was approved June 13, 2016, and the parking lot is now under construction.

2. Escondido Research and Technology Center – West (ERTC) (Developer: James McCann) – Project review and communications with the applicant are on-going but there are no new milestones to report this week: Construction is underway on the approximately 76,000 square foot medical office building with a linear accelerator. Palomar Health also will be constructing their new outpatient center adjacent to the site at 2185 Citracado Parkway.

3. Centerpointe 78 Commercial (Developer: Lars Andersen, Pacific Development) – Project review and communications with the applicant are on-going but there are no new milestones to report this week: The grading plan was approved on May 10, 2017. Planning has approved a modified front elevation that would eliminate the second set of entry/exit doors. A building permit for the supermarket shell building was issued last week. Building plans for the tenant improvement of the market were submitted into plan check on May 9, 2017. The architectural details for the stand-alone pad building on the east side of the property (i.e. Starbucks) filed for design review on June 6, 2017 and is currently being reviewed by staff.

4. Westfield Theater (Developer: Kim Brewer, Westfield) – This project has been placed on hold by Westfield while they finalize lease negotiations so there is no change from the following update reported last week: No grading, building or improvement plans have been submitted by the developer at this time.

5. Felicita Development, LLC (Developer: Katherine Park, Creative Design Associates) – This project is on hold pending further direction and submittal of information from the applicant: Follow-up meetings conducted by the applicant with staff and the wildlife agencies lead staff to believe a revised project is forthcoming.

6. Springhill Suites (Developer: Raj Patel, San Bernardino Hospitality LLC) – The applicant is cleared to start construction so there is no change from the following update reported last week: Construction is expected to commence within the next month.

7. Centre City Commercial Center (Developer: Todd Dwyer) – Revisions to the traffic study have been reviewed by staff leading to the issuance of the Draft Mitigated Negative Declaration for a 30-day public review period that ends on June 8, 2017. A demolition plan for the existing motel and restaurant buildings on the site was submitted the third week of May. The right of access to Centre City Parkway is scheduled for consideration by City Council on June 7, 2017. Based on Council discussion on June 7, 2017, City staff will require the project to record an irrevocable offer to dedicate for future pedestrian access to the future residential project to the south, Latitude II. City staff is currently preparing a final Mitigated Negative Declaration that responds fully to all comments received during the comment period.
**Industrial**

1. **StorQuest** (Developer: The William Warren Group, Inc.) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* Revised building plans for this approved self-storage facility at 220 W. Mission Ave. were submitted to the Building Division on March 22, 2017 and routed to Esgil for re-check. The second check of grading plans was received by Engineering the week of April 30, 2017 and returned back to the applicant with comments three weeks ago.

2. **Victory Industrial Development** (Developer: Scott Merry, Badiee Development) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* The applicant has secured his permits from the Army Corps, Regional Board, and CA Fish and Wildlife. The grading plan has been approved, BMP’s are installed and the permit has been issued. Signal plans and street improvement plans have been approved. A pre-construction conference was held at the site last week and construction is ready to commence. Initial site grubbing started last week.

3. **Escondido Self-Storage Facility** (Developer: Brandywine Homes, Inc.) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* Building plans grading plans, landscape plans and the final map have been submitted and comments have been provided by staff and Esgil. Engineering will be sending out comments on the third check of the grading plan this week.

4. **Innovative Industrial Development** (Developer: Scott Merry, Badiee Development) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* Comments on the building permit application have been returned. Landscaping drawings were submitted on May 9, 2017. The second check of the grading plan was resubmitted to Engineering on May 1, 2017. Comments on the landscape submittal and grading permit application were returned last week.

5. **North American Self-Storage** (Developer: Russ Colvin) – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* This project is participating in the expedited plan check program; the demo permit has been issued. The applicant submitted a second plan check for the grading plan on April 13, 2017, and comments from all departments were provided back within 13 days. A boundary adjustment to combine the two lots on the site is ready to record. The applicant is coordinating construction timing for an off-site water line with multiple departments. The applicant submitted for a third plan check on June 2, 2017.

**City Projects**

1. **Micro-Filtration Reverse Osmosis** (Developer: City of Escondido Utilities Department) – *No further updates to this item will be provided while litigation is in progress.* The Planning Commission approved the proposed CUP on December 13, 2016. An appeal of that decision was filed and the City Council denied the appeal on January 11, 2017 and affirmed the Planning Commission’s decision to approve the project.
2. **Wastewater Collections Yard Expansion (Developer: City of Escondido Utilities Department)**  
   – *Project review is on-going but there are no new milestones to report this week:* Grading, building and landscape plans are now being reviewed by staff. Utilities staff is assessing value engineering options in an effort to reduce the cost of the facility. The most likely option will be to build the project in phases starting with two of the three approved buildings.

3. **HARRF Biogas to Energy Project (Developer: City of Escondido Utilities Department)**  
   – *Communications with the applicant are on-going but no construction plans have been submitted since the project was approved and there are no new milestones to report this week:* A Conditional Use Permit for the project was approved by the Planning Commission December 13, 2016.

4. **Lake Wohlford Replacement Dam (Developer: City of Escondido Utilities Department)**  
   – *Project review is on-going but there are no new milestones to report this week:* A Draft EIR was prepared and issued for a 45-day public review period that began on October 4, 2016 and closed on November 17, 2016. Staff and AECOM are now in the process of coordinating responses to the comments that were received during the public review period. A field visit with staff from the state and federal wildlife agencies took place on May 11, 2017, to review biological mitigation requirements.

**Institutional**

1. **Escondido United Reformed Church (Developer: Brent Cooper)**  
   – A revised grading plan has been approved. Building plans have gone through one round of plan check. The applicant submitted a CUP modification application on May 25, 2017, to increase the size of the sanctuary and classroom buildings and delete Phase 4. The application is tentatively scheduled to go to Planning Commission on June 27, 2017.

2. **Self-Realization Fellowship Center (Developer: John Pyjar, Domusstudio Architecture)**  
   – *Project review and communications with the applicant are on-going but there are no new milestones to report this week:* The CUP application was submitted on November 14, 2016. Staff reviewed the initial submittal and sent a letter to the applicant on December 14, 2016, indicating that the application was incomplete and specifying the additional information that was necessary to complete the application. The applicant resubmitted revised plans and technical studies on May 19, 2017.

**Residential**

1. **Oak Creek (Developer: Jason Han, New Urban West)**  
   – *This project has been placed on hold by the developer while the City completes construction of the Southwest Sewer Project so there is no change from the following update reported last week:* No grading or improvement plans have been submitted by the developer at this time.

2. **Amanda Estates (Developer: Jason Han, New Urban West)**  
   – *This project has been placed on hold by the developer while the City completes construction of the Southwest Sewer Project so there is no change from the following update reported last week:* No grading or improvement plans have been submitted by the developer at this time.
3. **Pradera (Developer: Moses Kim, Lennar Homes)** – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* This project is nearing completion as there are only one or two phases remaining to construct.

4. **Lexington (Zenner) (Developer: Eric Johnston, KB Homes)** – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* The applicant received building permits for 10 new homes on April 18, 2017. Building permits for 15 additional homes were issued on May 4, 2017, and eight more homes were issued on May 9, 2017. The applicant and Engineering staff are engaged with the County Water Authority on a necessary utility crossing through a short section of their easement.

5. **Stella Park Condominiums (Developer: Edward Kaen, ETP, LLC)** – Lyon Homes submitted a precise grading plan on March 28, 2017. A final map, street improvement plans and landscape plans were also submitted on April 17, 2017. Building plans were submitted into plan check on April 6 and landscape plans on May 1. Comments were returned in the beginning of June. The rough grading permit was issued on May 22, 2017 allowing construction to start on the project.

6. **Wohlford (Developer: Jack Henthorne)** – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* The Draft EIR has been posted on the city website and released for a 45-day public review period that ended on May 12, 2017. The EIR consultant has forwarded draft responses to comments to staff for review. Potential Development Agreement terms are now being considered.

7. **Latitude II (Developer: Peter Zak, Lyon/NCA)** – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* A grading permit has been issued and grading is back underway. Building plans are nearing approval pending approval of the final map. The final map has been scheduled for City Council approval on June 7, 2017. Utilities has issued comments for the off-site water line plans.

8. **Canyon Grove Estates Tract 932 (Developer: John Vance, Shea Homes)** – The model homes have been completed and are now open. Construction of the phases is underway with three more phases receiving building permits last week. Engineering comments on the precise grading plan for the remainder of the development were sent on May 16, 2017. Staff is currently working with the developer to make sure that fire safety and access is maintained during construction.

9. **Safari Highlands Ranch (SHR) (Developer: Jeb Hall, Concordia Homes)** – *Project review and communications with the applicant are on-going but there are no new milestones to report this week.* A second revised tentative map depicting various minor changes and clarifications to roads, easements and drainage facilities was submitted on April 25, 2017. Revised technical engineering reports as well as responses to staff comments also have been submitted for review. The revised studies have been loaded on the City’s website at the following link: [Safari Highlands Ranch Specific Plan - City of Escondido.](#) Staff anticipates that the Draft EIR will be out for public review in June or July of 2017.
10. High Pointe Tract 693-J (Developer: Russell Schaeffer, True Life Communities) – The applicant continues to actively market the property and there is no change from the following update reported last week: Staff has prepared a bond and fee letter based on the proposed grading and landscape plans, and has sent it to the applicant.

11. Del Prado (Developer: Kerry Garza, Touchstone Communities) – Communications with the applicant are on-going but there are no new milestones to report this week: No grading or improvement plans have been submitted by the developer at this time.

12. 701 San Pasqual Valley Rd (Developer: Bob Stewart) – Staff has met several times with the applicant to help work through project design and storm water issues. A Draft Mitigated Negative Declaration has been submitted and staff has provided comments to the applicant on the draft and technical studies. A request for a three-year extension of time for the previously approved ten-lot subdivision (Tract 895) will be considered by the City Council on June 7, 2017.

13. Veterans Village (Developer: Veterans Village of San Diego) – Project review and communications with the applicant are on-going but there are no new milestones to report this week: Demolition has been completed. Grading is underway. Building permits were issued on March 31, 2017.

14. Escondido Gateway (Developer: Greg Waite, Integral Communities) – The builder (Lyon Homes) is coordinating with city staff to resolve ownership and title issues regarding three strips of land under existing excess right-of-way that is proposed to be vacated for the applicant’s use. It is expected that those title issues will be resolved through a combination of quitclams and eminent domain. A North County Transit District Board meeting is scheduled on June 15, 2017, which will resolve some of the issues. A revised rough grading plan and street improvement plans were resubmitted about three weeks ago and Engineering sent comments back last week. Asbestos and lead-based paint abatement should start next week in preparation for demolition of the vacant building on the site. Abatement should commence on June 8, 2017, which would enable demolition in early July.

15. The Villages at Escondido Country Club (Developer: Jason Han, New Urban West, Inc.) – A project resubmittal in response to the City’s November 30, 2016 letter was received on March 16, 2017. Planning staff has provided a location on the City’s website for ECC project-related documents and plans. It is anticipated that a draft EIR will be released for public review and comment at the end of the month. Project status and other related information can be accessed at the following link: ECC - City of Escondido

16. Ivy/Valley Parkway Mixed-Use Development (Developer: Abad Rahan Pars Inc./ Norm Wieme, Architect) – Project review and communications with the applicant are on-going but there are no new milestones to report this week: The applicant has indicated that grading and building plans are expected to be submitted into plan check soon. Utilities staff is currently working on a reimbursement agreement for new water infrastructure that will be installed by the project in the adjoining alley.

17. North Avenue Estates (Developer: Casey Johnson) – Project review and communications with the applicant are on-going but there are no new milestones to report this week: An application to re-entitle aspects of the previously approved project that have expired and
modify the project design to reflect new storm water requirements was submitted to the Planning Division on March 7, 2017. A first round of comments has been provided back to the applicant and the applicant has indicated that revised plans should be resubmitted in about two weeks. The applicant will be coordinating easement and utility crossing issues with the County Water Authority, whose main underground water transmission lines cross the site.

**Building Division**

![Building Permit Valuation Graph]

<table>
<thead>
<tr>
<th>Building Permits Issued Last Week</th>
<th>Total Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>$611,897</td>
</tr>
</tbody>
</table>

1. 25 solar photovoltaic permits were issued for the week. The Building Division has issued 417 solar permits this year compared to 616 issued for the same time last year.

2. Our building inspectors responded to 155 inspection requests for the week. 4 inspections were held over on Friday.

3. Building has issued 105 single family dwelling permit this year and 112 multi-family units. Compared with 41 single family dwelling and 33 multi-family dwellings for same time last year.

4. Projects nearing permit issuance are:
   - Latitude 2, 112-unit apartment building at 610-660 Centre City Pkwy.
   - 917 W Lincoln, 3 new apartment buildings, 9 units.

5. The construction of the abandon 3 story mixed use building at 300 S. Escondido Blvd. (City Plaza) has received partial approval of roof framing and rough framing inspections. *No change from previous.*

6. The Solutions for Change affordable housing project at 1560 S. Escondido Blvd. is requesting a temporary certificate of occupancy. *No change from previous.*
7. Drywall is being installed in the first floor units at the Meadowbrook 3 story apartment building with underground garage at 2081 Garden Valley Glen. The nursery care facility is now open.

8. Escondido Disposal is proceeding with finish work for the remodel of the existing administration building. Occupancy expected within 2 to 3 weeks. No change from the previous.

9. Demolition of the previous bank building at 444 S Escondido Blvd is nearing completion. No change from the previous.

10. The medical office building at 2125 Citracado Parkway is progressing with the erection of the building structural steel.

11. The medical office building at 1951 Citracado Parkway is progressing with the exterior masonry wall construction.

12. The Westminster Seminary at 1725 Bear Valley Parkway is proceeding with the framing on two of the buildings.

13. The Emanuel Faith Church at 639 E. 17th Ave and the Church of Resurrection at 1445 Conway have received partial foundation inspection and underground plumbing inspections. Construction of the exterior masonry walls is progressing. No change from the previous.

14. The new Popeye’s restaurant at 1541 E. Valley Parkway has received suspended ceiling, drywall and hood inspection approvals. Final inspection and occupancy is expected soon. No change from the previous.

15. The Ford auto dealership at 1717 Auto Parkway is setting the finish in the office showroom as part of their extensive remodel.
**Code Enforcement**

**Code Enforcement Cases As of June 10, 2017**

<table>
<thead>
<tr>
<th>New Cases this Week</th>
<th>Closed Cases this Week</th>
<th>Backlogged</th>
</tr>
</thead>
<tbody>
<tr>
<td>104</td>
<td>79</td>
<td>63</td>
</tr>
</tbody>
</table>

**Total Open Code Cases**

<table>
<thead>
<tr>
<th>Illegal Signs Confiscated over the Previous Weekend</th>
</tr>
</thead>
<tbody>
<tr>
<td>438</td>
</tr>
<tr>
<td>212</td>
</tr>
</tbody>
</table>

**Business Licensing**

**BUSINESS LICENSE ACTIVITY JUNE 4 - JUNE 10**

<table>
<thead>
<tr>
<th>New Applications Received</th>
<th>New Licenses Issued</th>
<th>Closed Licenses</th>
<th>Renewals</th>
</tr>
</thead>
<tbody>
<tr>
<td>108</td>
<td>31</td>
<td>18</td>
<td>46</td>
</tr>
</tbody>
</table>
Building Maintenance & Operations

Graffiti Restitution

<table>
<thead>
<tr>
<th></th>
<th>Collected This Week</th>
<th>Collected Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$160</td>
<td>$4401.51</td>
<td></td>
</tr>
</tbody>
</table>
ENGINEERING
Capital Improvements

Jim Stone Pool and Mechanical Building
San Diego County Health Department has accepted the project as complete, the gas meter has been installed and the final walk-thru and turnover has been completed. The project is scheduled for City Council acceptance on July 12, 2017.

15/16 Street Rehab and Maintenance Project
As part of this project, staff reached out to the Utilities Department working on a project on Hamilton Lane. As a result, additional work has been negotiated to include repaving Hamilton Lane from its intersection with Bernardo Avenue to a point approximately 350 feet west of Orange Avenue. Due to slower than anticipated tunneling operations along the Via Rancho Parkway portion, pavement work, originally anticipated for June, is now estimated for completion in late August. Neighborhoods affected by this work are being updated of project status by the Utility Department staff and the contractor.

Private Development
Pradera - Lennar Communities
No changes from that reported last week; Vertical framing has now begun on the final phase of 16 homes.

Lexington Model Homes - KB Homes
The installation of the roadway base material has begun for the construction of the new roadway improvements for the two onsite streets.

Escondido Boulevard at 3rd Avenue
No changes from that reported last week: The contractor is continuing to place framing along the 3rd floor, lane closures along 3rd Avenue will be ongoing to allow for the lifting of construction materials to the third floor roof.

Tract 932 - Canyon Grove Shea Homes Community
Offsite traffic signal construction is continuing at Sheridan/Ash, and the El Norte/Vista Verde intersection signal poles are installed. The two traffic signals are still scheduled for activation on June 21 and 22 of this month. The offsite improvements are set to begin later this week along Ash Street between Vista Avenue and Hubbard Avenue, the soft date for activating the remaining traffic signal is July 26. Onsite construction is concentrated on installation of roadway base material in advance of placing new asphalt roadway material.

Latitude II Condominiums by a Lyon Homes Partnership: Washington Avenue at Centre City Parkway
The remaining section of the storm drain box floor was poured this week along the edge of Centre City Parkway. Onsite water line testing has been completed, the water line will be tied into the potable system this week.

Solutions Housing 1560 S. Escondido Boulevard
The final concrete improvements have been completed along Escondido Boulevard, the roadway paving restoration has been rescheduled until next week.
Veterans Village
No changes from that previously reported. The projects off site water improvements are idled this week while the developers design engineer determines the best solution for installing the project water mains around the multiple utility crossings along this projects frontage.

Tract 877 – Bernardo Ave. by Ambient Communities
The project is a 13 lot single family residential project located at the cul-de-sac end of Bernardo Avenue. The developer has completed the mass grading of the project and is constructing wall footing, sewer main and storm drain improvements onsite this week.

Palomar Medical Center
The contractor has completed the rough grading of the temporary parking lot pad across from the main entrance to the hospital. Street light foundations as well as surface improvements are being installed this week.

Victory Industrial Park
The project is in the clear and grubbing phase of the operation this week. The project is located at 2005 Harmony Grove Road and is 5.4 acres in size.

Center Point Project
The project is located at the old Toyota car dealership at 999 Broadway. The onsite installation of erosion control elements is continuing this week along with the removal of trees and landscaping.

Rincon del Diablo water project:
The water line contractor is continuing to proceed with project close out, this work is requiring day time closures of a single lane of traffic along Ash Street, between Vista Avenue and Hubbard Avenue.

FIRE
Inspections

---

![FIRE INSPECTIONS JUNE 4 -JUNE 10](chart.png)

- New Business Inspections: 4
- Construction Inspections: 11
- Annual Inspections: 53
POLICE INCIDENTS:

- On 6/7/17 at 15:00 hours, an 8-year-old female attending an after school program at Conway School went to the bathroom. She stated she was drinking from the water fountain and felt a “stab” to her back and fell onto the ground. She said she woke up in the back seat of a vehicle in the parking lot of WalMart (1500 E. Grand Ave). She was alone in what she described as a black car and could hear voices of someone talking nearby. She stated she got out, ran and hid in some bushes and then walked home to her house on Felicita Ave. She arrived about 5:30 p.m. and it was unknown what transpired during the 2 ½ hours she was missing. The Family Protection Unit responded and after a thorough and diligent investigation, the incident was deemed unfounded.

- On 6/7/17 at 22:00 hours, the reporting party (Mother of victim) called police saying her 55-year-old boyfriend had sexually assaulted her 12-year-old daughter. The reporting party stated they were holding the front door closed to prevent the suspect from leaving before police arrived. After police arrived and the initial investigation ensued, it was determined the suspect did in fact sexually batter the victim. The Family Protection Unit was already in the city wrapping up the above case and responded to assist with this investigation. The suspect was ultimately arrested and taken to the Police Department for an interview. A huge thank you to the Family Protection Unit for practically staying up all night and helping out, it is truly appreciated.

- On 6/9/17 at 09:59 hours, an officer located an occupied stolen vehicle near the area of Lake Wohlford Road and E. Valley Parkway. Several Patrol Officers conducted a high-risk vehicle stop and took the driver into custody. The suspect was ultimately placed under arrest for Felony Auto Theft and booked into the Vista Detention Facility.

- On 6/9/17 at 23:09 hours, officers responded to the 7-11 located at 263 E. Grand Avenue in reference of a report of sexual assault. According to the victim, a male attempted to get the victim to provide sex for money near the gazebo at the Heritage Garden Park in downtown Escondido. When she refused, the suspect exposed his genitalia and pressed himself against her. A couple of males in the area interrupted the incident and ran the suspect off. The suspect walked into the 7-11 a few minutes later claiming he had been jumped (video was unable to be recovered) and fled south on Juniper St. This case has been forwarded to the Family Protection Unit for follow-up.
EVENTS:

- On Saturday, June 10, the Escondido Police CARE Foundation, along with CrossFit Iconic in Escondido, held a charity fitness competition to benefit the CARE Foundation. The purpose of the Foundation is to financially assist Escondido Police Officers in the event of a personal or work-related tragedy. Two-person teams competed in various fitness levels and groupings over an 8-hour time period. A special thank you to Sergeant Shannon Murphy and CSO Cecilia Gonzalez for putting the event together!