



MAY 16, 2018
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.



Council Meeting Agenda

**May 16, 2018
3:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

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

ORAL COMMUNICATIONS

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

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

- I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**
- II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
 - a. **Property:** 480 North Spruce Street, APN 232-091-28-00;
455 North Quince Street, APN 232-091-27-00;
525 North Quince Street, APN 232-091-06-00
 - City Negotiator:** Jeffrey Epp, City Manager
 - Negotiating Parties:** RAF Pacifica
 - Under Negotiation:** Price and Terms of Agreement

ADJOURNMENT



Council Meeting Agenda

**May 16, 2018
4:30 P.M. Meeting**

**Escondido City Council
Mobilehome Rent Review Board**

CALL TO ORDER

MOMENT OF REFLECTION:

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

FLAG SALUTE

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

PROCLAMATIONS: Water Awareness Month and Drinking Water Week

PRESENTATIONS: Be Water Smart Poster Contest Awards

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: A) Regular Meeting of May 2, 2018 B) Amended Meeting Minutes of April 4, 2018**

4. **FISCAL YEAR 2017 STATE HOMELAND SECURITY GRANT PROGRAM AND BUDGET ADJUSTMENT -**

Request the City Council approve accepting \$117,334 in funding from the Department of Homeland Security for the Fiscal Year 2017 State Homeland Security Grant Program; authorize the Fire Chief to execute, on behalf of the City, all documents required for the management of this grant; and approve the necessary budget adjustment to establish new projects for tracking of these grant funds.

Staff Recommendation: **Approval (Fire Department: Rick Vogt)**

5. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2018 -**
Request the City Council receive and file the Quarterly Investment Report.

Staff Recommendation: **Receive and File (City Treasurer's Office: Douglas W. Shultz)**

6. **CONTINUING EMERGENCY REPAIR OF FIVE SECTIONS OF ESCONDIDO SEWER PIPELINE: HALE AVENUE UNDERPASS OF I-15, KIA DEALERSHIP PARKING LOT, SOUTH HALE AVENUE, CASA GRANDE MOBILE ESTATES, AND GREEN TREE MOBILE HOME ESTATES -**

Request the City Council approve declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repairs of five damaged sewer main sections along Hale Avenue. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.

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

RESOLUTION NO. 2018-70

7. **SECOND AMENDMENT TO THE CONSULTING AGREEMENT FOR PREPARATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT AND FINDINGS OF FACT FOR THE CITYWIDE SPHERE OF INFLUENCE UPDATE AND THE SAFARI HIGHLANDS RANCH PROJECT (ENV 15-0009 AND SUB 15-0019) -**

Request the City Council approve a second amendment to the consulting agreement and scope of services with Michael Baker International to complete the preparation of the Final Environmental Impact Report, the preparation of the Findings of Fact for the proposed Citywide Sphere of Influence Update, and the Safari Highlands Ranch project for a not-to-exceed price of \$85,550.

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

RESOLUTION NO. 2018-74

8. **MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ESCONDIDO AND THE MAINTENANCE AND OPERATIONS BARGAINING UNIT -**

Request the City Council approve the adoption of a successor Maintenance and Operations Bargaining Unit contract.

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

RESOLUTION NO. 2018-79

9. **NOTICE OF COMPLETION: EMERGENCY REPAIR OF A HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) PIPELINE FOR THE CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO -**

Request the City Council approve authorizing the Assistant City Manager to file a Notice of Completion for the emergency repair of the Heating, Ventilation, and Air Conditioning (HVAC) pipeline for the California Center for the Arts, Escondido.

Staff Recommendation: **Approval (City Manager's Office: Jay Petrek)**

RESOLUTION NO. 2018-80

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

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

PUBLIC HEARINGS

10. **SHORT-FORM RENT REVIEW BOARD HEARING FOR WESTWINDS MOBILEHOME PARK -**

Request the City Council consider the short-form rent increase application submitted by the Westwinds Mobilehome Park, and if approved, grant an increase of 75 percent of the change in the Consumer Price Index, or 2.066 percent (an average of \$9.12) for the period of December 31, 2016 to December 31, 2017.

Staff Recommendation: **Consider for Approval (Community Development Department: Bill Martin)**

RRB RESOLUTION NO. 2018-02

11. **SHORT-FORM RENT REVIEW BOARD HEARING FOR CITY-OWNED LOTS AT ESCONDIDO VIEWS MOBILEHOME PARK -**

Request the City Council consider a short-form rent increase application submitted for the City-owned lots at Escondido Views Mobilehome Park, and if approved, grant an increase of 75 percent of the change in the Consumer Price Index, or 3.574 percent (an average of \$14.77) for the period of December 31, 2015 to December 31, 2017.

Staff Recommendation: **Consider for Approval (Community Development Department: Bill Martin)**

RRB RESOLUTION NO. 2018-03

12. PUBLIC HEARING TO APPROVE THE ONE-YEAR ACTION PLAN FOR FISCAL YEAR 2018-2019 HOME FUNDS FOR AFFORDABLE HOUSING ACTIVITIES, CDBG FUNDS FOR COMMUNITY DEVELOPMENT PROGRAMS AND PROJECTS, AND ESG FUNDS FOR HOMELESS PRIORITIES -

Request the City Council solicit and consider citizen input for the Fiscal Year 2018-2019 One-Year Action Plan for the use of HOME Investment Partnership (HOME) funds, Community Development Block Grant (CDBG), and Emergency Solutions Grant (ESG) funds; approve the HOME, CDBG, and ESG budgets and allocations; authorize the Director of Community Development and City Clerk to execute contracts with service providers as appropriate; approve the FY 2018-2019 One-Year Action Plan; and approve the submittal to the U.S. Department of Housing and Urban Development.

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

A) RESOLUTION NO. 2018-27 B) RESOLUTION NO. 2018-28

FUTURE AGENDA

13. 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**

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. Speakers are limited to only one opportunity to address the Council under Oral Communications.

ADJOURNMENT

UPCOMING MEETING SCHEDULE

Date	Day	Time	Meeting Type	Location
May 23	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers
May 30	-	-	No Meeting	-
June 6	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers
June 13	Wednesday	3:30 & 4:30 p.m.	Regular Meeting	Council Chambers

TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City's website at www.escondido.org, 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.



A F F I D A V I T S

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I T E M

P O S T I N G



Consent Item No. 2

May 16, 2018

APPROVAL

OF

WARRANT REGISTER

CITY OF ESCONDIDO
May 2, 2018
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, May 2, 2018 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 Councilmember Gallo and seconded by Deputy Mayor Masson 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:** Maintenance & Operations, Teamsters Local 911
- II. CONFERENCE WITH LEGAL COUNSEL-- EXISTING LITIGATION (Government Code 54956.9(d)(1))**
 - a. **Case Name:** City of Escondido v. Pacific Harmony Grove Development et al.
 - Case No:** 37-2016-00010237-CU-EI-NC

DEPUTY MAYOR MASSON ABSTAINED FROM ITEM II.a. AND LEFT THE CLOSED SESSION ROOM

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:02 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK

CITY OF ESCONDIDO
May 2, 2018
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 4:30 p.m. on Wednesday, May 2, 2018 in the City Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

Reverend Huls led the Moment of Reflection.

FLAG SALUTE

Councilmember Morasco 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 R. McGuinness, City Attorney; Bill Martin, Director of Community Development; Julie Procopio, Director of Engineering Services; Diane Halverson, City Clerk; and Jennifer Ekblad, Deputy City Clerk.

ORAL COMMUNICATIONS

Beni Martinez, Escondido, shared comments regarding immigration issues in Escondido.

Gerard Dutaut, Escondido, shared his experience riding bike paths in Escondido and requested improved maintenance of the bike paths.

CONSENT CALENDAR

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Morasco to approve all Consent Calendar items with the exception of Item 6, which was removed. Motion carried unanimously.

- 1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
- 2. APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
- 3. APPROVAL OF MINUTES: Regular Meeting of April 18, 2018**
- 4. APPROVAL OF PUBLIC SERVICE AGREEMENT WITH KYOCERA DOCUMENT SOLUTIONS AND A PUBLIC SERVICE AGREEMENT WITH IMAGE SOURCE -**
Request the City Council approve authorizing the Mayor and City Clerk to execute two Public Service Agreements: 1) an agreement with Kyocera Document Solutions for a period of five years in the amount of \$305,779, to provide hardware and service throughout City facilities; and 2) an agreement with Image Source for a period of five years in the amount of \$132,850, to provide service and supplies to the printing fleet throughout City facilities. (File No. 0600-10 [A-3251, A-3252])

Staff Recommendation: **Approval (Information Systems Department: Robert Van De Hey)**

RESOLUTION NO. 2018-68

5. BUDGET ADJUSTMENT TO FUND STORM DRAIN MAINTENANCE -

Request the City Council approve a Budget Adjustment transferring \$112,000 from the Permitted Channel Maintenance and Mitigation Capital Improvement Project (CIP #807502) to the Citywide Storm Drain Maintenance (CIP #807601) to fund required storm system maintenance activities to be performed prior to the end of Fiscal Year 2017-18. (File No. 0430-80)

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

6. CONTINUING EMERGENCY REPAIR OF A HEATING, VENTILATION AND AIR CONDITIONING (HVAC) PIPELINE FOR THE CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO -

Request the City Council approve declaring that, pursuant to Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue emergency repairs involving a damaged hot water pipeline that is preventing use of the California Center for the Arts, Escondido (CCA) HVAC system. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property. (File No. 0600-10 [A-3243])

Staff Recommendation: **Approval (City Manager's Office: Jay Petrek)**

RESOLUTION NO. 2018-67

THIS ITEM WAS REMOVED AND NOT DISCUSSED.

7. UPDATE AND BUDGET ADJUSTMENT FOR CONTINUING EMERGENCY REPAIR OF FIVE SECTIONS OF ESCONDIDO SEWER PIPELINE: HALE AVENUE UNDERPASS OF I-15, KIA DEALERSHIP PARKING LOT, SOUTH HALE AVENUE, CASA GRANDE MOBILE ESTATES, AND GREEN TREE MOBILE HOME ESTATES -

Request the City Council approve declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds that there is a need to continue the emergency repairs of damaged sewer main sections along Hale Avenue and approve a budget adjustment of \$2,000,000, from the Wastewater Operating Fund to Sewer Pipeline Replacement (CIP #807704) to fund the emergency main repairs. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property. (File No. 0600-10 [A-3242])

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

RESOLUTION NO. 2018-69

8. AUTHORIZE REDUCTION IN TAXICAB LIABILITY INSURANCE REQUIREMENTS -

Request the City Council approve amending Chapter 26, Article 2, Section 26-45(a)(2) of the Escondido Municipal Code that reduces the comprehensive general and auto liability insurance requirements for Taxicabs from \$1,000,000 to \$350,000. (File No. 0680-10)

Staff Recommendation: **Approval (City Attorney's Office: Michael R. McGuinness)**

ORDINANCE NO. 2018-10 (First Reading and Introduction)

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

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

PUBLIC HEARINGS

9. PUBLIC HEARING FOR CITY OF ESCONDIDO LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT ZONES 1-38 -

Request the City Council receive input from the property owners in Zones 1-38 of the City of Escondido Landscape Maintenance Assessment District on the proposed budget and assessments for Fiscal Year 2018/2019. No Council action is required. (File No. 0685-10)

Staff Recommendation: **Receive Public Input (Engineering Services Department: Julie Procopio)**

THIS ITEM WAS CONTINUED TO MAY 23.

CURRENT BUSINESS

10. 2018 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY -

Request the City Council receive and file a presentation on the updated 2018 Comprehensive Economic Development Strategy. (File No. 0865-60)

Staff Recommendation: **Receive and File (City Manager's Office: Jay Petrek)**

Michelle Geller, Economic Development Manager, and Roger Dale, Principal with the Natelson Dale Group, Inc., presented the staff report utilizing a PowerPoint presentation.

RECEIVED AND FILED.

11. INNOVATE 78 UPDATE -

Request the City Council receive and file a presentation about the Innovate 78 Regional Economic Development Initiative. (File No. 0865-60)

Staff Recommendation: **Receive and File (City Manager's Office: Jay Petrek)**

Michelle Geller, Economic Development Manager, and Matt Sanford, Director for the San Diego Regional Economic Development Corporation, presented the staff report utilizing a PowerPoint presentation.

RECEIVED AND FILED.

12. INTERIM URGENCY ORDINANCE IMPOSING A MORATORIUM ON CARWASH FACILITIES -

Request the City Council approve an interim urgency measure, pursuant to Government Code Section 65858, imposing a moratorium on the issuance of any zoning, land use, discretionary permit, building permit, environmental approval, business license or any other entitlement involving businesses described as carwashes, whether intended as primary uses or accessory uses. The proposed moratorium would allow the Planning Division an opportunity to develop and present new land use standards regulating this particular land use. (File No. 0810-20)

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

ORDINANCE NO. 2018-11

Jay Petrek, Assistant City Manager, presented the staff report utilizing a PowerPoint presentation.

Neil Capin, Coronado, shared comments regarding the impact of this ordinance on his proposed car wash and requested his project be permitted to continue.

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Diaz to approve an interim urgency measure, pursuant to Government Code Section 65858, imposing a moratorium on the issuance of any zoning, land use, discretionary permit, building permit, environmental approval, business license or any other entitlement involving businesses described as carwashes, whether intended as primary uses or accessory uses. The proposed moratorium would allow the Planning Division an opportunity to develop and present new land use standards regulating this particular land use and adopt Ordinance No. 2018-11. Motion carried unanimously.

13. FISCAL YEAR 2018/19 OPERATING BUDGET BRIEFING -

Request the City Council provide direction regarding the proposed Fiscal Year 2018/19 General Fund Operating Budget. (File No. 0430-30)

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

Sheryl Bennett, Deputy City Manager/Administrative Services, Joan Ryan, Assistant Director of Finance, and Jodi Coco, Budget Manager, presented the staff report utilizing a PowerPoint presentation.

PROVIDED DIRECTION TO STAFF.

FUTURE AGENDA

14. 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

Deputy Mayor Masson noted May is Bike to Work Month.

Mayor Abed reported SANDAG interviewed the top two candidates for Executive Director and awarded \$12.5 million for Citracado Parkway.

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**

ORAL COMMUNICATIONS

ADJOURNMENT

Mayor Abed adjourned the meeting at 6:34 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK

CITY OF ESCONDIDO
April 4, 2018
3:30 P.M. Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, April 4, 2018 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 Councilmember Morasco 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: Maintenance & Operations, Teamsters Local 911

- II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
 - a. **Property:** 235 East Grand Avenue, APN 233-082-09-00
City Negotiator: Jeffrey Epp, City Manager
Negotiating Parties: Grand West Associates, Inc.
Under Negotiation: Price and Terms of Agreement

 - b. **Property:** 272 East Via Rancho Parkway, APN 271-030-20-00
City Negotiator: Jeffrey Epp, City Manager
Michael R. McGuinness, City Attorney
Negotiating Parties: EWH Escondido Associates, L.P., a Delaware limited partnership, and North County Fair LP, a Delaware limited partnership
Under Negotiation: Price and Terms of Agreement

 - c. **Property:** 130 Woodward Avenue, APNs 229-291-26 and -27
City Negotiator: Jeffrey Epp, City Manager
Negotiating Parties: Cushman & Wakefield
Under Negotiation: Consider Acquisition of Property Offered for Sale

ITEM I.a. WAS NOT DISCUSSED

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:00 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK

CITY OF ESCONDIDO
April 4, 2018
4:30 P.M. Amended Meeting Minutes

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:30 p.m. on Wednesday, April 4, 2018 in the City Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

Mel Bittner led the Moment of Reflection.

FLAG SALUTE

Councilmember Morasco 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; Bill Martin, Director of Community Development; Julie Procopio, Director of Engineering Services; Diane Halverson, City Clerk; and Jennifer Ekblad, Deputy City Clerk.

PROCLAMATIONS

Brandon Butler, Senior Attorney from Legal Aid Society, accepted the proclamation for April 2018 Fair Housing Month.

PRESENTATIONS

None

ORAL COMMUNICATIONS

Arthur Schoper, Torrance, spoke regarding President Trump and his administration's policies.

CONSENT CALENDAR

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Morasco to approve all Consent Calendar items with the exception of items 4, 9, and 12. 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: A) Special Meeting of March 14, 2018 B) Regular Meeting of March 21, 2018**

- 4. AGREEMENT WITH RAF PACIFICA REGARDING DEVELOPMENT OF CITY PROPERTIES -**
Request the City Council approve authorizing the City Manager and City Attorney to execute an exclusive negotiating agreement between the City of RAF Pacifica to explore the sale and development of properties addressed as 480 North Spruce Street, 455 North Quince Street, and 525 North Quince Street. During the period of the agreement, the City and RAF Pacifica will evaluate the financial and economic feasibility of RAF Pacifica's purchase and development plans for the properties. If applicable, a specific purchase and sale agreement would be presented to City Council at a later date for final approval. (File No. 0600-10 [A-3241])

Staff Recommendation: **Approval (City Manager's Office: Michelle Geller)**

Michelle Geller, Economic Development Manager, was available to answer questions.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve authorizing the City Manager and City Attorney to execute an exclusive negotiating agreement between the City of RAF Pacifica to explore the sale and development of properties addressed as 480 North Spruce Street, 455 North Quince Street, and 525 North Quince Street. During the period of the agreement, the City and RAF Pacifica will evaluate the financial and economic feasibility of RAF Pacifica's purchase and development plans for the properties. If applicable, a specific purchase and sale agreement would be presented to City Council at a later date for final approval. Ayes: Abed, Gallo, Morasco. Noes: Diaz. Abstained: Masson. Motion carried.

- 5. BUILDING DIVISION BUDGET ADJUSTMENT -**
Request the City Council approve a budget adjustment of \$50,000 to increase the cost recovery Professional Services budget to fund building plan review services. (File No. 0430-80)

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

- 6. FIRST AMENDMENT TO ENVIRONMENTAL SCIENCE ASSOCIATES CONSULTING AGREEMENT IN CONNECTION WITH THE VILLAGES SPECIFIC PLAN - ESCONDIDO COUNTRY CLUB PROJECT -**

Request the City Council approve authorizing the City Manager to execute a First Amendment to the Consulting Agreement with Environmental Science Associates. (File No. 0600-10 [A-3209])

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

RESOLUTION NO. 2018-38

- 7. AUTHORIZATION FOR VOICE NETWORK UPGRADE, FIVE YEAR MAINTENANCE AGREEMENT, AND BUDGET ADJUSTMENT -**

Request the City Council approve authorizing an agreement with Atel Communications, Inc. to upgrade the City's phone system and provide five years of maintenance services. The total estimated cost of the phone system upgrade is \$416,000 and will be phased in over two fiscal years. (File No. 0600-10 [A-3244])

Staff Recommendation: **Approval (Information Systems Department: Rob Van De Hey)**

RESOLUTION NO. 2018-40

- 8. ADOPTION OF LOCAL DISCHARGE LIMITS BY RESOLUTION -**

Request the City Council approve the adoption of Local Discharge Limits, pursuant to recent changes in Chapter 22, Article 8, Section 174 of the Escondido Municipal Code. (File No. 1350-20)

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

RESOLUTION NO. 2018-43

- 9. SUPPORT OF THE REDUCING CRIME AND KEEPING CALIFORNIA SAFE ACT OF 2018 -**
Request the City Council approve supporting the passage of the Reducing Crime and Keeping California Safe Act of 2018. (File No. 0680-20)

Staff Recommendation: **Approval (Police Department: Craig Carter)**

RESOLUTION NO. 2018-45

Craig Carter, Chief of Police, was available to answer questions.

Lilian Serrano Alamo, Escondido, spoke in opposition and asked Council to vote no on this item.

Melinda Santa Cruz, Escondido, shared comments regarding immigration issues.

One (1) person registered his/her opposition to the Reducing Crime and Keeping California Safe Act of 2018, but did not wish to speak.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve supporting the passage of the Reducing Crime and Keeping California Safe Act of 2018 and adopt Resolution No. 2018-45. Ayes: Abed, Gallo, Masson, Morasco. Noes: Diaz. Motion carried.

- 10. EMERGENCY REPAIRS OF FIVE SECTIONS OF ESCONDIDO SEWER PIPELINE: HALE AVENUE UNDERPASS OF I-15, KIA DEALERSHIP PARKING LOT, SOUTH HALE AVENUE, CASA GRANDE MOBILE ESTATES, AND GREEN TREE MOBILE HOME ESTATES -**

Request the City Council approve declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council affirms that it was appropriate for City staff to forego normal bidding procedures and to award a contract for emergency repairs of five damaged sewer main sections. The damaged sections are between the intersection at Hale Avenue/Tulip Street and the Hale Avenue Resource Recovery Facility. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property. (File No. 0600-10 [A-3242])

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

RESOLUTION NO. 2018-50

- 11. EMERGENCY REPAIR OF A HEATING, VENTILATION AND AIR CONDITIONING (HVAC) PIPELINE FOR THE CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO -**

Request the City Council approve declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council affirms that it was appropriate for City staff to forego normal bidding procedures and to award a contract for emergency repairs of a damaged hot water pipeline that is preventing the use of the California Center for the Arts, Escondido HVAC system with A.O. Reed, Inc. in an amount not to exceed \$143,000. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property. (File No. 0600-10 [A-3243])

Staff Recommendation: **Approval (City Manager's Office: Jay Petrek)**

RESOLUTION NO. 2018-51

- 12. REQUEST FOR AUTHORIZATION TO SUPPORT FILING OF AMICUS CURIAE BRIEF ON BEHALF OF CITY OF ESCONDIDO IN UNITED STATES V. STATE OF CALIFORNIA LAWSUIT -**

Request the City Council approve authorizing the filing of a Motion for Leave to File Amicus Curiae Brief and Amicus Brief on behalf of the City of Escondido in support of the United States in the action United States of America v. State of California, United States District Court Case No. 2:18-cv-00490-JAM (KJN). (File No. 0680-70)

Staff Recommendation: **Approval (City Attorney's Office: Michael R. McGuinness)**

RESOLUTION NO. 2018-52

Michael R. McGuinness, City Attorney, presented the staff report utilizing a PowerPoint presentation.

Paul McNamara, Escondido, spoke in opposition to filing an amicus curiae brief and suggested this item be removed from the agenda.

Stella May, California, requested Council vote in favor of filing an amicus curiae brief.

Patrice Lynes, Temecula, shared comments regarding Senate Bill 54 and voiced support for filing an amicus curiae brief.

Louie Reyes, suggested Council join the City of Huntington Beach in a lawsuit against the State of California.

Ronald Kohl, Escondido, commented on previous decisions by the Council and noted the need for unity.

Dulce Garcia, member of the San Diego Board of Dreamers, spoke in favor of Senate Bill 54 and shared her experience as an undocumented person.

Katherine Fromm, Escondido, shared her efforts to support Escondido's schools and library and remarked on her experience living in Escondido.

Maria Martinez, Escondido, shared her experience as an undocumented person and spoke in favor of Senate Bill 54.

Thomas Miley, Escondido, commented that the purpose of filing an amicus curiae brief would be divisiveness.

Lilian Serrano Alamo, Escondido, commented that the City should not be involved in federal issues.

Juan Vargas, Escondido, shared comments regarding immigration issues and asked that this item be removed from the agenda.

Amy Sutton, representative for San Diego Patriots and San Diegans for Secure Borders, commented on the need for unity and requested the City join the lawsuit with the City of Huntington Beach.

Carolina Flores, shared comments regarding immigration issues and neighborhood crime rates.

Daphne Garcia, shared comments regarding compassion and sensitivity towards immigrants and voiced support for Senate Bill 54.

Arturo Velasco, shared comments regarding immigration issues

Milad Torabi, shared his experience immigrating to the United States and spoke in opposition to the amicus curiae brief.

Roberto Juarez, shared comments in Spanish.

Maria Fernanda Madrigal, Escondido, shared comments regarding her experience growing up in Escondido.

Beni Martinez, Escondido, shared comments regarding the values of the citizens of Escondido.

Kathleen Lamb, Escondido, shared her experience as a teacher in Escondido.

Patricia Serrano, Escondido, shared her experience as an undocumented immigrant.

Janice Schattman, Escondido, shared comments regarding immigration and Senate Bill 54.

Ed Smith, Escondido, shared comments regarding illegal immigration and law enforcement working together.

Son Dio Ali Torabi, commented on the impact of immigration legislation.

Victoria Tenbrink, Escondido, spoke in opposition to filing an amicus curiae brief and asked that this item be removed from the agenda.

Jessica Ramirez, Escondido, shared comments regarding the upcoming elections, immigration issues, and spoke in opposition to filing an amicus curiae brief.

Vanessa Valenzuela, Escondido, suggested it would be prudent to take no action.

Roberto Alcantar, representative for the ACLU of San Diego and Imperial Counties, commented that the State of California does have the authority to act regarding Senate Bill 54.

Daisy Zavala, Escondido, shared her experience as an immigrant.

Angela Sissero Swift, Escondido, voiced her support for United States immigration laws and the Police Department.

Harim Ozziel, spoke in favor of filing an amicus curiae brief.

Kimberly Mason, shared her experience as an American Indian, voiced support for legal immigration, and spoke in opposition to Senate Bill 54.

Genevieve Peters, shared comments regarding illegal immigration.

Arely Posz, spoke in opposition to Senate Bill 54 and encouraged people to get informed.

Unknown, shared comments regarding Senate Bill 54 and criminal activity.

Arthur Schoper, Torrance, shared comments regarding immigration issues and spoke in favor of filing an amicus curiae brief and joining the lawsuit with the City of Huntington Beach.

Lesa Antone, Arizona, shared comments regarding illegal immigration.

Joseph Chan, shared comments regarding immigration issues and his experience as an Asian American.

Richard Schauer, Escondido, requested the Council reject California's sanctuary state policy and shared comments regarding federal immigration laws.

Fred MacIntosh, Downey, commented that Senate Bill 54 is a safety issue and commented on local control and local law enforcement.

Jennifer Harrison, Phoenix, commented on sanctuary cities and criminal activity.

Sarah Sullivan, Escondido, shared comments regarding sanctuary cities and Senate Bill 54.

Caroline Theissard, Vista, commented on state law and crime statistics.

Dura Young, Downey, voiced her opposition to Senate Bill 54 and commented on immigration laws.

Art Devine, Escondido, expressed thanks that the library is open seven days a week and shared comments regarding immigration.

Karen Plascencia, San Diego, shared comments regarding immigration.

Benjamin Prado, San Diego, shared comments regarding immigration law and the need for unity.

Dr. Mike Schmidt, Dana Point, shared comments regarding constitutional and immigration issues.

Jennifer Becker, Imperial Beach, voiced her support for legal immigration and shared comments regarding education issues.

David Alan Puchta, Escondido, shared comments regarding legislation and President Trump.

Aisha Wallace-Palomares, Escondido, voiced opposition to filing the amicus curiae brief.

Mike Hosford, Escondido, expressed disappointment regarding current immigration policy.

Janet West, shared comments regarding Senate Bill 54.

Margaret Wilde, Escondido, shared her family members' experiences regarding immigration.

Gerald Thomas, Escondido, shared his experience as an immigrant.

Jessica Martinez, Escondido, spoke in opposition to illegal immigration.

Jessica Runfola, Escondido, spoke in favor of filing an amicus curiae brief and commented on immigration issues.

April Reyes, San Marcos, shared comments regarding immigration issues.

Consuelo Martinez, Escondido, expressed disappointment that the topic of immigration is being considered by the Council and commented on the need for unity.

Alan Girasi, San Marcos, voiced opposition to filing an amicus curiae brief.

12 people registered their position in favor of filing an amicus curiae brief, but did not wish to speak.

16 people registered their position in opposition to filing an amicus curiae brief, but did not wish to speak.

MOTION: Moved by Deputy Mayor Masson and seconded by Councilmember Gallo to approve authorizing the filing of a Motion for Leave to File Amicus Curiae Brief and Amicus Brief on behalf of the City of Escondido in support of the United States in the action United States of America v. State of California, United States District Court Case No. 2:18-cv-00490-JAM (KJN) and adopt Resolution No. 2018-52. Ayes: Abed, Gallo, Masson, Morasco. Noes: Diaz. Motion carried.

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.)

- 13. UPDATE OF CHAPTER 22 OF THE ESCONDIDO MUNICIPAL ORDINANCE -**
Approved on March 21, 2018 with a vote of 5/0 (File No. 0680-50)
ORDINANCE NO. 2018-01 (Second Reading and Adoption)
- 14. SERIES OF ACTIONS TO IMPLEMENT THE SOUTH CENTRE CITY SPECIFIC PLAN (PHG 15-0003/ENV 17-0005) -**
Approved on March 21, 2018 with a vote of 5/0 (File No. 0800-70)
ORDINANCE NO. 2018-04 (Second Reading and Adoption)
- 15. AMENDMENT TO ARTICLE 37 (PUBLIC ART) OF THE ESCONDIDO ZONING CODE (AZ 18-0001) -**
Approved on March 21, 2018 with a vote of 5/0 (File No. 0810-20)
ORDINANCE NO. 2018-05 (Second Reading and Adoption)

PUBLIC HEARINGS

- 16. ANNUAL CODE CLEAN UP AND AMENDMENTS TO THE MUNICIPAL AND ZONING CODES (AZ 16-0008) -**
Request the City Council approve amending Chapter 32 (Subdivisions) of the Municipal Code and Articles 1, 3, 6, 16, 25, 26, 34, 39, 40, 43, 45, 46, 47, 48, 56, 57, 58, 61, 65, 68, 69, 70, 73, and 75 of the Escondido Zoning Code to address changes in state laws, correct errors, and improve existing regulations. (File No. 0810-20, 0680-50)

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

ORDINANCE NO. 2018-07 (First Reading and Introduction)

Mike Strong, Assistant Director of Planning, presented the staff report utilizing a PowerPoint presentation.

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

Laree Felan, Escondido, commented that other cities have a five-foot setback for accessory dwelling units and requested Council approve this item.

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

MOTION: Moved by Councilmember Gallo and seconded by Deputy Mayor Masson to approve amending Chapter 32 (Subdivisions) of the Municipal Code and Articles 1, 3, 6, 16, 25, 26, 34, 39, 40, 43, 45, 46, 47, 48, 56, 57, 58, 61, 65, 68, 69, 70, 73, and 75 of the Escondido Zoning Code to address changes in state laws, correct errors, and improve existing regulations and introduce Ordinance No. 2018-07R. Ayes: Abed, Diaz, Gallo, Masson. Noes: Morasco. Motion carried.

CURRENT BUSINESS

17. CONSULTING AGREEMENT AND BUDGET ADJUSTMENT FOR DESIGN BUILD OWNER'S AGENT SERVICES FOR THE MEMBRANE FILTRATION REVERSE OSMOSIS FACILITY -

Request the City Council approve authorizing the Mayor and the City Clerk to execute a Consulting Agreement with Black and Veatch Corporation in the amount of \$1,236,890 for design build owner's agent services and approve a budget adjustment in the amount of \$1,000,000. (File No. 0600-10 [A-3240])

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

RESOLUTION NO. 2018-33

Angela Morrow, Deputy Director of Utilities/Construction & Engineering, Wastewater, presented the staff report utilizing a PowerPoint presentation.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve authorizing the Mayor and the City Clerk to execute a Consulting Agreement with Black and Veatch Corporation in the amount of \$1,236,890 for design build owner's agent services and approve a budget adjustment in the amount of \$1,000,000 and adopt Resolution No. 2018-33. Ayes: Abed, Gallo, Masson, Morasco. Noes: Diaz. Motion carried.

18. REPEAL ESCONDIDO MUNICIPAL CODE CHAPTER 19, ARTICLE 2, BOARD OF REVIEW, AND AMEND CITY PERSONNEL RULES AND REGULATIONS RULE 28, ADMINISTRATIVE REVIEW AND APPEAL TO BOARD OF REVIEW -

Request the City Council approve amending Personnel Rules and Regulations Rule 28, implementing the changes that will result upon dissolution of the Board of Review; and amend Escondido Municipal Code Chapter 19, Article 2, Board of Review, to transfer the authority for employee due process disciplinary hearings from the Board of Review to an Administrative Law Judge. (File No. 0120-10)

Staff Recommendation: **Approval (Human Resources Department: Sheryl Bennett and City Attorney's Office: Michael R. McGuinness)**

A) RESOLUTION NO. 2018-48 B) ORDINANCE NO. 2018-08 (First Reading and Introduction)

THIS ITEM WAS NOT DISCUSSED.

FUTURE AGENDA

19. 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 the San Diego County Water Authority Board voted regarding Proposition 68; reported SANDAG Borders Committee Tribal Summit will meet on Friday, April 13; reported North County Transit District hired Southwest Strategies to provide on-call marketing and communications consulting services and noted this year is the tenth anniversary of the Sprinter.

Councilmember Morasco reported the City Council/California Center for the Arts, Escondido subcommittee met and discussed management renewal process, new sign on Valley Parkway, several maintenance issues, 25th anniversary of CCAE, and noted a balanced budget for the fifth year in a row.

Deputy Mayor Masson will attend a California League of Cities in Pomona next week.

Mayor Abed reported SANDAG is holding interviews for an executive director; Transportation Committee approved seven million dollars for I15 & CA-78 on-ramp; the Mayor attended a meeting with public school and charter school officials regarding school safety.

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 -**

ORAL COMMUNICATIONS

ADJOURNMENT

Mayor Abed adjourned the meeting at 8:57 p.m.

MAYOR

CITY CLERK

DEPUTY CITY CLERK

CITY COUNCIL STAFF REPORT

Consent Item No. 4

May 16, 2018

File No. 0480-70

SUBJECT: Fiscal Year 2017 State Homeland Security Grant Program (SHSGP)

DEPARTMENT: Fire Department

RECOMMENDATION:

It is requested that the City Council accept \$117,334 in funding from the Department of Homeland Security (DHS) for the FY 2017 State Homeland Security Grant Program (SHSGP). It is also requested that the City Council authorize the Fire Chief to execute, on behalf of the City, all documents required for the management of this grant and that the City Council approve the necessary budget adjustment to establish new projects for tracking of these grant funds.

FISCAL ANALYSIS:

The SHSGP is 100 percent federally funded. No matching funds are required and the City will be reimbursed for all expenditures. The City will receive a total of \$117,334 and funds will be used for the following items:

- \$58,667 - Enhance Protection of Critical Infrastructure and Key Resources: Funds will be used to develop and update pre-incident maps.
- \$58,667 - Protect Critical Infrastructure and Key Resources: Funds will be used to purchase license plate readers (LPR).

PREVIOUS ACTION:

On May 14, 2003, the City Council authorized the Fire Chief to participate in the DHS Homeland Security Grant Program. Under this multi-year grant program, Council has accepted funds from FY2002 through FY2016. The most recent City Council action was taken on April 5, 2017, when the City Council authorized the acceptance of the FY2016 SHSGP grant.

BACKGROUND:

The SHSGP is multi-year grant program. The City began receiving DHS grant funding in 2003 and funding has continued each subsequent year at varying levels. The FY2017 SHSGP is a continuation of Federal funding from the DHS. An example of some items purchased from previous DHS funding for Police and Fire first responders are: Personal Protective Equipment (PPE), breathing apparatus, Hazardous Material bags, boots, gloves, suits, an explosive detection K-9, thermal imagers, chemical and radiological detection equipment, portable and mobile radios (for Police, Fire and Public Works),

FY17 State Homeland Security Grant Program
May 16, 2018
Page 2

surveillance equipment for City Hall, and the Police/Fire Mobile Command Vehicle. In addition, funds have also been used for Emergency Operations Center (EOC) exercises and Emergency Management training and planning.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Rick Vogt, Fire Chief
5/9/2018 3:02 p.m.

ATTACHMENTS:

1. Budget Adjustment



CITY COUNCIL STAFF REPORT

Consent Item No. 5

May 16, 2018

File No. 0490-55

SUBJECT: Treasurer's Investment Report for the Quarter Ended March 31, 2018

DEPARTMENT: City Treasurer's Office

RECOMMENDATION:

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

PREVIOUS ACTION:

The Investment Report for the quarter ended December 31, 2017, was filed with the City Clerk's Office on February 8, 2018, and presented to the City Council on February 14, 2018.

BACKGROUND:

From January 1, 2018, to March 31, 2018, the City of Escondido's (City)'s investment portfolio increased from \$103.52 million to \$115.53 million. The adjusted average annual yield increased from 1.36 percent to 1.43 percent with the portfolio duration at 1.69. An excess of cash receipt inflows over cash payment outflows for the quarter resulted in an increase of \$12 million in the book value of the investment portfolio. Major components of the net \$12 million increase are:

	<u>In Millions</u>
Sales Tax Allocation	\$ 9.34
Property Tax In-Lieu Allocation	6.59
County Property Tax Allocation	5.66
Bond Drawdowns	5.56
Franchise Fee	2.36
Successor Agency Distribution	1.71
CALPERS Contributions	(6.63)
Debt Service Payments	(4.94)
Purchased Water	(4.98)
Change in Operational Account Balance	(2.66)
Net Increase in Investment Portfolio	<u>\$12.01</u>

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

- Summary of Investment Allocation Graph as of March 31, 2018
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – January 2018 through March 2018
- Schedule of Investments Matured – January 2018 through March 2018
- Schedule of Funds Managed by Outside Parties as of March 31, 2018

There are adequate funds to meet the next six-month's expected expenditures. The Bank of New York Mellon Trust's monthly statement is the source for the market valuation. At March 31, 2018, the current investment portfolio balance exceeded the City's \$25.1 million current investment policy requirement by \$17.3 million. As of March 31, 2018, the City is in compliance with all requirements of the City's Investment Policy.

Investment transactions are executed in compliance with the City's Investment Policy. Investment purchases have been made in accordance with the City's prioritized Investment Policy objectives of safety of principal, sufficiency of liquidity, and maximization of yield. The City's investment portfolio has therefore historically been comprised of United States Treasury Notes, obligations issued by United States Government Agencies, Supranational Securities, FDIC Insured Certificates of Deposit, Money Market accounts, and investments in the Local Agency Investment Fund (LAIF) established by the State Treasurer.

On July 12, 2017, the City Council adopted Resolution No. 2017-79 approving the Investment Management Consulting Agreement with Templeton Financial Services, Inc. (Templeton) to provide investment management services for \$20 million of the City's longer-term investments.

As of March 31, 2018, the Templeton's investment portfolio balance was \$19.94 million with the adjusted average yield (net of fees) at 2.27 percent and the portfolio duration at 4.17. The investment portfolio has been comprised of Municipal Bonds, obligations issued by United States Government Agencies, Corporate Bonds, Supranational Securities, United States Treasury Bills, and Money Market accounts.

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

- Summary of Average Yield Calculation on Templeton's Investment Portfolio for the Period of January 2018 through March 2018
- Monthly Investment Portfolio Reports Prepared by Templeton – January 2018 through March 2018

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Douglas Shultz, City Treasurer
5/9/2018 2:47 p.m.

ATTACHMENTS:

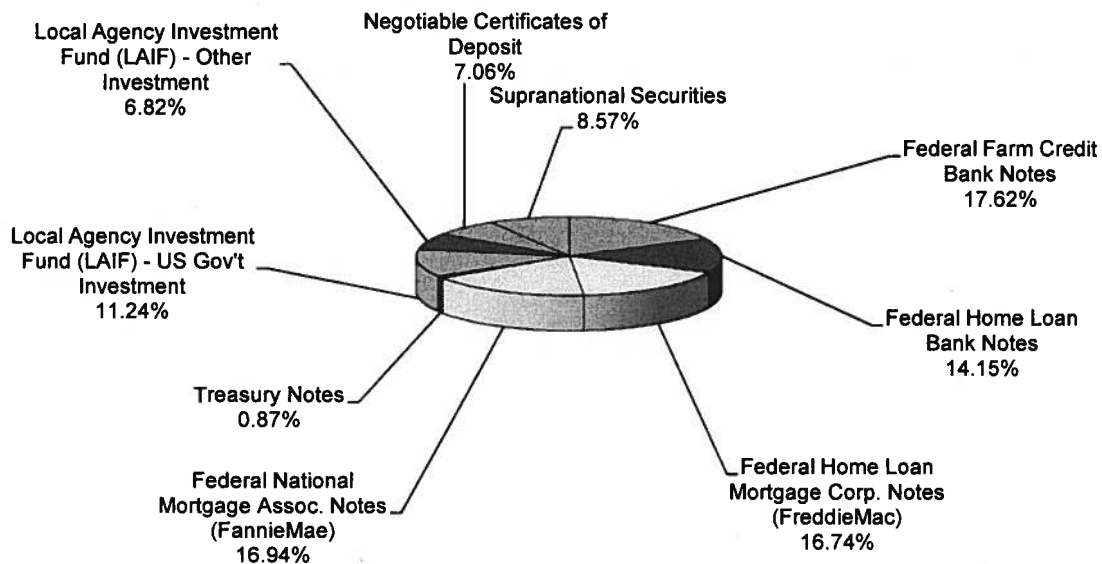
1. Attachment 1 - Summary of Investment Allocation Graph as of March 31, 2018
2. Attachment 2 - Summary of Investment Portfolio Yield for the last 12 months
3. Attachment 3 - Summary and Detailed Reports of Investment Portfolio – January 2018 through March 2018
4. Attachment 4 - Schedule of Investments Matured – January 2018 through March 2018
5. Attachment 5 - Schedule of Funds Managed by Outside Parties as of March 31, 2018
6. Attachment 6 – Summary of Average Yield Calculation on Templeton's Investment Portfolio for the Period of January 2018 through March 2018
7. Attachment 7 – Monthly Investment Portfolio Reports Prepared by Templeton – January 2018 through March 2018

Attachment 1

**City of Escondido
Summary of Investment Allocation
as of March 31, 2018**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	\$ 20,417,458.23	\$ 20,074,524.20	17.62%
Federal Home Loan Bank Notes	16,465,352.62	16,119,828.35	14.15%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	19,528,132.62	19,067,631.62	16.74%
Federal National Mortgage Assoc. Notes (FannieMae)	19,624,640.81	19,293,665.10	16.94%
Treasury Notes	991,137.47	988,398.44	0.87%
Local Agency Investment Fund (LAIF) - US Gov't Investment	12,803,241.47	12,803,241.47	11.24%
Local Agency Investment Fund (LAIF) - Other Investment	7,763,752.15	7,763,752.15	6.82%
Negotiable Certificates of Deposit	8,141,000.00	8,044,083.43	7.06%
Supranational Securities	9,794,591.09	9,763,128.23	8.57%
Total Investment Portfolio - March 2018	\$115,529,306.46	\$113,918,252.99	100%
Reported Total Investments - December 2018	\$103,515,459.54	\$102,532,411.70	
Change from Prior Quarter	\$ 12,013,846.92	\$ 11,385,841.29	
Portfolio Duration	1.69		

Summary of Investment Allocation as of March 31, 2018



Attachment 2

**CITY OF ESCONDIDO
SUMMARY OF INVESTMENT PORTFOLIO YIELDS
FOR THE LAST 12 MONTHS
As of March 31, 2018**

<u>Date</u>	<u>Book Value</u>	<u>Yield</u>
Mar-18	\$115,529,306.46	1.582%
Feb-18	\$118,039,244.61	1.545%
Jan-18	\$124,038,216.97	1.504%
Dec-17	\$103,515,459.54	1.518%
Nov-17	\$101,704,058.38	1.494%
Oct-17	\$102,167,962.46	1.467%
Sep-17	\$105,134,376.38	1.417%
Aug-17	\$88,523,040.36	1.426%
Jul-17	\$123,521,977.77	1.351%
Jun-17	\$136,217,722.30	1.304%
May-17	\$133,258,604.63	1.286%
Apr-17	\$114,999,393.02	1.293%
Average Portfolio Interest Yields		1.432%

Attachment 3

City of Escondido
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Portfolio/Report Group: All Portfolios
As of 1/31/2018

<u>Description</u>	<u>Face Amount</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>YTM @ Cost</u>	<u>YTM @ Market</u>	<u>Portfolio Duration</u>	<u>Days to Maturity</u>
California Local Agency Investment	29,066,993.62	29,066,993.62	29,066,993.62	29,066,993.62	1.350	1.350	0.00	1
Federal Agency Coupon Securities	75,701,000.00	76,395,205.56	74,690,289.54	76,047,862.74	1.501	2.199	2.34	878
Treasury Securities	1,000,000.00	990,234.38	989,450.00	990,234.38	2.071	2.118	1.72	638
Negotiable Certificate of Deposit	8,141,000.00	8,141,000.00	8,079,926.57	8,141,000.00	1.870	2.271	1.93	724
Supranational Securities	9,813,000.00	9,791,947.75	9,763,802.98	9,792,126.23	1.625	1.979	0.82	301
Total / Average	<u>123,721,993.62</u>	<u>124,385,381.31</u>	<u>122,590,462.71</u>	<u>124,038,216.97</u>	<u>1.504</u>	<u>1.986</u>	<u>1.64</u>	<u>614</u>

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 1/31/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
California Local Agency Investment Fund										
LAIF LGIP	LGIP7282		29,066,993.62	29,066,993.62	29,066,993.62	1.350	1.350	0.00	1	23.49
Sub Total / Average			29,066,993.62	29,066,993.62	29,066,993.62	1.350	1.350	0.00	1	23.49
Federal Agency Coupon Securities										
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,946,840.00	1,996,940.18	1.205	2.279	2.38	880	1.62
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,925,820.00	1,995,719.54	1.460	2.454	3.60	1,352	1.62
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	976,360.00	1,000,000.00	1.460	2.355	2.69	1,001	0.81
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	1,980,000.00	2,001,291.18	1.510	2.168	1.63	604	1.62
FFCB 1.61 8/1/2018	3133ECW75	02/03/2014	1,000,000.00	999,540.00	1,000,818.11	1.440	1.703	0.50	182	0.81
FFCB 1.66 9/20/2021	3133EHZA4	10/11/2017	2,000,000.00	1,945,080.00	1,987,424.58	1.840	2.454	3.52	1,328	1.62
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,744,155.00	1,760,548.38	1.135	2.010	1.08	397	1.41
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	4,965,950.00	5,000,000.00	1.800	2.191	1.75	650	4.04
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,504,380.00	1,551,931.79	1.047	2.340	2.42	917	1.21
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	329,052.60	339,119.98	1.080	2.344	2.42	944	0.25
FFCB 5.125 11/15/2018	31331YEJ5	12/26/2013	760,000.00	779,843.60	778,638.52	1.856	1.774	0.78	288	0.61
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,943,460.00	2,005,596.21	1.280	2.342	2.97	1,114	1.62
FHLB 1.375 3/9/2018	313378A43	03/28/2013	3,000,000.00	3,000,270.00	3,001,460.14	0.883	1.283	0.11	37	2.42
FHLB 1.61 8/26/2020	3130ABD94	09/25/2017	2,000,000.00	1,968,320.00	1,997,289.83	1.664	2.248	2.52	938	1.62
FHLB 1.75 12/14/2018	313376BR5	12/26/2013	895,000.00	893,738.05	894,327.47	1.841	1.913	0.87	317	0.72
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	981,920.00	1,007,466.97	1.500	2.355	3.02	1,136	0.81
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,958,640.00	1,983,709.32	2.100	2.444	3.70	1,398	1.62
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,966,880.00	2,034,001.37	1.350	2.390	3.26	1,227	1.62
FHLB 2.25 3/11/2022	313378CR0	05/09/2017	2,000,000.00	1,980,200.00	2,019,461.80	2.000	2.505	3.91	1,500	1.62
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,485,994.50	2,540,618.62	1.410	2.327	2.45	954	1.90
FHLMC 1.05 9/28/2018	3134GAMD3	05/04/2017	1,000,000.00	995,060.00	998,649.53	1.258	1.807	0.66	240	0.81
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,869,320.00	2,980,688.36	1.314	2.420	3.45	1,289	2.42
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	985,370.00	998,700.64	1.330	2.146	1.65	609	0.81
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,962,500.00	2,987,155.96	1.546	2.101	1.48	547	2.42
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	988,590.00	1,001,665.53	1.290	2.148	1.54	568	0.81
FHLMC 1.5 3/19/2020	3134G3K58	09/28/2017	616,000.00	606,784.64	614,715.64	1.600	2.222	2.10	778	0.50
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,174,207.00	1,200,015.77	1.380	2.254	2.50	933	0.97
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,362,932.70	2,446,956.00	1.123	2.329	2.93	1,094	1.95
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	980,430.00	1,006,718.43	1.380	2.438	2.52	940	0.81
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,959,840.00	2,033,236.08	1.230	2.385	3.21	1,206	1.62
FHLMC 1.875 8/17/2021	3134G92Y2	05/09/2017	2,000,000.00	1,966,500.00	1,998,287.38	1.900	2.370	3.42	1,294	1.62

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 1/31/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,244,512.50	1,264,046.42	1.450	2.213	2.06	771	1.01
FNMA 0.875 5/21/2018	3135G0WJ8	12/20/2013	1,500,000.00	1,497,030.00	1,497,166.46	1.526	1.523	0.31	110	1.21
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,966,240.00	1,986,133.91	1.447	2.089	1.56	574	1.62
FNMA 1.06 5/29/2018	3136G05G2	12/20/2013	500,000.00	499,205.00	499,252.40	1.540	1.545	0.33	118	0.40
FNMA 1.125 10/19/2018	3135G0E58	11/16/2017	1,070,000.00	1,064,735.60	1,066,902.34	1.533	1.818	0.71	261	0.86
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	965,200.00	992,017.08	1.505	2.364	3.20	1,191	0.81
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,878,830.00	2,982,584.70	1.420	2.447	3.46	1,294	2.42
FNMA 1.25 8/28/2018	3136G1F53	03/16/2016	1,000,000.00	997,190.00	1,000,956.73	1.080	1.743	0.57	209	0.81
FNMA 1.5 11/30/2020	3135G0F73	04/26/2017	2,000,000.00	1,956,540.00	1,991,169.29	1.661	2.296	2.78	1,034	1.62
FNMA 1.75 1/30/2019	3136FTZZ5	02/03/2014	2,595,000.00	2,589,628.35	2,597,225.62	1.660	1.960	1.00	364	2.10
FNMA 1.875 9/18/2018	3135G0YM9	05/04/2017	1,000,000.00	1,000,560.00	1,003,831.20	1.258	1.784	0.63	230	0.81
FNMA 2 10/5/2022	3135G0T78	10/11/2017	2,000,000.00	1,949,940.00	1,999,981.23	2.000	2.571	4.46	1,708	1.62
FNMA 2 8/26/2022	3136G05L1	09/28/2017	2,000,000.00	1,952,700.00	2,003,442.05	1.960	2.551	4.35	1,668	1.62
Sub Total / Average			75,701,000.00	74,690,289.54	76,047,862.74	1.501	2.199	2.34	878	61.19
Negotiable Certificate of Deposit										
Ally Bank 1.9 6/22/2020	02006L3N1	06/22/2017	245,000.00	242,350.94	245,000.00	1.900	2.368	2.34	873	0.20
American Exp Centurion 2 11/28/2018	02587DWJ3	11/28/2014	247,000.00	246,973.89	247,000.00	2.000	2.012	0.82	301	0.20
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	245,966.85	247,000.00	2.000	2.289	1.47	539	0.20
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	246,330.06	247,000.00	2.099	2.286	1.46	538	0.20
Beneficial Bank 2.15 10/18/2022	08173QBX3	10/18/2017	245,000.00	240,474.26	245,000.00	2.150	2.568	4.48	1,721	0.20
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	245,870.22	247,000.00	1.950	2.286	1.37	505	0.20
Capital One Bank USA NA 2.4 6/1/2022	1404203C2	06/01/2017	245,000.00	243,522.45	245,000.00	2.400	2.547	4.12	1,582	0.20
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	245,915.13	247,000.00	2.000	2.294	1.50	558	0.20
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/2015	249,000.00	248,469.56	249,000.00	1.250	1.807	0.38	139	0.20
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/2014	248,000.00	247,486.19	248,000.00	1.500	1.905	0.51	187	0.20
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	246,539.57	247,000.00	2.200	2.304	1.79	664	0.20
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	246,333.31	249,000.00	2.000	2.410	2.63	986	0.20
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/2015	248,000.00	247,611.88	248,000.00	1.200	1.752	0.28	103	0.20
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	246,043.54	247,000.00	2.000	2.286	1.36	503	0.20
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	246,075.13	247,000.00	2.050	2.292	1.55	574	0.20
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	245,467.28	248,000.00	1.600	2.298	1.49	545	0.20
First Bank of Richmond 1.8 10/19/2020	319267GK0	10/18/2017	245,000.00	241,715.92	245,000.00	1.800	2.234	2.65	992	0.20
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	244,558.83	248,000.00	1.500	2.314	1.72	637	0.20
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/2015	248,000.00	247,647.07	248,000.00	1.450	1.804	0.40	146	0.20
Focus Bank 2.2 11/24/2022	34415LAP6	11/24/2017	245,000.00	240,887.36	245,000.00	2.200	2.573	4.57	1,758	0.20
Franklin Synergy Bank 1.6 8/30/2019	35471TDK5	05/31/2017	245,000.00	242,326.83	245,000.00	1.600	2.304	1.56	576	0.20

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 1/31/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
Goldman Sachs Bank USA 2.35 6/21/2022	38148PKX4	06/21/2017	245,000.00	242,994.36	245,000.00	2.350	2.548	4.18	1,602	0.20
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/2015	248,000.00	246,841.86	248,000.00	1.350	1.986	0.74	271	0.20
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	245,385.19	247,000.00	1.850	2.294	1.48	545	0.20
Medallion Bank Utah 2.05 6/28/2021	58403B6Y7	06/28/2017	245,000.00	241,560.27	245,000.00	2.050	2.480	3.29	1,244	0.20
Mercantile Bank of MI 1.8 6/8/2020	58740XZJ2	06/07/2017	245,000.00	241,825.29	245,000.00	1.800	2.369	2.31	859	0.20
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	246,525.41	247,000.00	2.100	2.269	1.14	419	0.20
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	246,288.34	247,000.00	2.100	2.292	1.50	559	0.20
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	246,277.25	247,000.00	2.250	2.373	2.41	898	0.20
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	245,653.50	247,000.00	2.000	2.308	1.79	663	0.20
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	243,867.59	249,000.00	1.650	2.426	2.69	1,003	0.20
Venture Bank Bloomington 1.6 9/6/2019	92326XDN8	06/06/2017	245,000.00	242,294.86	245,000.00	1.600	2.304	1.58	583	0.20
WEX Bank 1.8 6/2/2020	92937CFS2	06/02/2017	245,000.00	241,846.38	245,000.00	1.800	2.369	2.29	853	0.20
Sub Total / Average			8,141,000.00	8,079,926.57	8,141,000.00	1.870	2.271	1.93	724	6.58
Supranational Securities										
IADB 1.125 8/28/2018	4581X0CQ9	12/11/2017	2,372,000.00	2,361,847.84	2,364,558.06	1.677	1.876	0.57	209	1.92
IADB 1.75 8/24/2018	4581X0BR8	09/21/2017	3,000,000.00	2,998,050.00	3,005,967.51	1.393	1.866	0.56	205	2.42
IBRD 1.2 9/30/2019	459058FQ1	12/11/2017	700,000.00	687,988.00	691,792.59	1.920	2.254	1.65	607	0.57
IBRD 1.25 4/26/2019	459058FC2	11/22/2017	2,000,000.00	1,977,580.00	1,986,996.73	1.785	2.173	1.23	450	1.62
IBRD 1.875 3/15/2019	459058DL4	12/11/2017	741,000.00	739,177.14	741,573.04	1.804	2.097	1.11	408	0.60
IFC 1.75 9/4/2018	45950KCA6	11/16/2017	1,000,000.00	999,160.00	1,001,238.30	1.538	1.892	0.59	216	0.81
Sub Total / Average			9,813,000.00	9,763,802.98	9,792,126.23	1.625	1.979	0.82	301	7.93
Treasury Coupon Securities										
T-Note 1.5 10/31/2019	912828F62	01/31/2018	1,000,000.00	989,450.00	990,234.38	2.071	2.118	1.72	638	0.81
Sub Total / Average			1,000,000.00	989,450.00	990,234.38	2.071	2.118	1.72	638	0.81
Total / Average			123,721,993.62	122,590,462.71	124,038,216.97	1.504	1.986	1.64	614	100

City of Escondido
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Portfolio/Report Group: All Portfolios
As of 2/28/2018

<u>Description</u>	<u>Face Amount</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>YTM @ Cost</u>	<u>YTM @ Market</u>	<u>Portfolio Duration</u>	<u>Days to Maturity</u>
California Local Agency Investment	20,066,993.62	20,066,993.62	20,066,993.62	20,066,993.62	1.412	1.412	0.00	1
Federal Agency Coupon Securities	78,726,000.00	79,406,055.36	77,519,968.05	79,047,292.04	1.529	2.312	2.27	850
Treasury Securities	1,000,000.00	990,234.38	988,160.00	990,662.97	2.071	2.226	1.65	610
Negotiable Certificate of Deposit	8,141,000.00	8,141,000.00	8,056,955.01	8,141,000.00	1.870	2.454	1.86	696
Supranational Securities	9,813,000.00	9,791,947.75	9,759,456.10	9,793,295.98	1.625	2.109	0.75	273
Total / Average	<u>117,746,993.62</u>	<u>118,396,231.11</u>	<u>116,391,532.78</u>	<u>118,039,244.61</u>	<u>1.545</u>	<u>2.151</u>	<u>1.72</u>	<u>645</u>

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 2/28/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
California Local Agency Investment Fund										
LAIF LGIP	LGIP7282		20,066,993.62	20,066,993.62	20,066,993.62	1.412	1.412	0.00	1	17.04
Sub Total / Average			20,066,993.62	20,066,993.62	20,066,993.62	1.412	1.412	0.00	1	17.04
Federal Agency Coupon Securities										
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,943,320.00	1,997,037.54	1.205	2.394	2.31	852	1.70
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,919,660.00	1,995,808.19	1.460	2.567	3.53	1,324	1.70
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	974,390.00	1,000,000.00	1.460	2.458	2.61	973	0.85
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	1,979,760.00	2,001,231.33	1.510	2.205	1.56	576	1.70
FFCB 1.61 8/1/2018	3133ECW75	02/03/2014	1,000,000.00	999,380.00	1,000,692.25	1.440	1.755	0.43	154	0.85
FFCB 1.66 9/20/2021	3133EHZA4	10/11/2017	2,000,000.00	1,938,640.00	1,987,689.72	1.840	2.567	3.45	1,300	1.70
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,742,930.00	1,759,804.41	1.135	2.104	1.00	369	1.49
FFCB 1.7 4/27/2020	3133EAN46	02/01/2018	1,025,000.00	1,010,762.75	1,014,605.51	2.182	2.362	2.12	789	0.87
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	4,961,150.00	5,000,000.00	1.800	2.266	1.68	622	4.25
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,501,440.00	1,550,346.08	1.047	2.419	2.38	889	1.27
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	327,794.00	338,256.26	1.080	2.437	2.34	916	0.26
FFCB 5.125 11/15/2018	31331YEJ5	12/26/2013	760,000.00	777,191.20	776,826.44	1.856	1.915	0.70	260	0.65
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,938,180.00	2,005,455.55	1.280	2.460	2.92	1,086	1.70
FHLB 1.375 3/9/2018	313378A43	03/28/2013	3,000,000.00	3,000,000.00	3,000,355.17	0.883	1.366	0.03	9	2.55
FHLB 1.61 8/26/2020	3130ABD94	09/25/2017	2,000,000.00	1,962,740.00	1,997,370.73	1.664	2.384	2.44	910	1.70
FHLB 1.75 12/14/2018	313376BR5	12/26/2013	895,000.00	893,022.05	894,386.87	1.841	2.031	0.79	289	0.76
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	979,060.00	1,007,282.92	1.500	2.469	2.95	1,108	0.85
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,951,940.00	1,984,035.60	2.100	2.550	3.62	1,370	1.70
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,958,040.00	2,033,225.46	1.350	2.544	3.19	1,199	1.70
FHLB 2.17 8/14/2020	3130ADGL0	02/13/2018	2,000,000.00	1,989,340.00	1,996,655.86	2.240	2.394	2.41	898	1.70
FHLB 2.25 3/11/2022	313378CR0	05/09/2017	2,000,000.00	1,970,700.00	2,019,098.51	2.000	2.635	3.84	1,472	1.70
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,476,453.50	2,535,023.94	1.410	2.424	2.38	926	2.00
FHLMC 1.05 9/28/2018	3134GAMD3	05/04/2017	1,000,000.00	994,950.00	998,807.09	1.258	1.924	0.58	212	0.85
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,860,110.00	2,981,107.85	1.314	2.543	3.40	1,261	2.55
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	984,560.00	998,760.38	1.330	2.241	1.58	581	0.85
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,960,970.00	2,987,813.42	1.546	2.182	1.42	519	2.55
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	990,200.00	1,001,583.43	1.290	2.074	1.47	540	0.85
FHLMC 1.5 3/19/2020	3134G3K58	09/28/2017	616,000.00	605,743.60	614,761.86	1.600	2.333	2.02	750	0.52
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,171,028.30	1,199,865.24	1.380	2.388	2.44	905	1.01
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,353,630.10	2,446,010.15	1.123	2.485	2.86	1,066	2.05

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 2/28/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	980,780.00	1,006,518.31	1.380	2.449	2.45	912	0.85
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,950,480.00	2,032,464.43	1.230	2.553	3.14	1,178	1.70
FHLMC 1.875 8/17/2021	3134G92Y2	05/09/2017	2,000,000.00	1,956,040.00	1,998,324.44	1.900	2.540	3.37	1,266	1.70
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,241,937.50	1,263,536.31	1.450	2.325	1.99	743	1.06
FNMA 0.875 5/21/2018	3135G0WJ8	12/20/2013	1,500,000.00	1,497,495.00	1,497,887.72	1.526	1.598	0.23	82	1.27
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,964,460.00	1,986,810.31	1.447	2.211	1.49	546	1.70
FNMA 1.06 5/29/2018	3136G05G2	12/20/2013	500,000.00	499,275.00	499,429.80	1.540	1.632	0.25	90	0.42
FNMA 1.125 10/19/2018	3135G0E58	11/16/2017	1,070,000.00	1,064,275.50	1,067,234.66	1.533	1.967	0.64	233	0.91
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	961,730.00	992,204.76	1.505	2.506	3.12	1,163	0.85
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,873,040.00	2,982,961.54	1.420	2.532	3.40	1,266	2.55
FNMA 1.25 8/28/2018	3136G1F53	03/16/2016	1,000,000.00	996,800.00	1,000,828.56	1.080	1.896	0.50	181	0.85
FNMA 1.5 11/30/2020	3135G0F73	04/26/2017	2,000,000.00	1,951,340.00	1,991,408.42	1.661	2.418	2.70	1,006	1.70
FNMA 1.75 1/30/2019	3136FTZ55	02/03/2014	2,595,000.00	2,586,929.55	2,597,054.42	1.660	2.092	0.92	336	2.20
FNMA 1.875 9/18/2018	3135G0YM9	05/04/2017	1,000,000.00	999,460.00	1,003,364.79	1.258	1.972	0.55	202	0.85
FNMA 2 10/5/2022	3135G0T78	10/11/2017	2,000,000.00	1,937,780.00	1,999,981.54	2.000	2.724	4.38	1,680	1.70
FNMA 2 8/26/2022	3136G05L1	09/28/2017	2,000,000.00	1,941,060.00	2,003,384.27	1.960	2.701	4.32	1,640	1.70
Sub Total / Average			78,726,000.00	77,519,968.05	79,047,292.04	1.529	2.312	2.27	850	66.86

Negotiable Certificate of Deposit

Ally Bank 1.9 6/22/2020	02006L3N1	06/22/2017	245,000.00	241,548.96	245,000.00	1.900	2.530	2.27	845	0.21
American Exp Centurion 2 11/28/2018	02587DWJ3	11/28/2014	247,000.00	246,354.46	247,000.00	2.000	2.353	0.74	273	0.21
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	245,358.77	247,000.00	2.000	2.484	1.39	511	0.21
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	245,704.73	247,000.00	2.099	2.481	1.38	510	0.21
Beneficial Bank 2.15 10/18/2022	08173QBX3	10/18/2017	245,000.00	239,103.91	245,000.00	2.150	2.706	4.40	1,693	0.21
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	245,308.30	247,000.00	1.950	2.484	1.29	477	0.21
Capital One Bank USA NA 2.4 6/1/2022	1404203C2	06/01/2017	245,000.00	242,168.04	245,000.00	2.400	2.689	4.05	1,554	0.21
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	245,294.82	247,000.00	2.000	2.485	1.44	530	0.21
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/2015	249,000.00	248,470.47	249,000.00	1.250	1.942	0.31	111	0.21
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/2014	248,000.00	247,349.77	248,000.00	1.500	2.102	0.44	159	0.21
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	245,777.98	247,000.00	2.200	2.491	1.71	636	0.21
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	245,415.58	249,000.00	2.000	2.568	2.55	958	0.21
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/2015	248,000.00	247,679.66	248,000.00	1.200	1.825	0.21	75	0.21
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	245,475.02	247,000.00	2.000	2.483	1.29	475	0.21
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	245,419.03	247,000.00	2.050	2.487	1.48	546	0.21
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	244,924.22	248,000.00	1.600	2.494	1.41	517	0.21
First Bank of Richmond 1.8 10/19/2020	319267GK0	10/18/2017	245,000.00	240,831.89	245,000.00	1.800	2.365	2.57	964	0.21

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 2/28/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	243,958.09	248,000.00	1.500	2.501	1.65	609	0.21
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/2015	248,000.00	247,522.55	248,000.00	1.450	2.044	0.32	118	0.21
Focus Bank 2.2 11/24/2022	34415LAP6	11/24/2017	245,000.00	239,487.41	245,000.00	2.200	2.709	4.49	1,730	0.21
Franklin Synergy Bank 1.6 8/30/2019	35471TDK5	05/31/2017	245,000.00	241,767.36	245,000.00	1.600	2.499	1.48	548	0.21
Goldman Sachs Bank USA 2.35 6/21/2022	38148PKX4	06/21/2017	245,000.00	241,631.93	245,000.00	2.350	2.689	4.11	1,574	0.21
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/2015	248,000.00	246,445.52	248,000.00	1.350	2.304	0.66	243	0.21
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	244,798.46	247,000.00	1.850	2.491	1.40	517	0.21
Medallion Bank Utah 2.05 6/28/2021	58403B6Y7	06/28/2017	245,000.00	240,357.73	245,000.00	2.050	2.644	3.22	1,216	0.21
Mercantile Bank of MI 1.8 6/8/2020	58740XZJ2	06/07/2017	245,000.00	241,056.61	245,000.00	1.800	2.532	2.23	831	0.21
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	246,014.01	247,000.00	2.100	2.476	1.07	391	0.21
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	245,648.67	247,000.00	2.100	2.484	1.44	531	0.21
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	245,384.44	247,000.00	2.250	2.534	2.33	870	0.21
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	244,938.78	247,000.00	2.000	2.493	1.71	635	0.21
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	242,943.20	249,000.00	1.650	2.595	2.61	975	0.21
Venture Bank Bloomington 1.6 9/6/2019	92326XDN8	06/06/2017	245,000.00	241,730.60	245,000.00	1.600	2.494	1.50	555	0.21
WEX Bank 1.8 6/2/2020	92937CFS2	06/02/2017	245,000.00	241,084.04	245,000.00	1.800	2.532	2.21	825	0.21
Sub Total / Average			8,141,000.00	8,056,955.01	8,141,000.00	1.870	2.454	1.86	696	6.91
Supranational Securities										
IADB 1.125 8/28/2018	4581X0CQ9	12/11/2017	2,372,000.00	2,361,539.48	2,365,555.06	1.677	2.016	0.50	181	2.01
IADB 1.75 8/24/2018	4581X0BR8	09/21/2017	3,000,000.00	2,995,740.00	3,005,152.43	1.393	2.043	0.49	177	2.55
IBRD 1.2 9/30/2019	459058FQ1	12/11/2017	700,000.00	687,743.00	692,171.18	1.920	2.329	1.57	579	0.59
IBRD 1.25 4/26/2019	459058FC2	11/22/2017	2,000,000.00	1,977,300.00	1,987,805.82	1.785	2.245	1.15	422	1.70
IBRD 1.875 3/15/2019	459058DL4	12/11/2017	741,000.00	738,643.62	741,533.71	1.804	2.183	1.03	380	0.63
IFC 1.75 9/4/2018	45950KCA6	11/16/2017	1,000,000.00	998,490.00	1,001,077.78	1.538	2.045	0.51	188	0.85
Sub Total / Average			9,813,000.00	9,759,456.10	9,793,295.98	1.625	2.109	0.75	273	8.33
Treasury Coupon Securities										
T-Note 1.5 10/31/2019	912828F62	01/31/2018	1,000,000.00	988,160.00	990,662.97	2.071	2.226	1.65	610	0.85
Sub Total / Average			1,000,000.00	988,160.00	990,662.97	2.071	2.226	1.65	610	0.85
Total / Average			117,746,993.62	116,391,532.78	118,039,244.61	1.545	2.151	1.72	645	100

City of Escondido
Investment Portfolio - by Asset Class, Summary
Report Format: By Totals
Portfolio/Report Group: All Portfolios
As of 3/31/2018

<u>Description</u>	<u>Face Amount</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>YTM @ Cost</u>	<u>YTM @ Market</u>	<u>Portfolio Duration</u>	<u>Days to Maturity</u>
California Local Agency Investment	20,566,993.62	20,566,993.62	20,566,993.62	20,566,993.62	1.524	1.524	0.00	1
Federal Agency Coupon Securities	75,726,000.00	76,334,745.36	74,555,649.27	76,035,584.28	1.554	2.372	2.27	853
Treasury Securities	1,000,000.00	990,234.38	988,398.44	991,137.47	2.071	2.250	1.56	579
Negotiable Certificate of Deposit	8,141,000.00	8,141,000.00	8,044,083.43	8,141,000.00	1.870	2.603	1.77	665
Supranational Securities	9,813,000.00	9,791,947.75	9,763,128.23	9,794,591.09	1.625	2.148	0.66	242
Total / Average	<u>115,246,993.62</u>	<u>115,824,921.11</u>	<u>113,918,252.99</u>	<u>115,529,306.46</u>	<u>1.582</u>	<u>2.217</u>	<u>1.69</u>	<u>633</u>

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 3/31/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
California Local Agency Investment Fund										
LAIF LGIP	LGIP7282		20,566,993.62	20,566,993.62	20,566,993.62	1.524	1.524	0.00	1	17.85
Sub Total / Average			20,566,993.62	20,566,993.62	20,566,993.62	1.524	1.524	0.00	1	17.85
Federal Agency Coupon Securities										
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,944,880.00	1,997,145.33	1.205	2.408	2.22	821	1.74
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,920,940.00	1,995,906.33	1.460	2.577	3.44	1,293	1.74
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	975,680.00	1,000,000.00	1.460	2.440	2.52	942	0.87
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	1,976,720.00	2,001,165.06	1.510	2.350	1.48	545	1.74
FFCB 1.61 8/1/2018	3133ECW75	02/03/2014	1,000,000.00	999,580.00	1,000,552.90	1.440	1.732	0.33	123	0.87
FFCB 1.66 9/20/2021	3133EHZA4	10/11/2017	2,000,000.00	1,938,100.00	1,987,983.28	1.840	2.599	3.38	1,269	1.74
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,744,207.50	1,758,980.74	1.135	2.062	0.92	338	1.52
FFCB 1.7 4/27/2020	3133EAN46	02/01/2018	1,025,000.00	1,011,183.00	1,015,013.91	2.182	2.370	2.03	758	0.89
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	4,959,600.00	5,000,000.00	1.800	2.312	1.59	591	4.34
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,500,975.00	1,548,590.48	1.047	2.431	2.28	858	1.30
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	327,276.30	337,299.99	1.080	2.421	2.31	885	0.27
FFCB 5.125 11/15/2018	31331YEJ5	12/26/2013	760,000.00	775,382.40	774,820.21	1.856	1.835	0.61	229	0.66
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,940,680.00	2,005,299.82	1.280	2.447	2.83	1,055	1.74
FHLB 1.61 8/26/2020	3130ABD94	09/25/2017	2,000,000.00	1,963,760.00	1,997,460.30	1.664	2.391	2.35	879	1.74
FHLB 1.75 12/14/2018	313376BR5	12/26/2013	895,000.00	892,699.85	894,452.64	1.841	2.119	0.70	258	0.78
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	979,090.00	1,007,079.16	1.500	2.490	2.88	1,077	0.87
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,953,400.00	1,984,396.84	2.100	2.545	3.53	1,339	1.74
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,959,160.00	2,032,366.42	1.350	2.544	3.10	1,168	1.74
FHLB 2.17 8/14/2020	3130ADGLO	02/13/2018	2,000,000.00	1,989,940.00	1,996,771.30	2.240	2.389	2.32	867	1.74
FHLB 2.25 3/11/2022	313378CR0	05/09/2017	2,000,000.00	1,972,400.00	2,018,696.30	2.000	2.620	3.79	1,441	1.74
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,468,698.50	2,528,829.84	1.410	2.482	2.34	895	2.04
FHLMC 1.05 9/28/2018	3134GAMD3	05/04/2017	1,000,000.00	995,730.00	998,981.52	1.258	1.927	0.49	181	0.87
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,865,600.00	2,981,572.29	1.314	2.522	3.30	1,230	2.60
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	985,210.00	998,826.53	1.330	2.257	1.48	550	0.87
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,961,120.00	2,988,541.33	1.546	2.241	1.32	488	2.60
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	988,760.00	1,001,492.53	1.290	2.224	1.38	509	0.87
FHLMC 1.5 3/19/2020	3134G3K58	09/28/2017	616,000.00	605,879.12	614,813.04	1.600	2.359	1.94	719	0.53
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,171,936.50	1,199,698.59	1.380	2.386	2.35	874	1.04
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,357,221.00	2,444,962.95	1.123	2.456	2.77	1,035	2.09
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	981,450.00	1,006,296.74	1.380	2.447	2.37	881	0.87

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 3/31/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,953,740.00	2,031,610.10	1.230	2.521	3.05	1,147	1.74
FHLMC 1.875 8/17/2021	3134G92Y2	05/09/2017	2,000,000.00	1,959,360.00	1,998,365.46	1.900	2.506	3.28	1,235	1.74
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,241,625.00	1,262,971.54	1.450	2.354	1.92	712	1.08
FNMA 0.875 5/21/2018	3135G0WJ8	12/20/2013	1,500,000.00	1,497,750.00	1,498,686.27	1.526	1.952	0.14	51	1.30
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,965,300.00	1,987,559.17	1.447	2.251	1.41	515	1.74
FNMA 1.06 5/29/2018	3136G05G2	12/20/2013	500,000.00	499,430.00	499,626.20	1.540	1.763	0.16	59	0.43
FNMA 1.125 10/19/2018	3135G0E58	11/16/2017	1,070,000.00	1,064,799.80	1,067,602.58	1.533	2.018	0.55	202	0.93
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	963,770.00	992,412.54	1.505	2.472	3.03	1,132	0.87
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,876,790.00	2,983,378.76	1.420	2.526	3.31	1,235	2.60
FNMA 1.25 8/28/2018	3136G1F53	03/16/2016	1,000,000.00	997,180.00	1,000,686.65	1.080	1.930	0.42	150	0.87
FNMA 1.5 11/30/2020	3135G0F73	04/26/2017	2,000,000.00	1,952,540.00	1,991,673.17	1.661	2.424	2.61	975	1.74
FNMA 1.75 1/30/2019	3136FTZZ5	02/03/2014	2,595,000.00	2,583,945.30	2,596,864.88	1.660	2.268	0.83	305	2.25
FNMA 1.875 9/18/2018	3135G0YM9	05/04/2017	1,000,000.00	999,300.00	1,002,848.41	1.258	2.026	0.46	171	0.87
FNMA 2 10/5/2022	3135G0T78	10/11/2017	2,000,000.00	1,945,000.00	1,999,981.88	2.000	2.651	4.29	1,649	1.74
FNMA 2 8/26/2022	3136G05L1	09/28/2017	2,000,000.00	1,947,860.00	2,003,320.30	1.960	2.631	4.23	1,609	1.74
Sub Total / Average			75,726,000.00	74,555,649.27	76,035,584.28	1.554	2.372	2.27	853	65.71

Negotiable Certificate of Deposit

Ally Bank 1.9 6/22/2020	02006L3N1	06/22/2017	245,000.00	241,122.24	245,000.00	1.900	2.635	2.18	814	0.21
American Exp Centurion 2 11/28/2018	02587DWJ3	11/28/2014	247,000.00	246,163.90	247,000.00	2.000	2.516	0.66	242	0.21
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	244,903.76	247,000.00	2.000	2.659	1.30	480	0.21
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	245,217.56	247,000.00	2.099	2.659	1.30	479	0.21
Beneficial Bank 2.15 10/18/2022	08173QBX3	10/18/2017	245,000.00	238,540.32	245,000.00	2.150	2.771	4.31	1,662	0.21
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	244,844.96	247,000.00	1.950	2.678	1.21	446	0.21
Capital One Bank USA NA 2.4 6/1/2022	1404203C2	06/01/2017	245,000.00	241,570.48	245,000.00	2.400	2.757	3.96	1,523	0.21
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	244,808.92	247,000.00	2.000	2.662	1.36	499	0.21
Cardinal Bank 1.25 6/19/2018	14147VEV4	06/19/2015	249,000.00	248,520.70	249,000.00	1.250	2.139	0.22	80	0.22
Charter Bank Eau claire 1.5 8/6/2018	16116PHH7	08/05/2014	248,000.00	247,271.50	248,000.00	1.500	2.337	0.35	128	0.22
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	245,286.79	247,000.00	2.200	2.629	1.62	605	0.21
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	244,948.13	249,000.00	2.000	2.665	2.47	927	0.22
Compass Bank 1.2 5/14/2018	20451PKT2	05/13/2015	248,000.00	247,768.52	248,000.00	1.200	1.969	0.12	44	0.22
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	245,005.66	247,000.00	2.000	2.677	1.20	444	0.21
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	244,956.58	247,000.00	2.050	2.649	1.40	515	0.21
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	244,542.95	248,000.00	1.600	2.668	1.32	486	0.22
First Bank of Richmond 1.8 10/19/2020	319267GK0	10/18/2017	245,000.00	240,390.82	245,000.00	1.800	2.443	2.49	933	0.21
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	243,588.96	248,000.00	1.500	2.652	1.56	578	0.22

City of Escondido
Portfolio Holdings
Investment Portfolio by Asset Class
Report Format: By Transaction
As of 3/31/2018

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
Flushing Bank 1.45 6/26/2018	34387ABQ1	06/26/2015	248,000.00	247,458.90	248,000.00	1.450	2.372	0.24	87	0.22
Focus Bank 2.2 11/24/2022	34415LAP6	11/24/2017	245,000.00	238,868.40	245,000.00	2.200	2.777	4.41	1,699	0.21
Franklin Synergy Bank 1.6 8/30/2019	35471TDK5	05/31/2017	245,000.00	241,382.92	245,000.00	1.600	2.665	1.40	517	0.21
Goldman Sachs Bank USA 2.35 6/21/2022	38148PKX4	06/21/2017	245,000.00	241,033.48	245,000.00	2.350	2.758	4.02	1,543	0.21
KEY BANK NA 1.35 10/29/2018	49306SVK9	10/28/2015	248,000.00	246,335.81	248,000.00	1.350	2.523	0.58	212	0.22
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	244,376.31	247,000.00	1.850	2.662	1.32	486	0.21
Medallion Bank Utah 2.05 6/28/2021	58403B6Y7	06/28/2017	245,000.00	239,849.80	245,000.00	2.050	2.728	3.14	1,185	0.21
Mercantile Bank of MI 1.8 6/8/2020	58740XZJ2	06/07/2017	245,000.00	240,656.01	245,000.00	1.800	2.638	2.14	800	0.21
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	245,604.09	247,000.00	2.100	2.681	0.98	360	0.21
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	245,144.56	247,000.00	2.100	2.659	1.36	500	0.21
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	244,891.12	247,000.00	2.250	2.634	2.24	839	0.21
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	244,473.86	247,000.00	2.000	2.636	1.62	604	0.21
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	242,553.48	249,000.00	1.650	2.688	2.53	944	0.22
Venture Bank Bloomington 1.6 9/6/2019	92326XDN8	06/06/2017	245,000.00	241,314.44	245,000.00	1.600	2.672	1.42	524	0.21
WEX Bank 1.8 6/2/2020	92937CFS2	06/02/2017	245,000.00	240,687.50	245,000.00	1.800	2.638	2.13	794	0.21
Sub Total / Average			8,141,000.00	8,044,083.43	8,141,000.00	1.870	2.603	1.77	665	7.06
Supranational Securities										
IADB 1.125 8/28/2018	4581X0CQ9	12/11/2017	2,372,000.00	2,362,630.60	2,366,658.89	1.677	2.079	0.42	150	2.06
IADB 1.75 8/24/2018	4581X0BR8	09/21/2017	3,000,000.00	2,995,950.00	3,004,250.03	1.393	2.089	0.40	146	2.60
IBRD 1.2 9/30/2019	459058FQ1	12/11/2017	700,000.00	688,513.00	692,590.34	1.920	2.319	1.49	548	0.61
IBRD 1.25 4/26/2019	459058FC2	11/22/2017	2,000,000.00	1,979,200.00	1,988,701.60	1.785	2.239	1.06	391	1.74
IBRD 1.875 3/15/2019	459058DL4	12/11/2017	741,000.00	738,354.63	741,490.17	1.804	2.254	0.95	349	0.64
IFC 1.75 9/4/2018	45950KCA6	11/16/2017	1,000,000.00	998,480.00	1,000,900.06	1.538	2.108	0.43	157	0.87
Sub Total / Average			9,813,000.00	9,763,128.23	9,794,591.09	1.625	2.148	0.66	242	8.51
Treasury Coupon Securities										
T-Note 1.5 10/31/2019	912828F62	01/31/2018	1,000,000.00	988,398.44	991,137.47	2.071	2.250	1.56	579	0.87
Sub Total / Average			1,000,000.00	988,398.44	991,137.47	2.071	2.250	1.56	579	0.87
Total / Average			115,246,993.62	113,918,252.99	115,529,306.46	1.582	2.217	1.69	633	100

Attachment 4

**City of Escondido
Transactions Summary
Investment Maturities
From 1/1/2018 to 3/31/2018**

<u>Issuer</u>	<u>Investment Type</u>	<u>CUSIP Number</u>	<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>	<u>Principal Matured</u>
FHLB 1.375 3/9/2018	Agency	313378A43	03/28/13	03/09/18	1.375	3,000,000
Total						<u><u>3,000,000</u></u>

Attachment 5

CITY OF ESCONDIDO
 FUNDS MANAGED BY OUTSIDE PARTIES
 As of March 31, 2018

<u>Type of Funds / Institution</u>	<u>Market Value</u>	<u>Interest Rate</u>	<u>Type of Investment</u>
<u>BOND FUNDS</u>			
BANK OF NEW YORK:			
1986-1R/98 Auto Parkway Assessment District	\$ 327,830.63	1.070%	Money Market
1998-1 Rancho San Pasqual Assessment District	344,187.58	1.490%	Money Market
2007A & 2007B JPFA Lease Revenue Bonds (1995 CDC Refunding)	8.20	0.980%	Money Market
2007 COP - Water Project	42,792.26	1.070%	Money Market
2012 JPFA Revenue Bonds (Water System Financing)	13,007.05	1.160%	LAIF/Money Market
2012 JPFA Revenue Bonds (Wastewater System Financing)	2,843,549.88	1.160%	LAIF/Money Market
2013 JPFA Reidy Creek Lease Revenue Bonds (2001 Refunding)	64,701.23	1.430%	Money Market/Cash
2013 Community Facility District - Hidden Trails (2001 Refunding)	1.48	1.350%	Money Market
2015 Community Facility District - Eureka Ranch (2006 Refunding)	10.42	1.440%	Money Market
2015A Wastewater Bond (2004A Refunding)	522,557.00	1.580%	Money Market
2015B Wastewater Bond (2004B Refunding)	217,518.64	1.580%	Money Market
TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	<u><u>\$ 4,376,164.37</u></u>		

Attachment 6

City of Escondido
 Summary of Average Yield Calculation
 Investment Portfolio Managed by Templeton Financial Services
 For the Period of January 2018 to March 2018

Month	Value				Average Yield (Without Fees)		Investment Management Fees				Average Yield (Net of Fees)		Portfolio Duration	Days to Maturity	Years to Maturity
	PAR	Cost	Book	Market	Book	Market	Templeton	Custodian	Total	Percent	Book	Market			
Jan-18	19,918,163.34	19,944,553.29	19,940,253.46	19,587,768.44	2.446%	2.863%	(2,083.33)	(875.00)	(2,958.33)	-0.181%	2.265%	2.682%	4.08	1,578	4.32
Feb-18	19,918,163.34	19,944,553.29	19,939,774.25	19,500,160.44	2.450%	2.981%	(2,083.33)	(875.00)	(2,958.33)	-0.182%	2.268%	2.799%	4.01	1,552	4.25
Mar-18	19,918,163.34	19,944,553.29	19,939,243.70	19,543,787.84	2.463%	2.952%	(2,083.33)	(875.00)	(2,958.33)	-0.182%	2.281%	2.770%	3.94	1,523	4.17
Average Yield - January 2018 to March 2018					2.453%	2.932%				-0.182%	2.271%	2.750%			



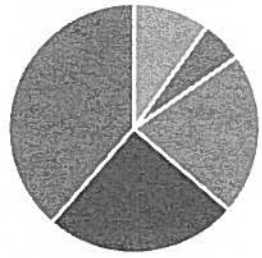
Monthly Portfolio Report

Period Ending:
January 31, 2018

Len Templeton, President

Templeton Financial Services, Inc.
1490 S. Price Rd. Suite 218
Chandler, AZ 85286

City of Escondido Portfolio Summary & Characteristics

Asset Class Distribution	Asset Class	Market Value*	Current % Of Portfolio	Previous Month % Of Portfolio
 <ul style="list-style-type: none"> ■ Supranationals ■ Money Market ■ Corporate Debt ■ Gov Agencies ■ Municipal Debt 	Supranationals	\$1,922,300.00	10.04%	10.04%
	Money Market	\$1,063,163.34	5.34%	5.34%
	Corporate Debt	\$4,143,328.50	21.09%	21.09%
	Gov Agencies	\$4,890,800.00	25.10%	25.10%
	Municipal Debt	\$7,568,176.60	38.43%	38.43%
	Total Market Value*	\$19,587,768.44	100.00%	100.00%

Summary of Assets Held

Asset Class	Market Value*	Current Face	Accrued Income	Duration	Market Yield	Yield (Cost)
Supranationals	\$1,922,300.00	\$2,000,000.00	\$13,319.44	4.42	2.649%	2.119%
Money Market	\$1,063,163.34	\$1,063,163.34	\$0.00	0.00	1.230%	1.230%
Corporate Debt	\$4,143,328.50	\$4,200,000.00	\$33,076.53	4.16	3.034%	2.610%
Gov Agencies	\$4,890,800.00	\$5,000,000.00	\$26,736.67	4.51	2.808%	2.349%
Municipal Debt	\$7,568,176.60	\$7,655,000.00	\$57,487.44	4.22	3.088%	2.673%
Total	\$19,587,768.44	\$19,918,163.34	\$130,620.08	4.08	2.863%	2.446%

* Market values exclude accrued income



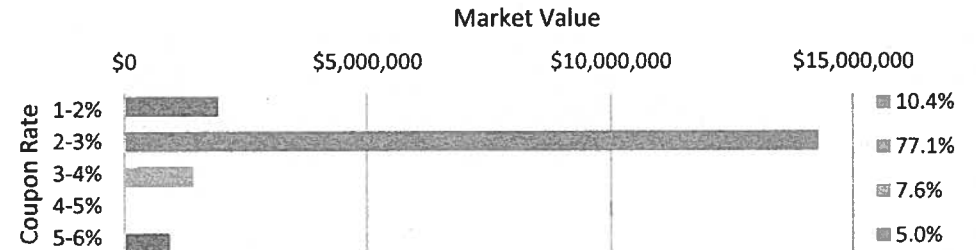
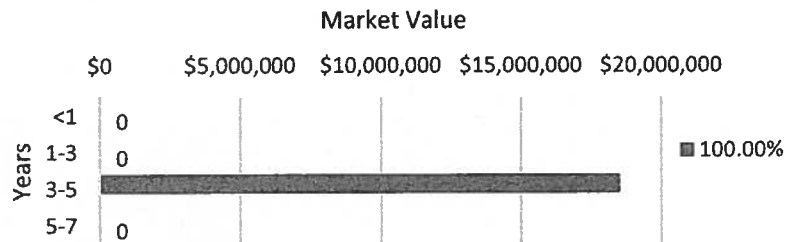
Monthly Portfolio Report - Characteristics

Period Ending 1/31/2018

Maturity and Coupon Summaries

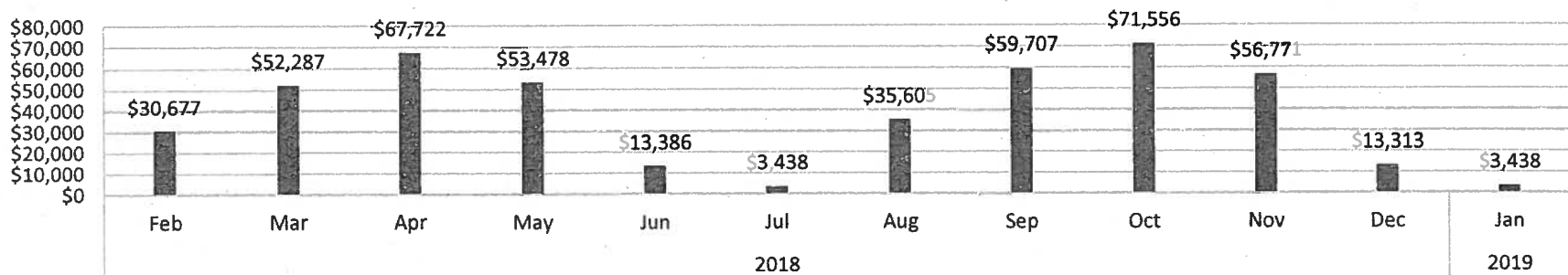
Maturity Distribution*

Coupon Distribution*



Income Summary

Projected Monthly Income*



*Excludes Money Market Instruments



Monthly Portfolio Report - Holdings

Period Ending 1/31/2018

Money Markets

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
X9USDBLFD	X9USDBLFD	1,063,163.34	-	-	-	-	-	-	1.230%	0.00	1,063,163.34	1,063,163.34
Total Money Markets	-	1,063,163.34	-	-	-	-	-	-	1.230%	0.00	1,063,163.34	1,063,163.34

Supranationals

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
IADB 1.75 09/14/22	4581X0CZ9	1,000,000.00	-	-	AAA	11/2/2017	11/6/2017	-	2.120%	6,659.72	983,824.59	961,150.00
IADB 1.75 09/14/22	4581X0CZ9	1,000,000.00	-	-	AAA	11/3/2017	11/7/2017	-	2.118%	6,659.72	983,910.67	961,150.00
Total Supranationals	-	2,000,000.00	-	-	AAA	-	-	-	2.119%	13,319.44	1,967,735.26	1,922,300.00

Corporate Debt

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
C 2 ¼ 04/25/22	172967LG4	800,000.00	BBB+	Baa1	A	9/21/2017	9/25/2017	3/25/2022	2.650%	5,866.67	803,169.42	789,176.00
AAPL 2.1 09/12/22	037833DC1	950,000.00	AA+	Aa1	-	11/15/2017	11/16/2017	-	2.477%	7,702.92	934,501.54	920,179.50
ORA 2.5 10/15/2022	68389XAP0	250,000.00	AA-	A1	A+	11/15/2017	11/16/2017	-	2.553%	1,840.28	249,413.45	245,675.00
JPM 3.25 9/23/22	46625HJE1	600,000.00	A-	A3	A+	11/29/2017	12/1/2017	-	2.700%	6,933.33	614,264.93	605,826.00
GS 3 04/26/22	38141GWC4	800,000.00	BBB+	A3	A	9/18/2017	9/20/2017	4/26/2021	2.684%	6,333.33	809,988.69	794,480.00
MS 2 ¾ 05/19/22	61744YAH1	800,000.00	BBB+	A3	A	9/13/2017	9/15/2017	-	2.605%	4,400.00	804,647.25	787,992.00
Total Corporate Debt	-	4,200,000.00	A-	A2	A	-	-	-	2.610%	33,076.53	4,215,985.28	4,143,328.50

* Market values exclude accrued income



Monthly Portfolio Report - Holdings

Period Ending 1/31/2018

U.S. Municipal Debt

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
CTCDEV 2.250 08/01/22	212263AS6	500,000.00	AA	-	-	9/27/2017	9/29/2017	-	2.451%	5,156.25	495,773.95	486,045.00
CTCDEV 5.060 08/01/22	21224RAS5	850,000.00	AA-	A2	-	10/5/2017	10/10/2017	-	2.520%	21,505.00	940,903.00	919,555.50
IDSGEN 2.750 01/01/22	45656RDV1	250,000.00	-	A1	-	9/28/2017	9/29/2017	-	2.600%	572.92	251,375.78	245,602.50
GUAVEV 2.5 08/01/022	400559AE0	230,000.00	AA	-	-	11/17/2017	11/29/2017	-	2.651%	990.28	228,544.70	224,185.60
PSPDEV 2.25 09/01/22	69667ABT2	290,000.00	AA-	-	-	10/27/2017	11/15/2017	-	2.500%	1,377.50	286,880.97	281,897.40
TEMDEV 2.5 12/15/22	87972D8B7	1,065,000.00	AA	-	-	11/30/2017	12/15/2017	-	2.893%	3,476.04	1,046,136.66	1,033,273.65
SMSDEV 2.25 10/01/22	79876CBS6	750,000.00	AA-	-	-	12/1/2017	12/14/2017	-	2.694%	2,203.13	735,498.49	727,462.50
MRVOBG 2.742 5/01/22	611581AM1	750,000.00	AA-	-	-	12/1/2017	12/13/2017	-	2.742%	2,742.00	750,000.00	737,040.00
NCRDEV 2.715 3/1/2022	655505BJ3	320,000.00	AA-	-	-	12/7/2017	12/20/2017	-	2.714%	989.47	320,000.00	315,302.40
LONGEN 2.785 11/01/22	54245HAN4	825,000.00	-	A1	-	11/2/2017	11/15/2017	-	2.785%	4,850.54	825,000.00	810,991.50
SFOFAC 2.5 09/01/22	79772EAE9	380,000.00	-	-	AA+	10/27/2017	11/9/2017	-	2.655%	2,163.89	377,487.38	369,922.40
SFOFAC 2.5 09/01/22	79772EAX7	350,000.00	-	-	AA+	10/27/2017	11/9/2017	-	2.604%	1,993.06	348,432.71	340,718.00
MMLGEN 2.750 10/01/22	56155CAE8	225,000.00	A	-	-	10/12/2017	10/25/2017	-	3.101%	1,650.00	221,614.93	218,225.25
BRDEV 2.25 08/01/22	106293CG6	220,000.00	AA-	-	-	10/19/2017	11/1/2017	-	2.450%	1,237.50	218,136.42	213,316.40
MURDEV 2.5 08/01/22	62719PAY2	250,000.00	A	-	-	10/6/2017	10/18/2017	-	2.559%	1,788.19	249,384.34	243,782.50
SDGGEN 2.875 09/01/21	79730WAX8	400,000.00	AA	-	-	9/27/2017	9/28/2017	-	2.470%	4,791.67	405,495.24	400,856.00
Total Municipal Debt	-	7,655,000.00	AA-	A2	AA+	-	-	-	2.673%	57,487.44	7,700,664.57	7,568,176.60

Government Agencies

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
FFCB 2.280 10/17/22	3133EHF73	1,000,000.00	AA+	Aaa	AAA	10/25/2017	10/26/2017	1/17/2018	2.335%	6,586.67	997,529.33	983,180.00
FMAC 2.4 11/28/22	3134GBY63	1,000,000.00	AA+	Aaa	AAA	10/26/2017	11/28/2017	2/28/2018	2.400%	4,200.00	1,000,000.00	977,000.00
FMAC 2.4 11/28/22	3134GBY63	1,000,000.00	AA+	Aaa	AAA	10/30/2017	11/28/2017	2/28/2018	2.400%	4,200.00	1,000,000.00	977,000.00
FNMA 2.25 10/27/22	3136G4PV9	2,000,000.00	AA+	Aaa	AAA	11/28/2017	11/29/2017	4/27/2018	2.304%	11,750.00	1,995,175.68	1,953,620.00
Total Government Agencies	-	5,000,000.00	AA+	Aaa	AAA	-	-	-	2.349%	26,736.67	4,992,705.01	4,890,800.00

* Market values exclude accrued income



Monthly Portfolio Report - Holdings

Period Ending 1/31/2018

Portfolio Totals

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
Total	-	19,918,163.34	AA-	Aa3	AA	-	-	-	2.446%	130,620.08	19,940,253.46	19,587,768.44

Pending Trades

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
Total Pending	-	-	-	-	-	-	-	-	-	-	-	-

* Market values exclude accrued income

This information is based on information obtained from sources generally believed to be reliable, but Templeton Financial services cannot guarantee its accuracy. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this report, will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this report serves as the receipt of, or as a substitute for, personalized investment advice from Templeton Financial Services, Inc. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. A copy of our current written disclosure statement discussing our advisory services and fees is available for review upon request.



Monthly Portfolio Report - Compliance Checklist

Period Ending 1/31/2018

City of Escondido Compliance Checklist

Asset Class	Maximum Maturity *1	Maximum % of Portfolio	Maximum % One Issuer	Minimum Rating *5	In Compliance?
U.S. Treasury Obligations	5 Years	None	None	None	YES
U.S. Agencies	5 Years	*2	*2	None	YES
Supranationals	5 Years	30%	30%	A	YES
CA Municipal Debt	5 Years	40%	5%*	A	YES
Negotiable Certificates *6	5 Years	30%	10%	*3	YES
Banker's Acceptances *6	180 Days	30%	10%	*3	YES
Commercial Paper *6	270 Days	25%	10%	A	YES
Repurchase Agreements *4	1 Year	None	None	None	YES
Reverse Repos *4	92 Days	20%	None	None	YES
LAIF	N/A	\$50M	N/A	N/A	YES
Non-Neg. Time Deposits *6	5 Years	25%	10%	*3	YES
Med Term Notes/Bonds	5 Years	30%	10%	A	YES
Notes, Bonds, Other	5 Years	None	None	A	YES

*In accordance with Section XII of the City's Treasurer's Investment Policy, this value is based off of the pooled portfolio.

*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 NSRO.

*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.



Monthly Portfolio Report

Period Ending:
February 28, 2018

Len Templeton, President

Templeton Financial Services, Inc.
1490 S. Price Rd. Suite 218
Chandler, AZ 85286



Monthly Portfolio Report - Summary

Period Ending 2/28/2018

City of Escondido Portfolio Summary & Characteristics

Asset Class Distribution	Asset Class	Market Value*	Current % Of Portfolio	Previous Month % Of Portfolio
<ul style="list-style-type: none"> ■ Supranationals ■ Money Market ■ Corporate Debt ■ Gov Agencies ■ Municipal Debt 	Supranationals	\$1,914,160.00	10.04%	10.04%
	Money Market	\$1,063,163.34	5.34%	5.34%
	Corporate Debt	\$4,111,959.00	21.09%	21.09%
	Gov Agencies	\$4,874,220.00	25.10%	25.10%
	Municipal Debt	\$7,536,658.10	38.43%	38.43%
	Total Market Value*	\$19,500,160.44	100.00%	100.00%

Summary of Assets Held

Asset Class	Market Value*	Current Face	Accrued Income	Duration	Market Yield	Yield (Cost)
Supranationals	\$1,914,160.00	\$2,000,000.00	\$15,944.44	4.35	2.761%	2.119%
Money Market	\$1,063,163.34	\$1,063,163.34	\$0.00	0.00	1.310%	1.310%
Corporate Debt	\$4,111,959.00	\$4,200,000.00	\$41,604.03	4.09	3.226%	2.610%
Gov Agencies	\$4,874,220.00	\$5,000,000.00	\$35,421.67	4.44	2.892%	2.349%
Municipal Debt	\$7,536,658.10	\$7,655,000.00	\$43,030.98	4.16	3.194%	2.673%
Total	\$19,500,160.44	\$19,918,163.34	\$136,001.12	4.01	2.981%	2.450%

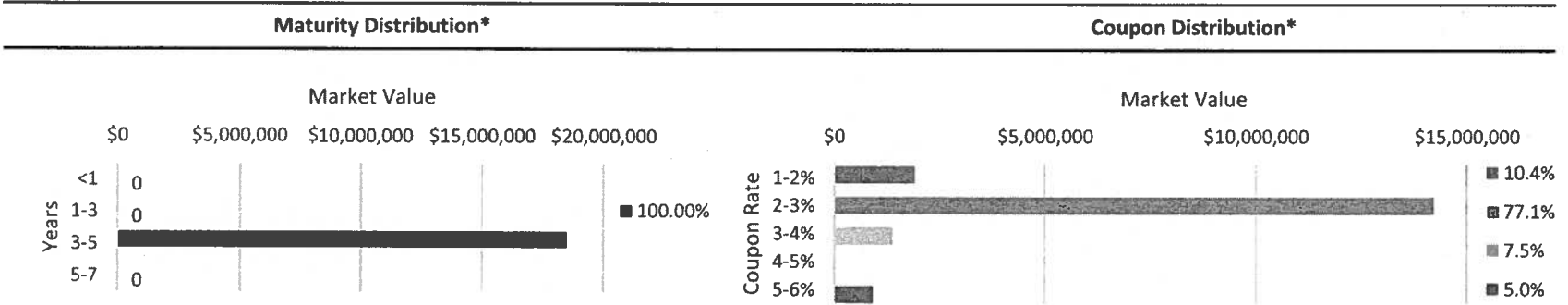
* Market values exclude accrued income



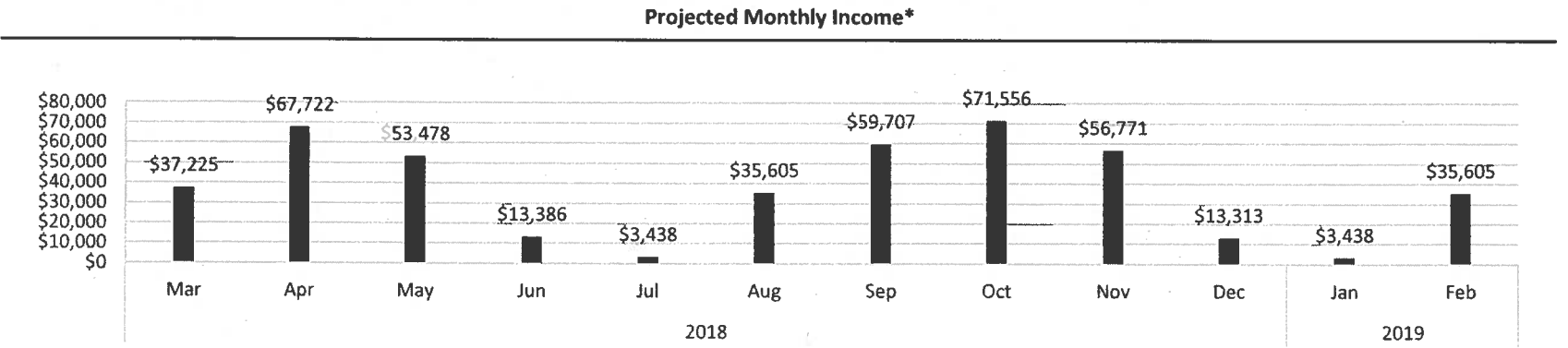
Monthly Portfolio Report - Characteristics

Period Ending 2/28/2018

Maturity and Coupon Summaries



Income Summary



*Excludes Money Market Instruments



Monthly Portfolio Report - Holdings

Period Ending 2/28/2018

Money Markets

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
X9USDBLFD	X9USDBLFD	1,063,163.34	-	-	-	-	-	-	1.310%	0.00	1,063,163.34	1,063,163.34
Total Money Markets	-	1,063,163.34	-	-	-	-	-	-	1.310%	0.00	1,063,163.34	1,063,163.34

Supranationals

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
IADB 1.75 09/14/22	4581X0CZ9	1,000,000.00	-	-	AAA	11/2/2017	11/6/2017	-	2.120%	7,972.22	984,093.06	957,080.00
IADB 1.75 09/14/22	4581X0CZ9	1,000,000.00	-	-	AAA	11/3/2017	11/7/2017	-	2.118%	7,972.22	984,177.71	957,080.00
Total Supranationals	-	2,000,000.00	-	-	AAA	-	-	-	2.119%	15,944.44	1,968,270.77	1,914,160.00

Corporate Debt

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
C 2 ¾ 04/25/22	172967LG4	800,000.00	BBB+	Baa1	A	9/21/2017	9/25/2017	3/25/2022	2.650%	7,516.67	803,111.98	782,368.00
AAPL 2.1 09/12/22	037833DC1	950,000.00	AA+	Aa1	-	11/15/2017	11/16/2017	-	2.477%	9,199.17	934,759.08	914,432.00
JPM 3.25 9/23/22	46625HJE1	600,000.00	A-	A3	A+	11/29/2017	12/1/2017	-	2.700%	8,395.83	614,029.43	600,126.00
ORA 2.5 10/15/2022	68389XAP0	250,000.00	AA-	A1	A+	11/15/2017	11/16/2017	-	2.553%	2,309.03	249,423.01	243,905.00
GS 3 04/26/22	38141GWC4	800,000.00	BBB+	A3	A	9/18/2017	9/20/2017	4/26/2021	2.684%	8,133.33	809,807.78	788,656.00
MS 2 ¾ 05/19/22	61744YAH1	800,000.00	BBB+	A3	A	9/13/2017	9/15/2017	-	2.605%	6,050.00	804,564.32	782,472.00
Total Corporate Debt	-	4,200,000.00	A-	A2	A	-	-	-	2.610%	41,604.03	4,215,695.60	4,111,959.00

* Market values exclude accrued income



Monthly Portfolio Report - Holdings

Period Ending 2/28/2018

U.S. Municipal Debt

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
CTCDEV 2.250 08/01/22	212263AS6	500,000.00	AA	-	-	9/27/2017	9/29/2017	-	2.451%	843.75	495,845.97	483,950.00
CTCDEV 5.060 08/01/22	21224RAS5	850,000.00	AA	A2	-	10/5/2017	10/10/2017	-	2.520%	3,225.75	939,353.83	914,141.00
IDSGEN 2.750 01/01/22	45656RDV1	250,000.00	-	A1	-	9/28/2017	9/29/2017	-	2.600%	1,088.54	251,348.86	244,657.50
GUADEV 2.5 08/01/022	400559AE0	230,000.00	AA	-	-	11/17/2017	11/29/2017	-	2.651%	431.25	228,569.50	223,215.00
PSPDEV 2.25 09/01/22	69667ABT2	290,000.00	AA-	-	-	10/27/2017	11/15/2017	-	2.500%	1,866.88	286,933.14	280,667.80
LONGEN 2.785 11/01/22	54245HAN4	825,000.00	-	A1	-	11/2/2017	11/15/2017	-	2.785%	6,573.76	825,000.00	807,196.50
SFOFAC 2.5 09/01/22	79772EAE9	380,000.00	-	-	AA+	10/27/2017	11/9/2017	-	2.655%	2,876.39	377,529.41	368,307.40
SFOFAC 2.5 09/01/22	79772EAX7	350,000.00	-	-	AA+	10/27/2017	11/9/2017	-	2.605%	2,649.31	348,458.92	339,230.50
TEMDEV 2.5 12/15/22	87972DBB7	1,065,000.00	AA	-	-	11/30/2017	12/15/2017	-	2.893%	5,472.92	1,046,433.55	1,028,481.15
SMSDEV 2.25 10/01/22	79876CBS6	750,000.00	AA-	-	-	12/1/2017	12/14/2017	-	2.694%	3,468.75	735,736.78	724,245.00
MRVOBG 2.742 5/01/22	611581AM1	750,000.00	AA	-	-	12/1/2017	12/13/2017	-	2.742%	4,284.38	750,000.00	733,950.00
NCRDEV 2.715 3/1/2022	655505BJ3	320,000.00	AA-	-	-	12/7/2017	12/20/2017	-	2.714%	1,641.07	320,000.00	314,019.20
MMLGEN 2.750 10/01/22	56155CAE8	225,000.00	A+	-	-	10/12/2017	10/25/2017	-	3.101%	2,114.06	221,670.55	220,160.25
BRDEV 2.25 08/01/22	106293CG6	220,000.00	AA-	-	-	10/19/2017	11/1/2017	-	2.450%	371.25	218,168.18	212,407.80
MURDEV 2.5 08/01/22	62719PAY2	250,000.00	A	-	-	10/6/2017	10/18/2017	-	2.559%	468.75	249,394.84	242,725.00
SDGGEN 2.875 09/01/21	79730WAX8	400,000.00	AA	-	-	9/27/2017	9/28/2017	-	2.470%	5,654.17	405,377.70	399,304.00
Total Municipal Debt	-	7,655,000.00	AA-	A2	AA+	-	-	-	2.673%	43,030.98	7,699,821.23	7,536,658.10

Government Agencies

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
FFCB 2.280 10/17/22	3133EHF73	1,000,000.00	AA+	Aaa	AAA	10/25/2017	10/26/2017	1/17/2018	2.335%	8,296.67	997,569.55	978,560.00
FMAC 2.4 11/28/22	3134GBY63	1,000,000.00	AA+	Aaa	AAA	10/26/2017	11/28/2017	2/28/2018	2.400%	6,000.00	1,000,000.00	972,390.00
FMAC 2.4 11/28/22	3134GBY63	1,000,000.00	AA+	Aaa	AAA	10/30/2017	11/28/2017	2/28/2018	2.400%	6,000.00	1,000,000.00	972,390.00
FNMA 2.25 10/27/22	3136G4PV9	2,000,000.00	AA+	Aaa	AAA	11/28/2017	11/29/2017	4/27/2018	2.304%	15,125.00	1,995,253.76	1,950,880.00
Total Government Agencies	-	5,000,000.00	AA+	Aaa	AAA	-	-	-	2.349%	35,421.67	4,992,823.31	4,874,220.00

* Market values exclude accrued income



Monthly Portfolio Report - Holdings

Period Ending 2/28/2018

Portfolio Totals

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
Total	-	19,918,163.34	AA-	Aa3	AA	-	-	-	2.450%	136,001.12	19,939,774.25	19,500,160.44

Pending Trades

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
Total Pending	-	-	-	-	-	-	-	-	-	-	-	-

* Market values exclude accrued income

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Monthly Portfolio Report - Compliance Checklist

Period Ending 2/28/2018

City of Escondido Compliance Checklist

Asset Class	Maximum Maturity *1	Maximum % of Portfolio	Maximum % One Issuer	Minimum Rating *5	In Compliance?
U.S. Treasury Obligations	5 Years	None	None	None	YES
U.S. Agencies	5 Years	*2	*2	None	YES
Supranationals	5 Years	30%	30%	A	YES
CA Municipal Debt	5 Years	40%	5%*	A	YES
Negotiable Certificates *6	5 Years	30%	10%	*3	YES
Banker's Acceptances *6	180 Days	30%	10%	*3	YES
Commercial Paper *6	270 Days	25%	10%	A	YES
Repurchase Agreements *4	1 Year	None	None	None	YES
Reverse Repos *4	92 Days	20%	None	None	YES
LAIF	N/A	\$50M	N/A	N/A	YES
Non-Neg. Time Deposits *6	5 Years	25%	10%	*3	YES
Med Term Notes/Bonds	5 Years	30%	10%	A	YES
Notes, Bonds, Other	5 Years	None	None	A	YES

*In accordance with Section XII of the City Treasurer's Investment Policy, this value is based off of the pooled portfolio.

*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 NSRO.

*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.



Quarterly Portfolio Report

Period Ending:
March 31, 2018

Len Templeton, President

Templeton Financial Services, Inc.
1490 S. Price Rd. Suite 218
Chandler, AZ 85286



Quarterly Portfolio Report - Highlights

Period Ending 3/31/2018

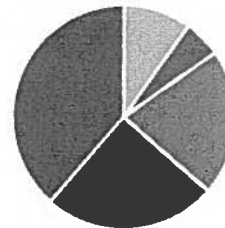
Portfolio Objective & Strategy

Templeton Financial Services will invest in securities that offer higher yields than the City's current investments of shorter term U.S. Government Agencies, U.S. Treasury Notes, Money Market Funds, and investments in LAIF, while meeting the City's standards of high quality and liquidity. Investible securities might include Medium Term Notes or Corporate Bonds, California Municipal Debt, U.S. Agencies, Supranationals, and FDIC insured C.D.'s . All investments will have a maximum maturity of 5 years from settlement date with an emphasis on 5 year maturities.

Portfolio Management Highlights

Templeton Financial Services, Inc. began managing a portfolio of \$20,000,000 for the City of Escondido on 9/11/17. As of 03/31/2018, the portfolio is fully invested in a diversified mix of securities with a focus on quality, liquidity, and yield. Below are a few key portfolio metrics.

<u>Market Yield</u>	<u>Yield (Cost)</u>	<u>Duration</u>	<u>Average Rating</u>
2.952%	2.463%	3.94	AA-/Aa3/AA



- Supranationals
- Money Market
- Corporate Debt
- Gov Agencies
- Municipal Debt

<u>Asset Class</u>	<u>Market Value*</u>
Supranationals	\$1,918,520.00
Money Market	\$1,063,163.34
Corporate Debt	\$4,102,250.00
Gov Agencies	\$4,895,730.00
Municipal Debt	\$7,564,124.50
Total Market Value*	\$ 19,543,787.84

Portfolio Compliance

Investment transactions have been executed in compliance with the City of Escondido's Investment Policy. Investment purchases have been made in accordance with the City's prioritized Investment Policy objectives of safety of principal, sufficiency of liquidity and maximization of yield.

* Market values exclude accrued income



Quarterly Portfolio Report - Market Review

Period Ending 3/31/2018

Trade and Tariffs

Background

The fear of catastrophic trade wars, which would send the economy into a tailspin, has recently helped to increase volatility in the equity markets. President Trump has exacerbated these fears with tweets and comments about how unfair our current trade agreements are for the U.S., and how he is going to put tariffs on imported goods to level the playing field for U.S. firms and workers. This discussion about tariffs and possible trade wars makes most economists very nervous. Almost all economists agree free trade is a good thing and everyone benefits from free trade. Economic textbooks teach this as a basic principle of economics.

Effects of Trade

We would like to point out some important points regarding free trade. First, not everyone benefits from free trade. The worker that loses his job because his company can get it done cheaper overseas does not benefit from free trade. Instead he/she is a victim of free trade. Consumers who can buy imported goods more cheaply than those made domestically are the primary beneficiaries of cheap foreign goods. Next, countries that run a trade surplus benefit by the extra dollars they receive. These countries can then invest these dollars in U.S. securities such as stocks and bonds, in real estate, or the purchasing of American companies. This represents a transfer of wealth from America to other countries. Proponents of free trade make the argument that over time equilibrium will be reached so the trade between countries balances out. This has not been the case for the U.S.

Trade Deficit

The table below shows the trade deficit the U.S. ran with its global trading partners last year. The U.S. ran a trade deficit of \$568 billion in 2017. Our trade deficit with China alone was \$337 billion. While the equity markets have been gyrating, the bond markets have not moved much. We view this as an indication that either we won't get into major trade wars with our trading partners, or the effects won't be negative enough to slow economic growth meaningfully. We currently view most of the talk about trade wars as noise for the bond market. However, we will be monitoring developments for signs that global economic growth will be impacted by renegotiating trade agreements which affect the U.S.

Selected 2017 U.S. Trade Balances by Ascending Value			
Country	Imports	Exports	Trade Balance
China	524,019	186,835	(337,184)
Mexico	345,974	276,704	(69,271)
Germany	152,717	85,041	(67,675)
Japan	171,017	114,893	(56,124)
Italy	62,424	27,745	(34,678)
India	77,413	48,258	(29,155)
Taiwan	50,671	36,164	(14,507)
France	66,944	52,853	(14,091)
Korea, South	82,626	72,294	(10,332)
Canada	338,917	341,691	2,774
Saudi Arabia	20,150	25,833	5,683
United Kingdom	109,535	123,305	13,770
Singapore	26,995	47,402	20,407
Brazil	34,274	62,176	27,901
Hong Kong	17,596	52,416	34,819
World Total	2,900,041	2,331,600	(568,441)

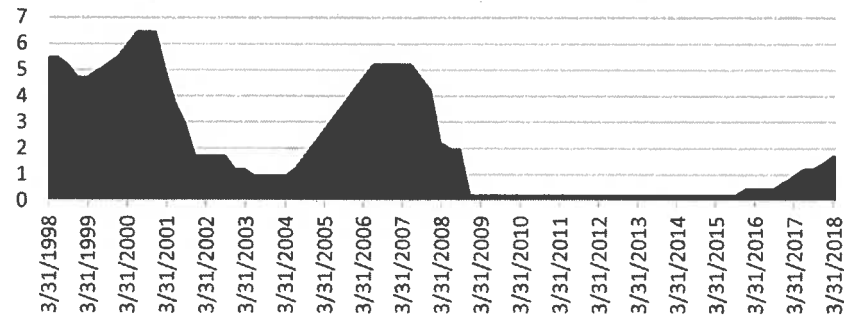
*All values are in millions of \$USD

Source: U.S. Department of Commerce

Interest Rates

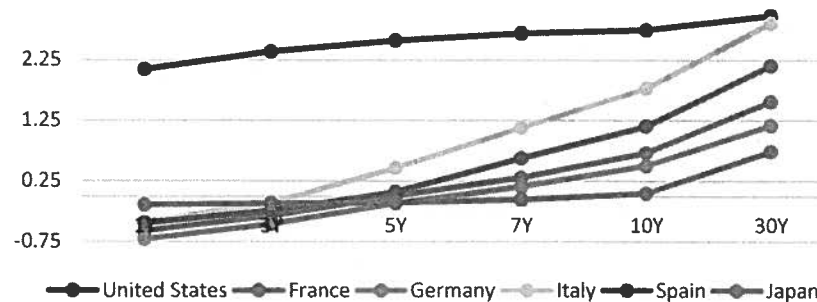
The federal funds rate stands at 1.75 (upper bound) after two hikes from the FOMC in the first quarter. The Fed continues to telegraph a gradual approach to further rate hikes in 2018 against a backdrop of low unemployment and subdued inflation.

Federal Funds Rate (Upper Bound)



Treasury yields rose in the first quarter and continue to be significantly higher than sovereign bond yields in much of the Americas, EMEA, and Asia/pacific regions. Short term bond yields are still negative in many parts of the world despite widely improving economic conditions.

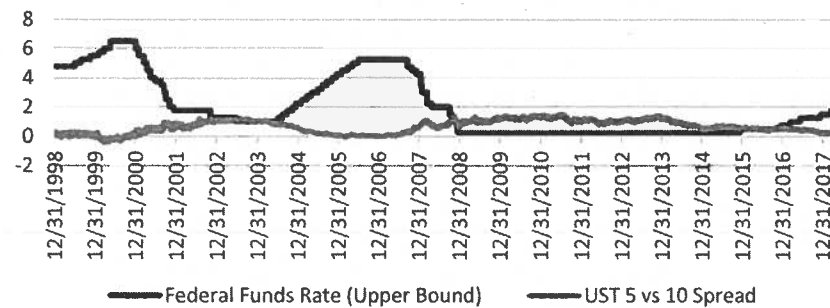
Sovereign Bond Yields (03/31/2018)



Yield Curve Flattening

The adjacent chart shows the spread between the 5 and 10-year UST compared to the Fed Funds Rate. This spread is one measure of how the yield curve has flattened since the Funds rate hit the zero bound and began to rise. We expect this trend to continue until the Fed has finished tightening. Unfortunately, the Fed has a history of tightening until something breaks. There is no reason to believe this time will be different.

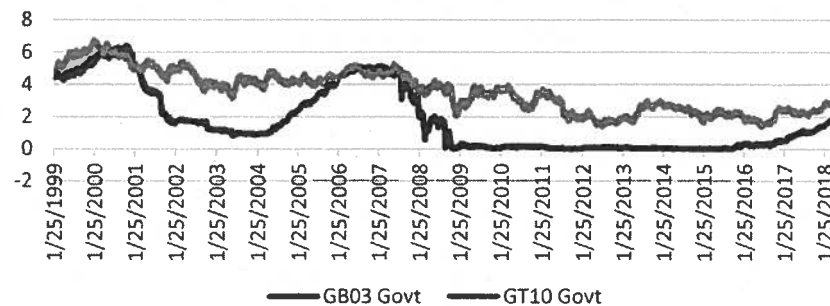
Federal Funds Rate vs 5 to 10-Year Spread



Yield Curve Inversion

Recently there has been chatter about a possible yield curve inversion in the U.S. Treasury market. This is an interesting development considering the Fed has been falling short of its target for inflation of 2.0% and the economy has been growing below trend. We think the most appropriate course of action for the Fed is a gradual return to "rate normalization" instead of tightening credit conditions to slow down the economy. The adjacent chart shows the yield on the 90-day T-Bill (1.84%) compared to the yield of the 10-year UST (2.94%). This spread is about 110 bp's.

3-Month vs 10-Year Treasury Yields

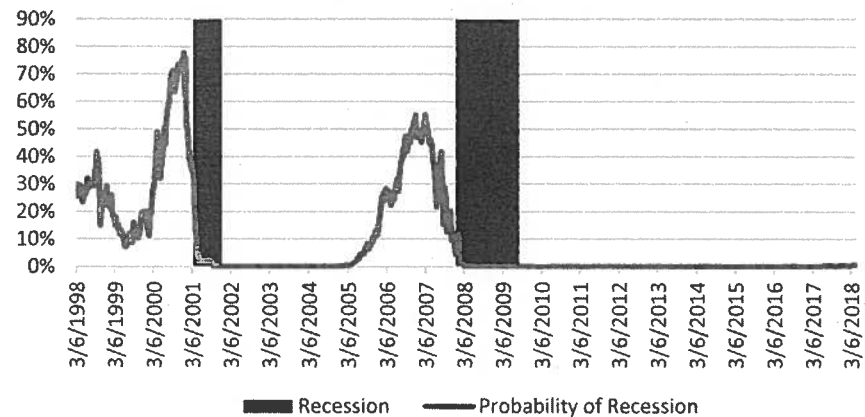


Yield Curve Inversion Cont.

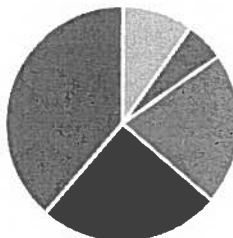
Market pundits have been calling for the Fed to raise the federal funds rate from 1.75% to as high as 2.50%-2.75% by early next year. There are some problems with this forecast. First, Fed moves are data dependent and we will have to see what inflation and the economy do through the end of the year. If the economy slows and inflation remains well-anchored it will be difficult for the Fed to justify several rate increases to the market. Also, the Fed is engaging in Quantitative Tightening (QT) to reduce the size of its balance sheet at the same time it is increasing the Funds rate. The Congressional Budget Office is forecasting budget shortfalls of about \$1 trillion a year for the next few years. The combination of increased supply of UST and the decrease in purchasing by the Fed should put upward pressure on long term rates. However, it is possible that long rates will stay low if inflation fails to increase and the economy does not respond well to the tax cuts.

If long rates stay low and the Fed continues to increase the overnight funds rate, the yield curve could invert. An inversion occurs when short term rates are higher than long term rates. This tends to be a precursor to a period of economic weakness. We have a model which shows the increased probability based on the size of the yield curve inversion. The last two recessions witnessed this phenomenon before the economy weakened. Currently the probability of a recession occurring based on our model is only 1.0%.

Recession Probability Model



City of Escondido Portfolio Summary & Characteristics

Asset Class Distribution	Asset Class	Market Value*	Current % Of Portfolio	Previous Month % Of Portfolio
 <ul style="list-style-type: none"> ■ Supranationals ■ Money Market ■ Corporate Debt ■ Gov Agencies ■ Municipal Debt 	Supranationals	\$1,918,520.00	10.04%	10.04%
	Money Market	\$1,063,163.34	5.34%	5.34%
	Corporate Debt	\$4,102,250.00	21.09%	21.09%
	Gov Agencies	\$4,895,730.00	25.10%	25.10%
	Municipal Debt	\$7,564,124.50	38.43%	38.43%
	Total Market Value*	\$19,543,787.84	100.00%	100.00%

Summary of Assets Held

Asset Class	Market Value*	Current Face	Accrued Income	Duration	Market Yield	Yield (Cost)
Supranationals	\$1,918,520.00	\$2,000,000.00	\$1,652.78	4.30	2.728%	2.119%
Money Market	\$1,063,163.34	\$1,063,163.34	\$0.00	0.00	1.560%	1.560%
Corporate Debt	\$4,102,250.00	\$4,200,000.00	\$32,301.52	4.01	3.298%	2.610%
Gov Agencies	\$4,895,730.00	\$5,000,000.00	\$46,036.67	4.35	2.802%	2.349%
Municipal Debt	\$7,564,124.50	\$7,655,000.00	\$47,793.84	4.08	3.112%	2.673%
Total	\$19,543,787.84	\$19,918,163.34	\$127,784.81	3.94	2.952%	2.463%

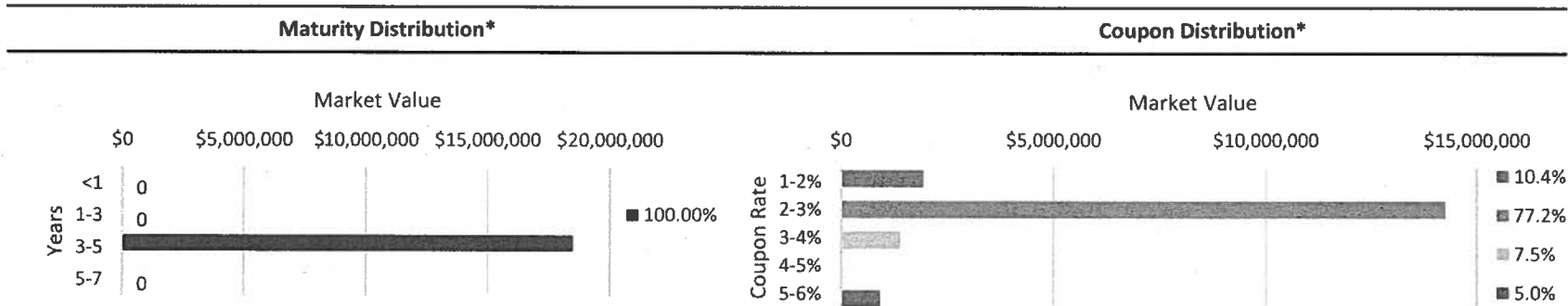
* Market values exclude accrued income



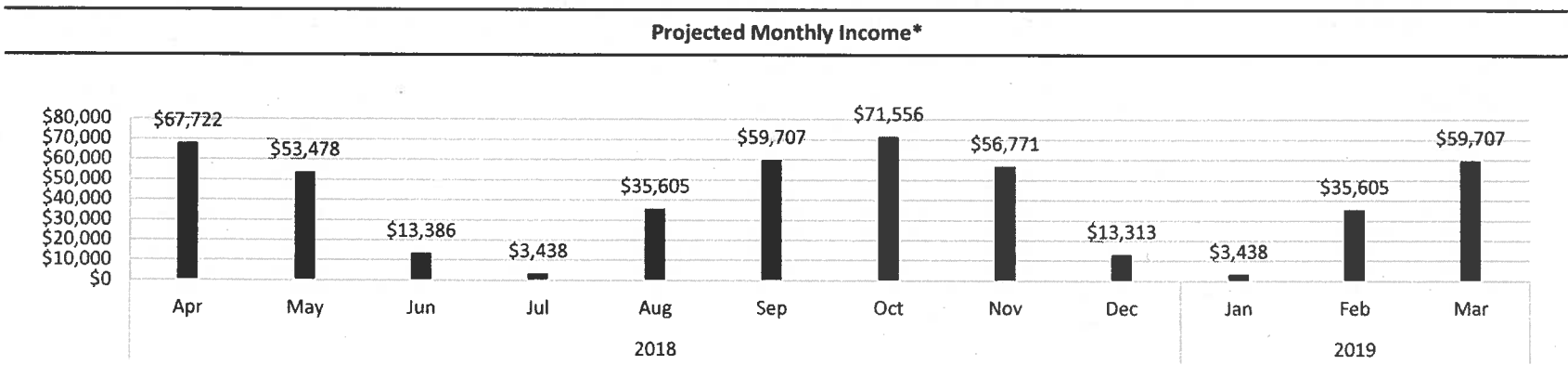
Quarterly Portfolio Report - Characteristics

Period Ending 3/31/2018

Maturity and Coupon Summaries



Income Summary



*Excludes Money Market Instruments



Quarterly Portfolio Report - Holdings

Period Ending 3/31/2018

Money Markets

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
X9USDBLFD	X9USDBLFD	1,063,163.34	-	-	-	-	-	-	1.560%	0.00	1,063,163.34	1,063,163.34
Total Money Markets	-	1,063,163.34	-	-	-	-	-	-	1.560%	0.00	1,063,163.34	1,063,163.34

Supranationals

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
IADB 1.75 09/14/22	4581X0CZ9	1,000,000.00	-	-	AAA	11/2/2017	11/6/2017	-	2.120%	826.39	984,390.30	959,260.00
IADB 1.75 09/14/22	4581X0CZ9	1,000,000.00	-	-	AAA	11/3/2017	11/7/2017	-	2.118%	826.39	984,473.36	959,260.00
Total Supranationals	-	2,000,000.00	-	-	AAA	-	-	-	2.119%	1,652.78	1,968,863.66	1,918,520.00

Corporate Debt

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
C 2 ¾ 04/25/22	172967LG4	800,000.00	BBB+	Baa1	A	9/21/2017	9/25/2017	3/25/2022	2.650%	9,533.33	803,048.39	779,288.00
AAPL 2.1 09/12/22	037833DC1	950,000.00	AA+	Aa1	-	11/15/2017	11/16/2017	-	2.477%	1,052.92	935,044.22	915,268.00
JPM 3.25 9/23/22	46625HJE1	600,000.00	A-	A3	A+	11/29/2017	12/1/2017	-	2.700%	433.33	613,768.69	598,224.00
ORA 2.5 10/15/2022	68389XAP0	250,000.00	AA-	A1	A+	11/15/2017	11/16/2017	-	2.553%	2,881.94	249,433.59	243,750.00
GS 3 04/26/22	38141GWC4	800,000.00	BBB+	A3	A	9/18/2017	9/20/2017	4/26/2021	2.684%	10,333.33	809,607.49	785,544.00
MS 2 ¾ 05/19/22	61744YAH1	800,000.00	BBB+	A3	A	9/13/2017	9/15/2017	-	2.605%	8,066.67	804,472.50	780,176.00
Total Corporate Debt	-	4,200,000.00	A-	A2	A	-	-	-	2.610%	32,301.52	4,215,374.88	4,102,250.00

* Market values exclude accrued income



Quarterly Portfolio Report - Holdings

Period Ending 3/31/2018

U.S. Municipal Debt

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
CTCDEV 2.250 08/01/22	212263AS6	500,000.00	AA	-	-	9/27/2017	9/29/2017	-	2.451%	1,875.00	495,925.70	485,855.00
CTCDEV 5.060 08/01/22	21224RAS5	850,000.00	AA	A2	-	10/5/2017	10/10/2017	-	2.520%	7,168.33	937,638.68	915,858.00
IDSGEN 2.750 01/01/22	45656RDV1	250,000.00	-	A1	-	9/28/2017	9/29/2017	-	2.600%	1,718.75	251,319.06	245,360.00
GUADEV 2.5 08/01/022	400559AE0	230,000.00	AA	-	-	11/17/2017	11/29/2017	-	2.651%	958.33	228,596.96	224,077.50
PSPDEV 2.25 09/01/22	69667ABT2	290,000.00	AA-	-	-	10/27/2017	11/15/2017	-	2.500%	543.75	286,990.90	281,801.70
LONGEN 2.785 11/01/22	54245HAN4	825,000.00	-	A1	-	11/2/2017	11/15/2017	-	2.785%	8,679.92	825,000.00	812,872.50
SFOFAC 2.5 09/01/22	79772EAE9	380,000.00	-	-	AA+	10/27/2017	11/9/2017	-	2.655%	791.67	377,575.94	369,778.00
SFOFAC 2.5 09/01/22	79772EAX7	350,000.00	-	-	AA+	10/27/2017	11/9/2017	-	2.605%	729.17	348,487.95	340,585.00
TEMDEV 2.5 12/15/22	87972DBB7	1,065,000.00	AA	-	-	11/30/2017	12/15/2017	-	2.893%	7,913.54	1,046,762.25	1,033,050.00
SMSDEV 2.25 10/01/22	79876CBS6	750,000.00	AA-	-	-	12/1/2017	12/14/2017	-	2.694%	5,015.63	736,000.60	725,752.50
MRVOBG 2.742 5/01/22	611581AM1	750,000.00	AA	-	-	12/1/2017	12/13/2017	-	2.742%	6,169.50	750,000.00	736,425.00
NCRDEV 2.715 3/1/2022	655505BJ3	320,000.00	AA-	-	-	12/7/2017	12/20/2017	-	2.714%	724.00	320,000.00	314,976.00
MMLGEN 2.750 10/01/22	56155CAE8	225,000.00	A+	-	-	10/12/2017	10/25/2017	-	3.101%	2,681.25	221,732.14	221,026.50
BRDEV 2.25 08/01/22	106293CG6	220,000.00	AA-	-	-	10/19/2017	11/1/2017	-	2.450%	825.00	218,203.34	213,254.80
MURDEV 2.5 08/01/22	62719PAY2	250,000.00	A	-	-	10/6/2017	10/18/2017	-	2.559%	1,041.67	249,406.45	243,660.00
SDGGEN 2.875 09/01/21	79730WAX8	400,000.00	AA	-	-	9/27/2017	9/28/2017	-	2.470%	958.33	405,247.56	399,792.00
Total Municipal Debt	-	7,655,000.00	AA-	A2	AA+	-	-	-	2.673%	47,793.84	7,698,887.53	7,564,124.50

Government Agencies

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
FFCB 2.280 10/17/22	3133EHF73	1,000,000.00	AA+	Aaa	AAA	10/25/2017	10/26/2017	1/17/2018	2.335%	10,386.67	997,614.08	982,810.00
FMAC 2.4 11/28/22	3134GBY63	1,000,000.00	AA+	Aaa	AAA	10/26/2017	11/28/2017	2/28/2018	2.400%	8,200.00	1,000,000.00	976,710.00
FMAC 2.4 11/28/22	3134GBY63	1,000,000.00	AA+	Aaa	AAA	10/30/2017	11/28/2017	2/28/2018	2.400%	8,200.00	1,000,000.00	976,710.00
FNMA 2.25 10/27/22	3136G4PV9	2,000,000.00	AA+	Aaa	AAA	11/28/2017	11/29/2017	4/27/2018	2.304%	19,250.00	1,995,340.21	1,959,500.00
Total Government Agencies	-	5,000,000.00	AA+	Aaa	AAA	-	-	-	2.349%	46,036.67	4,992,954.29	4,895,730.00

* Market values exclude accrued income



Quarterly Portfolio Report - Holdings

Period Ending 3/31/2018

Portfolio Totals

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
Total	-	19,918,163.34	AA-	Aa3	AA	-	-	-	2.463%	127,784.81	19,939,243.70	19,543,787.84

Pending Trades

Security Description	CUSIP	Face Value	S&P Rating	Moody's Rating	Fitch Rating	Trade Date	Settle Date	Call Date	YTM at Cost	Accrued Interest	Book Value	Market Value*
Total Pending	-	-	-	-	-	-	-	-	-	-	-	-

* Market values exclude accrued income

This information is based on information obtained from sources generally believed to be reliable, but Templeton Financial Services cannot guarantee its accuracy. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this report, will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this report serves as the receipt of, or as a substitute for, personalized investment advice from Templeton Financial Services, Inc. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. A copy of our current written disclosure statement discussing our advisory services and fees is available for review upon request.



Quarterly Portfolio Report - Compliance Checklist

Period Ending 3/31/2018

City of Escondido Compliance Checklist

Asset Class	Maximum Maturity *1	Maximum % of Portfolio	Maximum % One Issuer	Minimum Rating *5	In Compliance?
U.S. Treasury Obligations	5 Years	None	None	None	YES
U.S. Agencies	5 Years	*2	*2	None	YES
Supranationals	5 Years	30%	30%	A	YES
CA Municipal Debt	5 Years	40%	5%*	A	YES
Negotiable Certificates *6	5 Years	30%	10%	*3	YES
Banker's Acceptances *6	180 Days	30%	10%	*3	YES
Commercial Paper *6	270 Days	25%	10%	A	YES
Repurchase Agreements *4	1 Year	None	None	None	YES
Reverse Repos *4	92 Days	20%	None	None	YES
LAIF	N/A	\$50M	N/A	N/A	YES
Non-Neg. Time Deposits *6	5 Years	25%	10%	*3	YES
Med Term Notes/Bonds	5 Years	30%	10%	A	YES
Notes, Bonds, Other	5 Years	None	None	A	YES

*In accordance with Section XII of the City Treasurer's Investment Policy, this value is based off of the pooled portfolio.

*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 NSRO.

*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.

CITY COUNCIL STAFF REPORT

Consent Item No. 6

May 16, 2018

File No. 0600-10, A-3242

SUBJECT: Continuing Emergency Repair of Five Sections of Escondido Sewer Pipeline: Hale Avenue Underpass of I-15, Kia Dealership Parking Lot, South Hale Avenue, Casa Grande Mobile Estates, and Green Tree Mobile Home Estates

DEPARTMENT: Utilities Department, Wastewater Division

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2018-70, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repairs of five damaged sewer main sections along Hale Avenue. The resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.

FISCAL ANALYSIS:

Funding for this emergency sewer pipeline work is available in the Capital Improvement Project (CIP) budget for Sewer Pipeline Replacement (#807704).

BACKGROUND:

Previously, the City Council adopted Resolution No. 2018-50, approving emergency action to immediately begin repairs on the five sections of pipeline located along sections of Hale Avenue. The existing sewer pipeline in Hale Avenue is a 24-inch to 27-inch diameter reinforced concrete pipe, installed in 1959. The pipeline that includes the pipe sections covered by this emergency runs for approximately 7,300 feet from Tulip Street to the Hale Avenue Resource Recovery Facility (HARRF). This pipeline conveys raw sewage from approximately 40 percent of the City of Escondido to the HARRF.

On March 30, 2018, the City completed an agreement in an amount not to exceed \$797,970 with Southland Paving, Inc. to perform the emergency repair of the sewer pipeline in Hale Avenue between Tulip and Simpson. On April 17, 2018, the City completed an agreement in an amount not to exceed \$2,500,000 with Orion Construction Company to perform the emergency repair of the sewer pipeline in Hale Avenue at the Kia Dealership Parking Lot, South Hale Avenue, Casa Grande Mobile Estates, and Green Tree Mobile Home Estates.

On April 18, 2018, the City Council adopted Resolution No. 2018-65, declaring that there was a need to continue the emergency repairs of damaged sewer main sections along Hale Avenue.

Continuing Emergency Repair of Five Sections of the Sewer Pipeline in Hale Avenue
May 16, 2018
Page 2

On May 2, 2018, the City Council adopted Resolution No. 2018-69, declaring that emergency repairs should continue on the damaged sewer main sections. The Council also approved a budget adjustment in the amount of \$2,000,000 from the Wastewater Operating Fund to the Sewer Pipeline Replacement CIP.

As of May 10, 2018, Southland Paving, Inc. has successfully placed the bypass pumping system into operation. They have installed approximately 200 linear feet of sewer pipe.

Orion Construction, Corp. has cleared trees and obstructions within the Windsor Gardens Apartments to begin sewer pipe installation work. They have completed potholing existing utilities within Hale Avenue between 9th Avenue and the Casa Grande Mobile Estates entrance.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Christopher W. McKinney, Director of Utilities
5/8/2018 4:00 p.m.

ATTACHMENTS:

1. Resolution No. 2018-70

RESOLUTION NO. 2018-70

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, FINDING THAT AN EMERGENCY CONTINUES TO REQUIRE THE IMMEDIATE REPAIR OF FIVE SECTIONS OF THE ESCONDIDO SEWER PIPELINE IN HALE AVENUE

WHEREAS, the City Council recognizes that five sections of the sewer pipeline generally along Hale Avenue: in Hale Avenue underpass of I-15; under the Kia Dealership Parking Lot; in South Hale Avenue; through the Casa Grande Mobile Estates; and through the Green Tree Mobile Home Estates, are at risk of an imminent, catastrophic failure; and

WHEREAS, pursuant to Resolution No: 2018-50, the City Council previously found that this risk constitutes an emergency and approved staff to proceed to purchase services without adopting plans, specifications, working details, or giving notice of bids to award contracts; and

WHEREAS, staff subsequently entered into a Public Improvement Agreement (“Agreement”) with Southland Paving, Inc. in an amount not to exceed seven hundred ninety-seven thousand nine hundred seventy dollars (\$797,970), and an Agreement with Orion Construction Corp. in an amount not to exceed two million five hundred thousand dollars (\$2,500,000), to repair the five sections of sewer pipeline; and

WHEREAS, pursuant to Resolution No. 2018-65, the City Council found it to be in the best public interest to continue the emergency action; and

WHEREAS, pursuant to Resolution No. 2018-69, the City Council declared that emergency repairs should continue on the damaged sewer main sections, and approved a budget adjustment in the amount of \$2,000,000 from the Wastewater Operating Fund to the Sewer Pipeline Replacement CIP; and

WHEREAS, pursuant to Section 22050 of the Public Contract Code, the City Council must review the emergency action every 14 days and determine by a four-fifths vote there is a need to continue the action; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to continue the emergency action.

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

1. That the above recitations are true.
2. That the Mayor and City Council finds the failure of the five sections of sewer pipeline generally along Hale Avenue is a public health and safety emergency; and that the proposed action and expenditure is still necessary to respond to the emergency requiring immediate repair of the sewer pipeline.

CITY COUNCIL STAFF REPORT

Consent Item No. 7

May 16, 2018

File No. 0600-10, A-3191

SUBJECT: Second Amendment to Consulting Agreement for Preparation of the Final Environmental Impact Report and Findings of Fact for the Citywide Sphere of Influence Update and the Safari Highlands Ranch Project (Case No. ENV 15-0009 and SUB 15-0019).

DEPARTMENT: Community Development Department, Planning Division

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 2018-74 approving a second amendment to consulting agreement and scope of services with Michael Baker International (MBI) to complete the preparation of the Final Environmental Impact Report (EIR); the preparation of the Findings of Fact for the proposed Citywide Sphere of Influence Update; and the Safari Highlands Ranch project for a not-to-exceed price of \$85,550.

FISCAL ANALYSIS:

Since 2015, all costs related to the preparation of the Draft EIR as well the costs to cover staff and consultant review, have been funded by the applicant, Safari Highlands Ranch, LLC. The cost associated with processing this agreement amendment as well as reimbursement of staff and consultant costs will continue to be funded by the applicant and will not impact City funds.

PREVIOUS ACTION:

On March 23, 2016, the City Council approved Resolution No. 2016-34, authorizing the Mayor and City Clerk to execute, on behalf of the City, an agreement with MBI for the preparation of a Draft EIR for \$296,475. On August 23, 2017, the City Council approved Resolution No. 2017-122, authorizing the Mayor and City Clerk to execute, on behalf of the City, a first amendment to consulting agreement with MBI for the preparation of the responses to the comments received on the Draft EIR and preparation of the Final EIR for \$120,860.

BACKGROUND:

The application for this project was first submitted to the City in August 2015 and since that time, it has generated significant interest among the public, various organizations as well as other public agencies. The project was subject to a robust staff review resulting in some project and site plan changes including removing a proposed on site satellite water treatment facility, relocation of a proposed on site fire station, changing a proposed five-acre public park to a Homeowners' Association park, design changes to one of the emergency access roads and reconfiguration of some

of the residential lots. These changes, plus ongoing consultations with the City and County of San Diego, LAFCO and the federal and state resource agencies, resulted in an extended time to complete the Draft EIR. On October 16, 2017, the Draft EIR was released for public review and was subject to a 78-day review period that ended January 2, 2018. During that time, the City received over 800 pages of comments from 13 public agencies and 45 individual or organization reviewers. City staff has been working with MBI, the aforementioned public agencies, and the applicant's consultant team in an effort to respond to these comments.

DISCUSSION:

California Environmental Quality Act (CEQA) Guidelines Section 15088(a) requires that the City, acting as CEQA Lead Agency, evaluate and prepare written responses to comments on environmental issues submitted by Draft EIR reviewers. As described above, the City received several public comments, some of which included lengthy attachments. Responding to these comments will require more work than MBI's estimate as authorized by the City Council through the first amendment to the consulting agreement, the cost of which was estimated prior to receipt of the Draft EIR comments. This second amendment to the consulting agreement would provide additional funding for MBI to complete their responses to the comments, make necessary edits to the document and prepare the Final EIR and related Findings of Fact. MBI proposes to complete these tasks for a not-to-exceed fee of \$45,550. MBI has also proposed with staff and the applicant's support, a contingency of \$40,000 for a total not to exceed fee of \$85,550. This contingency would only be triggered with the Community Development Director's express authorization to cover costs of any unforeseen events including changes to the project that may occur as this project proceeds through the Final EIR process.

This agenda item involves ongoing technical and administrative activities related to completing CEQA review of the Safari Highlands Ranch project and does not have a legally binding effect on any possible future discretionary action. This project will be subject to a number of discretionary actions which will require City Council approval. Due to the complexity of completing the Final EIR as well as related staff work, the dates of these public hearings have yet to be determined.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martin, Director of Community Development
5/9/2018 2:53 p.m.

ATTACHMENTS:

1. Resolution 2018-74
2. Resolution 2018-74 – Exhibit "1" – Second Agreement Amendment; and Attachment "A" Scope of Work and Fee

RESOLUTION NO. 2018-74

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 CONSULTING AGREEMENT WITH MICHAEL BAKER INTERNATIONAL FOR THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT ANALYZING IMPACTS OF THE PROPOSED CITYWIDE SPHERE OF INFLUENCE UPDATE AND THE SAFARI HIGHLANDS RANCH PROJECT

Case No.: ENV 15-0009, SUB 15-0019

WHEREAS, the applicant for the residential project known as Safari Highlands Ranch is proposing a Master Planned Community (“Project”) involving 550 single-family residential lots, 13 open space lots, 15 Home Owners Association lots, eight private street lots, two public facilities lots, one fire station lot, one public park lot, and one private park lot on 1,098 acres of vacant property northeast of the Rancho Vistamonte Community and north of the San Diego Zoo Safari Park in unincorporated San Diego County; and

WHEREAS, the project application entitlements includes a Sphere of Influence update, Development Agreement, annexation to the City of Escondido, Specific Plan, Tentative Subdivision Map; Rezoning; Grading Exemptions; Specific Alignment Plan; and various Annexations and Detachments subject to approval of the Local Agency Formation Commission; and

WHEREAS, on March 23, 2016, the City Council approved Resolution No. 2016-34, authorizing the Mayor and City Clerk to execute, on behalf of the City, a consulting

agreement with Michael Baker International for the preparation of a Draft Environmental Impact Report (“EIR”) for the project, stating that the technical studies prepared for the project supported this approach to satisfying California Environmental Quality Act (“CEQA”) requirements; and

WHEREAS, upon receipt of comments on the Draft EIR from the public and interested agencies and in order to complete the requirements of CEQA, it was necessary to prepare responses to the comments and prepare a Final EIR consistent with State law; and

WHEREAS, on August 23, 2017, the City Council approved Resolution No. 2017-122, authorizing the Mayor and City Clerk to execute, on behalf of the City, a First Amendment to Consulting Agreement with Michael Baker International for the preparation of a Final (“EIR”) for the project; and

WHEREAS, in consideration of the First Amendment to Consulting Agreement and additional work required to fully respond to the voluminous record of comments received during the Draft EIR comment period, the City has determined that additional work is required to complete the Final EIR, to prepare Findings of Fact, and prepare other documents necessary to satisfy CEQA requirements; and

WHEREAS, the Director of Community Development recommends the execution of a Second Amendment to Consulting Agreement (“Agreement”) with MBI to complete the Final EIR, in accordance with the Scope of Work identified as Attachment “A” to the Agreement; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve said Second Amendment to Consulting 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 City Council accepts the recommendation of the Director of Community Development.
3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Second Agreement Amendment with Michael Baker International in the amount not-to-exceed \$85,550 for preparation of the Final EIR and other CEQA documentation. A copy of the Second Amendment to Consulting Agreement is attached as Exhibit "1" and is incorporated by this reference.



CITY OF ESCONDIDO
SECOND AMENDMENT TO CONSULTING AGREEMENT

This "Amendment" is made this 16th day of May, 2018

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

And: Michael Baker International
 9755 Clairemont Mesa Blvd. Suite 100
 San Diego, CA 92124
 Attn: Bob Stark, AICP
 (858) 614-5000
 ("CONSULTANT")

Witness that whereas:

- A. CITY and CONSULTANT entered into a consulting agreement on March 23, 2016 ("Agreement"), wherein CITY retained CONSULTANT to provide services to prepare a Draft Environmental Impact Report (EIR) for the Citywide Sphere of Influence Update and Safari Highlands Ranch Project; and

- B. CITY and CONSULTANT entered into a first amendment to the consulting agreement on August 23, 2017 to prepare responses to comments on the Draft EIR; and

- C. CITY and CONSULTANT desire to enter into a second amendment to the consulting agreement for a fee not to exceed \$85,550.00 to include additional work, which is defined in "Attachment A", and which is incorporated by reference;

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

- 1. The CONSULTANT will furnish the services described in "Attachment A" to this Amendment subject to the terms in item #2 below.

- 2. In connection with the work covered by this Second Amendment to the Consulting Agreement, the City may, at any time during the process of the work, order other work or materials incidental thereto in an amount to not exceed \$45,000. Consultant shall not perform work in excess of the services described in Tasks 1 and 2 without the prior, written approval of the CITY. Before any work on Task 3 is initiated, Consultant shall identify the kind and estimated quantities of the additional work to be done pursuant to Task 3 and such work shall be subject to the written authorization and approval from the Community Development Director. The City and Consultant shall negotiate a price to complete Task 3. If a price cannot be negotiated, then the work shall be accomplished in accordance with the unit prices established in the March 23, 2016 Agreement.

- 3. All additional terms under the Agreement between CITY and CONSULTANT still apply to the additional work to be performed by CONSULTANT under this Second Amendment to Consulting Agreement. If any of the terms of this Second Amendment to Consulting Agreement conflict with the Agreement, this Second Amendment to Consulting Agreement must prevail.

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

CITY OF ESCONDIDO

Date: _____

Sam Abed, Mayor

Date: _____

Diane Halverson, City Clerk

Date: _____

Michael Baker International

Consultant
Á
Á
Á
(The above signature should be notarized)

APPROVED AS TO FORM:

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

By: _____

Memorandum

TO: John Helmer, Project Manager DATE: March 12, 2018
City of Escondido

FROM: Bob Stark SUBJECT: **Safari Highlands Ranch and Citywide Sphere of Influence Update EIR – Amendment #2**

Michael Baker International requests an amendment to our contract to address changes to our scope of work. The work effort is detailed in the task descriptions below. Our detailed fee estimate for these tasks is enclosed on the following page.

TASK 1 – Responses to Comments

Michael Baker’s previous contract amendment allocated 256 hours of total staff time to prepare the responses to comments. Per the provisions in the previous amendment, Michael Baker requires additional budget to respond to comments, including technical modeling. As stated in our previous amendment: *“As part of TASK D, Michael Baker and the City will gauge the extent of the comments and make a determination as to whether the budget allocated for TASK E is sufficient. Excluded from this task is any technical modeling or surveying that may be required to respond to technical comments.”*

Michael Baker met with City staff on February 14, 2018 to review the comment letters and level of effort required to respond. The City agreed that the existing budget is not sufficient to complete the responses to comments. Michael Baker has gauged the level of effort to date against the overall progress on this task and estimates that an additional 220 hours of staff time is required to complete the responses to comments.

TASK 2 – Findings of Fact and Statement of Overriding Considerations

Michael Baker previously was not scoped to prepare the project’s Findings of Fact and Statement of Overriding Considerations in accordance with State CEQA Guidelines Section 15091. This task is being added at the request of City staff (February 14, 2018 meeting). We assume two rounds of review and revisions to finalize the documents for this task.

TASK 3 – Contingency

Michael Baker requests a contingency budget to address additional meetings requested by the City or applicant, as well as to respond to any project changes that may occur, either as initiated by the applicant or directed by the City. A \$40,000 contingency is suggested, with contingency funding to be authorized for use as-needed at the direction of the City.

EXCLUSIONS TO AMENDED SCOPE OF WORK

This scope, similar to our contracted scope as amended, does not include document reproduction, filing fees, or public noticing. Michael Baker can assist with these tasks, as necessary, at additional cost.

Task Description	Approximate Person Hours						Expenses	Total Estimated Fee
	Project Manager	Senior Planner	Associate Planner	Tech Editor/GIS	Admin Assistant	Total Estimated Hours		
<i>Hourly Rate:</i>	\$195	\$165	\$115	\$95	\$65			
1 Responses to Comments	44	88	48	32	8	220		\$32,180
2 Findings of Fact and SOC	16	40	24	8	2	90		\$13,370
3 Contingency						0	\$40,000	\$40,000
Totals	60	128	72	40	10	310	\$40,000	\$85,550



CITY COUNCIL STAFF REPORT

Consent Item No. 8

May 16, 2018

File No. 0740-30

SUBJECT: Memorandum of Understanding between the City of Escondido and the Maintenance and Operations Bargaining Unit, Teamsters' Local 911

DEPARTMENT: Human Resources Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2018-79, approving the execution of a Memorandum of Understanding between the City of Escondido and the Maintenance and Operations Bargaining Unit, Teamsters' Local 911, for a three-year term commencing July 1, 2018, through June 30, 2021.

It is also requested that the City Council approve a budget adjustment appropriating \$265,115 to cover increased contract costs. The Fiscal Year 2018-19 General Fund Operating Budget did not allocate funds for contract increases, but it is anticipated that budgetary savings at year end will cover these increased costs. The financial impact will be included in the Fiscal Year 2019-20 General Fund Operating Budget for the Public Works and Utilities Departments.

FISCAL ANALYSIS:

The cost to the General Fund for Fiscal Year 2018-19 is \$56,100. The total cost over the three-years of the contract is \$210,72 to the General Fund and \$543,575 to all other funds.

PREVIOUS ACTION:

On June 4, 2015, the City Council voted to adopt the Memorandum of Understanding between the Maintenance and Operations Bargaining Unit, Teamsters' Local 911 and the City of Escondido, for a three-year term that expires on June 30, 2018.

BACKGROUND:

City staff and the Maintenance and Operations Bargaining Unit, Teamsters' Local 911, have reached a three-year labor agreement that will cover terms and conditions of employment and meet important objectives for each of the parties.

Union members and City staff have framed this agreement to help address the long-term budget impacts as a result of CalPERS pension liabilities, and both parties understand the importance of reducing the CalPERS unfunded liability. As a result, the Union will begin cost sharing the employer's CalPERS contribution up to 3 percent over the term of this agreement. Currently, Classic CalPERS

Maintenance and Operations Bargaining Unit, Teamsters' Local 911
May 16, 2018
Page 2

members are contributing 8 percent of their salary towards the employee's retirement benefit. By the end of this contract, Classic CalPERS members will be contributing 11 percent towards their CalPERS retirement benefit. This will greatly assist both parties in addressing the CalPERS cost, particularly unfunded liability.

Lastly, the proposed agreement was reached with a minimum of disagreement and a high level of cooperation, reflecting the excellent relationship between Union leadership and the City staff.

On May 14, 2018, members of the Maintenance and Operations Bargaining Unit, Teamsters' Local 911 have voted in support of the terms and conditions of this agreement. Likewise, City staff recommends approval.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Sheryl Bennett, Deputy City Manager/Administrative Services
5/15/2018 11:01 a.m.

ATTACHMENTS:

1. Attachment 1 - Budget Adjustment Request
2. Resolution No. 2018-79
3. Resolution No. 2018-79 – Exhibit "A"



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: May 15, 2018 _____
 Department: Finance _____
 Division: _____
 Project/Budget Manager: Joan Ryan _____ 4338
 Name Extension
 Council Date (if applicable): May 16, 2018 _____
 (attach copy of staff report)

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

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Regular Full-Time	5001-001-102	1,320	
Other Employee Overhead	5025-001-102	20	
PERS – Normal Cost	5026-001-102		520
PERS – Unfunded Liability	5029-001-102	335	
Workers' Comp	5028-001-102	110	
Regular Full-Time	5001-001-103	15,810	
Other Employee Overhead	5025-001-103	250	
PERS – Normal Cost	5026-001-103		5,340
PERS – Unfunded Liability	5029-001-103	4,000	
Workers' Comp	5028-001-103	1,310	
Regular Full-Time	5001-001-403	35,515	
Other Employee Overhead	5025-001-403	555	
PERS – Normal Cost	5026-001-403		9,200
PERS – Unfunded Liability	5029-001-403	8,985	
Workers' Comp	5028-001-403	2,950	
Fund Balance – General Fund	3050-001-000		56,100
Regular Full-Time	5001-555-410	87,115	
Other Employee Overhead	5025-555-410	1,255	
PERS – Normal Cost	5026-555-410		21,655
PERS – Unfunded Liability	5029-555-410	20,155	
Workers' Comp	5028-555-410	6,610	

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Fund Balance – Water Fund	3050-555-000		93,480
Regular Full-Time	5001-558-420	85,915	
Other Employee Overhead	5025-558-420	1,035	
PERS – Normal Cost	5026-558-420		13,755
PERS – Unfunded Liability	5029-558-420	16,690	
Workers' Comp	5028-558-420	5,480	
Wastewater Fund Balance	3050-558-000		95,365
Regular Full-Time	5001-650-450	7,930	
Other Employee Overhead	5025-650-450	125	
PERS – Normal Cost	5026-650-450		2,005
PERS – Unfunded Liability	5029-650-450	2,005	
Workers' Comp	5028-650-450	660	
Fund Balance – Build Maint	3050-650-000		8,715
Regular Full-Time	5001-653-715	11,415	
Other Employee Overhead	5025-653-715	180	
PERS – Normal Cost	5026-653-715		3,975
PERS – Unfunded Liability	5029-653-715	2,890	
Workers' Comp	5028-653-715	945	
Fund Balance – Fleet Services	3050-653-000		11,455

Explanation of Request:

FY 2018/19 increased contract costs due to approval by the City Council of the Memorandum of Understanding between the City and the Maintenance and Operations Bargaining Unit.

APPROVALS

	5-15-18		
Department Head	Date	City Manager	Date
	5/15/18		
Finance	Date	City Clerk	Date

Distribution (after approval):

Original: Finance

RESOLUTION NO. 2018-79

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
MEMORANDUM OF UNDERSTANDING WITH
THE MAINTENANCE AND OPERATIONS
BARGAINING UNIT, TEAMSTERS LOCAL 911

July 1, 2018 – June 30, 2021

WHEREAS, negotiating teams from the City of Escondido and the Maintenance and Operations Bargaining Unit, Teamsters' Local 911, have been duly appointed and have been conducting meet-and-confer sessions with respect to matters affecting both parties; and

WHEREAS, a successor Memorandum of Understanding ("MOU") by the City of Escondido ("City") and the Maintenance and Operations Bargaining Unit, Teamsters' Local 911 ("Union"), is necessary as a result of meeting and conferring in good faith concerning wages, hours, and other terms and conditions of employment; and

WHEREAS, it is the intent of the successor MOU to provide for continuation of the harmonious relationship between the City and the Union; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve a successor MOU and certain other modifications.

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's negotiating team is authorized to execute, on behalf of the City and the City Council, a successor MOU extending the term of the MOU through June 30, 2021, and also including terms as set forth in Exhibit "A," which is attached to this Resolution and incorporated by this reference.

City of Escondido
Maintenance and Operations Bargaining Unit, Teamsters' Local 911
Successor Memorandum of Understanding
July 1, 2018 – June 30, 2021

1. **Article III, Term:** July 1, 2018 – June 30, 2021. All terms and conditions of the MOU will be continued as set forth in the current MOU, except for those sections which must be amended per the new contract terms.

2. **Article IV, Compensation Policy, Section 1A., Wages:**

All classifications in the bargaining unit will have the base salary adjusted by the following amounts the first full pay period in July of the following years:

- a. 2018 – 2.0% base salary increase
- b. 2019 – 2.0% base salary increase
- c. 2020 – 2.0% base salary increase

3. **Article IV, Compensation Policy, Section 1B., Utility Classification Equity Adjustments:**

- a. Modification of Article IV, Section 1, B - Utility classifications that are 5% or greater below market median will be eligible for a 2.5 or 5.0% salary adjustment.

Benchmark Classifications:

Control Systems Technician II
Park Ranger II
Plant Systems Technician II
Wastewater Treatment Plant Operator II
Water Distribution Technician II
Water Treatment Plant Operator III

- b. Modification of internal alignment of the Senior Cross Connection classification to be 5% above the Senior Water Distribution Technician.
- c. Modification of internal alignment of the for the following classifications:
Water Service Representative 5% below Water Distribution Technician II. Water Meter Reader 20% below Water Service Representative.

4. **Article V, Employee Benefits Program, Section 6 California Public Employees' Retirement System (CalPERS):**

- a. CalPERS - CalPERS Cost Sharing – Government Code 20516

All Classic CalPERS employees (Tier 1 and Tier 2 – Non PEPRA) in the bargaining unit will participate in additional cost sharing of 1%, pre-tax; for a total of 3% over the term of this agreement. The first 1% shall commence effective upon the contract amendment between the City and CalPERS, the second and third percentages shall commence the first full pay period in July of the two following years. The additional cost sharing requires a contract amendment between the City and CalPERS, and implementation will occur in 2018 as soon as administratively possible once approved by CalPERS.

An election of Tier I and Tier II employees by secret ballot is required for CalPERS cost sharing and implementation of CalPERS contract amendment. This process will be conducted annually.

b. Article V Employee Benefits Program

Maintenance of health insurance and CalPERS benefits for the term of the agreement as set forth in Article V, Sections 1 through 7 of the current MOU.

c. CalPERS Reporting – Uniform Allowance

Beginning July 1, 2018, all employees will begin receiving uniform allowance proportionally per pay period versus one lump-sum payment annually as required by CalPERS.

5. Article VI, Standby Policy:

Establishment of a subcommittee comprised of the City Manager, Public Works Director, Utility Director, two Teamster employees and their representative to evaluate efficiencies in the Standby Program beginning in Summer of 2018.

CITY COUNCIL STAFF REPORT

Consent Item No. 9

May 16, 2018

File No. 0600-10, A-3243

SUBJECT: Notice of Completion: Emergency Repair of a Heating, Ventilation and Air Conditioning (HVAC) Pipeline for The California Center for the Arts, Escondido

DEPARTMENT: City Manager's Office

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2018-80, authorizing the Assistant City Manager to file a Notice of Completion for the emergency repair of the Heating, Ventilation and Air Conditioning (HVAC) Pipeline for The California Center for the Arts, Escondido.

FISCAL ANALYSIS:

The total cost of the emergency repair work on the HVAC system was \$136,150.00.

PREVIOUS ACTION:

On April 4, 2018, the City Council adopted Resolution No. 2018-51, approving an emergency public improvement agreement with A. O. Reed, Inc., in an amount not to exceed \$143,000, to immediately begin repairs on the HVAC waterline at The California Center for the Arts, Escondido.

On April 18, 2018, the City Council adopted Resolution No. 2018-66, authorizing the continuation of this emergency action for the repair of the HVAC waterline.

BACKGROUND:

A hot waterline leak was detected in Center's HVAC system in February 2018. The damaged water line was isolated in March 2018 occurring several feet underground where the pipes were incased in a 9-foot by 9-foot by 5-foot solid concrete 'thrust block.' The emergency work included removing the thrust block, and installing a vault to access the waterlines with isolation valves to manipulate the water flow serving the HVAC system allowing the campus buildings to be serviced independently. A.O. Reed, Inc. successfully repaired the pipeline and HVAC service has been restored.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assistant City Manager
5/9/2019 4:27 p.m.

ATTACHMENTS:

1. Resolution No. 2018-80

RESOLUTION NO. 2018-80

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE ASSISTANT CITY MANAGER TO FILE A NOTICE OF COMPLETION FOR THE EMERGENCY REPAIR OF THE CALIFORNIA CENTER FOR THE ARTS HEATING, VENTILATION, AND COOLING (HVAC) SYSTEM

WHEREAS, pursuant to Resolution No. 2018-51, the City Council found that the damage to the HVAC system at The California Center for the Arts, Escondido was an emergency and approved a Public Improvement Agreement (“Agreement”) with A. O. Reed, Inc. in an amount not to exceed one hundred forty-three thousand dollars (\$143,000); and

WHEREAS, the repairs to the HVAC system were completed by A. O. Reed, Inc.; and

WHEREAS, the City of Escondido staff and the Assistant City Manager deems the filing of the Notice of Completion to be valid and recommends approval; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the filing of the Notice of Completion.

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 accepts the recommendation of the Assistant City Manager.

3. That the City Council hereby approves the request to file a Notice of Completion for the emergency repair of the HVAC system for The California Center for the Arts, Escondido.

MOBILEHOME RENT REVIEW BOARD

Public Hearing Item No.10

May 16, 2018

File No. 0697-20-10158

SUBJECT: Short-Form Rent Review Board Hearing for Westwinds Mobilehome Park (File No. 0697-20-10158)

DEPARTMENT: Community Development Department, Housing & Neighborhood Services Division

RECOMMENDATION:

Consider the short-form rent increase application submitted by the Westwinds Mobilehome Park.

If approved, adopt Rent Review Board Resolution No. 2018-02, granting an increase of 75 percent of the change in the Consumer Price Index, or 2.066 percent (an average of \$9.12) for the period of December 31, 2016, to December 31, 2017.

INTRODUCTION:

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

THE RENT INCREASE APPLICATION:

Westwinds Mobilehome Park is an all-age park which has a total of 66 spaces. There are ten spaces subject to rent control, and the Park is requesting an increase for the ten rent controlled spaces. The other spaces not included in this application are on long-term leases, occupied as rentals or by management, or are rented as RV spaces. The amenities available for the residents include a furnished clubhouse, a pool, and coin laundry facilities.

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

PARK OWNER'S REQUEST:

The Park is requesting an increase of 75 percent of the change in Consumer Price Index for the period of December 31, 2016, to December 31, 2017. Seventy-five percent of the change in the CPI for the period of consideration is 2.066 percent. The average monthly rent for the residents that are

affected by this application is \$441.50. The average monthly increase requested for the ten spaces is \$9.12 per space, per month.

This is the twenty-first rent increase request filed by this Park since the Ordinance was implemented. The last increase was granted in May of 2017 for an average amount of \$6.79 per space, per month.

RESIDENT MEETING AND COMMENTS:

Individual notices were sent to each affected resident notifying them of the increase application and the hearing date. The notice included information about a resident meeting scheduled at the Park's clubhouse on April 23, 2018. As there was no resident participation, the meeting was cancelled. There was no resident representative and no additional contact from residents.

CODE ENFORCEMENT INSPECTION:

An inspection of the common areas of the Park by the Code Enforcement Division of the City noted some violations of the Health and Safety Code. A copy of the Code Report ("Report") is attached as "Attachment A." The Owner and Resident Manager received a copy of the Report. No rent increase will take effect until all code violations are corrected.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

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

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martin, Director of Community Development
5/9/2018 2:56 p.m.

Belinda Rojas, Program Administrator
5/9/2018 2:58 p.m.

ATTACHMENTS:

1. Attachment A - Code Inspection Report
2. Rent Review Board Resolution No. 2018-02



Code Enforcement Division
201 N. Broadway, Escondido, CA 92025
(760) 839-4650, FAX (760) 839-4313

Date: APRIL 26, 2018

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

FROM: MARK CASS, CODE ENFORCEMENT MANAGER 

SUBJECT: WESTWINDS MOBILEHOME PARK RENT CONTROL

The Westwinds Mobile Home Park was inspected on April 25, 2018 with the lighting inspection conducted in the same evening. This inspection was a result of an application for a rent increase having been filed. Three general violations and two lighting violations were found and noted in the attached inspection report.

The resident meeting for the park was held on April 23, 2018 with two management and one city staff member and no residents attending. There were no code issues brought up and no resident representative was present or appointed.

Cc: William Wolfe – Deputy City Manager
Belinda Rojas, Rent Control Administration

April 26, 2018

MOBILEHOME PARK RENT CONTROL
CODE ENFORCEMENT INSPECTION REPORT

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

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

Park Manager: Diana Hansen **Phone:** (760) 740-0743
Jim Younce

Inspection Date: 4/25/2018 **Inspector:** Stephen Jacobson

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

General Violations:

1. Repair the trip hazard at the entry way leading into the clubhouse. Provide the required "Transition Threshold". **§25 CCR 1102 (a); §25 CCR 1608 (b) (2)**
2. Repair the broken light bulb fixture in the club house. **§25 CCR 1608 (d) (1)**

3. Replace the missing light cover on the lights in the women's bathroom next to the clubhouse. §25 CCR 1608 (d)(1)

Areas of the park requiring illumination per §25 CCR 1108

(Lighting Inspection conducted on; 4/25 /2018)

1. Repair the inoperable lights by the trash bin enclosure and in the common area to the right of the women's bathroom.

RESOLUTION NO. RRB 2018-02

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

(File Number: 0697-20-10158)

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

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

WHEREAS, a short-form rent increase application pursuant to Section 12 of the Rent Review Board Guidelines was filed on March 27, 2018, by Westwinds Mobilehome Park, LLC, the owner of the rental spaces in Westwinds Mobilehome Park, located at 1415 S. Pine Street in Escondido; and

WHEREAS, this is the twenty-first (21st) rent increase application filed by the Park since the Ordinance became effective in 1988. The last rent increase was granted by Rent Review Board Resolution No. 2017-01 on May 24, 2017, for an increase of 1.467 percent, or approximately \$6.79 per space, per month; and

WHEREAS, at the time of the current application, the average monthly rent per affected space was \$441.50 for 10 spaces subject to the rent increase. The owner requested a rent increase in the amount of 75 percent of the change in the Consumer

Price Index ("CPI") for the period December 31, 2016, through December 31, 2017, in accordance with the Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of \$9.12 (an increase of 2.066 percent) per space, per month; and

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

WHEREAS, on April 25, 2018, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed. It noted Health and Safety Code violations in the Park; and

WHEREAS, on May 16, 2018, the Board held its public hearing. After an initial staff presentation, the Board invited testimony from Park ownership, residents of the Park, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members, and clarifying questions to the parties and Staff, the Board voted to grant an average rent increase of \$9.12 per space, per month, for the 10 spaces which are subject to the rent increase.

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

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

("Guidelines").

3. That following the Guidelines, an increase based on 75 percent of the change in the Consumer Price Index (CPI) for San Diego County from December 31, 2016, through December 31, 2017 would amount to an increase of 2.066 percent which averages \$9.12 per space, per month, for the 10 spaces that are subject to the rent increase.

4. That the Board concluded that an increase of \$9.12 per space, per month, is consistent with the Guidelines, and is fair, just, and a reasonable increase in light of the information presented by all parties.

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

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



MOBILEHOME RENT REVIEW BOARD

Public Hearing Item No. 11

May 16, 2018

File No. 0697-20-10159

SUBJECT: Short-Form Rent Review Board Hearing for City-Owned Lots at Escondido Views Mobilehome Park (File No. 0697-20-10159)

DEPARTMENT: Community Development Department, Housing & Neighborhood Services Division

RECOMMENDATION:

Consider the short-form rent increase application submitted for the City-owned lots at Escondido Views Mobile Home Park.

If approved, adopt Rent Review Board Resolution No. 2018-03, granting an increase of 75 percent of the change in the Consumer Price Index, or 3.574 percent (an average of \$14.77) for the period of December 31, 2015, to December 31, 2017.

INTRODUCTION:

Escondido Views Mobile Home Park ("Park"), located at 2400 W Valley Parkway, contains 152 spaces. The City of Escondido ("City"), owner of five rental spaces in the Park, has filed a short-form rental increase application for the five rental spaces. The Board is asked to accept the staff report, hear public testimony, and make a determination concerning the request in accordance with the Escondido Rent Protection Ordinance and the short-form procedures as outlined in the Rent Review Board Guidelines (Section 12). The application and the staff report have been made available to the Board for review and consideration prior to the hearing.

OWNERSHIP BACKGROUND:

In 1991 the City purchased Escondido Views to facilitate residents' efforts to establish the mobile home park as a resident-owned park. By late 1991, the conversion to an air space condominium structure was completed, the Homeowner's Association ("HOA") had been formed, and sales of lots to residents had begun. Although many residents had committed to purchasing their lot, the number of sales was less than expected even when residents were offered State and City low-income housing loan assistance. The Housing Division continues in its responsibility for the management and sale of the remaining City-owned lots.

THE RENT INCREASE APPLICATION

Unlike most other applications heard by the Board, the City makes this application as the owner of specific spaces, rather than as a Park owner. The HOA for the Park is not a party to the application. Common areas controlled by the HOA include a clubhouse with a kitchen and pool tables, a swimming pool and indoor and outdoor spas. The Park also has a children's playground and picnic area. The tenants of the City-owned rental spaces have full access to the community areas of the Park. A portion of the rent collected from the rental spaces goes to pay the HOA fees each month which is currently \$200.00.

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

THE RENT INCREASE REQUEST:

In accordance with the short-form policy guidelines, the City is requesting an increase of 75 percent of the change in the San Diego Consumer Price Index ("CPI") for the period of December 31, 2015, to December 31, 2017. The average increase requested is \$14.77 per space, per month, which is a 3.574 percent increase. The current average monthly base rent of the spaces subject to the application is \$413.16.

The last increase was granted in May 2016 for an average amount of \$11.34 per space, per month covering a 24-month period of consideration.

RESIDENT MEETING AND COMMENTS:

All residents affected by this request were invited to attend a meeting in their clubhouse on April 19, 2018, at 5 p.m., no residents attended and the meeting was cancelled. Staff has not received any phone calls or correspondence regarding the rent increase request.

HEALTH AND SAFETY CODE INSPECTION:

Due to the unique structure of the City's ownership of the individual spaces, the Code Enforcement Division conducted an inspection for health and safety issues of only the spaces owned by the City. Homeowners may have received individual notices from the Code Enforcement Division if they had violations for homeowner controlled issues such as maintenance issues. The inspection report of the City-owned spaces is attached as "Attachment A." The City, as owner of the spaces, has received a copy of the Code Inspection Report and is aware that no increase, if granted, may be implemented until the health and safety code violations have been cleared.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

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

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martín, Director of Community Development
5/9/2018 2:56 p.m.


Belinda Rojas, Program Administrator
5/9/2018 2:58 p.m.

ATTACHMENTS:

1. Attachment A - Code Inspection Report
2. Rent Review Board Resolution No. 2018-03

DATE: MAY 07, 2018

TO: HONORABLE CHAIRMAN AND MEMBERS OF THE RENT CONTROL BOARD

FROM: MARK CASS, CODE ENFORCEMENT MANAGER 

SUBJECT: ESCONDIDO VIEWS MOBILEHOME PARK

The five "City Owned" spaces (managed by staff) in the Escondido Views Mobilehome Park were inspected on May 2, 2018 as a result of an application for a rent increase having been filed. Violations noted during the inspection included:

1. Lot 129 – An overgrown bush extending into the "Right of Way"
2. Lot 135 – Overgrown tree branches in the front yard resting some of which are resting on the window air conditioning unit by the front entry way.
3. Lot 20 – This lot was not inspected due to involvement by the City Attorney's office.

Additional violations identified such as trash, debris and overgrown vegetation will be addressed by the individual tenant.

The resident meeting was held on April 19, 2018, and was attended by one city staff member and no park residents. The meeting was canceled.

There were no Code Enforcement cases opened during the past year at any of the city owned spaces.

CC: William Wolfe, Deputy City Manager
Bill Martin, Director of Community Development
Belinda Rojas, Rent Control Administration
Kristina Owens, Associate Planner, Housing



May 7, 2018

MOBILEHOME PARK RENT CONTROL
CODE ENFORCEMENT INSPECTION REPORT

Park Name: Escondido Views Mobile Home Park

2400 W. Valley Parkway

Escondido, CA 92029

Lot Owner: City of Escondido

201 N. Broadway

Escondido, CA 92025

(760) 839-4518

Park Manager: Kristina Owens **Phone:** (760) 839-4519

Inspection Date: 5/02/18 **Inspector:** Stephen Jacobson

The following report is based on the inspection of each individual mobile home lot owned by the City of Escondido conducted under provisions outlined in the California Health & Safety Code, Division 13, Part 2.1; the California Code of Regulations, Title 25. This inspection report only addresses health and safety issues that are related to areas for which maintenance, repair and operations is the responsibility of the owner of the lots.

General Violations:

1. There is an overgrown bush extending into the "Right of Way" on lot 129. **25 CCR § 1120**
2. There are some overgrown tree branches in the front yard resting on the window air conditioning unit by the front entry way on lot 135. **25 CCR § 1120**

RESOLUTION NO. RRB 2018-03

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

(File Number: 0697-20-10159)

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

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

WHEREAS, a short-form rent increase application pursuant to Section 12 of the Rent Review Board Guidelines was filed on March 23, 2018, by the City of Escondido ("City"), the owner of the five rental spaces in the Escondido Views Mobile Home Park located at 2400 W. Valley Parkway in Escondido; and

WHEREAS, this is the Sixteenth (16th) rent increase application filed since the Ordinance became effective in 1988. The last rent increase was granted by the Board in Rent Review Board Resolution No. 2016-08 on May 25, 2016, for approximately \$11.34 per space per month; and

WHEREAS, at the time of the current application, the average monthly space rent was \$413.16 for the five spaces affected by the rent increase request. The owner requested a rent increase in the amount of 75 percent of the change in the Consumer

Price Index ("CPI") for the period December 31, 2015, through December 31, 2016 in accordance with the Rent Review Board short-form policy guidelines. The application estimated this amount to be an average of \$14.77 (3.574 percent) per space, per month; and

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

WHEREAS, on May 2, 2018, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed. It noted Health and Safety Code violations in the Park; and

WHEREAS, on May 16, 2018, the Board held its public hearing and after an initial staff presentation, the Board invited testimony from the City, residents of the City spaces and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for discussion among the Board members and clarifying questions to the parties and Staff, the Board voted to grant an average rent increase of \$14.77 per space, per month for the five spaces subject to rent control.

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

1. That the above recitations are true.

2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the Short-form Guidelines (Guidelines”).

3. That following the Guidelines, an increase based on 75 percent of the change in the CPI for San Diego County from December 31, 2015, through December 31, 2017, would amount to 3.574 percent, which averages \$14.77 per space, per month, for the five spaces that are subject to rent control.

4. That the Board concluded that an increase of 3.574 percent, an average of \$14.77 per space, per month, is consistent with the Guidelines and is a fair, just, and reasonable increase in light of the information presented by all parties.

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

CITY COUNCIL STAFF REPORT

Public Hearing No. 12

May 16, 2018

File No. 0870-11

SUBJECT: Public Hearing to Approve the One-Year Action Plan for Fiscal Year 2018-2019 HOME Funds for Affordable Housing Activities, CDBG Funds for Community Development Programs and Projects, and ESG Funds for Homeless Priorities

DEPARTMENT: Community Development Department, Housing and Neighborhood Services

RECOMMENDATION:

It is requested that the City Council conduct a public hearing to:

1. Solicit and consider citizen input for the Fiscal Year (FY) 2018-2019 One-Year Action Plan for the use of HOME Investment Partnership (HOME) funds, Community Development Block Grant (CDBG), and Emergency Solutions Grant (ESG) funds.
2. Adopt Resolution No. 2018-27 approving the HOME, CDBG, and ESG budgets and allocations, and authorizing the Director of Community Development and City Clerk to execute contracts with service providers as appropriate.
3. Adopt Resolution No. 2018-28 approving the Fiscal Year 2018-2019 One-Year Action Plan and approving the submittal to the U.S Department of Housing and Urban Development (HUD).

In the alternative, the City Council may choose to modify the recommended Fiscal Year 2018-2019 Action Plan for the allocation of HOME, CDBG and ESG funds.

FISCAL ANALYSIS:

The City of Escondido receives annual federal entitlements from the HUD for housing and community development activities.

The Five Year Amended Consolidated Plan will provide guidance for the expenditure of these funds for Fiscal Years 2015-2019. HOME funds can only be used for the development of affordable housing and will not impact the general fund. CDBG projects will be funded solely by grant money received and will not impact the general fund. ESG funds can only be used for homeless priorities and will not impact the general fund.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Community Improvement and Public Safety.

PREVIOUS ACTION:

On April 22, 2015, the City Council held a public hearing and approved the FY 2015 -2019 Five-Year Consolidated Plan and amended the Consolidated Plan on July 20, 2017, to include the ESG funds. The Plan established priorities for the use of federal funds (including HOME, CDBG, and ESG) over the five-year period, ending June 30, 2020, to benefit low-income residents and neighborhoods in the City of Escondido.

On March 21, 2018, the City Council held a public hearing and reaffirmed the community development priorities adopted in the FY 2015-2019 Amended Five-Year Consolidated Plan and approved an allocation process for FY 2018-2019 CDBG and ESG funds. The approved allocation process included a maximum allowable allocation for administration of the CDBG program (20 percent) and ESG program (7.5 percent) which are included in the Fiscal Year 2018-2019 Action Plan allocation recommendations.

BACKGROUND:

The Five Year Consolidated Plan is a federally required document for communities that receive funds from the federal housing and community development programs, including HOME, CDBG, and ESG Programs. The Plan is intended to provide a comprehensive, strategic framework for a community to establish a unified vision and action plan to address the needs of low-income individuals, families and neighborhoods. The goals of the HOME, CDBG, and ESG programs covered by the Consolidated Plan are to provide decent housing, a suitable living environment, expanded economic opportunities, and assistance to homeless households. Based on community needs assessments and public participation of the Amended Five Year Consolidated Plan, six community development, four homeless, and four housing priorities were identified and adopted as part of the FY 2015-2019 Amended Consolidated Plan for HOME, CDBG, and ESG. In accordance with the City of Escondido's public participation plan, the City Council held a public hearing on March 21, 2018, and reaffirmed those priorities for Fiscal Year 2018-2019. The Fiscal Year 2018-2019 Action Plan for use of HOME, CDBG, and ESG funds describes the specific activities the City will carry out to address those priorities during the fourth year of the five-year period.

CDBG Funds

The City of Escondido will receive \$1,791,466 in CDBG entitlement funds for Fiscal Year 2018-2019. No more than 15 percent of the entitlement funds (\$238,299) may be used for public service activities, and no more than 20 percent (\$317,732) may be expended for administrative activities. There is no limit to the percentage that may be expended for capital improvement or other neighborhood revitalization activities in low and moderate-income neighborhoods. See Attachment 1 for a map of CDBG eligible census blocks.

As a recipient of CDBG funds, the City is also required to take steps to affirmatively further fair housing within its jurisdiction as part of the obligation it assumes when it accepts these funds. Fair Housing services are allowable under Public Service or Administration. By utilizing Administration funds, the City is able to fund more programs under Public Service.

FY 2015-2019 CDBG Priorities

In the FY 2015-2019 Amended Consolidated Plan, the City adopted the following CDBG priorities:

- * Youth
- * Economic Development
- * Transportation for seniors and other related Senior Services
- * Neighborhood Revitalization
- * Homelessness
- * ADA Improvements

Previous Year CDBG Evaluation

Fiscal Year 2016-2017 was the second year of the City’s five-year strategic plan. Fiscal Year 2017-2018 is the third year of the City’s five-year strategic plan. Currently, the City is in its third quarter of Fiscal Year 2017-2018 and continues to make progress towards its goals. Below are the results from last year and the mid-year status of the current year:

	Activity for FY 2016-2017		Mid-Year FY 2017-2018	
	Goal	Accomplishment	Goal	Accomplishment
Learn to Swim	225	149 ¹	225	91
Senior Transportation	150	99 ²	150	83
Senior Nutrition	400	615	400	450
Senior Care	200	371	200	159
Meals on Wheels	130	232	223	176
Alliance for Regional Solutions	40	261	228	166
Solutions for Change	12	180	Not funded	N/A
Code Enforcement	N/A ³	1,095	N/A ³	N/A
Graffiti Removal	N/A ³	1,289	N/A ³	N/A
Project NEAT	N/A ³	287	N/A ³	N/A

¹ The Learn-to-Swim program did not meet its goal of 225 people served due to the construction at James A. Stone Pool into June of 2017. With construction deadline extending into the summer season, staff had to decrease the amount of scholarships available, as the pool was not open for use.

² There was major construction going on at the Park Avenue Community Center. The front entrance remained closed for months and participation numbers declined during this period. It was difficult for many of the seniors to get to the dining area after being dropped off at the rear of the facility.

³ Code Enforcement, Graffiti, and Project NEAT are neighborhood revitalization projects, the goal is the service area in which the service takes place and the City it is not required to identify an exact number.

CDBG Review Process

Applications for funding are updated and released on an annual basis upon approval of the City Council in early Spring. A description of the CDBG funding process, application materials and resources for technical assistance are posted on the Neighborhood Services Website and are provided by staff upon request. In accordance with the City's Citizen Participation Plan, the City conducts two public hearings to solicit and consider citizen input.

This year a Request for Proposal (RFP) was released on March 21, 2018, with applications due April 19, 2018. The City of Escondido received five proposals from outside agencies for Fiscal Year 2018-2019 CDBG funding. All five requests are for public service funds: 1.) Legal Aid Society of San Diego is requesting \$34,045 for fair housing services 2.) Meals on Wheels is requesting \$25,000 for its in-home meal delivery to moderate and low-income seniors 3.) San Diego Children's Museum is requesting \$30,000 to provide museum memberships, school field trip workshops, mobile museum workshops, and after school and summer enrichment services 4.) Alliance for Regional Solutions is requesting \$74,963 for its Bridge Housing Network providing year round shelter and services for homeless individuals and 5.) Neighborhood Works, Orange County, a new applicant, is requesting \$25,000 to provide financial education and first time homebuyer counseling to Escondido residents.

Staff has reviewed the applications for completeness and eligibility. Criteria for review includes, but is not limited, to a pre-award risk assessment based on subrecipient history, complexity of the project, funding and budget appropriateness, and experience. Staff also reviews each non-profits' ratings and profiles on sites such as Charity Navigator, Guidestar, and performs other general research.

Specific allocation recommendations for CDBG-funded activities are included as Attachment 2.

FY 2018-2019 CDBG-Funded Activities

The Action Plan describes all the activities the City will carry out during fiscal year 2018-2019 to address the priorities of the Amended Consolidated Plan. Specific activities recommended for Fiscal Year 2018-2019 funding are described below.

Proposed Capital Improvement and Neighborhood Revitalization Activities

CDBG-Funded Code Enforcement (\$115,000)

CDBG-funded neighborhood revitalization efforts would include funding four part-time Code Enforcement Officers to work in commercial and residential areas of CDBG-eligible census tracts. The officers would address code issues relating to business licensing, illegal signage and other appearance and compliance issues generally associated with commercial and residential areas.

Grants to Blocks (\$60,000)

Implemented to address the neighborhood revitalization priority, this program addresses the need to fund multiple, small neighborhood revitalization projects and Right-of-Way Enhancement mini grants associated with street improvement projects.

Graffiti Removal (\$90,000)

The Graffiti Removal Project, also implemented to address the revitalization priority and carried out by city staff, provides funding for graffiti removal in qualifying low income census tracts and applies only to private properties. CDBG funds can be used to remove graffiti from private homes, garages, fences and exterior surfaces of privately owned businesses.

Project NEAT (\$50,000)

Project NEAT (Neighborhood Enhancement, Awareness and Training) addresses the neighborhood revitalization priority. The goal of Project NEAT is to improve the appearance and safety of neighborhoods through mediation, education and fostering relationships with neighbors. Project NEAT works with Escondido's organized neighborhood groups to resolve potential code compliance issues, mostly with regard to yard maintenance and other appearance-related issues, before they reach the level of code enforcement cases.

Tulip Street Improvement Project (West Hillside Neighborhood Group) (\$325,000)

This project includes the final phase of the full street improvements consisting of new curbs, gutters, retaining walls, sidewalks, streetlights and new surfacing of the street on South Tulip Street, between West 3rd Avenue and West Grand Avenue. Additional funds are being requested to complete the final phase which includes labor compliance, engineering design and field staff time.

Creek Trail Fencing (\$310,000)

This project includes wrought iron fencing along the creek trail between Rose and Midway to promote a safer, cleaner, and more efficient space along the creek trail. Ultimately these improvements will be made between Harding and Midway.

Old Escondido Lighting Project (\$214,453)

This is the first phase of a project to install historic style lighting in the Old Escondido Neighborhood. The first phase focuses on Juniper Street.

Proposed Public Service Activities

The Fiscal Year 2018-2019 Action Plan includes activities which address the priorities of the Amended Consolidated Plan. Staff recommends continued funding for the following programs.

Learn-to-Swim (\$15,000)

The Learn-to-Swim program provides water safety training to low-income youth and adults.

Senior Transportation, Senior Nutrition, Senior Care (\$34,610; \$56,110' \$13,000)

Older-Adult services provided by the City's Community Services Department, includes a low-cost transportation program, Senior Nutrition and Senior CARE Program at the Park Avenue Community Center.

Neighbor-to-Neighbor (\$50,000)

Neighbor-to-Neighbor supports the neighborhood revitalization priority as an additional component to the Grants to Blocks Program. Neighborhood Clean-ups block parties, leadership trainings, neighborhood group meetings, and other neighborhood organization efforts in low-income neighborhoods will be supported through this program.

Meals-on-Wheels (\$25,000)

The Meals-on-Wheels Program provides meal delivery services for homebound seniors and people with disabilities.

Alliance for Regional Solutions (\$45,000)

The Alliance for Regional Solutions is a collaboration of North County organizations addressing homelessness issues. The Bridge to Housing Committee of the Alliance is a collaboration of providers who offer short-term housing solutions, case management and services directed at navigating North County's homeless men, women, and families towards permanent housing and self-sufficiency.

Escondido Education COMPACT (\$25,000)

Escondido Education COMPACT will provide educational and supportive services, employment training, housing strategies, healthcare needs, and juvenile justice activities such as juvenile diversion programs to Escondido's homeless youth population.

San Diego Children's Museum (\$5,000)

The San Diego Children's Museum will serve the Escondido Union School District students in pre-school through Grade 3 with museum memberships, school field trip workshops, mobile museum workshops, and after school and summer enrichment services.

ESG Funds

Each year the Department of Housing and Urban Development (HUD) allocates ESG funding to state, urban counties, and metropolitan cities. Based on the formula used for the Community Development Block Grant (CDBG), HUD's allocation to the City of Escondido for FY 2018-2019 is \$143,015.

ESG Priorities

The main purpose of the ESG funds is to provide prevention assistance to individuals and families who would otherwise become homeless and to provide assistance to rapidly re-house persons who are homeless and those who are at risk of becoming homeless. As an ESG recipient the City of Escondido will be required to work with the local Continuum of Care (CoC) to determine how ESG will be used and evaluated, and how to apply CoC-wide ESG Standards to service providers. In San Diego County, the CoC is the Regional Taskforce for the Homeless (RTFH).

ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS (Homeless Management Information database; this is a required activity); as well as administrative activities (up to 7.5 percent of a recipient's allocation can be used for administrative activities such as general management, oversight, coordination, and reporting on the program). For FY 2018-2019, the following ESG objectives have been prioritized in the order below based on community input and City Council Direction:

- * Engagement of homeless youth, individuals, and families: Essential services necessary to reach out to and meet the immediate needs of unsheltered persons by connecting them with critical non-facility based services
- * Rapid re-housing: Assistance moving people out of homelessness into permanent housing
- * Homelessness prevention: Housing relocation and stabilization services to prevent individuals and households from moving into emergency shelters or homeless assistance systems
- * Emergency shelters and essential services to shelter residents: Renovation, shelter operations, essential services, or relocation assistance providing crisis and/or temporary housing

Proposals for projects that address higher priority objectives receive priority ranking. The Escondido City Council has also prioritized projects addressing youth homelessness.

Previous Year ESG Evaluation

Fiscal Year 2016-2017 was the first year the City received ESG funds. The City is currently in its second ESG year, Fiscal Year 2017-2018, and continuing to make progress towards its goals. Below are the accomplishments from last year and mid-year status from the current year:

	Activity for FY 2016-2017		Mid-Year FY 2017-2018	
	Goal	Accomplishment	Goal	Accomplishment
Interfaith				
Emergency Shelter	200 individuals	196	150 individuals	166
Homeless Prevention	9 households	53	10 households	2
Rapid Rehousing	8 households	33	7 households	2
COMPACT				
Homeless Prevention			25 youth	7

Federal Conditions

A percentage of the ESG allocation may be set-aside for the City’s planning and administration that maybe shared with a subrecipient. ESG regulations limit this amount to no more than 7.5 percent (\$10,726) of the annual grant. The remaining amount (\$132,289) is made available for competition to be used for projects and activities that serve the homeless and those at-risk of homelessness. The subrecipient must match allocated ESG funds with an equal amount of funds from a non-federal source that can be in cash and/or non-cash contributions.

Costs associated with shelter operations and outreach may not exceed (but may be less than) 60 percent of funding of the fiscal year grant.

ESG Review Process

This year an RFP was released on March 21, 2018, with applications due April 19, 2018. The City of Escondido has received two proposals from outside agencies for Fiscal Year 2018-2019 ESG funding: 1.) Escondido Education COMPACT is requesting \$86,524 to support the Building Bridges Program providing educational services, employment training, supportive services, housing strategies, healthcare needs, and juvenile justice activities such as juvenile diversion programs to Escondido’s homeless youth population and 2.) Interfaith Community Services is requesting \$129,160 to assist homeless and at-risk homeless by providing street outreach, homeless prevention, and emergency shelter. Interfaith will also be using ESG funds to report data into HUD’s reporting system.

Staff has reviewed the applications for completeness and eligibility. Criteria for review includes, but is not limited, to a pre-award risk assessment based on subrecipient history, complexity of the project, funding and budget appropriateness, and experience. Staff also looks at each individual ratings and profiles on sites such as Charity Navigator, Guidestar, and other general research.

Specific allocation recommendations for ESG-funded activities are included as Attachment 3.

Proposed ESG Funds Activity

Interfaith Community Services (\$132,289)

Interfaith will outreach to a minimum of 100 homeless Escondido residents with the goal of engaging them in services, leverage its Rapid Re-housing resources to provide 15 households with Rapid Re-housing assistance, provide 20 households with homeless prevention assistance, and provide 275 unduplicated homeless adults with bridge housing/shelter services.

Re-Categorized ESG Activity: Escondido Education COMPACT

Escondido Education COMPACT provides educational and supportive services, employment training, housing strategies, healthcare needs, and juvenile justice activities such as juvenile diversion programs to Escondido's homeless youth population.

Staff recommends moving Escondido Education COMPACT's application to the CDBG program based on its activity components. COMPACT better meets the priorities of the CDBG program to assist Youth and the Homeless.

HOME Funds

The City will be receiving \$648,968 in HOME funds for Fiscal Year 2018-2019. The City may allocate ten percent of new HOME allocation, interest, and program income derived from loan repayments for administration. A minimum of 15 percent of the annual allocation of HOME Program funds must be reserved for the housing development activities of Community Housing Development Organizations (CHDOs). A total of five percent of the HOME grant may be used to provide operating funds to certified CHDOs, but is not required to be used for that purpose. HOME Program funds must be committed within two years and expended within five years of allocation.

FY 2015-2019 Housing Priorities

In the FY 2015-2019 Consolidated Plan, the City adopted the following housing priorities:

- * Increase homeownership opportunities
- * Conserve the supply of existing ownership housing
- * Expand the stock of affordable rental housing, including 3 and 4-bedroom units
- * Promote neighborhood stability by increasing the length of stay in rental housing

Allocation recommendations for HOME-funded activities are included as Attachment 4.

Homeownership Opportunities

The first and second priorities relate to the need for homeownership in Escondido. The rate of homeownership in Escondido is 49 percent, which is lower than the state and national averages of 54 percent and 64 percent respectively as reported by the 2012-2016 Five-Year American Community Survey. The five-year Consolidated Plan's objective is to assist approximately 1-2 homebuyers per year.

The City developed the Homebuyer Entry Loan Program (HELP) loans to assist first-time homebuyers in the purchase of their homes will contribute to increased stability in 1996. The HELP program currently provides loans up to 5 percent of the purchase price of a home (maximum \$25,000) to assist homebuyers earning 80 percent or less of the San Diego County area median income (currently \$72,750 for a household of four) to purchase their first home. The program has been underutilized in recent years and staff is working with members of the mortgage community to better understand homebuyers' needs and constraints. In order to ensure funding is available to help potential home owners, Housing Development funds are made available first to the HELP program and later in an RFP for the development of affordable housing in order to meet commitment deadlines.

Rental Housing Assistance & Affordable Housing Project Development

The third and fourth priorities relate to the improvement of the supply of rental housing in the City to meet the needs of Escondido residents. The Consolidated Plan cites overpayment for housing as a widespread housing problem in Escondido, especially among lower-income renters. Additionally, the rate of overcrowding is especially acute for large related renter households. The Consolidated Plan sets forth an objective of assisting 11 new owner units, 23 newly constructed rental units, and 53 rental rehab units. In order to meet this goal, HOME funding and recycled Housing Set-Aside/Successor Housing Agency (SHA) funds, is used as leverage to other funding sources, such as Low-Income Tax Credits.

In the current cycle, the City has used HOME funds to assist several projects. San Diego Habitat for Humanity completed 11 new homeowner units in 2015. UHC completed the acquisition and rehabilitation of 43-deed restricted rental units at 1150-1160 N Escondido Blvd using HOME and SHA funds in 2016. Community HousingWorks acquired and rehabilitated 11 HOME-deed restricted rental units at 260 Midway as part of a 200-unit rehabilitation in early 2017. Solutions for Change built 32 new affordable units using SHA funds for formerly homeless families. In 2017-2018, the City worked with Interfaith Community Services to acquire and rehabilitate a four-plex on Aster Street. Staff anticipates an RFP combining available HOME and SHA funds in 2018.

Public Hearing to Approve Fiscal Year 2018 -2019 One-Year Action Plan for Use of HOME, CDBG,
and ESG Program Funds
May 16, 2018
Page 11

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Bill Martin, Director of Community Development
5/9/2018 2:56 p.m.

Karen Youel, Housing & Neighborhood Services Manager
5/9/2018 3:17 p.m.

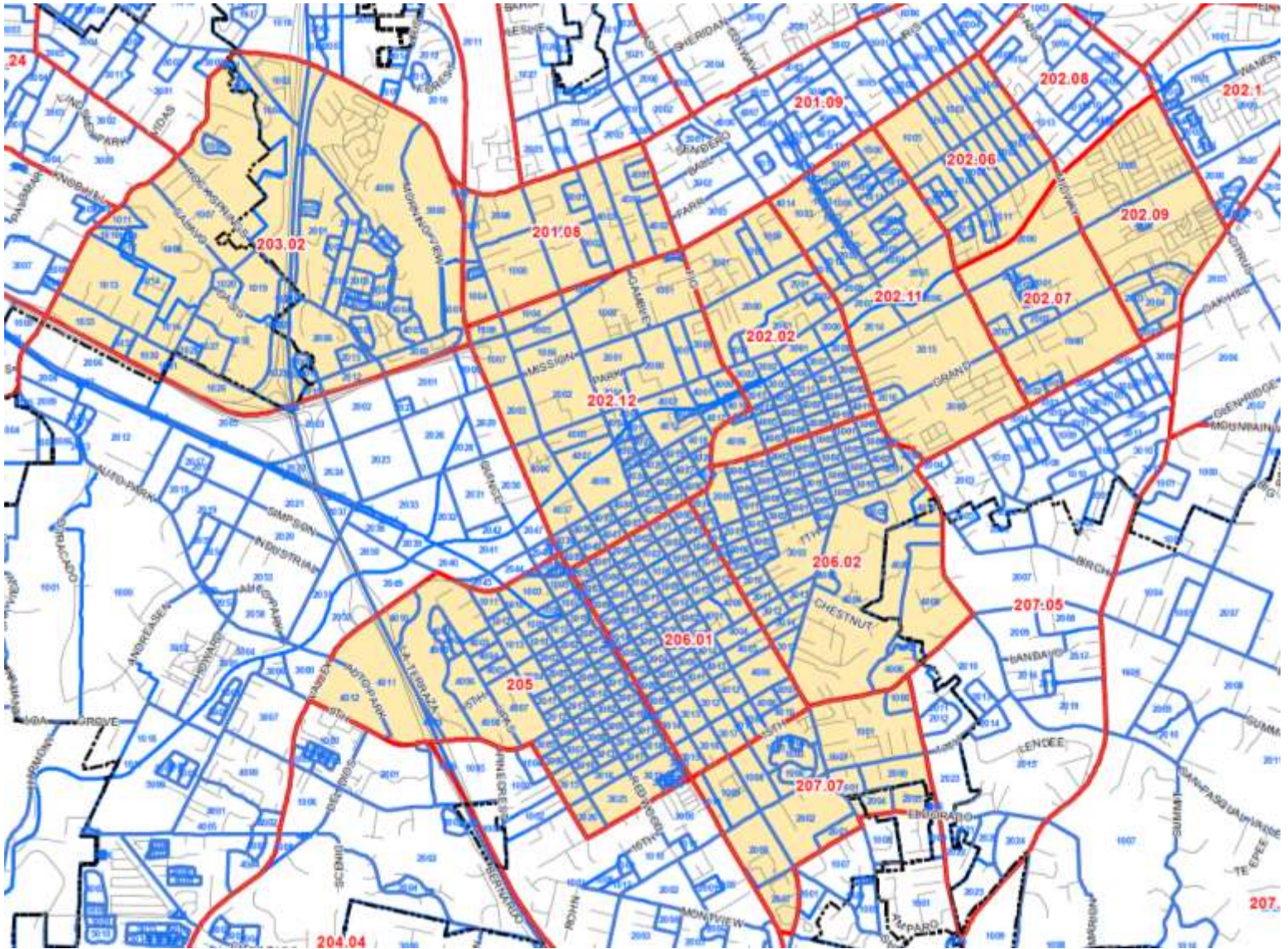
Nancy Melander, Management Analyst II
5/10/2018 7:50 a.m.

ATTACHMENTS:

1. Attachment 1 – CDBG Map
2. Attachment 2 – FY 2018-2019 Proposed CDBG Allocations
3. Attachment 3 – FY 2018-2019 Proposed ESG Allocations
4. Attachment 4 – FY 2018-2019 Proposed HOME Allocations
5. Resolution No. 2018-27
6. Resolution No. 2018-27 – Exhibits A, B, C, D, E
7. Resolution No. 2018-28

Attachment 1

Map of CDBG Eligible Census Blocks



Attachment 2

**City of Escondido, Fiscal Year 2018-2019
CDBG Allocations
2018 HUD Allocation: \$1,791,466**

Administration - 20% cap of allocation (\$358,293 max.)		
116-109	CDBG Administration	\$ 324,248
344259	Fair Housing	\$ 34,045
	Total	\$ 358,293
Public Service - 15% cap of total available (\$268,720 max.)		
344469	Learn to Swim	\$ 15,000
344429	Senior Transportation	\$ 34,610
344489	Senior Nutrition	\$ 56,110
344419	Senior CARE	\$ 13,000
344640	Neighbor to Neighbor	\$ 50,000
344379	Meals on Wheels In Home Meal Delivery	\$ 25,000
344439	The Alliance – Bridge Shelter (formerly the Winter Shelter)	\$ 45,000
344661	San Diego Children’s Museum	\$ 5,000
	Escondido Education COMPACT	\$ 25,000
	Total	\$ 268,720
Uncapped Capital Improvement & Other Neighborhood Revitalization Activities - (No max.)		
344580	Code Enforcement	\$ 115,000
344359	Grants to Blocks	\$ 60,000
344500	Project Neat	\$ 50,000
344610	Graffiti Removal	\$ 90,000
338129	**Tulip St. Improvements (West Hillside)	\$ 325,000
	Creek Trail Fencing	\$ 310,000
	Old Escondido Lighting	\$ 214,453
	Total	\$ 1,164,453
	Total CDBG Allocations	\$ 1,791,466

Attachment 3

City of Escondido, Fiscal Year 2018-2019 ESG Allocations
2018 HUD Allocation: \$143,015

FY 18-19

Administration -7.5% cap of allocation (\$10,726 max)	
ESG Administration	\$ 10,726
Total	\$ 10,726
Total Available for Other Activities (\$126,162 max)	
Interfaith	\$ 132,289
Total	\$ 132,289
Total ESG Allocations	\$ 143,015

HOME INVESTMENT PARTNERSHIPS PROGRAM FY 2018

SUMMARY OF HOME FUNDING CATEGORIES

FUNDING CATEGORY	AMOUNT AVAILABLE
2018 Allocation	\$648,968
<i>Interest</i>	10,000
<i>Loan Repayments</i>	<u>150,000</u>
TOTAL AVAILABLE FUNDS	\$808,968
<i>10% of Allocation and Interest</i>	\$ 64,890
<i>10% of Program Income ¹</i>	<u>\$23,080</u>
<i>City's Administrative Cost</i>	\$87,970
<u>Mandatory</u> CHDO Set-Aside <i>(15% of allocation)</i>	\$97,350
Housing Development	\$623,648
TOTAL EXPENDITURES	\$808,968

1. Generated from Loan Repayments received in the previous fiscal year

RESOLUTION NO. 2018-27

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE HOME, CDBG, AND ESG
BUDGET AND ALLOCATIONS FOR FISCAL
YEAR 2018-2019, AND AUTHORIZING THE
DIRECTOR OF COMMUNITY DEVELOPMENT
AND CITY CLERK TO EXECUTE AGREEMENTS
FOR USE OF COMMUNITY DEVELOPMENT
BLOCK GRANT FUNDS

WHEREAS, the City of Escondido ("City") is a recipient of HOME Investment Partnerships Program ("HOME"), Community Development Block Grant ("CDBG"), and Emergency Solutions Grant ("ESG") funds from the United States Department of Housing and Urban Development; and

WHEREAS, a total of 15 percent of HOME funds received by the City must be used for the provision of affordable housing by eligible Community Housing Development Organizations ("CHDOs"); 10 percent of the HOME funds received by the City may be used for administration; and the remaining HOME funds (75 percent) received by the City may be used for Housing Development; and

WHEREAS, a total of 20 percent of CDBG funds received may be used for administration; a total of 15 percent for public service activities; and the remaining 65 percent for uncapped capital improvements. CDBG funds are to be used in CDBG eligible areas as evidenced in Exhibit "A," which is attached to this Resolution and incorporated by this reference; and

WHEREAS, a total of 7.5 percent of ESG funds received by the City may be used

for administration, and the remaining ESG funds (92.5 percent) received by the City must be used for homeless priorities; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the CDBG, ESG, and HOME budgets for Fiscal Year (“FY”) 2018-2019, attached as Exhibit “B”, Exhibit “C”, and Exhibit “D” respectively, all of which are incorporated by this reference; and

WHEREAS, the CDBG, ESG, and HOME budgets reflect the work program for the coming year based on the City’s Action Plan for FY 2018-2019 which identifies the goals and priorities, established in the 2015-2019 Amended Consolidated Plan; and

WHEREAS, the HOME budget includes proposed expenditures of the City for the provision of affordable housing and proposed expenditures of CHDOs for the provision of affordable housing; and

WHEREAS, the City Council also desires to authorize City officials, including the Director of Community Development and the City Clerk, to execute agreements to provide for the use of CDBG, ESG, and HOME funds.

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 HOME, CDBG, and ESG budgets and administration of programs for the period of July 1, 2018, through June 30, 2019 inclusive, contained in the FY 2018-

2019 CDBG, ESG, and HOME Budget Documents, attached as Exhibit “B”, Exhibit “C,” Exhibit “D,” are hereby adopted.

3. That the Director of Community Development is authorized to make non-substantial changes to the CDBG, ESG, and HOME budgets within 25 percent, whether above or below the projected allocation. Changes will be proportionally dispersed to current categories.

4. That the Community Development Director and the City Clerk are hereby authorized to execute contracts with specific providers for use of CDBG funds in the amounts, set forth in Exhibits “B”, Exhibit “C,” and Exhibit “D,” provided such agreements have been approved as to form by the City Attorney, and provided such agreements are substantially in the form as that attached in Exhibit “E,” which is incorporated by this reference.

Exhibit A

Map of CDBG Eligible Census Blocks

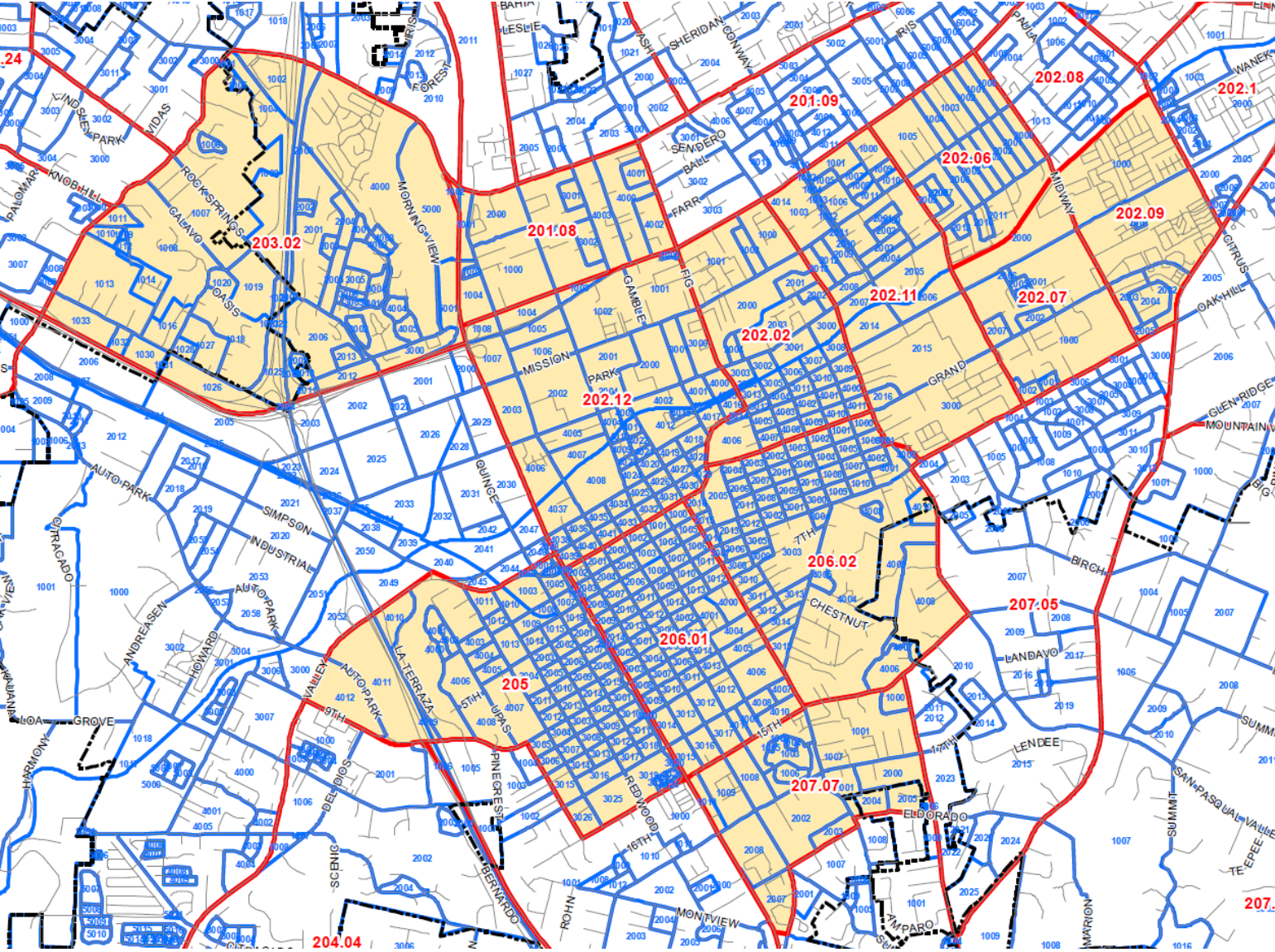


Exhibit B

**City of Escondido, Fiscal Year 2018-2019
 CDBG Allocations
 2018 HUD Allocation: \$1,791,466**

	Administration - 20% cap of allocation (\$358,293 max.)	
116-109	CDBG Administration	\$ 324,248
344259	Fair Housing	\$ 34,045
	Total	\$ 358,293
	Public Service - 15% cap of total available (\$268,720 max.)	
344469	Learn to Swim	\$ 15,000
344429	Senior Transportation	\$ 34,610
344489	Senior Nutrition	\$ 56,110
344419	Senior CARE	\$ 13,000
344640	Neighbor to Neighbor	\$ 50,000
344379	In Home Meal Delivery	\$ 25,000
344439	The Alliance (formerly the Winter Shelter)	\$ 45,000
344661	San Diego Children's Museum	\$ 5,000
	Escondido Education COMPACT	\$ 25,000
	Total	\$ 268,720
	Uncapped Capital Improvement & Other Neighborhood Revitalization Activities - (No max.)	
344580	Code Enforcement	\$ 115,000
344359	Grants to Blocks	\$ 60,000
344500	Project Neat	\$ 50,000
344610	Graffiti Removal	\$ 90,000
338129	**Tulip St. Improvements (West Hillside)	\$ 325,000
	Creek Trail Fencing	\$ 310,000
	Old Escondido Lighting	\$ 214,453
	Total	\$ 1,164,453
	Total CDBG Allocations	\$ 1,791,466

Exhibit C

City of Escondido, Fiscal Year 2018-2019 ESG Allocations
2017 HUD Allocation: \$143,015

FY 18-19

Administration -7.5% cap of allocation (\$10,726 max)	
ESG Administration	\$ 10,726
Total	\$ 10,726
Total Available for Other Activities (\$126,162 max)	
Interfaith	\$ 132,289
Total	\$ 132,289
Total ESG Allocations	\$ 143,015

Exhibit D

**HOME INVESTMENT PARTNERSHIPS PROGRAM
 FY 2018
 SUMMARY OF HOME FUNDING CATEGORIES**

FUNDING CATEGORY	AMOUNT AVAILABLE
2018 Allocation	\$648,968
Interest	10,000
Loan Repayments	<u>150,000</u>
TOTAL AVAILABLE FUNDS	\$808,968
10% of Allocation and Interest	\$ 64,890
10% of Program Income ¹	<u>\$23,080</u>
City's Administrative Cost	\$87,970
<u>Mandatory</u> CHDO Set-Aside (15% of allocation)	\$97,350
Housing Development	\$623,648
TOTAL EXPENDITURES	\$808,968

1. Generated from Loan Repayments received in the previous fiscal year

Exhibit E

AGREEMENT

BETWEEN THE CITY OF ESCONDIDO AND

[SUBRECIPIENT]

FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

This Agreement made and entered into by and between the City of Escondido, a municipal corporation of the state of California, hereinafter "CITY," and [Subrecipient Name], hereinafter "SUBRECIPIENT."

WITNESSETH:

RECITALS:

1. CITY is recipient of funds from the United States Department of Housing and Urban Development (hereinafter "HUD") pursuant to Title I of the Housing and Community Development Act of 1974 (41 U.S.C. 5301-5320) as amended (hereinafter "ACT").
2. CITY has approved the provision of federal funds under the Act to be used by the SUBRECIPIENT as provided in its "Work Plan," attached hereto as Attachment "A" and as further modified by any negotiated Statement of Work.
3. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work.
4. SUBRECIPIENT warrants that it has the expertise and experience to perform the work set forth in the Work Plan and Statement of Work.
5. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work pursuant to the "Budget," attached hereto as Attachment "B" and incorporated herein by reference.
6. CITY shall provide Community Development Block Grant "CDBG" funds to the SUBRECIPIENT in the amount set forth in the Budget, and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and based on the mutual covenants below, the parties hereby agree as follows:

1. The term of this Agreement shall be FY 20__-20__ (July 1, 20__ – June 30, 20__).
2. Upon the termination or expiration of the term of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds.

A. SUBRECIPIENT OBLIGATIONS

1. Use of Funds. SUBRECIPIENT agrees to use federal funds provided by CITY to SUBRECIPIENT pursuant to the provisions of this Agreement, the Work Plan and Statement of Work, and Budget for said program. SUBRECIPIENT'S failure to perform as required may, in addition to other remedies set forth in this Agreement, result in readjustment of the amount of funds CITY is otherwise obligated to pay to SUBRECIPIENT under Section B hereof.

SUBRECIPIENT agrees to use said funds to pay for necessary and reasonable costs to operate said program. Said amount shall include wages, administrative costs, employee benefits comparable to other similarly situated employees, and other allowable program costs as detailed in the Budget.

If SUBRECIPIENT uses the federal funds provided by CITY for the purpose of acquisition of real property or to reduce the cost of financing of acquisition of real property, there shall be no alteration of the use of the real property so acquired and no additional encumbrances placed on such property during the period of this agreement without the prior written consent of CITY, which consent shall not be unreasonably withheld.

SUBRECIPIENT shall, upon receipt of such federal funds for the purpose of acquiring or improving real property, cause a Deed of Trust, secured by a Promissory Note, to be executed and recorded, in favor of the CITY, for the amount of the federal funds provided by the CITY.

If SUBRECIPIENT uses federal funds provided by the CITY as set out in the preceding paragraph, and further encumbers the real property acquired without first giving notice to the CITY, and obtaining the CITY's written consent, which consent shall not be unreasonably withheld, such action on the part of the SUBRECIPIENT will be cause for termination or revocation of this Agreement and reversion of assets as delineated in paragraph A.(15.) or collection on any Promissory Note executed in favor of the CITY.

2. Statement of Work. SUBRECIPIENT represents that it will negotiate a Statement of Work in accordance with the Work Plan that will include an accurate schedule for performance and completion of the work. These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.
3. Budget. SUBRECIPIENT represents that the Budget includes only allowable costs and an accurate analysis of costs applicable to CDBG funds pursuant to 24 CFR 570.502, which includes requirements for compliance with the following in addition to other requirements:
 - a. If SUBRECIPIENT is a governmental entity, Office of Management and Budget ("OMB") Circular Nos. A-87, A-128 (24 CFR Part 44), and with certain sections of 24 CFR Part 85; or
 - b. If SUBRECIPIENT is not a governmental entity, OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations" or OMB Circular No. A-21, "Cost Principles for

Educational Institutions," as applicable, and certain Attachments to OMB Circular No. A-110 (A, B, C, F, N, H & O).

These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

4. Records and Reports. The SUBRECIPIENT shall maintain records and reports as required by Federal Regulation 24 CFR 570.506, 570,503, OMB A-110, and 24 CFR 85.32-34 which may include but are not limited to:
 - a. Records.
 - (1) Documentation providing a full description of the activity undertaken.
 - (2) Documentation demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program.
 - (3) Documentation of the number, race and income level of persons and/or families participating in or benefiting the SUBRECIPIENT'S program.
 - (4) Documentation of all CDBG funds received from CITY.
 - (5) Documentation of expenses as identified in the Budget.
 - (6) Property and equipment acquisition, management and disposition documentation.
 - (7) Any such other related records as CITY shall require.
 - b. Reports.
 - (1) Payment Request/Invoice
 - (2) Quarterly Performance and Demographic Reports
 - (3) Final Evaluation Report
 - (4) Any such other reports as CITY shall reasonably require.
5. Program Income. Transfers of grant funds by the City to the SUBRECIPIENT shall be adjusted according to the principles described in 24 CFR 570.504(b)(2)(i) and (ii), and 24CFR570.504(2)(i). Any program income on hand when this Agreement expires, or received after this Agreement's expiration, shall be paid to the CITY as required by Section A-15 of this Agreement and 24 CFR 570.503(b)(8).
6. Uniform Administrative Requirements. The SUBRECIPIENT shall comply with applicable uniform administrative requirements as described in 24 CFR 570.502, OMB Circular A-133 and 24 CFR 570 Subpart K.
7. Separation of Accounts. All funds received by SUBRECIPIENT from City pursuant to this Agreement shall be maintained separate and apart from any other fund of SUBRECIPIENT or of any principal or member of SUBRECIPIENT in an account in a federally insured banking

or savings and loan institution. No monies shall be withdrawn from such account except for expenditures authorized by this Agreement.

8. Retention of Records. All accounting records and evidence pertaining to all costs of SUBRECIPIENT and all documents related to this Agreement shall be kept available at SUBRECIPIENT'S office or place of business for the duration of the Agreement and thereafter for three (3) years after completion of an audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which CITY or any other governmental agency takes exception, shall be retained beyond the three (3) years until resolution or disposition of such appeals, litigation claims, or exceptions.

9. Compliance with Applicable Laws. SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits including but not limited to federal CDBG financial and contractual procedures, and OMB Circular Nos. A-87, A-122, and A-110 with Attachments A, B, C, F, H, N, and O, as set forth in 24 CFR 570.502(b). Said federal documents are on file in the City of Escondido Community Development Block Grant Division, 201 N. Broadway, Escondido, CA 92025, and are incorporated herein by reference. The SUBRECIPIENT shall secure any new permits required by authorities herein with jurisdiction over the project, and shall maintain all presently required permits. The SUBRECIPIENT shall ensure that the requirements of the California Environmental Quality Act are met for any permits or other entitlements required to carry out the terms of this Agreement.

SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits regarding provision of services to non-U.S. citizens.

No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

10. Affirmative Action Policy.

a. Provision of Program Services.

- (1) SUBRECIPIENT shall not, on the ground of race, color, national origin, sex or disability, exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with CDBG funds.
- (2) SUBRECIPIENT shall not, under any program or activity funded in whole or in part with CDBG funds, on the ground of race, color, national origin, sex or disability:
 - (a) Deny any facilities, services, financial aid or other benefits provided under the program or activity.
 - (b) Provide any facilities, services, financial aid or other benefits which are different or are provided in a different form from that provided to others under the program or activity.
 - (c) Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit under the program or activity.
 - (d) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.
 - (e) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which the individual must meet in order to be provided any facilities, services or other benefit provided under the program or activity as an employee.
 - (f) Deny an opportunity to participate in a program or activity as an employee.
- (3) SUBRECIPIENT may not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination on the basis of race, color, national origin, sex or disability, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular race, color, national origin, sex or disability.
- (4) SUBRECIPIENT, in determining the site or location of housing or facilities provided in whole or in part with CDBG funds, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color,

national origin, sex or disability, or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Civil Rights Act of 1964 and amendments thereto.

- (5) (a) In administering a program or activity funded in whole or in part with CDBG funds regarding which the SUBRECIPIENT has previously discriminated against persons on the ground of race, color, national original, sex or disability, the SUBRECIPIENT must take affirmative action to overcome the effects of prior discrimination.
 - (b) Even in the absence of such prior discrimination, a SUBRECIPIENT in administering a program or activity funded in whole or in part with CDBG funds should take affirmative action to overcome the effects of conditions which would otherwise result in limiting participation by persons of a particular race, color, national origin, sex or disability, to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which CDBG funding applies, the SUBRECIPIENT has an obligation to take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the Civil Rights Act of 1964.
 - (c) A SUBRECIPIENT shall not be prohibited by this part from taking any eligible action to ameliorate any imbalance in services or facilities provided to any geographic area or specific group of persons within its jurisdiction where the purpose of such action is to overcome prior discriminatory practice or usage.
- (6) Notwithstanding anything to the contrary in Sections A.10.a(1-5), nothing contained herein shall be construed to prohibit any SUBRECIPIENT from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

b. Employment Discrimination.

- (1) SUBRECIPIENT shall not discriminate against any employee or application for employment because of race, color, religion, sex, national origin, age or disability. SUBRECIPIENT shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, age or disability. Such action shall

include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- (2) SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of SUBRECIPIENT, state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, age or disability.
- (3) SUBRECIPIENT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contractor understanding, a notice to be provided by CITY'S contracting officers advising the labor union or workers' representative of SUBRECIPIENT'S commitments under Section 202 of Executive Order No. 11246 of September 14, 1965, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.
- (4) SUBRECIPIENT shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) SUBRECIPIENT shall furnish to the CITY all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the related rules, regulations, and orders.
- (6) In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) SUBRECIPIENT shall include the provisions of Section A.10.B, "Affirmative Action Policy," Paragraphs 1 through 6, in every subcontract or purchase order unless exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so

that such provisions will be binding upon each subcontractor or vendor. SUBRECIPIENT shall take such action with respect to any subcontractor or purchase order as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the CITY, SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

- (8) SUBRECIPIENT shall not discriminate on the basis of age in violation of any provision of the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

SUBRECIPIENT shall also provide ready access to and use of all CDBG fund assisted buildings and programs to qualified persons with disabilities in compliance with the Americans with Disabilities Act of 1990.

- (9) SUBRECIPIENT will provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
 - (b) Establishing an ongoing drug-free awareness program to inform employees about:
 - 1) The dangers of drug abuse in the workplace.
 - 2) The grantee's policy of maintaining a drug-free workplace.
 - 3) Any available drug counseling, rehabilitation, and employee assistance programs.
 - 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a).
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 - 1) Abide by the terms of the statement.

- 2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- (e) Notifying the agency, in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
 - (f) Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:
 - 1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended;

OR

 - 2) Requiring such employee to participate satisfactorily in a drug-abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.
 - (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a)-(f).
 - (h) "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15).

"Conviction" means a finding of guilt (through a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.

"Criminal drug statute" means a federal or nonfederal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance.

"Employee" means the employee of a SUBRECIPIENT directly engaged in the performance of work under this contract including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under this contract and who are not on the SUBRECIPIENT'S payroll. This definition does not include workers not on the payroll of the SUBRECIPIENT (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the payroll; or employees of SUBRECIPIENTS or subcontractors in covered workplaces).

- c. Remedies. In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, the CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts and any such other sanctions as may be imposed and remedies invoked as provided by law.
11. Ineligibility of Subrecipients of Contractors. SUBRECIPIENT shall not use CDBG funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the SUBRECIPIENT or such contractor under the provisions of 24 CFR Part 24.
12. Conflict of Interest. In the procurement of supplies, equipment, construction and services by SUBRECIPIENT, the conflict of interest provisions in Attachment O of OMB Circular No. A-110 and 24 CFR 570.611 shall apply.
13. Condition for Religious Organization. SUBRECIPIENT shall comply with all applicable conditions prescribed in 24 CFR 570.200(j) and by HUD for the use of CDBG funds by religious organizations if SUBRECIPIENT is a religious organization.
14. Suspension and Termination. In accordance with 24 CFR 85.43, suspension or termination may occur if SUBRECIPIENT materially fails to comply with any term of this Agreement and/or the award, of this Agreement and/or the award may be terminated for convenience in accordance with 24 CFR 85.44.
15. Reversion of Assets. Upon termination or expiration of the term of this Agreement, the SUBRECIPIENT shall transfer to the CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the SUBRECIPIENT'S control that was acquired or improved in whole or in part with CDBG funds shall either be:

- a. Used to meet one of the national objectives stated in 24 CFR 570.208 until five (5) years after termination or expiration of this Agreement, or for such longer periods of time as determined to be appropriate by the CITY; or
 - b. Disposed of in a manner that results in the CITY'S being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Reimbursement to the CITY shall not be required after the period of time specified in Section A.15.a of this Agreement.
16. Independent Contractor. SUBRECIPIENT agrees that the performance of obligations hereunder are rendered in its capacity as an independent contractor and that it is in no way an employee or agent of the CITY.
17. Licensing. SUBRECIPIENT agrees to obtain and maintain all licenses, registrations, accreditations, and inspections from all agencies governing its operations. SUBRECIPIENT shall insure that its staff shall also obtain and maintain all required licenses, registrations, accreditations, and inspections from all agencies governing SUBRECIPIENT'S operations hereunder.
18. Inspection of Records. CITY and the United States government and/or their representatives shall have access for purposes of monitoring, auditing, and examining SUBRECIPIENT'S activities and performance, to books, documents and papers, and the right to examine records of SUBRECIPIENT'S subcontractors, bookkeepers and accountants, employees and participants in regard to said program. CITY and the United States government and/or their representative shall also schedule on-site monitoring at their discretion. Monitoring activities may also include, but are not limited to, questioning employees and participants in said program and entering any premises or any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. Nothing herein shall be construed to require access to any privileged or confidential information as set forth in federal or state law.
- SUBRECIPIENT agrees to provide notification of any audits or investigations, including copies of results, findings, and/or liens.
- In the event SUBRECIPIENT does not make the above-referenced documents available within the City of Escondido, California, SUBRECIPIENT agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any audit at the location where said records and books of account are maintained.
19. Assignability. SUBRECIPIENT shall not assign or transfer any interest in this Agreement, whether by assignment, delegation or novation, without the prior written consent of CITY; provided, however, that claims for money due or to become due to SUBRECIPIENT from

CITY under this Agreement may be assigned to a bank, trust company or other financial institution, or to a trustee in bankruptcy, without such approval. Any assignment, delegation or novation other than as provided above shall be void and inoperative. Notice of any proper assignment or transfer shall be promptly furnished to CITY.

20. Hold Harmless.

- a. SUBRECIPIENT shall indemnify and save harmless CITY, its officers and employees, from and against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings of any kind or nature, including, but not by way of limitation, workers' compensation claims, resulting from or arising out of the negligent acts, errors or omissions of SUBRECIPIENT, its employees or subcontractors.
- b. SUBRECIPIENT, shall indemnify and save harmless CITY, its officers, and employees from and against any and all damages to property or injuries to or death of any person or persons, including property, and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings therefrom, resulting from or arising out of the intentional or malicious acts of SUBRECIPIENT, its employees or subcontractors.

21. Insurance.

- a. The SUBRECIPIENT 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 8(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
 - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.

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

Acknowledged by SUBRECIPIENT _____

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 CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from SUBRECIPIENT'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, SUBRECIPIENT 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.

B. CITY OBLIGATIONS

- 1. Payment of Funds. CITY shall pay to SUBRECIPIENT from CDBG funds, when, if and to the extent received from HUD, amounts expended by SUBRECIPIENT in carrying out said program pursuant to this Agreement up to a maximum aggregate payment of \$ [redacted] in installments determined by CITY. Payment shall be made to SUBRECIPIENT through the submission of monthly invoices, in a form prescribed by CITY, detailing such expenses. CITY shall pay such invoices within thirty (30) days after receipt thereof, provided CITY is satisfied that such expenses have been incurred within the scope of this Agreement and that SUBRECIPIENT is in compliance with the terms and conditions of this Agreement.
- 2. Audit of Account. CITY shall include an audit of the account maintained by SUBRECIPIENT pursuant to Section A.8 of this Agreement in CITY'S annual audit of all CDBG funds pursuant to federal regulations found in Title 24 of the Code of Federal Regulations and other applicable federal laws and regulations.

C. MISCELLANEOUS PROVISIONS.

- 1. Termination of Agreement. CITY or SUBRECIPIENT may terminate this Agreement by giving written notice to the other party thirty (30) days prior to the effective date of termination. Additionally, the CITY shall have the right, in accordance with 24 CFR 85.43, to terminate this Agreement immediately or withhold payment of any invoice for failure of the SUBRECIPIENT to comply with the terms and conditions of this Agreement. Should the CITY decide to terminate this Agreement after a full evaluation of all circumstances has been completed, the SUBRECIPIENT shall, upon written request, have the right to an appeal process. A copy of the appeal process will be attached to any termination notice.

If the CITY finds that the SUBRECIPIENT has violated the terms and conditions of this Agreement, the SUBRECIPIENT may be required to:

- a. repay all monies received from the CITY under this Agreement; and/or
- b. transfer possession of all materials and equipment purchased with grant money to the CITY.

In the case of early termination, a final payment may be made to the SUBRECIPIENT upon receipt of a final payment may be made to the SUBRECIPIENT upon receipt of a Final Report and invoices covering eligible costs incurred prior to termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.

- 3. Notices. All notices to the parties required by this Agreement shall be in writing and addressed as follows:

TO CITY:	City of Escondido Housing and Neighborhood Services Division 201 N. Broadway Escondido, CA 92025
----------	---

TO SUBRECIPIENT: Subrecipient
 Address
 Address

3. Exclusivity and Amendment of Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the services of SUBRECIPIENT and provision of CDBG funds by CITY and contains all the covenants and agreements between the parties with respect to the conditions of said services and funding in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement or amendment hereto shall be effective unless executed in writing and signed by both CITY and SUBRECIPIENT.
4. Laws Governing This Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state of California, all applicable federal statutes and regulations as amended, and all applicable local laws.
5. Severability. The invalidity in whole or in part of any provision of this agreement shall not void or affect the validity of any other provisions of this Agreement.
6. Construction of Agreement. The provisions of this Agreement and its Exhibits shall be construed as a whole. The captions preceding the text of each section are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.
7. Immigration Reform and Control Act of 1986. SUBRECIPIENT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. SUBRECIPIENT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. SUBRECIPIENT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, CITY and SUBRECIPIENT have caused this Agreement to be executed by their duly authorized representatives.

SUBRECIPIENT

By _____ Date: _____
Executive Director

By _____ Date: _____
President of Board of Directors
(above signatures must be notarized)

CITY OF ESCONDIDO

By _____ Date: _____
Bill Martin
Director of Community Development

By _____ Date: _____
Diane M. Halverson, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
Michael R. McGuinness, City Attorney

By: _____

ATTACHMENT "A" of Contract

PROJECT WORKPLAN

Organization: _____ **Fiscal Year 20__ - 20__**
Project Title: _____
Goal Statement: _____

Objective: _____

Key Activities	Date

If the proposed program has more than one objective, please submit a separate work plan form for each objective. You may wish to make a copy of this page prior to completion.

**ATTACHMENT "B" of Contract
 BUDGET
 Fiscal Year 20__ - 20__**

Organization: _____

Project Title: _____

ITEM	ESCONDIDO FUNDING	OTHER FUNDS		PROJECT TOTAL
		AMOUNT	SOURCE	
Personnel				
Operating Expenses				
Professional Services				
Total				

RESOLUTION NO. 2018-28

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE CITY OF ESCONDIDO ONE-
YEAR ACTION FUNDS AND APPROVING
SUBMITTAL TO PLAN FOR HOME, CDBG, AND
ESG TO THE DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

WHEREAS, the City of Escondido (“City”) is a recipient of HOME Investment Partnerships Program (“HOME”), Community Development Block Grant (“CDBG”), and Emergency Solutions Grant (“ESG”) funds from the United States Department of Housing and Urban Development; and

WHEREAS, the City desires at this time and deems it to be in the best interest to adopt the One-Year Action Plan for HOME, CDBG, and ESG funds.

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

1. That the above recitations are true.
2. The City Council approves the adoption of the 2018-2019 One-Year Action Plan for HOME, CDBG, and ESG funds.
3. The City Council approves the submittal of the 2018-2019 One-Year Action Plan to the Department of Housing and Urban Development (“HUD”).



FUTURE CITY COUNCIL AGENDA ITEMS

Updated May 9, 2018

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

<p>May 23, 2018 4:30 p.m.</p>
<p>PROCLAMATIONS</p>
<p>Public Works Week – May 20-27, 2018</p>
<p>CONSENT CALENDAR</p>
<p>Final Map, Escondido Tract SUB 16-0001, Located at 700 West Grant Avenue (J. Procopio)</p> <p><i>This project was recommended for approval by the Planning Commission on September 13, 2016, as Resolution No. 6076 and subsequently approved by the City Council on October 12, 2016, as Resolution No. 2016-144 together with Master and Precise Development Plans and a Development Agreement, all as Ordinance No. 2016-16. This Final Map is in substantial conformance with the Tentative Map and subject to the Conditions of Approval and terms of the Development Agreement.</i></p>
<p>Notice of Completion for the Neighborhood Group Street Lighting Project (J. Procopio)</p> <p><i>This Project featured the installation of 44 new street lights with LED luminaries in five CDBG-eligible neighborhoods: The Elms, Rustic Village, Mission Grove, Cedar-Cedar Brook, and Rose Street to Foxdale Place. The Project also included retrofitting 22 existing street light fixtures with new LED luminaries, and the addition of 6 new street lights with LED luminaries adjacent to the "Missing Link" trail running along the west side Centre City Parkway, north of W. Valley Parkway</i></p>
<p>PUBLIC HEARINGS</p>
<p>Public Hearing for the City of Escondido Landscape Maintenance District Zones 1 Through 38 (J. Procopio)</p> <p><i>As a part of the approval process for the annual Engineer's Reports for LMD Zones 1 through 38, a public hearing is required to receive input on the proposed assessments for the upcoming fiscal year. No City Council action is required</i></p>
<p>TEFRA Hearing for Oak Hill Residential Care (B. Martin)</p> <p><i>Affordable Senior Housing Foundation has purchased Oak Hill Residential Care, a senior care facility consisting of seven assisted living and memory care residential cottages with approximately 99 beds. Affordable Senior Housing Foundation has requested the City authorize CEDA to participate in the issuance of up to \$20,000,000 in bonds to refinance the cost of the acquisition, renovation, equipping and furnishing of the facilities. The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) establishes a public hearing required by the IRA for the issuance of tax-exempt debt.</i></p>

May 23, 2018
Continued

PUBLIC HEARINGS Continued

Short-Form Rent Review Board Hearing for Casa de Amigos Mobilehome Park
(B. Martin)

The application meets all the eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 24-month period of consideration from December 31, 2015 to December 31, 2017. Seventy-five percent of the change in the CPI for the period is 3.574 percent. The average space rent for the 36 spaces subject to rent control is \$635.02. The average requested increase per space is approximately \$22.69.

Short-Form Rent Review Board Hearing for City-Owned Lots at Mountain Shadows Mobile Home Park
(B. Martin)

The application meets all the eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 24-month period of consideration from December 31, 2015 to December 31, 2017. Seventy-five percent of the change in the CPI for the period is 3.574 percent. The average space rent for the 22 paces owned by the City of Escondido is \$349.85. The average requested increase per space is approximately \$12.50.

Update to the City's Car Wash Regulations
(B. Martin)

Modification to Article 16 (Commercial Zones), Article 26 (Industrial Zones) and Article 57 (Miscellaneous Use Restrictions) of the Escondido Zoning Code to maximize the City's ability to exercise discretionary review of car wash and detailing land use applications. The Zoning Code Amendment requires amendments to the South Centre City Specific Plan and East Valley Parkway Area Plan to ensure car wash facilities are reviewed and considered consistently, Citywide.

Update to the City's Self-Storage Facility Regulations
(B. Martin)

Modification of Article 1 (Definitions), Article 16 (Commercial Zones), Article (Industrial Zones), and Article 57 (Miscellaneous Use Restrictions) of the Escondido Zoning Code to limit self-storage facilities and maximize the City's ability to exercise discretionary review of self-storage facility applications. The proposal requires amendments to the East Valley Parkway Area Plan and South Centre City Specific Plan to ensure self-storage facilities are reviewed and considered consistently Citywide.

CURRENT BUSINESS

FUTURE AGENDA ITEMS (D. Halverson)

May 30, 2018
NO MEETING (Memorial Day)

Weekly Activity Report



May 10, 2018

FEATURED THIS WEEK

Comprehensive Approach Produces Results!

This week several local news outlets highlighted the City's creative and effective outreach to tackle homelessness in Grape Day Park. The collaborative work of our Rangers, Public Works staff, Attorney's Office, Code Enforcement staff, Police, and City leadership has been imperative to this success.

<http://www.sandiegouniontribune.com/communities/north-county/sd-no-grape-homeless-20180418-story.html>

<http://www.kusi.com/enforcement-and-compassion-escondidos-approach-to-helping-the-homeless/>

<http://www.cbs8.com/story/38133943/grape-day-park-homeless-take-over-park-park-lovers-take-it-back>

Seniors Danced the Night Away at Park Avenue Community Center

On Saturday, May 5, the 7th annual Sr. Senior Prom, "A Night Under the Stars," was held at the Park Avenue Community Center. The night was enjoyed by both high school and older adult seniors. The night included entertainment by Calico Ridge, complimentary corsages and boutonnieres, delicious snacks, and a special performance by the Helping Hands youth. The highlight of the night was the crowning of the prom King and Queen, Lee & Laura.



COMMUNITY DEVELOPMENT

Major Projects Update

The following major projects are being reviewed and coordinated by Planning, Engineering, Fire, Building and Utilities. The list of projects below encompasses recent project updates and/or milestones from last week. A more complete list and description of active or pending projects can be viewed [here](#).

Commercial / Office:

1. Escondido Research and Technology Center (ERTC) – West (Developer: James McCann) 2181 Citracado Parkway – A plan for a new two-story, 57,000 SF, 52-bed Palomar Rehabilitation Institute was submitted as a Plot Plan on July 31, 2017. The Plot Plan approval letter was issued on February 7, 2018. A second grading plan check was submitted by the applicant on April 16, 2018, and is now being reviewed by staff. Engineering comments are expected to be issued this week.
2. Escondido Research and Technology Center (ERTC) – PPH (Developer: Palomar Health) 2177 Citracado Parkway – A plan for a new two-story 4,220 SF Crisis Stabilization Unit for Palomar Hospital adjacent to the western side of the hospital was submitted on March 7, 2018. The Plot Plan conditional letter of approval was issued on May 2, 2018.

Industrial

1. Escondido Self-Storage Facility (Developer: Brandywine Homes, Inc.) 2319 Cranston Dr. – A revised grading plan was submitted on February 22, 2018. The applicant had intended to pull permits this month. Engineering has notified the applicant that a final map will be required prior to building permit issuance.
2. North American Self-Storage (Developer: Russ Colvin) 852 S. Metcalf – A revised plot plan has been approved and revised building plans were submitted into plan check on January 17, 2018. Esgil and Fire have approved the building plans. Planning has very minor corrections remaining. Engineering has approved the grading plan for the revised project and is awaiting posting of the improvement bonds prior to authorizing issuance of the building permit.

City Projects

1. Micro-Filtration Reverse Osmosis (Developer: City of Escondido Utilities Department) SE corner Ash/Washington – The City Council approved a contractual agreement with Black and Veatch for design-build engineering services on April 4, 2018. The design-build engineer will complete final design and help select and manage a design-build contractor for construction of the project.
2. Lake Wohlford Replacement Dam (Developer: City of Escondido Utilities Department) – 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. A field visit with staff from the state and federal wildlife agencies took place on May 11, 2017, to review biological mitigation requirements

including an agency request for full mitigation for emergent vegetation at the eastern end of the lake that came into existence since the lake level was reduced for safety reasons. Staff sent a follow-up letter to the wildlife agencies on June 29, 2017, seeking clarification on the proposed biological mitigation requirements. The California Department of Fish and Wildlife responded last month reiterating their earlier comments. Additional information is being compiled by the City's biological consultants based on recent conversations with the agencies.

Institutional

1. Escondido Assisted Living (Developer: Tigg Mitchell, Mitchell Group) 1802 N. Centre City Parkway – This CUP application for a 71,300 SF three-story, assisted living and memory care facility with 90 total units was submitted on October 31, 2017. The City Council authorized review of a General Plan Amendment request on March 21, 2018, which was necessary to review the request to allow a third floor for the building. The applicant has been actively engaged with Fire, Engineering and Planning staff and has provided several revisions intended to address identified issues with the most recent project revision received on May 3, 2018. The applicant provided a revised biological study on April 23, 2018, and a revised storm water management plan on May 3, 2018.

Residential

1. Citron (formerly Stella Park) (Developer: William Lyon Homes) 63 condo units at 2516 S. Esc. Blvd. – The final map has recorded. Construction of model units is underway on the western building along S. Escondido Boulevard. Building permits for the remaining buildings are expected to be issued once installation of the internal access road is completed.
2. Wohlford (Developer: Jack Henthorne) 55 lots at 661 Bear Valley Pkwy. – Staff met with the applicant to review the draft conditions of approval for the project. Staff and the applicant have been working for some time to complete negotiations on final terms for the Development Agreement. On February 13, 2018, the Planning Commission continued the public hearing on this item at the applicant's request to allow more time to finalize negotiations.
3. Safari Highlands Ranch (SHR) (Developer: Jeb Hall, Concordia Homes) 550 lots east of Rancho San Pasqual – A Notice of Availability for the Draft EIR was issued on October 16, 2017 for public review and comment. The comment period ended on January 2, 2018. Staff transmitted all the comment letters and emails to the Draft EIR consultant for review and to prepare a response to each comment. The Draft EIR and appendices have been posted on the City's website at the following link:

<https://www.escondido.org/safari-highlands-ranch-specific-plan.aspx>
4. 18 lots at 701 San Pasqual Valley Rd (Developer: Bob Stewart) – A three-year extension of time for the previously approved ten-lot subdivision (Tract 895) was approved by the City Council on June 7, 2017. Staff comments on the revised tentative map were issued the last week of July 2017. Staff is currently reviewing revised plans submitted by the applicant on April 5, 2018.

5. Escondido Gateway (Developer: Carolyn Hillgren, Lyon Living) 126 condo units at 700 W. Grand – Building plans have been approved by Esgil, Planning and Fire. Grading plans have been approved by Utilities, Planning and Fire. A street vacation for right-of-way frontage along Grand Avenue has been completed. The final map will be considered by the City Council for approval on May 23, 2018. The Building Division has issued a permit ready letter; and the Engineering Division has issued a bond and fee letter. It is expected the construction permits will be issued soon.
6. The Villages at Escondido Country Club (Developer: Jason Han, New Urban West, Inc.) 380 residences – The City Council voted 3-2 to approve the project on November 15, 2017. The vacant clubhouse building was destroyed by fire several days later. A lawsuit challenging the project approval was filed in Superior Court on behalf of the Escondido Country Club Homeowners (ECCHO) on December 15, 2017. The City issued a demo permit for the clubhouse building on March 30, 2018, and demolition is now underway. The City has agreed to review construction plans for the project while the lawsuit is pending, but not issue any construction permits. The applicant submitted rough grading plans, drainage improvement plans and utility relocation plans for all three villages on May 7, 2018.

The approved tentative subdivision map, Final EIR and appendices, Specific Plan and other related information can be accessed on the City's website at the following link:

<https://www.escondido.org/ecc.aspx>

7. North Avenue Estates (Developer: Casey Johnson) 34 lots at North Ave./Conway Dr. – The Planning Commission voted to recommend approval of the project on November 28, 2017. The City Council approved the project on January 10, 2018. The LAFCO application for annexation was submitted to LAFCO on February 20, 2018. On March 22, 2018, LAFCO staff provided a letter requesting additional information to support the annexation request. Staff provided the requested information to LAFCO on April 4, 2018. The applicant has recently proposed a revision to the proposed storm drain alignment. That proposal is currently being reviewed by staff.
8. Aspire (106 condo units on Municipal Lot 1) (Developer: Addison Garza, Touchstone Communities) – The proposal consists of a six-story mixed-use development on Parking Lot 1. The project was initially submitted for entitlement processing on June 23, 2017. Subsequent meetings with the applicant and staff have been on-going, and the most recent resubmittal of the project plans was received on May 10, 2018. Staff is awaiting the first submittal of the environmental documentation for review.
9. The Ivy (95 condo units at 343 E. 2nd) (Developer: Addison Garza, Touchstone Communities) - The condo project was initially submitted for entitlement processing on June 23, 2017. The applicant submitted revised project plans on December 8, 2017. The City issued a comment letter on the revised application on January 8, 2018. Staff design review occurred on March 15, 2018 and related comments have been provided to the applicant. The applicant has proposed changing circulation through the adjacent alley to one-way southbound; and a field demonstration of fire truck turning radii at the site occurred on May 2, 2018. Staff is awaiting the first submittal of the environmental documentation for review.

10. Grand Avenue Apartments (Developer: Norm LaCaze, Escondido Venture 99, LLC) 15 apt. units at 1316 E. Grand Ave. – A planned development application proposing 15 multi-family units in one three-story building on a vacant 0.51-acre lot was submitted for entitlement processing on September 22, 2017. A completeness review letter was sent to the applicant on October 20, 2017, indicating the application was incomplete. Several follow-up meetings with staff were held to discuss the outstanding issues regarding the project design and revised plans were submitted in early April. Planning Fire, Engineering and Utilities comments on the revised plans were sent to the applicant on April 25, 2018.
11. Quince Street Senior Housing (Developer: Matt Jumper, 220 Quince, L.P.) 145 apartment units at 220 N. Quince St.– The five-story affordable senior housing apartment project was submitted on November 21, 2017. Planning staff sent a letter to the applicant on December 21, 2017, indicating the application was incomplete. Three meetings with the applicant team and multiple city departments have occurred since the project submittal to discuss project design issues, with the most recent meeting occurring on April 11, 2018. The applicant has since provided a constraints drawing showing proposed access and utility easements for review. Staff comments are expected to go out soon.
12. Sager Ranch/Daley Ranch Resort Specific Plan (Developer: J. Whalen Associates, Inc., Sager Ranch Partners) 203 housing units and 225-room resort hotel on 1,783-acres, just north and east of Dailey Ranch – This proposed residential and resort hotel annexation and specific plan project was received on March 2, 2018. The project submittal has been deemed incomplete and a letter from staff requesting additional project related information was sent to the applicant on April 4, 2018. The applicant has requested a meeting with staff to discuss issues raised in the completeness letter. A project webpage containing draft documents and plans has been added to the Planning Division’s website at the following link:

[Daley Ranch Resort Specific Plan - City of Escondido](#)
13. Accessory Dwelling Units – Planning staff is currently working on five applications for accessory dwelling units. Five accessory dwelling units have been approved this year.

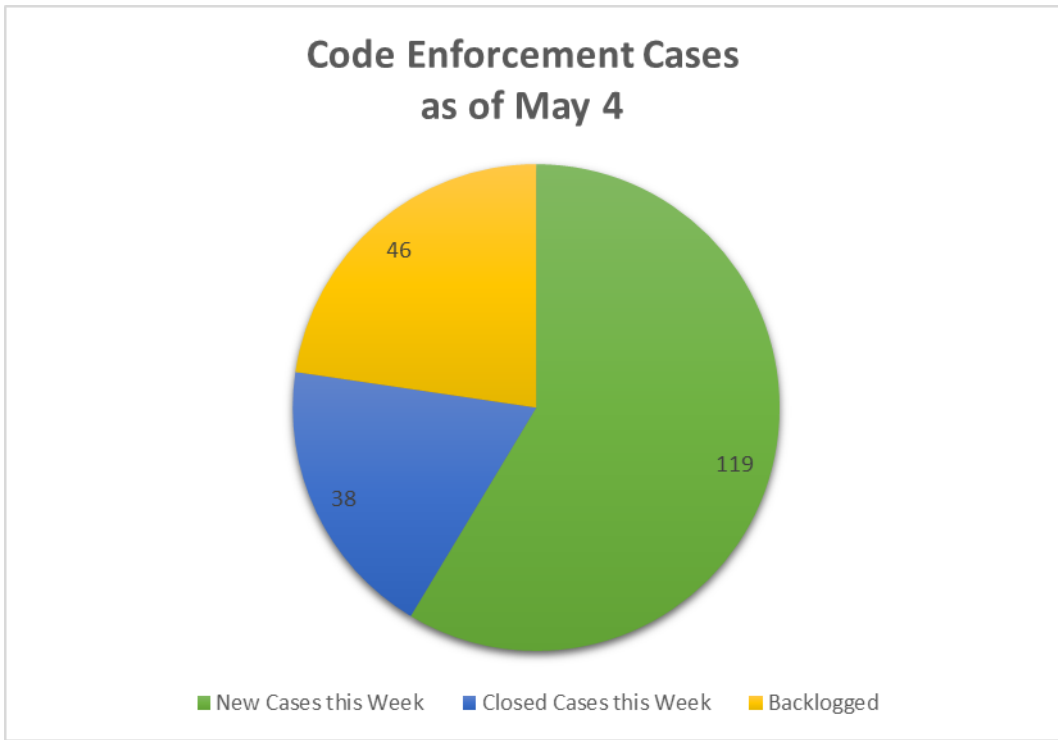
Building Division:

1. The Building Division issued 64 permits with a total valuation of \$3,128,098.
2. 18 solar photovoltaic permits were issued for the week. The Building Division has issued 351 solar permits for the year compared to 333 issued for 2017.
3. Our building inspectors responded to 229 inspection requests for the week.
4. The total building valuation for all issued permits through May 5th is \$25,229,929 compared with \$41,445,041 for same time last year. Building has processed 1,046 projects so far in 2018 compared with 1,094 projects in 2017.
5. Projects nearing permit issuance are:
 - a. 700 W Grand Ave Gateway project (previous police building).
 - b. 2516 S. Escondido Blvd. “Citron” a 63-unit condominium project (three buildings already issued).

6. The Meadowbrook three-story apartment building with underground garage at 2081 Garden Valley Glen is preparing the building for final inspection. *No change from the previous.*
7. The medical office building at 2125 Citracado Pkwy has received a 30-day Temporary Certificate of Occupancy on April 12, 2018. *No change from the previous.*
8. Seven of the eight residential buildings at the Westminster Seminary at 1725 Bear Valley Pkwy are preparing the buildings for final inspection and temporary electrical service has been released. *No change from the previous.*
9. The Emanuel Faith Church at 639 E 17th Ave is preparing for final inspection and temporary electrical service has been released. *No change from the previous.*
10. The Church of Resurrection at 1445 Conway is preparing for final inspection. *No change from the previous.*
11. The new Veterans Village project at 1540 S Escondido Blvd has received gas test and roof sheathing inspection approval on Building 1, and gas test and rough plumbing inspection approval on Building 2. Building revision have been approved and all deferred fees have been paid.
12. The new drive-thru restaurant at 720 N. Center City Pkwy, the new retail building at 730 N. Centre City Pkwy and the new drive-thru restaurant at 700 N. Centre City Pkwy have received exterior lath approval and stucco has been applied. *No change from the previous.*
13. The new market at the location of the former Toyota dealership at 151 W Lincoln is requesting final inspection of the exterior shell building. The tenant improvement permit for the interior of the building was issued on April 13, 2018.
14. The new Starbucks at 121 W. Lincoln has received exterior shear wall inspection approval.
15. The Latitude 2, apartment buildings at 610, 620, 630 and 640 N. Center City Pkwy have received second floor sheathing approval. The 660 building has received slab and foundation approval and the 650 building has received exterior framing and rough plumbing approval.
16. The new two story church sanctuary building at 1864 N Broadway has inspection approval for the final grout lift of the masonry walls as well as underground plumbing and they are setting the steel beams.
17. The 212,000 SF industrial shell building at 2005 Harmony Grove has received inspection approval for the slab pour strip and site wall footings.
18. The new 63-unit condominium project, Citron, at 2516 S Escondido Blvd has received framing approval for Building 1. Permits were issued last week for Buildings 2 and 3 with a total of 14 units.

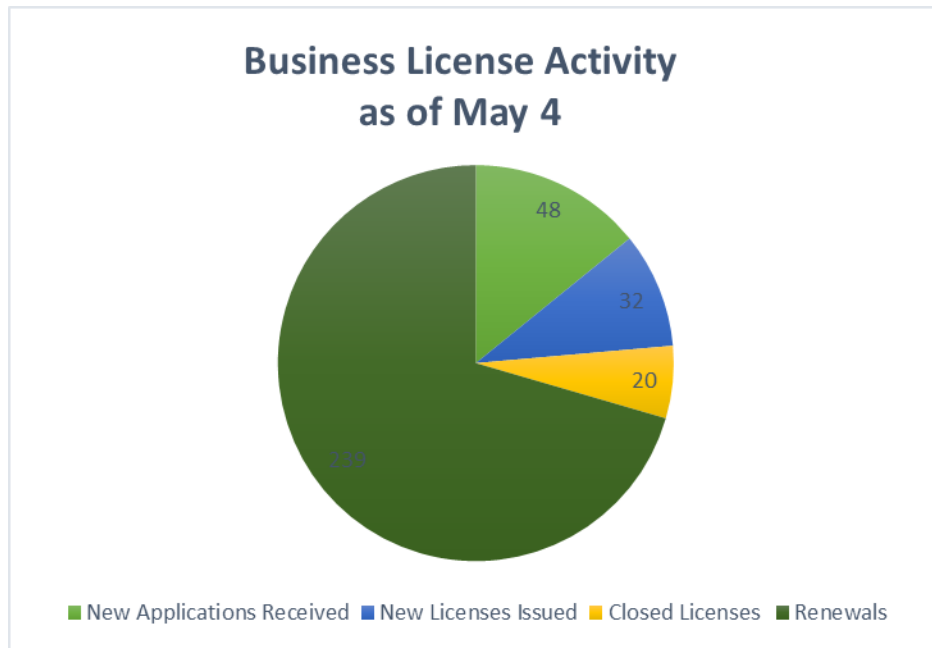
- 19. The new 105-room Springhill Suites hotel at 200 La Terraza has received floor sheathing approval for half of the second floor.
- 21. The new Starbucks at 1645 S. Centre City Parkway has almost completed the exterior shell building and are now starting on the interior tenant improvement work
- 22. Permits were issued last week for the Lincoln Avenue apartment project at 917 W. Lincoln Avenue. The project consists of three buildings with a total of nine units.

Code Enforcement



Total Open Code Cases
470

Business Licensing



ENGINEERING

Capital Improvements

Valley Pkwy/Valley Center Road Widening Project: Day 189

SDG&E completed the removal of all power poles and overhead utility lines located in the new roadway alignment on Tuesday of this week. The 5 new electric service orders for new cabinets and panels are being processed. The City is working to obtain building permits for three of the service order locations. The masonry subcontractor is continuing with the installation of CMU blocks for the sound wall along East Valley Parkway. The subcontractor completed a portion of the wall to its designed 8' height, the final grout lift in this section was completed on Tuesday of this week. The prime contractor is continuing to construct the bio retention basin #5 located along Valley Center Road, and has begun pot holing the utilities located in the Lake Wohlford/ Valley Center Road intersection prior to starting the new 24" storm drain through this intersection. The biggest news is that the remaining class II roadway base material is being placed along the east side of the project this week so that the entire east side of Valley Parkway and Valley Center Road can be base paved starting on Monday of next week. Striping along the new roadway is scheduled for next Wednesday, May 16. Once the new striping is in place, traffic will be shifted to the east side of Valley Parkway and Valley Center Road to allow for work to begin on the second phase of the project. This shift is anticipated to occur the week of May 21. The traffic signal contractor is scheduled to install 3 of the new traffic signal poles at the Lake Wohlford intersection on Thursday of this week. This will require that the signal be turned off for a 4 hr. period beginning at 10:00 a.m. Stop signs and message boards will be installed during this off peak travel time.

Neighborhood Lighting Project

The remaining lights for the Centre City Parkway corridor portion of the bike path between Valley Parkway and Washington Avenue have been delivered and installed, with the final

energization to be completed by the end of the month. The Neighborhood Street light project is nearing completion with street lights energized in four of the five neighborhoods on February 14th. The project features the installation of 44 new street lights with L.E.D. Luminaries in five neighborhoods: The Elms, Rustic Village, Mission Grove, Cedar-Cedar Brook, and Rose to Foxdale. Additionally, 22 existing street light fixtures were retrofit with L.E.D. The new L.E.D. Luminaries shine a clean white light on the surrounding area, in contrast with the yellow light given off by the existing fixtures. The Rose to Foxdale energization has been delayed another two weeks for further review by the utility provider.

CMP Assessment Project

Televising has been completed and a draft Televising Reports has been received. The City is now preparing a project to begin lining the highest priority CMPs.

Transit Center Pedestrian Bridge Project

Transit Center Ped Bridge and Spruce Street Channel Improvement Project is moving forward with 100% design. Resource agency permits from the Regional Water Board and Fish & Wildlife have been obtained and the City is now pursuing final Permit from Army Corps. Negotiations of drainage/wall easements and TCEs with property owners is underway.

Missing Link Project

The Notice to Proceed was May 7th, with an anticipated project duration of 120 working days. This project will complete the street improvements needed to link riders from the channel bike path that currently ends at Broadway, to where it re-starts at Quince. The City has directed the contractor to order some elements of the project which have a long lead time due to the special ordering requirement.

PRIVATE DEVELOPMENT

Centerpointe 78

A preconstruction meeting to review the new paving limits at Lincoln Avenue / Fig Street was held on Tuesday of this week. The revised design will require the replacement of 33 feet of new concrete curb and gutter at the intersection return. The new concrete will require 7 days of cure time prior to placing the new asphalt against it. Engineering staff has requested that higher strength concrete be used to shorten the turnaround time before paving can begin.

Centre City Shopping Center

On site construction of new sewer main is continuing this week, and the pot holing of all utilities in the intersection is expected to begin in the coming days. The project is located at 425 W. Mission Avenue.

Tract 932 - Canyon Grove Shea Homes Community

No changes from that reported last week: The developer will continue the construction of new homes with most roadway improvements complete at this time.

Latitude II Condominiums by a Lyon Homes Partnership: Washington Avenue @ Centre City Parkway

The contractor completed the removal of two existing water service laterals located in Washington Avenue east of Centre City Parkway on Monday of this week.

Exeter Industrial Park

The contractor has constructed the new sewer main along the channel access roadway. The repaving of the access roadway is expected this week. The project is located at 2005 Harmony Grove Road and is 5.4 acres in size.

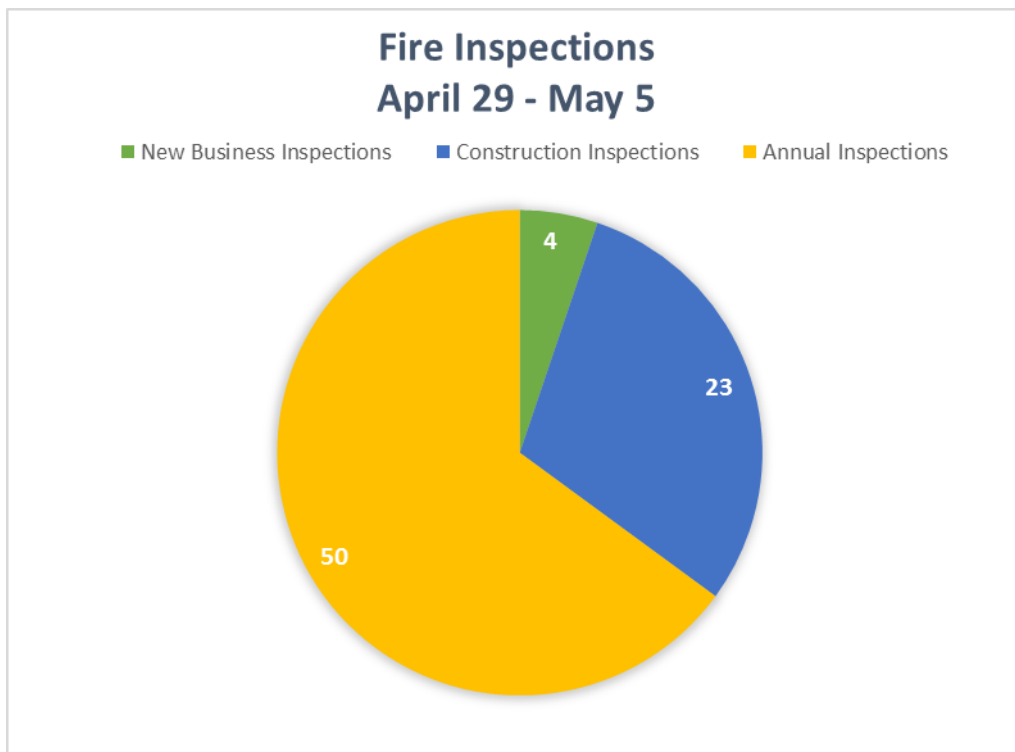
EDI Renovation

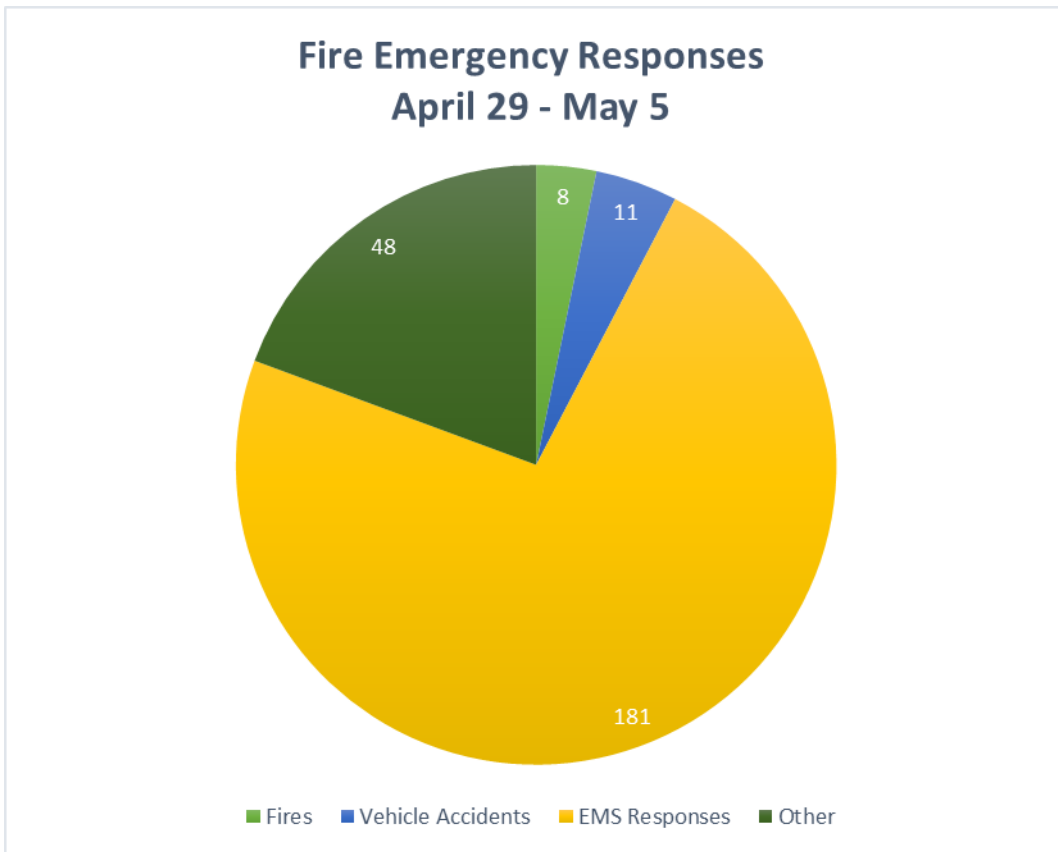
Day time operation for the installations of dry utilities has resumed along Washington Avenue this week.

SDG&E Gas Main Corrosion Testing

Work will be completed this week for the corrosion testing using the 1/2" diameter holes located in the asphalt roadway at 10' intervals along the pipe line. All drill holes will be filled by means of an approved joint compound. Electronic message boards will be used to notify businesses and vehicles traveling the route of potential detours and traffic delays.

FIRE





Total Emergency Responses (Year To Date)	5,384
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News:

- On Friday, May 4th at approximately 1700 hours, Battalion 131 (Battalion Chief Paredes and Captain Nugent) and Brush 133 (Captain Boyer, Engineer Wheeland, and Firefighter/Paramedics Maciel and McCauley) were deployed as part of a Strike Team to the “Alpha” incident at Camp Pendleton. Both units were released and returned home safely on Saturday, May 5th.
- On Friday, May 4th at approximately 2230 hours, the Escondido Police and Fire Communication Center received a report of a fire in a parked motor home with possible victims inside located at 1509 E. Valley Pkwy. The first arriving engine reported a large amount of fire and smoke coming from the motor home. Aggressive action by the firefighters contained and controlled the fire in approximately 20 minutes. The motor home sustained major damage from fire and smoke. Two adult males evacuated the motor home as fire crews arrived however, both males sustained major burns to their bodies. There were no other injuries. 3 fire engines, 1 truck, 2 rescue ambulances, 1 Battalion Chief, and 1 Investigator responded to the fire. Escondido Police Units provided crowd and traffic control. The cause of the fire is under investigation.



- On Saturday, May 6th Escondido Fire Prevention Team Members completed their inspections of the Bi-annual Escondido Renaissance Faire and Pirates in the Park.



- On Sunday, May 6th at approximately 0202 hours, the Escondido Police and Fire Communication Center received a report of a brush fire in Kit Carson Park. The first arriving engine confirmed a fire and attempted to gain access, which proved to be

difficult due to the location. A second alarm was requested due to the access issue. Crews were able to contain the fire within one hour, crews remained on scene for several hours due to extensive overhaul. The fire was approximately half an acre in size. There were at total of 7 engines, 2 Battalion Chiefs and 1 Investigator that responded to the fire. There were no injuries. The cause of the fire is under investigation.



- On Saturday, June 9th the City of Escondido Fire Department and the Rincon del Diablo Fire Protection District will be hosting their Annual Fire & Water Expo! There will be station tours, vehicle displays and lots of fun to be had for all ages.

Fire & Water Expo



Fun!

Fire Station Tours

Vehicle Displays

Critters

Cheap Lunch

Free!

Refreshments

Information

Resources

Activities for Kids

Saturday, June 9 10:00 - 2:00

Fire Station #4, Kit Carson Park, 3301 Bear Valley Pkwy.

Sponsored by the Escondido Fire Department and the Rincon del Diablo Fire Protection District
For more information, call (760) 745-5522 or visit www.rinconwater.org

POLICE

INCIDENTS:

- On 4-29-2018, officers responded to the Starbucks, in the 1200 block of Auto Park Way, reference a person who had been ejected from the business. Prior to leaving the store, the subject stated he had a bomb in his duffel bag. The subject was contacted by officers near the north driveway of the Promenade Shopping center. The subject was uncooperative during the contact. Due to the subject's behavior and statements, the San Diego County Sheriff's Department Bomb Squad was requested. The Bomb Squad responded to the scene and utilized an explosive charge to render any potential explosive device inoperable. It was later determined the subject's bag did not contain an explosive device. The subject was booked into the Vista Detention Facility.



- On 4-29-2018, Officer Byler conducted a traffic stop in the area of Centre City Pky & Washington Ave. once the driver pulled over, he immediately exited his vehicle and began making paranoid, delusional statements. Based on the bizarre behavior, officers attempted to place handcuffs on the driver. The driver pulled away from both officers and attempted to punch one of the officers. The driver was taken to the ground by one of the officers but continued to resist. The driver was ultimately taken into custody. The officers sustained minor injuries during the incident. The driver was booked into the Vista Detention Facility for assault on a police officer.
- On 5-2-2018, officers responded to a call of a gang fight in the 600 block of N. Grape St. As officers were enroute to the call, dispatch updated the officers that several gun shots were heard by the caller. Officers arrived on scene and located two victims, one with injuries to his head and face and one that had been shot and was deceased. The following day, detectives arrested the suspected shooter and booked him into the Vista Detention Facility. The investigation is ongoing.
- On 5-3-2018, officers were dispatched to the Target on Auto Park Way reference a call of three shoplifters fleeing the shopping center in a vehicle. Officers observed a vehicle matching the description and conducted a traffic stop. All occupants were detained without incident. The officers conducted an investigation and recovered property stolen from the store and drugs. The officers also discover that the vehicle driven by the suspects was an unreported stolen vehicle. All of the suspects were arrested and charged with possession of a stolen vehicle, possession of a controlled substance and burglary.
- On 5-4-2018, Officer Armenta attempted to make a traffic enforcement stop in the area of Grand Ave. at Harding St. The driver failed to stop and fled the area. After a short vehicle pursuit, the pursuit was terminated because the driver showed a willful wanton disregard for the public's safety. The investigation is ongoing.

- On 5-4-2018, dispatched received several 911 calls regarding an RV on fire in a grocery store parking lot in the 1500 block of E. Valley Pkwy. officers arrived on scene and found the RV fully engulfed. There were two adult male occupants inside the RV that made it out. One person had significant burns all over his body and was transported to Palomar Medical Center. The Escondido Fire Department is handling investigation.



COPPS:

The COPPS (Community Oriented Policing and Problem-Solving) Unit is dedicated to increasing the quality of life for the residents of Escondido through pro-active responses to crime trends, quality of life issues, and addressing crime and public nuisance in Grape Day Park and at Maple Plaza.

- 6 arrests were made
- 14 citations were issued
- 15 radio calls

EVENTS:

- On 5-1-2018, members of the department's Traffic Unit helped a local elementary school kick off their bike to school month with a bike rodeo. The topics discussed were bicycle, scooter, and skateboard safety and the proper use of helmets.



- On 5-2-2018, Chief Carter and members of the department's Honor Guard participated in the San Diego County Law Enforcement Memorial. The event honors all San Diego County law enforcement officers who have given their lives in the line of duty.



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