



Council Meeting Agenda

MAY 8, 2019
CITY COUNCIL CHAMBERS
4:30 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Paul McNamara
DEPUTY MAYOR	Consuelo Martinez
COUNCIL MEMBERS	Olga Diaz John Masson Michael Morasco
CITY MANAGER	Jeffrey Epp
CITY CLERK	Zack Beck
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 8, 2019
4:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

MOMENT OF REFLECTION

FLAG SALUTE

ROLL CALL: Diaz, Martinez, Masson, Morasco, McNamara

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)

Request the City Council approve the City Council, Successor Agency, and Housing Successor Agency warrant numbers:

- 329929 – 330195 dated April 24, 2019

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

3. APPROVAL OF MINUTES: None Scheduled

4. TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2019 -

Request the City Council receive and file the Quarterly Investment Report.

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

5. CITY OF ESCONDIDO'S INVESTMENT POLICY -

Request the City Council approve the City of Escondido's May 2019 Investment Policy.

Staff Recommendation: **Approval (City Treasurer's Office: Douglas W. Shultz)**

RESOLUTION NO. 2019-57

6. RENEW SIGNATURE AUTHORIZATIONS FOR INVESTING CITY FUNDS IN THE LOCAL AGENCY INVESTMENT FUND -

Request the City Council approve renewing authorization to invest monies, not required for immediate cash flow needs, in the Local Agency Investment Fund (LAIF) which is administered by the State Treasury in accordance with Section 16429.1 of California Government Code.

Staff Recommendation: **Approval (City Treasurer's Office: Douglas W. Shultz)**

RESOLUTION NO. 2019-63

7. CONSULTING AGREEMENT FOR MIDWAY DRAINAGE IMPROVEMENTS -

Request the City Council approve authorizing the Mayor and City Clerk to execute a Consulting Agreement with NV5 in the amount of \$164,900 to complete a drainage study for the East Valley Parkway and Midway Drive Drainage Improvement Project.

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

RESOLUTION NO. 2019-68

8. APPROVAL OF CALPERS INDUSTRIAL DISABILITY FOR POLICE OFFICER RAYMOND SOLORIO -

Request the City Council approve the California Public Employees' Retirement system (CalPERS) Industrial Disability Retirement for Police Officer Raymond Solorio.

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

RESOLUTION NO. 2019-70

9. ANNUAL STATE MANDATED INSPECTION COMPLIANCE REPORT -

Request the City Council approve acknowledging receipt of an Annual State Mandated Inspection Compliance Report. The report reflects that the Escondido Fire Department has conducted 100% of the inspections of certain structures as required by state law.

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

RESOLUTION NO. 2019-72

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.)

10. AMENDMENT TO DOWNTOWN SPECIFIC PLAN - DENSITY TRANSFER PROGRAM (PHG 17-0024 AND ENV 19-0004) -

Approved on May 1, 2019 with a vote of 5/0

ORDINANCE NO. 2019-06 (Second Reading and Adoption)

CURRENT BUSINESS

11. DALEY RANCH CONSERVATION BANK CREDIT SALES STRATEGY -

Request the City Council approve implementing a strategy for increasing Daley Ranch conservation habitat credit sales by offering a five percent price reduction to purchasers of negotiated habitat credits from competing mitigation banks for the sale of comparable Daley Ranch habitat credits and proactively approaching developers who require habitat mitigation and informing them of opportunities to save five percent by purchasing conservation credits in Daley Ranch.

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

RESOLUTION NO. 2019-59

WORKSHOP

12. FISCAL YEAR 2019/20 PRELIMINARY OPERATING BUDGET STATUS -

Request the City Council review the proposed Fiscal Year 2019/20 General Fund Preliminary Operating Budget status, consider public feedback and comment, and authorize staff to return with the Fiscal Year 2019/20 General Fund Operating Budget on June 12, 2019.

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

13. FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND FISCAL YEAR 2019/20 CIP BUDGET STATUS -

Request the City Council review the proposed Fiscal Year 2019/20 Five-Year Capital Improvement Program Budget status and authorize staff to return with the final 2019/20 Capital Improvement Program and Budget on June 12, 2019.

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

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: Zack Beck)**

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. This report is also available on the City's website, www.escondido.org.

- 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 15	Wednesday	5:00 & 6:00 PM	Regular Meeting	Council Chambers
May 22	Wednesday	5:00 & 6:00 PM	Regular Meeting	Council Chambers
May 29	-	-	No Meeting	-
June 5	Wednesday	5:00 & 6:00 PM	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 5:00 in Closed Session and 6:00 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.



AFFIDAVITS

OF

ITEM

POSTING



CITY COUNCIL STAFF REPORT

Consent Item No. 2

May 8, 2019

File No. 0400-40

SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

Request approval for City Council, Successor Agency and Housing Successor Agency warrant numbers 329929 – 330195 dated April 24, 2019.

FISCAL ANALYSIS:

The total amount of the warrants for the period of April 18 – 24, 2019 is \$2,296,084.52.

BACKGROUND:

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.



Consent Item No. 3

May 8, 2019

APPROVAL

OF

MINUTES

CITY COUNCIL STAFF REPORT

Consent Item No. 4

May 8, 2019

File No. 0490-55

SUBJECT: Treasurer's Investment Report for the Quarter Ended March 31, 2019

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, 2018, was filed with the City Clerk's Office on March 13, 2019 and presented to the City Council on March 20, 2019.

BACKGROUND:

The City of Escondido's (City) Investment Policy requires the City Treasurer to submit a quarterly investment report to the City Council and City Manager. The quarterly investment report should include the type of investment, issuer, date of maturity, par, and dollar amount invested and market value for each security held by the City. Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation as of March 31, 2019 (Attachment 1)
- Summary of Investment Portfolio Yields for the last 12 months (Attachment 2)
- Summary and Detailed Reports of Investment Portfolio – January 2019 through March 2019 (Attachment 3)
- Schedule of Investments Matured – January 2019 through March 2019 (Attachment 4)
- Schedule of Funds Managed by Outside Parties as of December 31, 2018 (Attachment 5)

The first page of the Investment Report is the Summary of Investment Allocation as of March 31, 2019 (Attachment 1). This chart shows that from January 1, 2019 to March 31, 2019, the City's investment portfolio decreased from \$150.6 million to \$148 million. The adjusted average annual yield increased from 1.8 percent to 1.9 percent with the portfolio duration at 1.18. An excess of cash payment outflows over cash receipt inflows for the quarter resulted in a decrease of \$2.6 million in the book value of the investment portfolio. Major components of the net \$2.6 million decrease are:

	In Millions
Sales Tax Allocations	\$9.3
Vehicle License Fees	7
County Property Tax Allocations	4.5
San Diego County Water Authority Payments	(4.6)
CALPERS Contributions	(5.7)
PARS Contributions	(4.7)
Change in Operational Account Balance	(8.4)
Net Decrease in Investment Portfolio	(\$2.6)

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. As of March 31, 2019 the current Local Agency Investment Fund (LAIF) balance exceeded the City's \$50 million current investment policy requirement by \$9.6 million. As of March 31, 2019, the City complies with all requirements of the City's Investment Policy except the amount invested in the LAIF. While the total LAIF amount invested complies with California state guidelines, City Staff has been waiting on the onboarding of PFM Asset Management to start reallocating the funds. Staff opted to keep the funds liquid in the interim as funds have matured, and are updating the policy to match California state guidelines.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

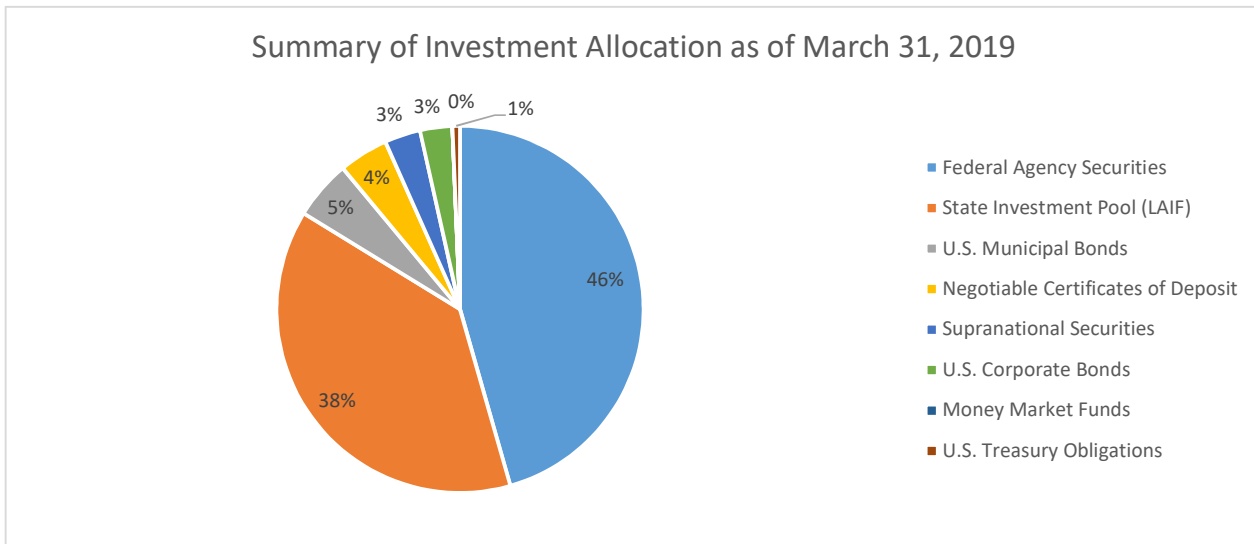
Douglas W. Shultz, City Treasurer
5/1/2019 2:39 p.m.

ATTACHMENTS:

1. Attachment 1 – Summary of Investment Allocation as of March 31, 2019
2. Attachment 2 – Summary of Investment Portfolio Yields for the last 12 months
3. Attachment 3 – Summary and Detailed Reports of Investment Portfolio January - March 2019
4. Attachment 4 – Schedule of Investments Matured January - March 2019
5. Attachment 5 – Schedule of Funds Managed by Outside Parties as of December 31, 2018

**City of Escondido
Summary of Investment Allocation
as of March 31, 2019**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Agency Securities	\$ 67,828,378	\$ 67,048,937	45.57%
State Investment Pool (LAIF)	56,197,616	56,197,616	38.20%
U.S. Municipal Bonds	7,687,894	7,670,366	5.21%
Negotiable Certificates of Deposit	6,406,000	6,376,680	4.33%
Supranational Securities	4,672,619	4,655,419	3.16%
U.S. Corporate Bonds	4,211,599	4,181,810	2.84%
Money Market Funds	0	0	0.00%
U.S. Treasury Obligations	996,724	994,410	0.68%
Total Investment Portfolio - March 2019	\$ 148,000,830	\$ 147,125,238	100%
Reported Total Investments - December 2018	\$ 150,668,891	\$ 149,127,830	
Change from Prior Quarter	\$ (2,668,061)	\$ (2,002,592)	
Portfolio Duration	1.18		



**CITY OF ESCONDIDO
SUMMARY OF INVESTMENT PORTFOLIO YIELDS
FOR THE LAST 12 MONTHS
As of March 31, 2019**

<u>Date</u>	<u>Book Value</u>	<u>Yield</u>
Mar-19	\$148,000,830.10	2.046%
Feb-19	\$155,746,837.13	2.030%
Jan-19	\$154,254,737.58	2.012%
Dec-18	\$150,668,890.63	1.970%
Nov-18	\$143,772,797.41	1.924%
Oct-18	\$140,389,352.75	1.896%
Sep-18	\$135,984,031.14	1.861%
Aug-18	\$138,992,723.25	1.832%
Jul-18	\$158,123,586.26	1.810%
Jun-18	\$164,964,837.02	1.787%
May-18	\$155,172,587.18	1.752%
Apr-18	\$142,730,971.02	1.729%
Average Portfolio Interest Yields		1.887%

Attachment 3

City of Escondido

Investment Portfolio - by Asset Class, Summary

Report Format: By Totals

Portfolio / Report Group: All Portfolios

As of 1/31/2019

Description	Face Amount	Cost Value	Market Value	Book Value	YTM @ Cost	YTM @ Market	Portfolio Duration	Days To Maturity
California Local Agency Investment Fund	59,697,616.24	59,697,616.24	59,697,616.24	59,697,616.24	2.355	2.355	0.00	1
Corporate Bond	4,200,000.00	4,217,304.00	4,149,850.50	4,212,209.01	2.610	3.080	3.26	1,248
Federal Agency Coupon Securities	69,406,000.00	69,923,193.18	68,510,061.13	69,596,371.92	1.619	2.521	1.91	715
Municipal Bond	7,655,000.00	7,705,595.95	7,607,792.45	7,689,670.98	2.673	2.999	3.33	1,279
Negotiable Certificate of Deposit	6,653,000.00	6,653,000.00	6,600,621.64	6,653,000.00	1.963	2.717	1.28	478
Supranational Securities	5,441,000.00	5,383,821.67	5,370,441.12	5,410,048.14	1.928	2.546	1.47	554
Treasury Coupon Securities	1,000,000.00	990,234.38	992,310.00	995,821.29	2.071	2.546	0.74	273
Total / Average	154,052,616.24	154,570,765.42	152,928,693.08	154,254,737.58	2.012	2.505	1.23	462

Attachment 3

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 1/31/2019

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	05/31/2011	59,697,616.24	59,697,616.24	59,697,616.24	2.355	2.355	0.00	1	38.75
California Local Agency Investment Fund			59,697,616.24	59,697,616.24	59,697,616.24	2.355	2.355	0.00	1	38.75
Corporate Bond										
Apple Inc 2.1 9/12/2022	037833DC1	11/16/2017	950,000.00	929,280.50	937,858.77	2.477	2.738	3.47	1,320	0.62
Citigroup 2.75 4/25/2022-22	172967LG4	09/25/2017	800,000.00	789,928.00	802,420.66	2.650	3.162	3.09	1,180	0.52
Goldman Sacks 3 4/26/2022-21	38141GWC4	09/20/2017	800,000.00	791,248.00	807,630.43	2.684	3.359	3.08	1,181	0.52
JPMorgan Chase & Co 3.25 9/23/2022	46625HJE1	12/01/2017	600,000.00	604,812.00	611,194.94	2.700	3.015	3.43	1,331	0.39
Morgan Stanley 2.75 5/19/2022	61744YAH1	09/15/2017	800,000.00	788,072.00	803,566.15	2.605	3.229	3.16	1,204	0.52
Oracle Corp 2.5 10/15/2022	68389XAP0	11/16/2017	250,000.00	246,510.00	249,538.06	2.553	2.899	3.54	1,353	0.16
Corporate Bond			4,200,000.00	4,149,850.50	4,212,209.01	2.610	3.080	3.26	1,248	2.73
Federal Agency Coupon Securities										
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,961,980.00	1,998,209.31	1.205	2.519	1.40	515	1.30
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,939,340.00	1,996,875.14	1.460	2.568	2.65	987	1.30
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	981,850.00	1,000,000.00	1.460	2.531	1.72	636	0.65
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	1,987,740.00	2,000,510.91	1.510	2.497	0.65	239	1.30
FFCB 1.66 9/20/2021	3133EHZA4	10/11/2017	2,000,000.00	1,954,080.00	1,990,880.92	1.840	2.566	2.57	963	1.30
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,749,037.50	1,750,850.25	1.135	2.285	0.09	32	1.14
FFCB 1.7 4/27/2020	3133EAN46	02/01/2018	1,025,000.00	1,014,924.25	1,019,045.23	2.182	2.510	1.23	452	0.67
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	4,971,850.00	5,000,000.00	1.800	2.531	0.78	285	3.25
FFCB 2.28 10/17/2022-18	3133EHF73	10/26/2017	1,000,000.00	987,680.00	998,053.63	2.335	2.630	3.56	1,355	0.65
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,498,650.00	1,531,261.01	1.047	2.521	1.47	552	0.97
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	320,927.50	327,860.67	1.080	2.524	1.52	579	0.20
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,956,440.00	2,003,762.62	1.280	2.472	2.01	749	1.30
FHLB 1.61 8/26/2020	3130ABD94	09/25/2017	2,000,000.00	1,972,660.00	1,998,344.43	1.664	2.504	1.55	573	1.30
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	983,710.00	1,005,067.81	1.500	2.546	2.07	771	0.65

Attachment 3

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 1/31/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,967,840.00	1,987,962.61	2.100	2.467	2.76	1,033	1.30
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,968,280.00	2,023,886.86	1.350	2.571	2.31	862	1.30
FHLB 2.17 8/14/2020	3130ADGL0	02/13/2018	2,000,000.00	1,989,900.00	1,997,910.84	2.240	2.507	1.50	561	1.30
FHLB 2.25 3/11/2022	313378CR0	05/09/2017	2,000,000.00	1,981,740.00	2,014,726.10	2.000	2.557	3.00	1,135	1.30
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,425,952.00	2,467,688.02	1.410	2.563	1.55	589	1.53
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,905,740.00	2,986,156.74	1.314	2.412	2.49	924	1.95
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	991,550.00	999,479.40	1.330	2.530	0.67	244	0.65
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,981,430.00	2,995,726.48	1.546	2.504	0.50	182	1.95
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	994,050.00	1,000,595.25	1.290	2.479	0.55	203	0.65
FHLMC 1.5 3/19/2020	3134G3K58	09/28/2017	616,000.00	608,410.88	615,318.20	1.600	2.609	1.12	413	0.40
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,176,047.30	1,198,053.54	1.380	2.597	1.53	568	0.78
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,368,114.20	2,434,626.08	1.123	2.549	1.97	729	1.56
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	989,500.00	1,004,109.68	1.380	2.331	1.55	575	0.65
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,964,900.00	2,023,177.07	1.230	2.538	2.26	841	1.30
FHLMC 1.875 8/17/2021	3134G92Y2	05/09/2017	2,000,000.00	1,970,100.00	1,998,770.46	1.900	2.485	2.47	929	1.30
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,242,237.50	1,257,396.69	1.450	2.568	1.10	406	0.81
FHLMC 2.4 11/28/2022-18	3134GBY63	11/28/2017	1,000,000.00	984,750.00	1,000,000.00	2.400	2.823	3.66	1,397	0.65
FHLMC 2.4 11/28/2022-18	3134GBY63	11/28/2017	1,000,000.00	984,750.00	1,000,000.00	2.400	2.823	3.66	1,397	0.65
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,982,740.00	1,994,951.20	1.447	2.499	0.58	209	1.30
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	973,420.00	994,463.57	1.505	2.464	2.23	826	0.65
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,910,960.00	2,987,497.06	1.420	2.460	2.50	929	1.95
FNMA 1.5 11/30/2020	3135G0F73	04/26/2017	2,000,000.00	1,964,320.00	1,994,286.52	1.661	2.501	1.81	669	1.30
FNMA 2 10/5/2022	3135G0T78	10/11/2017	2,000,000.00	1,964,060.00	1,999,985.24	2.000	2.514	3.54	1,343	1.30
FNMA 2 8/26/2022	3136G05L1	09/28/2017	2,000,000.00	1,963,320.00	2,002,688.85	1.960	2.540	3.43	1,303	1.30
FNMA 2.25 10/27/2022-18	3136G4PV9	11/29/2017	2,000,000.00	1,975,080.00	1,996,193.53	2.304	2.601	3.59	1,365	1.30
Federal Agency Coupon Securities			69,406,000.00	68,510,061.13	69,596,371.92	1.619	2.521	1.91	715	45.05

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City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 1/31/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
Municipal Bond										
Brea Redev Agency 2.25 8/1/2022	106293CG6	11/01/2017	220,000.00	215,285.40	218,550.42	2.451	2.898	3.35	1,278	0.14
City of Industry CA 2.75 1/1/2022	45656RDV1	09/29/2017	250,000.00	248,827.50	251,024.87	2.600	2.918	2.82	1,066	0.16
City of Monrovia CA 2.742 5/1/2022	611581AM1	12/13/2017	750,000.00	741,757.50	750,000.00	2.742	3.099	3.11	1,186	0.49
Contra Costa County CA Fire 5.06 8/1/2022	31224RAS5	10/10/2017	850,000.00	908,811.50	920,708.48	2.520	2.964	3.19	1,278	0.55
Contra Costa County Redev Agency 2.25 8/1/2022	212263AS6	09/29/2017	500,000.00	486,205.00	496,712.78	2.450	3.088	3.34	1,278	0.32
Guadalupe CA Cmnty Redev Agency 2.5 8/1/2022	400559AE0	11/29/2017	230,000.00	225,319.50	228,868.00	2.651	3.118	3.33	1,278	0.15
Long Beach CA Tidelands Rev 2.785 11/1/2022	54245HAN4	11/15/2017	825,000.00	815,900.25	825,000.00	2.785	3.098	3.56	1,370	0.54
Murrieta Redev Successor Agency 2.5 8/1/2022	62719PAY2	10/18/2017	250,000.00	246,132.50	249,521.12	2.559	2.969	3.33	1,278	0.16
Norco CA Comm Redev Agency 2.715 3/1/2022	655505BJ3	12/20/2017	320,000.00	318,268.80	320,000.00	2.715	2.899	2.95	1,125	0.21
Palm Springs CA Cmnty Redev Agency 2.25 9/1/2022	69667ABT2	11/15/2017	290,000.00	282,970.40	287,561.04	2.501	2.968	3.43	1,309	0.19
San Diego Redev Agency 2.875 9/1/2021	79730WAX8	09/28/2017	400,000.00	401,852.00	403,962.96	2.470	2.688	2.48	944	0.26
San Francisco City & County 2.5 9/1/2022	79772EAX7	11/09/2017	350,000.00	345,163.00	348,774.44	2.605	2.909	3.41	1,309	0.23
San Francisco City & County 2.5 9/1/2022	79772EAE9	11/09/2017	380,000.00	374,748.40	378,035.23	2.655	2.909	3.41	1,309	0.25
San Marcos CA Redev Agency 2.25 10/1/2022	79876CBS6	12/14/2017	750,000.00	730,402.50	738,604.74	2.695	3.007	3.51	1,339	0.49
Temecula CA Redev Agency 2.5 12/15/2022	87972DBB7	12/15/2017	1,065,000.00	1,043,465.70	1,050,006.88	2.893	3.057	3.70	1,414	0.69
Town of Mammoth Lakes CA Judgement Rev 2.75 10/1/2	56155CAE8	10/25/2017	225,000.00	222,682.50	222,340.02	3.101	3.048	3.48	1,339	0.15
Municipal Bond			7,655,000.00	7,607,792.45	7,689,670.98	2.673	2.999	3.33	1,279	4.97
Negotiable Certificate of Deposit										
Ally Bank 1.9 6/22/2020	02006L3N1	06/22/2017	245,000.00	241,766.24	245,000.00	1.900	2.874	1.38	508	0.16
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	246,138.61	247,000.00	2.000	2.734	0.48	174	0.16
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	246,260.41	247,000.00	2.099	2.732	0.48	173	0.16
Beneficial Bank 2.15 10/18/2022	08173QBX3	10/18/2017	245,000.00	241,649.14	245,000.00	2.150	2.538	3.56	1,356	0.16
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	246,290.74	247,000.00	1.950	2.698	0.38	140	0.16
Capital One Bank USA NA 2.4 6/1/2022	1404203C2	06/01/2017	245,000.00	243,894.88	245,000.00	2.400	2.541	3.21	1,217	0.16
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	246,018.30	247,000.00	2.000	2.762	0.53	193	0.16

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City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 1/31/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	245,801.90	247,000.00	2.200	2.801	0.81	299	0.16
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	245,919.50	249,000.00	2.000	2.745	1.67	621	0.16
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	246,347.18	247,000.00	2.000	2.698	0.38	138	0.16
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	246,005.50	247,000.00	2.050	2.752	0.57	209	0.16
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	246,617.52	248,000.00	1.600	2.736	0.50	180	0.16
First Bank of Richmond 1.8 10/19/2020	319267GK0	10/18/2017	245,000.00	241,534.33	245,000.00	1.800	2.649	1.69	627	0.16
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	245,639.21	248,000.00	1.500	2.793	0.74	272	0.16
Focus Bank 2.2 11/24/2022	34415LAP6	11/24/2017	245,000.00	242,029.30	245,000.00	2.200	2.535	3.66	1,393	0.16
Franklin Synergy Bank 1.6 8/30/2019	35471TDK5	05/31/2017	245,000.00	243,363.72	245,000.00	1.600	2.761	0.58	211	0.16
Goldman Sachs Bank USA 2.35 6/21/2022	38148PKX4	06/21/2017	245,000.00	243,478.97	245,000.00	2.350	2.542	3.27	1,237	0.16
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	245,921.77	247,000.00	1.850	2.730	0.50	180	0.16
Medallion Bank Utah 2.05 6/28/2021	58403B6Y7	06/28/2017	245,000.00	241,878.68	245,000.00	2.050	2.596	2.35	879	0.16
Mercantile Bank of MI 1.8 6/8/2020	58740XZJ2	06/07/2017	245,000.00	241,524.72	245,000.00	1.800	2.877	1.34	494	0.16
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	246,863.16	247,000.00	2.100	2.463	0.15	54	0.16
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	246,144.22	247,000.00	2.100	2.760	0.53	194	0.16
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	244,941.16	247,000.00	2.250	2.836	1.44	533	0.16
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	245,404.75	247,000.00	2.000	2.805	0.81	298	0.16
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	244,331.50	249,000.00	1.650	2.749	1.73	638	0.16
Venture Bank Bloomington 1.6 9/6/2019	92326XDN8	06/06/2017	245,000.00	243,290.71	245,000.00	1.600	2.777	0.60	218	0.16
WEX Bank 1.8 6/2/2020	92937CFS2	06/02/2017	245,000.00	241,565.52	245,000.00	1.800	2.876	1.32	488	0.16
Negotiable Certificate of Deposit			6,653,000.00	6,600,621.64	6,653,000.00	1.963	2.717	1.28	478	4.32
Supranational Securities										
IADB 1.75 9/14/2022	4581X0CZ9	11/06/2017	1,000,000.00	971,380.00	987,324.31	2.120	2.583	3.50	1,322	0.65
IADB 1.75 9/14/2022	4581X0CZ9	11/07/2017	1,000,000.00	971,380.00	987,391.76	2.118	2.583	3.50	1,322	0.65
IBRD 1.2 9/30/2019	459058FQ1	12/11/2017	700,000.00	693,105.00	696,727.85	1.920	2.699	0.66	242	0.45
IBRD 1.25 4/26/2019	459058FC2	11/22/2017	2,000,000.00	1,994,080.00	1,997,543.83	1.785	2.503	0.24	85	1.30

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City of Escondido
 Portfolio Holdings
 Investment Portfolio - by Asset Class
 Report Format: By Transaction
 As of 1/31/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
IBRD 1.875 3/15/2019	459058DL4	12/11/2017	741,000.00	740,496.12	741,060.39	1.804	2.416	0.12	43	0.48
Supranational Securities			5,441,000.00	5,370,441.12	5,410,048.14	1.928	2.546	1.47	554	3.53
Treasury Coupon Securities										
T-Note 1.5 10/31/2019	912828F62	01/31/2018	1,000,000.00	992,310.00	995,821.29	2.071	2.546	0.74	273	0.65
Treasury Coupon Securities			1,000,000.00	992,310.00	995,821.29	2.071	2.546	0.74	273	0.65
Total / Average			154,052,616.24	152,928,693.08	154,254,737.58	2.012	2.505	1.23	462	100

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City of Escondido

Investment Portfolio - by Asset Class, Summary

Report Format: By Totals

Portfolio / Report Group: All Portfolios

As of 2/28/2019

Description	Face Amount	Cost Value	Market Value	Book Value	YTM @ Cost	YTM @ Market	Portfolio Duration	Days To Maturity
California Local Agency Investment Fund	61,197,616.24	61,197,616.24	61,197,616.24	61,197,616.24	2.392	2.392	0.00	1
Corporate Bond	4,200,000.00	4,217,304.00	4,152,153.00	4,211,919.33	2.610	3.068	3.19	1,220
Federal Agency Coupon Securities	69,406,000.00	69,923,193.18	68,495,555.27	69,587,492.03	1.619	2.546	1.84	687
Municipal Bond	7,655,000.00	7,705,595.95	7,595,647.75	7,688,827.63	2.673	3.052	3.27	1,251
Negotiable Certificate of Deposit	6,653,000.00	6,653,000.00	6,606,170.97	6,653,000.00	1.963	2.659	1.20	450
Supranational Securities	5,441,000.00	5,383,821.67	5,372,866.80	5,411,732.02	1.928	2.526	1.40	526
Treasury Coupon Securities	1,000,000.00	990,234.38	993,090.00	996,249.88	2.071	2.547	0.66	245
Total / Average	155,552,616.24	156,070,765.42	154,413,100.03	155,746,837.13	2.030	2.529	1.17	440

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City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 2/28/2019

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	05/31/2011	61,197,616.24	61,197,616.24	61,197,616.24	2.392	2.392	0.00	1	39.34
California Local Agency Investment Fund			61,197,616.24	61,197,616.24	61,197,616.24	2.392	2.392	0.00	1	39.34
Corporate Bond										
Apple Inc 2.1 9/12/2022	037833DC1	11/16/2017	950,000.00	928,007.50	938,116.31	2.477	2.791	3.39	1,292	0.61
Citigroup 2.75 4/25/2022-22	172967LG4	09/25/2017	800,000.00	790,744.00	802,363.22	2.650	3.137	3.02	1,152	0.51
Goldman Sacks 3 4/26/2022-21	38141GWC4	09/20/2017	800,000.00	794,224.00	807,449.52	2.684	3.241	3.01	1,153	0.51
JPMorgan Chase & Co 3.25 9/23/2022	46625HJE1	12/01/2017	600,000.00	603,978.00	610,959.44	2.700	3.052	3.35	1,303	0.39
Morgan Stanley 2.75 5/19/2022	61744YAH1	09/15/2017	800,000.00	788,752.00	803,483.22	2.605	3.212	3.08	1,176	0.51
Oracle Corp 2.5 10/15/2022	68389XAP0	11/16/2017	250,000.00	246,447.50	249,547.62	2.553	2.915	3.46	1,325	0.16
Corporate Bond			4,200,000.00	4,152,153.00	4,211,919.33	2.610	3.068	3.19	1,220	2.70
Federal Agency Coupon Securities										
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,962,520.00	1,998,306.67	1.205	2.575	1.33	487	1.29
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,940,780.00	1,996,963.78	1.460	2.572	2.58	959	1.29
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	981,900.00	1,000,000.00	1.460	2.576	1.64	608	0.64
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	1,989,580.00	2,000,451.06	1.510	2.458	0.58	211	1.29
FFCB 1.66 9/20/2021	3133EHZA4	10/11/2017	2,000,000.00	1,955,000.00	1,991,146.07	1.840	2.573	2.50	935	1.29
FFCB 1.7 3/4/2019	3133EDTU6	05/27/2016	1,750,000.00	1,749,895.00	1,750,106.28	1.135	2.043	0.02	4	1.13
FFCB 1.7 4/27/2020	3133EAN46	02/01/2018	1,025,000.00	1,014,852.50	1,019,414.11	2.182	2.568	1.15	424	0.66
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	4,976,000.00	5,000,000.00	1.800	2.489	0.70	257	3.21
FFCB 2.28 10/17/2022-18	3133EHF73	10/26/2017	1,000,000.00	987,050.00	998,093.85	2.335	2.656	3.48	1,327	0.64
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,497,465.00	1,529,675.31	1.047	2.580	1.42	524	0.96
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	320,124.60	326,996.94	1.080	2.588	1.44	551	0.20
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,956,280.00	2,003,621.96	1.280	2.518	1.95	721	1.29
FHLB 1.61 8/26/2020	3130ABD94	09/25/2017	2,000,000.00	1,972,340.00	1,998,425.33	1.664	2.559	1.48	545	1.29
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	982,600.00	1,004,883.76	1.500	2.632	2.00	743	0.64
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,965,120.00	1,988,288.89	2.100	2.534	2.68	1,005	1.29

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City of Escondido
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As of 2/28/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,968,840.00	2,023,110.95	1.350	2.581	2.24	834	1.29
FHLB 2.17 8/14/2020	3130ADGL0	02/13/2018	2,000,000.00	1,988,780.00	1,998,015.12	2.240	2.563	1.45	533	1.29
FHLB 2.25 3/11/2022	313378CR0	05/09/2017	2,000,000.00	1,979,860.00	2,014,362.81	2.000	2.597	2.92	1,107	1.29
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,420,030.00	2,462,093.34	1.410	2.632	1.47	561	1.51
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,903,010.00	2,986,576.24	1.314	2.490	2.43	896	1.93
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	992,610.00	999,539.14	1.330	2.509	0.59	216	0.64
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,984,190.00	2,996,383.94	1.546	2.501	0.43	154	1.93
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	994,800.00	1,000,513.15	1.290	2.488	0.48	175	0.64
FHLMC 1.5 3/19/2020	3134G3K58	09/28/2017	616,000.00	609,359.52	615,364.42	1.600	2.538	1.05	385	0.40
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,176,274.35	1,197,903.02	1.380	2.636	1.47	540	0.77
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,367,174.30	2,433,680.22	1.123	2.605	1.89	701	1.55
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	989,390.00	1,003,909.56	1.380	2.377	1.48	547	0.64
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,963,500.00	2,022,405.42	1.230	2.597	2.19	813	1.29
FHLMC 1.875 8/17/2021	3134G92Y2	05/09/2017	2,000,000.00	1,967,760.00	1,998,807.52	1.900	2.553	2.42	901	1.29
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,242,850.00	1,256,886.57	1.450	2.561	1.02	378	0.80
FHLMC 2.4 11/28/2022-18	3134GBY63	11/28/2017	1,000,000.00	983,390.00	1,000,000.00	2.400	2.870	3.59	1,369	0.64
FHLMC 2.4 11/28/2022-18	3134GBY63	11/28/2017	1,000,000.00	983,390.00	1,000,000.00	2.400	2.870	3.59	1,369	0.64
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,985,180.00	1,995,627.59	1.447	2.501	0.50	181	1.29
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	973,290.00	994,651.24	1.505	2.511	2.16	798	0.64
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,909,910.00	2,987,873.89	1.420	2.511	2.44	901	1.93
FNMA 1.5 11/30/2020	3135G0F73	04/26/2017	2,000,000.00	1,963,760.00	1,994,525.65	1.661	2.561	1.73	641	1.29
FNMA 2 10/5/2022	3135G0T78	10/11/2017	2,000,000.00	1,962,780.00	1,999,985.55	2.000	2.544	3.47	1,315	1.29
FNMA 2 8/26/2022	3136G05L1	09/28/2017	2,000,000.00	1,961,780.00	2,002,631.07	1.960	2.575	3.39	1,275	1.29
FNMA 2.25 10/27/2022-18	3136G4PV9	11/29/2017	2,000,000.00	1,972,140.00	1,996,271.61	2.304	2.651	3.51	1,337	1.29
Federal Agency Coupon Securities			69,406,000.00	68,495,555.27	69,587,492.03	1.619	2.546	1.84	687	44.62
Municipal Bond										
Brea Redev Agency 2.25 8/1/2022	106293CG6	11/01/2017	220,000.00	215,041.20	218,582.18	2.451	2.946	3.31	1,250	0.14

Attachment 3

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 2/28/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
City of Industry CA 2.75 1/1/2022	45656RDV1	09/29/2017	250,000.00	248,185.00	250,997.95	2.600	3.018	2.74	1,038	0.16
City of Monrovia CA 2.742 5/1/2022	611581AM1	12/13/2017	750,000.00	740,812.50	750,000.00	2.742	3.150	3.04	1,158	0.48
Contra Costa County CA Fire 5.06 8/1/2022	31224RAS5	10/10/2017	850,000.00	906,032.00	919,159.31	2.520	3.019	3.19	1,250	0.55
Contra Costa County Redev Agency 2.25 8/1/2022	212263AS6	09/29/2017	500,000.00	485,720.00	496,784.80	2.450	3.136	3.31	1,250	0.32
Guadalupe CA Cmnty Redev Agency 2.5 8/1/2022	400559AE0	11/29/2017	230,000.00	225,057.30	228,892.80	2.651	3.167	3.30	1,250	0.15
Long Beach CA Tidelands Rev 2.785 11/1/2022	54245HAN4	11/15/2017	825,000.00	814,638.00	825,000.00	2.785	3.149	3.49	1,342	0.53
Murrieta Redev Successor Agency 2.5 8/1/2022	62719PAY2	10/18/2017	250,000.00	245,817.50	249,531.61	2.559	3.017	3.30	1,250	0.16
Norco CA Comm Redev Agency 2.715 3/1/2022	655505BJ3	12/20/2017	320,000.00	317,817.60	320,000.00	2.715	2.954	2.87	1,097	0.21
Palm Springs CA Cmnty Redev Agency 2.25 9/1/2022	69667ABT2	11/15/2017	290,000.00	282,654.30	287,613.21	2.501	3.016	3.35	1,281	0.19
San Diego Redev Agency 2.875 9/1/2021	79730WAX8	09/28/2017	400,000.00	401,092.00	403,845.41	2.470	2.762	2.40	916	0.26
San Francisco City & County 2.5 9/1/2022	79772EAX7	11/09/2017	350,000.00	344,701.00	348,800.66	2.605	2.957	3.34	1,281	0.23
San Francisco City & County 2.5 9/1/2022	79772EAE9	11/09/2017	380,000.00	374,246.80	378,077.26	2.655	2.957	3.34	1,281	0.24
San Marcos CA Redev Agency 2.25 10/1/2022	79876CBS6	12/14/2017	750,000.00	729,570.00	738,843.03	2.695	3.056	3.44	1,311	0.48
Temecula CA Redev Agency 2.5 12/15/2022	87972DBB7	12/15/2017	1,065,000.00	1,041,910.80	1,050,303.77	2.893	3.109	3.63	1,386	0.68
Town of Mammoth Lakes CA Judgement Rev 2.75 10/1/2	56155CAE8	10/25/2017	225,000.00	222,351.75	222,395.64	3.101	3.098	3.41	1,311	0.14
Municipal Bond			7,655,000.00	7,595,647.75	7,688,827.63	2.673	3.052	3.27	1,251	4.92
Negotiable Certificate of Deposit										
Ally Bank 1.9 6/22/2020	02006L3N1	06/22/2017	245,000.00	242,121.50	245,000.00	1.900	2.816	1.30	480	0.16
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	246,380.40	247,000.00	2.000	2.624	0.40	146	0.16
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	246,482.66	247,000.00	2.099	2.622	0.40	145	0.16
Beneficial Bank 2.15 10/18/2022	08173QBX3	10/18/2017	245,000.00	241,495.50	245,000.00	2.150	2.564	3.49	1,328	0.16
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	246,512.27	247,000.00	1.950	2.587	0.31	112	0.16
Capital One Bank USA NA 2.4 6/1/2022	1404203C2	06/01/2017	245,000.00	243,740.97	245,000.00	2.400	2.565	3.13	1,189	0.16
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	246,270.34	247,000.00	2.000	2.654	0.46	165	0.16
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	246,099.46	247,000.00	2.200	2.696	0.73	271	0.16
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	246,130.97	249,000.00	2.000	2.725	1.60	593	0.16
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	246,557.97	247,000.00	2.000	2.587	0.30	110	0.16

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City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 2/28/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	246,252.45	247,000.00	2.050	2.663	0.50	181	0.16
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	246,898.83	248,000.00	1.600	2.666	0.42	152	0.16
First Bank of Richmond 1.8 10/19/2020	319267GK0	10/18/2017	245,000.00	241,761.61	245,000.00	1.800	2.629	1.61	599	0.16
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	246,006.82	248,000.00	1.500	2.715	0.66	244	0.16
Focus Bank 2.2 11/24/2022	34415LAP6	11/24/2017	245,000.00	241,849.42	245,000.00	2.200	2.563	3.58	1,365	0.16
Franklin Synergy Bank 1.6 8/30/2019	35471TDK5	05/31/2017	245,000.00	243,674.21	245,000.00	1.600	2.696	0.50	183	0.16
Goldman Sachs Bank USA 2.35 6/21/2022	38148PKX4	06/21/2017	245,000.00	243,329.76	245,000.00	2.350	2.566	3.19	1,209	0.16
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	246,160.92	247,000.00	1.850	2.671	0.42	152	0.16
Medallion Bank Utah 2.05 6/28/2021	58403B6Y7	06/28/2017	245,000.00	241,941.74	245,000.00	2.050	2.602	2.28	851	0.16
Mercantile Bank of MI 1.8 6/8/2020	58740XZJ2	06/07/2017	245,000.00	241,894.04	245,000.00	1.800	2.818	1.26	466	0.16
Park National Bank 2.1 3/26/2019	700654AV8	09/26/2014	247,000.00	246,934.05	247,000.00	2.100	2.445	0.08	26	0.16
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	246,378.52	247,000.00	2.100	2.653	0.46	166	0.16
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	245,203.64	247,000.00	2.250	2.788	1.37	505	0.16
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	245,738.82	247,000.00	2.000	2.701	0.73	270	0.16
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	244,780.67	249,000.00	1.650	2.691	1.64	610	0.16
Venture Bank Bloomington 1.6 9/6/2019	92326XDN8	06/06/2017	245,000.00	243,640.32	245,000.00	1.600	2.670	0.52	190	0.16
WEX Bank 1.8 6/2/2020	92937CFS2	06/02/2017	245,000.00	241,933.11	245,000.00	1.800	2.818	1.24	460	0.16
Negotiable Certificate of Deposit			6,653,000.00	6,606,170.97	6,653,000.00	1.963	2.659	1.20	450	4.28
Supranational Securities										
IADB 1.75 9/14/2022	4581X0CZ9	11/06/2017	1,000,000.00	970,990.00	987,592.78	2.120	2.612	3.42	1,294	0.64
IADB 1.75 9/14/2022	4581X0CZ9	11/07/2017	1,000,000.00	970,990.00	987,658.80	2.118	2.612	3.42	1,294	0.64
IBRD 1.2 9/30/2019	459058FQ1	12/11/2017	700,000.00	694,015.00	697,106.45	1.920	2.672	0.59	214	0.45
IBRD 1.25 4/26/2019	459058FC2	11/22/2017	2,000,000.00	1,996,020.00	1,998,352.92	1.785	2.480	0.16	57	1.29
IBRD 1.875 3/15/2019	459058DL4	12/11/2017	741,000.00	740,851.80	741,021.07	1.804	2.280	0.05	15	0.48
Supranational Securities			5,441,000.00	5,372,866.80	5,411,732.02	1.928	2.526	1.40	526	3.50
Treasury Coupon Securities										
T-Note 1.5 10/31/2019	912828F62	01/31/2018	1,000,000.00	993,090.00	996,249.88	2.071	2.547	0.66	245	0.64

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City of Escondido
 Portfolio Holdings
 Investment Portfolio - by Asset Class
 Report Format: By Transaction
 As of 2/28/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
Treasury Coupon Securities			1,000,000.00	993,090.00	996,249.88	2.071	2.547	0.66	245	0.64
Total / Average			155,552,616.24	154,413,100.03	155,746,837.13	2.030	2.529	1.17	440	100

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City of Escondido

Investment Portfolio - by Asset Class, Summary

Report Format: By Totals

Portfolio / Report Group: All Portfolios

As of 3/31/2019

Description	Face Amount	Cost Value	Market Value	Book Value	YTM @ Cost	YTM @ Market	Portfolio Duration	Days To Maturity
California Local Agency Investment Fund	56,197,616.24	56,197,616.24	56,197,616.24	56,197,616.24	2.436	2.436	0.00	1
Corporate Bond	4,200,000.00	4,217,304.00	4,181,810.00	4,211,598.61	2.610	2.847	3.11	1,189
Federal Agency Coupon Securities	67,656,000.00	68,146,330.68	67,048,936.72	67,828,378.16	1.631	2.370	1.80	673
Municipal Bond	7,655,000.00	7,705,595.95	7,670,365.95	7,687,893.92	2.673	2.748	3.18	1,220
Negotiable Certificate of Deposit	6,406,000.00	6,406,000.00	6,376,680.21	6,406,000.00	1.957	2.559	1.16	435
Supranational Securities	4,700,000.00	4,642,177.00	4,655,419.00	4,672,618.79	1.947	2.466	1.53	576
Treasury Coupon Securities	1,000,000.00	990,234.38	994,410.00	996,724.38	2.071	2.471	0.58	214
Total / Average	147,814,616.24	148,305,258.25	147,125,238.12	148,000,830.10	2.046	2.440	1.18	444

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City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 3/31/2019

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	05/31/2011	56,197,616.24	56,197,616.24	56,197,616.24	2.436	2.436	0.00	1	38.02
California Local Agency Investment Fund			56,197,616.24	56,197,616.24	56,197,616.24	2.436	2.436	0.00	1	38.02
Corporate Bond										
Apple Inc 2.1 9/12/2022	037833DC1	11/16/2017	950,000.00	934,714.50	938,401.45	2.477	2.591	3.34	1,261	0.64
Citigroup 2.75 4/25/2022-22	172967LG4	09/25/2017	800,000.00	796,632.00	802,299.62	2.650	2.894	2.93	1,121	0.54
Goldman Sacks 3 4/26/2022-21	38141GWC4	09/20/2017	800,000.00	798,264.00	807,249.23	2.684	3.074	2.92	1,122	0.54
JPMorgan Chase & Co 3.25 9/23/2022	46625HJE1	12/01/2017	600,000.00	608,394.00	610,698.70	2.700	2.825	3.32	1,272	0.41
Morgan Stanley 2.75 5/19/2022	61744YAH1	09/15/2017	800,000.00	795,168.00	803,391.40	2.605	2.953	2.99	1,145	0.54
Oracle Corp 2.5 10/15/2022	68389XAP0	11/16/2017	250,000.00	248,637.50	249,558.21	2.553	2.662	3.37	1,294	0.17
Corporate Bond			4,200,000.00	4,181,810.00	4,211,598.61	2.610	2.847	3.11	1,189	2.84
Federal Agency Coupon Securities										
FFCB 1.14 6/29/2020	3133EGJD8	06/29/2016	2,000,000.00	1,970,080.00	1,998,414.46	1.205	2.366	1.24	456	1.35
FFCB 1.4 10/14/2021	3133EGYQ2	10/27/2016	2,000,000.00	1,954,320.00	1,997,061.93	1.460	2.333	2.48	928	1.35
FFCB 1.46 10/28/2020	3133EFLZ8	10/28/2015	1,000,000.00	986,520.00	1,000,000.00	1.460	2.336	1.55	577	0.68
FFCB 1.55 9/27/2019	3133EG2D6	01/27/2017	2,000,000.00	1,992,400.00	2,000,384.79	1.510	2.336	0.49	180	1.35
FFCB 1.66 9/20/2021	3133EHZA4	10/11/2017	2,000,000.00	1,967,760.00	1,991,439.62	1.840	2.335	2.43	904	1.35
FFCB 1.7 4/27/2020	3133EAN46	02/01/2018	1,025,000.00	1,017,968.50	1,019,822.51	2.182	2.351	1.06	393	0.69
FFCB 1.8 11/12/2019	3133EEBN9	11/12/2014	5,000,000.00	4,983,100.00	5,000,000.00	1.800	2.356	0.61	226	3.38
FFCB 2.28 10/17/2022-18	3133EHF73	10/26/2017	1,000,000.00	995,200.00	998,138.38	2.335	2.422	3.39	1,296	0.68
FFCB 2.46 8/5/2020	3133ECW91	06/30/2016	1,500,000.00	1,501,905.00	1,527,919.71	1.047	2.362	1.33	493	1.01
FFCB 4.81 9/1/2020	31331S4M2	06/30/2016	310,000.00	320,654.70	326,040.67	1.080	2.328	1.38	520	0.21
FHLB 1.375 2/18/2021	3130A7CV5	06/24/2016	2,000,000.00	1,964,940.00	2,003,466.24	1.280	2.333	1.86	690	1.35
FHLB 1.61 8/26/2020	3130ABD94	09/25/2017	2,000,000.00	1,978,140.00	1,998,514.90	1.664	2.407	1.38	514	1.35
FHLB 1.75 3/12/2021	313382K69	04/27/2016	1,000,000.00	988,900.00	1,004,680.00	1.500	2.336	1.92	712	0.68
FHLB 1.875 11/29/2021	3130AABG2	12/16/2016	2,000,000.00	1,978,720.00	1,988,650.13	2.100	2.289	2.59	974	1.35
FHLB 1.875 6/11/2021	313379RB7	06/24/2016	2,000,000.00	1,979,260.00	2,022,251.91	1.350	2.362	2.15	803	1.35

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City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
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As of 3/31/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
FHLB 2.17 8/14/2020	3130ADGL0	02/13/2018	2,000,000.00	1,993,440.00	1,998,130.56	2.240	2.414	1.35	502	1.35
FHLB 2.25 3/11/2022	313378CR0	05/09/2017	2,000,000.00	1,996,160.00	2,013,960.60	2.000	2.318	2.86	1,076	1.35
FHLB 4.625 9/11/2020	3133XD4P3	05/25/2016	2,350,000.00	2,423,884.00	2,455,899.23	1.410	2.397	1.41	530	1.59
FHLMC 1.125 8/12/2021	3137EAEC9	08/17/2016	3,000,000.00	2,918,490.00	2,987,040.68	1.314	2.312	2.34	865	2.03
FHLMC 1.25 10/2/2019	3137EADM8	03/16/2016	1,000,000.00	993,930.00	999,605.29	1.330	2.472	0.50	185	0.68
FHLMC 1.25 8/1/2019	3137EADK2	07/02/2015	3,000,000.00	2,987,940.00	2,997,111.85	1.546	2.461	0.33	123	2.03
FHLMC 1.4 8/22/2019	3134G3A91	03/15/2016	1,000,000.00	996,000.00	1,000,422.25	1.290	2.427	0.39	144	0.68
FHLMC 1.5 3/19/2020	3134G3K58	09/28/2017	616,000.00	610,529.92	615,415.60	1.600	2.435	0.96	354	0.42
FHLMC 1.55 8/21/2020	3134G3D64	05/26/2016	1,195,000.00	1,180,158.10	1,197,736.36	1.380	2.465	1.38	509	0.81
FHLMC 1.65 1/29/2021	3134G34D9	07/13/2016	2,410,000.00	2,378,429.00	2,432,633.02	1.123	2.386	1.80	670	1.63
FHLMC 1.65 8/28/2020	3134G3F96	05/26/2016	1,000,000.00	992,450.00	1,003,687.99	1.380	2.196	1.40	516	0.68
FHLMC 1.75 5/21/2021	3134G44H8	07/13/2016	2,000,000.00	1,974,460.00	2,021,551.09	1.230	2.365	2.10	782	1.35
FHLMC 1.875 8/17/2021	3134G92Y2	05/09/2017	2,000,000.00	1,980,520.00	1,998,848.55	1.900	2.298	2.33	870	1.35
FHLMC 2 3/12/2020	3134G3QX1	03/15/2016	1,250,000.00	1,244,687.50	1,256,321.80	1.450	2.456	0.94	347	0.85
FHLMC 2.4 11/28/2022-18	3134GBY63	11/28/2017	1,000,000.00	991,800.00	1,000,000.00	2.400	2.636	3.50	1,338	0.68
FHLMC 2.4 11/28/2022-18	3134GBY63	11/28/2017	1,000,000.00	991,800.00	1,000,000.00	2.400	2.636	3.50	1,338	0.68
FNMA 1 8/28/2019	3135G0P49	01/27/2017	2,000,000.00	1,988,060.00	1,996,376.46	1.447	2.445	0.42	150	1.35
FNMA 1.25 5/6/2021	3135G0K69	05/19/2016	1,000,000.00	978,410.00	994,859.03	1.505	2.310	2.07	767	0.68
FNMA 1.25 8/17/2021	3135G0N82	10/11/2016	3,000,000.00	2,926,620.00	2,988,291.11	1.420	2.313	2.35	870	2.03
FNMA 1.5 11/30/2020	3135G0F73	04/26/2017	2,000,000.00	1,971,500.00	1,994,790.40	1.661	2.376	1.64	610	1.35
FNMA 2 10/5/2022	3135G0T78	10/11/2017	2,000,000.00	1,981,140.00	1,999,985.89	2.000	2.281	3.37	1,284	1.35
FNMA 2 8/26/2022	3136G05L1	09/28/2017	2,000,000.00	1,980,060.00	2,002,567.09	1.960	2.306	3.30	1,244	1.35
FNMA 2.25 10/27/2022-18	3136G4PV9	11/29/2017	2,000,000.00	1,988,600.00	1,996,358.06	2.304	2.417	3.42	1,306	1.35
Federal Agency Coupon Securities			67,656,000.00	67,048,936.72	67,828,378.16	1.631	2.370	1.80	673	45.77
Municipal Bond										
Brea Redev Agency 2.25 8/1/2022	106293CG6	11/01/2017	220,000.00	217,214.80	218,617.34	2.451	2.649	3.22	1,219	0.15
City of Industry CA 2.75 1/1/2022	45656RDV1	09/29/2017	250,000.00	250,132.50	250,968.14	2.600	2.729	2.65	1,007	0.17

Attachment 3

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 3/31/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
City of Monrovia CA 2.742 5/1/2022	611581AM1	12/13/2017	750,000.00	747,495.00	750,000.00	2.742	2.855	2.94	1,127	0.51
Contra Costa County CA Fire 5.06 8/1/2022	31224RAS5	10/10/2017	850,000.00	913,197.50	917,444.16	2.520	2.711	3.10	1,219	0.58
Contra Costa County Redev Agency 2.25 8/1/2022	212263AS6	09/29/2017	500,000.00	490,690.00	496,864.54	2.450	2.839	3.22	1,219	0.34
Guadalupe CA Cmnty Redev Agency 2.5 8/1/2022	400559AE0	11/29/2017	230,000.00	228,544.10	228,920.26	2.651	2.699	3.21	1,219	0.16
Long Beach CA Tideland Rev 2.785 11/1/2022	54245HAN4	11/15/2017	825,000.00	823,275.75	825,000.00	2.785	2.846	3.40	1,311	0.56
Murrieta Redev Successor Agency 2.5 8/1/2022	62719PAY2	10/18/2017	250,000.00	248,260.00	249,543.22	2.559	2.719	3.21	1,219	0.17
Norco CA Comm Redev Agency 2.715 3/1/2022	655505BJ3	12/20/2017	320,000.00	320,473.60	320,000.00	2.715	2.662	2.82	1,066	0.22
Palm Springs CA Cmnty Redev Agency 2.25 9/1/2022	69667ABT2	11/15/2017	290,000.00	285,507.90	287,670.97	2.501	2.728	3.30	1,250	0.20
San Diego Redev Agency 2.875 9/1/2021	79730WAX8	09/28/2017	400,000.00	403,680.00	403,715.27	2.470	2.480	2.35	885	0.27
San Francisco City & County 2.5 9/1/2022	79772EAX7	11/09/2017	350,000.00	348,204.50	348,829.68	2.605	2.657	3.29	1,250	0.24
San Francisco City & County 2.5 9/1/2022	79772EAE9	11/09/2017	380,000.00	378,050.60	378,123.79	2.655	2.657	3.29	1,250	0.26
San Marcos CA Redev Agency 2.25 10/1/2022	79876CBS6	12/14/2017	750,000.00	737,407.50	739,106.85	2.695	2.757	3.35	1,280	0.51
Temecula CA Redev Agency 2.5 12/15/2022	87972DBB7	12/15/2017	1,065,000.00	1,053,583.20	1,050,632.47	2.893	2.806	3.54	1,355	0.72
Town of Mammoth Lakes CA Judgement Rev 2.75 10/1/2	56155CAE8	10/25/2017	225,000.00	224,649.00	222,457.23	3.101	2.797	3.31	1,280	0.15
Municipal Bond			7,655,000.00	7,670,365.95	7,687,893.92	2.673	2.748	3.18	1,220	5.18
Negotiable Certificate of Deposit										
Ally Bank 1.9 6/22/2020	02006L3N1	06/22/2017	245,000.00	242,720.50	245,000.00	1.900	2.673	1.21	449	0.17
American Exp Fed Svgs Bk 2 7/24/2019	02587CAJ9	07/24/2014	247,000.00	246,530.97	247,000.00	2.000	2.595	0.32	115	0.17
Barclays Bank 2.099 7/23/2019	06740KHK6	07/28/2014	247,000.00	246,613.40	247,000.00	2.099	2.590	0.31	114	0.17
Beneficial Bank 2.15 10/18/2022	08173QBX3	10/18/2017	245,000.00	243,781.91	245,000.00	2.150	2.296	3.40	1,297	0.17
BMW 1.95 6/20/2019	05580AAL8	06/20/2014	247,000.00	246,658.25	247,000.00	1.950	2.561	0.22	81	0.17
Capital One Bank USA NA 2.4 6/1/2022	1404203C2	06/01/2017	245,000.00	245,726.20	245,000.00	2.400	2.302	3.05	1,158	0.17
Capital One NA 2 8/12/2019	14042E5L0	08/12/2015	247,000.00	246,430.32	247,000.00	2.000	2.622	0.37	134	0.17
Cit Bank 2.2 11/26/2019	17284C4L5	11/26/2014	247,000.00	246,276.93	247,000.00	2.200	2.650	0.65	240	0.17
Comenity Capital Bank 2 10/13/2020	20033AND4	10/13/2015	249,000.00	246,902.50	249,000.00	2.000	2.561	1.51	562	0.17
Discover FS 2 6/18/2019	254671W48	06/18/2014	247,000.00	246,693.72	247,000.00	2.000	2.560	0.22	79	0.17
Enerbank USA 2.05 8/28/2019	29266NB30	08/28/2014	247,000.00	246,417.90	247,000.00	2.050	2.620	0.41	150	0.17

Attachment 3

City of Escondido
Portfolio Holdings
Investment Portfolio - by Asset Class
Report Format: By Transaction
As of 3/31/2019

Description	CUSIP No.	Settlement Date	Face Amount	Market Value	Book Value	YTM @ Cost	YTM @ Market	Duration To Maturity	Days To Maturity	% of Portfolio
EVERBANK FL 1.6 7/30/2019	29976DZM5	07/30/2015	248,000.00	247,137.70	248,000.00	1.600	2.642	0.33	121	0.17
First Bank of Richmond 1.8 10/19/2020	319267GK0	10/18/2017	245,000.00	242,544.49	245,000.00	1.800	2.462	1.53	568	0.17
FIRST BUSINESS 1.5 10/30/2019	31938QP65	10/30/2015	248,000.00	246,326.47	248,000.00	1.500	2.666	0.58	213	0.17
Focus Bank 2.2 11/24/2022	34415LAP6	11/24/2017	245,000.00	244,195.76	245,000.00	2.200	2.294	3.50	1,334	0.17
Franklin Synergy Bank 1.6 8/30/2019	35471TDK5	05/31/2017	245,000.00	243,927.71	245,000.00	1.600	2.664	0.41	152	0.17
Goldman Sachs Bank USA 2.35 6/21/2022	38148PKX4	06/21/2017	245,000.00	245,353.22	245,000.00	2.350	2.303	3.11	1,178	0.17
Live Oak Banking Co. 1.85 7/30/2019	538036CA0	10/30/2014	247,000.00	246,353.77	247,000.00	1.850	2.639	0.33	121	0.17
Medallion Bank Utah 2.05 6/28/2021	58403B6Y7	06/28/2017	245,000.00	243,237.45	245,000.00	2.050	2.380	2.19	820	0.17
Mercantile Bank of MI 1.8 6/8/2020	58740XZJ2	06/07/2017	245,000.00	242,499.73	245,000.00	1.800	2.676	1.18	435	0.17
Sallie Mae Bank 2.1 8/13/2019	795450SJ5	08/13/2014	247,000.00	246,519.09	247,000.00	2.100	2.620	0.37	135	0.17
SYNCHRONY BANK 2.25 7/17/2020	87165HKM1	07/17/2015	247,000.00	245,778.76	247,000.00	2.250	2.638	1.28	474	0.17
Third Fed S & L 2 11/25/2019	88413QAW8	11/24/2014	247,000.00	245,954.65	247,000.00	2.000	2.657	0.65	239	0.17
Unity Bank 1.65 10/30/2020	91330ABC0	10/30/2015	249,000.00	245,675.18	249,000.00	1.650	2.511	1.56	579	0.17
Venture Bank Bloomington 1.6 9/6/2019	92326XDN8	06/06/2017	245,000.00	243,889.95	245,000.00	1.600	2.657	0.43	159	0.17
WEX Bank 1.8 6/2/2020	92937CFS2	06/02/2017	245,000.00	242,533.68	245,000.00	1.800	2.676	1.16	429	0.17
Negotiable Certificate of Deposit			6,406,000.00	6,376,680.21	6,406,000.00	1.957	2.559	1.16	435	4.33
Supranational Securities										
IADB 1.75 9/14/2022	4581X0CZ9	11/06/2017	1,000,000.00	980,960.00	987,890.02	2.120	2.327	3.36	1,263	0.68
IADB 1.75 9/14/2022	4581X0CZ9	11/07/2017	1,000,000.00	980,960.00	987,954.46	2.118	2.327	3.36	1,263	0.68
IBRD 1.2 9/30/2019	459058FQ1	12/11/2017	700,000.00	695,359.00	697,525.61	1.920	2.543	0.50	183	0.47
IBRD 1.25 4/26/2019	459058FC2	11/22/2017	2,000,000.00	1,998,140.00	1,999,248.70	1.785	2.578	0.07	26	1.35
Supranational Securities			4,700,000.00	4,655,419.00	4,672,618.79	1.947	2.466	1.53	576	3.18
Treasury Coupon Securities										
T-Note 1.5 10/31/2019	912828F62	01/31/2018	1,000,000.00	994,410.00	996,724.38	2.071	2.471	0.58	214	0.68
Treasury Coupon Securities			1,000,000.00	994,410.00	996,724.38	2.071	2.471	0.58	214	0.68
Total / Average			147,814,616.24	147,125,238.12	148,000,830.10	2.046	2.440	1.18	444	100

Attachment 4

**City of Escondido
Transactions Summary
Investment Maturities
From 12/31/2018 to 03/31/2019**

<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>	<u>Custodian</u>
Matured							
FNMA	Agency	3136FTZZ5	02/03/2014	01/30/2019	1.75	2,595,000	BNY Mellon
FFCB	Agency	3133EDTU6	05/27/2016	03/04/2019	1.7	1,750,000	BNY Mellon
IBRD	Corporate	459058DL4	12/11/2017	03/15/2019	1.875	741,000	BNY Mellon
Park National Bank	CD	700654AV8	09/26/2014	03/26/2019	2.1	247,000	BNY Mellon
Total						<u><u>5,333,000</u></u>	

CITY OF ESCONDIDO
FUNDS MANAGED BY OUTSIDE PARTIES
As of December 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:			
1998-1 Rancho San Pasqual Assessment District	346,603.41	2.380%	Treasury
2007 COP - Water Project	181.67	1.980%	Money Market
2012 JPFA Revenue Bonds (Water System Financing)	191.31	2.370%	Treasury
2012 JPFA Revenue Bonds (Wastewater System Financing)	318,869.79	2.380%	LAIF/Treasury
2013 JPFA Reidy Creek Lease Revenue Bonds (2001 Refunding)	61,159.39	2.280%	Money Market/Treasury
2013 Community Facility District - Hidden Trails (2001 Refunding)	7.65	2.250%	Treasury
2015 Community Facility District - Eureka Ranch (2006 Refunding)	114.23	1.960%	Treasury/Cash
2015A Wastewater Bond (2004A Refunding)	550,137.45	2.380%	Money Market
2015B Wastewater Bond (2004B Refunding)	220,031.05	2.380%	Money Market
TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	<u>\$ 1,497,295.95</u>		



CITY COUNCIL STAFF REPORT

Consent Item No. 5

May 8, 2019

File No. 0490-60

SUBJECT: City of Escondido's Investment Policy

DEPARTMENT: City Treasurer's Office

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2019-57, approving the City of Escondido's (City) May 2019 Investment Policy.

PREVIOUS ACTION:

The last adoption of the Investment Policy was Resolution No. 2017-73 on June 21, 2017.

BACKGROUND:

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

The City's Investment Policy has been deemed current and up-to-date per the California Debt and Investment Advisory Commission (CDIAC) Local Agency Investment Guidelines. However, with further review by the City's Investment Advisor, PFM Asset Management LLC, the following changes are recommended to update the policy's language to be more in line with current California Government Code requirements, enhance the clarity of the policy, and provide the City with additional opportunities to safely enhance the portfolio's long-term return. Attachment 1 is a detailed listing of the revisions to the 2017 Investment Policy.

The City's May 2019 Investment Policy is attached as Exhibit 1 to Resolution No. 2019-57.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Douglas W. Shultz, City Treasurer
5/1/2019 2:39 p.m.

ATTACHMENTS:

1. Attachment 1 – Summary of Revisions to Investment Policy for May 2019
2. Resolution No. 2019-57
3. Resolution No. 2019-57 - Exhibit 1 – May 2019 Investment Policy

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

Description of Change

The following is a summary of revisions from the June 2017 policy that were incorporated in the May 2019 policy. Existing language within the policy is presented in black, new language to the policy is presented in red and removal of language is shown with the line through it.

1. Revision to Section II - Scope~~A. Pooled Investments.~~

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

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

This policy does not apply to the Employees Deferred Compensation Fund and PERS funds, which are administered separately. Also, this investment policy does not apply to stocks, bonds, or other securities donated to the Escondido Public Library until such time as the Library Board of Trustees determines to dispose of such securities

Bond proceeds shall be invested in the securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, the bond proceeds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to bond proceeds. California Government Code Section 53601(1) permits money from bond proceeds, obligations under a lease, installment sales or other agreements to be invested in any security that meets the statutory provisions governing the issuance of the bond or other agreements made by the issuing agency.

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

Description of Change~~B. Investments held separately.~~

~~Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.~~

~~This policy does not apply to stocks, bonds, or other securities donated to the Escondido Public Library until such time as the Library Board of Trustees determines to dispose of such securities. Also, this investment policy does not apply to the Employees Deferred Compensation Fund and PERS funds, which are administered separately.~~

2. Revisions to Section VI - Required Reporting

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

- A. A monthly list of transactions.
- B. Quarterly investment report (as per Government Code Section ~~53601~~53646) will include the type of investment, issuer, date of maturity, par, and dollar amount invested and market value for each security held by the City. **The report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance.** The report shall state the source of the market value valuation and include a statement denoting the ability to meet the City's expected expenditure requirements for the next six months. **The quarterly report shall be submitted within 30 days of the end of the quarter.**
- C. An annual report setting forth a statement of investment policy.

3. Revisions to Section VII. –Authorized Financial Institutions and Broker/Dealers

- A. **The following requirements only apply to purchases made directly by the City and not purchased directly from the issuer**
- B. General criteria for the selection of financial institutions and broker/dealers shall be developed by the City Treasurer and reviewed by the City Investment Committee.
- C. Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. As determined necessary by the Executive Investment Committee, the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

Description of Change

list may include primary or regional dealers that are credit worthy and qualify under the uniform net capital rule of the Securities & Exchange Commission Rule 15C3-1.

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

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

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

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

- D. General criteria for the selection of banks and savings and loans into which the City shall invest its funds shall be developed by the City Treasurer and reviewed by the Executive Investment Committee subject to the limitations set forth in this policy.
- E. Selection of specific institutions in which City funds may be invested shall be performed by authorized City staff under the direction of the Executive Investment Committee.
- F. Institutions in which City funds may be invested shall be classified by the City Treasurer and reviewed by the Executive Investment Committee. The classification shall determine the maximum dollar amount allowable for investment in the specified institution.
- G. **If the City has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institutions with which to conduct transactions on the City's behalf.**

4. Revisions to Section VIII – Safekeeping and Custody

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

Description of Change

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

5. Revisions to Section IX – Accountability and Authority

- A. The Escondido Municipal Code vests authority for and control of investments to the City Treasurer. **Responsibility for the investment program is hereby delegated by the City Council to the City Treasurer, for a period of one-year, who shall thereafter assume full responsibility for the investment program until the delegation of authority is revoked. Subject to review, the City Council may renew the delegation of authority each year.**
- B. The City Treasurer may delegate the authority to conduct investment transactions to qualified and competent officials and employees of the City. Daily management responsibility of the investment program may be delegated to the ~~Treasury Manager~~ **staff** and/or the Assistant Finance Director who shall establish procedures for operation consistent with the investment policy.
- C. **The City Treasurer may utilize the services of an external investment advisor to assist with the investment program. The advisor shall act in a manner consistent with this Investment Policy and any written directions provided by the City Treasurer or other delegated officials per subsection B above. Furthermore, the advisor may not take possession of the City's cash or securities. Such investment advisors must be registered under the Investment Advisers Act of 1940.**

6. Revisions to Section X – Ethics and Conflicts of Interest

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

7. Revisions to Section XII – Authorized and Suitable Investments

- A. Qualifying Investment Instruments Policy:
 - 1. The following instruments are generally approved as qualifying investment instruments for City funds:
 - a. U.S. Treasury Securities **Obligations**

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

Description of Change

- b. U.S. Government Agency Securities
 - c. ~~Local Agencies of California and other State obligations~~ **Municipal Securities**
 - d. ~~Supranational Securities~~
 - e. Negotiable Certificates of Deposit
 - f. Banker's Acceptances
 - g. Commercial Paper
 - h. Repurchase Agreements
 - i. ~~Reverse Repurchase Agreements~~
 - i. Local Agency Investment Fund (LAIF) of the State of California.
 - j. **Local Government Investment Pools**
 - k. **Bank Deposits**
 - l. **Placement Service Deposits** ~~Non negotiable Time Deposits~~
 - m. ~~Medium-Term Notes/Bonds~~
 - n. **Asset-Backed Securities** ~~Notes, Bonds, or other obligations~~
 - o. **Money Market Funds**
2. Within the qualified investment instrument listing, the Executive Investment Committee may further define, qualify, and restrict use of City investment monies.
 - ~~3. Additional investment instruments may be added by the City Treasurer from time to time but shall be reported in the next regular monthly report to the City Council and City Manager.~~
 - ~~4. Investments of bond funds will be made in conformance with the trust indenture for each bond issue. Such Investments will be held separately when required.~~
 3. Trading is prohibited when cash or liquid securities are not available to pay for the securities being purchased. The taking of short positions, that is, selling securities which the City does not own, is also prohibited.
 4. Investments which exceed 5 years in maturity require that authority be granted by City Council before purchase. Written authority of the City Council must be granted specifically or as part of an investment program no less than ~~one~~ **three** months prior to the date of purchase (California Government Code Section 53601).

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

Description of Change

- ~~5.~~ The City may invest in securities issued by U.S. Government Agencies that contain embedded calls or options as long as those securities are not inverse floater, range notes, interest only strips that are derived from a pool of mortgages or a security that could result in a zero or negative accretion of interest if held to maturity (California Government Code Section 53601.6). The exception to this restriction would be a structured note in the final coupon period that has the same characteristics as any other simple fixed term security. The City may invest up to a maximum of 8% of the cost value of the portfolio at time of purchase in structured notes. These limitations will not apply to investments in shares of beneficial interest issued by diversified management companies as referenced in subparagraph (e) of this section (California Government Code Section 53601).
5. Callable **agency** securities (i.e. securities redeemable in part or in full by the issuer prior to the maturity date) shall not exceed 30% of the cost value of the portfolio. Callable **agency** securities which have passed their final call date and are no longer callable will not be included when calculating the 30% limit.
6. The City may invest in floating-rate securities whose coupon resets are based upon a single fixed income index which would be representative of an eligible investment (e.g. LIBOR, T-bill, prime, 2-year CMT), provided that the security is not leveraged (e.g. 2 times an index) or has a coupon that resets inversely to the underlying index.
- B. Diversification by Type of Investment:

The City is governed by California Government Code, Sections 53600 (et seq.). It shall be the policy of the City that investments shall be diversified with respect to the type of investment instruments used. **Percentage limitations and credit rating requirements listed in this policy apply at the time of purchase. If a security owned by the City is downgraded below the minimum credit rating required at purchase, the City Treasurer shall determine the course of action on a case-by-case basis considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.** Within the context of these limitations, the following investments are generally approved as qualifying investment instruments for City funds, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio, which can be invested in this category.
2. **Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-**

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

Description of Change

sponsored enterprises. There is no limitation as to the percentage of the portfolio, which can be invested in this category. However, Obligations issued by the United States Government Agencies such as the Government National Mortgage Association (GNMA), Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Student Loan Marketing Association (SLMA). Although there is no percentage limitation of the dollar amount that can be invested in these issues, the "prudent investor" rule shall apply for any single ~~no more than 30% of the portfolio can be invested in any one~~ agency name.

3. Municipal Debt to include registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or better by an Nationally Recognized Statistical Rating Organizations (NRSRO). A maximum of 40% of the portfolio may be invested in this category. ~~Municipal Securities of Local Agencies of California. Pursuant to the California Government Code Section 53601(e), the City may invest in bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. The City may invest up to a maximum of 40 percent of the cost value at time of purchase of the pooled portfolio in these securities. No more than 5 percent of the cost value of the portfolio at time of purchase may be invested in notes issued by any one issuer or in notes insured by any one insurer, except for securities supported by the full faith of the State of California.~~

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4. United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated **in a rating category of "AA" or better by an NRSRO and shall not exceed 30% of the cost value of the portfolio at the time of purchase. The 30% maximum percentage may be invested entirely in one of the listed names for this investment type. A maximum of 30% of the portfolio may be invested in this category.** These investments shall be classified as "Supranationals" for reporting purposes.
5. Negotiable Certificates of Deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. **Purchases are limited to securities rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or better by an NRSRO. NCDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30% of the portfolio may be invested in this category. Purchases of Negotiable Certificates of Deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.**
6. Bills of exchange or time drafts drawn on and accepted by a commercial bank otherwise known as bankers' acceptances. **Eligible bankers' acceptances are restricted to issuing financial institutions that have short-term debt rated in the rating category of "A-1" or its equivalent or better by a NRSRO.** Purchases of banker's acceptances may not exceed 180 days to maturity ~~or 30 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in banker's acceptances issued by any one bank.~~ **A maximum of 30% of the portfolio may be invested in this category.**
7. Commercial paper ~~ranked of "prime" quality of the highest ranking or of the highest letter and number rating as provided by an Nationally Recognized Statistical Rating Organizations (NRSRO)~~ **ranked of "prime" quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO.** The entity that issues the commercial paper shall meet all of the following conditions: (A) Is organized and operating in the United States as a general corporation; (B) Has total assets in excess of five hundred million dollars (\$500,000,000), and (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or better by an NRSRO. ~~and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long term debentures as provided by NRSRO.~~ Purchases of eligible commercial paper may not exceed 270 days. **A**

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~~maximum of 25% of the portfolio may be invested in this category. The City may not purchase more than 10 percent of the outstanding commercial paper of any single issuer. to maturity or 25 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation.~~

8. ~~Repurchase Agreements used solely as short-term investments not to exceed one year. The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities. All securities underlying Repurchase Agreements must be delivered to the City's custodian bank or held by a third party custodial agreement. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a Master Repurchase Agreement with each counter party with which it enters into repurchase agreements. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102% of the funds invested against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102% no later than the next business day. Market value must be calculated each time there is a substitution of collateral.~~
9. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. The City's investment in LAIF will be determined according to the City's liquidity needs and may not exceed ~~the limit set by LAIF for operating accounts~~ ~~\$50 Million~~. When calculating this limit, the City does not include bond proceeds invested with LAIF. These bond proceeds are held separately to meet arbitrage regulations and are not part of our pooled investments. LAIF has traditionally limited investments to short-term government type bonds. Treasury staff reviews the LAIF statements quarterly to ensure that this practice is maintained.
10. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Government Code. Investments will be limited to LGIPs that seek to maintain a stable net asset value. Whenever the City has any funds invested in a LGIP, the City Treasurer shall maintain on file a copy of the LGIP's current information statement and periodically review the LGIP's investments. There is no limitation as to the percentage of the portfolio that can be invested in this category.
11. FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts, and time

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deposits. To be eligible to receive City deposits, the financial institution must be located in California and have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. The amount on deposit in any financial institution shall not exceed the shareholder's equity. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The City Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The City shall have a signed agreement with any depository accepting City funds per Government Code Section 53649. The maturity of time certificate of deposits (TCDs) may not exceed 3 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in TCDs. ~~Non-negotiable Time Deposits shall not exceed five (5) years to maturity. Investments in Certificates of Deposit and Checking Accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Furthermore, the combined investments in Certificates of Deposit and deposits, if a private sector entity is used, shall not exceed, in total, more than 30 percent of the portfolio. The City may use a private sector entity that assists in the placement of Certificates of Deposit.~~

12. Insured deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. A maximum of 30 percent of the portfolio may be invested in this category. The maximum investment maturity will be restricted to three (3) years.
13. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by an NRSRO. A maximum of 30% of the portfolio may be invested in this category. ~~Medium-term Notes/Bonds issued by corporations organized and operating within the United States, pursuant to the California Government Code Section 53601(e). The issuing corporation must be in excess of \$500,000,000 in shareholder's equity. Purchase of Medium-term Notes/Bonds may not exceed 30 percent of the cost value of the portfolio. The Corporate Notes must have an "A" rating in categories by one Nationally Recognized Statistical Rating Organizations (NRSRO). If a rating changes on a Corporate Note below~~

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~~our threshold, the Treasury Department would review the security to determine if that security should be held or sold, even at a loss.~~

14. ~~Mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond with a maximum remaining maturity of five years or less. Securities eligible for purchase shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. A maximum of 20% of the portfolio may be invested in this category. Notes, Bonds, or other obligations which are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of another secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities which the security interest is granted. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of "A" or its equivalent or better by an NRSRO and having a rating in the "A" category or higher for the issuer's unsecured debt, as provided by an NRSRO.~~
15. ~~Money market funds (MMF) are restricted to Government Money Market Funds. Furthermore, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs, or (B) Retained an investment advisor with not less than five years' experience and registered or exempt from registration with the SEC, with assets under management in excess of five hundred million dollars (\$500,000,000). Whenever the City has any funds invested in a MMF, the City Treasurer shall maintain on file a copy of the MMF's current information statement. A maximum of 20% of the portfolio may be invested in this category. limited to 20 percent of the market value of the portfolio. The funds must be rated in the highest category of Moody's or Standard and Poor's, or must be administered by a domestic bank with long term debt rated in one of the top two categories of Moody's or Standard and Poor's. A thorough investigation of any money market fund or investment pool is required prior to investing, as well as on an ongoing basis. The following information should be obtained and analyzed:~~
- ~~a. A description of eligible investment securities.~~

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- ~~b. A written statement of investment policies and objectives.~~
- ~~c. A description of interest calculation and their distribution, and the treatment of gains and losses.~~
- ~~d. A description of how the securities are safeguarded and how often the securities are priced and the program audited.~~
- ~~e. Information about the size and frequency of deposits and withdrawals allowed, and how much notice is needed for withdrawals.~~
- ~~f. A schedule for receiving statements and portfolio listings.~~
- ~~g. A fee schedule, as well as how and when the fees are assessed.~~
- ~~h. The rating of the pool/fund.~~
- ~~i. Information about investment advisers, including registration with the Securities and Exchange Commission, length of experience and total assets under management.~~

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

C. Diversification by Institution.

The City shall seek to diversify its investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific investment types, individual financial institutions or maturities.

To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; excluding U.S. Treasuries, federal agencies, supranationals, and pooled investments such as LAIF, money market funds, or local government investment pools.

- ~~1. Not more than \$250,000 shall be placed in any qualifying institution unless collateralized in accordance with this policy.~~
- ~~2. All certificates of deposit investments shall be collateralized by government securities with a market value of 110 percent of the City's investment or mortgages in value equal to 150 percent of the City's investments. Each investment institution~~

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~~must meet specific financial criteria as determined by the Executive Investment Committee.~~

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

~~D. Collateralization~~

- ~~1. An independent third party with whom the City has a current custodial agreement must always hold collateral.~~
- ~~2. State law regarding collateralization of deposits of public funds requires that securities must be held by an agent (i.e. a trust company) of the bank, which may include the bank's trust department, only if acceptable to both the bank and the City Treasurer, pursuant to California Government Code Sections 53656 and 53658. Under the provisions of California Government Code Section 53652, banks are required to secure the deposits of public funds, including certificates of deposits, by: a) pledging government securities with a value of 110 percent of the principal and accrued interest; b) pledging first trust deed mortgage notes having a value 150 percent of the total agency deposit; or c) a letter of credit drawn on the Federal Home Loan Bank of 105 percent of the total agency deposit. Deposits must be secured at all times with eligible securities pursuant to California Government Code Section 53651.~~
- ~~3. Collateralization of repurchase agreements must be at least 102 percent of the market value of principal and accrued interest. Collateral must consist of U.S. Treasury obligations or U.S. Agency obligations. Other specific requirements on repurchase agreements must be addressed in a master repurchase agreement of the City and the financial institution or broker/dealer.~~

D. Investment Compliance Review

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

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the Mayor if done unanimously. All major and critical incidences of non-compliance shall be reported in the quarterly treasurer's report to the City Council.

Summary Table of the Policy's Authorized and Suitable Investments: ¹

Investment Type	Maximum Maturity ²	Maximum % of Portfolio	Maximum % with One Issuer	Minimum Rating ³
U.S. Treasury Obligations				
—(bills, bonds, or notes)	5 years	None	None	None
U.S. Agency Securities	5 years	(2) 100%	(2) 30%	None
Municipal Securities	5 years	40%	5%	A
Supranationals	5 years	30%	30%	AA
Municipal Securities of				
—California Local Agencies	5 years	40%	10%	A
Negotiable Certificates of Deposit ⁴	5 years	30%	10 5%	(3) A
Bankers' Acceptances ⁴	180 days	30%	10 5%	(3) A-1
Commercial Paper ⁴	270 days	25%	10 5%	A -1
Repurchase Agreements ⁴	1 year	None	None	(5) None
Investment Type	Maximum Maturity ⁴	Maximum % of Portfolio	Maximum % with One Issuer	Minimum Rating ⁵
Reverse Repurchase Agreements ⁴	92 days	20%	None	None
Local Agency Investment Fund	N/A	\$65 50M	None	None
Local Government Investment Pools ⁶	N/A	None	None	(6)
Non-Negotiable Time Bank Deposits ⁷	5 years	25 100%	100%	(3) (5)
Placement Service Deposits ⁷	5 years	30%	30%	(7)

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Medium Term Notes/ Bonds ⁴	5 years	30%	10 5%	A
Notes, Bonds, or Other Obligations		None		
Asset-Backed Securities ⁴	5 years	20%	None 5%	AA
Money Market Funds ⁸	N/A	20%	20%	(8)

1. 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. See Section XII of the City Treasurer's Investment Policy for additional detail.

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

~~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.~~

3. Minimum credit rating categories apply to the category without regards to include modifications (+/-). Credit ratings are from any NRSRO.

4. Per issuer limitations apply across investment types.

5. Collateralization is required. See Section XII o the City Treasurer's Investment Policy for additional detail.

6. The LGIP must have retained an advisor that is registered or exempt from registration with the Securities and Exchange Commission, has not less than five years of experience investing in the securities and obligations authorized by Code, and has assets under management in excess of five hundred million dollars (\$500,000,000).

7. Federal deposit is required for the full amount of the deposit and any accrued interest.

8. Money market funds must have the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or have an investment advisor that meets certain criteria.

~~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.~~

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~~⁷The 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.~~

8. Revision to Section XVI – Investment Strategy and Performance Standards

The investment portfolio shall be managed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City will employ an active management approach that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, or return in response to changing market conditions or the City's circumstances. This Policy recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

An appropriate performance benchmark shall be established against which portfolio performance shall be compared on a regular basis. The selected performance benchmark shall be representative of the City's overall investment objectives and liquidity requirements. ~~The City's investment strategy is passive (buy and hold). Given this strategy, the basis used by the City Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City's portfolio investment duration. Given the liquidity objective (25 percent of general fund operating budget shall be invested one year or less) and the portfolio duration, the 2 Year U.S. Treasury Note shall be the City's selected benchmark.~~

9. Revisions to the Appendix-Purpose (Addition of the following statement)

In the event a discrepancy between this Appendix and the requirements in the body of the Policy, the requirements listed in the Body of the Policy take precedence.

10. Revisions to the Appendix – Investment Selection (Removal of Treasury Manager)

... In determining the maturity date, ~~the Treasury Manager or other Treasurer designee,~~ should consider liquidity, cash flow, and expected expenditures. A review of some of the following sources should determine whether the investments should be placed to match projected expenditures or shorter, or take advantage of current and expected interest rate environments: ...

11. Revisions to Appendix- Purchasing and Investment (Changed NASD to FINRA, removal of Treasury Manager, and removal of LAIF limit)

SUMMARY OF REVISIONS TO INVESTMENT POLICY FOR MAY 2019

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- ~~Proof of National Association of Security Dealers (NASD) certification—Financial Industry Regulatory Authority (FINRA) registration~~

~~... The Treasury Manager or other Treasurer designee shall be as specific as possible in requesting the offering in purchasing a security. If a particular type of investment or a particular agency is to be excluded due to policy limitations that should be stated to the providers. ...~~

- c) ~~The balance of the LAIF account is reviewed to adhere to the City's investment pool limit—not to exceed the investment policy limits of up to \$50 million.~~

12. Revisions to Appendix – Investment Strategy and Performance Standards

XVI. Accountability and Authority

The investment portfolio shall be managed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City will employ an active management approach that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, or return in response to changing market conditions or the City's circumstances. This Policy recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

An appropriate performance benchmark shall be established against which portfolio performance shall be compared on a regular basis. The selected performance benchmark shall be representative of the City's overall investment objectives and liquidity requirements. ~~The City's strategy is buy and hold (passive v. active). The strategy is to ladder out the portfolio five years, taking cash flow into consideration. Given this strategy, the basis used by the City Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City's portfolio investment duration. The 2-Year U.S. Treasury Note shall be the City's benchmark.~~

13. Revisions to the Glossary of Terms (the following additions/deletions were made)

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

Asset-Backed Securities — Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying

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assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

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

Collateral— securities pledged to secure the value of an investment or deposit repayment of a loan.

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

Federal Farm Credit Bank System (FFCB)— created by Congress in 1916, this nationwide system of banks and associations provides mortgage loans, credit and related services to farmers, rural homeowners, and agricultural and rural cooperatives. The banks and associations are cooperatively owned, directly or indirectly, by their respective borrowers. The banks of the Farm Credit System issue securities on a consolidated basis through the Federal Farm Credit Banks Funding Corporation.

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

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

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

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Financial Industry Regulatory Authority (FINRA) — The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees nearly 4,750 brokerage firms, about 167,000 branch offices and approximately 634,000 registered securities representatives.

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

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

Local Government Investment pool (LGIP) — a type of pooled investment program in which funds from local agency investors/participants are aggregated together for investment purposes.

~~*Long Term Maturity* — investment period greater than five years.~~

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

Money Market Fund — A type of mutual fund that invests exclusively in short-term investments.

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

Prudent Investor Person Rule — an investment standard. In California, persons authorized to make investment decisions on behalf of a local agency are considered trustees and therefore fiduciaries subject to the Prudent Investor Rule. A trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital. standard adopted by some U.S. states to guide those with responsibility for investing money of others. Such fiduciaries, such as trustees, must act as a prudent man or woman would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. States not using the prudent man system use the *legal list* system, allowing fiduciaries to invest only in a restricted list of securities, called the *legal list*.

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

~~*Range Note* — an investment instrument that pays a high interest rate, if a given index falls within a stipulated range, but pays no interest if the stipulated index falls outside that range.~~

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

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

RESOLUTION NO. 2019-57

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE CITY OF ESCONDIDO'S
INVESTMENT POLICY DATED MAY 2019

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

WHEREAS, the City of Escondido's May 2019 Investment Policy is in accordance with Government Code Section 53601 and meets Association of Public Treasurers of the United States & Canada ("APT US & C") Investment Policy Certification standards; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest, to adopt the City of Escondido's May 2019 Investment Policy, a copy of which is attached as Exhibit "1" and is incorporated by this reference.

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

1. That the above recitations are true.
2. That the City Council hereby adopts the City of Escondido's May 2019 Investment Policy attached to this Resolution as Exhibit "1."



City of Escondido

INVESTMENT POLICY

May 2019

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CITY OF ESCONDIDO INVESTMENT POLICY

I. Policy Statement

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

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

II. Scope

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

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds

This policy does not apply to the Employees Deferred Compensation Fund and PERS funds, which are administered separately. Also, this investment policy does not apply stocks, bonds, or other securities donated to the Escondido Public Library until such time as the Library Board of Trustees determines to dispose of such securities

Bond proceeds shall be invested in the securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, the bond proceeds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed in elsewhere in this Policy do not apply to bond proceeds.

III. Prudence

Pursuant to California Government Code Section 53600.3, as amended, the City Council and all persons authorized to make investment decisions on behalf of the City are trustees

of the public funds and therefore fiduciaries subject to the following prudent investor standard.

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

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

IV. Investment Objectives

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

1. *Safety.* Safety of principal is the City of Escondido's foremost objective. Investments shall seek to ensure that capital losses resulting from institution default, broker-dealer default, or the erosion of market value are avoided. The City of Escondido shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
 - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see authorized investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.
 - b. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio to eliminate the need to sell securities prior to maturity; and by prohibiting the taking of short positions, that is, selling securities that the City does not own. It is explicitly recognized, however, that in a diversified portfolio, occasional measured losses may occur, and must be considered within the context of overall investment return.
2. *Liquidity.* The portfolio will be structured with sufficient liquidity to allow the City to meet expected cash requirements. The investment portfolio shall remain sufficiently liquid to ensure that projected expenditure requirements of the next

six months can be met with a combination of anticipated revenues, maturing securities, and highly liquid investments and shall maintain a minimum level of short-term investments (one year or less) equivalent to 25% of the General Fund operating budget. The duration is also mentioned in the "Maturity" section.

3. *Yield.* In a manner consistent with the objectives of safety of principal and liquidity uppermost, a yield higher than the market rate of return shall be sought. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

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

V. Executive Investment Committee

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

VI. Required Reporting

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

- A. A monthly list of list of transactions.
- B. Quarterly investment report (as per Government Code Section 53646) will include the type of investment, issuer, date of maturity, par, and dollar amount invested and market value for each security held by the City. The report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance. The report shall state the source of the market value valuation and include a statement denoting the ability to meet the City's expected expenditure requirements for the next six months. The quarterly report shall be submitted within 30 days of the end of the quarter.
- C. An annual report setting forth a statement of investment policy.

VII. Authorized Financial Institutions and Broker/Dealers

- A. The following requirements only apply to purchases made directly by the City and not purchased directly from the issuer
- B. General criteria for the selection of financial institutions and broker/dealers shall be developed by the City Treasurer and reviewed by the City Investment Committee.
- C. Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Executive Investment Committee. The City has an established formal procedure process in place for the selection of financial institutions and broker/dealers. As determined necessary by the Executive Investment Committee, the City will distribute a broker/dealer questionnaire to interested and known financial institutions and broker/dealers. The City Treasurer will maintain a list of qualified broker/dealers authorized to provide investment services to the City of Escondido. The list may include primary or regional dealers that are credit worthy and qualify under the uniform net capital rule of the Securities & Exchange Commission Rule 15C3-1.

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

- Completed broker/dealer questionnaire
 - Proof of Financial Industry Regulatory Authority (FINRA) registration
- License to conduct business in the state of California
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Certification of having read and understood and agreeing to comply with the City of Escondido's investment policy
- Evidence of adequate insurance coverage

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

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

- D. General criteria for the selection of banks and savings and loans into which the City shall invest its funds shall be developed by the City Treasurer and reviewed by the Executive Investment Committee subject to the limitations set forth in this policy.

- E. Selection of specific institutions in which City funds may be invested shall be performed by authorized City staff under the direction of the Executive Investment Committee.
- F. Institutions in which City funds may be invested shall be classified by the City Treasurer and reviewed by the Executive Investment Committee. The classification shall determine the maximum dollar amount allowable for investment in the specified institution.
- G. If the City has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institutions with which to conduct transactions on the City's behalf.

VIII. Safekeeping and Custody

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

IX. Accountability and Authority

- A. The Escondido Municipal Code vests authority for and control of investments to the City Treasurer. Responsibility for the investment program is hereby delegated by the City Council to the City Treasurer, for a period of one-year, who shall thereafter assume full responsibility for the investment program until the delegation of authority is revoked. Subject to review, the City Council may renew the delegation of authority each year.
- B. The City Treasurer may delegate the authority to conduct investment transactions to qualified and competent officials and employees of the City. Daily management responsibility of the investment program may be delegated to Treasury staff and/or the Assistant Finance Director who shall establish procedures for operation consistent with the investment policy.
- C. The City Treasurer may utilize the services of an external investment advisor to assist with the investment program. The advisor shall act in a manner consistent with this Investment Policy and any written directions provided by the City Treasurer or other delegated officials per subsection B above. Furthermore, the advisor may not take possession of the City's cash or securities. Such investment advisors must be registered under the Investment Advisers Act of 1940.

X. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally, the City Treasurer and

the Assistant Finance Director are required to annually file a Statement of Economic Interest as mandated by Government Code Section 91013.

XI. Internal Control

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

XII. Authorized and Suitable Investments

A. Qualifying Investment Instruments Policy:

1. The following instruments are generally approved as qualifying investment instruments for City funds:
 - a. U.S. Treasury Obligations
 - b. U.S. Agency Securities
 - c. Municipal Securities
 - d. Supranationals
 - e. Negotiable Certificates of Deposit
 - f. Banker's Acceptances
 - g. Commercial Paper
 - h. Repurchase Agreements
 - i. Local Agency Investment Fund (LAIF) of the State of California
 - j. Local Government Investment Pools
 - k. Bank Deposits
 - l. Placement Service Deposits
 - m. Medium-Term Notes
 - n. Asset-Backed Securities
 - o. Money Market Funds
2. Within the qualified investment instrument listing, the Executive Investment Committee may further define, qualify, and restrict use of City investment monies.

3. Trading is prohibited when cash or liquid securities are not available to pay for the securities being purchased. The taking of short positions, that is, selling securities which the City does not own, is also prohibited.
 4. Investments which exceed 5 years in maturity require that authority be granted by City Council before purchase. Written authority of the City Council must be granted specifically or as part of an investment program no less than three months prior to the date of purchase (California Government Code Section 53601).
 5. Callable agency securities (i.e. securities redeemable in part or in full by the issuer prior to the maturity date) shall not exceed 30% of the value of the portfolio. Callable agency securities which have passed their final call date and are no longer callable will not be included when calculating the 30% limit.
 6. The City may invest in floating-rate securities whose coupon resets are based upon a single fixed income index which would be representative of an eligible investment (e.g. LIBOR, T-bill, prime, 2-year CMT), provided that the security is not leveraged (e.g. 2 times an index) or has a coupon that resets inversely to the underlying index.
- B. Diversification by Type of Investment:

The City is governed by California Government Code, Sections 53600 (et seq.). It shall be the policy of the City that investments shall be diversified with respect to the type of investment instruments used. Percentage limitations and credit rating requirements listed in this policy apply at the time of purchase. If a security owned by the City is downgraded below the minimum credit rating required at purchase, the City Treasurer shall determine the course of action on a case-by-case basis considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security. Within the context of these limitations, the following investments are generally approved as qualifying investment instruments for City funds, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio, which can be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio, which can be invested in this category. However, no more than 30% of the portfolio can be invested in any one agency name.
3. Municipal Debt to include registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-

producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or better by an Nationally Recognized Statistical Rating Organizations (NRSRO). A maximum of 40% of the portfolio may be invested in this category.

4. United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or better by an NRSRO. A maximum of 30% of the portfolio may be invested in this category. These investments shall be classified as "Supranationals" for reporting purposes.
5. Negotiable Certificates of Deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or better by an NRSRO. NCDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30% of the portfolio may be invested in this category.
6. Bills of exchange or time drafts drawn on and accepted by a commercial bank otherwise known as bankers' acceptances. Eligible bankers' acceptances are restricted to issuing financial institutions that have short-term debt rated in the rating category of "A-1" or its equivalent or better by a NRSRO. Purchases of banker's acceptances may not exceed 180 days to maturity. A maximum of 30% of the portfolio may be invested in this category.
7. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO. The entity that issues the commercial

paper shall meet all of the following conditions: (A) Is organized and operating in the United States as a general corporation; (B) Has total assets in excess of five hundred million dollars (\$500,000,000), and (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of eligible commercial paper may not exceed 270 days. A maximum of 25% of the portfolio may be invested in this category. The City may not purchase more than 10 percent of the outstanding commercial paper of any single issuer.

8. Repurchase Agreements used solely as short-term investments not to exceed one year. The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities. All securities underlying Repurchase Agreements must be delivered to the City's custodian bank or held by a third party custodial agreement. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The City shall have properly executed a Master Repurchase Agreement with each counter party with which it enters into repurchase agreements. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102% of the funds invested against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102% no later than the next business day. Market value must be calculated each time there is a substitution of collateral.
9. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. The City's investment in LAIF will be determined according to the City's liquidity needs and may not exceed the limit set by LAIF for operating accounts. When calculating this limit, the City does not include bond proceeds invested with LAIF. These bond proceeds are held separately to meet arbitrage regulations and are not part of our pooled investments. LAIF has traditionally limited investments to short-term government type bonds. Treasury staff reviews the LAIF statements quarterly to ensure that this practice is maintained.
10. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Government Code. Investments will be limited to LGIPs that seek to maintain a stable net asset value. Whenever the City has any funds invested in a LGIP, the City Treasurer shall maintain on file a copy of the LGIP's current information statement and periodically review the LGIP's investments. There is no limitation as to the percentage of the portfolio that can be invested in this category.
11. FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts, and time deposits. To be eligible to receive City deposits, the financial institution must be

located in California and have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. The amount on deposit in any financial institution shall not exceed the shareholder's equity. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The City Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The City shall have a signed agreement with any depository accepting City funds per Government Code Section 53649. The maturity of time certificate of deposits (TCDs) may not exceed 3 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in TCDs

12. Insured deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. A maximum of 30 percent of the portfolio may be invested in this category. The maximum investment maturity will be restricted to three (3) years.
13. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by an NRSRO. A maximum of 30% of the portfolio may be invested in this category.
14. Mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond with a maximum remaining maturity of five years or less. Securities eligible for purchase shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. A maximum of 20% of the portfolio may be invested in this category.
15. Money market funds (MMF) are restricted to Government Money Market Funds. Furthermore, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs, or (B) Retained an investment advisor with not less than five years' experience and registered or exempt from registration with the SEC, with assets under management in excess of five hundred million dollars (\$500,000,000). Whenever the City has any funds invested in a MMF, the City Treasurer shall maintain on file a copy of the MMF's current information statement. A maximum of 20% of the portfolio may be invested in this category

16. Ineligible Investments. Investments not described herein, including, but not limited to, common stocks, inverse floaters, range notes, or mortgage-derived interest-only strips are prohibited from use in this portfolio.

C. Diversification by Institution.

The City shall seek to diversify its investments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific investment types, individual financial institutions or maturities.

To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; excluding U.S. Treasuries, federal agencies, supranationals, and pooled investments such as LAIF, money market funds, or local government investment pools. 2.

D. Investment Compliance Review

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

Summary Table of the Policy's Authorized and Suitable Investments: ¹

Investment Type	Maximum Maturity ²	Maximum % of Portfolio	Maximum % with One Issuer	Minimum Rating ³
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	100%	30%	None
Municipal Securities	5 years	40%	5%	A
Supranationals	5 years	30%	30%	AA
Negotiable Certificates of Deposit ⁴	5 years	30%	5%	A
Bankers' Acceptances ⁴	180 days	30%	5%	A-1
Commercial Paper ⁴	270 days	25%	5%	A-1
Repurchase Agreements ⁴	1 year	None	None	(5)
Local Agency Investment Fund	N/A	\$65M	None	None
Local Government Investment Pools	N/A	None	None	(6)

Investment Type	Maximum Maturity ²	Maximum % of Portfolio	Maximum % with One Issuer	Minimum Rating ³
Bank Deposits ⁷	5 years	100%	100%	(5)
Placement Service Deposits ⁷	5 years	30%	30%	(7)
Medium Term Notes ⁴	5 years	30%	5%	A
Asset-Backed Securities ⁴	5 years	20%	5%	AA
Money Market Funds ⁸	N/A	20%	20%	(8)

1. 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. See Section XII of the City Treasurer’s Investment Policy for additional detail.
2. In the absence of a specified maximum, the maximum is 5 years.
3. Minimum credit rating categories apply to the category without regards to modifications (+/-). Credit ratings are from any NRSRO.
4. Per issuer limitations apply across investment types.
5. Collateralization is required. See Section XII of the City Treasurer’s Investment Policy for additional detail.
6. The LGIP must have retained an advisor that is registered or exempt from registration with the Securities and Exchange Commission, has not less than five years of experience investing in the securities and obligations authorized by Code, and has assets under management in excess of five hundred million dollars (\$500,000,000).
7. Federal deposit is required for the full amount of the deposit and any accrued interest.
8. Money market funds must have the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or have an investment advisor that meets certain criteria.

XIII. Maturity Goals

1. Subject to the availability of funds, short-term investments (maturity of one year or less) of the City shall not be less than 25 percent of the General Fund annual operating budget of the City.
2. The percentage of the City's portfolio that may be invested intermediate term (maturity term over one year and not greater than five years) shall be determined by the City Treasurer based on estimated cash requirements.
3. Long-term investments (over five years to maturity date) shall be made only after review and approval by the City Council. Accordingly, no fixed percentage of the City's portfolio is designed for long-term investments.

4. Additional and/or clarifying maturity guidelines shall be adopted from time to time as devised by the City Treasurer and reviewed by the Executive Investment Committee.

XIV. Policy Review

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

XV. Investment Procedures

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

XVI. Investment Strategy and Performance Standards

The investment portfolio shall be managed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City will employ an active management approach that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, or return in response to changing market conditions or the City's circumstances. This Policy recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

An appropriate performance benchmark shall be established against which portfolio performance shall be compared on a regular basis. The selected performance benchmark shall be representative of the City's overall investment objectives and liquidity requirements.

APPENDIX
CITY OF ESCONDIDO
INVESTMENT PROCEDURE MANUAL

Purpose

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

References and subjects at the beginning of each section refer to elements in the Investment Policy. In the event a discrepancy between this Appendix and the requirements in the body of the Policy, the requirements listed in the Body of the Policy take precedence.

Cash Review

- I. Policy
- II. Scope
- IX. Accountability and Authority

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

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

Investment Selection

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

The City Treasurer or designee determines how much of the cash balance is available for investment and selects the area of the yield curve that most closely matches the required maturity date based on cash flow needs.

In determining the maturity date, the Treasurer designee, should consider liquidity, cash flow, and expected expenditures. A review of some of the following sources should determine whether the investments should be placed to match projected expenditures or shorter, or take advantage of current and expected interest rate environments:

- a) Review daily business publications and commentaries from financial institutions and brokers.
- b) Read publications, Wall Street Journal, and watch media (CNBC) for general trends of economic interests.
- c) Input from approved broker/dealers.

Purchasing an Investment

- VII. Authorized Financial Institutions and Broker/Dealers
- VIII. Safekeeping and Custody
- XII. Authorized and Suitable Investments
- XII B. Diversification of Investments
- XIII. Maturity Goals

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

- a) Financial conditions, strength, and capability to fulfill commitments.
- b) Overall reputation with other investors.
- c) Regulatory status of the broker/dealer (all providers).
- d) Background and expertise of the individual representative.

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

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

- Completed broker/dealer questionnaire
- Proof of Financial Industry Regulatory Authority (FINRA) registration
- License to conduct business in the State of California
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Certification of having read and understood and agreeing to comply with the City of Escondido's investment policy
- Evidence of adequate insurance coverage

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

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

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

The following must be determined prior to contacting the providers:

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

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

- a) LAIF written investment policy and a copy of the "LAIF ANSWER BOOK" (which contains detailed information about LAIF).

- b) A prospectus for the Money Market funds or bank-managed funds.
- c) The balance of the LAIF account is reviewed to adhere to the City's investment pool limit.

Before concluding the transaction, the following should be validated:

- a) The security selected for purchase meets all criteria including portfolio-diversification, collateralization (if appropriate), and maturity. If the security has any imbedded options such as call provisions or coupon adjustments, these should also be reviewed. Current practice is to buy bullet securities, no callable. The strategy is buy and hold.
- b) Verify yield.
- c) Total purchase cost (including accrued interest) does not exceed funds available for investment.
- d) Advise the successful provider that their offering has been selected for purchase.
- e) After confirmation of the purchase, as a courtesy, notify the other broker/dealers that you have placed the investment. Best price may be disclosed if the other broker/dealers ask.

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

- a) Reconfirm amounts of transaction (principal, accrued interest, if any, and total cost).
- b) Reconfirm settlement date.
- c) Acquire CUSIP number of security, if applicable.
- d) Obtain a copy of the Bloomberg (trade ticket plus description page).

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

- a) Name of third-party safekeeping agent (currently Bank of New York Mellon Trust, contact designated customer service representative)
- b) ABA number of safekeeping agent.
- c) Safekeeping account number.

Settlement and Follow-Through

IX. Accountability and Authority

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

- a) Type of security.
- b) Par amount, stated coupon, interest yield, maturity date, and CUSIP number.

- c) Specified dollar amount (principal amount, accrued interest, if applicable, and total cost).
- d) Note the broker of the investment transaction.
- e) Signature of the Treasurer designee.

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

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

Investment Strategy and Performance Standards

XVI. Accountability and Authority

The investment portfolio shall be managed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The City will employ an active management approach that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, or return in response to changing market conditions or the City's circumstances. This Policy recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

An appropriate performance benchmark shall be established against which portfolio performance shall be compared on a regular basis. The selected performance benchmark shall be representative of the City's overall investment objectives and liquidity requirements.

GLOSSARY OF TERMS

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

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

Asked — the price at which securities are offered.

Asset-Backed Securities — Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

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

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

Bid — price a prospective buyer is ready to pay.

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

Book Value — a term synonymous with amortized cost.

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

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

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

Collateral — securities pledged to secure the value of an investment or deposit.

Commercial Paper — short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. It

is a promissory note of the issuer used to finance current obligations, and is a negotiable instrument.

Comprehensive Annual Financial Report (CAFR) — an annual financial report that contains at a minimum, three sections: introductory, financial and statistical, and whose financial section provides information on each individual fund and component unit. (Definition source: 2005 Governmental Accounting, Auditing, and Financial Reporting (GAAFR)).

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

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

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

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

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

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

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

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

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

Federal Deposit Insurance Corporation (FDIC) — a federal agency that insures bank deposits. Deposit coverage increased from \$100,000 to \$250,000 per depositor in 2008. The increased coverage limits of \$250,000 per depositor, per insured institution, was extended indefinitely effective July 2010 with the passage of the Dodd-Frank Act.

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

Federal Open Market Committee (FOMC) — a committee that sets interest rate and credit policies for the Federal Reserve System, the United States' central bank. The FOMC has 12 members. Seven are the members of the Federal Reserve Board, appointed by the president of the United States. The other five are presidents of the 12 regional Federal Reserve banks. Of the five, four are picked on a rotating basis; the other is the president of the Federal Reserve Bank of New York, who is a permanent member. The committee decides whether to increase or decrease interest rates through open market operations of buying or selling government securities. The committee's decisions are closely watched and interpreted by economists and stock and bond market analysts, who try to predict whether the Fed is seeking to tighten credit to reduce inflation or to loosen credit to stimulate the economy.

Federal Reserve System — system established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System (the Fed) is comprised of 12 regional Federal Reserve Banks, their branches, and all national and state that are a part of the system. The Federal Reserve System's main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for transfer of funds throughout the banking system, and examine member banks to make sure they meet various Federal Reserve regulations.

Financial Industry Regulatory Authority (FINRA) — The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees nearly 4,750 brokerage firms, about 167,000 branch offices and approximately 634,000 registered securities representatives.

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

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

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

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

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

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

Local Government Investment pool (LGIP)— a type of pooled investment program in which funds from local agency investors/participants are aggregated together for investment purposes.

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

Master Repurchase Agreement— a written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master repurchase agreement will often specify the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity— the date upon which the principal or stated value of an investment becomes due and payable.

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

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

Money Market Fund— A type of mutual fund that invests exclusively in short-term investments.

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

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

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

Portfolio— collection of securities held by an investor.

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

Prudent Investor Rule— an investment standard. In California, persons authorized to make investment decisions on behalf of a local agency are considered trustees and therefore fiduciaries subject to the Prudent Investor Rule. A trustee may invest in a security if it is one which would

be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Rate of Return— the yield obtainable on security based on its purchase price or its current market price.

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

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

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

Safekeeping — sees custody

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

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

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

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

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

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

Treasury Notes — medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from one to ten years.

Uniform Net Capital Rule — Securities and Exchange Commission requirement that all SEC registered broker/dealers maintain sufficient liquid resources to promptly satisfy their liabilities, including all claims by customers, creditors and other broker-dealers. The rule requires broker-dealers to maintain the greater of (1) a specified percentage of net capital as it relates to either total broker indebtedness or total customer receivables, or (2) a specified dollar amount.

Yield -The annual rate of return on an investment generally expressed as a percentage of the securities current price.



CITY COUNCIL STAFF REPORT

Consent Item No. 6

May 8, 2019

File No. 0490-30

SUBJECT: Renew Signature Authorizations for Investing City Funds in the Local Agency Investment Fund

DEPARTMENT: City Treasurer's Office

RECOMMENDATION:

It is requested that the City Council approve Resolution No. 2019-63, that will renew authorization to invest monies, not required for immediate cash flow needs, in the Local Agency Investment Fund (LAIF) which is administered by the State Treasury in accordance with Section 16429.1 of California Government Code.

PREVIOUS ACTION:

The City Council originally approved Resolution No. 77-23 in 1977, that gave the City Treasurer authorization to participate in the LAIF for investment of surplus City of Escondido (City) funds. The City Council most recently approved Resolution No. 2016-49, renewing authorization to invest monies in the LAIF by updating the list of authorized users.

BACKGROUND:

The LAIF is a voluntary program created by State statute in 1977 as an investment alternative for California's local governments. This program is administered by the State Treasurer's Office with monies from the LAIF invested with State monies through the Pooled Money Investment Account. This program offers local agencies the opportunity to participate in a major portfolio that invests billions of dollars using the investment expertise of the State Treasurer's Office investment staff. LAIF has grown from 293 participants and \$468 million in 1977 to 2,362 participants and \$22.1 billion as of March 31, 2019.

At the end of each calendar quarter, all interest earned in the LAIF is distributed to the participating governmental agencies directly proportionate to their respective amounts deposited in the LAIF and the length of time such amounts remained therein. Prior to the distribution, an amount equal to the reasonable costs of making the investments, not to exceed one-half of one percent of the earnings of the LAIF, are deducted from the interest earnings. A statement is sent to all fund participants showing balances and transactions for the month.

As of March 31, 2019, the City had \$56.2 million invested in the LAIF. Investing in the LAIF is an authorized investment in the City's Investment Policy that meets the investment objective of safety. Under Federal Law, the State of California cannot declare bankruptcy, specifically Section 16429.3 of

Renew Signature Authorization to Invest Monies in LAIF
May 8, 2019
Page 2

the State Government Code states that money's placed with the Treasurer for deposit in the LAIF shall not be subject to impound or seizure by any State official or State agency. California Government Code Section 16429.4 was added in 2002, and states that the State cannot withhold LAIF monies if they fail to adopt a budget by the June 30th deadline.

Due to Staff turnover and title changes, Staff is requesting the approval of Resolution No. 2019-63, which will renew authorization to invest monies not required for immediate cash flow needs in the LAIF and designate those authorized to complete such transactions.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Douglas W. Shultz, City Treasurer
5/1/2019 2:39 p.m.

ATTACHMENTS:

1. Resolution No. 2019-63

RESOLUTION NO. 2019-63

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING INVESTMENT OF MONIES IN
THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council of the City of Escondido hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 for the purpose of investment as provided therein is in the best interests of the City of Escondido.

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 does hereby authorize the deposit and withdrawal of City of Escondido monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated herein.
3. That the following City of Escondido officers holding the title(s) specified herein below or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and

deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transaction contemplated hereby: Sheryl Bennett, Deputy City Manager, or Douglas Shultz, City Treasurer, or Joan Ryan, Assistant Finance Director or, Michelle Collett, Senior Accountant.

4. That this Resolution shall remain in full force and effect until rescinded by the City Council by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.



CITY COUNCIL STAFF REPORT

Consent Item No. 7

May 8, 2019

File No. 0600-10, A-3299

SUBJECT: Consulting Agreement for Midway Drainage Improvements

DEPARTMENT: Engineering Services Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2019-68 authorizing the Mayor and the City Clerk to execute a Consulting Agreement with NV5 in the amount of \$164,900 to complete a drainage study for the East Valley Parkway and Midway Drive Drainage Improvement Project.

FISCAL ANALYSIS:

Funding for this contract has been previously programmed in the adopted Capital Improvement Program Budget.

BACKGROUND:

This project will study the Federal Emergency Management Agency (FEMA) floodplain areas along East Valley Parkway, between Ash and Citrus, and along Midway Drive between Bear Valley Parkway and Lincoln Avenue, to design improvements to the storm drain system (See Attachment 1). The goal of this project is to improve the storm drain system so that the surrounding areas can be removed from the floodplain. It is anticipated that drainage improvements will be made in phases as funding becomes available.

Three proposals were submitted in response to the City of Escondido's (City) request for proposals as follows:

Michael Baker International (MBI)	\$156,850
NV5	\$164,900
Kimley Horn	\$295,090

Staff recommends that a contract be executed with NV5 as the most qualified consultant. The proposal provided by NV5 offered the best value for the City (Exhibit 1). The analysis methodology offered by NV5 is more time intensive than that offered by MBI and will improve the design accuracy. The consultant will prepare preliminary drainage improvement design and recommendations for phasing of drainage improvements in addition to hydrologic and hydraulic analyses.

East Valley Pkwy. and Midway Dr. Drainage Improvements Consulting Agreement
May 8, 2019
Page 2

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Julie Procopio, Director of Engineering Services
5/1/2019 4:02 p.m.

ATTACHMENTS:

1. Attachment 1 - FEMA Map
2. Resolution No. 2019-68
3. Resolution No. 2019-68 – Exhibit 1 - Consulting Agreement

NOTES TO USERS

This map is for use in administering the National Flood Insurance Program. It does not necessarily identify all areas subject to flooding, particularly from local drainage sources of small size. The community map repository should be consulted for possible updated or additional flood hazard information.

To obtain more detailed information in areas where Base Flood Elevations (BFEs) and/or Floodways have been determined, users are encouraged to consult the Flood Profiles and Floodway Data and/or Summary of Stillwater Elevations tables contained within the Flood Insurance Study (FIS) report that accompanies this FIRM. Users should be aware that BFEs shown on the FIRM represent rounded whole-foot elevations. These BFEs are intended for flood insurance rating purposes only and should not be used as the sole source of flood elevation information. Accordingly, flood elevation data presented in the FIS report should be utilized in conjunction with the FIRM for purposes of construction and/or floodplain management.

Coastal Base Flood Elevations (CBFEs) shown on this map apply only to lowland of 0.7 North American Vertical Datum of 1988 (NAVD 88). Users of the FIRM should be aware that coastal flood elevations are also provided in the Summary of Stillwater Elevations table in the Flood Insurance Study report for this jurisdiction. Elevations shown in the Summary of Stillwater Elevations table should be used for construction and/or floodplain management purposes when they are higher than the elevations shown on this FIRM.

Boundaries of the Floodways were computed at cross sections and interpolated between cross sections. The Floodways were based on hydraulic considerations with regard to requirements of the National Flood Insurance Program. Floodway widths and other pertinent floodway data are provided in the Flood Insurance Study report for this jurisdiction.

Certain areas not in Special Flood Hazard Areas may be protected by flood control structures. Refer to Section 2.4 "Flood Protection Measures" of the Flood Insurance Study report for information on flood control structures for this jurisdiction.

The projection used in the preparation of this map was Universal Transverse Mercator (UTM Zone 11). The horizontal datum was NAD83. CRS 1983 spheroid. Differences in datum, spheroid, projection or UTM zones used in the production of FIRMs for adjacent jurisdictions may result in slight positional differences in map features across jurisdiction boundaries. These differences do not affect the accuracy of the FIRM.

Flood elevations on this map are referenced to the North American Vertical Datum of 1988. These flood elevations must be compared to structure and ground elevations referenced to the same vertical datum. For information regarding conversion between the National Geodetic Vertical Datum of 1929 and the North American Vertical Datum of 1988, visit the National Geodetic Survey website at <http://www.ngs.noaa.gov> or contact the National Geodetic Survey at the following address:

NGS Information Service
 NOAA, NAD83/12
 National Geodetic Survey
 SSMC-3 #9202
 1315 East-West Highway
 Silver Spring, Maryland 20910-3202
 (301) 713-3242

To obtain current elevation, description, and/or location information for bench marks shown on this map, please contact the Information Services Branch of the National Geodetic Survey at (301) 713-3242 or visit its website at <http://www.ngs.noaa.gov>.

Base map information shown on this FIRM was provided in digital format by the USDA National Agriculture Imagery Program (NAIP). This information was photogrammetrically compiled at a scale of 1:24,000 from aerial photography dated 2009.

This map reflects more detailed and up-to-date stream channel configurations than those shown on the previous FIRM for this jurisdiction. The Floodways and Floodways that were transferred from the previous FIRM may have been adjusted to conform to these new stream channel configurations. As a result, the Flood Profiles and Floodway Data tables in the Flood Insurance Study report (which contain authoritative hydrologic data) may reflect stream channel dimensions that differ from what is shown on this map.

Corporate limits shown on this map are based on the best data available at the time of publication. Because changes due to annexations or de-annexations may have occurred after this map was published, map users should contact appropriate community officials to verify current corporate limit locations.

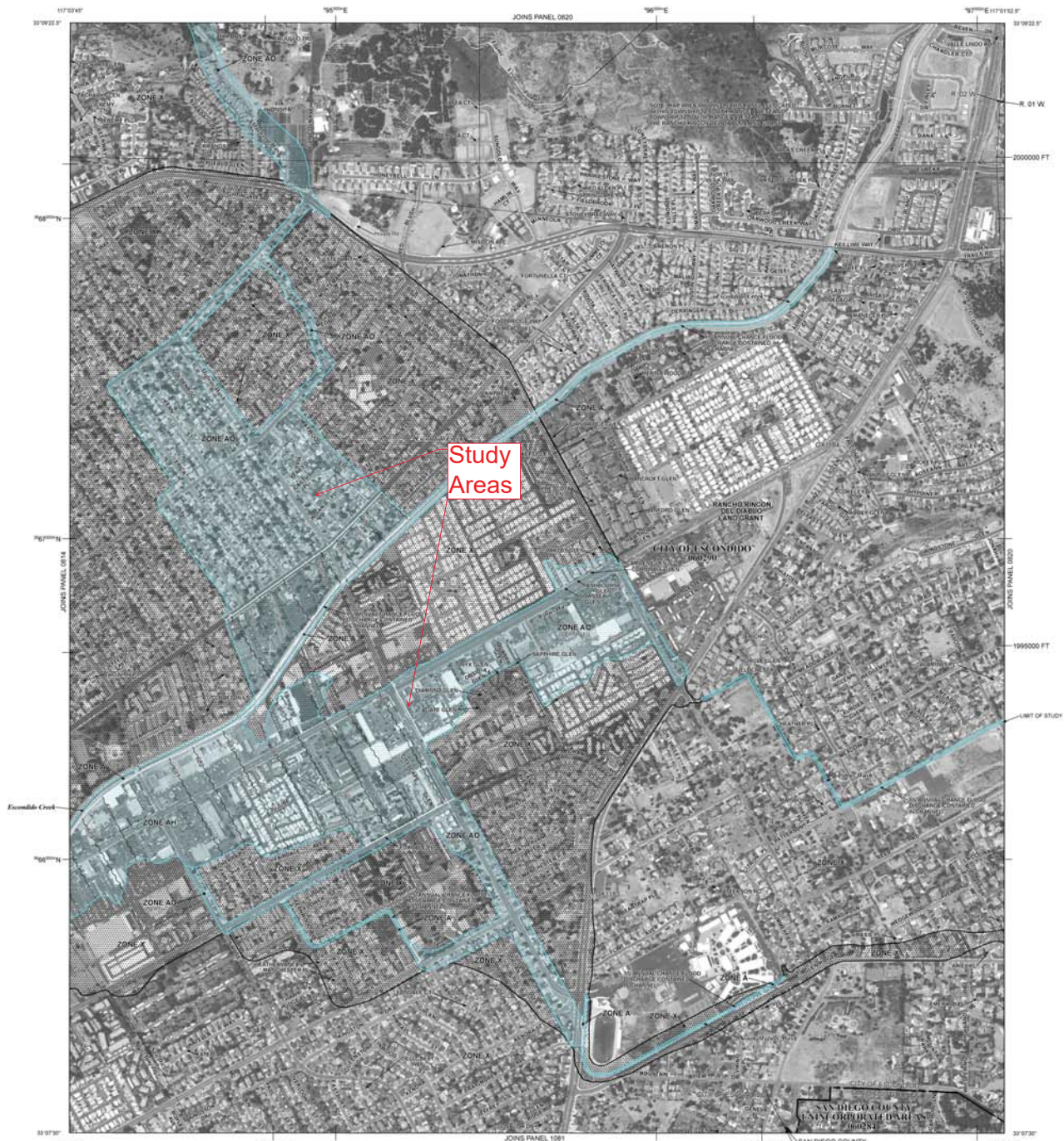
Please refer to the separately printed Map Index for an overview map of the county showing the layout of map panels, community map repository addresses, and a Listing of Communities table containing National Flood Insurance Program dates for each community as well as a listing of the panels on which each community is located.

Contact the FEMA Map Service Center at 1-877-FEMA-MAP (1-877-336-2627) for information on available products associated with this FIRM. Available products may include previously issued Letters of Map Change, a Flood Insurance Study report, and/or digital versions of this map. The FEMA Map Service Center may also be reached by Fax at 1-800-358-9620 and its website at <http://www.fema.gov>.

If you have questions about this map or questions concerning the National Flood Insurance Program in general, please call 1-877-FEMA-MAP (1-877-336-2627) or visit the FEMA website at <http://www.fema.gov>.

The "profile base lines" depicted on this map represent the hydraulic modeling boundaries that match the flood profiles in the FIS report. As a result of improved topographic data, the "profile base line", in some cases, may deviate significantly from the channel centerline or appear outside the SFHA.

ATTACHMENT 1



Study Areas

LEGEND

SPECIAL FLOOD HAZARD AREAS SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD

The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AO, AH, X, and V. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood.

ZONE A: No Base Flood Elevations determined.

ZONE AH: Base Flood Elevations determined.

ZONE AO: Flood depths of 1 to 3 feet (usually areas of ponding); Base Flood Elevations determined. For areas of shallow fan flooding, structure area coverage determined.

ZONE AX: Special Flood Hazard Area formerly protected from the 1% annual chance flood by a flood control system that was subsequently abandoned. Zone AX indicates that the former flood control system is being retained to provide protection from the 1% annual chance or greater flood.

ZONE AV: Areas to be protected from 1% annual chance flood event by a Federal flood protection system under construction; No Base Flood Elevations determined.

ZONE V: Coastal flood zone with velocity hazard (wave action); No Base Flood Elevations determined.

ZONE VE: Coastal flood zone with velocity hazard (wave action); Base Flood Elevations determined.

FLOODWAY AREAS IN ZONE AE:

OTHER FLOOD AREAS

ZONE B: Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile, and areas protected by levees from 1% annual chance flood.

OTHER AREAS

ZONE D: Areas determined to be outside the 0.2% annual chance floodplain.

ZONE E: Areas in which flood hazards are undetermined, but possible.

COASTAL BARRIER RESOURCES SYSTEM (CBRS) AREAS

OTHER PROTECTED AREAS (OPAs)

CBRS areas and OPAs are normally located within or adjacent to Special Flood Hazard Areas.

1% annual chance floodplain boundary
 0.2% annual chance floodplain boundary
 Floodway boundary
 Zone D boundary
 CBRS and OPA boundary
 Boundary dividing Special Flood Hazard Area Zones and boundaries dividing Special Flood Hazard Areas of different Base Flood Elevations, flood depths, or flood velocities
 Base Flood Elevation line and value; elevation in feet
 Base Flood Elevation value where uniform within zone; elevation in feet
 Referenced to the North American Vertical Datum of 1988
 Cross section line
 Traction line
 Geographic coordinates referenced to the North American Datum of 1983 (NAD 83); Western hemisphere
 1000-meter Universal Transverse Mercator grid lines; zone 11
 5000-foot grid values; California State Plane coordinate system, Zone 10 (NAD83) = 400, Lambert projection
 Bench mark (see explanation in Notes to Users, section of this FIS report)
 Map repository
 Refer to Map Repository list on Map Index
 EFFECTIVE DATE OF COUNTY-WIDE FLOOD INSURANCE RATE MAP
 June 16, 2012
 EFFECTIVE DATES OF REVISED/UPDATED THIS PANEL
 May 16, 2012 - to update corporate limits, to add roads and road names, to incorporate previously issued Letters of Map Revision, and to update elevations to North American Vertical Datum of 1988

For community map revision history prior to countywide mapping, refer to the Community Map History table located in the Flood Insurance Study report for this jurisdiction.

To determine if flood insurance is available in this community, contact your insurance agent or call the National Flood Insurance Program at 1-800-358-9620.

MAP SCALE 1" = 500'

NFIP PANEL 0818G

FIRM
 FLOOD INSURANCE RATE MAP
 SAN DIEGO COUNTY,
 CALIFORNIA
 AND INCORPORATED AREAS

PANEL 818 OF 2375
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
ENCINITAS CITY OF	86200	0818	0
SAN DIEGO COUNTY	30000	0818	0

Notes to User: The Map Number shown herein should be used only when the Community Map Revision history table would be used in the Community Map Repository for the subject geographic area.

MAP NUMBER 06073C0818G
MAP REVISED MAY 16, 2012

Federal Emergency Management Agency

RESOLUTION NO. 2019-68

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 CONSULTING AGREEMENT WITH NV5 TO ANALYZE THE FLOODPLAIN ZONE IN THE VICINITY OF MIDWAY AND E. VALLEY PARKWAY AND PROVIDE PRELIMINARY PLANS AND RECOMMENDATIONS

WHEREAS, the City Council has allocated funding in adopted CIP project budget; and

WHEREAS, the Engineering Services staff solicited and reviewed proposals from qualified consultants and Engineering Services staff deemed NV5 to be the most qualified and to offer the best value for services provided; and

WHEREAS, the Director of Engineering Services recommends the execution of a Consulting Agreement (“Agreement”) with NV5 to analyze the floodplain areas along East Valley Parkway between Ash and Citrus and along Midway Drive between Bear Valley Parkway and Lincoln Avenue and provide preliminary drainage design plans and recommendations; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve said Consulting Agreement with NV5.

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 Engineering Services/City Engineer.

3. That the Mayor and City Clerk are authorized to execute, on behalf of the City of Escondido, an Agreement with NV5 in the amount of \$164,900 to provide analysis, recommendation, and preliminary design. A copy of the Consulting Agreement is attached as Exhibit "1" and is incorporated herein by this reference as though fully set forth.



CITY OF ESCONDIDO
CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS

(ONLY for licensed architects, landscape architects, professional engineers, and professional land surveyors who are performing design services for the City)

This Agreement is made this _____ day of _____, 2019.

Between: CITY OF ESCONDIDO
a Municipal Corporation
201 N. Broadway
Escondido, California 92025
Attn: Julie Procopio
760-839-4001
("CITY")

And: NV5
15092 Avenue of Science
Suite 200
San Diego, CA 92128
Attn: Phil Kern
858-385-2171
("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to analyze floodplain zone between Ash and Citrus, and along Midway Drive between Bear Valley Parkway and Lincoln Avenue and preliminary drainage improvement design and recommendations for phasing; and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

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

1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.
2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of \$164,900.00. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it.

3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.
4. Duties. CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.
5. Personnel. The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.
6. Termination. Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.
7. City Property. All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.
8. Insurance.
 - a. The CONSULTANT shall secure and maintain at its own costs, 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. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONSULTANT _____

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 Automotive 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 CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work including its ongoing 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, CONSULTANT 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.
9. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any claim of liability arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONSULTANT in the performance of this Agreement. However, CONSULTANT's responsibility for defense costs shall not exceed the percentage of CONSULTANT's fault.
 10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void.
 11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
 12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.
 13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
 14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.

15. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
16. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
17. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
18. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
19. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
20. Business License. The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.
21. Compliance with Applicable Laws, Permits and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
22. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT 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. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

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

CITY OF ESCONDIDO

Date: _____

Paul McNamara
Mayor

Date: _____

Zack Beck
City Clerk

Date: _____

NV5

Signature

Name & Title (please print)

APPROVED AS TO FORM:

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

By: _____

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

Attachment A

Scope of Work:

The Consultant will complete hydrologic and hydraulic analyses of the FEMA floodplain along E. Valley Parkway (between Ash Street and Citrus Avenue) and along Midway Drive (between Bear Valley Parkway and Lincoln Avenue), recommendations for drainage improvements, and preliminary design.

Design Services:

1. Prepare hydrologic study of the tributary drainage area to Escondido Creek for a 50-year and 100-year storm event in two main areas. The first, north of Escondido Creek, is along Lincoln Avenue from El Norte Parkway to Erica Street down to Escondido Creek. The second, south of Escondido Creek, is along Midway Drive from Bear Valley Parkway to Valley Parkway and on Valley Parkway between Citrus Avenue and Ash Street.
2. Review the City's Drainage Master Plan (DMP) for pipes that are already identified as under capacity and in need of upsizing within the study area. In addition, review the City's Corrugated Metal Pipe (CMP) Assessment Report to determine if existing CMP's in the study area are shown in need of repair. The DMP is located on the City's website:
<https://www.escondido.org/Data/Sites/1/media/PDFs/Engineering/DrainageMasterPlan.pdf>
The CMP Assessment Report can be downloaded from the City's FTP Site at the following:
<ftp://ftp.escondido.org/CMP%20SD%20Assessment/>
Username: design
Password: Z9@Gprwb
3. Prepare hydraulic analysis of existing storm drain systems to assess capacity and in accordance with the DMP and CMP Assessment Report. Provide a 30% design for the best option to upsize/add parallel pipes for each drainage system considering existing utilities and right of way constraints. Establish areas with the highest impact and provide possible solutions to reduce flooding in critical areas (i.e., replace existing structure, add a separate line along existing line, etc.). Prepare an analysis to compare the benefits of improving each system to the relative costs to aid in determining priority/order of improvement.
4. Size proposed pipes and structures for the possible solutions provided.

Other Requirements of Work:

1. The **Consultant** shall upon notification by the City of being selected for this work, return a signed Consulting Agreement for Design Professionals with the City (copy attached) and all required information within ten working days. The contract shall be paid at hourly rates with a not-to-exceed fee.
2. The **Consultant** preparing requested documents shall be an engineer currently registered in California, or a person proficient in hydrologic/hydraulic programs working under direction of a person with those qualifications. The license shall be valid and in good standing.
3. The **Consultant** shall use applicable Hydrology standards in the Escondido Design Standards Manual and FEMA requirements in preparation of all plans completed as part of this contract. FEMA floodplain mapping will eventually be revised with a CLOMR/LOMAR.

4. The **Consultant** shall, prepare and submit all items in the timelines listed above, and submit said items electronically and hard copies.
5. The **Consultant** shall, upon acceptance of final documents, submit ACAD/Word/Excel files for each prepared document. The ACAD files shall be submitted in Release 2010 thru 2016/Word and Excel shall be 2016.

Work shall be completed on a time and material, not to exceed basis.

- **Geotechnical Issues** - As with any underground construction, geotechnical conditions can have a major impact on constructability and, by extension, overall cost of the project. Trenching, shoring, dewatering and tunneling are all dependent on subsurface conditions and NV5's in-house geologists and geotechnical engineers can evaluate the opportunities and constraints of each.
- **Constructability and Value Engineering** - Storm drain conduits and drainage structures are basic infrastructure building blocks; however, there may be some opportunities to apply innovative solutions depending on site conditions. On other projects, NV5 engineers and construction managers have evaluated directional drilling and use of alternate materials (HDPE) for smaller conduits, jacking and boring at major intersections to reduce traffic impacts, tunneling, rehabilitation of existing pipelines to improve capacity, and use of precast box culvert segments to expedite construction.
- **Prioritization of Improvements** - It is expected that the drainage improvements will be phased and constructed by the City under multiple contracts as funding becomes available, so the question becomes where the initial expenditure of capital funds will be most effective, and NV5 can provide the technical details to answer that question. The City should consider the possibility of multiple CLOMRs as an opportunity, in case future construction funding becomes an issue; NV5 staff can also provide specific recommendations in this area.
- **Construction Financing** - It is unlikely the City will have the funding to complete all the recommended drainage improvements at one time. NV5's preliminary plans and cost estimate will be structured so that major elements can be broken out, advertised, bid and constructed in phases as funding materializes. Our preliminary estimates and implementations recommendations will also assist City staff in this regard.

Scope of Services

Task 1 - Data Collection and Document Review

This task will include researching, requesting, collecting and reviewing available drainage data for the project area, as provided by the City including the 1995 Drainage Master Plan and the recently completed CMP Assessment Report. NV5 staff will also send utility records request letters to franchise utility companies with facilities in the project area. This task will also include field investigations to determine existing conditions and constraints, and collection of digital photographs for preliminary design purposes and analysis.

Deliverables:

- Copies of utility request letters, upon request.
- Copies of franchise utility records in PDF format.

Task 2 - Hydrologic Analysis

NV5 will prepare updated hydrologic analyses for Basins E-201, E-211, E-212, E-221, E-222, and E-232 of the Drainage Master Plan (DMP) to determine 50- and 100-year flows that are conveyed by the backbone drainage systems for these watersheds. These analyses will be performed in accordance with current City of Escondido Design Standards and Standard Drawings Manual (Design Manual). We anticipate using the NRCS methodology for watersheds greater than 0.5 square miles. Per the Design Manual, NV5 will confirm this methodology with the City Engineer. Development types and we will base associated runoff coefficients on the City's General Plan.

There are three major inflows that contribute to the flooding impacts in the study area. Maywood Wash, which becomes Midway Wash further downstream, is the source of flooding on the north side of Escondido Creek. Citrus Wash and South Midway Wash are the sources of flooding on the south side of the creek. Hydrologic analyses will be performed for these washes to their downstream terminus with Escondido Creek.

Inflow nodes, which will dictate drainage sub-area delineations within the study area, will be chosen at critical junctions. For example, these locations would be the transition from a vegetated wash to underground storm drain line or at significant changes in storm drain conduit size. It should be noted that hydrologic analyses will not be performed for Escondido Creek as part of this scope of work.

Deliverables:

- Hydrology and Hydraulics Report in PDF format.



Task 3 - Hydraulic Analysis

Due to the two-dimensional nature of the flow patterns in the study area, it is recommended that XP-SWMM software be used to perform the hydraulic calculations for the 50- and 100-year storm flows. An added benefit to using XP-SWMM is that it is accepted by FEMA and, therefore, the modeling results could be used for future map revisions.

XP-SWMM has the capability of performing concurrent above and below ground hydraulic calculations. This is important because current FEMA mapping indicates the project area is inundated by the 100-year storm event. Additionally, proposed improvements are anticipated to include underground storm drain conduits. Therefore, the interaction of both the above and below ground components is critical to understanding and ultimately addressing the problems areas. As part of this task, we will develop hydraulic models encompassing the study limits, which will include two-dimensional surface and one-dimensional subsurface components that convey stormwater runoff. It is anticipated that these models will be prepared for both existing and proposed conditions.

The existing conditions XP-SWMM model will be used to establish baseline flooding characteristics for the design storm events within the project area. Various features will be included in the model in order to simulate design storm event flooding conditions. Above ground, these are anticipated to include inlets, street geometry (as represented by the two-dimensional surface mesh), and obstructions to flow (e.g., buildings or walls). Below ground, storm drain trunk lines will be modeled using the DMP and available as-built data.

Although as previously mentioned, hydrology will not be performed for Escondido Creek, it will be important to determine the water surface elevation in Escondido Creek as it acts as the downstream hydraulic control (tailwater) for the washes described under Task 2. This calculation will be performed using the Coincidental Channel Hydraulic Calculations guidelines provided within the San Diego County Hydraulic Design Manual (September 2014).

Based on the HGL results and above ground flooding indicated in the existing conditions model, a proposed model will be constructed to alleviate these conditions. An iterative procedure will be used to determine the most effective proposed drainage improvements which reduce flooding within the study area. This work will be performed concurrently, to an extent, with Task 4, in order to efficiently develop feasible solutions.

Conduits will be sized for 50- or 100-year storms, as appropriate, and assuming no storm water pump stations, detention basins or siphons are proposed. Alternatives will be limited to evaluation of equivalent conduit sizes and alternate materials; it is understood that the basic conduit alignment is set within each basin based on the 1995 DMP.

Deliverables:

- Hydrology and Hydraulics Report in PDF format.

Task 4 - 30% Drainage Design

For the 30% design effort, the facilities are understood to include the backbone drainage systems only serving Basins E-201, E-211, E-221, E-222, and E-232A of the DMP. Most of these conduits, with the exception of Midway Drive east of the creek, are proposed to be large diameter reinforced concrete pipes or box culverts to be installed in parallel with existing drainage facilities. This effort will include preliminary design of approximately 12,000 feet of drainage conduit within the following limits:

1. Ash Street between Escondido Creek and East Valley Parkway, and 600 feet north on EVP (Proposed facilities 2218-2220 per the DMP; approximately 1,060 LF).
2. Rose Street between Escondido Creek and Grand Avenue (Facilities 2233 and 2241-2243; approximately 1,495 LF).
3. Midway Drive (east) between Escondido Creek and Bear Valley Parkway (Facilities 2413-2427; approximately 5,092 LF).
4. Daisy Street and Mission Avenue between Washington Avenue and Fern Street (Facilities 2249-2250; approximately 1,800 LF).
5. Midway Drive (west) between Lincoln Avenue and Washington Avenue (Facilities 2081-2083 and 2088-2089; approximately 2,506 LF).



The 30% design will be prepared at 1"=40' scale on City of Escondido title block and will include a title sheet with key map, preliminary plans and profiles for the proposed drainage conduits including size and material, proposed CMP replacements/abandonments within the limits of design, HGL, and proposed drainage structures. In addition, engineer cost opinions will be prepared for the proposed drainage system improvements and compared to their corresponding benefits to determine improvement prioritization.

The plans will be prepared using publicly available SanGIS 2-foot contour interval topography as a base, with right-of-way limits as provided by the City in AutoCAD or GIS format. We recommend the final design be prepared using newly acquired, detailed topography. The preliminary plans will also indicate the locations of existing utilities based on records available from the City and franchise utility companies, and proposed utility relocations.

Deliverables:

- 30% drainage plans and profiles.
- 30% engineer's cost opinion.

Task 5 - Project Management and Coordination

This task includes overall project management, administration, meeting attendance and technical coordination including four submittals: Draft and Final Hydrology and Hydraulics Report, as well as Draft and Final 30% Drainage Design. The final drainage design submittal will include a Technical Memorandum summarizing recommendations for alternatives, priorities and implementation of the proposed improvements.

NV5 will conduct a kick-off meeting for the project, including City staff and key design team members. The agenda will include scope, budget issues, schedule, technical aspects and other key issues. This task will also include attendance by NV5 engineering staff at a total of four (4) review/progress/coordination meetings at the City's offices, in addition to telephone coordination/conferencing.

This effort will include project management tasks including technical coordination, contract administration, subconsultant administration, monthly progress reports, invoicing, staff supervision and internal quality assurance.

Deliverables:

- Meeting agendas and minutes in PDF format.
- Project schedule and updates in PDF format.
- Monthly invoices with brief progress report.
- Technical Memorandum with recommendations for Prioritization and Implementation in PDF format.

Items to be Provided by the City

1. Locations of existing rights of way in AutoCad or GIS format.
2. Record drawings for existing storm drain, water, and sewer facilities within the project limits.
3. Franchise utility contacts.
4. Previous studies.

Clarifications and Exclusions

The following tasks are hereby excluded from the scope of work:

- Preparation and Processing of CLOMRs and LOMRs.
- Topographic and Right-of-Way Surveying.
- Right-of-Way Documentation.
- Utility Locating and Potholing.
- Water Quality Compliance Documents.
- Specifications.
- Final Design of Improvements.
- Traffic Engineering.
- Geotechnical Investigations.



Proposed Team Hours and Rates

Below is detailed information on the number of hours assigned to each task and hourly rates for each team member to complete this project.

Phase	Task	Task/Sub	LABOR CODE/STAFF HOURS													TOTALS				
			OSPP \$225	Phil/ Jen/ Scott \$210	OSMP \$190	OSSP \$176	Justin Griffiths \$160	OSTSP \$135	OSJP \$110	OSSCT \$145	Steve Dodge \$136	Proj Asst \$70	FSSM \$199	FS2P \$273	HOURS	FEE	%			
1.0	Data Collection and Document Review	Utility research/coordination		8			16							24	8			32	\$3,824	2.32%
		Field Investigations													16			40	\$6,416	3.89%
		Topographic data set-up													24			24	\$3,264	1.98%
2.0	Hydrologic Analysis	Hydrology Study		40			120							20			180	\$30,320	18.39%	
3.0	Hydraulic Analysis	Hydraulic Calculations		40			160							40			200	\$34,000	20.62%	
		Report Preparation		16			60										116	\$18,400	11.16%	
4.0	30% Drainage Design	Cover Sheet		4										8			12	\$1,928	1.17%	
		Plans & Profiles (16 shts.)		64										192			256	\$39,552	23.99%	
		Cost Opinion		16										16			32	\$5,536	3.36%	
		Revisions		8										24			32	\$4,944	3.00%	
5.0	Project Management and Coordination	Progress Meetings & Coordination		24										16			24	\$5,040	3.06%	
		Technical Memo		16													32	\$5,536	3.36%	
		Project Mgmt./Admin/Schedules		24													24	\$5,040	3.06%	
		Direct Expenses															0	\$1,100	0.67%	
TOTAL - THIS PAGE			0	260	0	0	356	0	0	0	0	0	380	8	0	0	1,004	\$164,900	100.00%	
TOTAL - ALL PAGES			0	260	0	0	356	0	0	0	0	0	380	8	0	0	1,004	\$164,900	100.00%	





CITY COUNCIL STAFF REPORT

Consent Item No. 8

May 8, 2019

File No. 0170-57

SUBJECT: Approval of CalPERS Industrial Disability for Police Officer Raymond Solorio

DEPARTMENT: Human Resources Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2019-70, approving the California Public Employees' Retirement System (CalPERS) Industrial Disability Retirement for Police Officer Raymond Solorio.

BACKGROUND:

Mr. Solorio filed for Industrial Disability Retirement, on April 3, 2019, as a 38-year-old Police Officer. He has been employed by the City of Escondido for more than 10 years. The basis for Mr. Solorio's Industrial Disability Retirement application is confirmed by medical reports from Dr. Ramin Raiszadeh. Mr. Solorio's condition is orthopedic in nature. Accordingly, Mr. Solorio is incapacitated within the meaning of the Public Employees' Retirement Law for performance of his usual and customary duties in the position of Police Officer.

Under State Law, the City Council is required to adopt a Resolution determining that competent medical evidence supports the granting of an Industrial Disability Retirement. Based on medical evidence, Staff recommends the City Council adopt Resolution No. 2019-70, approving the CalPERS Industrial Disability Retirement for Raymond Solorio to be effective May 10, 2019.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Sheryl Bennett, Deputy City Manager/Administrative Services
5/1/2019 1:56 p.m.

ATTACHMENTS:

1. Resolution No. 2019-70

RESOLUTION NO. 2019-70

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE CALPERS INDUSTRIAL
DISABILITY RETIREMENT FOR POLICE
OFFICER RAYMOND SOLORIO

WHEREAS, the City of Escondido (“City”) is a contracting agency of the California Public Employees’ Retirement System (“CalPERS”); and

WHEREAS, the California Public Employees’ Retirement Law (Govt. Code § 20000 et seq.) (“California law”) requires that the City determine whether an employee classified as a local safety member is disabled for purpose of the California law and whether such disability is “industrial” within the meaning of such law; and

WHEREAS, Raymond Solorio (“Employee”) filed an application with CalPERS on April 3, 2019, for an industrial disability retirement due to orthopedic injuries; and

WHEREAS, the Employee, is employed by the City in the position of Police Officer; and

WHEREAS, the City Council of the City of Escondido has reviewed the medical and other evidence relevant to this industrial disability.

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

1. That the above recitations are true.
2. That the City Council of the City of Escondido, California does hereby find and determine that Employee is incapacitated within the meaning of the California Public Employees’ Retirement Law for performance of his duties in the position of Police Officer.

3. That the City Council certifies, in accordance with Govt. Code § 21156, that this determination was made on the basis of competent medical opinion, and was not used as a substitute for the disciplinary process.

4. That the Employee had filed a Workers' Compensation claim for his disabling conditions. The City accepted the Employee's Workers' Compensation claim.

5. That neither the Employee nor the City of Escondido has applied to the Worker's Compensation Appeals Board for a determination pursuant to Government Code section 21166 whether such disability is industrial.

6. That the Employee's retirement date will be effective May 10, 2019, and his last day on paid status is May 9, 2019.

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

8. That the City will make monthly Advanced Disability Pension Payments of \$4,193.68, beginning June 1, 2019, until CalPERS begins making retirement payments. The City will also make a one-time advance disability payment of \$2,976.16, for the remaining twenty-two days of May 2019.

9. That the primary disabling condition is an orthopedic injury to his back and both hips, and arose out of and in the course of employment.

10. That there is competent medical opinion certifying the disabling condition to be permanent.

11. That based on information and belief, and on the information provided by City staff, the City Council certifies under penalty of perjury that all statements in this Resolution are true and correct.



CITY COUNCIL STAFF REPORT

Consent Item No. 9

May 8, 2019

File No. 0320-10

SUBJECT: Annual State Mandated Inspection Compliance Report

DEPARTMENT: Fire Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2019-72, acknowledging receipt of the Annual State Mandated Inspection Compliance Report (Report). The Report reflects that the Escondido Fire Department has conducted 100% of the inspections of certain structures as required by state law.

FISCAL ANALYSIS:

No fiscal impact.

BACKGROUND:

California law requires that certain structures be inspected on a regular basis. Public or private schools used by more than six persons (Educational Group E occupancies) and specified structures used for housing, such as hotels, motels, lodging houses, and apartment houses (Residential Group R occupancies), must be inspected for compliance with building standards pursuant to sections 13146.2 and 13146.3 of the California Health and Safety code.

On September 27, 2018, Governor Jerry Brown signed Senate Bill (SB) 1205. The bill requires fire departments to report annually to their administering authorities that these mandatory inspections have been conducted. SB 1205 was introduced in early 2018 in response to the Oakland Ghost Ship warehouse fire in 2016, which killed 36 people and reports that many schools and apartment buildings in the Bay Area had not received their annual required fire inspections for many years.

According to the bill's author, State Senator Jerry Hill, the annual report required by SB 1205 serves to "remind" cities to inspect their buildings as required by law to prevent the loss of life and property. SB 1205 requires the administering authority to acknowledge receipt of the report in a resolution or a similar formal document. The intent is to bring to the attention of governing bodies, particularly during the budget process, if there is a lack of compliance with specified mandated annual inspections.

The Escondido Fire Department has a business inspection program that meets the Health and Safety code requirements for the annual inspection of educational Group E and residential Group R occupancies. Inspections are performed by our Fire Prevention Bureau inspectors and fire engine company personnel. Although compliance with fire and building code can be enforced, the Escondido Fire Department has been highly successful gaining compliance through information, education and

Annual State Mandated Inspection Compliance Report
May 8, 2019
Page 2

assistance. Even though many of the occupancies in the report required follow up inspections, all were cleared.

The report of annual State mandated inspections pursuant to sections 13146.2 and 13146.3 of the California Health and Safety code is contained in Exhibit 1 of Resolution No. 2019-72.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Rick Vogt, Fire Chief
5/1/2019 2:29 p.m.

ATTACHMENTS:

1. Resolution No. 2019-72
2. Resolution No. 2019-72 – Exhibit 1

RESOLUTION NO. 2019-72

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACKNOWLEDGING RECEIPT OF THE ANNUAL STATE MANDATED INSPECTION COMPLIANCE REPORT DEVELOPED BY THE ESCONDIDO FIRE DEPARTMENT REGARDING THE INSPECTIONS PURSUANT TO SECTIONS 13146.2 AND 13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, California Health & Safety Code Section 13146.4 became effective on September 27, 2018; and

WHEREAS, California Health & Safety Code Sections 13146.2 and 13146.3 requires all fire departments that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities for compliance with building standards, as provided; and

WHEREAS, California Health & Safety Code Section 13146.4 requires all fire departments that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3; and

WHEREAS, the City Council intends this Resolution to fulfill the requirements of the California Health & Safety Code regarding acknowledgment of the Escondido Fire Department's compliance with California Health and Safety Code Sections 13146.2 and 13146.3.

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 expressly acknowledges the measure of compliance of the Escondido Fire Department with California Health and Safety Code Sections 13146.2 and 13146.3 in the area encompassed by the City of Escondido, as detailed in Exhibit 1.

Escondido Fire Department Annual State Mandated Inspection Compliance Report

A. EDUCATIONAL GROUP E OCCUPANCIES:

Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. Within the City of Escondido, there lie 63 Group E occupancies, buildings, structures and/or facilities.

From May 1, 2018, to April 30, 2019, the Escondido Fire Department completed the annual inspection of 63 Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

B. RESIDENTIAL GROUP R OCCUPANCIES:

Residential Group R occupancies, for the purposes of this Resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc. as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden. Within the City of Escondido, there lie 483 Group R (and their associated sub-categories) occupancies of this nature.

From May 1, 2018, to April 30, 2019, the Escondido Fire Department completed the annual inspection of 483 Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

ORDINANCE NO. 2019-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AMENDING THE DOWNTOWN SPECIFIC PLAN TO ALLOW DENSITY TRANSFERS IN THE DOWNTOWN AREA AND TO ADOPT AN ADDENDUM TO THE PREVIOUSLY CERTIFIED ENVIRONMENTAL IMPACT REPORT FOR THE 2012 GENERAL PLAN UPDATE, DOWNTOWN SPECIFIC PLAN UPDATE, AND CLIMATE ACTION PLAN PROGRAM EIR

Planning Case Nos.: PHG 17-0024 and ENV 19-0004

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

SECTION 1. That the City of Escondido (“City”) filed an application to amend the Downtown Specific Plan (“DSP”) to create a Density Transfer Program (“DTP”) that would allow for the transfer of residential density from undeveloped and/or underutilized properties (sending properties) to developing parcels (receiving properties) within the downtown area to encourage the production of housing at all income levels. The DTP consists of a modification to the DSP language to provide for opportunities for transferring of density within the DSP on a case by case basis, subject to approval by the City Council through the approval of a Planned Development Permit and Development Agreement (or other agreement approved by City).

SECTION 2. That pursuant to the California Environmental Quality Act (“CEQA”) (Public Resources Code Section 21000 et seq.), the State CEQA Guidelines (Title 14 of

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



CITY COUNCIL STAFF REPORT

Current Business Item No. 11

May 8, 2019

File No. 0230-41

SUBJECT: Daley Ranch Conservation Bank Credit Sales Strategy

DEPARTMENT: City Manager's Office

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2019-59 implementing a strategy for increasing Daley Ranch conservation habitat credit sales by:

- 1) Offering a five percent price reduction to purchasers of negotiated habitat credits from competing mitigation banks for the sale of comparable Daley Ranch habitat credits.
- 2) Proactively approaching developers in the region who require habitat mitigation and informing them of opportunities to save five percent by purchasing conservation credits in Daley Ranch.

FISCAL ANALYSIS:

The current Daley Ranch conservation credit prices were updated in 2018 (Table #2). The City Council has authority to establish Daley Ranch Conservation Bank credit prices at their discretion. A total of \$4,771,107 in habitat credits have been sold to date representing approximately 25 percent of cumulative credits. If all remaining publicly available Daley Ranch habitat credits could be sold at their current prices (an unlikely scenario as described in this report), the City of Escondido (City) could generate approximately \$143,466,964.

The Daley Ranch Conservation Bank Implementation Agreement signed by the City, state and federal governments stipulates that \$500 per habitat credit sold be deposited into an Endowment Fund for long-term management efforts funded by interest earnings. The Endowment Fund currently totals \$343,466. Of that balance, \$249,022 are permanently restricted funds, and \$94,444 are interest earnings accumulated over time that can be spent in accordance with the agreement. Until the Endowment Fund is fully funded upon the sale of the City's last habitat credit, the City is not required to spend more than \$80,000 per year on management obligations.

The Implementation Agreement also stipulates that fifty percent of the habitat sale proceeds be earmarked in a Restoration Fund, which currently totals \$533,000, to finance obligations with respect to restoration of the property. Of that amount, \$500,000 is the minimum balance required for maintaining in this fund, and \$33,000 are the interest earnings that have accumulated over time. The Agreement allows that once the Restoration Fund has a balance of \$500,000 the City is not required to make payments to this fund. In the event that a restoration obligation occurs, the City shall first apply the interest earnings toward the effort before utilizing Restoration Funds.

The remaining balance of revenue generated from the sale of Daley Ranch habitat credits is allocated to the General Fund for use as the City Council determines.

PREVIOUS ACTION:

On January 24, 2018, the City Council approved adjusting the Daley Ranch Conservation Bank credit prices of habitat types available to purchase as off-site mitigation for public and private development projects to ten percent below advertised prices listed at other regional conservation banks (Table #2). The City Council also:

- a) Amended the *Daley Ranch Conservation Bank Credit Purchase Agreement & Acknowledgment* standard terms and conditions to require credit purchasers who re-sell their credits on the open market to evenly split any profit with the City gained from the sale, and to require payment of credit purchases within 90 days of City’s execution of the purchase agreement.
- b) Established a minimum balance of habitat credits to be reserved solely for future municipal projects allowing for the sale of all remaining credits on the open market (Table #2).

On December 19, 2018, the City Council rejected an offer of \$290,250 to sell 8.15 habitat credits from the Daley Ranch Mitigation Bank. This would have been the largest single habitat sales transaction in Daley Ranch history. The proposed offer was \$166,926 less than the posted Daley Ranch credit prices established in January, but matched an offer from a competing conservation bank to sell credits that offset biological impacts for the 34-lot North Avenue Estates residential development in Escondido (SUB 17-0007).

BACKGROUND:

Daley Ranch is a 3,058-acre site acquired and managed in perpetuity by the City for the preservation of a biologically unique and diverse habitat area of regional importance, while providing recreational and educational opportunities in a historically significant setting. The State of California Department of Fish & Wildlife and the U.S. Fish & Wildlife Service approved Daley Ranch as a Conservation Bank in 1997 with 2,842 habitat credits for use as off-site mitigation for five categories of species and habitat (Table #2, Column 1). The Conservation Bank apportions 2,642 credits to the City of Escondido, and 200 credits to the former property owner, Shea Homes.

Each “habitat” or “conservation” credit equals one acre of a specific category of species and habitat. The credits may be purchased in any fraction from the City for public and private projects from the Pacific Ocean to the inland mountain ranges, from the U.S./Mexico border to Riverside County. A total of 507.32 habitat credits have been sold since Daley Ranch was established in 1997, averaging less than eight sales per year, representing approximately twenty-five percent of the available habitat credits for purchase. Only 117.11 habitat credits have been sold since 2009 (Table #1). Based on the current sales rate, there are more than 170 years of available habitat credits within Daley Ranch.

Calendar Year	Credit Sales	Credits Sold	Revenue
2018-present	3	2.96	\$147,832
2017	7	12.05	\$201,400
2016	10	12.71	\$295,405
2015	6	16.51	\$223,000
2014	8	31.64	\$497,831
2013	2	2.00	\$30,000
2012	4	17.27	\$257,600
2011	2	2.59	\$38,850
2010	8	11.39	\$173,950
2009	5	7.99	\$93,325
Totals	55	117.11	1,969,193
10-year average	5.5	11.71	\$196,919

Conservation credits are NOT Development Impact Fees. Projects are only required to secure these credits if they must mitigate their impacts through the purchase of offsite habitat at an approved conservation bank, of which there are several in the region. Daley Ranch is the only municipally-operated conservation bank in the region; others are owned and managed by private and/or non-profit agencies. The eligibility of a development project anywhere in the region for use of Daley Ranch Conservation Credits is determined by the Resource Agencies on a case-by-case basis during the environmental review process for each project.

The process for purchasing Daley Ranch conservation credits is coordinated through the Planning Division. A project’s environmental mitigation measure(s) will include the requirement to purchase conservation credits. Daley Ranch credit prices vary by habitat category and are all-inclusive, including the management and restoration expenses. City staff tracks the sale price and credit allocations with an executed *Credit Purchase Agreement and Acknowledgement*. This information is also monitored by state and federal resource agencies.

Typically, the applicant will secure the credits during the post entitlement process prior to constructing the project. After the purchase of habitat credits required for each project, applicants have no additional costs for on-going mitigation lands management. See Table #2 for details on conservation credits, their original amounts, credits sold, and prices.

Table #2: DALEY RANCH CONSERVATION BANK						
Daley Ranch Habitat Type	Original Habitat Credits	Habitat Credits Sold to Date	Habitat Credits Reserved only for Future Municipal Projects	Remaining Habitat Credits for sale Column 2 minus Columns 3 and 4	Adopted Price per Credit	Remaining Credits if sold at Adopted Price Column 5 multiplied by Column 6
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Chaparral & Coastal Sage Scrub	2,098.00	269.37	50.00	1,778.63	\$72,000	\$128,064,240
Coast Live Oak Woodland	145.00	24.67	15.00	105.33	\$54,000	\$5,759,100
Englemann Oak Woodland	79.00	3.93	5.00	70.07	\$54,000	\$3,783,780
Water Dependent Habitat	15.00	4.00	4.00	7.00	\$450,000	\$3,150,000
Non-Native Grasslands	305.00	205.35	50.00	49.65	\$52,875	\$2,709,844
Totals	2,642.00	507.32	124.00	2,010.68		\$143,466,964

DISCUSSION / ANALYSIS:

The California Department of Fish and Wildlife has approved over twenty (20) conservation banks extending from the U.S / Mexico Border to Riverside County with similar habitat types found in Daley Ranch. Sixteen (16) conservation banks are within San Diego County, and of those, twelve (12) conservation banks are actively marketing habitat credits (Table #3). Eleven conservation banks in the region compete with Daley Ranch for the sale of conservation credits. California Department of Fish and Wildlife is also in the process of approving several additional conservation banks in the region constituting more than 1,000 acres. Additionally, there are six mitigation banks in the region that have been approved by the Federal Government totaling approximately 3,000 acres that the California Department of Fish and Wildlife allows mitigation credit purchases on a case-by-case basis.

Conservation credits are a commodity that operate on a supply and demand basis. The sale of conservation credits is a very market-driven activity based on development occurring in the region, the availability of habitat credits, and the willingness of buyers and sellers to negotiate. Conservation banks offering the same habitat credits available in Daley Ranch directly compete with Escondido for the sale of mitigation credits. Staff has researched other conservation banks in the region with similar habitat types. Some conservation banks post their habitat credit prices on line or provide them upon request; most conservation banks negotiate their prices on a case-by-case basis, but use published regional prices as a guide for establishing their negotiated terms.

Mitigation Bank	Table #3: CONSERVATION HABITAT CATEGORIES AND ACREAGES				
	Coast Live Oak Woodland	Englemann Oak Woodland	Chaparral / Coastal Sage Scrub	Water Dependent Habitat	Non Native Grassland
Daley Ranch <i>(excluding credits for City projects)</i>	105.33 13.96 credits sold since 2008	70.07 2.91 credits sold since 2008	1,778.63 95.46 credits sold since 2008	7.00 Last sale in 2005	49.65 19.23 credits sold since 2008
Brook Forest				5.96	
Cornerstone			450.40		450.40
Crestridge	89.06		1,589.08		
Pala Mesa					1.22
Manchester			24.37		
N.C. Habitat				1.16	
Ramona					134.34
San Luis Rey				17.6	
San Miguel			808.55		
San Vicente			47.83		
Willow Road			67.00		
Total	194.39	70.07	4,765.86	31.72	635.61

Why is more flexibility needed regarding the current Daley Ranch credit prices?

When the City Council updated the Daley Ranch habitat credit prices in 2018, the only available information was from a select few conservation banks that published their rates. A majority of conservation banks don't publish their prices, and by negotiating each sale on a case-by-case basis are able to undercut the posted prices found online at other conservation banks like Daley Ranch. The opportunity to negotiate habitat credits at Daley Ranch is significantly constrained and more flexibility to negotiate habitat credit prices is necessary to be competitive in the market place.

Why not simply "hold out" until the other conservation banks sell all of their habitat credits?

Habitat credits at existing conservation banks, and those anticipated to come on line in the future, provide assurance that the availability of credits will be secure for the very long term. For environmental, safety, and practical reasons it is not in the Resource Agencies' interest for Daley Ranch to serve as the only mitigation bank in the region. In addition, the state allows projects to mitigate at federally approved conservation banks on a case-by-case basis, which competes with Daley Ranch conservation credits and affects habitat credit pricing.

What other factors affect the ability to sell more Daley Ranch habitat credits?

1) Urban infill development trends typically require less off-site habitat mitigation

Development patterns have been transitioning toward urban infill areas and intensifying underdeveloped properties that don't involve, or require significantly less, habitat mitigation. With emphasis on new development in 'green field' areas declining, there has been a reduced demand for purchasing habitat credits.

2) Emphasis on 'compact development' and mitigating habitat impacts on-site

Home builders have been constructing smaller, more compact developments, and clustering units, which allow for more on-site mitigation, or avoidance of impacts. Compact development involving a smaller 'footprint,' and on-site mitigation (restoration or preservation) are viewed more favorably by the Resource Agencies and consumers. In response, developers have incorporated these features in their plans by minimizing the need to purchase off-site credits.

3) Private / Non-profit conservation banks' proactive habitat credit marketing strategies

Prior to adjusting prices in January 2018, Daley Ranch had been identified as providing the lowest priced habitat credits in the region. However, there was no concerted proactive effort to market habitat credits to the regional development community. As a result, habitat sales have been concentrated in Escondido and the surrounding communities (Table 4). Sales have not occurred at a rapid rate, averaging less than eight per year since Daley Ranch began selling habitat credits in 1997, and only 5.5 per year for the past 10 years (Table 1).

Management practices at competing conservation banks have stepped up their efforts to market their habitat credits. Information regarding developments' environmental impacts and required mitigation is publicly available. Developers will receive unsolicited offers from conservation banks to negotiate with them for their habitat credit purchase. The City has not attempted this approach knowing that competing conservation banks are willing to negotiate lower rates for their habitat credits than what can be offered at Daley Ranch.

Jurisdiction	Table #4: Daley Ranch Habitat Credit Sales Transactions		
	Private Projects	Public Projects*	Total
Escondido	58	18	76
San Diego County	41	4	45
Vista	16	1	17
San Marcos	13	2	15
Oceanside	4		4
Encinitas	2		2
Santee	1		1
Total	135	25	160

* Public Projects include water, sewer, public schools, emergency services, municipal streets and parks

COMMUNITY OUTREACH:

The Friends of Daley Ranch-

On Wednesday, April 17, 2019, staff met with the *Friends of Daley Ranch* (Friends) at their regular monthly board meeting to discuss the proposed habitat credit pricing and marketing strategy. Questions were asked regarding what would be done with the anticipated increased revenues if the program is successful. Staff responded that, except for the \$500 that must be deposited into the Daley Ranch Endowment Fund, and because the Daley Ranch Restoration Fund has accumulated its minimum balance of \$500,000, all other proceeds would be eligible for depositing in the City’s General Fund for use at the City Council’s discretion.

The Friends discussed their organization’s recently developed goals for enhancing Daley Ranch involving: 1) Ongoing Biological Monitoring, 2) Barn Rehabilitation, 3) Shuttle Service, 4) Recreational Resources, and 5) Land Acquisition (Attachment #1). The Friends expressed written their support for the credit pricing and marketing strategy with the recommendation that some of the increased revenues be earmarked specifically for their goals of improving Daley Ranch, which are consistent with many broader City goals (Attachment #2).

The Escondido Creek Conservancy-

On Thursday, April 18, 2019, staff met with Ann Van Leer, Executive Director of the Escondido Creek Conservancy (TECC) to discuss the proposed strategy. Ms. Van Leer referenced the existing landholdings maintained by TECC and the biological monitoring and maintenance efforts undertaken by her organization to eliminate non-native invasive species. She expressed concern that similar efforts are not being conducted at Daley Ranch, and that TECC’s conservation areas adjacent to Daley Ranch could be compromised by non-native species that expand beyond the boundaries of Daley Ranch. Ms. Van Leer supported revenues from the sale of habitat credits being allocated for biological monitoring and restoration.

RECOMMENDATION:

In conjunction with the recreational and cultural benefits provided by Daley Ranch, stronger consideration should be given to the opportunity of significantly increasing revenues collected from the sale of habitat credits. If the City Council desires to be competitive in the sale of Daley Ranch conservation credits a different strategy is recommended. In order to be more competitive, staff recommends a two-pronged approach:

- 1) Offering a five percent price reduction to purchasers of negotiated habitat credits from competing mitigation banks for the sale of comparable Daley Ranch habitat credits.

The current Daley Ranch habitat credit prices would not change; developers could still purchase credits at the posted price. Staff anticipates that credits sold at the current sales price would still occur, particularly for small purchases. As directed by the City Council in January 2018, appropriate habitat credits would be reserved for future municipal projects (Table #2, Column 4).

Developers who negotiate a more favorable habitat credit price at a competing conservation bank, and authenticate that price with a valid purchase and sale agreement to the City's satisfaction, would be incentivized to purchase credits at Daley Ranch with a five percent reduction, subject to City Council and Resource Agency approvals. Such an approach would eliminate staff negotiating directly with developers, and provide assurance that *each individual sale* reflects the current value at the time of transaction based on conditions in the marketplace.

As an example, the developer's rejected offer to purchase 8.15 Daley Ranch habitat credits for \$290,250 in December 2018, which matched a competing conservation bank's negotiated price and thus reflected the current market value, would be sold for \$275,738 (five percent reduction). This price would constitute a 40 percent reduction from the Daley Ranch posted prices. However, without such an incentive the sale would not be consummated. Further, if such a reduction was applied to all remaining publicly available Daley Ranch habitat credits (*an unlikely scenario as described above*), the total revenues generated for all credit sales would still be significant, totaling over \$86,080,000.

- 2) Proactively approaching developers in the region who require habitat mitigation and informing them of opportunities to save five percent by purchasing conservation credits in Daley Ranch.

Daley Ranch is the only municipally-operated habitat conservation bank in the region. Staff recommends employing similar marketing tactics that private and non-profit entities engage in the sale of their habitat credits. All habitat mitigation requirements for approved public and private development projects are publicly disclosed. Staff recommends tracking development projects and informing their representatives of the potential five percent cost savings by purchasing their habitat credits at Daley Ranch. Conditions for entertaining each potential sale would include authorization from the Resource Agencies that Daley Ranch is eligible for the project's off-site mitigation, and a valid purchase agreement from the conservation bank where the developer negotiated the habitat credit sales price(s). City Council approval would be required to finalize every transaction.

In recognition of input from the Friends of Daley Ranch and the Escondido Creek Conservancy, staff recommends that a portion of increased revenues be directed toward biological monitoring and elimination of invasive species in Daley Ranch. This will ensure the integrity of Daley Ranch as a conservation bank and the long-term viability of habitat credits. Additionally, the City Council should consider making improvements to the historic barn, which is in need of structural repairs. Adequate resources should be allocated to ensure the ranch house, barn, caretaker's quarters/bunkhouse, storage buildings and ancillary features are maintained in a manner that preserves the historic character of the ranch, which is listed on Escondido's local register of historic places.

Sales of mitigation credits over the past 10 years have averaged approximately \$200,000, which have been deposited in the City's General Fund each year (Table #1). The City Council could consider all or a portion of annual sales in excess of \$200,000 be directed towards biological monitoring, eliminating invasive species, and facility improvements at Daley Ranch.

NEXT STEPS IN THE PROCESS:

Upon approval of staff's recommendation, and adoption of No. Resolution 2019-59 (See attached), the updated sales strategy would be effective immediately.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jay Petrek, Assistant City Manager
5/1/2019 4:33 p.m.

ATTACHMENTS:

1. Attachment 1 - Daley Ranch News / Spring 2019
2. Attachment 2 - Friends of Daley Ranch Letter of Support
3. Resolution No. 2019-59

Daley Ranch News

Friends of Daley Ranch

Spring 2019

The Friends of Daley Ranch Reach Out to Escondido's New Mayor

The letter below was sent to Escondido Mayor Paul McNamara

Hon. Mayor Paul McNamara
City of Escondido

RE: 2019 Priorities from the Friends of Daley Ranch

Dear Mayor McNamara,

We appreciate very much that you met with some of our Board members in January. At that meeting you asked us to provide you with a list of our goals and our hopes. The FODR Board held our annual strategic planning meeting soon afterwards, and we developed the following items for your consideration for 2019 and beyond. They are prioritized in order of importance. Thank you so much for seeking our input.

1. **ONGOING BIOLOGICAL MONITORING.** The Board believes that the DR Master Plan calls for regular biological monitoring of the Conservation Mitigation Bank by professionals. Such monitoring would include surveys of native habitat, wildlife, native species, invasive species, human impacts, wildlife corridors, and possible edge effects from existing or proposed human activity. One such survey, the Merkel Report, is now several years old, and could serve as a baseline and comparison for ongoing biological studies. Actionable information may be obtained by this monitoring, in such areas as GSOB control, invasive species removal, closure of illegal trails, and habitat restoration. Funding for biological monitoring, the Board believes, is mandated by the Wildlife Agencies and is to be funded from Mitigation Bank credit sales.
2. **BARN REHABILITATION.** The redwood barn just north and west of the Ranch House is the oldest structure still standing on Daley Ranch. It has important historical significance, in-situ, as an integral part of the working ranch that once existed. Yet its condition continues to deteriorate, and its structural integrity is threatened. The Board asks the City to authorize a rehabilitation plan for the barn, strengthening its internal support while preserving its exterior appearance. Board Member Dick Althouse, with his experience and construction skills, and as a former member of the Escondido Historical Preservation Commission, has

the knowledge and passion to lead this program as a volunteer foreman. Ultimately the Board hopes that a strengthened barn would be accessible to the public, holding historic farm equipment, and featuring informational signage to educate visitors.

3. SHUTTLE SERVICE. At one time the City provided free shuttle service every Sunday from the La Honda parking lot to the Ranch House. This service was terminated several years ago. The Board believes that the City should again provide this service, using wheelchair accessible vehicles, in order to allow segments of the population who otherwise would not be able to see Daley Ranch to do so. Such users include the disabled, the elderly and families with very young children. Shuttle service would bolster the City's compliance with ADA, and would facilitate better public access to the Ranch House and all its surrounding amenities.
4. RECREATIONAL RESOURCES IN AREA ONE. The Daley Ranch Master Plan created Area One, a relatively small number of acres near the Ranch House, for potential active recreational purposes. FODR, together with the Escondido Creek Conservancy, are currently exploring additional features that would bring more users to this area for activities, for example building an interpretive trail. We would ask that the City work together with us on this vision as it unfolds, and help cut through "red tape" whenever possible.
5. LAND ACQUISITION. The Board urges the City to pursue acquisition of the following parcels to enhance the Daley Ranch Conservation Mitigation Bank:
 - A. The BLM property that is landlocked within Daley Ranch, for little or no cost to taxpayers.
 - B. The BLM properties which are adjacent to Daley Ranch on the east side, for little or no cost.
 - C. The De La Fuente property landlocked within Daley Ranch; the owner has expressed his desire to use this land for mitigation purposes.
 - D. The five-acre parcel just west of the La Honda parking lot; this land could be used for additional parking, and/or for a visitor center or other active recreational uses. The owner is a willing seller.

Sincerely,
Colleen Mackinnon,
FODR President



THE FRIENDS OF DALEY RANCH

April 28, 2019

Jay Petrek, Assistant City Manager
201 North Broadway
Escondido, CA 92025

Dear Jay:

On behalf of the Friends of Daley Ranch (FODR), I thank you for attending our April 17th meeting and sharing your research and suggestions. We are heartened that you and the City welcome our input and are supportive of our goals. Specifically, the Friends applaud your positive recognition of the following items that are important to us, and to the continued sustainability of the *Daley Ranch Conservation Bank*:

- Ongoing biological monitoring
- Elimination of invasive species
- Habitat viability and preservation
- Trail maintenance

The Friends also appreciate that you have indicated a general embrace of the enhancements we cited in our *Letter to the Mayor*, which was published in our Spring 2019 newsletter. The priorities we listed in that letter support preserving historic resources and expanding community resources for the recreational areas of Daley Ranch, and include:

- Structural rehabilitation of the historic barn, and other ranch features
- Establishment of regular Sunday shuttle service to the Ranch House
- Creation of new recreational resources revolving around educational and experiential opportunities
- Land acquisition of parcels within and adjacent to Daley Ranch

We support your proposed credit pricing and marketing strategy for the mitigation bank, as you presented to us on April 17th. Like you, we feel that this will benefit the City and will help ensure long-term maintenance and financial health for Daley Ranch, along with the enhancements included above.

We believe there are previous agreements that the City needs to address regarding the *Daley Ranch Conservation Bank* and look forward to meeting with City staff soon to discuss these previous agreements.

We are grateful to the City for its encouragement and support of so many of our goals. We also sincerely appreciate the City's ongoing cooperation and collaboration with our endeavors, including help from the City Rangers, who are dedicated, hard-working professionals. With this mutually-beneficial relationship between the City and FODR, we envision a very bright future for Daley Ranch.

Sincerely,

Colleen MacKinnon
President, Friends of Daley Ranch

RESOLUTION NO. 2019-59

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ESTABLISHING A STRATEGY FOR THE SALE
OF DALEY RANCH CONSERVATION CREDITS

WHEREAS, Daley Ranch is a 3,058-acre conservation area acquired and managed in perpetuity by the City of Escondido (“City”) for the preservation of a biologically unique and diverse habitat area, while providing a variety of recreational educational opportunities and experiences for the enjoyment of the community; and

WHEREAS, in 1997, The City, State of California Department of Fish & Wildlife, and the U.S. Fish & Wildlife Service executed a Daley Ranch Conservation Bank Implementation Agreement; and

WHEREAS, the Implementation Agreement apportions 2,642 habitat credits to the City who owns and manages the Daley Ranch Conservation Bank for use as off-site mitigation for five categories of species and habitat; and

WHEREAS, each “habitat” or “conservation” credit equates to one acre of a specific category of species and habitat. The credits may be purchased on the open market in any fraction from the City for public and private development projects within western San Diego County; and

WHEREAS, the City Council has complete discretion in establishing habitat credit prices with the last price adjustment for the Daley Ranch conservation credits occurring in 2018 as established by Resolution 2018-19; and

WHEREAS, multiple conservation banks in the region offering the same habitat credits available in Daley Ranch directly compete with the City for the sale of habitat credits; and

WHEREAS comparable credits available at other conservation banks in the regional are typically negotiated on a case-by-case basis which undercut the posted prices at Daley Ranch significantly constraining the City's ability to negotiate the sale of Daley Ranch habitat credits; and

WHEREAS the City Council desires to be competitive in the sale of Daley Ranch habitat credits to provide the opportunity for increasing municipal revenues;

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. As outlined in the staff report accompanying this Resolution, which is incorporated by this reference, Daley Ranch conservation credits warrant an adjustment in their pricing strategy which shall be effective immediately.
3. That the adopted City of Escondido Daley Ranch conservation credit prices, and credits preserved for future municipal projects, shall be retained as follows:

Daley Ranch Habitat Type	Habitat Credits Reserved for Future Municipal Projects	Price per Credit for Remaining Credits Available for Sale
Chaparral & Coastal Sage Scrub	50.00	\$72,000
Coast Live Oak Woodland	15.00	\$54,000
Englemann Oak Woodland	5.00	\$54,000
Water Dependent Habitat	4.00	\$450,000
Non-Native Grasslands	50.00	\$52,875
Totals	124.00	

4. The pricing strategy shall include a five percent price reduction to purchasers of negotiated habitat credits from competing mitigation banks for the sale of comparable Daley Ranch habitat credits.

5. Applicants seeking a five percent price reduction shall provide a valid purchase agreement to the City's satisfaction from a conservation bank authenticating the purchase price, habitat credits and habitat type of the comparable Daley Ranch habitat credits requested for purchase.

6. Said purchase of Daley Ranch habitat credits shall be authorized by the appropriate Resource Agency(s) as eligible for the project's off-site mitigation.

7. Said purchase of Daley Ranch habitat credits involving a five percent price reduction shall be subject to City Council approval.

8. The pricing strategy shall include other measures to compete in the conservation habitat credit marketplace including, but not limited to, proactively approaching developers who require habitat mitigation regarding opportunities to consider purchasing conservation credits in Daley Ranch.

9. Terms and conditions for the sale and transfer of conservation bank credits from the Daley Ranch Conservation Bank shall be executed on forms approved by the City Attorney.



CITY COUNCIL STAFF REPORT

Workshop Item No. 12

May 8, 2019

File No. 0430-30

SUBJECT: Fiscal Year 2019/20 Preliminary Operating Budget Status

DEPARTMENT: Finance Department

RECOMMENDATION:

It is requested that the City Council review the proposed Fiscal Year 2019/20 General Fund Preliminary Operating Budget status, consider public feedback and comment, and authorize staff to return with the Fiscal Year 2019/20 General Fund Operating Budget on June 12, 2019.

FISCAL ANALYSIS:

The City's payment to the California Public Employees Retirement System (CalPERS) increased \$2 million this year over last. However, the economy remained stable, City staff developed yet more operational efficiencies and maintained a hardline on expenditures. As a result, we present a proposed Fiscal Year 2019/20 General Fund Operating Budget which is balanced, preserves all municipal operations, emphasizes a safe, clean and efficiently run City and leaves the General Fund reserve undisturbed.

Budget deficits were predicted in the last two years, \$3.5 million in Fiscal Year 2017/18, and \$3.7 million in Fiscal Year 2018/19. Continued economic growth and stability, combined with a hardline on expenditures, have made it possible to overcome those hurdles. However, even the slightest dip in economic activity will derail the ability to have a balanced budget without severe cutbacks in the core services provided by the City. Moreover, without a means to significantly increase City revenues, neither this City Council, or future policymakers will be able to achieve new policy initiatives, construct new infrastructure, or even maintain a steady balance in coping with ongoing challenges.

In Fiscal Year 2019/20, staff is proposing the use of one-time resources of unclaimed deposits in the amount of \$1,243,985 to reach a balanced budget. Of this amount, \$237,720 will fund non-recurring expenditures that include software upgrades, equipment, and a feasibility study. The remaining one-time resources of \$1,006,265 will be used for transitional funding through year end as staff continues to work on ways to cut costs and also increase revenue.

For the current budget, overall sources and uses are as follows:

Sources of Funds:

Operating Revenue	\$105,338,885
Transfers In	2,085,000
Deposits	23,600
Advance Payback from Successor Agency-Redevelopment	2,657,860
TOTAL, Sources	\$110,105,345

Uses of Funds:

Operating Budget	\$106,753,545
Transfers Out	3,306,800
Advance Payback to Public Facilities Fund-Principal	45,000
TOTAL, Uses	\$110,105,345

Over the past several years the revenue side of the equation, heavily dependent on sales tax and the economy, has generally maintained pace. However, the City's General Fund revenue has not kept pace when matched with the growing costs of municipal services and maintaining facilities. It is becoming increasingly challenging to maintain the quality of City services that the community has come to expect. The City has done well in responding to this challenge by reducing costs and streamlining City services. These cost saving measures have included reducing staff, deferring infrastructure maintenance, investing in technology to reduce ongoing costs and outsourcing services. Total positions are well below pre-recession levels with 100 fewer positions than the peak in 2008, despite Escondido increasing its population by over 8,000 residents.

Still, even after these cuts, the City faces a structural deficit as both the demand for services and the cost to provide them increase.

For example, the City's labor costs are generally very reasonable. In the past two years, the City's Police, Fire, and Teamsters Unions agreed to mutually beneficial contracts in which the members made additional contributions to their CalPERS retirement costs above what is statutorily required. In return, they agreed to modest salary increases that averaged between 2-3%. The City's other two main employee groups comprised of the Escondido City Employees' Association (ECEA) and the unclassified and management employees have also provided stability by agreeing to annual stipends for two years over general salary increases. This Fiscal Year, the ECEA employees will be receiving a 2% salary increase as part of their contract. The unclassified and management employees are scheduled to also have an equitable salary adjustment. The three-year period of these contracts have provided labor and financial stability. And still, the labor costs call for approximately 84% of the City's Operating Budget. In spite of the current stable economic conditions, the City's revenues are not keeping pace with our expenditures. In order to maintain service levels, additional revenue sources are needed. Later in this staff report, a voter-approved half-cent sales tax measure is discussed as a potential solution to meet this ongoing structural need.

REVENUE PROJECTIONS

The proposed Fiscal Year 2019/20 General Fund revenue estimate is \$105.4 million. This is 3% higher, or \$2.7 million over the Fiscal Year 2018/19 amended revenue projection. While staff and professionals retained by the City to make these revenue estimates are confident that the target 3% will be achieved, it should be noted that each half-percent equates to roughly \$527,000. Thus, any future economic weakening, drop in sales tax, and drop in revenue would have an adverse impact on the budget by about \$2.8 million in the first year of a recession, \$4.5 million in the second year of a recession and \$4.6 million over 3 years as sales tax slowly recovers based on trends of prior downturns.

The following are the basic components underlying revenue projections in Fiscal Year 2019/20, followed by an explanation of each category in the following paragraphs:

<u>Revenue</u>	<u>2018/19 Revised</u>	<u>2019/20 Projected</u>	<u>Change</u>	<u>% Change</u>
Sales Tax	\$38,024,000	\$38,847,960	\$823,960	2%
Property Tax	13,171,000	13,612,000	441,000	3
Property Tax in Lieu of VLF	13,746,000	14,427,000	681,000	5
Other Taxes	13,693,000	14,439,000	746,000	5
Permits and Licenses	1,024,000	944,500	(79,500)	-8
Fines and Forfeitures	1,156,000	1,226,000	70,000	6
Intergovernmental	3,292,000	3,063,000	(229,000)	-7
Charges for Services	11,697,500	11,339,400	(358,100)	-3
Investment and Rental Income	4,189,750	4,630,750	441,000	11
Other Revenue	872,000	860,495	(11,505)	-1
One-time Revenue	1,750,000	1,948,780	198,780	11
Total with One-Time Revenue	\$102,615,250	105,338,885	\$2,723,635	3%
Total excluding One-Time Revenue	\$100,865,250	103,390,105	\$2,524,855	3%

- Sales tax is the largest General Fund revenue source at 37% of total revenue. Sales tax revenue is projected to grow in Fiscal Year 2019/20 by 2% to reach \$38.8 million. It should be noted that the 2% projection is less than last year's projected growth of 3%. Economic indicators that drive spending and growth in sales tax include the unemployment rate, total number of persons employed, and consumer confidence. The Bureau of Labor Statistics continues to report high total number of persons employed and a low unemployment rate for the County of San Diego and the national Consumer Confidence index remains high. While these leading sales tax indicators are positive, the larger economic forecast is for slower growth over the prior year. The City's sales tax consultant concurs with staff's forecast based on projected increases in sales tax from general retail and internet sales due to the Wayfair decision these increases being

offset with a projected slowdown in sales tax collected on auto sales and construction materials. The U.S. Supreme Court decided in the *Wayfair* case that state and local governments could require online retailers to collect sales tax even if the retailer did not have a physical presence in the state or local tax jurisdiction. Based on this decision, changes were made to California state law so that beginning on April 1, 2019, out-of-state retailers that meet a threshold of having \$500,000 in cumulative sales into California in the preceding 12 months must begin collecting sales tax in California, even if the retailer does not have a physical presence in the state.

- Property tax revenue is projected to increase by 3%, with projected revenue of \$13.6 million. Prior year property tax growth was estimated at 3% and the City is on target to meet this projection. The major factors influencing property tax revenue are the California Consumer Price Index (CCPI), number of home sales, and increased median home prices. Proposition 13, passed by voters in 1979, specifies that a property's assessed value may increase at the rate of the CCPI, but cannot exceed 2% per year unless the property is improved or sold to establish a new assessed value. The State Board of Equalization determined that the CCPI increased by 3.847%; the Proposition 13 inflation factor for assessment role 2019 is 2%. This means that the assessed valuation of properties not improved or sold will increase by 2% in Fiscal Year 2019/20. In addition, the median sales price for a home in Escondido for January 2019 averaged \$506,000 which is an increase of 3.7% compared to the January 2018 median sales price. As homes sell this increased price will become the new assessed value for property tax purposes. For these reasons, 3% is a reasonable projection for next year's property tax revenue
- Property tax in lieu of Vehicle License Fees (VLF) is estimated to increase by 5% to reach projected revenue of \$14.4 million. Growth in this revenue is based on the change in assessed property tax values in the City on the prior year assessment role. This is different than property tax growth which is based on the change in assessed property tax values on the current year assessment role.
- There are a variety of other taxes, which include franchise fees, transient occupancy tax, business license fees, property transfer tax and the Redevelopment Property Tax Trust Fund (RPTTF) residual payment. These other taxes are projected to increase by 5% to reach projected revenue of \$14.4 million. Staff anticipates approximately \$750,000 in additional annual revenue for this fiscal year and coming years because of an anticipated increase in fees paid through a restructuring of the contract with Escondido Disposal, and increased transient occupancy tax collections from the new Springhill Suites hotel.
- Permits and licenses that are collected for building, plumbing, electrical, mechanical, fire code and mobile-home permits are projected to decrease by 8% in the upcoming year to reach a projected revenue of \$944,500. The majority of this decrease is due to a projected decrease in building permits.

- Fines and forfeitures are projected to increase by 6% with projected revenue of \$1.2 million. The majority of this increase is from a higher collection of parking citations due to the use of parking enforcement license plate recognitions machines.
- Intergovernmental revenue includes the Rincon Fire Services Agreement, state mandated cost claims, and various grants. This revenue is projected to decrease by 7% based on reduced Ground Emergency Medical Transport reimbursements. In addition, the Recycling Department receives grant revenue and with the transfer of Recycling to Wastewater (to achieve operating efficiencies) the revenue accompany Recycling will transfer to Wastewater as well.
- Charges for services are projected to decrease by 3%. Charges for services include developer processing fees, paramedic fees and community services fees. Of the overall decrease in charges for services, the majority of the decrease is attributable to the Recycling Department moving to the Wastewater Fund and with this move, Recycling revenue will move as well.
- Income from interest and property includes rent received from leased City property and interest income on City investments. This revenue from investment income and rental income is projected to increase by 11% compared to the prior year to reach projected revenue of \$4.6 million. The City plans to prepay the annual unfunded accrued liability (UAL) for the Safety and Miscellaneous Plans in July 2019, which will result in additional investment earnings to the General Fund of \$381,000.
- One-time revenue of \$1,948,780 has been budgeted in Fiscal Year 2019/20. The City's financial policy allows for the use of one-time resources if they are to pay for non-recurring expenditures, provide transitional funding of operations for a limited time period, add to reserves, or pay down unfunded liabilities. Developer reimbursements of \$636,000 have been budgeted in the General Fund to cover project plan review costs. This is a pass-through cost; if a project does not advance during the year no revenue or plan review costs are charged to the General Fund. One-time revenue also includes unclaimed deposits of \$1.2 million that the City is allowed to claim as property of the General Fund if these deposits have remained unclaimed for over three years and have been published in a newspaper of general circulation for two successive weeks and no one has claimed the deposit. These unclaimed deposits will be used as transitional funding through year end as staff continues to work on ways to cut costs and also increase revenue.

OPERATING BUDGET

The total proposed 2019/20 General Fund Operating Budget is \$106,753,545. It has increased by approximately \$4.1 million or 4% compared to the Fiscal Year 2018/19 Operating Budget adopted on June 13, 2018. The following chart shows General Fund expenditures by Department. The chart compares total Fiscal Year 2019/20 projected expenditures to the amounts budgeted in the previous years. A brief description of each department, the services it provides, and a summary of significant department budget changes in the Fiscal Year 2019/20 Operating Budget, are noted on the pages following the chart.

<u>Department</u>	<u>2018/19 Revised Expenditures</u>	<u>2019/20 Projected Expenditures</u>	<u>Change</u>	<u>% Change</u>
General Govt. Support Services	\$5,987,450	\$5,942,525	\$(44,925)	-1%
Community Services	7,701,470	8,164,640	463,170	6
Community Development	4,643,035	4,780,700	137,665	3
Public Works	10,558,475	10,288,145	(270,330)	-3
Engineering	2,612,145	2,737,155	125,010	5
Police	43,044,630	45,928,260	2,883,630	7
Fire	24,307,475	24,746,165	438,690	2
Community Relations & CCAE	2,271,300	2,491,540	220,240	3
Non-departmental	1,655,910	1,674,415	18,505	1
Total Expenditures	\$102,781,890	106,753,545	\$3,971,655	4%

- General Government Services include the following departments: City Council, City Manager, City Attorney, City Clerk, City Treasurer, Finance, Human Resources, Risk, and Information Systems and Geographic Information Systems (GIS). These combined department operating budgets total \$5.9 million and have decreased by 1% compared to the prior year due to efficiencies. Department efficiencies have allowed these budgets to remain fairly flat over the prior year. Examples of these efficiencies include the City Attorney’s Office using online services for legal research replacing the need for hard copy books and magazines. The City Clerk’s Office uses electronic signatures for legislative document processing. The City Treasurer outsources investment management services, aimed at improving investment returns. The Finance Department implements budget software to promote a more collaborative, effective and efficient budgeting process. The Human Resources Department utilizes technology to streamline the new hire onboarding process. Information Systems expanded online services to our customers in Community Development, as well as implemented new technologies in networking and telephones that have improved data and voice communication and reduced costs.
- Community Services includes the following departments: Communications, Video Services, Recreation, Library Services, Older Adult Services, and Senior Nutrition. These combined department operating budgets total \$8.2 million in Fiscal Year 2019/20 and have increased 6% over the prior year. High priority has been placed on communication with the public, transparency, and community engagement, which fall under the responsibility of this budget. To that end, the Communications and Video Services budgets have been increased to add additional staffing, to transition the Graphics staff within the umbrella of Communications in order to streamline workflows and improve the consistency of messaging, and to create more opportunities to strengthen these services to keep pace with demand.

- Community Development includes Planning, Code Enforcement, and Building. These departments guide the physical development of the City, protect life and property through the application of building codes and standards and enhance the image and appearance of the City. These combined department operating budgets total \$4.8 million and have increased 3% compared to the prior year. The Building and Planning Departments have implemented a more efficient way of doing business and enhancing service levels by contracting out building plan check and project plan reviews reducing the need to hire more staff when there is an uptick in development. This is a pass-through cost for developers who pay for this contract service.
- Public Works includes the Streets and Parks Department operating budgets. The Streets Department is responsible for filling potholes, maintaining sidewalks, cleaning storm water channels, replacing traffic signs, sweeping and lane striping the city streets, and graffiti eradication. The Parks Department maintains the City's parks, median and parkway landscaping, open spaces, trees and landscaping at City facilities. These combined operating budgets total \$10.3 million and have decreased \$270,330 compared to the prior year. This decrease is mainly due to the Recycling Department budget being moved to the Wastewater Fund for operational efficiencies. Not considering this decrease, the Public Works budget is increasing about \$305,000 compared to the prior year mainly due to the addition of 3 positions to meet the increased demands of right-of-way maintenance and debris management and generally keeping the City at unprecedented levels of cleanliness and safety.
- The Engineering Department coordinates engineering review of private development projects, planning applications, and environmental studies; oversees and maintains the City's inventory of real property assets; designs and administers bidding of all capital improvement projects; inspects all public construction projects including those initiated by private developers; and administers all traffic and transportation projects including those for traffic signals. The Engineering Department budget totals \$2.7 million and has increased 5% compared to the prior year. This increase is mainly from the conversion of two part-time positions into one full-time grant funded position which is partially offset by allocations out to capital improvement projects. The Engineering Department is improving efficiency and safety of travel for City residents by synchronizing street corridors, updating the Roadway Network Plan to reflect the latest traffic forecasts, and designing improvements to Escondido Creek Trail Crossing locations. They also continue to streamline the development process through the expedited plan check program.
- The Police Department enhances public safety and the quality of life in our community by fostering trust and preserving peace. Overall, the Police Departments costs are increasing by \$2.9 million or 7% compared to the prior year to reach projected expenditures of \$45.9 million. Changes to the budget include:
 - A 2% increase for negotiated salary and step increase for the City's police officers and support staff, which totals \$777,000.
 - A 4% increase for benefit costs from medical insurance, workers' compensation, and pension costs. This increase totals \$1.7 million which covers a \$1.9 million increase which

- was offset of by \$186,000 from employees picking up a greater share of their pension costs and cost sharing with the City for medical insurance.
- A 0.4% increase for animal control contract increases and community services costs, which totals \$162,000.
 - A 1% increase in overtime that totals \$444,000. This increases covers overtime hours related to:
 - Callback time, during which officers are required to return to work to provide immediate investigative assistance. These hours are regulated by the Police Officer Memorandum of Understanding (MOU).
 - Extended Day time, during which officers must remain on duty after their shift ends to handle priority calls for service.
 - Court time, during which officers are required to testify in court. These hours are regulated by the Police Officer MOU.
 - A 0.4% decrease in insurance charges of \$118,000 and increased allocations out of \$74,000.

The Police Department receives approximately \$1.2 million in grant funding each year. These funds augment the General Fund operating budget and allow the Police Department to provide proactive enforcement through crime prevention, intervention and suppression efforts.

- The Fire Department provides emergency operations, emergency preparedness, and fire prevention services to safeguard lives and property. The Fiscal Year 2019/20 operating budget reflects an increase of \$438,690 or a 2% increase compared to the prior year to reach projected expenditures of \$24.7 million. This budget includes negotiated salary increases that were offset by employees picking up a greater shares of pension costs and cost sharing with the City for medical insurance increases. Other increasing costs to this budget include benefit increases from rising medical insurance, workers' compensation and pension costs. In order to reduce costs, the fire stations have converted their grounds to water wise landscaping which has reduced water use and less time needed to maintain landscaping.
- The Community Relations (Community Fireworks, Cruising Grand, and Christmas Parade) and California Center for the Arts Escondido Departments bring people together in the community to celebrate visual and performing arts. The combined budgets total \$2.5 million and increased 3% over the prior year mainly due to increased building maintenance costs.

The following "Other Funds" which propose an increase or decrease of more than 10% as compared to the prior year adopted budget are as follows:

Duplicating

The Duplicating Fund provides low-cost copying and high-quality printing services to all City Departments. This budget is projected to decrease by about \$82,000 or 26% compared to the prior year because of new copy machine leases.

After School Education and Safety (ASES)

The ASES Program is a grant funded program, administered through the Escondido Union School District, designed to close the achievement gap for students by improving academic performance through active learning in a safe and supportive environment. The ASES program budget is projected to decrease by \$285,000 compared to the prior year as the City reduces its ASES school sites from five to three schools and transitions from being a grant funded service provider to a fee based after school program.

Reidy Creek

The Reidy Creek Golf Course Operating Fund is proposing a \$78,000 increase to its total operating budget. This increase is due to minimum wage increases and additional costs from implementing disc golf. This increase will result in a projected \$71,000 increase in the amount transferred in from the General Fund.

Mobilehome Park Management

The Mobilehome Park Fund manages twenty-six City owned lots in the Mountain Shadows and Escondido Views mobilehome parks. This fund is proposing a decrease of \$20,000, or 12% to its operating budget, primarily due to the sale of mobilehome lots and the resulting decrease for utility costs, Home Owners' Association (HOA) dues, and other maintenance services paid by the City on the remaining lots.

HOME Fund

The HOME Program administers a variety of programs providing affordable housing for low-income households including building, buying, and/or rehabilitating affordable housing for rent or homeownership. This fund is proposing a decrease of \$18,000 or 26% to its operating budget primarily because of lower allocations in from the Successor Agency-Housing Fund.

Successor Agency-Redevelopment

The Successor Agency-Redevelopment Fund was established to account for transactions related to the winding down of the redevelopment agency. This fund proposes a decrease in the operating budget of approximately \$119,000 or 48%, primarily due to the final debt service payment made on the redevelopment bonds in Fiscal Year 2018/19.

The General Fund Multi-Year Financial plan included within the Fiscal Year 2018/19 adopted operating budget, identified a structural budget gap of approximately \$3.4 million in Fiscal Year 2019/20. After Departments submitted their budgets for Fiscal Year 2019/20, this structural budget gap was revised upward to \$4.3 million. However, the following steps were taken to close this gap:

- \$2 million – Departmental Budget Cuts
- \$951,000 – Revenue Growth/Enhancements
- \$1.3 million – Use of One-Time Resources (unclaimed deposits)

LOCAL SALES TAX MEASURE

The City will face significant challenges in years beyond Fiscal Year 2019/20. The City's most recent Multi-Year Financial Plan forecasts that projected revenue growth will not keep up with projected expenditure growth. According to this Plan, the City is potentially facing a budget deficit of \$10 million by Fiscal Year 2021/22. It is becoming increasingly challenging to keep residents safe and to maintain municipal services at their current levels due to the rising cost of providing services. Eliminating a deficit this large is extremely difficult when 84% of the total General Fund budget is the cost of staffing to provide City services and nearly 80% is dedicated to health and safety with the Police, Fire and Public Works budgets. In order to maintain these essential services, the City must secure a reliable, locally-controlled source of funding. One such funding source is a voter-approved local sales tax increase. The current sales tax rate applied in Escondido is 7.75%, which is the base rate for San Diego County. This includes a combined state/local rate of 7.25% and a San Diego County district tax of .50% for the TransNet Program. Of the total 7.75% collected, Escondido receives only 1%. The City could obtain voter approval of a local transactions and use tax (aka sales tax) increase at the next general election on November 3, 2020. A general tax measure requires approval of 50% of voters, plus one.

For example, if a sales tax rate increase of one-half percent (0.50%) was approved by the voters, the local sales tax rate in Escondido will increase from 7.75% to 8.25%. For each \$100 spent on taxable items in the city, an additional fifty cents would be collected that would stay in Escondido. Cumulatively, this increase would annually generate approximately \$13.8 million in new revenue for the City. This funding mechanism has been enacted by other communities throughout California, including Oceanside, Vista, National City, and Chula Vista, with the major benefit of ensuring local control over how these funds are spent and that they are spent locally. Another benefit to a sales tax increase is that out-of-town visitors spending money in Escondido share in paying this tax. In addition, sales tax is not levied on food items (groceries), prescriptions, certain medical devices, and other "Necessities of Life" are exempt from sales tax.

The City is at a financial crossroads and is running out of options. Approval of a sales tax increase could avoid City service reductions that will have significant impacts to the community. Without this increase, the City faces risk to the quality of life that residents and visitors have come to expect. Public input on this issue as well as public comment on the Fiscal Year 2019/20 operating budget is being requested at a Community Workshop scheduled for May 6, 2019. City Staff will provide City Council with an update of what was discussed at this meeting. Additional follow up information regarding a local sales tax measure including community outreach, polling, and milestones for placing the measure on the ballot for the 2020 election cycle, would be provided at a future meeting subject to direction from the City Council.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Sheryl Bennett, Deputy City Manager/Admin. Svs.
5/2/2019 10:23 a.m.

Joan Ryan, Assistant Director of Finance
5/2/2019 8:55 a.m.



CITY COUNCIL STAFF REPORT

Workshop Item No. 13

May 8, 2019

File No. 0430-30

SUBJECT: Five-Year Capital Improvement Program and Fiscal Year 2019/20 CIP Budget Status

DEPARTMENT: Finance Department

RECOMMENDATION:

It is requested that the City Council review the proposed Fiscal Year 2019/20 Five-Year Capital Improvement Program and Budget status and authorize staff to return with the final 2019/20 Capital Improvement Program and Budget on June 12, 2019.

FISCAL ANALYSIS:

The Five-Year Capital Improvement Program (CIP) is a five-year planning tool which is developed and updated annually. Attached are the project budget requests which are organized by funding sources in three broad categories: General Funds, Street Funds, and Public Utilities Funds. Also, attached is a detailed description of each project by project type. Currently, the Fiscal Year 2019/20 CIP Budget utilizes approximately \$1.5 million for general projects, \$25.1 million for street projects, and \$43.4 million for public utilities projects. There are currently \$9.8 million in unfunded projects which fall into the following categories: General City, Parks and Recreation, Public Safety, Public Works and Streets.

PREVIOUS ACTION:

The preliminary Five-Year CIP and FY 2018/19 CIP Budget update was taken to the City Council on May 9, 2018. The City Council approved the Five-Year CIP and Budget for FY 2018/19 on June 20, 2018.

BACKGROUND:

The City of Escondido Five-year Capital Improvement Program will be presented in final on June 12, 2019.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Sheryl Bennett, Deputy City Manager/Admin. Svs.
5/1/2019 2:50 p.m.

Joan Ryan, Assistant Director of Finance
5/1/2019 2:51 p.m.

ATTACHMENTS:

1. Fiscal Year 2019/20 Preliminary Capital Project Budget Requests

Attachment 1

FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS			
EXECUTIVE SUMMARY BY FUNDING SOURCE			
List of Projects by Fund	Pg #	Proposed FY 2019/20	Forecast FYs2021/24
GENERAL FUNDS			
GENERAL CAPITAL FUND			
Projected Available Balance		48,200	84,290
PAFH Camera and Security Infrastructure NEW	pg 5	20,000	15,000
CCAЕ Arrival Court Refurbishment NEW	pg 5	20,000	
Total General Capital Funded Project Requests		40,000	15,000
General Capital Fund Remaining Balance		8,200	69,290
LIBRARY TRUST FUND			
Projected Available Balance		252,015	19,610
N/A			
Total Library Trust Fund Project Requests		-	-
Library Trust Fund Remaining Balance		252,015	19,610
PARK DEVELOPMENT FUND			
Projected Available Balance		627,290	3,283,830
Calisthenic Park Equipment NEW	pg 4	41,290	
City Skate Parks	pg 4	250,000	1,000,000
Expanded Arena Sports NEW	pg 4	295,200	
Mountain View Park Tennis Court Resurfacing NEW	pg 4	40,800	
Multipurpose Artificial Turf Field NEW	pg 4		1,400,000
Park Ball Field NEW	pg 5		615,430
Ryan Park Field Expansion and Lighting NEW	pg 5		268,400
Total Park Development Fund Project Requests		627,290	3,283,830
Park Development Fund Remaining Balance		-	-
PUBLIC ART FUND			
Projected Available Balance		180,550	621,270
N/A			
Total Public Art Fund Project Requests		-	-
Public Art Fund Remaining Balance		180,550	621,270
PUBLIC FACILITIES FUND			
Projected Available Balance		830,100	4,598,030
Library Circulating Materials	pg 4	250,000	1,000,000
Mechanical CPR Resuscitation Systems NEW	pg 5	55,000	-
Park Avenue Community Center Fire Alarm System NEW	pg 5	80,000	
Park Avenue Community Center Security Improvements NEW	pg 4	50,000	
Public Printing at the Library NEW	pg 4	80,000	-
Public Works Yard	pg 5	315,100	3,598,030
Total Public Facilities Fund Project Requests		830,100	4,598,030
Public Facilities Fund Remaining Balance		-	-
STREET FUNDS			
GAS TAX FUND			
Projected Available Balance		3,867,325	16,334,810
Bridge Maintenance NEW	pg 6	200,000	800,000
East Valley Pkwy & Midway Drainage Improvements	pg 6	-	790,000
LED Conversions NEW	pg 7	300,000	1,200,000
Pavement Maintenance	pg 7	55,325	-
Street Tree Maintenance	pg 5	105,000	420,000
Storm Drain Repair and Improvements	pg 7	900,000	3,866,810
Traffic Infrastructure	pg 7	127,000	508,000
Traffic Signal Synchronization	pg 7	75,000	300,000
Transfer to General Fund (Street Maintenance)	pg 7	2,055,000	8,220,000
Transportation & Community Safety	pg 7	50,000	200,000
Total Gas Tax Fund Project Requests		3,867,325	16,304,810
Gas Tax Fund Remaining Balance		-	30,000
ROAD MAINTENANCE AND REHABILITATION ACCOUNT			
Projected Available Balance		2,420,675	10,543,000
Pavement Maintenance	pg 7	2,420,675	10,543,000
Total Street Fund Project Requests		2,420,675	10,543,000
Street Fund Remaining Balance		-	-

FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS			
EXECUTIVE SUMMARY BY FUNDING SOURCE			
List of Projects by Fund	Pg #	Proposed FY 2019/20	Forecast FYs2021/24
STREET FUND			
Projected Available Balance		112,940	179,230
SB-1 Grant		12,500,000	
Citracado Pkwy Extension	pg 6	12,500,000	-
Storm Drain Repair and Improvements	pg 7	112,940	179,230
Total Street Fund Project Requests		12,612,940	179,230
Street Fund Remaining Balance		-	-
STORM DRAIN FUND			
Projected Available Balance		151,065	698,670
East Valley Pkwy & Midway Drainage Improvements	pg 6	116,165	698,670
FY 19 Fees Available for Developer Reimb in FY 20	pg 6	34,900	-
Total Storm Drain Fund Project Requests		151,065	698,670
Storm Drain Fund Remaining Balance		-	-
TRAFFIC IMPACT FUND			
Projected Available Balance		1,948,370	6,476,490
Bear Valley Pkwy Widening at Sunset/Ranchito NEW	pg 6	-	575,600
Center City Pkwy Signals	pg 6	200,000	-
Citracado Pkwy Extension	pg 6	1,445,370	1,100,000
El Norte Parkway Bridge and Medians	pg 6	250,000	-
Roadway Network Update NEW	pg 7	50,000	-
Total Traffic Impact Fund Project Requests		1,945,370	1,675,600
Traffic Impact Fund Remaining Balance		3,000	4,800,890
TRANSNET FUND			
Projected Available Balance		4,142,555	16,894,000
Citracado Pkwy Extension	pg 6	1,350,000	250,000
Juniper Elementary Safe Routes to School	pg 6	250,000	
Pavement Maintenance	pg 7	1,157,700	5,068,200
Pavement Rehabilitation	pg 7	1,134,855	3,925,800
Traffic Signals	pg 7	250,000	1,000,000
Total Transnet Fund Project Requests		4,142,555	10,244,000
Transnet Fund Remaining Balance		-	6,650,000
PUBLIC UTILITIES FUNDS			
WASTEWATER FUND			
Recycled Water Easterly Agriculture RO & PS	pg 8	7,000,000	-
Total Grants		7,000,000	-
Recycled Water Easterly Agriculture Distribution	pg 8	4,300,000	-
Recycled Water Easterly Agriculture RO & PS	pg 8	29,000,000	-
Total SRF Loans		33,300,000	-
City Wide Storm Drain Maintenance	pg 8	680,000	2,925,000
Eagle Scout Lake Maintenance	pg 8	50,000	340,000
Habitat Remediation-Spruce St	pg 8	300,000	50,000
Permitted Channel Maintenance and Mitigation	pg 8	300,000	1,550,000
Recycled Water Easterly Agriculture Distribution	pg 8	-	3,000,000
Recycled Water Easterly Agriculture RO & PS	pg 8	-	11,000,000
Sewer Pipeline Replacement	pg 8	300,000	800,000
Storm Water Alternative Compliance Program	pg 8	180,000	790,000
Trash Capture Devices NEW	pg 9	150,000	985,000
Trunk Main Expansion/Auto Parkway to HARRF	pg 9	500,000	4,000,000
Total Customer Fees		2,460,000	25,440,000
Total Wastewater Fund Project Requests		42,760,000	25,440,000
WATER FUND			
Automatic Meter Reading	pg 9	300,000	400,000
Water Pipeline Replacement	pg 9	400,000	800,000
Total Customer Fees		700,000	1,200,000
Total Water Fund Project Requests		700,000	1,200,000

FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS			
EXECUTIVE SUMMARY BY FUNDING SOURCE			
List of Projects by Fund	Pg #	Proposed FY 2019/20	Forecast FYs2021/24
UNFUNDED CAPITAL PROJECTS			
Americans with Disabilities Act (ADA)	pg 10	90,000	370,000
Ball Field Fence Replacement	pg 10	205,000	820,000
Bridge Maintenance (unfunded portion)	pg 6	340,000	1,360,000
City Hall Counter Resurface	pg 11	35,000	-
Concrete Repair-Citywide	pg 12	275,000	1,100,000
East Valley Community Center Sign	pg 11	20,000	-
East Valley Pkwy & Midway Drainage Improvements (unfunded portion)	pg 6	983,835	2,911,330
Escondido Sports Center Community Room	pg 10	-	1,200,000
Fire Electrocardiogram (EKG) Replacement	pg 10	-	450,000
Hubbard Hill Fire Suppression System	pg 11	85,000	-
Irrigation Controller Replacement	pg 11	126,400	252,800
Mobile Data Computers	pg 11	106,000	-
Mountain View Field House Restoration	pg 10	-	1,000,000
Major Drainage Maintenance	pg 11	353,000	1,412,000
Oak Hill Activity Center Play Structure	pg 10	56,400	-
Park Playground Equipment Replacement	pg 10	211,200	844,800
Pavement Maintenance & Rehabilitation (unfunded portion)	pg 7	2,331,445	8,863,000
Police Range Training Facility	pg 11	1,545,060	1,434,940
Replace Deck above Escondido Credit Union	pg 11	75,000	-
Resident Survey	pg 10	75,000	-
Reupholster Council Chamber Auditorium Seats	pg 11	80,000	-
Server Room Backup Power	pg 10	52,810	15,400
Station 1 Training Tower Repair	pg 11	125,000	146,000
Storm Drain Repair and Improvements (unfunded portion)	pg 7	2,667,060	10,673,960
Total Unfunded Project Requests		9,838,210	32,854,230

**FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS
PROJECT DETAIL BY TYPE OF PROJECT**

COMMUNITY SERVICES

Park Avenue Community Security Improvements	To keep pace with the growing population of older adults and use of the Park Avenue Community Center, a security project to install cameras, lighting, and other Crime Prevention Through Environmental Design (CPTED) improvements is needed. The new camera system will be linked to the City's network and be visible to and monitored by Information Systems and Police Department staff.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Public Facility Fees	\$ 50,000	\$ -	\$ -	\$ -	\$ -

LIBRARY

Library Circulating Materials	Professional Librarians from Library Systems & Services purchase new titles in all formats to meet needs of Escondido's increasing population in accordance with the General Plan Standards for the Library throughout Fiscal Year 2018-19. Funds will be expended by the end of the fiscal year.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Public Facility Fees	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

Public Printing	With the increasing demand for modern printing capabilities, the Library needs a new print management system that can accommodate wireless, mobile printing and credit/debit card payments for use by members of the public.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Public Facility Fees	\$ 80,000				

PARKS AND RECREATION

Calisthenic Park Equipment	This project will provide new outdoor calisthenics training areas throughout our city Parks. In addition to bringing a new service to the park it will also provide a new revenue stream, as these areas will provide for future instructor led fitness classes. Park locations will be prioritized through a series of public meetings. We anticipate that per capita Prop 68 funds could be used to supplement this project.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Park Development	\$ 41,290	\$ -	\$ -	\$ -	\$ -

City Skate Parks	This project, previously named Washington Park Skate Spot, will ensure adequate funding for construction of the existing Washington Park Skate Spot Project as well as future design and construction of skate spots throughout the City. Skate spot locations will be prioritized based on public outreach meetings and Council direction.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Park Development	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

Expanded Arena Sports	Due to the growing population of Escondido, additional programs are required at the Escondido Sports Center. Expanded programs will include lacrosse, flag football and Ultimate Frisbee. Improvements will include new turf on both soccer arenas and shade structures. We anticipate that per capita Prop 68 funds could be used to supplement this project.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Park Development	\$ 295,200	\$ -	\$ -	\$ -	\$ -

Mountain View Park Tennis Court Resurfacing	Due to community growth and the increased need to provide new and expanded sports opportunities, this project will resurface Mountain View Tennis Courts to include both regulation tennis striping as well as pickle ball striping. This will expand the versatility of the courts, increase the number of users served, and potentially increase the availability of the gymnasium at the EVCC, providing expanded usage there as well. We anticipate that per capita Prop 68 funds could be used to supplement this project.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Park Development	\$ 40,800	\$ -	\$ -	\$ -	\$ -

Multipurpose Artificial Turf Fields	This project will construct a multipurpose, multisport, artificial turf field. The project will provide a space for community sports such as softball, baseball, kickball, Ultimate Frisbee, Lacrosse, football, and soccer. It will allow for additional practice and game space, allow the City to accommodate larger sports tournaments thereby increasing revenue, and provide an alternate location to host sporting activities while other fields rest. The artificial turf will also allow for year round rentals, increasing revenue. Park location will be prioritized through a series of public meetings. We anticipate that per capita Prop 68 funds could be used to supplement this project.				
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Park Development	\$ -	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000

**FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS
PROJECT DETAIL BY TYPE OF PROJECT**

Park Ball Field	The City's youth leagues continue to grow, as does the need for additional practice and game space. The current little league fields are at capacity and can not accommodate additional use. The Ball Field Project will provide funding to construct a new ball field, including lights and fencing. Park location will be prioritized through a series of public meetings. We anticipate that per capita Prop 68 funds could be used to supplement this project.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Park Development	\$ -	\$ -	\$ 216,470	\$ 211,410	\$ 187,550

Ryan Park Field Expansion and Lighting	Ryan Park hosts year round youth & adult soccer leagues and tournaments. The continued growth of our community and rise in popularity of soccer requires the expansion of the sports fields to accommodate more players, games, and practice space. This project addresses the expansion of one field of approximately 67,000 square feet (1.5 acres). The installation of two new light poles will accommodate additional playing and practice times. We anticipate that per capita Prop 68 funds could be used to supplement this project.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Park Development	\$ -	\$ 268,400	\$ -	\$ -	\$ -

PUBLIC SAFETY

Mechanical CPR Resuscitation Systems	The growth within the City of multi-story buildings including apartments, condominiums and hotels challenge our first responders when providing resuscitation efforts during the often lengthy distance between the citizens residence and the final destination of a healthcare facility. Mechanical CPR devices automatically provide uninterrupted CPR to the patient which will result in enhanced patient treatment and reduced physical impact on the Emergency Medical Professionals during transport.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Public Facility Fees	\$ 55,000	\$ -	\$ -	\$ -	\$ -

PAFH Camera and Security Infrastructure	The Police and Fire Headquarters Camera and Security Infrastructure is aging and needs replacement. This system is critical to safety and operational integrity. The project is urgent and will be completed as soon as funding permits. Cameras, servers, and connectivity will be replaced as part of this project.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
General Capital Fund	\$ 20,000	\$ 15,000	\$ -	\$ -	\$ -

PUBLIC WORKS

CCAE Arrival Court Refurbishment	This project involves repairing the existing irrigation system and installing replacement plantings, tree pruning, repairing the existing electrical system and installing replacement pedestrian and ground-mounted lighting, repainting handicap markings, minor installation of new concrete flatwork in key areas, and updating signage in the CCAE Arrival Court in advance of the Center's 25-year anniversary. The work will be conducted with volunteers and City staff.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
General Capital Fund	\$ 20,000	\$ -	\$ -	\$ -	\$ -

Park Avenue Community Center Fire Alarm System	The Park Avenue Community Center needs a new fire alarm system that is compliant with existing fire code regulations and covers the campus more comprehensively. There are currently three separate, outdated systems and no coverage in the highly-used shuffleboard building. All three systems are maxed meaning they have no additional capacity. Fire Department staff have recommended that there be a single notification system that covers the entire campus in order to safely alert all building occupants when an alarm has sounded.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Public Facility Fees	\$ 80,000	\$ -	\$ -	\$ -	\$ -

Public Works Yard Relocation	This project supports the future relocation of the Public Works Yard. The new facility will be sized to meet current and future maintenance demands of the City. Project components will include site selection, acquisition, environmental documentation, and design for the future site. This project implements a component of the Comprehensive Economic Development Strategy (CEDS) that identifies the current yard site as a high priority area targeted for redevelopment. The total estimated project cost is \$57-Million.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Public Facility Fees	\$ 315,100	\$ 939,610	\$ 919,560	\$ 886,140	\$ 852,720

Street Tree Maintenance	With the completion of the Urban Forest Inventory, the need for tree maintenance exceeds the capacity of the City Tree Crew. The city has over 53,000 trees to maintain. At present there are over 360 trees needing immediate removal, approximately 33,000 trees needing pruning/maintenance. This project is intended to fund tree pruning and maintenance in the highest priority right of way areas.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000

STREETS

**FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS
PROJECT DETAIL BY TYPE OF PROJECT**

Bear Valley Pkwy Widening at Sunset/Ranchito	This project funds the widening of Bear Valley Parkway from the southerly limit of the Wohlford Residential project to Sunset/Ranchito, in accordance with the Development Agreement approved for this project. The development project will add one north-bound lane on Bear Valley Parkway from Sunset/Ranchito to the City limits at Cholla Canyon. The timing will be based on the developer's schedule to complete the development project.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Traffic Impact	\$ -	\$ 575,600	\$ -	\$ -	\$ -
Bridge Maintenance	To preserve the long-term condition of the City's 34-bridges, preventative maintenance, including deck maintenance, joint seal replacement and railing repairs are required. This project designates a budget to perform preventative maintenance at the highest priority locations, based on condition rating. Staff will pursue Caltrans bridge program funding, where available, to perform maintenance and address required repairs. Staff estimates \$2.7 million will be required to complete bridge maintenance over the next five years				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Unfunded Portion	340,000	340,000	340,000	340,000	340,000
Total Cost	\$ 540,000	\$ 540,000	\$ 540,000	\$ 540,000	\$ 540,000
Center City Pkwy Traffic Signals	This project provides for funding for design of a new signal at Centre City Parkway and Brotherton and modification of the signal at Centre City Parkway and Citracado Parkway. The City's recent Highway Safety Improvement Program (HSIP) grant application was unsuccessful. More development of the design is needed to support application for HSIP funding in the next cycle.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Traffic Impact	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Citracado Pkwy Extension	This project extends Citracado Pkwy from Harmony Grove Village Pkwy to Andreasen Dr., and will construct new pavement, streets, curb and gutter, center medians, landscaping, traffic signals, a bridge over Escondido Creek, and utility infrastructure. The project will be administered by City staff w/Construction Management support by consultant. Construction of the project will be performed by the awarded contractor.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
SB-1 Grant	\$ 12,500,000				
Traffic Impact	1,445,370	1,100,000			
Transnet	1,350,000	250,000			
Total	\$ 15,295,370	\$ 1,350,000	\$ -	\$ -	\$ -
East Valley Pkwy & Midway Drainage Improvements	This project will study the FEMA floodplain areas along East Valley Parkway, between Ash and Citrus, and along Midway Drive, between Bear Valley Pkwy. and Lincoln Ave, to design improvements to Master Drainage Facilities. It is anticipated that drainage improvements will be made in phases as funding becomes available. Total project cost is estimated at \$5.5-Million.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Storm Drain	\$ 116,165	\$ 180,760	\$ 177,710	\$ 172,640	\$ 167,560
Gas Tax	-	175,000	200,000	200,000	215,000
Total funded	\$ 116,165	\$ 355,760	\$ 377,710	\$ 372,640	\$ 382,560
Unfunded Portion	983,835	744,240	722,290	727,360	717,440
Total Cost	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
El Norte Pkwy Bridge and Medians	This project constructs a second bridge on El Norte Parkway over the Escondido Creek to allow widening of the roadway to its classified Major Road width. The project will also add a pedestrian activated signal at the El Norte Parkway Creek Trail crossing. Landscaped medians will be installed between Washington Avenue and Valley Parkway.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Traffic Impact	\$ 250,000	\$ -	\$ -	\$ -	\$ -
FY19 Developer Fees Available for Reimbursement in FY20	10% of annual Storm Drain Basin Fees to be used for reimbursements for eligible improvements constructed by developers who submit a request.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Storm Drain	\$ 34,900	\$ -	\$ -	\$ -	\$ -
Juniper Elementary Safe Routes to School	This project fills gaps in the sidewalk and provides Class II bicycle lanes in the areas near Juniper Elementary. It also includes upgraded crossings and improvements to the Escondido/Felicita traffic signal. The grants also funds active transportation education/encouragement activities at Juniper, Oak Hill, and Central Elementary Schools. The project's construction limits will be Juniper Street between Chestnut Street and Vermont Avenue. The project is funded with state ATP grant with City matching funds. Funding is proposed to be added for limited right of way acquisition on Felicita to improve lane transitions at signals.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Transnet	\$ 250,000	\$ -	\$ -	\$ -	\$ -
LED Streetlight Conversions	This project provides funding to convert high pressure and low pressure sodium street lights to light emitting diode (LED). LED provides a whiter light that appears brighter and provides a truer color rendering. Conversion to LED results in savings both in maintenance and energy costs.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24

**FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS
PROJECT DETAIL BY TYPE OF PROJECT**

Gas Tax	\$	300,000	\$	300,000	\$	300,000	\$	300,000	\$	300,000
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Pavement Maintenance & Rehabilitation	This annual project provides for the maintenance and repair of City streets. Work is focused in one of eight residential zones each year. Resurfacing of Major and Collector streets is performed Citywide based on pavement condition. Work includes subgrade repairs, asphalt replacement and seal coating. In addition, the project repairs lifted sidewalks and stripes bike lanes on resurfaced streets in accordance with the Bicycle Master Plan. In order to increase the City's PCI to 70 a budget of \$7.1 million would be needed.									
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 55,325	\$ -	\$ -	\$ -	\$ -
Transnet-Maint	1,157,700	1,200,300	1,244,400	1,288,800	1,334,700
Transnet-Rehab	1,134,855	1,050,700	1,003,600	957,200	914,300
RMRA Funds	2,420,675	2,558,980	2,635,750	2,661,340	2,686,930
Total Funded	\$ 4,768,555	\$ 4,809,980	\$ 4,883,750	\$ 4,907,340	\$ 4,935,930
Unfunded Portion	2,331,445	2,290,020	2,216,250	2,192,660	2,164,070
Total Cost	\$ 7,100,000	\$ 7,100,000	\$ 7,100,000	\$ 7,100,000	\$ 7,100,000

Roadway Network Update	This project evaluates Circulation Element roadway capacity needs based on latest traffic forecasts to determine if roadways can be re-classified. Recent forecast are generally lower than those used during the 2012 General Plan update. The lower forecasts may allow downgrading certain roadway classifications.									
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Traffic Impact	\$ 50,000	\$ -	\$ -	\$ -	\$ -

Storm Drain Repair and Improvements	There are over 20 miles of corrugated metal storm drain pipe (CMP) within the City. After assessment, it has been determined that 4.6-miles of pipeline requires lining within the next five years with an anticipated cost of \$18.4-Million. This project designates funding for repair and improvement of priority drainage facilities, including deteriorated storm drain and failing channels, as well as to make improvements to drainage facilities to extend their service life.									
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 900,000	\$ 967,300	\$ 961,900	\$ 966,500	\$ 971,110
Streets Fund	112,940	46,370	45,590	44,290	42,980
Total Funded	\$ 1,012,940	\$ 1,013,670	\$ 1,007,490	\$ 1,010,790	\$ 1,014,090
Unfunded Portion	2,667,060	2,666,330	2,672,510	2,669,210	2,665,910
Total Cost	\$ 3,680,000	\$ 3,680,000	\$ 3,680,000	\$ 3,680,000	\$ 3,680,000

Traffic Infrastructure	This project includes installation of signage, striping and other traffic-related infrastructure Citywide.									
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 127,000	\$ 127,000	\$ 127,000	\$ 127,000	\$ 127,000

Traffic Signals	This project is for construction of new signals and modification of existing signals Citywide. Signals will be constructed in accordance with the adopted traffic signal priority list.									
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Funding Source	FY 2019/20	21687000	FY 2021/22	FY 2022/23	FY 2023/24
Transnet	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

Traffic Signal Synchronization	This project is for timing and coordination of signal corridors Citywide. The funds will be used to conduct traffic counts and re-time signals along two major street corridors each year.									
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000

Transfer to General Fund	Transfer to General Fund - Street Maintenance Department									
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 2,055,000	\$ 2,055,000	\$ 2,055,000	\$ 2,055,000	\$ 2,055,000

Transportation & Community Safety	This is an annual budget designated for the Transportation and Community Safety Commission to select traffic safety and traffic calming projects.									
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Gas Tax	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

WASTEWATER UTILITIES

**FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS
PROJECT DETAIL BY TYPE OF PROJECT**

Citywide Storm Drain Maintenance	The City is required to conduct annual inspections and cleaning/maintenance of its storm conveyance system infrastructure including inlets, catch basins, pipes, and curb and gutter. Funds provide equipment and staff costs to remove and dispose of trash, debris, sediment, and leaves and properly document and report on these City activities related to pollution prevention. New requirements to install trash screens in storm drains will increase maintenance and staff costs in future Fiscal Years. The project is overseen by the Environmental Programs Division and implemented by the Public Works Department.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	\$ 680,000	\$ 700,000	\$ 700,000	\$ 750,000	\$ 775,000
Eagle Scout Lake Maintenance	Eagle Scout Lake in Kit Carson Park provides value to the community as a park water feature and as a sediment detention basin to improve downstream water quality. The City completed major dredging project in 2014 and periodic maintenance since then. FY 2019/20 activities include minor maintenance and planning for future lake improvements including design of bank stabilization and easier maintenance locations upstream of the lake. Environmental Programs Division staff oversee the project and coordinate maintenance with Public Works and Engineering.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	\$ 50,000	\$ 125,000	\$ 115,000	\$ 50,000	\$ 50,000
Habitat Remediation-Spruce St.	This projects corrects drainage problems in the Spruce Street stormwater conveyance channel. Grading variances, non-native plants, and sediment deposits led to standing water in the upper channel, functioning as habitat for breeding mosquitoes and presenting water quality concerns. The City has worked since 2013 to redesign the channel (within existing constraints) and complete CEQA and environmental permitting. The City secured grant funding totaling \$638,500 from County Vector Habitat Grant and \$258,000 from State Proposition 1 funds. After project completion (expected 2020) minor maintenance and monitoring will be needed until the site is incorporated into the Permitted Channel Maintenance CIP (#807502). The Environmental Programs Division is leading this effort in coordination with Engineering.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	300,000	50,000			
Permitted Channel Maintenance and Mitigation	Permits for channel maintenance were issued in August 2015. Since then City staff have been maintaining the channels and have completed the project in Kit Carson to mitigate the impacts of maintenance to wetland habitat. The permit will be renewed and hopefully expanded to additional locations in 2020; significant efforts to prepare the renewal application are underway. The permit renewal may require additional wetland mitigation, along with monitoring and maintenance activities for existing mitigation areas. This CIP includes staff time and equipment to continue maintenance work. The project is funded through the wastewater fund. Environmental Programs Division oversee the project and coordinate maintenance with Public Works.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	\$ 300,000	\$ 350,000	\$ 400,000	\$ 400,000	\$ 400,000
Recycled Water Easterly Agriculture Distribution	Design and construction of the recycled water distribution system for agricultural users and recycled water emergency storage pond.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
SRF Loan	\$ 4,300,000				
Wastewater		\$ 3,000,000			
Total	\$ 4,300,000	\$ 3,000,000	\$ -	\$ -	\$ -
Recycled Water Easterly Agriculture RO & PS	Construction of a Membrane Filtration Reverse Osmosis facility and pump station to improve recycled water quality for agricultural uses.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
IRWM Prop 84 Grant	\$ 2,000,000				
SRF Loan	29,000,000				
Title XVI Grant	5,000,000				
Wastewater		\$ 11,000,000			
Total	\$ 36,000,000	\$ 11,000,000	\$ -	\$ -	\$ -
Sewer Pipeline Replacement	Ongoing major maintenance program to repair or replace sewer lines as needed.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	\$ 300,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Storm Water Alternative Compliance Program	The City's storm water permit allows for new and re-development projects to achieve "alternative compliance" by funding, contributing to, or implementing water quality improvement infrastructure at an offsite location through a credit system. Projects can be constructed by a private developer or the City, and only upon approval with extensive documentation and review as part of pre-project planning/engineering design. The City seeks to develop an alternative compliance program by designing and building a storm drain retrofit project, which would be used as part of the crediting system for future projects. The program will be administered by the Environmental Programs Division and Engineering Department.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	\$ 180,000	\$ 180,000	\$ 180,000	\$ 230,000	\$ 200,000

**FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS
PROJECT DETAIL BY TYPE OF PROJECT**

Trash Capture Devices	The San Diego Regional Municipal Separate Storm Sewer System (MS4) Permit from the Regional Water Quality Control Board will be renewed in 2020 to include new regulations to capture and remove trash from storm drain systems. The new requirements will install screens in storm drains in certain land uses (commercial, industrial, high density residential) and include a ten-year compliance timeframe. The Environmental Programs Division works closely with Engineering and Public Works to implement this new program, and Public Works performs maintenance under the MS4 Maintenance CIP (807601).
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	\$ 150,000	\$ 255,000	\$ 265,000	\$ 230,000	\$ 235,000

Trunk Main Expansion/ Auto Parkway to HARRF	Replace the sewer trunk main from the area of Auto Pkwy to HARRF.
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Wastewater	\$ 500,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -

WATER UTILITIES

Automatic Meter Reading	Pilot program to install and test Advanced Metering Infrastructure (AMI) technology on large water meters.
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

Water Pipeline Replacement	Replace old and deteriorating water pipes within the distribution system to maintain quality service.
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Water	\$ 400,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000

FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS

UNFUNDED PROJECTS

GENERAL CITY

Americans with Disabilities Act (ADA) Title II of the ADA mandates access to public facilities, programs, activities and services. The City's transition plan outlines the changes necessary to meet City facility access requirements. Funding for miscellaneous ADA expenditures are required annually. In 18-19, the ADA Committee agreed to fund the installation of two (2) Audible Pedestrian Signals (APS). ADA funds will be used annually to purchase at least one (1) APS.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ 90,000	\$ 150,000	\$ 150,000	\$ 35,000	\$ 35,000

Resident Survey Conduct a resident survey to assess satisfaction with the delivery and priority of City programs and services.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ 75,000	\$ -	\$ -	\$ -	\$ -

Server Room Backup Power Information Systems uses several servers located in the server room to provide the network services for the city. In the event of a power issue or outage, the servers require an uninterruptible power supply, (UPS) to provide power until the generator at City Hall can start and provide power. Without a UPS present, all network resources would have to be restarted.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ 52,810	\$ 2,100	\$ 2,100	\$ 2,100	\$ 9,100

PARKS AND RECREATION

Ball Field Fence Replacement To replace the damaged ball field perimeter and backstop fencing in City Parks. There are 13 fields in Kit Carson Park, three fields in Mountain View Park, three fields in Jesmond Dene Park, and one field in Washington Park in need of fencing replacement. If project is funded, work will be completed by a contractor after a competitive bid.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000

Escondido Sports Center Community Room Construction of a new 2,400 square foot multipurpose community meeting room at the Escondido Sports Center. The project will also include restrooms, storage, and a kitchenette.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000

Mountain View Park Field House Restoration Renovation of the Mountain View Park Field House.

Funding Source	pg 5	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

Oak Hill Activity Center Play Structure In an effort to expand our youth and preschool programming to accommodate the growing Escondido population, a new play structure is recommended for the Oak Hill Activity Center. A play structure will provide a new amenity to the facility, thereby increasing the desirability for youth and preschool programming.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ 56,400	\$ -	\$ -	\$ -	\$ -

Park Playground Equipment Replacement This is an annual budget for the replacement of playground equipment in City Parks. The equipment scheduled for replacement consists of composite play structures, swings, slides, a wooden train, a balance beam, parallel bars, and a spring rocker. Most of the equipment has exceeded the normal life expectancy and is in constant need of repairs due to age and continued use. Finding replacement parts is problematic as much of the equipment is no longer manufactured. Equipment installed between 1996 and 2000 would be prioritized for replacement.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ 211,200	\$ 211,200	\$ 211,200	\$ 211,200	\$ 211,200

PUBLIC SAFETY

Fire Electrocardiogram (EKG) Replacement Fire Department ambulances and fire engines are Advanced Life Support units. They are staffed with paramedics and are required by State and County EMS regulations to have a cardiac monitor. Cardiac monitors are used to deliver electrical cardioversion (shock the heart), patient vital sign monitoring, diagnostic measurements, resuscitation therapies and CPR guidance. The monitors have a finite lifespan due to technology changes and wear and tear due to high usage. The Department's 15 EKG monitors were purchased in 2013. These monitors will need to be replaced by 2021 at a cost of approximately \$30,000 per unit.

Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Unfunded	\$ -	\$ 450,000	\$ -	\$ -	\$ -

FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS

UNFUNDED PROJECTS

Mobile Data Computers	Mobile Data Computers (MDC's) are computers mounted inside the fire engines and ambulances which provide a direct connection to the Communication Center and the Computer Aided Dispatch (CAD) system. This data connection provides incident information and mapping for our first responders. The MDC also provides the ability to communicate unit status changes and automatically documents those changes with a timestamp in CAD instead of voicing the information over the radio. The current GTAC V110 MDC's have outlived their expected life span of five (5) years.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 106,000	\$ -	\$ -	\$ -	\$ -
Police Range Training Facility	Completion of the Police Range Training facilities: \$200K – Hard Line SDG&E Power \$100K – Concrete Range Surface, \$25K – Shade Canopies, \$15K – Golf Cart and storage box, \$100K – Security Fence, \$50K – Security Cameras, \$50K – Target System, \$50K – Water Well, \$50K – Septic System, \$10K – Observation Tower, \$150K – Police Sergeant to oversee construction, \$600K – Classroom/Office structure, \$100K – Utility Storage Building, \$50K – Road Surface/paving, \$30K – Tractor, \$500K – Scenario Village, \$400K – Live Fire Shoot House, \$200K – Scenario Warehouse, \$200K – Permits and Studies; Once funding is established construction may be completed by FY 2019 or sooner.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 1,545,060	\$ 772,230	\$ 662,710	\$ -	\$ -
Station 1 Training Tower Repair	The six story training tower at fire station 1 is used to provide live fire training in a controlled fashion simulating actual fire conditions. The tower was built in 2007 and is in need of repair due to normal and routine usage. Live fire training of entry level and experienced fire suppression personnel are high-risk activities. A properly maintained tower is vital to the health and safety of our firefighters. Improvements would include repair of the liners in the burn rooms, replacement of windows, shutters and doors, repair of the lighting system and repair to the steel beams.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 125,000	\$ 146,000	\$ -	\$ -	\$ -
PUBLIC WORKS					
City Hall Counter Resurface	Building Maintenance proposes to re-face the front counters at City Hall with a scratch resistant material. This project can be completed during FY 2020.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 35,000	\$ -	\$ -	\$ -	\$ -
East Valley Community Center Sign	East Valley Community Center's sign is outdated and incorrect. The old sign and decorative details will be removed and a modern, accurate, legible sign will be installed.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Hubbard Hill Fire Suppression System	Building Maintenance proposes to install a chemical fire suppression system. This will protect the radio equipment from fire damage. This project can be completed during the 2020 fiscal year.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 85,000	\$ -	\$ -	\$ -	\$ -
Irrigation Controller Replacement	The existing City controllers need to be replaced with controllers capable of being remotely programmed/controlled-increasing water savings and staff efficiency for weather conditions. The proposed 3-year project would replace approximately 300 controllers currently in the inventory. There may be smart water rebates available to offset costs, but rebates cannot be determined at this time.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 126,400	\$ 126,400	\$ 126,400	\$ -	\$ -
Major Drainage Maintenance	This project proposed funding of major drainage structure re-construction. This includes replacement of failing drainage ditches and channels. The highest priority project is to replace failing sections of the Indian Creek Channel walls. The estimated cost for major drainage re-construction is \$1,765,000.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 353,000	\$ 353,000	\$ 353,000	\$ 353,000	\$ 353,000
Replace Deck above Escondido Credit Union	Building Maintenance proposes to remove and replace the leaking and damaged exterior deck above the Escondido Credit Union at City Hall. This project would be completed by the end of the fiscal year 2020.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Reupholster Council Chamber Auditorium Seats	Building Maintenance proposes to reupholster the Council Chamber audience seats that are 30 years old. They are threadbare and discolored in many areas. This project would be completed by the end of the fiscal year 2020.				
Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 80,000	\$ -	\$ -	\$ -	\$ -

FY 2019/20 PRELIMINARY CAPITAL PROJECT BUDGET REQUESTS

UNFUNDED PROJECTS

STREETS

Concrete Repair - Citywide	There are approximately 1,100 locations Citywide that are in need of concrete repair, including removal/replacement of sidewalks (120,000 sf), damaged curb & gutters (2,700 lf), and damaged driveway approaches (7,360 sf). Public Works in-house annually repairs 30-40 locations. An annual contract concrete repair project would have a significant impact on the maintenance project backlog.
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Funding Source	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Unfunded</i>	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000



FUTURE CITY COUNCIL AGENDA ITEMS

Updated May 1, 2019

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

May 15, 2019 6:00 p.m.
PRESENTATIONS
North County Transit District Quarterly Informational Presentation
CONSENT CALENDAR
PUBLIC HEARINGS
CURRENT BUSINESS
<p>Valiano Project Sewer Flow Agreement – <i>Continued from the April 10 Meeting</i> (C. McKinney)</p> <p><i>Request the City Council approve authorizing the Mayor and the City Clerk to execute a Sewer Flow Agreement with The Eden Hills Project Owner, LLC; The EHF Owner, LLC; The EHH Owner, LLC; and The EHA Owner, LLC (collectively the "Property Owner") for the City of Escondido's (City) acceptance of sewer flow from a 326 single-family residential development project (the "Valiano Project") within the City's sphere of influence.</i></p>
FUTURE AGENDA ITEMS

May 22, 2019 6:00 p.m.
PRESENTATIONS
San Diego Food System Alliance Presentation
CONSENT CALENDAR
<p>Final Engineer's Report for City of Escondido Landscape Maintenance Assessment District Zones 1-38 for Fiscal Year 2019/2020 (J. Procopio)</p> <p><i>Adoption of Resolution No. 2019-38 is the final step in the annual review process for the Engineer's Report and assessments for Zones 1-38 of the City of Escondido Landscape Maintenance Assessment District for Fiscal Year 2019/2020.</i></p>

May 22, 2019
Continued

CONSENT CALENDAR Continued

**Resolution of Support for a Complete 2020 Census Count
(B. Martin)**

Every ten years, the federal government is mandated by the US Constitution to count all persons living in the United States through the decennial census. The data collected during the census is used to calculate the number of federal dollars each state receives for programs as well as federal representation. The US Census Bureau will conduct Census 2020 in April 2020. A comprehensive count, especially of Hard-to-Count (HTC), is an advantage to the City of Escondido, the region, and the state. The City Council is asked once again work with SANDAG, the State of California, other local governments, public agencies, business and community organizations in the County to ensure every resident in Escondido is counted during the 2020 US Census.

PUBLIC HEARINGS

**One-Year Action Plan for Fiscal Year 2019-2020 HOME Funds for Affordable Housing Activities, CDBG Funds for Community Development Programs and Projects, and ESG Funds for Homeless Priorities
(B. Martin)**

This is a required public hearing for the Annual Action Plan for allocating federal HOME, CDBG, and ESG funds for projects and programs. The City Council is being asked to adopt the 2019-2020 One-Year Action Plan.

CURRENT BUSINESS

**Interim Animal Control Services Agreement
(C. Carter)**

Request the City Council approve authorizing a one-year extension of the contract with San Diego Humane Society for providing animal control services.

FUTURE AGENDA ITEMS

Weekly Activity Report



May 2, 2019

200 Local Volunteers Participate in Creek to Bay Clean Up

Last Saturday, I love a Clean San Diego hosted the 17th Annual Creek to Bay Cleanup at more than 100 sites county wide. Escondido cleanup sites included: Grape Day Park, Harmony Grove, Kit Carson, Mountain View and Lake Wohlford. Escondido's 200 volunteers participated by picking up trash and debris as well as helping with landscaping projects to keep our City looking beautiful. Thank you, local volunteers!



SpringHill Suites Opens this Friday!

Marriott International announced this week that the SpringHill Suites by Marriott San Diego Escondido/Downtown is scheduled to open this Friday, May 3, 2019. The 107-suite hotel is located at 200 La Terraza Boulevard. <https://www.marriott.com/hotels/travel/sansd-springhill-suites-san-diego-escondido-downtown/>



Take Your Children to Work Day

Last week the City participated in National Take Your Children to Work Day. 92 children joined their parents at work to learn more about what their parents do for a living. The Escondido Federal Credit Union and the City's Wellness Committee provided a healthy and delicious lunch at Dixon Lake. The kids had a fun-filled day with their parents and got to see first hand their local government at work!



Softball Field Improvements at Kit Carson Park

The City is partnering with the Escondido Girls Softball League on a project to recondition softball field #2 at Kit Carson Park and expand its use to older players. The project will take place over two phases. Improvements include a new, taller backstop; permanent outfield fencing; grading to enhance drainage and reduce flooding-related field closures; smart irrigation; Padre Gold infield soil conditioning and topdressing; new scoreboard; and dugout upgrades. With financial and in-kind support from the City, along with donated labor and materials from community members, league parents, and local businesses, these improvements will be made in a fraction of the time and at less than half the cost as it would take without the League's involvement.

Bike to Work Day 2019 – Save the Date!

The City and Visit Escondido are partnering with BikeBling, Neighborhood Healthcare, and Live Well San Diego to provide a Pit Stop location in the heart of Escondido at City Hall on May 16 for SANDAG's Bike to Work Day 2019. The Escondido Pit Stop will be open from 6 -9 a.m. Register today and plan your route to cycle by and pick up a T-shirt and snacks, and get a safety check on your bike. There will also be music, games and a chance to win prizes. Click the image below to register.



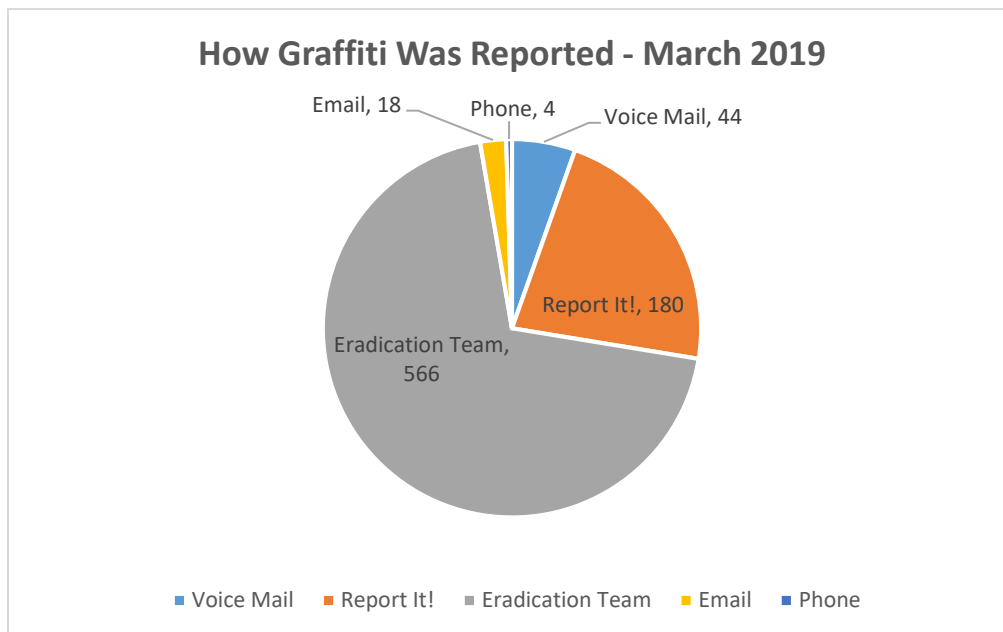
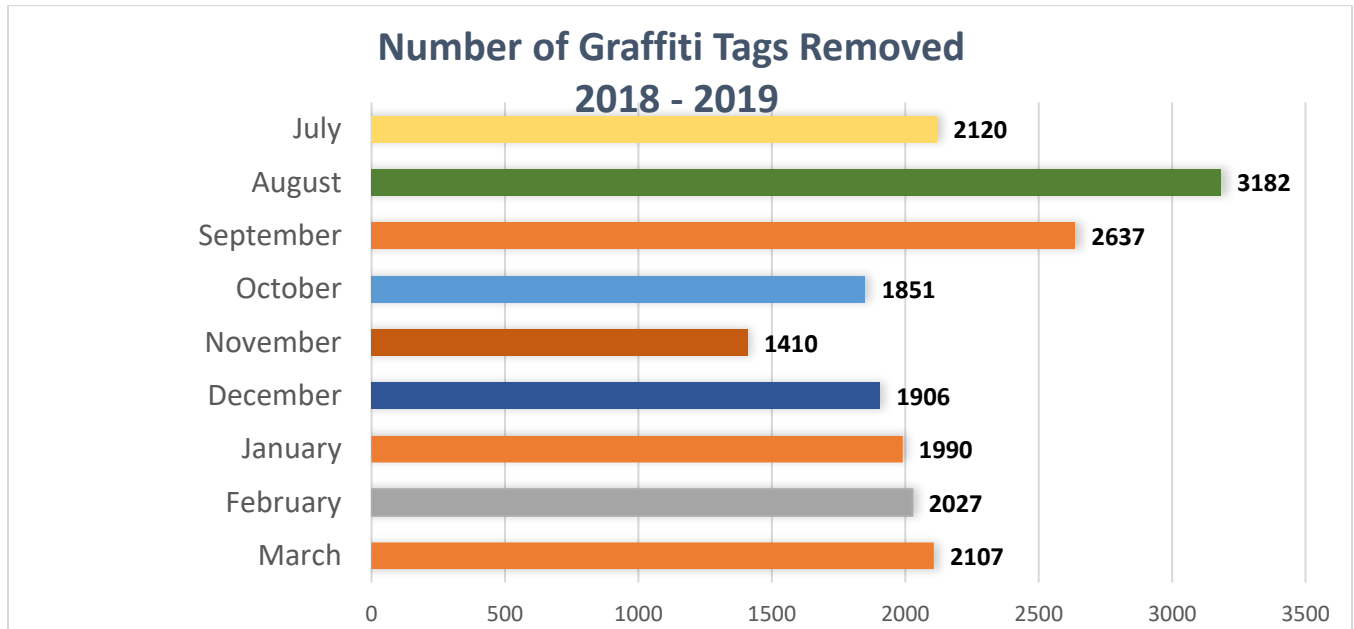
BIKE TO WORK 2019
Thursday, May 16
Escondido Pit Stop
6-9 a.m. City Hall
GAMES | PRIZES | MUSIC | SNACKS

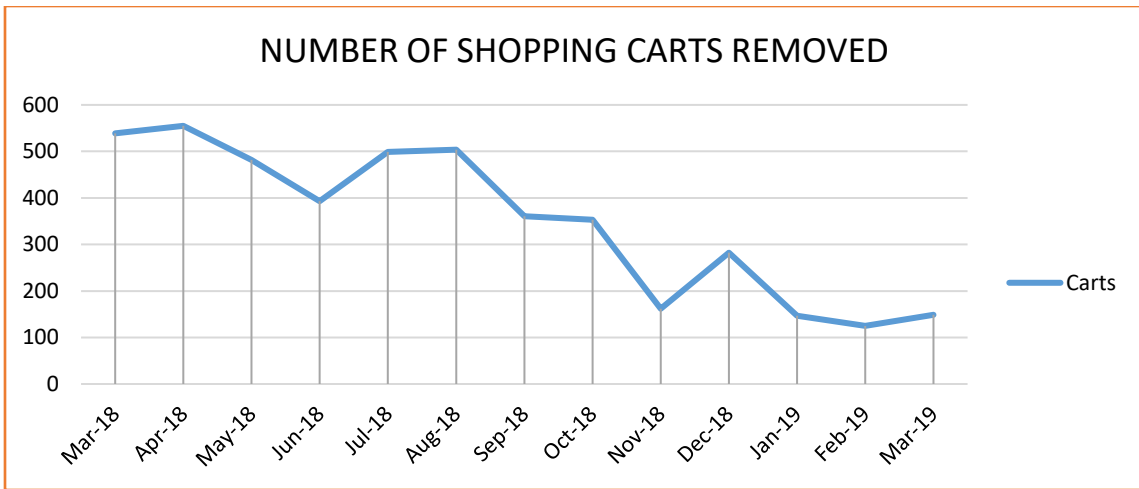
Register Today!
<https://icommutesd.com/>

BIKE bling | ESCONDIDO | LIVE WELL | SANDAG | VISIT ESCONDIDO

BY THE NUMBERS

Public Works





Code Enforcement

265 Total Active Cases

61 New Cases

52 Cases Closed

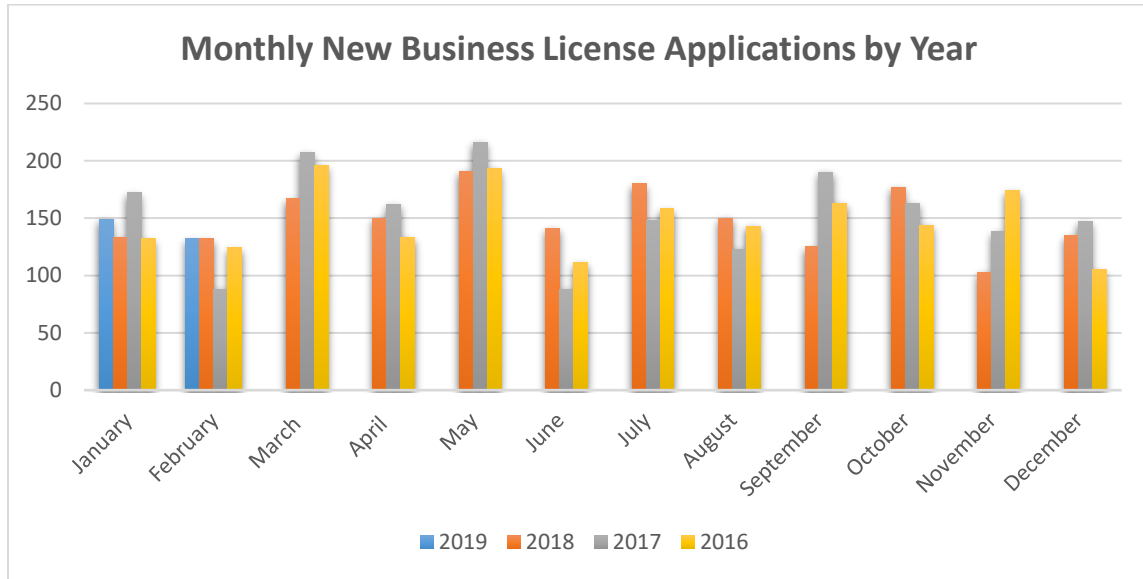
50 Voluntary Compliance

32 Notices Issued

2 Citations Issued

Total Code Cases (Year To Date)	725
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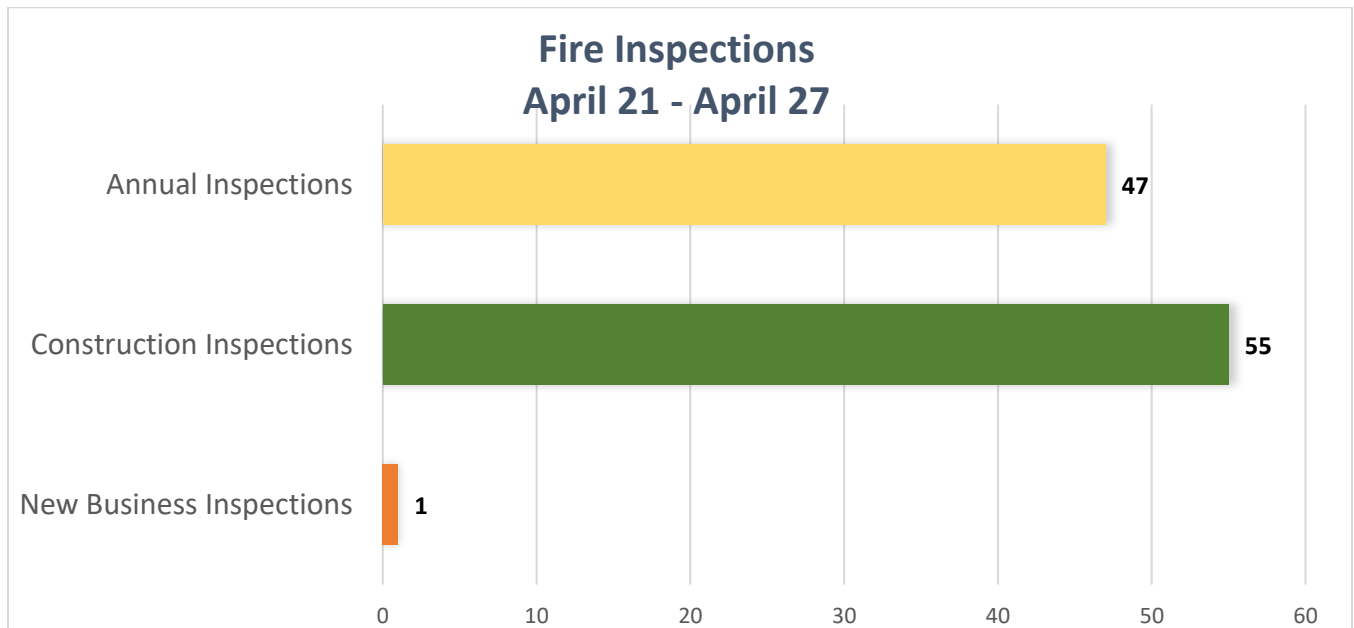
Business Licenses



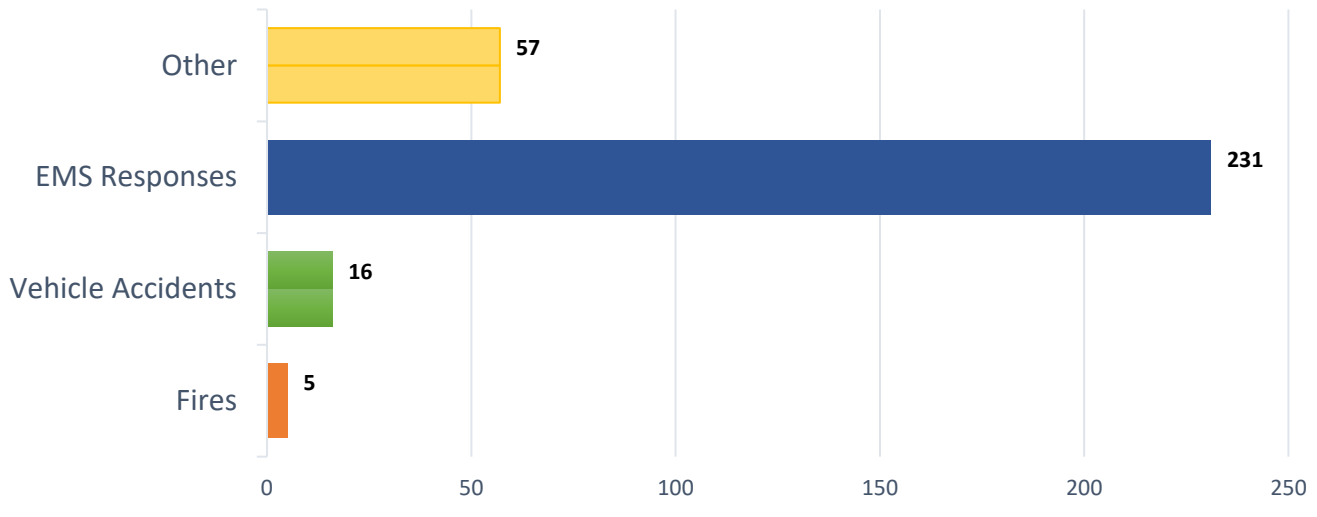
Graffiti Restitution

Collected This Week	Collected Year to Date
\$180	\$1890.88

Fire

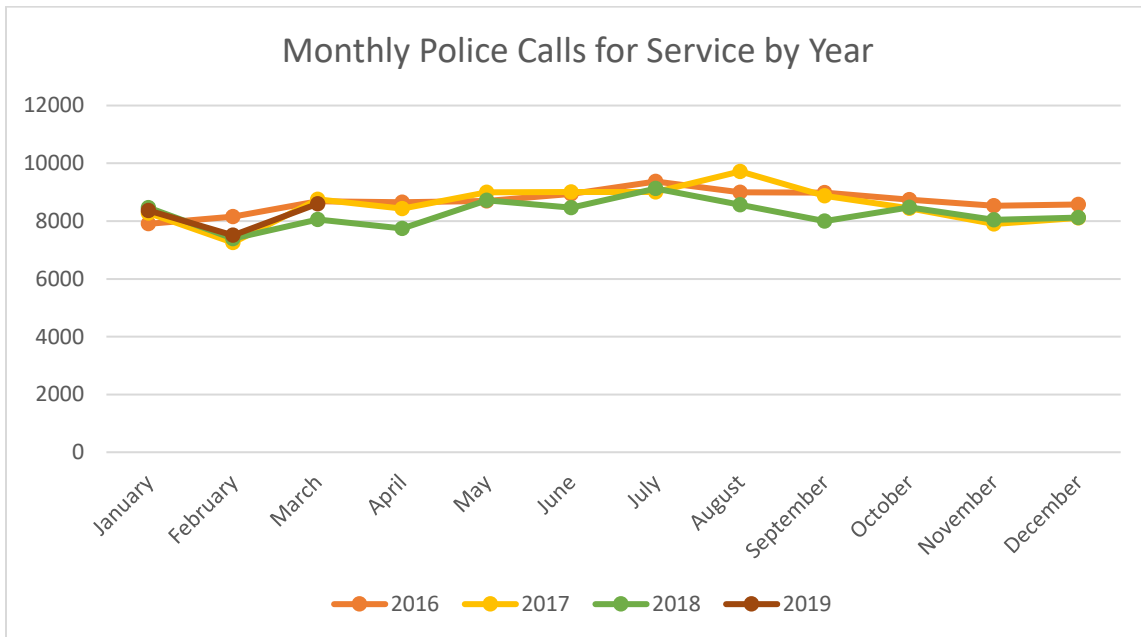


Fire Emergency Responses April 20 - April 27

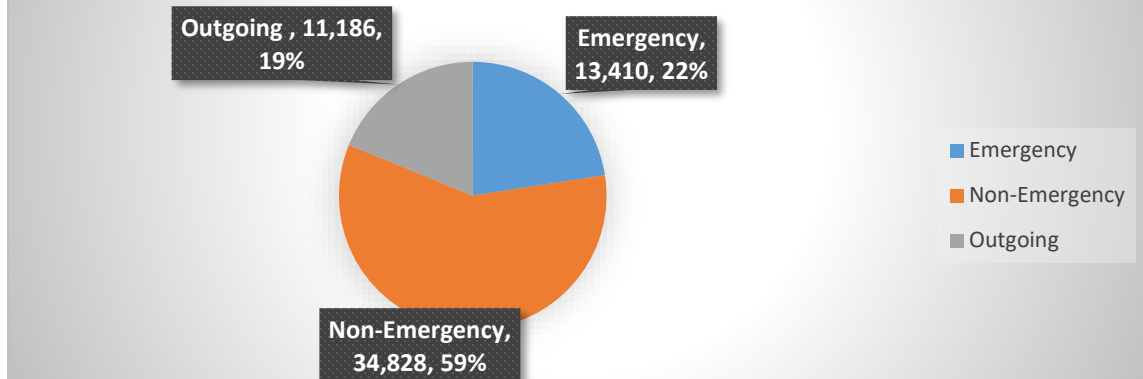


Total Emergency Responses (Year To Date)	5,339
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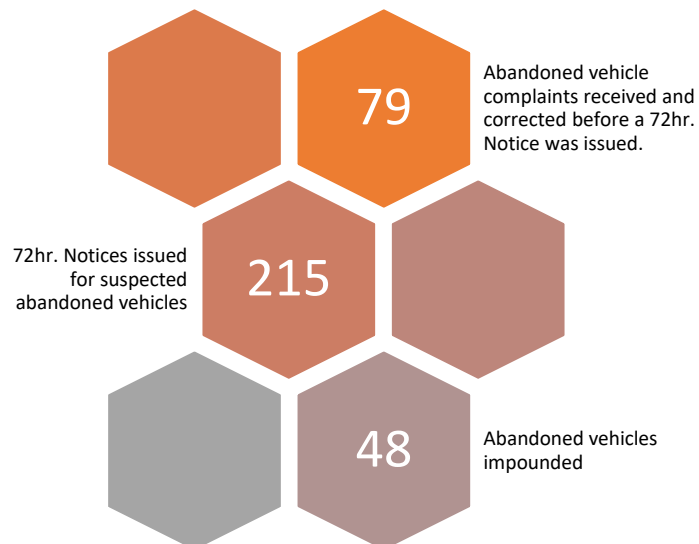
Police:



2019 YTD Police/Fire Communication Center Call Volume

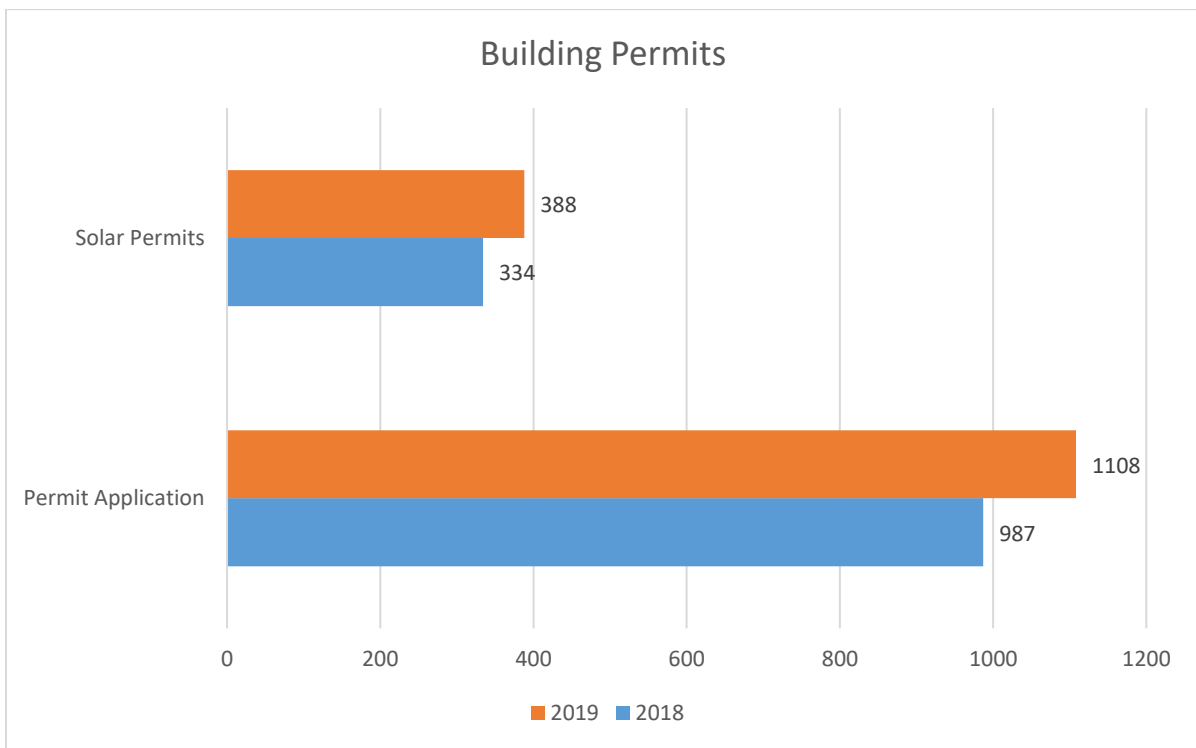
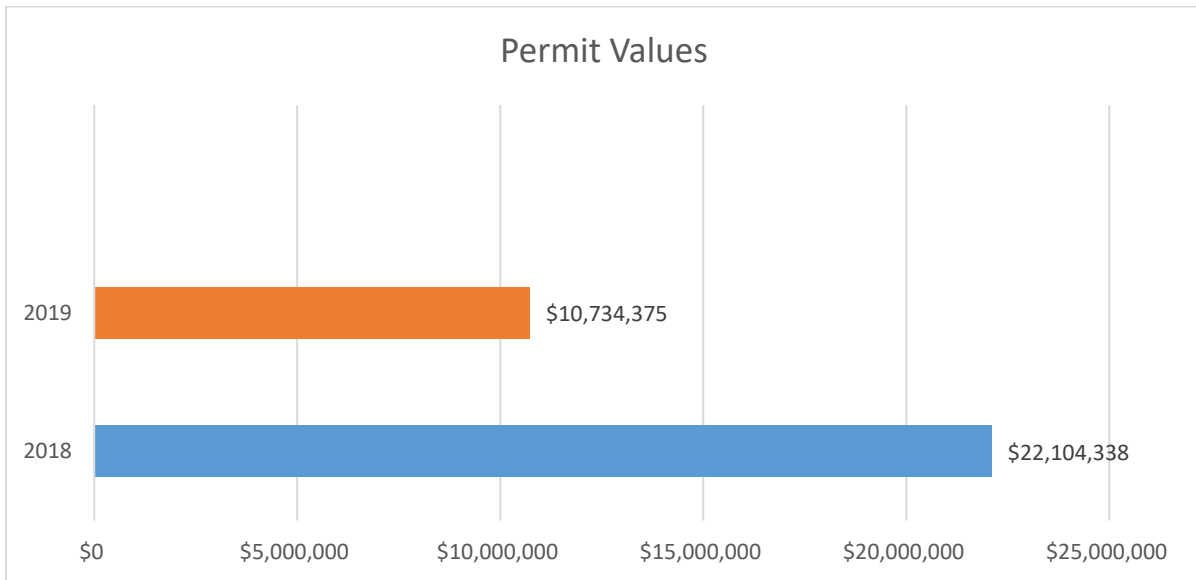


March Abandoned Vehicle Data



Building Division:

**Data reflects activity through April 27 of each year.*



POLICE DEPARTMENT

Incidents:

Officers Administer Narcan to Overdose Patient

On April 22, 2019 at about 4:20 a.m., Escondido police and fire personnel responded to the 1200 block of N. Escondido Blvd. regarding an unresponsive adult male, who had reportedly overdosed on heroin. An EPD officer was the first to arrive, and administered a dose of Narcan to the patient to reverse the effects of the heroin. The patient's condition improved and he was transported to Palomar Medical Center for additional treatment. Escondido police officers are issued Narcan that can be administered through the nose of a patient suffering from a narcotic overdose. Timely administration of Narcan is critical in saving lives during a drug overdose.

Felon Arrested, Narcotics and Firearm Seized

On April 22, 2019 at approximately 9:00 p.m. officers located Joseph Aumondreaux (18-year-old resident of Escondido) at a motel in the 500 block of W. Washington Ave. Aumondreaux had three active felony warrants for his arrest. In addition to the warrants, officers discovered a large amount of methamphetamine, cocaine, heroin, and Xanax pills, and a handgun. Aumondreaux was arrested on numerous charges related to his arrest warrants, and possession of narcotics and a firearm.

Three Arrested Following Short Pursuit

On April 25, 2019 at about 1:00 p.m., an officer on patrol found a reported stolen car in the 1200 block of Mission Ave. Officers attempted to stop the car at the intersection of Washington Ave. and Ash St, but the driver accelerated and a vehicle pursuit ensued. The pursuit ended one block later at the dead-end of Elmwood Dr. Five people all ran from the car, but were quickly detained by officers. The driver, Robert Madrigal (23-year-old resident of El Cajon) was arrested on auto theft and resisting arrest charges. A passenger, Kathren Gonzalez (18-year-old transient) was arrested on possession of stolen property and resisting arrest charges. A third passenger, Jose Molina (25-year-old transient) was arrested for a probation violation. The remaining two passengers were questioned and released.

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.

- 10 arrest
- 36 citations
- 24 extra patrols

Events:

On April 23, 2019, Detective Bill Havens received an award at the 2019 Crime Stoppers Enough is Enough luncheon. Detective Havens was recognized for his outstanding work on auto theft and other property crime investigations.



FIRE

News:

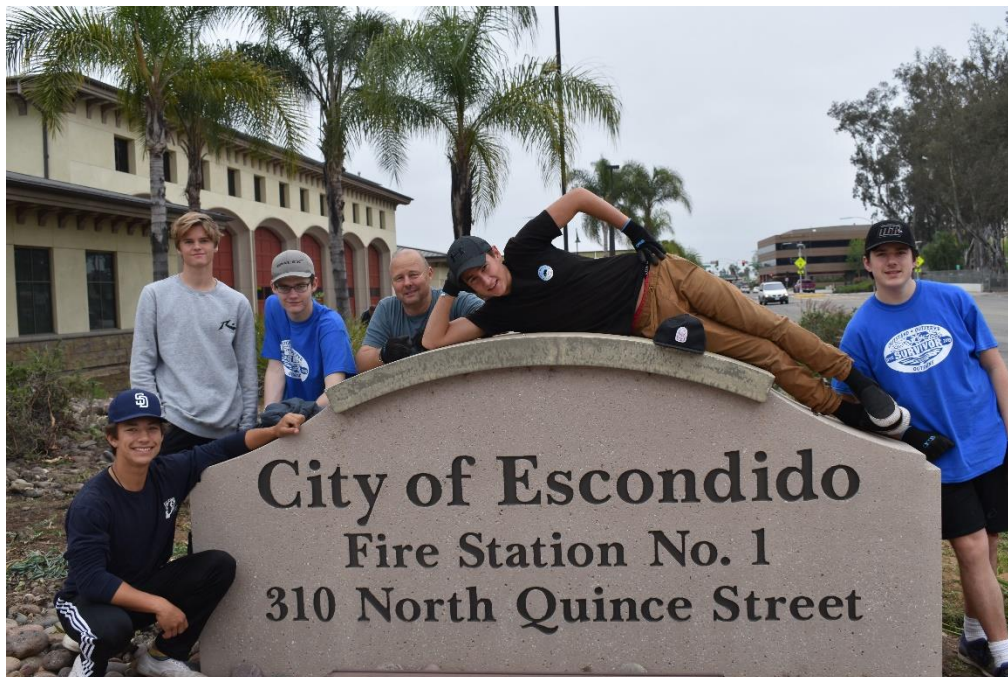
On Wednesday, April 24, firefighters and paramedics from Station #7 (N. Ash Street) visited Rose Elementary School to share a fire safety presentation to 110 kindergarten and pre-K students along with teachers and staff. Volunteers with the San Diego Burn Institute also participated and shared great age appropriate burn prevention tips. The kids were able to see and the fire and medical gear and equipment. Everyone in attendance received a coveted “Junior Firefighter” badge sticker!



The Escondido Fire Department was pleased to take part in the 9th Annual Healthy Kids Day on Saturday, April 27. Healthy Kids Day is the nation’s largest celebration of health of its kind, celebrated at nearly 1,600 YMCAs. Healthy Kids Day is an open air festival in the heart of Escondido that celebrates youth development, healthy living, and social responsibility. This year’s Healthy Kids Day promoted an exciting and fun approach to a healthy lifestyle that begins in childhood and continues on in to our adult years. The event included a variety of activities in combination with raffles, a bounce house, nutrition and fitness demonstrations, dancing, music, and so much more. Fire Department personnel were on hand to share fire and life safety information and award prizes to those who visited our booth.



Bronson Arnold, a local boy scout, offered to help renovate the front landscape at Fire Station #1 (S. Quince St.) as part of his Eagle Scout project. Bronson's task includes planning a portion of the project, obtaining supplies, and supervising other scouts in coordination with Battalion Chief Paredes. On Saturday, April 27, scouts and parents spent several hours preparing the front of the fire station by cleaning out old rock, weeds and some of the non-drought tolerant plants. New weed cloth, drip irrigation, drought tolerant plants and rock will be installed. When the project is complete, the landscape at Station 1 will be attractive, low maintenance and water wise.



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.

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. The grading permit is ready to be issued once Planning completes the related Specific Plan Amendment described below.
2. Escondido Research and Technology Center (ERTC) – East (Developer: James McCann) 2130 Citracado Parkway – Building plans for the first 71,656 SF medical office building in this approved medical complex area across from Palomar Hospital were submitted into plan check on October 9, 2018. Fire and Esgil have approved the plans. Planning has a hold on the permit until the parking issues below are resolved.

A Specific Plan Amendment (SPA) will be required to move the temporary parking lot on the medical building site (above) to another location within ERTC. The SPA application was submitted on November 13, 2018, and proposes the construction of a new temporary parking lot at the southern end of the ERTC development on Lots 10-15 and a permanent parking lot on Lot 1. The plot plan and grading exemption for Lot 1 was approved by the Zoning Administrator on March 21, 2019. Grading plan comments for Lot 1 were provided by Engineering on April 2, 2019. The applicant provided a draft MOU document on January 4, 2019 (intended to be signed by applicant, PPH and City) explaining the phasing and proposed parking improvements and a revised MOU was provided to staff on April 10, 2019. On April 23, 2019, the Planning Commission recommended approval of the Specific Plan Amendment and CUP for the temporary parking on Lots 10-15. A hearing at the City Council is anticipated next month. Final engineering for the temporary parking lot will be accepted into plan check prior to the Council hearing at the applicant's risk.

3. Toyota of Escondido Certified Used Car Facility (Developer: Stephen Myers, Toyota of Escondido) 990 N. Broadway – A Plot Plan to assemble five commercial lots including a vacant used car business into an automotive sales and service facility for Toyota. The proposal includes the demolition of a vacant residence and a small expansion of an existing service building. The project application was submitted on January 7, 2019. Staff-level design review occurred on January 31, 2019. Comments from Planning, Engineering, Utilities, Fire and Traffic were sent to the applicant on February 5, 2019. Planning met with the applicant on February 28, 2019, to discuss proposed revisions to the plans. A revised Plot plan was resubmitted March 4, 2019. Engineering met with the applicant on April 8, 2019 to finalize hydrant placements. Project review is nearing completion.

Industrial

1. Escondido Self-Storage Facility (Developer: Brandywine Homes, Inc.) 2319 Cranston Dr. – Updated building plans were resubmitted into plan check on July 24, 2018. Esgil and Fire have approved the plans. Planning provided comments on the building plans on September 19, 2018. The final map was approved by City Council on September 19, 2018, and has recorded. The grading permit has been approved and grading has commenced on the site. The building plans have been approved by Esgil and Fire. Planning is waiting for a plan that ensures rooftop mechanical equipment is appropriately screened.
2. Citracado Business Park (Developer: Dentt Properties) 2207 Harmony Grove Road – A proposed specific plan for two industrial warehouse/office buildings (145,930 SF and 125,930 SF) with the buildings to be separated by the future extension of Citracado Parkway. The application was submitted on August 14, 2018. All departments have completed their initial review and comments were sent to the applicant on September 17, 2018. SDG&E also has provided comments regarding the high voltage power lines that traverse the site. The applicant's traffic consultant submitted revised methodology and distribution to Engineering on October 19, 2018. A meeting with the applicant to review the various departmental comments occurred on October 29, 2018. Another round of comments related to the proposed specific plan have also been provided. The developer team met with several departments on April 4, 2019, primarily to discuss traffic-related issues.

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 engineering services on April 4, 2018. On January 16, 2019, the City Council expressed continued support for the MFRO, but directed staff to investigate moving the facility to another location. Utilities staff are investigating the feasibility of moving the MFRO to city property located at 901 W. Washington Avenue. An on-site meeting with the selected design-build and environmental contractors occurred on January 28, 2019. Preliminary geotechnical and survey work is underway. Helix Environmental Planning will be preparing the draft environmental documents. The AB 52 consultation letter will be sent to interested tribes once a new site plan has been developed in approximately 2-3 weeks. A Design Build Agreement was approved by the City Council on April 3, 2019. The Design Build Agreement with Filanc+BC Joint Venture provides for design and pre-construction services.
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. Additional information has been compiled and analyzed by the City's biological consultants based on recent conversations with the agencies. The biological consultant and staff met with the wildlife agencies on November 28, 2018 to discuss a modified approach to fulfilling mitigation requirements. Written information summarizing what was discussed at the meeting was transmitted to the agencies on December 4, 2018. City staff recently concluded a revised assessment of potential biological impacts and

met with the agencies to present the findings. Additional information requested by the agencies is being prepared for submittal.

Residential

1. 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>

The responses to comments have generated related revisions to the project design. The applicant's engineer submitted a revised tentative map on October 26, 2018. Generally, the amount of grading and the area of disturbance has decreased, while the overall number of 550 residential lots has remained the same. Engineering met with the project engineer and applicant on January 31, 2019, to discuss their comments on the revised tentative map. The revised tentative map and exhibits have been posted on-line at the link above. The applicant met with Traffic Engineering during the week of February 25th to discuss off-site improvements. Staff, applicant and biological consultant met with the wildlife agencies on April 23, 2019, to discuss the revisions to the project design mentioned above.

2. 18 lots at 701 San Pasqual Valley Rd (Developer: Bob Stewart) – Staff comments on the revised tentative map were issued the last week of July 2017. The applicant has occasionally engaged in discussions with various departments since that time, but has declined a staff offer to schedule a comprehensive meeting with all city departments. Another set of revised plans were submitted the week of November 26, 2018. Planning, Engineering and Utilities comments on the revised plans were issued on February 25, 2019. In response to a follow-up discussion with the applicant, Planning provided additional comments on April 29, 2019.
3. 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 applicant submitted rough grading plans, drainage improvement plans and utility relocation plans for all three villages on May 7, 2018. Most of the plans are in third or fourth plan check. Engineering comments were returned on March 12, 2019; and the developer team met with Engineering on April 1, 2019, to discuss the comments. A revised Certified Tentative Map is anticipated for substantial conformance review and includes a proposal to relocate approximately 10 residential lots within the development. The homebuilder met with Building, Engineering and Planning on April 24, 2019 to discuss the building plan check and precise grading plan processes. Grading and improvement plan check for each of the villages is on-hold until the revised Certified Tentative Map is approved. That submittal is expected next week

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>

4. North Avenue Estates (Developer: Casey Johnson) 34 lots at North Ave./Conway Dr. –The City Council approved the project on January 10, 2018. LAFCO approved the annexation application on October 1, 2018, and the annexation has recorded. The new homebuilder, Taylor Morrison Homes submitted a Precise Development Plan to Planning on December 14, 2018. Grading plans, final map and improvement plans were submitted for review on December 7, 2018. Engineering comments were returned on January 18, 2019 and additional comments were sent on January 25, 2019. Engineering met with the applicant’s engineer on January 31, 2019 to discuss drainage issues. A revised Certified TM was approved on March 14, 2019. A revised Precise Development Plan was submitted on March 14, 2019, and Planning comments were issued on April 11, 2019. Final engineering plans were resubmitted on March 21, 2019. The project engineer, Engineering and County Water Authority staff met on April 2, 2019, to discuss the street and utility crossings over the CWA aqueduct. The CWA is requiring upgraded structural protection to protect the aqueduct where crossings occur.
5. Aspire (131 apartment units on Municipal Lot 1) (Developer: Addison Garza, Touchstone Communities) – The proposal consists of a six-story mixed-use development across from City Hall on Parking Lot 1. The project was initially submitted for entitlement processing for a 106-unit development on June 23, 2017. On March 14, 2019, the applicant submitted a revised project under state and city density bonus law that increases the number of dwelling units in return for the provision of 11 Very Low Income housing units. The increased density (now 131 units) has been accommodated by eliminating all 3-bedroom units to allow additional studio, one- and two-bedroom units within the same building structure. The project includes 4,289 square feet of commercial space on the ground floor, primarily fronting on Maple Street Plaza. A purchase and sale agreement for the project site (Parking Lot 1) was approved by the City Council on September 19, 2018. Concerns regarding parking have been expressed; and the applicant’s parking consultant submitted a parking study on January 17, 2019. A proposed Development Agreement was submitted for staff review on April 24, 2019. Engineering is completing final review of the traffic study and storm water plans.
6. The Ivy (127 apartment units at 343 E. 2nd) (Developer: Addison Garza, Touchstone Communities) - The apartment project was initially submitted for entitlement processing for a 95-unit development on June 23, 2017. On February 8, 2019, the applicant submitted a revised project under state and city density bonus law that increases the number of dwelling units in return for the provision of 11 Very Low Income housing units. The increased density (now 127 units) was accommodated by adding another story to the development resulting in a five-story residential building up to 63 feet in height. While the building footprint is nearly identical to the previous design, the proposal also adds 1,175 square feet of commercial space on the ground floor at the corner of Second Avenue/Ivy Street. Utilities and Fire comments on the revised development plan were issued on March 12, 2019. A revised traffic study is currently being reviewed by Traffic Engineering staff. A proposed Development Agreement was submitted for staff review on April 11, 2019. A Planning Commission hearing has tentatively been scheduled for May 28, 2019.
7. 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. Multiple meetings with the applicant have taken place since the project submittal to discuss project design issues. A constraints map to identify fire access routes and locations of existing utilities has been approved by staff and the applicant utilized that map to submit a revised project on November 21, 2018. Staff comments from Planning, Engineering, Utilities and Fire were returned to the applicant on December 27, 2018. A follow-

up meeting with Planning occurred on January 15, 2019, and revised project plans were submitted on February 12, 2019. City staff provided comments on March 25, 2019. Utilities is requesting an upsizing to the water line in Quince Street to 8". Traffic engineering received revised traffic counts on April 19, 2019. Planning staff is expecting submittal of a Draft Mitigated Negative Declaration in 3-4 weeks.

8. 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 Daley 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. Requested information includes annexation exhibits, proposed general plan amendment text, a proposed Transfer of Development Rights Program, environmental initial study, and a fiscal impact analysis. Planning met with the applicant on May 17, 2018 to discuss items listed in the letter. A follow-up meeting to discuss engineering issues occurred on June 27, 2018. The applicant met with Escondido Fire and Valley Center Fire on August 1, 2018 to discuss fire protection issues. Significant fire-related issues to be addressed include the steepness of the project entry road, secondary emergency access and Fire Department response times. A follow-up meeting with the applicant to discuss these issues occurred on October 11, 2018. On April 5, 2019, the applicant provided a letter response with proposals to address some of the fire-related issues. Fire and Planning staff will provide a response to that letter this week.

A project webpage containing draft documents and plans has been added to the Planning Division's website at the following link:

[Sager Ranch Resort Specific Plan - City of Escondido](#)

9. Nutmeg Condo General Plan Amendment (Developer: Jim Simmons, CCI) 137 townhome condo units on 7.7 acres on both sides of Nutmeg between I-15 and Centre City Parkway – This proposed multi-family residential development includes a GPA from Office to Urban III (up to 18 du/acre) as well as a specific alignment plan for Nutmeg and a vacation of approximately one acre of public right-of-way for use in the project. The project application was received on June 15, 2018. Initial comments from Planning, Fire, Engineering, Utilities and Traffic Engineering were provided to the applicant on July 13, 2018. A Notice of Preparation for the project EIR was sent out on August 29, 2018, and the comment period closed on October 1, 2018. A Scoping Meeting occurred on September 6, 2018. The applicant submitted revised plans and studies on October 16, 2018. Engineering, Utilities and Fire provided comments on the revised plans on November 13, 2018. Follow-up meetings with the applicant occurred on November 28, 2018 and February 6, 2019. Traffic Engineering provided comments on the Traffic Impact Analysis on December 10, 2019. Staff comments on the first screen check draft of the EIR were issued on January 14, 2019. The applicant team met with Engineering and resubmitted revised plans and the second screen check draft of the EIR on February 6, 2019. Partial comments on the second screen check EIR were issued on March 11, 2019, with the remaining comments delivered on March 18, 2019. The third screen check EIR was received on March 29, 2019. All staff comments were provided by April 8, 2019. The applicant is making final edits to the draft EIR and a meeting with staff took place on May 2nd to review associated revisions to the plans and schedule the public review for the Draft EIR.

10. Oak Creek (Builder: KB Homes) 65 single-family residential lots on approximately 44 acres at Felicita Road and Hamilton Lane – The original developer, New Urban West, has secured permits from CDFW, ACOE and RWQCB. The Zoning Administrator approved a modification to the Precise Development Plan to revise the architecture on October 25, 2018. Fence and wall plans were submitted the second week of December. The model homes were submitted into building plan check the last week of October and the Precise Grading Plan for the models was submitted at the end of March. On-site remediation of hazardous materials has been completed and DTSC has issued a clearance letter. The rough grading permit was issued on April 18, 2019, and grading has commenced on the site.
11. Mercado 3-Story Mixed Use Building (Developer: Curtis Lively) 5 residences and 2 commercial suites on 0.14-acre at 510 W. 2nd Avenue – A Plot Plan for five two-story residential units on top of 2,375 SF of commercial floor area and a parking garage was submitted July 13, 2018. Staff review comments were provided to the applicant who then submitted revised plans. Additional Planning and Engineering comments were sent to the applicant on September 27, 2018, and a revised project submittal was received on December 11, 2018. Comments from Fire, Utilities and Planning on the revised plans were sent to the applicant on January 2, 2019. The applicant submitted revised plans including a reduction of commercial space to 1,750 square feet on February 20, 2019. Planning staff completed design review on March 21, 2019, with no major recommended changes. Engineering and Fire are awaiting revisions showing the alley improvements and hydrant placement.
12. 555 West Grand Mixed-Use Building (Developer: Ed McCoy) 32 condo units in three floors over a parking garage – This 32-unit mixed-use development with 610 SF of office/flex space was submitted as a planned development application on August 27, 2018. The project is seeking a reduction in parking and open space standards. Initial multi-department comments were sent to the applicant on September 26, 2018. The applicant met with Fire, Engineering, Planning and Utilities staff on October 16, 2018 to discuss the staff comments. Engineering and Fire are coordinating fire flow and hydrant locations with the applicant. It is anticipated that water lines will need to be upsized on Quince and Grand. Planning has requested a parking study to support the proposed reduction in the number of parking spaces.
13. Villa Portofino (Developer: Chris Post, ATC Design Group) 15 apartment units in a three-story building with parking garage at 2690 S. Escondido Blvd. – This 15-unit multi-family residential project on a 0.52-acre parcel between S. Escondido Blvd and Cranston Drive was submitted as a Plot Plan application on November 28, 2018. A comment letter was issued on December 20, 2018. Comments included the need to evaluate the building construction type for fire purposes and consider the design standards in the South Centre City Specific Plan. Planning staff have had several follow-up conversations with the applicant team and are awaiting revised plans. Utilities has requested a sewer study to assess potential impacts to the nearby Lift Station 2.
14. Palomar Heights (Developer: Ninia Hammond, Integral Communities) Demolition and redevelopment of the old Palomar Hospital site with 424 multi-family units in 33 buildings – A proposed Tentative Map, Planned Development, Specific Plan Amendment and EIR to redevelop the 13.8-acre former hospital site. Up to 5,500 square feet of recreation or commercial space could be included. The project application was submitted on December 24, 2018. The initial plan submittal was presented to the Board of the Downtown Business Association on January 9, 2019, the Economic Development Committee of the Chamber of Commerce on January 10, 2019 and the Old Escondido Neighborhood Group on February 20,

2019. Engineering and Planning comments on the initial project submittal were sent to the applicant on February 12, 2019. A contract for a developer-funded planning consultant to work on this project as an extension of Planning staff was approved by the City Council on February 13, 2019. Planning Engineering and Fire met with the applicant team on February 27, 2019 and again on April 24, 2019 to go through proposed revisions to the site plan and building designs. A Notice of Preparation (NOP) for the Draft EIR was issued on May 3, 2019.

15. Henry Ranch (Builder: Joe Martin, Trumark Homes) An approved development of 97 single-family residential homes on 74.35 acres at the eastern terminus of Lincoln Avenue – The Tract 920 development proposal was originally approved in 2007 and an extension of the associated Development Agreement was approved in 2016. Final Map, grading plans and improvement plans were submitted for initial review on February 12, 2019. A demolition permit for the former packinghouse structures was submitted on February 14, 2019 and only needs utility shutoff before work starts. Architectural plans were submitted for Design Review on February 15, 2019, and comments were issued on March 14, 2019. A vegetation removal permit was issued on March 21, 2019. The second submittal of final engineering was received on April 22, 2019. The applicant is working with staff to resolve water pressure issues for the large estate lots in the northern part of the project.
16. Del Prado (Developer: Kerry Garza, Touchstone Communities) – An approved 113-unit townhome-style Planned Development located at the southwestern corner of Brotherton Road and the Centre City Parkway frontage road - The Del Prado project was approved by the City Council in May of 2016. The project site is separated into two parcels by an SDGE parcel. Engineering and Planning are reviewing third plan check for final map, grading and improvement plans for Del Prado South. Del Prado North is in second plan check for the same plans. No building plans have been submitted into plan check. Planning has provided comments for the North landscape plans. An extension of time for both the North and South tentative maps will be considered by the Zoning Administrator this week. The applicant is attempting to resolve sewer issues with Utilities.
17. Accessory Dwelling Units – Planning staff is currently working on seven applications for accessory dwelling units. Five accessory dwelling units have been approved so far this year. 24 accessory dwelling units were approved in 2018. Three accessory dwelling units were approved in 2017.

Building Division:

1. The Building Division issued 90 permits (including 39 solar photovoltaic) with a total valuation of \$528,392.
2. Our building inspectors responded to 174 inspection requests. 160 customers visited the Building counter during the week.
3. The Meadowbrook three-story apartment building with underground garage at 2081 Garden Valley Glen has received final Fire inspection approval and are progressing toward requesting a final inspection.
4. The Westminster Seminary student housing project at 1725 Bear Valley Pkwy has received final inspection approval for all buildings.

5. *No change from the previous.* The Latitude 2 apartment project at 650 N. Center City Pkwy has received building final approvals and Temporary Certificates of Occupancy for Buildings 1-4 and drywall approval for Buildings 6.
6. *No change from the previous.* The new two story church sanctuary building at 1864 N. Broadway has received rough framing approval.
7. The Citron multifamily project at 2516 S. Escondido Blvd has received final Fire approval and gas meter release for Buildings 6, 7, and 8.
8. The new 105-room hotel at 200 La Terraza Blvd is requesting a Certificate of Occupancy and are working through Engineering and Building inspection corrections.
9. The four-story, 102,774 square foot self-storage building at 222 W. Mission Ave is requesting a temporary Certificate of Occupancy. A final inspection occurred on 4/29/19.
10. *No change from the previous.* The new five-story self-storage building at 852 Metcalf St. is receiving rough framing and drywall inspection weekly until completed.
11. The Gateway Grand 126-unit apartment project at 700 W. Grand Ave has received approval for 2nd story floor sheathing in Buildings A and B, foundation and underground plumbing for Building C and sewer for the clubhouse.
12. *No change from the previous.* The new apartments at 917 W. Lincoln Ave has received inspection approval for exterior framing for buildings B and C. The project has 3 buildings and 9 total units.
13. The two-story, 20,000 square foot office building for Superior Ready Mix on 1564 W. Mission has received underground plumbing and foundation inspection approvals.

ENGINEERING DEPARTMENT

Capital Improvements

1. 2018 Street Rehabilitation and Maintenance Project – This year’s program will focus on residential areas south of Felicita and east of I-15 with major work on Citricado Parkway, Escondido Boulevard, Del Lago Boulevard, Centre City Parkway, Felicita Road, and Bear Valley Parkway. The concrete element is the Lomas Serena’s neighborhood this week. The pavement restoration is being done along Citracado Parkway between Centre City Parkway and Miller Avenue this week. For more information on the City’s Street Maintenance Program including a comprehensive list of streets to be treated follow the link: <https://www.escondido.org/city-of-escondido-street-maintenance-program.aspx>.
2. Valley Parkway/Valley Center Road Widening Project: Calendar Day 409 – Water quality testing is being performed on the bypass pipe section near Lake Wohlford Road this week. Work on the punch list items are the focus of work again this week. The landscape up-lighting is operational for the Welcome Escondido monument.

3. Transit Center Pedestrian Bridge Project – The preconstruction meeting for the project was held on Wednesday, April 24. The contractor is currently working on the required NCTD access permit which must be in place to the start of construction.
4. Missing Link Project – The mid- block pedestrian signal was activated on Tuesday of this week. The previous pedestrian crossing located at Pennsylvania Avenue and Broadway has been permanently removed and temporary signage has been put in place notify of its closure.
5. HSIP Traffic Signal Project – The preconstruction meeting for this project is set for May 2. The project will provide new traffic signals at Valley Parkway/Date Street and El Norte Parkway/Fig Street intersections. The project is funded by the Highway Safety Improvements Projects. The Notice to Proceed has been issued and the traffic signal poles have been ordered. The construction of the surface improvements will begin on May 6. All submittals have been reviewed and approved.
6. Tulip Street Improvements Phase IV –The construction of retaining walls is continuing along Tulip Street. Fire hydrant at 2nd Avenue is being relocated this week. SDG&E is on site this week to complete relocation of the gas lateral services.
7. Multi Neighborhood Street Light L.E.D. Retrofit Project –*No changes from that reported last week:* The project will upgrade 644 existing high pressure sodium lights with energy efficient L.E.D. fixtures. The project boundaries are Lincoln Avenue to the north, 13th Avenue to the south, Ash Street to the east, and Upas Street to the west. The winning bid came in below the engineer's estimate which will allow for the installation of an additional 100 lights. The project preconstruction meeting was held on Thursday, February 21. The new light fixtures have an anticipated delivery date of April 17. The work to install will commence immediately after delivery.
8. Storm Drain Pipe Lining and Rehabilitation Project Phase1 – *No changes from that reported last week:* The project consists of 14 work zones and 3 Bid Alternate locations for the videoing, grouting, repairing, and lining of existing corrugated metal pipes (CMP) within the City's inventory. The project bid opening was January 10, 2019. Four Engineering contractors supplied bids. The apparent low bidder was Sancon Engineering Inc. with a bid of \$841,310.00. The Engineers estimate for the project was \$746,734.00. The first day of the 120 construction calendar days was Monday of this week.

Private Development

1. Tract 932 - Canyon Grove Shea Homes Community – *No changes from that reported last week:* Engineering will be finagling 9 additional houses this week. Of the 179 home lots developed since the start of construction on February 11, 2016, only 14 remain under construction.
2. Latitude II Condominiums by a Lyon Homes Partnership: Washington Avenue @ Centre City Parkway – *No changes from that reported last week:* Restoration of the onsite pavement was completed this week.
3. Tract 934 – Is a 5 lot subdivision located at 1207 Gamble Street. The water line construction is currently under pretest procedures. The sewer manhole located in Gamble Street has been constructed.
4. Veterans Village – *No changes from that reported last week:* The project has been walked and a punch list has been provided. One building will be released for occupancy this week.

5. KB Homes Oak Creek Project - The approved grading permit was issued for the project. Erosion Control measures which include construction entrances are the first order of work. Over the course of the grading operation 5,920 cubic yards of dirt will be delivered to the site. The project is located at the intersection of Hamilton Lane and Miller Avenue.
6. Escondido Self Storage - *No changes from that reported last week:* The grading of the project is idled. Offsite utility construction has begun along Brotherton Road. The project is located at the southwest corner of Brotherton Road and Cranston Drive.
7. Citron Development – *No changes from that reported last week:* The contractor completed restoration of the main driveway entrance this week.
8. ATT Facility Tank Relocation – The tank is set for delivery and installation this week. De-watering operation is ongoing.
9. North American Self Storage – A temporary high line has passed its water quality testing. Tying in the bypass system will be the first order of work prior to construction of the new mainline. The project is located at 852 Metcalf Street.

GRANT APPLICATIONS

None this week.

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