



Council Meeting Agenda

JUNE 9, 2021
CITY COUNCIL CHAMBERS
5:00 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Paul McNamara
DEPUTY MAYOR	Michael Morasco
COUNCIL MEMBERS	Consuelo Martinez Tina Inscoe Joe Garcia
CITY MANAGER	Jeffrey Epp
CITY CLERK	Zack Beck
CITY ATTORNEY	Michael McGuinness
DIRECTOR OF COMMUNITY DEVELOPMENT	Mike Strong
DIRECTOR OF ENGINEERING SERVICES	Julie Procopio

Public Comment: To submit comments in writing, please do so at the following link:
<https://www.escondido.org/agenda-position.aspx>.

The meeting will be available for viewing via public television on Cox Communications Channel 19 (Escondido only). The meeting will also be live streamed online at the following link:
<https://www.escondido.org/meeting-broadcasts.aspx>

In the event a quorum of the City Council loses electrical power or suffers an internet connection outage not corrected within 15 minutes, the meeting will be adjourned. Any items noticed as public hearings will be continued to the next regularly scheduled meeting of the City Council. Any other agenda items the Council has not taken action on will be placed on a future agenda.

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

**June 9, 2021
5:00 P.M. Meeting**

Escondido City Council

CALL TO ORDER

MOMENT OF REFLECTION:

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

FLAG SALUTE

ROLL CALL: Garcia, Inscoe, Martinez, Morasco, McNamara

PROCLAMATIONS: LGBTQ Pride Month June 2021

PRESENTATIONS: Presentation on the Spruce Street Channel Drainage Improvement Project

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 \(COUNCIL/RRB\)](#)**

2. **APPROVAL OF WARRANT REGISTER (Council)**

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

- 352916 - 353121 dated May 19, 2021
- 353122 - 353370 dated May 26, 2021

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

3. **APPROVAL OF MINUTES: None Scheduled**

4. **AWARD OF CONTRACT FOR LEGAL ADVERTISING FOR FISCAL YEAR 2021/22 -**

Request the City Council approve the bid and awarding the contract for City's legal advertising for a one-year period to the Escondido Times-Advocate.

Staff Recommendation: **Approval (City Clerk's Office: Zack Beck)**

RESOLUTION NO. 2021-84

CONSENT RESOLUTIONS AND ORDINANCES (COUNCIL/RRB)

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

PUBLIC HEARINGS

5. **ADOPTION OF FISCAL YEAR 2021/22 ANNUAL OPERATING BUDGET AND THE APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2021/22 AND APPROVAL TO MODIFY THE BUDGETARY AND FINANCIAL POLICIES -**

Request the City Council approve the Fiscal Year 2021/22 Annual Operating Budget, adopt Resolution 2021-81 approving the Appropriations Limit (GANN Limit) for Fiscal Year 2021/22, and adopt Resolution 2021-86 modifying Budgetary and Financial Policies.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

- a) RESOLUTION NO. 2021-80 b) RESOLUTION NO. 2021-81 c) RESOLUTION NO. 2021-86

6. **THE FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM, THE FISCAL YEAR 2021/22 CAPITAL IMPROVEMENT PROGRAM BUDGET, AND AMENDMENT TO THE 2020 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM -**

Request the City Council approve adopting the Fiscal Years 2021/22 - 2025/26 Five Year Capital Improvement Program and Fiscal Year 2021/22 Project Budgets and adopt the Regional Transportation Improvement Program for Fiscal Years 2021/22 - 2025/26.

Staff Recommendation: **Approval (Finance Department: Christina Holmes)**

- a) RESOLUTION NO. 2021-87 b) RESOLUTION NO. 2021-88

CURRENT BUSINESS

7. **CORONAVIRUS (COVID-19) EMERGENCY BUSINESS RECOVERY STRATEGY REPORT -**
Request the City Council receive and file a status update on the Business Recovery Strategy and other recovery efforts related to the COVID-19 pandemic outbreak.

Staff Recommendation: **Receive and File (Community Development Department: Mike Strong)**

FUTURE AGENDA

8. **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 AND OTHER 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
June 16	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers
June 23	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers
June 30	-	-	No Meeting	-
July 7	-	-	No Meeting (Independence Day)	-

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.

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
- 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 4:00 in Closed Session and 5:00 in Open Session.
(Verify schedule with City Clerk’s Office)

Members of the Council also sit as the Successor Agency to the Community Development Commission, 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

June 9, 2021

File No. 0400-40

SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

Request approval for City Council and Housing Successor Agency warrant numbers:

352916 – 353121 dated May 19, 2021

353122 – 353370 dated May 26, 2021

FISCAL ANALYSIS:

The total amount of the warrants for the following periods are as follows:

May 13 – May 19, 2021, is \$ 3,299,218.66

May 20 – May 26, 2021, is \$ 1,282,509.51

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

June 9, 2021

APPROVAL

OF

MINUTES

CITY COUNCIL STAFF REPORT

Consent Item No. 4

June 9, 2021

File No. 0600-10, A-3364

SUBJECT: Award of Contract for Legal Advertising for Fiscal Year 2021/22

DEPARTMENT: City Clerk's Office

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-84, approving the bid and awarding the contract for the City's legal advertising for a one-year period to the *Escondido Times-Advocate*.

FISCAL ANALYSIS:

The costs for legal advertising are included within the City Clerk and public project budgets and are not expected to exceed \$25,000.

BACKGROUND:

The California Public Contract Code Section 20169 requires when there is more than one newspaper of general circulation in a community that the public bidding process occur for the purpose of publishing legal notices.

A Notice Inviting Bids for Official Legal Advertising was published on April 29, 2021 and May 13, 2021, with a bid opening date of May 20, 2021. Bid information was mailed to *The Daily Transcript*, *The Paper*, and *The Escondido Times-Advocate*. Bids were received from *The Daily Transcript*, *The Paper*, and *The Escondido Times-Advocate* (Attachment "1").

An analysis of the submitted bids determined *The Escondido Times Advocate* to be a responsive bidder based on their daily bid price of \$8.00 per column inch, their bona fide subscription list of paying subscribers/circulation in Escondido, and additional services available.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Zack Beck, City Clerk

06/02/21 4:34 p.m.

ATTACHMENTS:

1. Attachment 1 - Escondido Times-Advocate Bid
2. Resolution No. 2021-84
3. Resolution No. 2021-84 Exhibit "A"

ESCONDIDO TIMES-ADVOCATE
Escondido's Weekly Hometown Newspaper
720 N Broadway, Suite 108, Escondido, CA 92025
PO BOX 461900, Escondido, CA 92046
760.546.4000 888.847.1000

May 19, 2021

Zack Beck
City Clerk, Escondido
201 N Broadway
Escondido, CA 92025

RE: Legal Advertising Bid 2021-2022

Dear Mr. Beck,

The Escondido Times-Advocate is pleased to submit this bid proposal to continue providing legal notice publication services to the City of Escondido. We greatly appreciate the opportunity to continue our excellent partnership with the city.

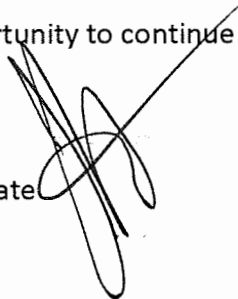
We propose providing the city with the same low-rate and continue printing notices as the PDF's sent by city staff. We understand this takes up more space in our paper, but also believe your notices pop out more to the reader than plain text. As our legal section continues to grow, sometimes filling up more than four pages, we soon plan to increase page quantity of the paper.

As *Escondido's weekly hometown newspaper*, the T-A is primarily circulated throughout the city as a free publication over a two-day period every Thursday & Friday. Additionally, we mail 200 via USPS every Thursday. The newspaper is also available online.

In compliance with Government Code Section 6000/6008, The Escondido Times-Advocate is legally adjudicated by the Superior Court of California as a newspaper of general circulation for the City of Escondido, and County of San Diego.

Thank you for the opportunity to continue our services with the city.

Justin Salter, Publisher
Escondido Times-Advocate



1 SCOTT TALKOV, State Bar No. 264676
2 CHRISTOPHER M. KIERNAN, State Bar No. 319804
3 REID & HELLYER
4 3880 Lemon Street, Fifth Floor
5 Riverside, CA 92502-1300
6 Telephone: (951) 682-1771
7 Facsimile: (951) 686-2415
8 E-mail: stalkov@rhlaw.com

FILED
Clerk of the Superior Court
MAY 25 2018
BY Noreen McKinley, Deputy

6 Attorneys for Petitioner Justin Salter

7 SUPERIOR COURT FOR THE STATE OF CALIFORNIA
8 COUNTY OF SAN DIEGO – NORTH COUNTY REGIONAL CENTER

9 In the Matter of the Petition of:

CASE NO. 37-2018-00018480-CU-PT-NC

10 JUSTIN SALTER to Have the Standing of
11 *Escondido Times-Advocate* as a Newspaper of
12 General Circulation Ascertained and
13 Established

~~PROTECTIVE~~ ORDER GRANTING
14 VERIFIED PETITION TO ASCERTAIN
15 AND ESTABLISH STANDING OF
16 *ESCONDIDO TIMES-ADVOCATE* AS A
17 NEWSPAPER OF GENERAL
18 CIRCULATION

REID & HELLYER APC
3880 LEMON STREET, FIFTH FLOOR
RIVERSIDE, CALIFORNIA 92502-1300
TELEPHONE (951) 682-1771

16 The verified petition of Justin Salter to have *Escondido Times-Advocate* ascertained and
17 established as a newspaper of general circulation came on regularly for hearing by the court on
18 _____, 2018, in Department _____ of the above-entitled court. Petitioner appeared by his
19 attorney, Scott Talkov.

20 The court finds that the substance of the verified petition and notice of intention of
21 petitioner to apply to the court on a specifically named day for an order declaring *Escondido*
22 *Times-Advocate* to be a newspaper of general circulation was duly published pursuant to Sections
23 6021, 6022 and 6062 of the Government Code.

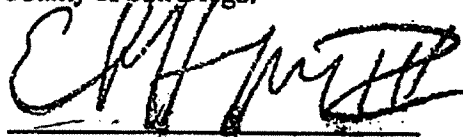
24 Evidence having been introduced in support of the verified petition, the matter was
25 submitted for decision and on proof made to the satisfaction of the court, the court finds that
26

27
DECLARATION OF JUSTIN SALTER IN SUPPORT OF VERIFIED PETITION TO ASCERTAIN AND
ESTABLISH STANDING OF *ESCONDIDO TIMES-ADVOCATE* AS A NEWSPAPER OF GENERAL
CIRCULATION

1 Petitioner has met all requirements for adjudication of *Escondido Times-Advocate* in the City of
2 Escondido and County of San Diego under Section 6008 of the Government Code.

3 WHEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that *Escondido Times-*
4 *Advocate* is a newspaper of general circulation, as defined in section 6008 of the Government
5 Code, for the City of Escondido and County of San Diego.

6 Dated: MAY 25, 2018



JUDGE OF THE SUPERIOR COURT

Earl H. Maas III

REID & HELLYER APC
3880 LEMON STREET, FIFTH FLOOR
RIVERSIDE, CALIFORNIA 92502-1300
TELEPHONE (951) 682-1771

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CITY OF ESCONDIDO
BID SCHEDULE FOR FY 2021-22
PUBLISHING OF LEGAL NOTICES

1. Enter name and address of newspaper. ESCONDIDO TIMES-ADVOCATE
Show address for mailing copy and 720 BROADWAY, SUITE 108
address for making payment, if different ESCONDIDO, CA 92025
- Email contact: LEGAL@TIMES-ADVOCATE.COM
2. Vendor Code (Bidder - Leave Blank) _____
3. Proof of Adjudication enclosed YES X NO _____
4. Legal notices, show price per column inch, 8.00
maximum for one insertion, per specifications _____
5. Legal notices, show price per column inch, 8.00
maximum for subsequent insertion per _____
specifications
6. Legal notices, show price per column inch, 8.00
maximum for material composed or set, _____
but not printed
7. Display advertising for one insertion (may 10.00
include graphics, camera work composed, _____
but not printed)
8. Display advertising for subsequent inser- 10.00
tions (may include graphics, camera work _____
composed, but not printed)
9. If on-line advertising is available, price per ad NO CHARGE
10. **Publication Dates:** (Use the following symbols WEEKLY / THURSDAY.
or abbreviations)

Daily ----- D
Sunday ----- S

11. Show latest certified circulation figures for each designation indicated below. If additional explanation of areas is necessary, please show on a separate sheet and note with ***.

CIRCULATION

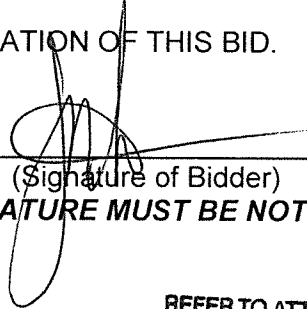
a.	City of Escondido (92025, 92026, 92027, 92029, 92033, 92046)	<u>4,500</u>
b.	Rural (Specify location)	<u>200 VALLEY CENTER</u>
c.	Total paid Escondido & Rural*	<u>200</u>
d.	Unpaid Escondido (City Limits)	<u>4500</u>
e.	Unpaid rural*	<u>200</u>

(* Rural – City of Escondido Sphere of Influence)

CERTIFICATION

I, JUSTIN SAUTER, DO HEREBY CERTIFY, UNDER PENALTY OF
(Print or Type Name)
PERJURY, THAT THIS INFORMATION IS CORRECT AND THAT ANY MISINFORMATION
MAY BE CAUSE FOR REJECTION OR CANCELLATION OF THIS BID.

DATE: 5/19/2021



(Signature of Bidder)
(SIGNATURE MUST BE NOTARIZED)

**REFER TO ATTACHED
CERTIFICATE**

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego)

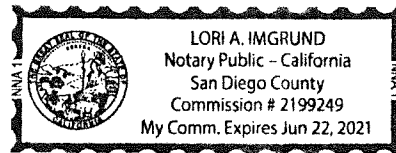
On May 19, 2021 before me, Lori Imgrund, Notary Public
(insert name and title of the officer)

personally appeared Justin Salter,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in
his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lori A. Imgrund (Seal)



RESOLUTION NO. 2021-84

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING THE BID FOR THE CITY'S LEGAL PUBLICATIONS FOR A ONE-YEAR PERIOD AND AUTHORIZING THE CITY CLERK TO EXECUTE THE CONTRACT WITH THE ESCONDIDO TIMES-ADVOCATE

WHEREAS, pursuant to Section 20169 of the California Public Contracts Code, the City of Escondido ("City") proceeded to solicit proposals for the City's publication of legal notices; and

WHEREAS, a notice inviting bids was duly published and, pursuant to said notice, bids were received from *The Daily Transcript*, *The Paper*, and *The Times-Advocate*; and

WHEREAS, pursuant to the bid received and on file with the City Clerk's office and for the price set forth, the bona fide subscription list of paying subscribers and circulation in Escondido, and additional services available as outlined in the bid specifications, this City Council desires at this time and deems it to be in the best public interest to approve the bid submitted by *The Escondido Times-Advocate*.

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 bid of *The Times Advocate* for legal publications for a one-year period is accepted and approved.

3. That the City Clerk is authorized to execute, on behalf of the City, a Public Services Agreement with The Escondido Times-Advocate, in a substantially similar form to that which is attached and incorporated to this Resolution as Exhibit "A", and subject to final approval as to form by the City Attorney.



CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Public Services Agreement ("Agreement") is made and entered into as of this _____ day of _____ 2021 ("Effective Date"),

Between: CITY OF ESCONDIDO
a California municipal corporation
201 N. Broadway
Escondido, CA 92025
Attn: Zack Beck
760-839-4560
("CITY")

And: ROADRUNNER PUBLICATIONS, INC.
a California corporation
dba Escondido Times-Advocate
720 N. Broadway, Suite 108
Escondido, CA 92025
Attn: Justin Salter, Publisher
760-546-4000
("CONTRACTOR").

(The CITY and CONTRACTOR each may be referred to herein as a "Party" and collectively as the "Parties.")

WHEREAS, the Parties desire to enter into this Agreement for the performance of the Services described herein.

NOW, THEREFORE, in consideration of the mutual covenants, promises, terms, and conditions set forth herein, and the mutual benefits derived therefrom, the Parties hereby agree as follows:

1. Description of Services. CONTRACTOR shall furnish all of the Services described in the Scope of Work, which is attached to this Agreement as Attachment "A" and incorporated herein by this reference ("Services").
2. Compensation. In exchange for CONTRACTOR's completion of the Services, the CITY shall pay, and CONTRACTOR shall accept in full, an amount not to exceed the sum of **\$25,000**. CONTRACTOR shall be compensated only for performance of the Services described in this Agreement. No compensation shall be provided for any other work or services without the CITY's prior written consent.
3. Performance. CONTRACTOR shall faithfully perform the Services in a proficient manner, to the

satisfaction of the CITY, and in accord with the terms of this Agreement. CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other information furnished by CONTRACTOR pursuant to this Agreement, except that CONTRACTOR shall not be responsible for the accuracy of information supplied by the CITY.

4. Termination. The Parties may mutually terminate this Agreement through a writing signed by both Parties. The CITY may terminate this Agreement for any reason upon providing CONTRACTOR with 10 days' advance written notice. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination. If the CITY terminates this Agreement due to no fault or failure of performance by CONTRACTOR, then CONTRACTOR shall be compensated based on the work satisfactorily performed at the time of such termination. In no event shall CONTRACTOR be entitled to receive more than the amount that would be paid to CONTRACTOR for the full performance of the Services.
5. City Property. All original documents, drawings, electronic media, and other materials prepared by CONTRACTOR pursuant to this Agreement immediately become the exclusive property of the CITY, and shall not be used by CONTRACTOR for any other purpose without the CITY's prior written consent.
6. Insurance Requirements.
 - a. CONTRACTOR shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services, and the results of such work, by CONTRACTOR, its agents, representatives, employees, or subcontractors. Insurance coverage shall be at least as broad as the following:
 - (1) *Commercial General Liability*. Insurance Services Office ("ISO") Form CG 00 01 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 general aggregate.
 - (2) *Automobile Liability*. ISO Form CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage, unless waived by the CITY and approved in writing by the CITY's Risk and Safety Division.
 - (3) *Workers' Compensation*. Worker's Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
 - (4) If CONTRACTOR maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONTRACTOR.
 - b. Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:
 - (1) *Acceptability of Insurers*. Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A-:VII, or as approved by the CITY.
 - (2) *Additional Insured Status*. Both the Commercial General Liability and the Automobile Liability policies must name the CITY (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later

edition is used. The Automobile Liability endorsement shall be at least as broad as ISO Form CA 20 01.

- (3) *Primary Coverage.* CONTRACTOR's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the CITY, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officials, officers, agents, employees, or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.
 - (4) *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the CITY.
 - (5) *Subcontractors.* If applicable, CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated in this Agreement, and CONTRACTOR shall ensure that the CITY (including its officials, officers, agents, employees, and volunteers) is an additional insured on any insurance required from a subcontractor.
 - (6) *Waiver of Subrogation.* CONTRACTOR hereby grants to the CITY a waiver of any right to subrogation that any insurer of CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONTRACTOR, its agents, representatives, employees and subcontractors.
 - (7) *Self-Insurance.* CONTRACTOR may, with the CITY's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. CONTRACTOR shall only be permitted to utilize such self-insurance if, in the opinion of the CITY, CONTRACTOR's (i) net worth and (ii) reserves for payment of claims of liability against CONTRACTOR are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. CONTRACTOR's utilization of self-insurance shall not in any way limit the liabilities assumed by CONTRACTOR pursuant to this Agreement.
 - (8) *Self-Insured Retentions.* Self-insured retentions must be declared to and approved by the CITY.
- c. *Verification of Coverage.* At the time CONTRACTOR executes this Agreement, CONTRACTOR shall provide the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
 - d. *Special Risks or Circumstances.* The CITY reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
 - e. *No Limitation of Obligations.* The insurance requirements in this Agreement, including the types and limits of insurance coverage CONTRACTOR must maintain, and any approval of such insurance by the CITY, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONTRACTOR pursuant to this Agreement, including but not limited to any provisions in this Agreement concerning indemnification.
 - f. Failure to comply with any of the insurance requirements in this Agreement, including but not limited to a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. In the event that CONTRACTOR fails to comply with any such insurance requirements in this Agreement, in addition to any other remedies the CITY

may have, the CITY may, at its sole option, (i) immediately terminate this Agreement; or (ii) order CONTRACTOR to stop work under this Agreement and/or withhold any payment that becomes due to CONTRACTOR until CONTRACTOR demonstrates compliance with the insurance requirements in this Agreement.

7. Indemnification, Duty to Defend, and Hold Harmless.

- a. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with CONTRACTOR's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except where caused by the sole negligence or willful misconduct of the CITY.
- b. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall defend, indemnify, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all Claims caused by, arising under, or resulting from any violation, or claim of violation, of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001, as amended) of the California Regional Water Quality Control Board, Region 9, San Diego, that the CITY might suffer, incur, or become subject to by reason of, or occurring as a result of, or allegedly caused by, any work performed pursuant to this Agreement.
- c. All terms and provisions within this Section 7 shall survive the termination of this Agreement.

8. Anti-Assignment Clause. Because the CITY has relied on the particular skills of CONTRACTOR in entering into this Agreement, CONTRACTOR shall not assign, delegate, subcontract, or otherwise transfer any duty or right under this Agreement, including as to any portion of the Services, without the CITY's prior written consent. Any purported assignment, delegation, subcontract, or other transfer made without the CITY's consent shall be void and ineffective. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY's prior written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
9. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs.
10. Independent Contractor. CONTRACTOR is an independent contractor, and no agency or employment relationship is created by the execution of this Agreement.
11. Amendment. This Agreement shall not be amended except in a writing signed by the CITY and CONTRACTOR.
12. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the CITY and CONTRACTOR concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.
13. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the CITY because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the CITY, in whole or in part.

14. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
15. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
16. Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. The Agreement on file with the City is the copy of the Agreement that shall take precedence if any differences exist between or among copies or counterparts of the Agreement.
17. Provisions Cumulative. The foregoing provisions are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the CITY.
18. Notice. Any statements, communications, or notices to be provided pursuant to this Agreement shall be sent to the attention of the persons indicated herein, and the CITY and CONTRACTOR shall promptly provide the other Party with notice of any changes to such contact information.
19. Business License. CONTRACTOR shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.
20. Compliance with Laws, Permits, and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement. CONTRACTOR shall obtain any and all permits, licenses, and other authorizations necessary to perform the Services. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to California Labor Code section 1770 et seq., CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable laws, shall be paid in performing this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the applicable "General Prevailing Wage Determination" approved by the Department of Industrial Relations as of the Effective Date of this Agreement, which are available online at <http://www.dir.ca.gov/oprl/dprevagedetermination.htm> and incorporated into this Agreement by this reference. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and shall comply with the Immigration Reform and Control Act of 1986 ("IRCA"). CONTRACTOR represents and warrants that all of its employees and the employees of any subcontractor retained by CONTRACTOR who perform any of the Services under this Agreement, are and will be authorized to perform the Services in full compliance with the IRCA. CONTRACTOR affirms that as a licensed contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will perform the Services. CONTRACTOR

agrees to comply with the IRCA before commencing any Services, and continuously throughout the performance of the Services and the term of this Agreement.

23. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

IN WITNESS WHEREOF, this Agreement is executed by the Parties or their duly authorized representatives as of the Effective Date:

CITY OF ESCONDIDO

Date: _____

Zack Beck, City Clerk

ROADRUNNER PUBLICATIONS, INC.
dba Escondido Times-Advocate

Date: _____

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

A. General

Roadrunner Publications, Inc. dba Escondido Times-Advocate, a California corporation ("Contractor"), will provide the City of Escondido, a California municipal corporation ("City"), with legal notice publication services.

B. Location

Contractor will provide services at the 720 N. Broadway, Suite 108, Escondido, CA 92025.

C. Services

Provide publishing of legal notices on an as-needed basis as further described in Exhibit 1 to this Scope of Work, which is attached hereto and incorporated by this reference.

D. Scheduling

Contractor to schedule specific date(s) of work in advance by contacting Zack Beck, City Clerk, at (760) 839-4560 or zbeck@escondido.org. Work shall be performed on Thursdays as-needed. Further instructions will be provided upon scheduling.

E. Contract Price and Payment Terms

The contract price shall not exceed **\$25,000**. The contract price includes all labor, materials, equipment, and transportation required to perform the work. Services will be billed as services are performed. Payment will be made after services have been performed and within 30 days of receipt of an invoice for those services.

F. Term

The term of this Agreement shall be from the Effective Date through July 15, 2022. Services shall commence on July 15, 2021.

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 5

June 9, 2021

File No. 0430-30

SUBJECT: Adoption of Fiscal Year 2021/22 Annual Operating Budget and the Appropriations Limit (GANN Limit) for Fiscal Year 2021/22 and Approval to Modify the Budgetary and Financial Policies

DEPARTMENT: Finance Department

RECOMMENDATION:

It is requested that the City Council adopt the following Resolutions:

1. Resolution No. 2021-80 approving the Fiscal Year 2021/22 Annual Operating Budget;
2. Resolution No. 2021-81 approving the Appropriations Limit (Gann Limit) for FY 2021/22; and
3. Resolution No. 2021-86 to modify the Budgetary and Financial Policies

FISCAL ANALYSIS:

The proposed FY2021/22 General Fund Operating Budget is a balanced budget without the use of reserves. The appropriation total for all operating funds is \$218.8 million and for the General Fund is \$117.1 million. The budget document can be viewed on the City of Escondido's ("City") website at: <https://www.escondido.org/annual-operating-budget>

BACKGROUND:

The proposed General Fund Operating Budget includes expenditures of \$117.1 million to provide core City services. These expenditures are primarily supported by five major General Fund revenue sources that include sales tax, property tax, franchise fees, business licenses, and transient occupancy tax. These five major General Fund revenue sources account for \$86.7 million, or 81 percent, of the revenue in the proposed budget. The remainder of revenues in the General Fund are generated by a variety of sources that include charges for services, investment and rental income, intergovernmental, fines and forfeitures and permits and licenses.

Core services for the General Fund include Public Safety, Public Works, Communications and Community Services, Community Development, and Engineering. Public Safety, which includes police and fire services, comprises approximately 66 percent of the General Fund operating budget. Public Works provides maintenance services to City streets and parks and makes up 10 percent of the budget. Communications and Community Services provides library services, recreational programs, and older adult services to citizens and makes up 8 percent of the budget. Community Development comprises 4 percent of the budget and includes planning, building and code enforcement services. Engineering comprises 3 percent of the budget and oversees, transportation, design and construction, field

engineering, and real property. The remaining 9 percent of the General Fund are those department budgets that provide support to the core City services.

On May 12, 2021, City Council was presented with the FY2021/22 Preliminary Operating Budget Status report. Certain significant budget changes were discussed during the briefing and have been incorporated in the proposed operating budget to reflect the increased demand for City services around traffic safety and homelessness, and hence reflect City priorities. The budget includes a multi-faceted strategy to improve traffic flow and safety throughout the City by providing additional resources to the Engineering, Police, and Public Works department budgets. In order to address the challenges and demands for service and implement the City's strategy for addressing homelessness, the budget provides the additional staff and resources necessary for essential services such as homeless encampment clean-up, patrolling hotspots, and removing refuse, to be provided seven-days per week. The budget also restores three police officer positions to the Community Oriented Policing and Problem Solving (COPPS) Unit to provide a more effective, efficient and consistent level of service by increasing coverage and proactivity to further the City's approach for addressing the community impacts of homelessness while being sensitive to the importance of tackling underlying causes and helping people.

To maintain a balanced budget and yet continue an appropriate level of service and address City priorities, the Fiscal Year 2021/22 budget uses the final one-time source of funds from the Successor Agency Redevelopment Loan repayment and a transfer from the Section 115 Pension Trust Fund. Since at least 2017, the City has maintained balance as a result of modest economic growth and stability and a combined strategy of a hardline on expenditures, cost saving measures that included reducing staff, deferring infrastructure maintenance, investing in technology to reduce ongoing costs, and outsourcing services. However, until revenue is increased on an ongoing and structural basis, the City must continue to rely on short-term, one-time resources to continue operations and avoid drastic cuts to City services.

On March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") was signed into law which will provide the City approximately \$38 million to ease the overall economic impact from the COVID-19 pandemic. While there are limitations on the use of the funds, they may be used to support a city's operations to the extent that the city lost the equivalent amount of revenue. Due to the timing of the Operating Budget adoption, staff will bring forward a separate budget recommendation with how those funds will be utilized based on the rules provided by the U.S. Department of Treasury which may result in an adjustment to the proposed General Fund or Enterprise Fund budgets for Fiscal Year 2021/22. Although the money received from ARPA may provide a one-time source of funds to make up for lost revenue, the money will not address the City's structural budget gap because it is not an ongoing source of revenue.

In keeping with our commitment to long-term planning, staff will continue to provide financial recommendations based on realistic revenue projections, risk assessments, and prudent spending to ensure a stable financial position. However, it will be vital for the City to address the magnitude of the projected deficits forecast in upcoming years now. The available options to close the structural

operating budget gap include the consideration of new taxes and fees, complete elimination of certain programs, and radical restructuring of the City's operations and workforce. Staff will be working with the City Council to engage in thorough dialogue, build community consensus and develop strategies to address the challenge.

Appropriations Limit (Gann Limit) for FY 2021/22

In addition to adopting the Operating Budget, the City Council is asked to adopt the Gann Appropriations Limit as required by Article XIII B of the California Constitution. This limit creates a restriction on the amount of revenue that can be appropriated for spending in any fiscal year. The revenues which are subject to this limitation are those considered "proceeds of taxes." The basis for calculating the Gann Limit began in FY1978/79 and is adjusted each year based on population growth and inflation. The City's spending limit for FY2021/22 is calculated at \$1,453,453,781 (Resolution No. 2021-81 Exhibit "B") and the calculation of the City's spending projections subject to the limit is \$85,993,468 (Resolution No. 2021-81 Exhibit "A"), well below the legal limit for the coming fiscal year.

Budgetary and Financial Policies

On May 3, 2017, City Council adopted Resolution No. 2017-67 which established written budgetary and financial policies. On June 3, 2018, City Council amended these financial policies by adopting Resolution No. 2018-106 to include the funding policy for the Section 115 Irrevocable Pension Trust Fund. Financial policies assist in ensuring long-term planning and fiscal stability. These policies provide direction to manage City finances and to provide for the delivery of quality public services; ensure a balanced budget; establish reserves necessary to meet known and unknown future obligations and create overall financial integrity. The financial policies are included in the Annual Operating Budget and are an essential component of the City's long-term forecasts and contingency plans.

The FY2021/22 Budgetary and Financial Policies are listed in Exhibit A to Resolution No. 2021-86. Two additional policies have been incorporated into the document.

Fund Balance Policy (#7): In March 2009 the Governmental Accounting Standards Board (GASB) issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood. GASB Statement No. 54 defines five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent. In compliance with the GASB Statement, the City's Fund Balance Policy was adopted on May 25, 2011 by Resolution No. 2011-56. The policy provides for the establishment and maintenance of fund balances; helps maintain the financial strength, stability, and bond rating of the City; positions the City to be better able to financially respond to emergencies, unexpected needs; provides a method of accumulating funds for one-time needs; and meets the requirements of GASB Statement No. 54.

Interfund Transfers and Loans Policy (#17): To achieve important public policy goals, the City has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund balance. Any transfers between funds for operating purposes are clearly set forth in the Operating Budget. From time to time, interfund borrowing may be appropriate; however, this is subject to the following criteria in ensuring that the fiduciary purpose for that fund is met: The City Council must approve temporary interfund loans, while the City Manager and Director of Finance are authorized to negotiate terms and conditions of those loans.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Christina Holmes, Director of Finance

06/02/21 5:08 p.m.

ATTACHMENTS:

1. Resolution No. 2021-80 Approving the Fiscal Year 2021/22 Annual Operating Budget
2. Resolution No. 2021-81 Approving the Gann Limit for Fiscal Year 2020/21
3. Resolution No. 2021-81 – Exhibit A – GANN Calculation
4. Resolution No. 2021-81 – Exhibit B – GANN Limit Calculation
5. Resolution No. 2021-86 Modifying the City of Escondido Budgetary and Financial Policies
6. Resolution No. 2021-86 – Exhibit A – Budgetary and Financial Policies

RESOLUTION NO. 2021-80

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING OPERATING BUDGETS FOR
CERTAIN CITY DEPARTMENTS FOR FISCAL
YEAR 2021/22 SUBJECT TO ANY AMENDMENT
MADE PURSUANT TO COMPENSATION PLANS
FOR THE CITY OF ESCONDIDO AND
ESTABLISHING CONTROLS ON CHANGES IN
APPROPRIATIONS TO VARIOUS FUNDS AND
DEPARTMENTS

WHEREAS, the budgets for all City Departments for the period July 1, 2021, through June 30, 2022, inclusive, contained in the Fiscal Year 2021/22 Operating Budget Document (a copy of which is on file in the Office of the City Clerk) as amended by Council, are adopted as the final budgets for the Fiscal Year 2021/22, subject to any further amendments pursuant to approval of Compensation Plans for employees of the City of Escondido; and

WHEREAS, the amount designated as Department Total for each department and each fund in the budgets on file with the City Clerk, is hereby appropriated to the department or fund for which it is designated subject to adjustments for Compensation Plan approvals. Such appropriations as adjusted shall not be increased without approval of the City Council, except that transfers within funds, may be approved by the City Manager. All amounts designated as Employee Services, Maintenance and Operation, and Capital Outlay in each budget on file with the City Clerk, are hereby appropriated for such uses to the department or fund under which they are listed, subject to any amendments made pursuant to approval of Compensation Plans for employees of the City of Escondido, and shall not be increased without approval of the City Manager; and

WHEREAS, the approval of the Operating Budget Document, including the Department Total expressed for each department, and any subsequent amendments shall include approval for all actions of the City acting as Successor Agency of the former Escondido Redevelopment Agency as expressed in said Operating Budget Document.

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 adopts operating budgets for certain City Departments for Fiscal Year 2021/22 subject to any amendment made pursuant to compensation plans for the City of Escondido and establishing controls on changes in appropriations to various funds and departments.

RESOLUTION NO. 2021-81

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING AN ANNUAL APPROPRIATIONS
LIMIT FOR THE FISCAL YEAR 2021/22 AS
REQUIRED BY LAW

WHEREAS, Article XIII-B of the California State Constitution requires that the City of Escondido calculate an appropriations limit for each fiscal year, commonly known as the "Gann Limit;" and

WHEREAS, the Gann Limit is based on a combination of a population factor and an inflation factor as outlined on Exhibit "B," which is attached to this Resolution and incorporated by this reference; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to adopt an annual Gann Limit for Fiscal Year 2021/22 as listed on Exhibit "A," which is attached to this Resolution and 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 adopts the calculation of the annual Gann Limit for the Fiscal Year 2021/22. The Gann Limit is adopted on a provisional basis, as the limit may need to be adjusted when current assessment data are available. The 2020/21 Gann Limit Calculation is finalized as shown on Exhibit "B," which is attached to this Resolution and incorporated by this reference.

**EXHIBIT A
 GANN CALCULATION
 2021/22**

	<u>PROCEEDS</u>	<u>NON-PROC.</u>
PROPERTY TAXES	30,750,000	
OTHER TAXES:		
Sales and Use Tax	42,147,300	
Franchise	6,295,000	
Transient Occupancy Tax	1,700,000	
RPTTF Residual Payment	2,100,000	
Property Transfer	600,000	
LICENSES AND PERMITS:		
Business Licenses	1,960,000	
Building Permits		715,000
Electrical Permits		140,000
Mechanical Permits		50,000
Plumbing Permits		40,000
Other Permits		477,500
FINES, FORFEITURES AND PENALTIES:		
Parking Fines		200,000
Library Fines and Fees		10,000
Other Court Fines		698,000
REVENUE FROM USE OF MONEY:		
Interest Income	461,168	113,832
REVENUE FROM OTHER AGENCIES:		
Rincon Fire Agreement		2,200,000
Reimbursements from Outside Agencies		425,000
Grants		575,000
VLF Revenue in Excess		121,000
Post Reimbursement		10,000
State Highway Maintenance		10,000

PROCEEDS NON-PROC.

CHARGES FOR CURRENT SERVICES:

Paramedic Services		6,325,000
Community Services		1,494,710
Engineering Fees		650,000
Plan Check Fees		420,000
Special Police Services		200,000
Conservation Credit		100,000
Zoning Fees		135,000
Environmental Impact Reports		20,000
Subdivision Fees		40,000
Sale Maps and Publications		500
Other Current Services		1,090,500

OTHER REVENUE:

Leased Property		3,193,000
Transfer Station Fee		1,200,000
Mobile Home Rent Control		64,000
Small Cell Site Revenue		180,000
Other Revenue		308,000

GAS TAX FUND:

Revenue from Use of Money		
Interest Income		32,200
Revenue from Other Agencies		
State Gas Tax 2105		879,000
State Gas Tax 2106		555,000
State Gas Tax 2107		1,034,000
State Gas Tax 2107.5		10,000
State Gas Tax 2013		1,349,000

TOTALS	86,013,468	25,065,242
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LESS: STATE MANDATES (Estimated)	<u>(20,000)</u>	
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APPROPRIATIONS SUBJECT TO LIMIT	85,993,468	
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GANN LIMIT FOR 2021/22	<u>1,453,453,781</u>	
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MARGIN	<u>1,367,460,313</u>	
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**EXHIBIT B
 GANN LIMIT CALCULATION**

	<u>POPULATION FACTOR USED</u>	<u>INFLATION FACTOR USED</u>	
2005/06 Limitation		Per Capita	353,399,986
2006/07 Factor	County Growth	Personal Income	<u>1.04937</u>
2006/07 Limitation		Non Residential	370,847,343
2007/08 Factor	County Growth	Assessed Valuation	<u>1.07955</u>
2007/08 Limitation		Per Capita	400,348,249
2008/09 Factor	County Growth	Personal Income	<u>1.05687</u>
2008/09 Limitation		Per Capita	423,116,054
2009/10 Factor	County Growth	Personal Income	<u>1.01888</u>
2009/10 Limitation		Per Capita	431,104,485
2010/11 Factor	City Growth	Personal Income	<u>0.98883</u>
2010/11 Limitation		Per Capita	426,289,048
2011/12 Factor	City Growth	Personal Income	<u>1.03269</u>
2011/12 Limitation		Non Residential	440,224,437
2012/13 Factor	County Growth	Assessed Valuation	<u>1.27787</u>
2012/13 Limitation		Non Residential	562,549,601
2013/14 Factor	County Growth	Assessed Valuation	<u>1.59242</u>
2013/14 Limitation		Non Residential	895,815,236
2014/15 Factor	County Growth	Assessed Valuation	<u>1.06226</u>
2014/15 Limitation		Per Capita	951,588,693
2015/16 Factor	County Growth	Personal Income	<u>1.05045</u>
2015/16 Limitation		Per Capita	999,596,343
2016/17 Factor	County Growth	Personal Income	<u>1.06192</u>
2016/17 Limitation		Per Capita	1,061,491,349
2017/18 Factor	County Growth	Personal Income	<u>1.04644</u>
2017/18 Limitation		Non Residential	1,110,787,007
2018/19 Factor	County Growth	Assessed Valuation	<u>1.05197</u>
2018/19 Limitation		Non Residential	1,168,514,608
2019/20 Factor	County Growth	Assessed Valuation	<u>1.10963</u>
2019/20 Limitation		Non Residential	1,296,618,864
2020/21 Factor	City Growth	Assessed Valuation	<u>1.06106</u>
2020/21 Limitation		Non Residential	1,375,790,412
2021/22 Factor	City Growth	Assessed Valuation	<u>1.05645</u>
2021/22 Limitation			1,453,453,781

RESOLUTION NO 2021-86

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
MODIFYING THE CITY OF ESCONDIDO
BUDGETARY AND FINANCIAL POLICIES

WHEREAS, the Government Finance Officers Association recommends that governments adopt financial policies; and

WHEREAS, financial policies are central to a strategic, long-term approach to financial management; and

WHEREAS, the City Council of the City of Escondido ("City") has adopted Resolution No. 2017-67 to establish Budgetary and Financial Policies for the City; and

WHEREAS, the City Council of the City of Escondido has adopted Resolution No. 2018-106 modifying the Budgetary and Financial Policies for the City.

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 modified attached Budgetary and Financial Policies presented in Exhibit "A", which is attached to this Resolution and incorporated by this reference, and is hereby established as the policy of the City of Escondido, and shall be duly administered by the City's Finance department acting under the authority of the City Manager.

CITY OF ESCONDIDO
FY 2021/22 Operating Budget
Budgetary and Financial Policies

There are many benefits to adopting budgetary and financial policies, some of which are the safeguarding of resources and providing guidance for the development and administration of the operating budget and long-term financial plan.

1. The Budget Will Be Structurally Balanced

Background – A budget is structurally balanced if it does not spend more on ongoing costs than it receives in ongoing revenues. A structurally balanced budget is a necessary component of good financial management and financial discipline and will help sustain the consistent delivery of services to residents. An unbalanced budget (spending more than is received) undermines the City's ability to deal with financial problems. It may lead to reduced services in the future and inhibit the City's ability to take advantage of opportunities that will periodically occur.

Policy - The budget for the General Fund will be structurally balanced for the fiscal year. It is not a violation of this policy to have a planned use of funds available to fund one-time items, including capital, equipment, land or transitional costs for operations (starting up or termination of a service element). It is also not a violation of this policy to use funds previously set aside to mitigate temporarily higher costs or lower revenues.

2. Multi-Year Financial Projections Will Be Incorporated in to The Budget Process

Background – The City's financial situation and projected future status are important factors in the financial and economic decisions the City Council may make. To support the City's budgetary planning and financial decision-making process, the City needs to analyze its financial situation and the key factors impacting its economic and financial status.

Policy - At a minimum, the proposed annual budget should include a three-year General Fund projection (the fiscal year plus two additional years). Major assumptions should be identified. It is desirable that the budget should include similar projections of key funds and potentially all funds.

3. The Budget Process Is Based On an Annual Cycle with Minimal Mid-Cycle Adjustments

Background - The service plan for the City is based on an annual budget and by good financial and operational practice. Budgeting on an annual basis provides time to review all revenue sources, develop solutions to previously identified problems, and to discuss and decide on policies and priorities. An annual budget process also provides time for management to plan and more efficiently and effectively implement changes incorporated into the budget. Shortening or interrupting the process with significant mid-cycle changes can lead to poor decision-making due to incomplete information and to inefficient and ineffective operations or expenditures.

CITY OF ESCONDIDO
FY 2021/22 Operating Budget
Budgetary and Financial Policies

Policy

- a. The annual budget process will be the general method used by the City to develop its annual service priorities and the level and type of resources to fund those services.
- b. Changes to the budget and to service levels during the fiscal year will be minimized. Changes during the fiscal year will generally be limited to technical adjustments, emergency funding, time sensitive opportunities or issues, or new grants or awards that are intended to be spent during the year. The creation of a new program, a higher service level, or other expenditures during mid-budget cycle is discouraged.
- c. Unexpected revenue shortfalls or other significant issues that may create a budget shortfall during the fiscal year are to be reported to the City Council with recommendations by the City Manager as to whether a mid-year budget adjustment should be made.

4. User Fees and Charges Will Be Set at The Cost of the Service

Background - Fees and associated charges are associated with recovering the cost of providing a service. The City can charge up to the full cost of providing a service.

Policy – Fees will be set at a level to fully recover costs, except where there is a greater public benefit through use of a lower fee, such as where full recovery may adversely impact overall revenue or may discourage participation in programs where the participation benefits the overall community.

5. One-Time Resources Will Be Used Only for One-Time Purposes

Background – One-time resources are revenues that only occur once, for a very limited time, or are too unpredictable or unstable to fund operations. One-time revenues are not suited to fund ongoing operations because they are not available in the future or cannot be relied on from year-to-year to pay the ongoing costs of operations.

Policy - One-time resources will not be used to fund ongoing operations. They will be used for one-time uses, including capital and other one-time expenditures, transitional funding of operations (for a limited time period with a planned ending date), increasing reserves, or paying down unfunded liabilities. The General Fund will be receiving one-time resources from the Successor Agency – Redevelopment Fund for repayment of the former Escondido Redevelopment loan. All of these repayments shall be contributed to the Section 115 Irrevocable Pension Trust.

6. Capital Projects Will Be Budgeted and Funded for Both Capital and Operating Costs

Background – Expenditures for capital and infrastructure often have an impact on operating costs. New capital projects typically increase costs while repairs may lower costs. When capital and infrastructure funding decisions are made, it is important to provide information

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to the City Council about future operating costs as a result of the expenditures. For capital expenditure decisions, both the one-time capital costs and the ongoing net operating costs should be considered.

Policy – Before approving any capital expenditure, the City Council shall consider both the capital (one-time) and operating (ongoing) components of costs, including the full capital cost of the project, regardless of funding sources, and all City incurred site, design, overhead costs and start-up costs. Site costs for land already owned by the City do not need to be reported. Projected operating costs through any stabilization period, as well as projected future operating and maintenance costs, are to be identified. If the project has a limited economic life, the fiscal impact information should discuss proposed end of life actions and costs. The method for funding the projected operating costs is to be included in any funding description.

7. Fund Balance Policy

Background – Effective June 30, 2010, the City is in compliance with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB Statement No. 54 defines five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

Policy – This policy provides for the establishment and maintenance of fund balances; helps maintain the financial strength, stability, and bond rating of the City; positions the City to be better able to financially respond to emergencies, unexpected needs; provides a method of accumulating funds for one-time needs; and meets the requirements of GASB Statement No. 54.

The following applies to all governmental funds of the City. The City maintains five components of fund balance.

- Nonspendable fund balance: not in spendable form such as inventories, prepaids, long-term receivables or non-financial assets held for resale.
- Restricted fund balance: externally enforceable limitations on use such as debt covenants, grantors, contributors, or laws and regulations of other governments.
- Committed fund balance: constrained to specific purposes by a formal action of the City Council such as an ordinance or resolution.
- Assigned fund balance: limited to the Council's intent to be used for a specific purpose, but not restricted or committed such as economic stabilization or for continuing appropriations.
- Unassigned fund balance: residual net resources either positive or negative, in excess of the other four fund balance components. Unassigned amounts are available for any

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purposes with City Council approval. This policy delegates to the Director of Finance the authority to assign unrestricted fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

When expenditures are incurred for purposes for where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

8. Adequate General Fund Reserves Will Be Maintained

Background – Maintaining adequate reserves is a basic component of a financially strong City. Adequate reserves help sustain City operations when adverse or unexpected circumstances impact the City. Maintaining a reserve balance allows a city to continue operations while responding to short-term problems, eliminating the need to reduce service levels when these temporary fluctuations occur. It also provides an organization time to address longer term problems while comprehensive response plans are developed.

Policy

- a. The City Council established a target General Fund Reserve balance of 25 percent of General Fund operating revenues in order to maintain adequate levels of fund balance to mitigate current and future risks and adequately provide for cash flow requirements and contingencies for unseen operating or capital needs of the City.
- b. The Reserve balance is available to fund one-time unanticipated expenditure requirements, local disasters, or when actual revenue received is less than the amount budgeted resulting in an operating deficit in the General Fund.
- c. If Reserves are used the method for replenishing deficiencies including the source of funding and time period of replenishment to occur will be defined in the resolution. Generally, the replenishment will come from future surpluses or one-time resources.
- d. The City may establish and maintain special purpose operating reserves (in addition to the operating reserve described above). Special purpose operating reserves are intended to be used for specific revenue and expense variations and will generally be formulaic and automatic in nature in terms of when the reserves will be added and when they will be used.
- e. A Pension Rate Smoothing Reserve was established to provide economic relief during recessionary cycles and/or rate increases that are significantly above anticipated projected employee rate increases. Increases or decreases to this reserve will be included in the proposed annual operating budget.
- f. The City may establish and maintain other reserves.

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9. Revenues Will Be Projected Using a Methodology That Is Reasonably Conservative

Background - Revenue projections are critical to budget decisions, particularly a budget that is intended to be structurally balanced. Unfortunately, many of the City's key revenues are subject to material variation depending on the economy. No revenue projection is likely to be accurate" when the economy is changing direction or moving quickly. As a result, it is important to have a consistent approach to projecting revenues and for decision-makers to understand the basis used to project the resources available for the budget. Revenue should be projected in a way not likely to lead to a revenue shortfall and not be so conservative that the projection is always substantially under revenues.

Policy - Revenue projections are to be objectively prepared using a conservative approach. That approach should result in overall budgeted revenues for a fund being set at a level such that it is reasonably unlikely that actual revenues will be lower than budgeted.

10. Fiscal Analysis Will Be Included with All City Council Staff Reports Which Involve Decisions for Spending, Revenues, Debt, Investments, Or Other Potential Economic Impact

Background – The City Council should receive information on the actual or potential fiscal impact of its potential actions to aid in making decisions.

Policy – For any expenditure, the funding source must be identified as well as whether the expenditure has been budgeted. In addition, for any proposed City Council action impacting City finances or its economic situation, the projected or potential fiscal impact on current and future revenues and expenditures, and the projected or potential impact on the City's financial position shall be analyzed. A discussion on any overall economic impacts to the City, if relevant, will also be included.

11. The Budget Will Fund Costs Incurred in The Current Year or Will Identify the Costs That Have Not Been Fully Funded

Background – Governments sometimes have financial issues because they do not budget for or fund costs that are incurred in a budget year, but not paid out until a future year. This practice can lead to higher costs to taxpayers in the future if they have to pay for the services provided in the past. Typically, these costs are for employee benefits, but may also be associated with other costs. Funding current year costs is not the same as funding unfunded liabilities. Paying current costs does not have any impact on existing unfunded liabilities, but it does have an impact on keeping unfunded liabilities from occurring or growing in dollar amount. Current costs, whether paid in the current year or not, are a component of structural balance.

Policy – The budget will include funding for the costs for services for the current year. If that is determined not to be appropriate for a given year, the budget will disclose that and include a discussion of those costs that were not fully funded.

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12. Financial Status and Financial Issues Will Be Reported

Background – Annual audited financial statements are an essential component of financial control and management. In addition, the City prepares interim quarterly financial reports that give the City Council more up to date financial information on the City's fiscal status.

Policy

- a. The City's Comprehensive Annual Financial Report will be made available to the City Council, the general public, bond holders and rating agencies after completion of the annual audit. In addition, there will be periodic reporting on the budgetary status of the City, particularly the General Fund and other funds that have unusual or problematic status. Any major or critical issue will be reported as soon as it is practical.
- b. The City presents quarterly financial reports to the City Council that provide a financial update on the General Fund and other major City funds. These reports include budgetary information, along with actual resources received to date, in addition to the use of these resources in fulfilling each fund's financial plan. Any major or critical issues will be reported as soon as it is practical.

13. Grants Will Be Actively Sought, But Only as Appropriate and with Suitable Oversight to Ensure Compliance

Background - Grants are an essential component of City resources. All grants have rules and regulations that must be followed, including but not limited to the use of the awarded funds. Failure to follow the rules and regulations may require a return of the funds, even after they have been spent. Grants often come with matching funds requirements. Grant applications must be carefully reviewed to determine if the grant is appropriate for the City. Appropriateness shall be determined based on type of match requirements (cash or in-kind), dollar amount of match required, ability to recover administrative costs, excessive restrictions on expenditures, compliance risk, and/or incompatibility with other City priorities.

Policy - The City will pursue grants that are consistent with City priorities and when the benefit to the City substantially outweighs the cost of application and administration, and the risk of unintentional non-compliance. The City will not seek grants if the purpose does not provide a significant net benefit to the City for existing priorities. Before applying for any grant, staff shall ensure that the above conditions have been met. The City shall maintain the necessary administrative support and training to ensure compliance with grant terms and requirements.

14. Debt and Capital Leases Will Be Maintained at Appropriate Levels

Background - Debt (borrowing) is a valuable and necessary tool for financing major infrastructure and other capital assets. However, misuse of debt or poor debt management, including excessive debt and poor choices for the structure of debt, can contribute to financial weakness and compromise the City's ability to deliver services over the long-term.

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Policy – Limits on the amount of debt shall be defined in the Debt Management Policy which has been adopted by the City Council. The term of debt will generally not exceed the life of the asset being acquired. Capital leases for vehicle replacement or other recurring costs should be part of a comprehensive strategy that provides for ongoing replacement of the equipment. Debt will not be used to fund operations. Incurring short-term debt (less than one year) to provide for cash flow in anticipation of revenues is not a violation of this policy. A separate Debt Management Policy has been adopted by the City Council and is located on the City website.

15. Cash and Investments Will Be Effectively Managed

Background – The primary objective of the City’s cash and investment management system is to safeguard government funds while providing adequate liquidity to meet the daily cash flow demands of the City.

Policy – All funds that are not required for immediate expenditures shall be invested in accordance with State and Federal laws as outlined in the City’s Investment Policy. Cash management shall be performed daily to determine how much of the cash balance is available for investment. The priorities for investment decisions shall be (in order of importance):

- 1) Safety – preserving the principal of investments by mitigating the two types of risk: credit risk and market risk.
- 2) Liquidity – structuring the investment portfolio with sufficient liquidity to enable the City to meet expected cash requirements.
- 3) Yield – generating a market rate of return on the portfolio within the investment constraints to provide income to the City.

A separate policy on Cash and Investment management has been adopted by the City Council and is located on the City website.

16. Capital Assets Will Be Inventoried and Their Conditions Assessed Periodically

Background- An effective capital asset accounting system is important to safeguard and manage the City’s capital asset investment. Periodic review of the City’s assets and infrastructure is necessary to ensure that the items are still in service. This also allows the departments to determine what assets can be maintained and what needs to be replaced.

Policy - It shall be the responsibility of the City’s finance department to record capital asset transactions, tag assets, and change records as necessary. It shall be the responsibility of the various City departments that maintain the assets to provide custodial responsibility, safeguard the assets from damage and theft, inventory assets, and assess the condition of the assets periodically.

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17. Interfund Transfers and Loans

Background – To achieve important public policy goals, the City has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund balance.

Policy – Any transfers between funds for operating purposes are clearly set forth in the Operating Budget. From time to time, interfund borrowing may be appropriate; however, this is subject to the following criteria in ensuring that the fiduciary purpose for that fund is met: The City Council must approve temporary interfund loans, while the City Manager and Director of Finance are authorized to negotiate terms and conditions of those loans.

18. Delinquent Accounts Will Be Written Off When Deemed Uncollectible

Background – The timely identification of losses is an essential element in appropriately measuring the value of the City's assets. The write-off process is a critical component of that measurement. The policy is intended to enable the City to reflect the value of its receivables and ensure that resources are used efficiently and not devoted to the recovery of uncollectible receivables.

Policy - Delinquent accounts are reviewed by the Collections Officer and when appropriate, unpaid accounts will be assigned to the collections agency. Accounts deemed uncollectible will be written off as bad debt. No less than annually, the Director of Finance will present to the City Council all proposed write offs above \$5,000 where collection efforts have been exhausted. Amounts due under \$5,000 will be written off if requested by the Revenue Manager and approved by the Director of Finance.

A separate policy on writing off bad debt has been adopted by the City Council and is located on the City website.

19. A Long-Term General Financial Plan Will Be Maintained

Background - The long-term financial health of the City and the ability to provide services and a quality of life for the City's residents depends on the actions that City officials take. To help guide the decisions of City officials where the decisions impact the long-term finances of the City, a plan that identifies adopted general strategies for the long-term financial strength of the City is helpful, if not essential, to the long-term financial success of the City. The general financial plan would be specific enough to determine whether or not a particular proposal is consistent with the plan.

Policy - The City will continue to develop and update our long-term financial plan. The plan will outline general approaches the City should follow over the long-term to maintain and increase the ability of the City to provide services through maintaining and increasing revenues, growing the City's economy for the purpose of revenue generation, and

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controlling and managing the cost of services and the method of delivery of services. This plan will identify and discuss unfunded liabilities and other deferred costs such as maintenance. A plan or options will be identified to address them. This plan is not intended as a general statement of overall City strategies and goals, but rather a focused approach to long-term finances and to enhancing the economic strength of the City to generate more revenues and resources for services. The plan may be integrated into an overall set of goals and strategies for the City such as the City Council Action Plan. The City Council will modify the plan as it desires and adopt it as a general guideline for future financial and economic direction. The plan is to be reviewed and updated no less frequently than every five years.

20. Financial Policies Will Be Periodically Reviewed

Background - Financial policies need to be periodically reviewed to ensure that they do not become out-of-date and also to help reinforce compliance with the policies.

Policy – Financial policies will be reviewed by the City Council every three years or more frequently, if appropriate. The City Manager will report annually on any noncompliance with the policies.

21. Procedures and Practices Are to Be Consistent with Financial Policy

Background – Financial policies are high level expressions of direction. Implementation of policies requires detailed procedures and practices.

Policy – Policy implementation procedures and practices designed and implemented by the City Manager and any associated administrative procedures and practices shall be consistent with the adopted City Council policies.

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 6

June 9, 2021

File No. 0430-30

SUBJECT: The Five-Year Capital Improvement Program, the Fiscal Year 2021/22 Capital Improvement Program Budget, and Amendment to the 2020 Regional Transportation Improvement Program

DEPARTMENT: Finance Department and Engineering Services Department

RECOMMENDATION:

It is requested that the City Council adopt the following Resolutions:

1. Resolution No. 2021-87, adopting Fiscal Years 2021/22 – 2025/2026 Five-Year Capital Improvement Program and the Fiscal Year 2021/22 Capital Improvement Program Budget; and
2. Resolution No. 2021-88, adopting an amendment to the Regional Transportation Improvement Program for Fiscal Years 2022 through 2026.

FISCAL ANALYSIS:

The Capital Improvement Program and Budget (“CIP Budget”) is a five-year planning tool that is developed and updated annually. The program allows identification of dependable funding resources for Fiscal Year (FY) 2021/22 and the corresponding uses of those funds. To view the complete document please visit: <https://www.escondido.org/capital-improvement-program>

PREVIOUS ACTION:

A preliminary summary of capital project requests was prepared and submitted to the City Council on May 12, 2021.

The CIP Budget was presented to the Planning Commission on June 8, 2021, which the Commission reviewed for conformance with the General Plan as required by Government Code section 65401.

BACKGROUND:

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND FISCAL YEAR 2021/22 CIP BUDGET

The CIP Budget summarizes anticipated resources and estimated uses for major infrastructure, and other capital improvements, construction, and maintenance projects. The proposed budget estimates sources of \$67.6 million that are available to fund capital improvements and other maintenance and

capital outlay expenditures. The current year budget requests anticipate uses of \$67.2 million in appropriated expenditures and transfers.

Upon completion of a project, any remaining balance is returned to the appropriate fund’s reserves and becomes available to fund future projects. In addition, any excess revenues over budgeted expenditures are added to reserves. This program includes \$413,675 in reserves available for future projects. The majority of the reserves are restricted funding and only to be used for specific purposes.

The following table summarizes the major categories of funding (Sources and Uses) contained in FY 2021/22.

<u>SOURCES</u>		<u>USES</u>	
Available Fund Balances	\$ 2,333,825	Community Services	\$ 387,468
Developer Fees	6,091,160	General City	150,000
Grants	2,676,721	Library	316,370
Gas Tax	3,827,000	Parks and Recreation	2,066,000
Interest	386,200	Public Art	135,000
Loan Repayments	72,920	Public Works	2,371,403
Reimbursement from Agencies	11,000,000	Streets	14,482,910
Road Maint & Rehab Account	2,985,000	Wastewater Utilities	2,285,000
State Revolving Fund Loans	31,000,000	Water Utilities	43,000,000
TransNet	4,005,000	Subtotal Uses 2021/22	\$65,194,151
Utilities-Charges for Services	3,285,000	Transfer to General Fund (Streets)	2,055,000
TOTAL SOURCES FY 2020/21	\$67,662,826	Reserves Available for Future Projects	413,675
		TOTAL USES FY 2021/22	\$67,662,826

A majority of the proposed capital project costs, 66% or \$43 million this year, relate to water utilities projects. There is \$22 million in project costs for undergrounding a portion of the Escondido Canal through the San Pasqual Indian Reservation and \$20 million for the Lake Wohlford Dam Project. These projects will both require funding from low interest loans to accommodate these budgeted amounts and total \$98 million when you factor in future budget year amounts. The remaining \$1 million is funding for the W 7th Avenue and S Broadway Water Main Replacement Project.

FIVE-YEAR STREET CIP PLANNING PROCESS

Each year the City of Escondido (“City”) updates the Five-Year Street Capital Improvement Program. Based on the City Council’s direction, funds have been programmed toward the Annual Street Resurfacing Program and the extension of Citracado Parkway from Harmony Grove Village Parkway to Andreasen. Additional funding has been added to the Felicita Avenue/Juniper Elementary Safe Routes to School project. Future year CIP funding is recommended to be programmed toward updating the Specific Alignment Plan for the widening of Lincoln Parkway between Garrick Road and Fig Street, a Comprehensive Active Transportation Strategy, and the Bear Valley Parkway Widening project at Sunset Road/Ranchito.

ANNUAL OPERATING AND MAINTENANCE PROGRAMS

The Five-Year Street Capital Improvement Program budgets funding for the City’s Annual Pavement Maintenance and Rehabilitation project at \$5.9 million in FY 2021/22, which is a 9% increase from the prior year. Funding is also programmed towards storm drain repair and improvement in order to address the highest priority corrugated metal pipelines, traffic infrastructure, traffic signals and synchronization, street tree maintenance, and the Transportation and Community Safety Commission.

TRANSNET PROGRAM OF PROJECTS

The following projects are being programmed with TransNet funds for Fiscal Years 2022 through 2026:

- ESC-04, Citracado Pkwy Extension
- ESC-51, Comprehensive Active Transportation Strategy
- ESC-08, Felicita Avenue/Juniper Street (Safe Routes to School)
- ESC-50, Lincoln Parkway Widening
- ESC-37, Pavement Maintenance
- ESC-38, Pavement Rehabilitation
- ESC-39, Traffic Signals

TransNet funding for these projects constitutes the City’s TransNet Local Street Improvement Program of Projects for Fiscal Years 2022 through 2026. Exhibit A of Resolution No. 2021-88 shows the changes to the 2020 Regional Transportation Improvement Plan, and has been input as an amendment into ProjectTrak, SANDAG’s automated system for programming of regional highway and street funds, by City staff. This Amendment to the Program of Projects in the ProjectTrak system, will realign the plan in ProjectTrak to match the City’s CIP Budget.

ENVIRONMENTAL REVIEW:

The instant action is a request for the City Council to approve the CIP Budget, which is not a commitment of funds to any specific project but rather a general budgeting and fiscal planning tool. Similarly, the General Plan conformance report does not commit funding to any specific project and has been presented to the Planning Commission and the City Council pursuant to Government Code section 65401. All identified projects are subject to further environmental review and thus at this point are merely speculative. Staff has reviewed the list of identified projects and has determined that a number of projects will likely involve the need for preparation of environmental documentation in accordance with the California Environmental Quality Act ("CEQA"). Environmental review will occur and appropriate environmental documents pursuant to CEQA and/or the National Environmental Policy Act ("NEPA") may be prepared after a specific project scope is defined but prior to the City's approval of the project itself, including review and approval of any related construction contracts or entitlements.

For these reasons, the instant action is not a project pursuant to CEQA Guidelines section 15378, which excludes from the definition of "project" "[t]he creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment." (CEQA Guidelines section 15378(b)(4).)

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Christina Holmes, Director of Finance
06/03/21 8:49 a.m.

ATTACHMENTS:

1. Resolution No. 2021-87
2. Resolution No. 2021-88
3. Resolution No. 2021-88 Exhibit "A"

RESOLUTION NO. 2021-87

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE FIVE-YEAR CAPITAL
IMPROVEMENT PROGRAM FOR FISCAL
YEARS 2021/22 – 2025/26 AND THE
PROJECT BUDGETS FOR FISCAL YEAR
2021/22

WHEREAS, the budgets for all capital projects for the period July 1, 2021, through June 30, 2022, inclusive, contained in the Fiscal Years 2021/22-2025/26 Five-Year Capital Improvement Program and Budget Document (a copy of which is on file in the Office of the City Clerk) as amended by the City Council, are adopted as the final project budgets for Fiscal Year 2021/22. Amendments to this budget may be made from time to time following review and approval by minute action of the City Council; and

WHEREAS, the Fiscal Year 2021/22 amount designated for each project and each fund in the Five-Year Capital Project Improvement Program and Budget, on file with the City Clerk, are hereby appropriated to the fund for which it is designated. Such appropriations as adjusted shall be neither increased nor decreased without approval of the City Council, except for transfers within funds allowed under the City of Escondido's adopted budget adjustment policy. All amounts designated in each project budget on file with the City Clerk are hereby appropriated for such uses to the fund under which they are listed, and shall be neither increased nor decreased without approval of the City Manager; and

WHEREAS, any City Council action changing the above mentioned assumptions will cause the Five-Year Capital Improvement Program and Fiscal Year 2021/22 Project Budgets to be revised and brought back to the City Council for modification; and

WHEREAS, the projects in the Five-Year Capital Improvement Program and Fiscal Year 2021/22 Project Budgets conform to and are consistent with the General Plan; and

WHEREAS, all identified projects within the Five-Year Capital Project Improvement Program and Fiscal Year 2021/22 Project Budgets are subject to further environmental review and thus at this point are merely speculative. Appropriate environmental documents pursuant to the California Environmental Quality Act and/or National Environmental Policy Act will be prepared after a specific project scope is defined but prior to the City's approval of the project itself, including prior to the City's review and approval of any related construction contracts or entitlements.

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 adopts the budgets for all capital projects for the period July 1, 2021, through June 30, 2022, inclusive, contained in the Fiscal Years 2021/22-2025/26 Five-Year Capital Improvement Program and Budget Document (a copy of which is on file in the Office of the City Clerk).

RESOLUTION NO. 2021-88

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE ADOPTION OF AN
AMENDMENT TO THE TRANSNET LOCAL
STREET IMPROVEMENT PROGRAM OF
PROJECTS FOR FISCAL YEARS 2022
THROUGH 2026

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

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

WHEREAS, the City of Escondido (“City”) was provided with an estimate of annual *TransNet* local street improvement revenues for fiscal years 2022 through 2026; and

WHEREAS, the City has held a noticed public hearing with an agenda item that clearly identified the proposed list of projects prior to approval of the projects by its authorized legislative body in accordance with Section 5(A) of the *TransNet* Extension Ordinance and Rule 7 of SANDAG Board Policy No. 31.

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

1. That the above recitations are true.

2. That the City requests that SANDAG make the following changes to its 2020 Program of Projects (the “Amendment”), as shown in Table 1. A copy of Table 1 is attached as Exhibit “A” to this Resolution and is incorporated by this reference.

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

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

5. That pursuant to Section 8 of the *TransNet* Extension Ordinance, the City certifies that the required minimum annual level of local discretionary funds to be expended for street and road purposes will be met throughout the five-year period consistent with the most recent Maintenance of Effort Requirements adopted by SANDAG.

6. That pursuant to Section 9A of the *TransNet* Extension Ordinance, the City certifies that it will exact \$ 2,635.50 plus all applicable annual increases, from the private sector for each newly constructed residential housing unit in that jurisdiction (unless exempted under the *TransNet* Extension Ordinance) and shall contribute such exactions to the Regional Transportation Congestion Improvement Program (“RTCIP”).

7. That pursuant to Section 13 of the TransNet Extension Ordinance, the City certifies that it has established a separate Transportation Improvement Account for TransNet revenues with interest earned to be expended only for those purposes for which the funds were allocated.

8. That pursuant to Section 18 of the TransNet Extension Ordinance, the City certifies that each project of \$250,000 or more will be clearly designated during construction with TransNet project funding identification signs.

9. That the City does hereby certify that all other applicable provisions of the *TransNet* Extension Ordinance and SANDAG Board Policy No. 31 have been met.

10. That the City agrees to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to City's *TransNet* funded projects.

Table 1
2021 Regional Transportation Improvement Program
Amendment No. 3
San Diego Region (in \$000s)

Escondido, City of

MPO ID: ESC04			RTIP #:21-03								
Project Title:		Citracado Parkway II						RTP PG NO: A-27; B-34			
Project Description:		Citracado Parkway from West Valley to Andreason (.5 miles) - widen from 2 to 4 lanes with raised medians, construct bridge over Escondido Creek						RAS (M-35) TransNet - LSI: CR			
Change Reason:		Increase funding, Revise funding between fiscal years									
Capacity Status:CI		Exempt Category:Non-Exempt									
Est Total Cost: \$46,321			Open to Traffic: Jun 2022								
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - L	\$581	\$581								\$581	
TransNet - LSI	\$3,819		\$969	\$1,500	\$1,350						\$3,819
TransNet - LSI (Cash)	\$988	\$988									\$988
TransNet - LSI Carry Over	\$4,047	\$615	\$3,432								\$4,047
HUD	\$908	\$908							\$908		
SB1 - LPP Comp	\$12,500	\$12,500									\$12,500
Local Funds	\$21,495	\$18,384		\$2,433	\$677				\$5,608	\$1,000	\$14,887
Local RTCIP	\$1,983	\$1,683		\$300							\$1,983
TOTAL	\$46,321	\$35,659	\$4,401	\$4,233	\$2,027				\$6,516	\$1,581	\$38,224
PROJECT LAST AMENDED 21-00											
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - L	\$581	\$581								\$581	
TransNet - LSI	\$1,694		\$969	\$725							\$1,694
TransNet - LSI (Cash)	\$988	\$988									\$988
TransNet - LSI Carry Over	\$4,047	\$615	\$3,432								\$4,047
HUD	\$908	\$908							\$908		
SB1 - LPP Comp	\$12,500	\$12,500									\$12,500
Local Funds	\$19,465	\$18,384		\$1,081					\$5,608	\$1,000	\$12,857
Local RTCIP	\$1,683	\$1,683									\$1,683
TOTAL	\$41,866	\$35,659	\$4,401	\$1,806					\$6,516	\$1,581	\$33,769

** Pending final SANDAG approval

**2021 Regional Transportation Improvement Program
 Amendment No. 3
 San Diego Region (in \$000s)**

Escondido, City of

MPO ID: ESC08		RTIP #:21-03
Project Title:	Felicita Ave/Juniper Street	RTP PG NO: A-27; B-34
Project Description:	Juniper Street between Chestnut Street and Vermont Avenue; Felicita Avenue between Juniper Street and Escondido Boulevard - The first phase of this project widens Juniper Street between Felicita Avenue and Chestnut Street with Active Transportation Program grant (Juniper Safe Routes to School Project) and Transnet funding. This phase is expected to be constructed during FY20/21. The second phase of the project will widen Felicita Avenue from Escondido Boulevard to Juniper Street. Construction to include new pavement, curbs and gutters, sidewalks, and traffic signal modifications.	RAS (M-35) TransNet - LSI: CR
Change Reason:	Reduce funding, Revise funding between fiscal years	
Capacity Status:	CI	Exempt Category:Non-Exempt

Est Total Cost: **\$9,772** Open to Traffic: Phase 1: Dec 2022 Phase 2: Jan 2027

	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - LSI	\$900		\$150	\$250			\$500			\$500	\$400
TransNet - LSI Carry Over	\$300		\$300						\$21		\$279
ATP - R	\$1,336	\$179		\$1,157					\$179		\$1,157
Local Funds	\$650					\$150	\$500		\$250	\$250	\$150
TOTAL	\$3,186	\$179	\$450	\$1,407		\$150	\$1,000		\$450	\$750	\$1,986

PROJECT LAST AMENDED 21-02											
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - LSI	\$2,550		\$150	\$250	\$900	\$600	\$650				\$2,550
TransNet - LSI Carry Over	\$300		\$300						\$21		\$279
ATP - R	\$1,336	\$179		\$1,157					\$179		\$1,157
Local Funds	\$2,022				\$1,063	\$457	\$502				\$2,022
TOTAL	\$6,208	\$179	\$450	\$1,407	\$1,963	\$1,057	\$1,152		\$200		\$6,008

** Pending final SANDAG approval

**2021 Regional Transportation Improvement Program
 Amendment No. 3
 San Diego Region (in \$000s)**

Escondido, City of

MPO ID: ESC37		RTIP #:21-03
Project Title:	Pavement Maintenance	<i>TransNet - LSI: Maint</i>
Project Description:	A majority of residential streets will be treated in the maintenance zone of focus, and a number of streets classified as Collector and above will be treated throughout the city. The city's maintenance zones can be identified in the uploaded Maintenance Zone Map; Maintenance Zone W (71 lane miles) is underway, and Zone NW (approx. 80 lane miles) will be the next zone of focus. - This is an annual project that includes maintenance (crackseal, chipseal, slurry, sidewalk repairs) of various street elements citywide.	
Change Reason:	Increase funding, Revise funding between fiscal years	
Capacity Status:	NCI Exempt Category: Safety - Pavement resurfacing and/or rehabilitation	

Est Total Cost: **\$43,399**

	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
<i>TransNet - LSI</i>	\$8,698	\$2,546	\$1,070	\$1,201	\$1,250	\$1,294	\$1,336				\$8,698
<i>TransNet - LSI (Cash)</i>	\$9	\$9									\$9
<i>TransNet - LSI Carry Over</i>	\$5,451	\$3,118	\$2,332								\$5,451
Local Funds	\$29,241	\$12,639	\$3,208	\$3,533	\$3,624	\$3,104	\$3,134				\$29,241
TOTAL	\$43,399	\$18,312	\$6,610	\$4,734	\$4,874	\$4,398	\$4,470				\$43,399

PROJECT LAST AMENDED 21-00

	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
<i>TransNet - LSI</i>	\$8,906	\$2,546	\$1,070	\$1,209	\$1,316	\$1,360	\$1,406				\$8,906
<i>TransNet - LSI (Cash)</i>	\$9	\$9									\$9
<i>TransNet - LSI Carry Over</i>	\$5,451	\$3,118	\$2,332								\$5,451
Local Funds	\$27,941	\$12,639	\$3,208	\$3,018	\$2,997	\$3,026	\$3,055				\$27,941
TOTAL	\$42,307	\$18,312	\$6,610	\$4,227	\$4,313	\$4,386	\$4,461				\$42,307

** Pending final SANDAG approval

**2021 Regional Transportation Improvement Program
 Amendment No. 3
 San Diego Region (in \$000s)**

Escondido, City of

MPO ID: ESC38		RTIP #:21-03
Project Title:	Pavement Rehabilitation/Reconstruction	<i>TransNet</i> - LSI: CR
Project Description:	A majority of residential streets will be treated in the maintenance zone of focus, and a number of streets classified as Collector and above will be treated throughout the city. The city's maintenance zones can be identified in the uploaded Maintenance Zone Map; Maintenance Zone W (71 lane miles) is underway, and Zone NW (approx. 80 lane miles) will be the next zone of focus. - Annual project to rehabilitate existing pavement greater than 1" in depth within the city's 8 maintenance zones. Each year the project rotates to a new zone, and identified roads in poor condition are treated.	
Change Reason:	Reduce funding, Revise funding between fiscal years	
Capacity Status:	NCI Exempt Category: Safety - Pavement resurfacing and/or rehabilitation	

Est Total Cost: **\$19,607**

	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
<i>TransNet</i> - L (Cash)	\$2,843	\$2,843									\$2,843
<i>TransNet</i> - LSI	\$12,640	\$5,672	\$1,459	\$754	\$1,118	\$1,770	\$1,868				\$12,640
<i>TransNet</i> - LSI (Cash)	\$14	\$14		\$1							\$14
<i>TransNet</i> - LSI Carry Over	\$4,110	\$2,847	\$1,070	\$192							\$4,110
TOTAL	\$19,607	\$11,376	\$2,529	\$947	\$1,118	\$1,770	\$1,868				\$19,607

PROJECT LAST AMENDED 21-00

	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
<i>TransNet</i> - L (Cash)	\$2,843	\$2,843									\$2,843
<i>TransNet</i> - LSI	\$14,469	\$5,672	\$1,178	\$1,695	\$1,922	\$2,022	\$1,980				\$14,469
<i>TransNet</i> - LSI (Cash)	\$14	\$14									\$14
<i>TransNet</i> - LSI Carry Over	\$3,917	\$2,847	\$1,070								\$3,917
TOTAL	\$21,243	\$11,376	\$2,248	\$1,695	\$1,922	\$2,022	\$1,980				\$21,243

** Pending final SANDAG approval

**2021 Regional Transportation Improvement Program
 Amendment No. 3
 San Diego Region (in \$000s)**

Escondido, City of

MPO ID: ESC39		RTIP #:21-03
Project Title:	Traffic Signals	TransNet - LSI: CR
Project Description:	In Escondido citywide as shown in attached priority list - Construction of new signals and modification of existing signals citywide; signals will be constructed in accordance with the adopted traffic signal priority list. With these funds new signals are anticipated at Rock Springs/Lincoln Ave, and traffic signal modifications at Rock Springs/Mission Ave., Metcalf/Mission, and Mary Lane/Bear Valley Pkwy	
Change Reason:	Increase funding, Revise funding between fiscal years	
	Capacity Status:NCI	Exempt Category:All Projects - Intersection signalization projects at individual intersections
Est Total Cost: \$1,680		

	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - LSI	\$955	\$5	\$50	\$50	\$100	\$250	\$250	\$250			\$955
TransNet - LSI Carry Over	\$725	\$345	\$380						\$30		\$695
TOTAL	\$1,680	\$350	\$430	\$50	\$100	\$250	\$250	\$250	\$30		\$1,650

PROJECT LAST AMENDED 21-00											
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - LSI	\$855	\$5	\$50	\$50	\$250	\$250	\$250				\$855
TransNet - LSI Carry Over	\$725	\$345	\$380						\$30		\$695
TOTAL	\$1,580	\$350	\$430	\$50	\$250	\$250	\$250		\$30		\$1,550

MPO ID: ESC42		RTIP #:21-03
Project Title:	Streetlight Retrofit	
Project Description:	Locations of streetlights retrofitted will be throughout the City of Escondido - This project will retrofit existing street lights throughout the city with new, LED lighting. The number of streetlights retrofitted will be dependent upon pricing of each fixture.	
Change Reason:	Reduce funding	
	Capacity Status:NCI	Exempt Category:Safety - Lighting improvements
Est Total Cost: \$1,822		

	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
Local Funds	\$1,822	\$722	\$200	\$300	\$300	\$300					\$1,822
TOTAL	\$1,822	\$722	\$200	\$300	\$300	\$300					\$1,822

PROJECT LAST AMENDED 21-00											
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
Local Funds	\$2,122	\$722	\$200	\$300	\$300	\$300	\$300				\$2,122
TOTAL	\$2,122	\$722	\$200	\$300	\$300	\$300	\$300				\$2,122

** Pending final SANDAG approval

**2021 Regional Transportation Improvement Program
 Amendment No. 3
 San Diego Region (in \$000s)**

Escondido, City of

MPO ID: ESC50										RTIP #:21-03	
Project Title: Lincoln Parkway Widening										TransNet - LSI: CR	
Project Description: Lincoln Parkway/Avenue from Garrick Way to Fig Street (.21 miles) - This project updates the adopted Specific Alignment Plan for the widening of Lincoln Parkway/Avenue between Garrick Way to Fig Street.											
Change Reason: Increase funding, Revise funding between fiscal years											
Capacity Status:NCI Exempt Category:Other - Engineering studies											
Est Total Cost: \$3,513											
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - LSI	\$1,600				\$100	\$1,000	\$500		\$500		\$1,100
Local Funds	\$1,913				\$672	\$1,242					\$1,913
TOTAL	\$3,513				\$772	\$2,242	\$500		\$500		\$3,013
PROJECT LAST AMENDED 21-00											
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - LSI	\$700					\$300	\$400		\$700		
TOTAL	\$700					\$300	\$400		\$700		

MPO ID: ESC51										RTIP #:21-03	
Project Title: Comprehensive Active Transportation Strategy											
Project Description: A Comprehensive Active Transportation Strategy (CATS) evaluates current infrastructure and demand to develop a well-connected active transportation network. The CATS will evaluate trail, bike lane and sidewalk connectivity to ensure that limited resources are used to improve the highest priority facilities. The CATS also provides support for future grant applications and is identified as an activity in the Climate Action Plan.											
Change Reason: New Project											
Capacity Status:NCI Exempt Category:Other - Engineering studies											
Est Total Cost: \$500											
	TOTAL	PRIOR	20/21	21/22	22/23	23/24	24/25	FUTURE	PE	RW	CON
TransNet - LSI	\$500			\$250	\$250				\$500		
TOTAL	\$500			\$250	\$250				\$500		

** Pending final SANDAG approval

**2021 Regional Transportation Improvement Program
 Amendment No. 3
 San Diego Region (in \$000s)**

RTIP Fund Types

<u>State Funding</u>	
ATP	Active Transportation Program (Statewide and Regional)
SB1 - LPP Comp	Senate Bill 1 - Local Partnership Competitive Program
<u>Local Funding</u>	
Local Funds AC	Local Funds - Advanced Construction; mechanism to advance local funds to be reimbursed at a later fiscal year with federal/state funds
RTCIP	Regional Transportation Congestion Improvement Program
<i>TransNet-L</i>	Prop. A Local Transportation Sales Tax - Local Streets & Roads
<i>TransNet-L (Cash)</i>	TransNet - L funds which agencies have received payment, but have not spent
<i>TransNet-LSI</i>	Prop. A Extension Local Transportation Sales Tax - Local System Improvements
<i>TransNet-LSI Carry Over</i>	TransNet - LSI funds previously programmed but not requested/paid in year of allocation
<i>TransNet-LSI (Cash)</i>	TransNet - LSI funds which agencies have received payment, but have not spent

** Pending final SANDAG approval

CITY COUNCIL STAFF REPORT

Current Business Item No. 7

June 9, 2021

File No. 0865-60

SUBJECT: Coronavirus (COVID-19) Emergency Business Recovery Strategy Report

DEPARTMENT: Community Development Department

RECOMMENDATION:

It is requested that the City Council:

1. Receive and file the COVID-19 Emergency Business Recovery Strategy Status Update Report;
2. Review and discuss the American Rescue Plan Act and rulemaking as an informational presentation; and
3. Authorize the City Manager or the City Manager's designee to accept **\$38,808,509** from the US Treasury and direct the City Manager or designee to develop recommendations for appropriation of the American Rescue Plan Act funds and return to the City Council for approval.

Should the City Council give any direction on the Business Recovery Strategy or other means to support the community in assessing funding, City of Escondido ("City") staff will return to the City Council at a future meeting date with additional information and/or any program details and funding proposals that may be required to review and consider how best to implement City Council direction.

FISCAL IMPACT OF COVID & GOVERNMENT AID PACKAGES:

The COVID-19 outbreak and the economic downturn had a sharp and severe impact on unemployment among American workers, business operations, and business revenue. The COVID-19 pandemic forced a sudden, new way of life upon our communities. The fiscal impact of COVID-19 in March 2020 led to fundamental changes in consumer behavior and supply chains, knocking the economy off balance. As businesses were shuttered due to public health orders, according to the Bureau of Labor and Statistics, unemployment numbers rose in the United States by more than 14 million, from 6.2 million persons unemployed in February 2020 to an estimated 20.5 million people out of work due to the pandemic by May 2020. In California, the all-time high unemployment rate of 16.4% was set in April and May of 2020.

Even though surging COVID-19 case rates and fluctuating health orders and restrictions caused uncertainty, government stimulus activity from federal, state, and county programs began to reverse the downward trend in the economy. By spring 2021, health orders and restrictions in states, counties, and cities broadly started rolling back restrictions as vaccines developed and COVID-19 was no longer the same threat to the health care system as it was in 2020. The most recent unemployment data from the California Employment Development shows state unemployment at 8.3% and San Diego County's at 7.2%. Although there has been significant progress in employment,

business, and service data, it is not known how long it will take to recover financially from the impacts of COVID-19.

The U.S. federal government responded to the crisis when it enacted a number of policies and acts to provide fiscal stimulus or stabilization to the economy and to those affected by the COVID-19 crisis.

- The Families First Coronavirus Response Act (signed into law on March 18, 2020) consisted of a \$104 billion package, largely focused on paid sick leave and unemployment benefits for workers and families.
- The \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) package (signed into law on March 27, 2020) provided one-time cash payments to individuals, \$260 billion in expanded unemployment benefits, \$350 billion to a Paycheck Protection Program and Emergency Disaster Loan Program, as well as other resources for economic relief including direct funding to counties and cities. Escondido was allocated \$4,602,696, which is described in more detail later in this report.
- The Paycheck Protection Program and Healthcare Enhancement Act (signed into law on April 24, 2020) added \$320 billion to the Paycheck Protection Program.
- The Consolidated Appropriations Act (signed into law on December 27, 2020) was a \$2.3 trillion spending bill which provided one-time cash payments to individuals, \$285 to second-time Payment Protection Program borrowers and Emergency Disaster Loan Program, \$25 billion in rental assistance, \$8 billion to the operation and management of public housing, as well as other resources for economic relief.
- The \$1.9 trillion American Rescue Plan (signed into law on March 11, 2021), also called the American Rescue Plan Act (“ARPA”), provided \$7.25 billion for another round of additional forgivable loans for small businesses, \$29 billion in grants to restaurants, \$25 billion for emergency rent assistance, \$10 billion for homeowner assistance, and \$15 billion in economic disaster loans, etc.

Through the CARES Act, the City was awarded \$11,485,005 in federal and state pass-through stimulus money. Through the ARPA, the City will be awarded another \$38,808,509. The total amount of funding listed in this report, \$45,690,818, does not account for the Federal Emergency Management Agency’s (“FEMA”) Disaster Relief Fund, which continues to reimburse states and local governments for a limited array of COVID-19-related expenses including personal protective equipment, vaccine distribution, sanitization of certain public facilities, and other direct responses to the health emergency.

Coronavirus Aid, Relief, and Economic Security Act - On March 27, 2020, the President of the United States signed the CARES Act Public Law 116-136 into law, providing \$2.2 trillion in federal funds to respond to the COVID-19 pandemic. Under the CARES Act, the Treasury provided direct funding only to counties and municipalities with populations greater than 500,000. All other funding was provided to states to distribute as they deemed appropriate.

Escondido was allocated \$1,889,210 from the State and \$2,713,486 from the County of San Diego; a total of \$4,602,696.

The CARES Act funds were used by Escondido for payroll costs of personnel and services that were diverted to a substantially different use, such as Community Services staff delivering Senior Meals, as well as the costs incurred for public safety and public health employees who were substantially dedicated to mitigating or responding to COVID-19 public health emergency. The funds were all also used to purchase personal protective equipment and the supplies needed to support public health and the measures undertaken in response to the emergency. Economic development and increasing the City's technology capabilities to enhance teleworking and video conferencing availability were a priority for spending the remaining funds. Equipment was purchased to support and improve the teleworking capabilities of staff. In addition, \$60,000 was allocated to the Escondido Union School District for wireless hotspot equipment, and \$40,000 was allocated to the Escondido Union High School District for the purchase of student electronic devices. To support the City's business community, \$1.0 million in grants were awarded to 103 local businesses.

The CARES Act also included \$5 billion for the CDBG-CV and \$4 billion for the ESG-CV program to prevent, prepare for and respond to the COVID-19 pandemic. HUD allocated CDBG-CV funds to entitlement jurisdictions in three rounds and ESG-CV funds in two rounds. The City initially received \$1,070,024 in CDBG-CV funds through the first round of funding, none in the second, and \$1,324,858 in the third round. The City received \$552,803 in ESG-CV funds through the first round of funding and \$3,934,624 in the second round. (This funding is in addition to the City's annual allocations of Community Development Block Grant ("CDBG"), HOME Investment Partnerships ("HOME"), and Emergency Solutions Grant ("ESG") funds from HUD.) As of this writing, all funds from the \$6,882,309 CDBG-CV and ESG-CV allocations have been earmarked or committed to implementing programs (outlined summary provided in Attachment 2).

American Rescue Plan Act - On March 11, 2021, President Biden signed the ARPA into law. The \$1.9 trillion package was intended to combat the COVID-19 pandemic, including the public health and economic impacts. The law provides \$350 billion in emergency funding for state and local governments, including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. The amount allocated to Escondido is **\$38,808,509**. Within the ARPA categories of eligible uses listed, recipients like Escondido have broad flexibility to decide how best to use this funding to meet the needs of their communities. As of this writing, we know some things from the ARPA statute itself, but we don't know the specifics until at least July 16, 2021.

	CARES Round 1	CARES Round 2	CARES Round 3	ARPA Direct	Total
CARES ACT	\$4,602,696	N/A	N/A	N/A	\$4,602,696
CDBG-CV	\$1,070,024	\$0	\$1,324,858	N/A	\$2,394,882
ESG-CV	\$552,803	\$3,934,624	N/A	N/A	\$4,487,427
ARPA	N/A	N/A	N/A	\$38,808,509	\$38,808,509
TOTAL					\$50,293,514

The economic impact of the COVID-19 crisis has also had a direct impact on City revenues and budget. Overall, the City’s financial expenditure reports relating to the response to the COVID-19 pandemic have been provided in quarterly updates, which include economic outlook projections and updates on the City’s finances. Revenue from sales tax appears to have been bolstered by the economic stimulus payments, paycheck protection program, and other economic measures intended to offset the impacts of COVID-19; and revenue from the City’s share of property taxes is not expected to be substantially impacted by COVID-19. As reported during the last quarterly report to the City Council on May 12, 2021, reactive cost saving measures including cuts to staff and services, reduced maintenance of City parks, eliminating community outreach programs, deferring infrastructure maintenance, etc., were sufficient to close the initial budget gap. However, due to the restrictions of COVID-19 and resulting economic impacts, operating revenue was reduced by 5% or about \$5.5 million from the prior fiscal year.

The restrictions from the COVID-19 pandemic have continued to negatively impact sales tax revenue when compared to the prior year activity; however, due to a strong local economy and increased receipts, the operating revenue exceeded the amount projected by about \$2.5 million and the amount of sales tax revenue projected to be received this fiscal year is estimated to increase by \$3.4 million from the original budget amount, from \$35.9 million to \$39.4 million. Property tax and revenues from current development, which include building permits, planning fees, building department fees, and engineering fees have also increased from the prior year. The revised General Fund revenue projections for FY2020/21 will have a positive impact on the fiscal year end operating results; however, the City’s on-going structural budget gap remains.

In spite of many positive economic developments, federal aid packages, and a vaccine rollout in recent months, the restrictions from the COVID-19 pandemic have continued to negatively impact certain General Fund revenue sources. Based on the analysis of the third quarter actual results, it is projected that the General Fund will end the fiscal year with a net operating loss and will rely on the use of budgeted one-time funds of \$6 million. As of this writing, City staff is recommending the use of ARPA funds for this purpose. Until revenue is increased on an on-going and structural basis, such as through an increased sales tax measure, the City must continue to rely on short-term, one-time resources to continue operations and avoid drastic cuts to City services.

PREVIOUS ACTIONS:

On March 16, 2020, pursuant to Chapter 7 of the Escondido Municipal Code, the City Manager, acting in his capacity as the Director of Emergency Services (“Director”), issued a Local Emergency Proclamation related to the COVID-19 pandemic.

On March 18, 2020, pursuant to Proclamation No. 2020-01, the City Council ratified the Director’s Proclamation and issued its own Local Emergency Proclamation.

On April 8, 2020, the City Council considered and approved Urgency Ordinance No. 2020-09R to grant temporary eviction protection for both commercial and residential tenants impacted by COVID-19.

On May 13, 2020, the City Council approved a local Business Recovery Strategy implementing temporary regulatory and nonregulatory measures to assist business economic recovery efforts and directed City staff to bring forth an Urgency Ordinance on May 20, 2020, adopting recommended regulatory relief measures.

On May 20, 2020, the City Council considered and approved Urgency Ordinance No. 2020-13 to extend the temporary eviction moratorium. Additionally, the City Council adopted Urgency Ordinance No. 2020-12 on an interim basis to establish temporary business relief measures and reduce outdoor retail regulations and signage restrictions in response to COVID-19, while also helping to ensure the health and safety of employees, customers, and the general public. The Urgency Ordinance was effective for an initial 90-day period. Further, the City Council amended the City’s Citizen Participation Plan and confirmed policy priorities for both CDBG-CV and ESG-CV funding.

On June 24, 2020, the City Council approved a second amendment to its FY 2019-2020 Annual Action Plan in order to receive Round 1 CDBG-CV funds and ESG-CV funds. The City Council also considered and approved Urgency Ordinance No. 2020-16 to extend the temporary eviction moratorium. Further, the City Council accepted CARES Act Coronavirus Relief funding from the County of San Diego with a budget adjustment for \$2,713,486.

On July 15, 2020, the City Council approved a budget adjustment of \$1,889,210 to accept CARES Act Coronavirus Relief funding from the State of California.

On August 12, 2020, the City Council considered and approved Urgency Ordinance No. 2020-22 to extend the temporary eviction moratorium.

On August 19, 2020, the City Council adopted Urgency Ordinance No. 2020-21 to modify and extend the temporary business relief measures as a means of mitigating and preventing further public safety and health effects of the COVID-19 pandemic. Urgency Ordinance No. 2020-21 served as an extension of Urgency Ordinance No. 2020-13 and was also effective for 90 days.

On September 16, 2020, the City Council introduced Ordinance No. 2020-23 to adopt an uncodified ordinance for the Business Recovery Strategy.

On December 16, 2020, the City Council approved a third amendment to its FY 2019-2020 Annual Action Plan to accept Round 2 ESG-CV funds.

On March 3, 2021, the City Council approved a fourth amendment to its FY 2019-2020 Annual Action Plan to accept Round 3 CDBG-CV funds and allocate funding to projects and programs.

On April 21, 2021, the City Council approved a fifth amendment to its FY 2019-2020 Annual Action Plan to fund additional programs assisting homeless persons.

BACKGROUND/ANALYSIS:

A novel coronavirus referred to as COVID-19, which causes infectious disease, was first detected in December 2019, and thereafter spread throughout the world. On March 4, 2020, Governor Gavin Newsom declared a state of emergency following the first COVID-19 death in the state of California. On March 15, 2020, he directed all “non-essential” businesses to close in the state. Shortly after, on March 19, 2020, Governor Newsom issued Executive Order N-33-20 ordering all residents “to immediately heed the current State public health directives,” which included a Department of Public Health directive that people who leave their homes or places of residences “should at all times practice social distancing.”

Within Executive Order N-33-20, the State Public Health Officer ordered “all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors,” thereby shutting down or substantially limiting the operations of all non-essential business and services. During this time of shelter-in-place, self-isolation, and other social distancing measures, many individuals experienced substantial loss of personal or business income. While the social distancing and stay-at-home orders supported the need to slow the spread of the virus, there were immediate adverse impacts to businesses, the workforce, and residents. Specifically, the orders precluded some residents of the city from working, required some businesses to close or significantly decrease customer capacity, and required residents to work fewer hours to take care of children who remained at home due to school closures or take care of ill family members.

As the public health emergency intensified in Spring 2020, and the number of people infected by COVID-19 increased, cities and counties in the State of California began to develop local economic relief plans so that businesses had the ability to rebound from the adverse impacts of COVID-19 and continue to provide employment and generate tax revenue to set the stage for economic recovery after the emergency is over, while continuing to help ensure the safety and protection of individuals. Through all the mandates by the state and county to open, close, or modify public and private operations, the City worked to encourage and enforce adherence to the public health orders. The City’s initial response was focused on protecting the health, safety, and welfare of all residents, while supporting as many businesses as possible through difficult shutdowns, stay-at-home orders, social distancing protocols, etc. The City developed a strategic plan on May 13, 2020, called the Business Recovery Strategy, that provided sustained solutions that involved both regulatory and non-regulatory initiatives. A chronological summary of the City’s economic recovery efforts is listed in Attachment 1.

Six months after the shutdown, the state unveiled its Blueprint for a Safer Economy, which the Governor said outlined a stringent and slow plan for living with the COVID-19 pandemic for the long haul. This tiered plan used health metrics to slot counties into tiers based upon the severity of community spread, allowing for more business activities where there was less spread and imposing greater restrictions where community transmission was more widespread. The County of San Diego was initially in the red or “substantial” tier, which had fewer restrictions than the purple or “widespread” tier. On December 5, 2020, the Governor announced the Regional Stay at Home Order, which put more stringent restrictions on business operations. This order was lifted on January 25, 2021. (That lifted some of the greatest restrictions that had been imposed on business operations to combat the pandemic.) At that time, the County of San Diego was in the purple or “widespread” tier, before advancing to the red, and eventually orange tier. (This has allowed for indoor operations with capacity limits for nearly all business types.) San Diego County has now vaccinated more than 1.3 million people, 64% of the population, with at least one dose and at least 821,000 people, 41% of the population, have been fully vaccinated. The Governor announced that the tiered reopening system is scheduled to be eliminated on June 15, 2021, if community spread, hospitalization and measure of intensive care unit capacity continue to remain stable and improve.

The introduction of additional economic assistance resources and the gradual relaxation of restrictions on business operations is likely to improve the health of Escondido businesses and services. However, for many businesses and business sectors, the impact remains severe. The COVID-19 pandemic has led to fluctuating public health orders that have at times required people to stay at home, limited or suspended business operations, and reduced tourism and travel. Over the last year, Escondido has continued to face many economic and social challenges as a result of the COVID-19 pandemic, including business closures and restrictions; rapid increases in unemployment; sudden and unanticipated loss of income; disruption in essential services; and, overwhelming and unanticipated demand on the City for assistance from businesses and workers in sectors most impacted by the various Health Order restrictions. These restrictions have had disruptive effects on the economy across the nation, the state, and in Escondido.

Since the COVID-19 health emergency and corresponding economic crisis first began in March 2020, the City responded during the course of the COVID-19 pandemic with new policies, programs, and actions to support businesses, workers, and the public at large. A chronological summary of the City’s economic recovery efforts is listed in Attachment 1. At different times, the City Council also asked staff to explore options for additional direct financial assistance to businesses in response to the COVID-19 pandemic. City staff have researched such efforts in other cities, engaged with business organizations, received input from businesses, and Attachment 2 provides the list of all of the resulting direct-aid programs that are still available to Escondido residents and businesses.

Recovery from the COVID-19 coronavirus crisis, stay-at-home orders, social distancing protocols, etc. required the City to address multiple dimensions of development and business activity. From this need, the City Council adopted Urgency Ordinance No. 2020-12 on an interim basis on May 20, 2020 and established temporary business relief measures and reduced outdoor retail regulations and signage restrictions in response to COVID-19, while also helping to ensure the health and safety of employees, customers, and the general public. The Urgency Ordinance was effective for a 90-day

period. On August 19, 2020, the City Council adopted Urgency Ordinance No. 2020-21 to modify and extend the temporary business relief measures as a means of mitigating and preventing further public safety and health effects of the COVID-19 pandemic. On September 16, 2020 the City Council introduced Ordinance No. 2020-23 to adopt an uncodified ordinance for the Business Recovery Strategy. In many ways, Ordinance No. 2020-23 may be regarded as an extension of Urgency Ordinance Nos. 2020-12 and 2020-21 in that it advanced the same temporary business relief measures. But, unlike the urgency ordinances previously adopted, Ordinance No. 2020-23 is scheduled to remain in effect until 30 days after expiration or termination of the Local Emergency, or until the Ordinance is modified or revoked by the City Council whichever is sooner. Below is a list of the business relief measures include in Ordinance No. 2020-23 ordinance.

- Sign limits and regulations (creating more flexibility to advertise business, adjusted hours and/or COVID-19 precautions).
- Regulations of alcohol sales (off-site sale allowances).
- Carryout zones (creating flexible drop-off and pick-up options).
- Outdoor activities in parking and non-parking areas (supporting the expansion of outdoor sales, displays, and services).
- Indoor expansions for uses (streamlining temporary expansions without zoning permits).
- Parking regulations exemption (creating more flexibility for businesses).
- New structure and modification exemption (streamline business activity).
- Agricultural experiences (incidental use of agricultural lands).
- Home occupations (allowing customers and employees).

Now that there are reasons for optimism about the COVID-19 pandemic winding down, and it appears that we are moving from pandemic response to economic recovery, City staff will be evaluating the scope and extent of the interim regulatory measures and make recommendations as to which measures should be made more permanent. The Community Development Department will work with the City Attorney's Office on legal analysis and return with a detailed ordinance for the City Council's consideration.

ARPA Funds

On May 10, 2021, the United States Department of the Treasury released the Interim Final Rule regarding the expenditure of funds to be received under the American Rescue Plan Act ("Interim Final Rule") and submitted it to the Office of the Federal Register for publication and public comment. The Treasury also released details on the ways funds can be used to respond to acute pandemic-response needs, fill revenue shortfalls among state and local governments, and support the communities and populations hardest-hit by the COVID-19 crisis. The Office of the Federal Register published the Interim Final Rule on May 17, 2021 and established a public comment deadline of July 16, 2021. The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each state and local government to meet local needs — aid to state and local governments. In addition to the \$38.8 million of direct relief to Escondido, California will receive \$26 billion, and San

Diego County will receive \$652 million. The funds cover expenses incurred through December 2024 and can be used to:

- Repond to the COVID-19 emergency and address its negative economic impacts, including aid to households, small businesses, nonprofit organizations
- Provide premium pay to public employees that carry out essential services and to employers whose workers conduct essential services
- Provide government services for local governments that have suffered revenue reductions as a result of COVID-19; note these are eligible expenses that the CARES ACT had specifically prohibited • Make investments in water, sewer, or broadband infrastructure

While there are limitations on the use of the direct aid funds allocated to cities, they may be used to support a city's operations to the extent that the city lost the equivalent amount of revenue. With General Fund revenue losses anticipated, City staff will be looking into ways to cover unfunded COVID-related costs and stabilize the General Funds; and expand or renew programs and services that address community priorities or economic recovery. Because General Fund revenues will not recover to a level that can absorb new on-going expenditures for several years, City staff will be looking into options that may pace the allocation of the \$38.8 million over different fiscal years, until the spending deadline of December 2024.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This agenda item consists of an overview and informational presentation on the Business Recovery Strategy, and does not create or alter policy. The content is provided for informational purposes only, and is therefore not subject to the requirements of the California Environmental Quality Act ("CEQA") per CEQA Guidelines section 15378(b)(5), which excludes from the definition of "project" organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. This informational item provides a means to monitor the success of implementing the Business Recovery Strategy and review what was implemented since the start of the COVID-19 crisis. This item is therefore not a project under CEQA.

As a matter of background, the Business Recovery Strategy, was determined to be exempt from CEQA pursuant to Public Resources Code section 21080(b)(4) and CEQA Guidelines section 15269(c), as a project undertaken to prevent or mitigate an emergency.

CONCLUSION:

During the COVID-19 pandemic we learned how to cope with the crisis. As we move from pandemic response to economic recovery and longer-term revitalization, a thoughtful approach to continued support for businesses is required. We need to learn how to be resilient and adapt to new priorities, capabilities, and outlooks. City staff will work with other cities and engage with experts on an on-going basis to assess the City's economic response and recovery to the COVID-19 pandemic. Based on that assessment and the change in pandemic and economic conditions, City staff may recommend additional changes and/or a new strategic approach to economic recovery. It is anticipated that this

assessment and strategic analysis would be on-going. City staff will continue to share information and provide support to small businesses seeking relief through government-backed programs. City Council will receive updates as more information about the more recent \$1.9 trillion- ARPA relief package becomes available.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Mike Strong, Director of Community Development

06/03/21 8:51 a.m.

ATTACHMENTS:

1. Attachment "1" – Escondido Economic Recovery Efforts
2. Attachment "2" - Resources for Businesses and Residents

**Escondido Economic Recovery Efforts
June 9, 2021 City Council Meeting**

The following is a chronological summary of the City's economic recovery efforts thus far:

1. The City's Economic Development Division created an Economic Recovery Matrix to identify and track efforts that the City has undertaken since March 12, 2020, to support businesses and residents. The matrix includes measures that have already been implemented, as well as measures that are in progress, under consideration, and those determined not feasible (Attachment 3). This matrix is intended to be a 'living document' with additional measures and strategies incorporated as they arise.
2. The City ceased utility disconnections for non-payment and waived reconnection fees on March 12, 2020.
3. The City launched an on-line resource "Support Local Food and Drink" on March 18, 2020, that provided the community with information on local farms, breweries, wineries, and restaurants offering food and beverages to-go, curbside pickup, and/or delivery. This included a list of the establishments as well as an interactive map.
4. The San Diego North Economic Development Council, the North County Chambers of Commerce, and North County City Economic Developers began convening joint weekly meetings on March 19, 2020, to discuss updates and information on federal, state, and local economic recovery programs.
5. The City ceased issuing tickets for street sweeping on March 20, 2020, after the Stay at Home Order was issued.
6. The Escondido Chamber of Commerce invited City Economic Development staff and the U.S. Small Business Administration to discuss local, state, and federal programs, gather feedback, and share business best practices with their membership on April 3 and April 9, 2020.
7. On April 8, 2020, the City Council approved the first of several urgency ordinances to grant temporary eviction protection for both commercial and residential tenants impacted by COVID-19.
8. San Diego County Vice-Chairman Desmond and the San Diego North Economic Development Council convened a North County Economic Recovery Workgroup on April 15 and April 28, 2020, that included City Economic Development staff and key local industry stakeholders from Escondido to discuss stakeholder business perspectives, requests, and operational needs.
9. The City Manager appointed a multidisciplinary City Re-Opening Workgroup on April 21, 2020, to develop recommendations for re-opening City facilities in a phased approach including operational practices that ensure the health and safety of employees and the public.
10. Economic Development staff collaborated with the Chamber of Commerce and Downtown Business Association on April 27, 2020, to gather feedback from industry stakeholders regarding the proposed Business Recovery Strategy recommendations.

Attachment "1"

11. The City partnered with the Chamber of Commerce to launch the on-line community resource "Escondido Eats" on May 1, 2020, available for all local food and drink establishments to share meal and beverage promotions, discounts and specials on a centralized calendar.
12. On May 13, 2020, the City Council approved a local Business Recovery Strategy implementing temporary regulatory and nonregulatory measures to assist business economic recovery efforts. City staff worked closely with Innovate78 and the San Diego North Economic Development Council to develop a comprehensive Business Recovery Strategy that includes recommendations for regulatory relief allowing local businesses to meet the requirements set forth by the State and County Public Health Orders.
13. The City created the Business Ombudsman Program, wherein Economic Development staff would work with the Communications Department to advertise newly adopted temporary regulatory relief measures and collect new ideas for systematic implementation on an ad-hoc basis.
14. On May 20, 2020, the City Council considered and approved Urgency Ordinance No. 2020-13 to extend the temporary eviction moratorium.
15. The City Council adopted Urgency Ordinance No. 2020-12 on an interim basis on May 20, 2020, to establish temporary business relief measures and reduce outdoor retail regulations and signage restrictions in response to COVID-19, while also helping to ensure the health and safety of employees, customers, and the general public. The Urgency Ordinance was effective for an initial 90-day period.
16. On May 20, 2020 the City Council amended the City's Citizen Participation Plan and confirmed policy priorities for both CDBG-CV and ESG-CV funding. (Allocations of federal funding were awarded over time as reflected in the June 9, 2021 City Council Agenda Report.)
 - CDBG-CV Funding Allocations. The City allocated \$2,394,882 total in CDBG-CV funds to the senior nutrition programs, eviction prevention programs, neighborhood improvements to the downtown area to promote business and social distancing, rental assistance programs, and utility assistance programs.
 - ESG-CV Funding Allocations. The City allocated \$4,487,427 total in ESG-CV funding for homelessness prevention, rapid rehousing, homeless outreach, and emergency shelters.
17. On June 24, 2020 the City Council accepted CARES Act Coronavirus Relief funding from the County of San Diego with a budget adjustment for \$2,713,486; and on July 15, 2020 the City Council approved a budget adjustment of \$1,889,210 to accept CARES Act Coronavirus Relief funding from the State of California (a total of \$4,602,696). The CARES Act funds were used by Escondido for payroll costs of personnel and services that were diverted to a substantially different use, such as Community Services staff delivering Senior Meals, as well as the costs incurred for public safety and public health employees who were substantially dedicated to mitigating or responding to COVID-19 public health emergency. The funds were all also used to purchase personal protective equipment and the supplies needed to support public health and the measures undertaken in response to

Attachment "1"

the emergency. Economic development and increasing the City's technology capabilities to enhance teleworking and video conferencing availability were a priority for spending the remaining funds.

18. On June 24, 2020, the City Council considered and approved Urgency Ordinance No. 2020-16 to extend the temporary eviction moratorium.
19. The City Council approved on June 24, 2020, a second amendment to its FY 2019-2020 Annual Action Plan in order to receive Round 1 CDBG-CV funds and ESG-CV funds.
20. The City's Public Works Division installed fencing along Grand Avenue to accommodate one traffic lane in each direction, from Maple Street to Juniper Street, to temporarily expanded outdoor dining and retail starting on July 10, 2020.
21. Launch of CityWorks online permit processing portal on July 1, 2020 to continue processing land use development requests.
22. The City Business Grant Program was launched on July 17, 2020 in English and Spanish to award \$1M in CARES Act funding to local businesses.
23. The "Jumpstart Small Business - Start Your Business in a Day" program officially launched on August 12. The City along with the four Innovate78 Corridor cities (San Marcos, Vista, Carlsbad, and Oceanside) and the San Diego North Economic Development Council partnered with the San Diego and Imperial Small Business Development Center (SBDC) to launch the "Jumpstart Small Business-Start Your Business in a Day" Program on August 12 to assist entrepreneurs to get their business idea off of the ground and to support existing small business owners to expand. To start, this program will have content in English and Spanish as a pre-recorded training so those interested will be able to access the content here. For the next phase, the SBDC will offer live training sessions in English and Spanish, the dates and times will be posted on the website as well as they become available.
24. On August 12, 2020, the City Council considered and approved Urgency Ordinance No. 2020-22 to extend the temporary eviction moratorium.
25. On August 19, 2020, the City Council adopted Urgency Ordinance No. 2020-21 to modify and extend the temporary business relief measures as a means of mitigating and preventing further public safety and health effects of the COVID-19 pandemic. Urgency Ordinance No. 2020-21 served as an extension of Urgency Ordinance No. 2020-13 and was also effective for 90 days.
26. On September 16, 2020 the City Council introduced Ordinance No. 2020-23 to adopt an uncodified ordinance for the Business Recovery Strategy.
27. On December 16, 2020, the City Council approved a third amendment to its FY 2019-2020 Annual Action Plan to accept Round 2 ESG-CV funds.
28. On March 3, 2021, the City Council approved a fourth amendment to its FY 2019-2020 Annual Action Plan to accept Round 3 CDBG-CV funds and allocate funding to projects and programs.

Attachment "1"

29. On April 21, 2021, the City Council approved a fifth amendment to its FY 2019-2020 Annual Action Plan to fund additional programs assisting homeless persons.

**Resources for Businesses and Residents
June 9, 2021 City Council Meeting**

As the City has responded to the COVID-19 crisis, many economic development initiatives that were already underway were reworked to address the evolving critical needs to residents and businesses. As City Officials sought out ways to stabilize services and worked to restart and recharge the local economy, the City also capitalized on regional resources and knowledge-sharing to reimagine governmental services. A sampling of these response efforts that were deployed from local, state, and federal resources over the last year includes the following:

FOOD RESOURCES

- NORTH COUNTY FOOD BANK

<https://feedingsandiego.org/>

- FEEDING SAN DIEGO

<https://feedingsandiego.org/>

- MEALS ON WHEELS

<https://www.meals-on-wheels.org/>

- CALFRESH

https://www.sandiegocounty.gov/content/sdc/hhsa/programs/ssp/food_stamps.html

- SENIOR NUTRITION PROGRAM

The Nutrition Program is sponsored by the City of Escondido and the County of San Diego Aging and Independence Services. Developed to promote healthy and nutritionally balance lunch for seniors, the nutrition program serves delicious meals Monday through Friday. Senior Nutrition has transitioned to delivery and pick-up of meals.

- INTERFAITH SERVICES (SOUP KITCHEN AND FOOD BANK)

<https://www.interfaithservices.org/>

- ESCONDIDO UNION SCHOOL DISTRICT/ESCONDIDO UNION HIGH SCHOOL DISTRICT

<http://www.schoolnutritionandfitness.com/index.php?sid=1304101826544933>

<https://eusdhealthykids.org/>

SAN DIEGO COUNTY PUBLIC ASSISTANCE PROGRAMS

The Health and Human Services Agency (“HHS”) administers several programs that help families and individuals. Each of these programs has its own eligibility rules. Please refer to the program website for more information.

- CALWORKS
<https://www.sandiegocounty.gov/content/sdc/hhsa/programs/ssp/calworks.html>
- MEDI-CAL
https://www.sandiegocounty.gov/content/sdc/hhsa/programs/ssp/medi-cal_program.html
- CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (“CAPI”)
<https://www.sandiegocounty.gov/content/sdc/hhsa/programs/ssp/capi.html>
- GENERAL RELIEF PROGRAM
https://www.sandiegocounty.gov/content/sdc/hhsa/programs/ssp/general_relief.html
- COUNTY MEDICAL SERVICES (“CMS”)
https://www.sandiegocounty.gov/content/sdc/hhsa/programs/ssp/county_medical_services.html

HOMELESS AND HOMELESSNESS PREVENTION SERVICES

- COUNTY RENTAL ASSISTANCE PROGRAM (PREVENTION):

The County’s 2021 Emergency Rent and Utilities Assistance Program (ERAP) helps eligible households in qualifying areas who have been financially impacted by the COVID-19 pandemic. The program provides payment assistance for renters who need help with rent and utilities. Applications will be accepted until funds are no longer available

<https://www.sandiegocounty.gov/sdhcd/>
- INTERFAITH SERVICES (MORTGAGE/RENT ASSISTANCE AND WELLNESS PROGRAMS)
<https://www.interfaithservices.org/>
- ESCONDIDO RESOURCES ON HOMELESSNESS
<https://homelessness.escondido.org>
- UTILITY BILL ASSISTANCE
<https://www.sdge.com/residential/pay-bill/get-payment-bill-assistance>

Attachment "2"

- HOMELESS SERVICES MEDICAL MOBILE UNITS (CALL 211 PROGRAM)
<https://my211.force.com/s/service/a1j4100000f9ifAAA/homeless-services-mobile-medical-units>
- LEGAL AID SOCIETY
<https://www.lassd.org/>
- TENANT RELIEF ACT RESOURCES (PROTECTIONS FOR TENANTS AND HOMEOWNERS)
<https://housing.ca.gov/>
- CALIFORNIA EVICTION MORATORIUM EXTENDED THROUGH JUNE 30, 2021
<https://www.gov.ca.gov/2021/01/29/governor-newsom-signs-legislation-to-extend-eviction-moratorium-and-assist-tenants-and-small-property-owners-impacted-by-covid-19/>

BUSINESS RESOURCES

- UNEMPLOYMENT INSURANCE, ASSISTANCE, AND BENEFITS
https://www.edd.ca.gov/Unemployment/Filing_a_Claim.htm
https://edd.ca.gov/about_edd/coronavirus-2019/pandemic-unemployment-assistance.htm
- DISABILITY INSURANCE
https://www.edd.ca.gov/Disability/How_to_File_a_DI_Claim_in_SDI_Online.htm
- PAID FAMILY LEAVE
https://www.edd.ca.gov/Disability/How_to_File_a_DI_Claim_in_SDI_Online.htm
- COVID-19 POSITIVE RECOVERY STIPENDS PROGRAM
https://www.sandiegocounty.gov/content/sdc/hhsa/programs/ssp/COVID_19_Positive_Employee_Recovery_Stipend_Program/
- UNDERSERVED COVID-19 IMPACTED INDIVIDUALS GRANT
<https://files.constantcontact.com/f2bdac63201/d8db7973-5f05-4d03-9f0d-774357211dc9.pdf>
- SMALL BUSINESS LOAN PROGRAM
<https://www.gov.ca.gov/2020/04/02/governor-newsom-announces-new-help-for-small-businesses-workers-displaced-by-covid-19/>

Attachment "2"

- OnwardCA.org RESOURCES AND JOBS
<https://onwardca.org/>
- SDG&E BILL ASSISTANCE
https://www.sdge.com/residential/pay-bill/get-payment-bill-assistance/assistance-programs?utm_source=Search&utm_medium=Google&utm_campaign=CARE&gclid=Cj0KCQjw09HzBRDrARIsAG60GP_1PSQ-fjv9wKiD3m2HTm_4b6tUXMjOir2nd_4yQUmFexVTN2AY-gkaAkEJEALw_wcB
- CHILDCARE SERVICES
https://www.sandiegocounty.gov/content/sdc/hhsa/programs/phs/community_epidemiology/dc/2019-nCoV/CommunitySectors/Childcare_Centers.html
- SAN DIEGO WORKFORCE PARTNERSHIP FOR JOB SEEKERS
<https://workforce.org/programs>
- DEPARTMENT OF LABOR AND WORKFORCE SUPPORT FOR BUSINESSES AND EMPLOYEES (PAID SICK LEAVE, DISABILITY INSURANCE, PAID FAMILY LEAVE, WORKERS COMPENSATION, ETC.)
<https://www.labor.ca.gov/coronavirus2019/>
- WORKSHARING PROGRAM
https://www.edd.ca.gov/Unemployment/Work_Sharing_Program.htm
- WORKER ADJUSTMENT AND RETRAINING PROGRAM
https://www.edd.ca.gov/Jobs_and_Training/Layoff_Services_WARN.htm
- SHUTTERED VENUE OPERATORS GRANT
<https://www.svgrantportal.sba.gov/s/>
- RESTAURANT REVITALIZATION FUND
<https://www.sba.gov/funding-programs/loans/covid-19-relief-options/restaurant-revitalization-fund>
- PAYMENT PROTECTION PROGRAM – ROUND 2 OVERVIEW
<https://www.sdnedc.org/wp-content/uploads/2021/01/PPP-Round-2--1.07.21-slides.pdf>
- SMALL BUSINESS EMERGENCY LOAN PROGRAM
<https://www.sba.gov/funding-programs/loans/covid-19-relief-options>

Attachment "2"

- SBA DISASTER LOAN DEFERMENT

<https://www.sba.gov/funding-programs/loans/covid-19-relief-options>

- #SHOPSAFESHOPLOCAL RESOURCES

<https://business.ca.gov/shopsafeshoplocal/>



FUTURE CITY COUNCIL AGENDA ITEMS

Updated June 3, 2021

AGENDA ITEMS AND CITY COUNCIL MEETING DATES ARE SUBJECT TO CHANGE.
CHECK WITH THE CITY CLERK'S OFFICE AT (760) 839-4617

June 16, 2021

5:00 p.m.

CONSENT CALENDAR

Award Purchase of Fuels for Fiscal Year 2022

(J. Goulart)

It is requested that the City Council adopt Resolution No. 2021-85, and approve the purchase of unleaded gasoline, renewable diesel, and clear diesel fuel from SC Fuels, Inc., in the amount of \$1,200,000, utilizing a City of San Diego Purchasing agreement which contains a Public Agency Clause with renewable extensions, pursuant to Escondido Municipal Code section 10-90.

Contract for Third Party Workers' Compensation Administrator

Adminsure

(J. Perpetua)

It is requested that the City Council adopt Resolution No. 2021-83 for approval of the contract with Adminsure as the City's Third-Party Workers' Compensation Administrator.

Bid Award for the Kit Carson Park Lighting Project

(J. Procopio)

It is requested that the City Council adopt Resolution No. 2021-89 authorizing the Mayor and City Clerk to execute a Public Improvement Agreement with the lowest responsive and responsible bidder for the Kit Carson Park Lighting Project.

Archeological Services for Construction of the Citracado Parkway Extension Project

(J. Procopio)

It is requested that the City Council adopt Resolution No. 2021-91, authorizing a Seventh Amendment to the Consultant Agreement with Brian F. Smith and Associates, Inc. (BFSA) for archeological and tribal monitoring services during construction in compliance with the Memorandum of Agreement with the Army Corps of Engineers and State Historic Preservation Officer for the Citracado Parkway Extension Project.

Adoption of the 2021 Road Maintenance and Rehabilitation Account (RMRA) Street List

(J. Procopio)

It is requested that the City Council adopt Resolution No. 2021-94 approving the list of streets proposed to be completed with FY 21-22 Road Maintenance and Rehabilitation Account (RMRA) funds.

Adopt Resolution No. 2021-90 and the Records Retention Schedules
(Z. Beck)

It is requested that the City Council adopt Resolution No. 2021-90 to approve the City's Records Retention Schedule and introduce Ordinance No. 2021-06 updating the Annual Destruction policy.

PUBLIC HEARINGS

2020 Urban Water Management Plan, Water Shortage Contingency Plan, and 2015 Urban Water Management Plan Amendment
(C. McKinney)

It is requested that the City Council: 1. adopt Resolution No. 2021-42, approving the 2020 Urban Water Management Plan (UWMP); 2. adopt Resolution No. 2021-43, approving the Water Shortage Contingency Plan; and 3. adopt Resolution No. 2021-44, amending the 2015 UWMP.

CURRENT BUSINESS

Community Choice Energy Feasibility Study
(M. Strong)

It is requested that the City Council receive and file the feasibility report and provide any further direction on Community Choice Energy and needed.

FUTURE AGENDA ITEMS

June 23, 2021
5:00 p.m.

CONSENT CALENDAR

Memorandum of Understanding Between the City of Escondido and the Police – Non-Sworn (NSP) Bargaining Unit
(J. Perpetua)

It is requested that the City Council adopt Resolution No. 2021-92 for a successor Police – Non-Sworn (NSP) Bargaining Unit contract.

Kit Carson Creek Grant Application
(C. McKinney)

It is requested that the City Council adopt Resolution No. 2021-93, supporting an application for \$550,000 in grant funding from the California Wildlife Conservation Board Riparian Habitat Conservation Program to plan for improvements to certain creek areas within Kit Carson Park.

PUBLIC HEARINGS

CURRENT BUSINESS

FUTURE AGENDA ITEMS

June 30, 2021 NO MEETING (5th Wednesday)

July 7, 2021 NO MEETING (Independence Day)



June 9, 2021

CITY MANAGER'S WEEKLY ACTIVITY REPORT

- Please refer to the City's website at <https://www.escondido.org/latest-news-from-the-city-managers-office.aspx>