



Council Meeting Agenda

SEPTEMBER 29, 2021
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	Sean McGlynn
CITY CLERK	Zack Beck
CITY ATTORNEY	Michael McGuinness
DIRECTOR OF COMMUNITY DEVELOPMENT	Adam Finestone (Interim)
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

**September 29, 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: National Fire Prevention Week, October 3-9, 2021
Manufacturing Month, October, 2021

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:

- 356293 - 356456 dated September 8, 2021
- 356457 - 356673 dated September 15, 2021

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

3. APPROVAL OF MINUTES: Regular Meeting of September 15, 2021

4. APPROVAL OF CALPERS INDUSTRIAL DISABILITY FOR POLICE SERGEANT JOHN RUSSO -

Request the City Council approve the Industrial Disability Retirement of Police Sergeant John Russo.

Staff Recommendation: **Approval (Human Resources Department: Jessica Perpetua)**

RESOLUTION NO. 2021-112

5. YEAR 2022 HOLIDAYS -

Request the City Council approve the 2022 City Holiday Closure Schedule.

Staff Recommendation: **Approval (Human Resources Department: Jessica Perpetua)**

RESOLUTION NO. 2021-132

6. PROPOSED MILLS ACT CONTRACT AND CEQA EXEMPTION FOR 2775 LAS PALMAS AVENUE (CASE NO. PL20-0562) -

Request the City Council approve to enter into a Mills Act contract with the owner of 2775 Las Palmas Avenue and approve the CEQA exemption.

Staff Recommendation: **Approval (Community Development Department: Adam Finestone)**

RESOLUTION NO. 2021-125R

7. NOTICE OF COMPLETION FOR THE 2021 STREET REHABILITATION AND MAINTENANCE PROJECT – PHASE 1 -

Request the City Council approve and accept the public improvements and authorize staff to file a Notice of Completion for the 2021 Street Rehabilitation and Maintenance Project – Phase 1 ("Project").

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

RESOLUTION NO. 2021-144

8. CAL RECYCLE RUBBERIZED PAVEMENT GRANT PROGRAM APPLICATION -

Request the City Council approve authorizing the Director of Engineering Services or her designee to complete and submit an application to the Department of Resources Recycling and Recovery (CalRecycle) for the Rubberized Pavement Grant Program.

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

RESOLUTION NO. 2021-149

9. COMPUTER AIDED DISPATCH "(CAD)" HARDWARE REPLACEMENT PURCHASE -

Request the City Council approve authorizing the City's Police Department Chief to execute a contract amendment for the purchase and installation of replacement hardware for the City's CommandPoint Computer Aided Dispatch (CAD) system. Funding for the amendment was approved by the City Council on June 9, 2021, as part of the Police Departments General Fund Operating Budget. The amendment cost of \$294,625 covers hardware, software, installation, and maintenance of essential CAD system equipment. The current CAD system provider, Peraton Inc., is the only vendor that can maintain interoperability with the existing systems quality and performance. Per Escondido Municipal Code Section 10-97, City Council approval is needed for this proposed amendment to the current Peraton Inc. Public Services Agreement dated April 14, 2021.

Staff Recommendation: **Approval (Police Department: Edward Varso)**

RESOLUTION NO. 2021-147

10. AMENDMENT AND READOPTION OF CITY COUNCIL RULES AND PROCEDURES –

Request the City Council approve to amend and readopt the Rules of Procedure for City Council Meetings and City Council Policies.

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

RESOLUTION NO. 2021-156

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

11. SIXTH AMENDMENT TO THE FISCAL YEAR 2019-2020 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT "(HUD)" ANNUAL ACTION PLAN, AND BUDGET ADJUSTMENT -

Request the City Council approve the sixth amendment to the FY 2019-2020 One Year Action Plan to reallocate ESG-CV funds and approving the submittal to HUD. It is requested that City Council approve a budget adjustment for the proper classification of rental income. This is a required public hearing for a substantial amendment to the FY 2019-2020 Annual Action Plan for allocating federal funds for projects and programs.

Staff Recommendation: **Approval (Community Development Department: Adam Finestone)**

RESOLUTION NO. 2021-150

CURRENT BUSINESS

12. AMERICAN RESCUE PLAN FUNDING ALLOCATION -

Request the City Council approve authorizing the acceptance of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act of 2021 in the amount of \$38,808,509 and approve the budget adjustment for the appropriation of funds.

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

RESOLUTION NO. 2021-146

13. COVID-19 BUSINESS RECOVERY STRATEGY UPDATE -

Request the City Council provide direction to city staff regarding what should be considered as we continue to refine the recovery strategy, however no changes to the current recovery measures are being proposed at this time. Throughout the COVID-19 pandemic, the City has continuously pursued measures to assist with the challenges faced by our business community. City staff recognizes that even when the pandemic is over, the impact to the community will be felt for some time still. Staff will be providing an update on current measures that are in-place and identify what has been determined to be beneficial to the business community.

Staff Recommendation: **Provide Direction (Community Development Department: Adam Finestone)**

FUTURE AGENDA

14. FUTURE AGENDA -

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

Staff Recommendation: **None (City Clerk's Office: Zack Beck)**

COUNCIL MEMBERS SUBCOMMITTEE REPORTS 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
October 6	-	-	No Meeting	-
October 13	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers
October 20	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers
October 27	Wednesday	4:00 & 5:00 p.m.	Regular Meeting	Council Chambers

TO ADDRESS THE COUNCIL

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

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

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.



Consent Item No. 1

September 29, 2021

AFFIDAVITS

OF

ITEM

POSTING



CITY COUNCIL STAFF REPORT

Consent Item No. 2

September 29, 2021

File No. 0400-40

SUBJECT: Approval of Warrants

DEPARTMENT: Finance Department

RECOMMENDATION:

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

356293 – 356456 dated September 8, 2021

356457 – 356673 dated September 15, 2021

FISCAL ANALYSIS:

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

September 2 – September 8, 2021, is \$ 695,204.10

September 9 – September 15, 2021, is \$ 1,719,402.81

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.

**September 15, 2021
4:00 p.m. Meeting**

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:00 p.m. on August 11, 2021 in the Parkview Room at City Hall with Mayor McNamara presiding.

ATTENDANCE

The following members were present: Councilmember Joe Garcia, Councilmember Tina Inscoc, Councilmember Consuelo Martinez, Deputy Mayor Michael Morasco, and Mayor Paul McNamara. Quorum present.

ORAL COMMUNICATIONS

None.

CLOSED SESSION: (COUNCIL/RRB)

- I. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
- a. **Property:** 272 E. Via Rancho Pkwy, Escondido
 City Negotiator: Sean McGlynn, City Manager, or designee
 Negotiating Party: Larry Green, L. Green Investment & Development, LLC
 Under Negotiation: Price and Terms of Lease

ADJOURNMENT

Mayor McNamara adjourned the meeting at 4:40 p.m.

MAYOR

CITY CLERK

**September 15, 2021
5:00 P.M. Meeting**

Escondido City Council

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 5:00 p.m. September 15, 2021 in the City Council Chambers with Mayor McNamara presiding.

MOMENT OF REFLECTION

Zack Beck, City Clerk led the Moment of Reflection

FLAG SALUTE

Michael McGuinness, City Attorney, led the Flag Salute

ATTENDANCE

The following members were present: Councilmember Joe Garcia, Councilmember Tina Inscoe, Councilmember Consuelo Martinez, Deputy Mayor Michael Morasco, and Mayor Paul McNamara. Quorum present.

Also present were: Sean McGlynn, City Manager; Michael McGuinness, City Attorney; and Zack Beck, City Clerk.

PROCLAMATIONS: National Pollution Prevention Week, September 19-24, 2021
Escondido Shines Day, September 18, 2021
National Hispanic Heritage Month, September 15 – October 15, 2021

PRESENTATIONS: Air Pollution Control District Overview & Hot Spots Program
Tree Canopy Discussion

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

MOTION: Moved by Councilmember Martinez and seconded by Deputy Mayor Morasco to approve all consent calendar items. Approved unanimously.

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:

- 355846 – 356040 dated August 25, 2021
- 356041 – 356292 dated September 1, 2021

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

3. **APPROVAL OF MINUTES: Regular Meetings of August 25, 2021 and September 1, 2021**
4. **JOINT POWERS AGREEMENT & BUDGET ADJUSTMENT TO RECEIVE \$1,980,000 FROM THE COUNTY OF SAN DIEGO FOR PARK IMPROVEMENTS -**
Request the City Council approve authorizing the Mayor to execute a Joint Powers Agreement ("JPA") with the County of San Diego ("County"), and authorize a Budget Adjustment to receive \$1,980,000 from the County for funding for improvements at parks located within the City of Escondido.

Staff Recommendation: **Approval (Public Works Department: Joseph Goulart)**
RESOLUTION NO. 2021-113
5. **AWARD OF CONTRACT FOR THE GRAND AVENUE VISION PROJECT PHASE I -**
Request the City Council deem 3Sixty Innovation, Inc. as the lowest responsive and responsible bidder and authorize the Mayor to execute a Public Improvement Agreement in the amount of \$994,776.50 for the Grand Avenue Vision Project Phase I.

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**
RESOLUTION NO. 2021-126
6. **BID AWARD FOR THE 2021 STREET REHABILITATION AND MAINTENANCE PROJECT – PHASE 2 -**
Request the City Council deem Eagle Paving Company, Inc. as the lowest responsive and responsible bidder and approve authorizing the Mayor to execute a Public Improvement Agreement in the amount of \$5,582,894 for the 2021 Street Rehabilitation and Maintenance Project - Phase 2.

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**
RESOLUTION NO. 2021-131
7. **ANNEXING PROPERTY TO CITYWIDE SERVICES COMMUNITY FACILITIES DISTRICT ("CFD") 2020-1 -**
Request the City Council approve annexing three projects containing 65-units into the Citywide Services CFD 2020-1. Each property owner has voluntarily provided a signed form consenting to the annexation.

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**
RESOLUTION NO. 2021-130
8. **FINAL MAP ESCONDIDO TRACT 848 LOCATED AT 383 IDAHO AVENUE -**
Request the City Council approve authorizing the Mayor to execute the Subdivision Improvement Agreement and approve the Final Map for Tract 848, a nine-lot single-family Residential Subdivision, located at 383 Idaho Avenue.

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**
RESOLUTION NO. 2021-141
9. **AUTHORITY TO ACCEPT HIGHWAY SAFETY IMPROVEMENT PROGRAM GRANT AND TO EXECUTE FORMS AND AGREEMENTS FOR THE TRAFFIC SIGNAL COMMUNICATIONS MASTER PLAN AND IMPROVEMENTS PROJECT -**
Request the City Council approve authorizing the Director of Engineering Services or her designee to accept grant funds in the amount of \$1,160,850 and to execute all grant forms and agreements necessary for the Traffic Signal Communications Master Plan and Improvements Project.

Staff Recommendation: **Approval (Engineering Services Department: Julie Procopio)**
RESOLUTION NO. 2021-140

- 10. ACCEPTANCE OF \$40,000 SAN DIEGO SENIORS COMMUNITY FOUNDATION GRANT -**
Request the City Council approve authorizing the Communications and Community Services Department to accept up to \$40,000 in grant funds from the San Diego Seniors Community Foundation, and to approve the budget adjustment needed to expend the funds. These funds will be utilized to purchase and install new flooring for the Park Avenue Community Center ("PACC") Cafe, purchase updated decor throughout the facility, and provide additional improvements throughout the facility.

Staff Recommendation: **Approval (Communications and Community Services Department: Joanna Axelrod)**

RESOLUTION NO. 2021-145

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.)

CURRENT BUSINESS

- 11. REVIEW AND DISCUSSION OF COUNCIL RULES AND PROCEDURES -**
Councilmember Garcia has requested that the City Council review and consider the City Council's current Rules of Procedure as it relates to the issuance of proclamations and certificates.

Staff Recommendation: **Provide Direction (Councilmember Garcia)**

Councilmember Garcia - Would like individual councilmembers to be allowed to sign proclamations and certificates.

- 12. BOARDS AND COMMISSIONS SUBCOMMITTEE REPORT -**
Request the City Council consider recommendations from the Boards and Commissions Subcommittee.

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

FUTURE AGENDA

13. FUTURE AGENDA -

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

Staff Recommendation: **None (City Clerk's Office: Zack Beck)**

COUNCIL MEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

Council member Inscoe - Will attend a community service clean up day at Lake Dixon on September 18, 2021. Will attend the League of California Cities Conference in Sacramento.

Deputy Mayor Morasco - Met with Escondido Union High School District Board of Trustees. Will attend a community service clean up day at Grove Park on September 18, 2021. Will attend the League of California Cities Conference in Sacramento.

Councilmember Garcia - Met with the Consulate of Mexico. Will attend the League of California Cities Conference in Sacramento. Thanked Chief Ed Varso for his efforts to address parking issues.

Councilmember Martinez - Attended an Air Pollution Control District meeting. Will attend the League of California Cities Conference in Sacramento.

Mayor McNamara - Will attend the League of California Cities Conference in Sacramento. Attended the American Legion Day of Remembrance on September 11, 2021.

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

None.

ADJOURNMENT

Mayor McNamara adjourned the meeting at 7:10 p.m.

MAYOR

CITY CLERK

CITY COUNCIL STAFF REPORT

Consent Item No. 4

September 29, 2021

File No. 0170-57

SUBJECT: Approval of CalPERS Industrial Disability for Police Sergeant John Russo

DEPARTMENT: Human Resources Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-112, approving the California Public Employee's Retirement System ("CalPERS") Industrial Disability Retirement for Police Sergeant John Russo.

BACKGROUND:

Mr. Russo filed for Industrial Disability Retirement on July 7, 2021, as a 50 year old Police Sergeant. He has been employed by the City of Escondido for 28 years. The basis for Mr. Russo's Industrial Disability Retirement application is confirmed by medical reports from Dr. Ramin Raiszadeh. Mr. Russo's condition is orthopedic in nature (spine). Accordingly, Mr. Russo is incapacitated within the meaning of the Public Employee's Retirement Law for performance of his usual and customary duties in the position of Police Sergeant.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jessica Perpetua, Director of Human Resources

09/22/21 4:28 p.m.

ATTACHMENTS:

1. Resolution No. 2021-112

RESOLUTION NO. 2021-112

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE CALPERS INDUSTRIAL
DISABILITY RETIREMENT FOR POLICE
SERGEANT JOHN RUSSO

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

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

WHEREAS, John Russo (“Employee”) filed an application with CalPERS on July 7, 2021, for an Industrial Disability Retirement due to an orthopedic injury (spine); and

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

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

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

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

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

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

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

6. That the Employee's retirement date will be effective December 31, 2021, and his last day on paid status is December 30, 2021.

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

8. That the primary disabling condition is an orthopedic spine injury, which arose out of and in the course of employment, and that there is competent medical opinion certifying the disabling condition to be permanent.

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



CITY COUNCIL STAFF REPORT

Consent Item No. 5

September 29, 2021

File No. 0700-80

SUBJECT: Year 2022 Holidays

DEPARTMENT: Human Resources Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-132 to designate the dates that City of Escondido ("City") offices will be closed in the year 2022 for holiday observances.

FISCAL ANALYSIS:

None

PREVIOUS ACTION:

Each year the City Council adopts a resolution, as required by State law, to designate the days that City offices will be closed for holiday observances.

BACKGROUND:

Holidays are considered to be an employee benefit and are, therefore, a part of the negotiation process with our various bargaining units. There are ten recognized holidays each year.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Jessica Perpetua, Director of Human Resources
09/22/21 4:28 p.m.

ATTACHMENTS:

1. Resolution No. 2021-132
2. Resolution No. 2021-132 – Exhibit "A"

RESOLUTION NO. 2021-132

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
DESIGNATING HOLIDAYS ON WHICH CITY
OFFICES SHALL BE CLOSED FOR
CALENDAR YEAR 2022

WHEREAS, Section 6700 of the California Government Code designates days that are holidays in the State of California (“State”); and

WHEREAS, Section 6702 of the California Government Code provides that City of Escondido (“City”) offices shall be closed on designated State holidays unless otherwise provided by the City; and

WHEREAS, this City Council desires and deems it to be in the best public interest to designate those holidays on which City offices will be closed.

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 public offices of the City shall be closed on the following dates set forth in Exhibit “A” which is attached to this Resolution and incorporated by this reference.

City Recognized Holidays Year 2022

New Year's Day	Saturday, January 1, 2022 <i>*Observed on Friday, December 31, 2021</i>
Martin Luther King Day	Monday, January 17, 2022
Presidents' Day	Monday, February 21, 2022
Memorial Day	Monday, May 30, 2022
Independence Day	Monday, July 4, 2022
Labor Day	Monday, September 5, 2022
Veterans' Day	Friday, November 11, 2022
Thanksgiving Day	Thursday, November 24, 2022
Day after Thanksgiving	Friday, November 25, 2022
Christmas Day	Sunday, December 25, 2022 <i>Observed on Monday, December 26, 2022</i>

In addition to the above, the following facilities also have these modified hours:

Library

- Sunday, April 17: closed
- Friday, September 9: closed for staff training
- Wednesday, November 23: close @ 5:00 p.m.
- Saturday, December 24: close @ 5:00 p.m.
- Sunday, December 25: closed
- Saturday, December 31: close @ 5:00 p.m.

East Valley Community Center

- Monday, January 17: open 10:00 a.m. – 3:00 p.m.
- Monday, February 21: open 10:00 a.m. – 3:00 p.m.
- Sunday, April 17: closed
- Monday, October 31: close @ 5:00 p.m.
- Friday, November 11: open 10:00 a.m. – 3:00 p.m.
- Wednesday, November 23: close @ 3:00 p.m.
- Friday, November 25: open 10:00 a.m. – 3:00 p.m.
- Saturday, December 24 - Saturday, January 1: closed for floor and carpet maintenance

Escondido Sports Center

- Saturday, January 1: closed

- Monday, January 17: open 3:00 p.m. – 7:00 p.m.
- Monday, February 21: open 3:00 p.m. – 7:00 p.m.
- Sunday, April 17: closed
- Monday, October 31: close @ 7:00 p.m.
- Friday, November 11: open 3:00 p.m. – 7:00 p.m.
- Wednesday, November 23: open 3:00 p.m. – 7:00 p.m.
- Friday, November 25: open 3:00 p.m. – 7:00 p.m.
- Saturday, December 24: closed
- Sunday, December 25: closed
- Saturday, December 31: closed

Park Avenue Community Center

- Saturday, January 1: closed
- Sunday, January 2: closed
- Sunday, April 17: closed
- Wednesday, November 23: close @ 3:00 p.m.
- Friday, December 23: close @ 3:00 p.m.
- Saturday, December 24: closed
- Sunday, December 25: closed
- Friday, December 30 @ 3:00 p.m.
- Saturday, December 31: closed

CITY COUNCIL STAFF REPORT

Consent Item No. 6

September 29, 2021

File No. 0600-10

SUBJECT: Proposed Mills Act Contract and CEQA Exemption for 2775 Las Palmas Avenue (Case PL20-0562)

DEPARTMENT: Community Development Department, Planning Division

RECOMMENDATIONS:

It is requested that the City Council adopt Resolution No. 2021-125R and authorize execution of an agreement to enter into a Mills Act Contract for the subject property and approve the CEQA Exemption for the property.

APPLICANT:

Camille Adams Helminski, as trustee for the Camille Helminski 2003 Trust dated January 15, 2003, as Amended and Restated January 5, 2016.

FISCAL ANALYSIS:

Approval of a Mills Act Contract would reduce the property tax for the homeowner, and proportionately reduce the City's share of property taxes. The annual tax revenue loss to the City of Escondido ("City") is typically estimated to be approximately \$200 for each Mills Act property. The number of Mills Act contracts the City has entered into currently stands at 104, which have cumulatively reduced the City share of property taxes by approximately \$24,200.

PREVIOUS ACTIONS:

On November 19, 2020, the Historic Preservation Commission ("HPC") voted unanimously (6-0-0) to list the structure on the City's Local Register of Historic Places and recommended approval of entering into a Mills Act contract with the owner of 2775 Las Palmas Avenue. The HPC Staff Report and suggested List of Improvements are included as Attachment "1".

BACKGROUND:

The Mills Act is a provision in state law that enables owners of designated historic properties to voluntarily enter into a preservation contract with the City and receive a reduction in their property taxes. The contract runs for 10 years and is automatically renewed each year unless a notice of non-renewal is filed. The terms of the contract require that the owner make a commitment to maintain the property and complete other improvements identified in Exhibit "B" to Exhibit "A" of Resolution No. 2021-125R. The owner has planned significant future improvements at the property and these improvements have been approved by the HPC. All improvements must be performed according to the Secretary of the Interior Standards. In addition, the applicant has been informed that some improvements may require permits

2775 Las Palmas Ave. Mills Act
September 29, 2021
Page 2

from the City's Building Division and all exterior modifications require staff review and the issuance of a Certificate of Appropriateness.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Adam Finestone, Interim Director of Community Development
9/22/21 5:17 p.m.

Paul Bingham, Assistant Planner II
9/22/21 5:21 p.m.

ATTACHMENTS:

1. Attachment 1 – November 19, 2020, Historic Preservation Commission Staff Report and suggested List of Improvements
2. Attachment 2 – CEQA Exemption
3. Resolution No. 2021-125R
4. Resolution No. 2021-125R – Exhibit "A"



HISTORIC PRESERVATION COMMISSION

Agenda Item No.: H.1
Date: November 19, 2020

TO: Historic Preservation Commission

FROM: Paul Bingham, Assistant Planner II

REQUESTS: Residence addressed as 2775 Las Palmas Avenue (case number PL 20-0562)

1. Local Register listing request,
2. Mills Act contract request and
3. Consideration of the proposed CEQA exemption

RECOMMENDATION: Forward recommendations of approval to the City Council

PREVIOUS ACTION:

On September 17, 2017, the Historic Preservation Commission directed the applicant to work with staff to provide additional information and bring the application back to the Commission for further consideration.

BACKGROUND:

City of Escondido Historical/Cultural Resources Survey

A City of Escondido Historical/Cultural Resources Survey was completed in 1990 (Agis, May 1990). Close to 1,000 resources were inventoried in the survey for their significance. The Survey of 1990 was conducted in compliance with procedures established by the U.S. Department of the Interior, National Park Service and the State Office of Historic Preservation. A Historical/Cultural Resources Survey is a collection of information that identifies documents and describes the historical resources in the community. The survey also associates the resources with historical events and/or people. Among other preservation programs, the survey serves as the basis for historic preservation plans. The survey also fulfills a higher level of historic nomination requirements (Local, State and National), it allows for the applicability of Historic Building Code in regard to rehabilitation/renovation of structures, and justifies local, state and federal funding assistance.

Local Register of Historic Places Listing

The City of Escondido's zoning code Article 40 (Historical Resources), Section 33-794 identifies the process and criteria for listing historic structures on the City's Local Register. Requests for listing on the Local Register require approval by the Historic Preservation Commission at a public meeting. The historic resource is evaluated against seven criteria and must meet at least two of the seven.

Mills Act Contract and Property Applying

The Mills Act is a state law that enables owners of designated historic properties to enter into a preservation contract with their local legislative body and receive a substantial reduction in the property taxes. One of the incentives for the preservation of historic and/or cultural resources, approved in 1989, allows property owners of designated historic resources to enter into a Mills Act contract with the City. City Council Resolution 92-409, adopted on October 28, 1992, clarified that a property owner may apply for a Mills Act contract if the resource has been listed as a Local Register property. The current owner is requesting that the subject property be approved for Local Register listing.

The subject property at 2775 Las Palmas Avenue (APN 239-181-07-00) consists of 1.63 acres with a single story Weir Brothers Adobe residence known as "The Castle" and serpentine garden walls and other features displaying distinctive artisan craftsmanship. The residence was originally built in 1964 of adobe bricks made on site and is part of Longview Acres, a subdivision of adobe homes, some of which are already on the City's Local Register. The detached garage with guesthouse above was built in 1991 by John & Patti Stires, the owners at that time. This property was on the San Diego County Adobe Home Tour in 2014. In 2015 it was presented with a Preservation Award by the Mayor recognizing its importance in Escondido's history. The current owner desires to have the property included on the City's Local Register and to enter into a Mills Act contract for its continued preservation.



ANALYSIS

Escondido Historical/Cultural Resources Survey

The applicant has conducted the required historic research and data collection, and has provided the information on the required State Department of Parks and Recreation forms (attached). The information provided by the applicant, including historical background and descriptive analysis of the architectural style, is adequate for the purpose of determining the appropriateness of adding the structures to the survey.

Local Register of Historic Places Listing

This request by the current owner, Camille Helminski, is to consider placing this resource on Escondido's Local Register of Historic Places. At least two of seven criteria identified in Article 40

of the Escondido Zoning Code must be met in order to be listed on the Register. The property meets the following four of the criteria, as described below.

Criterion 2 – Escondido building or buildings that embody distinguishing characteristics of an architectural type, specimen, or are representative of a recognized architect's work and are not substantially altered.

The subject one story Adobe residence is in its original form and was designed and built by the Weir Brothers.

Criterion 5 – Escondido historical resources that are fifty (50) years old or have achieved historical significance within the past fifty (50) years.

The existing one story Adobe residence was built in 1964 and is currently 56 years old.

Criterion 6 – Escondido historical resources that are an important key focal point in the visual quality or character of a neighborhood, street, area or district.

This residence would be one of several similar adobe properties in the Longview Acres subdivision which have already been listed on the City's Local Register.

Criterion 7 – Escondido historical building that is one of the few remaining examples in the city possessing distinguishing characteristics of an architectural type.

Only a limited number of adobe structures were built in Escondido, and can no longer be built based on current California Building Code requirements. This residence is one of a few remaining examples of Adobe architecture in the City. It is believed that the Escondido area may have more remaining adobe buildings than any other area in the country outside of New Mexico.

Mills Act Contract

The Mills Act contract is for a minimum of ten years, automatically renewed each year unless a notice of non-renewal is filed. The terms of the contract require that the property owner make a commitment to maintain the structure and surrounding property, per a maintenance schedule that has been included with this report (see attached). All improvements must be performed to the Secretary of the Interior Standards. In addition, the applicant has been informed that all exterior modifications require staff review. Staff feels that the proposed Mills Act Contract is appropriate since the property meets the established criteria for a historic resource, and appropriate improvements have been listed.

PROJECT AND REPORT MODIFICATIONS

Subsequent to the September 17, 2020, Historic Preservation Commission meeting, the applicant did more research and provided staff with a more complete history in the DPR Primary Record form, as requested by the Commission. In addition, the applicant submitted more and better quality photos, a corrected and complete chain of title and modified the Mills Act Improvement List. With this additional information, Planning staff was able to add Criterion 2 to the list of applicable local register criteria.

Respectfully Submitted,

Paul K. Bingham

Paul K. Bingham
Assistant Planner II

Mills Act Application List of Improvements

Property Address: 2775 Las Palmas Avenue
Property Trustee: Camille Adams Helminski

1. Repair and repaint adobe garden wall in front of house
2. Upgrade landscape lighting around the house
3. Repair and repaint adobe garden wall along rear patio and repair brick stairs behind the house
4. Repair retaining wall near garage, install weep holes and repaint
5. Repair retaining wall below house and re-landscape to prevent erosion
6. Upgrade chimney caps
7. Repair adobe on chimneys and repaint them
8. Refinish small wooden door to master bedroom
9. Repair/replace screening on custom exterior master bedroom & other doors as needed
10. Reseal three wooden garage doors
11. Increase berm along southwest edge of driveway and adjacent southern neighbor's driveway to prevent further storm water runoff into driveway.
12. Repair/reset/adjust front & rear wrought iron gates for secure closure
13. Replace two existing vinyl windows with period appropriate replacements.

Attachment "2"



CITY OF ESCONDIDO
PLANNING DIVISION
201 NORTH BROADWAY
ESCONDIDO, CA 92025-2798
(760) 839-4671

Notice of Exemption

To: San Diego Assessor/Recorder/County Clerk
Attn: Fish & Wildlife Notices
1600 Pacific Hwy, Room 260
San Diego, CA 92101
MS A-33

From: City of Escondido
201 North Broadway
Escondido, CA 92025

Project Title/Case No.: PL20-0562 / Mills Act Contract

Project Location - specific: Addressed as 2775 Las Palmas Avenue (APN 239-181-07-00), located on the east side of Las Palmas Avenue east of its intersection with Loma Vista Avenue.

Project Location - City: Escondido

Project Location - County: San Diego

Description of Project:

A request to execute a Mills Act contract for the purpose of preservation of a 1.63-acres local register-listed property in the RE-30 (Residential Estates, 30,000 SF minimum lot size) zone, located in the E2 (Estate II) designation of the General Plan.

Name of Public Agency Approving Project: City of Escondido

Name of Persons or Agency Carrying Out Project:

Name: Camille Adams Helminski as trustee of the Camille Helminski 2003 Trust dated January 15, 2003 as Amended and Restated January 5, 2016
Address: 2775 Las Palmas Avenue, Escondido, CA 92025
Telephone: (831) 234-9248

Private entity School district Local public agency State agency Other special district

Exempt Status:

Categorical Exemption: Section 15331, Class 31. "Historic Resource Restoration/Rehabilitation"

Reasons why project is exempt:

- 1. The project is within the RE-30 zone and the E2 designation of the General Plan and no variances are required.
2. The project will be consistent with the Secretary of Interior's Standards for the Treatment of Historic Properties with guidelines for preserving, rehabilitating, restoring and reconstructing historic buildings.
3. The project will not be limited by the factors in section 15300.2 and will not adversely change the significance of a historical resource.

Lead Agency Contact Person: Paul K. Bingham

Area Code/Telephone/Extension (760) 839-4306

Signature: Assistant Planner II

Date

Signed by Lead Agency

Date received for filing at OPR:

Signed by Applicant

RESOLUTION NO. 2021-125R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A MILLS ACT CONTRACT, ALSO KNOWN AS AN HISTORIC PROPERTY PRESERVATION AGREEMENT, WITH CAMILLE ADAMS HELMINSKI AS TRUSTEE FOR THE CAMILLE HELMINSKI 2003 TRUST DATED JANUARY 15, 2003 AS AMENDED AND RESTATED JANUARY 5, 2016 FOR THE LOCAL REGISTER LISTED PROPERTY LOCATED AT 2775 LAS PALMAS AVENUE

CASE NO. PL20-0562

WHEREAS, the Mills Act is a state law enabling owners of designated historic properties to enter into an historic property preservation contract with their local legislative body and receive a property tax reduction; and

WHEREAS, Camille Adams Helminski (“OWNER”), who is trustee of the property within the Camille Helminski 2003 Trust dated January 15, 2003, as Amended and Restated January 5, 2016, located at 2775 Las Palmas Avenue (APN 239-181-07-00), more particularly described in Exhibit “A” of this Resolution, submitted a request to enter into a Historic Property Preservation Agreement (“Agreement”) with the City; and

WHEREAS, this property qualifies for a Mills Act Contract since it was listed in the City’s Local Register of Historic Places on November 19, 2020; and

WHEREAS, pursuant to the California Environmental Quality Act (“CEQA”) regulations, the project is categorically exempt from environmental review in accordance

with CEQA Guidelines Section 15331, Class 31. "Historic Resources Restoration/Rehabilitation."

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

1. That the above recitations are true.
2. That the Mayor is hereby authorized to execute, on behalf of the City, an Agreement with the OWNER of the property located at 2775 Las Palmas Avenue. A copy of the Agreement is attached as Exhibit "A" and is incorporated by this reference.

EXEMPT FROM FEES pursuant to
Gov't Code §§ 6103, 27383, and 27388.1
(filing requested/executed by municipality)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City Clerk
City of Escondido
201 North Broadway
Escondido, CA 92025-2798

This Space for Recorder's Use Only

APN: 239-181-07-00

HISTORIC PROPERTY PRESERVATION AGREEMENT

This HISTORIC PROPERTY PRESERVATION AGREEMENT ("**Agreement**") is made and entered into this _____ day of _____, 2021, by and between the City of Escondido, a California municipal corporation ("**City**") and Camille Adams Helminski, as Trustee of the Camille Adams Helminski 2003 Trust dated January 15, 2003 as amended and restated Jan. 5, 2016 ("**Owner**"). (The City and Owner may each be referred to herein as a "**Party**" and collectively as the "**Parties.**")

RECITALS

A. The Owner possesses and owns that certain real property located within the City as further described in Exhibit A to this Agreement, attached hereto and incorporated herein by this reference ("**Property**").

B. The City and the Owner desire to enter into this Agreement to carry out the purposes of the Mills Act (California Government Code section 50280 et seq.) ("**Mills Act**") and California Revenue and Taxation Code sections 439 to 439.4.

C. The Property is a "qualified historical property," as that term is defined under the Mills Act ("**Qualified Historical Property**"), in that the Property is privately owned, the Property is not exempt from property taxation, and the Property is listed in the City's Local Register of Historic Places.

D. The Property is a "restricted historical property," as that term is defined in Revenue and Taxation Code section 439.1.

E. The City and the Owner desire to limit the use of the Property and to preserve the Property so as to retain its characteristics as a property of cultural, architectural, and historical significance.

CAO: 9/14/2021

Historic Property Preservation Agreement

AGREEMENT

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

1. Recitals. The Recitals set forth above are included herein by reference as part of this Agreement and the Parties agree that said Recitals are essential facts to this Agreement.

2. Applicability of Government Code and Revenue and Taxation Code. This Agreement is made pursuant to the Mills Act and California Revenue and Taxation Code sections 439 to 439.4 and is subject to all of the provisions of these statutes.

3. Preservation/Rehabilitation and Maintenance of Property. During the term of this Agreement, the Property shall be subject to the following conditions, requirements, and restrictions:

a. The Owner agrees to preserve/rehabilitate and maintain the cultural, historical, and architectural characteristics of the Property during the term of this Agreement as set forth in the Schedule of Improvements identified in Exhibit B to this Agreement, attached hereto and incorporated herein by this reference (“**Schedule of Improvements**”).

b. The Owner shall maintain all buildings, structures, yards, and other improvements in a manner that does not detract from the appearance of the immediate neighborhood. Prohibited property conditions include, but are not limited to, all of the following:

(i.) dilapidated, deteriorating, or unrepaired structures, such as fences, roofs, doors, walls, and windows;

(ii.) scrap lumber, junk, trash, or debris;

(iii.) abandoned, discarded, or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers, or similar items;

(iv.) stagnant water or excavations, including swimming pools or spas; and

(v.) any device, decoration, design, structure, or vegetation that a reasonable person would determine to be unsightly by reason of its height, condition, or location.

c. All improvements and work performed on the Property shall meet, at a minimum, the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation, the United States Secretary of the Interior’s Standards for Rehabilitation, the California State Historical Building Code, and the applicable City laws and regulations pertaining to development.

d. If the City institutes a code enforcement action pertaining to the Property, the City may request, and the Owner shall submit within 30 days of such request, documentation of expenditures incurred and work performed by the Owner within the previous 24 months to accomplish items from the Schedule of Improvements. If the Owner performs work on the Property, rather than contracting with a third party, the value of the Owner’s labor shall be calculated at the market rate for such work performed. The Owner shall be in substantial compliance with the

CAO: 9/14/2021

Schedule of Improvements when the expenditures incurred and work performed to accomplish the improvements are equal to or greater than the Owner's annual property tax savings for the previous 24 months, as determined by the City, based upon the County Tax Assessor's valuation of the Property using the process set forth in California Revenue and Taxation Code sections 439 to 439.4.

e. The Owner shall, within 30 days after written notice from the City, furnish the City with any information the City shall require to enable the City to determine (i) the Property's present state, (ii) the Property's continued eligibility as a Qualified Historical Property, and (iii) whether the Owner is in compliance with this Agreement.

_____ **OWNER'S INITIALS**

4. Inspections. The Owner agrees to permit periodic examinations and inspections of the interior and exterior of the Property by the City, the County Assessor, the State Department of Parks and Recreation, and the State Board of Equalization, as may be necessary to determine the Owner's compliance with this Agreement. After five years, and every five years thereafter, the City shall inspect the Property, including the interior and exterior of the premises, to determine the Owner's continued compliance with this Agreement.

_____ **OWNER'S INITIALS**

5. Term. This Agreement shall be effective and shall commence on January 1 of the year following the successful recordation of this Agreement by the San Diego County Recorder's Office and shall remain in effect for a period of 10 years thereafter.

6. Renewal.

6.1. *Automatic Renewal*. On the 10th anniversary of this Agreement and on each successive anniversary date ("**Renewal Date**"), a period of one year shall automatically be added to the initial term of this Agreement unless a Party gives a notice of nonrenewal as provided in this Agreement.

6.2. *Notice of Nonrenewal*. If, in any year, a Party desires not to renew this Agreement, such Party shall serve a written notice of nonrenewal on the other Party. If the Owner elects to serve a notice of nonrenewal, the notice must be served on the City at least 90 days prior to the Renewal Date, or else a period of one additional year shall automatically be added to the term of this Agreement. Conversely, if the City elects to serve a notice of nonrenewal, the notice must be served on the Owner at least 60 days prior to the Renewal Date, or else a period of one additional year shall automatically be added to the term of this Agreement. The City may issue a notice of nonrenewal if the City determines improvements, maintenance, rehabilitation, renovation, or restoration of the Property is required for the Property's continued eligibility as a Qualified Historical Property. Upon receipt by the Owner of a notice of nonrenewal from the City, the Owner may make a written protest of such nonrenewal. The City may, at any time prior to the Renewal Date, withdraw its notice of nonrenewal.

6.3. *Effect of Notice of Nonrenewal*. If, in any year, either Party serves a notice of nonrenewal as provided in this Agreement, this Agreement shall remain in effect for (i) the balance of the period remaining under the initial term of this Agreement, or (ii) the balance of the period remaining since the last renewal of this Agreement, as the case may be.

7. Cancellation.

7.1 The City may cancel this Agreement if the City determines that the Owner (i) has breached any term, condition, or covenant of this Agreement; (ii) has allowed the Property to deteriorate to the point that the Property no longer meets the standards of a Qualified Historical Property; or (iii) has failed to restore or rehabilitate the Property in the manner required by this Agreement.

_____ **OWNER'S INITIALS**

7.2 *Notice of Cancellation.* This Agreement cannot be cancelled until after the City has given notice and has held a public hearing as required by California Government Code section 50285.

7.3 *Cancellation Fee.* If the City cancels this Agreement pursuant to the terms of this Agreement, the Owner shall pay those cancellation fees set forth in the Mills Act. Upon cancellation, the Owner shall pay a cancellation fee of 12.5% of the then-current fair market value of the Property, which is to be determined by the County Assessor as though the Property were free and clear of any of the restrictions pursuant to this Agreement. The cancellation fee shall be paid to the County Auditor at the time and in the manner that the County Auditor shall prescribe and shall be allocated by the County Auditor to each jurisdiction in the tax rate area in which the Property is located in the same manner as the County Auditor allocates the annual tax increment in that tax area for that fiscal year.

_____ **OWNER'S INITIALS**

8. No Compensation. The Owner shall not receive any payment from the City in consideration for the obligations imposed under this Agreement. The Parties recognize and agree that the consideration for the execution of this Agreement is the substantial public benefits to be derived therefrom and the advantage that will accrue to the Owner as a result of the assessed value of the Property because of the restrictions that this Agreement imposes on the use and preservation of the Property.

9. Enforcement.

9.1 As an alternative to cancellation of the Agreement, the City may, in its sole discretion, specifically enforce or enjoin the Owner's breach of the terms of this Agreement, including but not limited to bringing an action to enforce this Agreement by specific performance or injunction. In the event of such breach, the City shall give written notice to the Owner notifying the Owner of the violation ("**Notice of Violation**"). If such breach is not corrected to the reasonable satisfaction of the City within 30 calendar days after the date of the Notice of Violation, or within such other reasonable time as may be required to cure the violation (provided the acts to cure the violation are commenced within 30 calendar days and thereafter diligently pursued to completion), the City may, without further notice, declare the Owner to be in breach of the terms of this Agreement, and may bring any action necessary to specially enforce the obligations of the Owner under the terms of this Agreement or apply for such other relief as authorized under local, state, or federal law.

9.2 *Remedy if Agreement Not an Enforceable Restriction.* In the event it is finally determined by a court of competent jurisdiction that this Agreement does not constitute an enforceable restriction within the meaning of the applicable provisions of the California Government Code and the California Revenue and Taxation Code, except for an unenforceability arising from the cancellation or nonrenewal of this Agreement, for any tax year during the life of this Agreement, then this Agreement shall be null and void and without further effect, and the Property shall from that time forward be free from any restriction whatsoever under this Agreement without any payment or further act by the Parties.

10. Indemnification. The Owner (including Owner's agents, employees, contractors, and subcontractors, if any) shall hold harmless, defend (with counsel reasonably acceptable to the City), and indemnify the City, its boards, commissions, departments, 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**"), and any attorney's, consultant, or expert fees and City staff costs for investigating or responding to any Claims, incurred in connection with or arising in whole or in part from this Agreement, the use or occupancy of the Property by the Owner (including Owner's agents, employees, invitees, contractors, and subcontractors, if any), the condition of the Property, or any construction or other work undertaken on the Property, including without limitation (i) any death or bodily injury to a person; (ii) any injury to, loss, or theft of tangible or intangible property, including economic loss; or (iii) any other loss, damage, or expense sustained by the Owner in connection with any work or obligations performed in connection with this Agreement, except for any liability resulting from the active negligence, sole negligence, or willful misconduct of the City. The duty to defend the City as described in this Paragraph 10 shall apply regardless of whether any Claims are groundless, fraudulent, or false. All obligations under this Paragraph 10 shall survive the termination of this Agreement.

_____ **OWNER'S INITIALS**

11. Condemnation, Eminent Domain, Destruction of Property.

11.1 *Condemnation/Eminent Domain.* If condemnation proceedings are filed against the Property, or if the Property is acquired in whole or in part by eminent domain or other acquisition by an entity authorized to exercise the power of eminent domain, and such acquisition is determined by the City to frustrate the purpose of this Agreement, this Agreement shall be cancelled and shall be deemed null and void for all purposes of determining the value of the Property, or part of the Property, that is acquired. However, if any such condemnation proceeding is subsequently abandoned or the acquisition of the Property rescinded, this Agreement shall be reactivated retroactively and shall be in full force and effect without the need for any further act by the Parties.

11.2 *Destruction of Property.* If the Property is destroyed by fire or other natural disaster such that, in the opinion of the City, the historic value of the structure has been lost and a majority of the structure must be replaced, this Agreement shall be cancelled.

11.3 *No Cancellation Fee.* If the Agreement is cancelled for any reason articulated in Paragraphs 11.1 or 11.2 of this Agreement, no cancellation fee as otherwise required by this

Agreement and the Mills Act shall be imposed.

12. Miscellaneous.

12.1 *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. Any litigation arising out of this Agreement shall be conducted only in the state or federal courts of San Diego County, California.

12.2 *Entire Agreement.* This Agreement, together with its attachments or other documents, if any, described or incorporated herein, contains the entire agreement and understanding 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. Each of the Parties hereto acknowledges that no other Party, nor the agents nor the attorneys for any Party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein, to induce the execution of this Agreement and acknowledges that this Agreement has not been executed in reliance upon any promise, representation, or warranty not contained herein.

12.3 *Amendment.* This Agreement may not be amended except in a writing signed by all of the Parties hereto, and then only in the specific instance and for the specific purpose given. Any such amendment shall be recorded with the Office of the County Recorder for the County of San Diego.

12.4 *Independent Investigation.* The Parties acknowledge that they have conducted an independent investigation of the facts concerning the subject matter of this Agreement. The Parties agree that the factual recitals are correct and expressly assume the risk that the true facts concerning the foregoing may differ from those currently understood by them.

12.5 *Advice of Counsel.* The Parties hereby acknowledge that they have executed this Agreement after having the opportunity to consult with, and receive the advice of, their own counsel.

12.6 *Capacity.* Each individual signing this Agreement represents and warrants that he or she has been authorized to do so by proper action of the Party on whose behalf he or she has signed.

12.7 *Headings.* Section headings are for reference purposes only and shall not be used for interpreting the meaning of any provisions of this Agreement.

12.8 *Attorney's Fees.* In any action to enforce the terms of this Agreement, the Parties agree that the prevailing party shall be entitled to its reasonable attorney's fees and all costs, fees, and expenses, including the fees of expert witnesses and consultants, whether or not such costs, fees, and expenses are recoverable or allowed as costs under section 1033.5 of the California Code of Civil Procedure. In addition to the foregoing award of attorney's fees and costs, the prevailing party shall be entitled to its attorney's fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment. This provision is separate and shall survive the merger of this provision into any judgment on this Agreement.

12.9 *Counterparts.* This Agreement may be executed on separate counterparts that, upon completion, may be assembled into and shall be construed as one document.

12.10 *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.

12.11 *Notice.* All notices, demands, approvals, or consents provided for in this Agreement shall be in writing and delivered to the appropriate Party at its address as follows:

If to the City:

City Clerk
City of Escondido
201 N. Broadway
Escondido, CA 92025

If to the Owner:

Camille Adams Helminski
1288 Cherokee Road
Louisville, KY 40204

Any notice, delivery, or other communication shall be effective and shall be deemed to be received by the other Party within five business days after the notice has been deposited in the U.S. Mail, duly registered or certified, with postage prepaid, and addressed as set forth above. Any Party may change the address information provided above by giving written notice to the other Party in the manner provided in this Agreement.

12.12 *Covenants Run with Land.* So long as this Agreement remains in effect, the obligations and benefits provided for in this Agreement shall run with the land obligated and benefited, respectively, and shall be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof. As such, it is the intent of the Parties that this Agreement and the promises, covenants, rights, and obligations set forth herein (i) shall be and are covenants running with the Property, encumbering the Property for the term of this Agreement, binding upon the Owner's successors in title and all subsequent owners and operators of the Property; (ii) are not merely personal covenants of the Owner; and (iii) shall bind the Owner and its respective successors and assigns during the term of this Agreement. Further, the Owner shall ensure that any future transfer of interest in the Property is made subject to the terms of this Agreement, such that any future successor in title or owner or operator of the Property shall be bound by the terms herein.

12.13 *Sale of Property.* The Owner shall ensure that any future transfer of interest in the Property is made subject to the terms of this Agreement, such that any future successor in title or owner or operator of the Property shall be bound by the terms herein. If the Property is sold, the Owner shall provide notice to the City of the sale and provide the City with a signed statement from the new owner indicating that a copy of this Agreement, all exhibits this Agreement, and all amendments to this Agreement, if any, were provided to the new owner.

12.14 *Notice to Office of Historic Preservation.* The Owner or an agent of the Owner shall provide written notice of this Agreement to the Office of Historic Preservation within six months of entering into this Agreement. A copy of this notice shall also be provided to the City.

CAO: 9/14/2021

12.15 *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: _____ By _____
Paul McNamara, Mayor

CAMILLE ADAMS HELMINSKI
As Trustee of the Camille Adams Helminski 2003 Trust dated January 15, 2003 as amended and restated Jan. 5, 2016

Date: _____ By _____
Camille Adams Helminski
As Trustee of the Camille Adams Helminski
2003 Trust dated January 15, 2003 as amended
and restated Jan. 5, 2016

(ABOVE SIGNATURES MUST BE NOTARIZED; ACKNOWLEDGMENT PAGES FOLLOW)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY
Michael R. McGuinness, City Attorney

Kurt G. Whitman, Senior Deputy City Attorney

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 _____]

On _____, before me, _____, a Notary Public, personally appeared _____, 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: _____ (Seal)

City of Escondido

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 _____]

On _____, before me, _____, a Notary Public, personally appeared _____, 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: _____ (Seal)

Camille Adams Helminski

CAO: 9/14/2021

Exhibit A

Legal Description of Property

That certain real property in the County of San Diego, State of California, described as follows:

LOT 19 OF BLOCK 12 UNIT NO. 3 OF LONGVIEW ACRES, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 3384, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 29, 1956.

Exhibit B

Schedule of Improvements

1. Repair and repaint adobe garden wall in front of house.
2. Upgrade landscape lighting around the house.
3. Repair and repaint adobe garden wall along rear patio and repair brick stairs behind the house.
4. Repair retaining wall near garage; install weep holes and repaint retaining wall.
5. Repair retaining wall below house and re-landscape to prevent erosion.
6. Upgrade chimney caps.
7. Repair and repaint adobe chimneys.
8. Refinish small wooden door to master bedroom.
9. Repair/replace screening on custom exterior master bedroom and other doors as needed.
10. Reseal three wooden garage doors.
11. Increase berm along southwest edge of driveway and adjacent southern neighbor's driveway to prevent further storm water runoff into driveway.
12. Repair/reset/adjust front and rear wrought iron gates for secure closure.
13. Replace two existing vinyl windows with period appropriate replacements.

CITY COUNCIL STAFF REPORT

Consent Item No. 7

September 29, 2021

File No. 0600-95

SUBJECT: Notice of Completion for the 2021 Street Rehabilitation and Maintenance Project-Phase 1

DEPARTMENT: Engineering Services Department

RECOMMENDATION:

It is requested that City Council adopt Resolution No. 2021-144 to approve and accept the improvements and authorize the City Engineer to file a Notice of Completion (“NOC”) for the 2021 Street Rehabilitation and Maintenance Project - Phase 1 (“Project”).

FISCAL ANALYSIS:

The Project is included in the CIP budget and is funded with Gas Tax, TransNet, and Road Maintenance and Rehabilitation Account (“RMRA”) funds. Staff approved changes to contract work totaling \$35,967 to complete additional concrete replacement and tree replacement within the Project area. The total contract amount including the additional work was \$969,273.90.

PREVIOUS ACTION:

On March 3, 2021, the City Council adopted Resolution No. 2021-31, authorizing the Mayor and City Clerk to execute a Public Improvement Agreement (“Agreement”) with L.C. Paving and Sealing, Inc., the lowest responsive and responsible bidder, in the amount of \$933,306.90 for construction of the Project.

BACKGROUND:

The zone of focus for this year’s annual street maintenance project is the North-West (NW) Zone located west of North Broadway and north of State Route 78. Phase 1 of the Project replaced 0.86 miles of damaged sidewalk, 98 trees that were damaging street improvements and replaced or installed 54 pedestrian ramps.

Phase 2 of the Project will rehabilitate pavement, apply surface treatments, add signs, and add striping along major corridors to enhance safety and add bike lane facilities. The Phase 2 project was awarded by the City Council on September 15, 2022 and construction is anticipated occur between November 2021 and March 2022.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Julie Procopio, Director of Engineering Services
09/22/21 3:05 p.m.

ATTACHMENTS:

1. Resolution No. 2021-144

RESOLUTION NO. 2021-144

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE CITY ENGINEER, ON
BEHALF OF THE CITY, TO FILE A NOTICE OF
COMPLETION FOR THE 2021 STREET
REHABILITATION AND MAINTENANCE
PROJECT - PHASE 1

WHEREAS, on March 3, 2021, the City Council adopted Resolution No 2021-31, authorizing execution of the Public Improvement Agreement (“Agreement”) for the construction of the 2021 Street Rehabilitation and Maintenance Project – Phase 1 (“Project”) in the amount of \$933,306.90; and

WHEREAS, the construction for the Project was completed by L.C. Paving and Sealing, Inc.; and

WHEREAS, the City of Escondido (“City”) staff and the City Engineer deems the filing of the Notice of Completion (“NOC”) to be valid and recommends approval; and

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

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

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the City Engineer.
3. That the City Council hereby approves the request to file an NOC for the 2021 Street Rehabilitation and Maintenance Project – Phase 1.

CITY COUNCIL STAFF REPORT

Consent Item No. 8

September 29, 2021

File No. 0480-70

SUBJECT: Cal Recycle Rubberized Pavement Grant Program Application

DEPARTMENT: Engineering Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-149 authorizing the Director of Engineering Services or her designee to complete and submit grant documents for Rubberized Pavement (“Pavement”) Grant Program funds for an amount up to \$250,000 from the California Department of Resources Recycling and Recovery (“CalRecycle”) and, if awarded, to accept the grant funds, process a budget adjustment for the funds, and complete necessary documents required by CalRecycle for participation in the Pavement Program in conjunction with the Citywide annual pavement maintenance program.

FISCAL ANALYSIS:

Grant funds will leverage funds reserved for the Citywide annual pavement program in order to use Rubberized Asphalt Concrete (RAC) products in addition to traditional asphalt paving materials. Grant awards are based on a flat rate of \$1.00 per square yard of rubberized chip seal material. Costs must be incurred for paving projects before April 1, 2024.

PREVIOUS ACTION:

On October 22, 2014, City Council authorized the Public Works Director to apply for 2014 Rubberized Pavement Grant Program funds. The City received an award not to exceed \$147,144.00.

On October 19, 2016, City Council authorized the Public Works Director to apply for 2016 Rubberized Pavement Grant Program funds. The City received an award not to exceed \$350,000.

On September 25, 2019, City Council authorized the Director of Engineering Services to apply for 2019 Rubberized Pavement Grant Program funds. The City received an award not to exceed \$350,000.

BACKGROUND:

CalRecycle administers the Rubberized Pavement Grant Program in order to promote markets for recycled-content surfacing products derived from waste tires generated in California and decrease the adverse environmental impacts created by unlawful disposal and stockpiling of waste tires.

CalRecycle offers the Rubberized Pavement Grant Program pursuant to Section 42872, 42872.1, and 42873 of the Public Resources Code.

RAC is a proven road paving material that has been used in California since the 1970s. It is made by blending ground tire rubber with asphalt binder which is then mixed with conventional aggregate materials. Benefits include cost effectiveness, durability, safety, noise reduction, and an environmentally friendly alternative to traditional road paving materials.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Julie Procopio, Director of Engineering Services

09/22/21 3:05 p.m.

ATTACHMENTS:

1. Resolution 2021-149

RESOLUTION NO. 2021-149

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE DIRECTOR OF ENGINEERING SERVICES TO SUBMIT, ON BEHALF OF THE CITY, AN APPLICATION FOR RUBBERIZED PAVEMENT GRANT PROGRAM AND AUTHORITY TO EXECUTE ALL NECESSARY DOCUMENTS INCLUDING A BUDGET ADJUSTMENT

WHEREAS, Public Resources Code sections 48000 et seq. authorize the Department of Resources Recycling and Recovery (“CalRecycle”) to administer various grant programs (grants) in furtherance of the State of California’s (“State”) efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, in furtherance of this authority, CalRecycle is required to establish procedures governing the application, awarding, and management of the grants; and

WHEREAS, CalRecycle grant application procedures require, among other things, an applicant’s governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

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

1. That the above recitations are true.
2. That the City Council authorizes the submittal of application(s) to CalRecycle for the Rubberized Pavement Grant Program.
3. That the Director of Engineering Services, or his/her designee, is hereby

authorized to execute, on behalf of the of the City, all grant documents, including but not limited to, applications, agreements, amendments and requests for payment, necessary to secure grant funds, make budget adjustments, and implement the approved grant project.

4. That these authorizations are effective for five (5) years from the date of adoption of this resolution.

CITY COUNCIL STAFF REPORT

Consent Item No. 9

September 29, 2021

File No. 0600-10, A-3362

SUBJECT: Computer Aided Dispatch (“CAD”) Hardware Replacement Purchase

DEPARTMENT: Police Department

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-147 authorizing the Mayor to execute, on behalf of the City of Escondido, a contract amendment for the purchase and installation of replacement hardware for the City’s CommandPoint™ CAD system. Funding for the amendment was approved by the City Council on June 9, 2021, as part of the Police Department’s General Fund Operating Budget. The contract price of the amendment is \$294,625, which covers hardware, software, installation, and maintenance of essential CAD system equipment. The current CAD system provider, Peraton Inc., is the only vendor that can maintain interoperability with the existing system’s quality and performance. Per Escondido Municipal Code Section 10-97, City Council approval is needed for this proposed amendment to the current Peraton Inc. Public Services Agreement dated April 14, 2021.

PREVIOUS ACTION:

On June 9, 2021 the City Council approved the Police Department General Fund Operating Budget, which included \$294,630 for the updates to the City’s CommandPoint™ CAD system.

BACKGROUND:

Escondido Police and Fire Departments rely on the CAD system to facilitate incident response and communication in the field with Police and Fire units that utilize Mobile Data Computers (“MDCs”). The CAD system is used for resource management, location verification, dispatching resources, unit status management and transfer of data to other reporting/management systems.

The current CAD system hardware has reached the end of its useful life and must be replaced. Resolution 2021-147 authorizes the Mayor to execute, on behalf of the City, an amendment to the existing Peraton Inc. Public Services Agreement dated April 14, 2021 (see Exhibit B). The proposed amendment would cover the purchase and installation of necessary replacement hardware for the City’s CommandPoint™ CAD system.

The current CAD system provider, Peraton Inc., is the only vendor that can maintain interoperability with the existing system’s quality and performance. As such, this sole source purchase is consistent with Escondido Municipal Code section 10-102(d) (City Manager approval of specific brand or a specialized piece of equipment required to meet quality and performance criteria). This Staff Report

Computer Aided Dispatch (CAD) Hardware Replacement Purchase
September 29, 2021
Page 2

serves as the City Manager's written authorization and approval that this purchase satisfies the requirements of the Municipal Code.

Per Escondido Municipal Code Section 10-96, City Council approval is needed for purchases over \$200,000 and corresponding sole source acquisitions. This approval will cover both requirements.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Edward Varso, Chief of Police

09/22/21 5:08 p.m.

ATTACHMENTS:

1. Resolution No. 2021-147
2. Exhibit A – Agreement Amendment
3. Exhibit B – Public Service Agreement dated April 14, 2021

RESOLUTION NO. 2021-147

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, AN AMENDMENT TO ITS HARDWARE PUBLIC SERVICE AGREEMENT WITH PERATON INC.

WHEREAS, the City of Escondido ("City") proposes to purchase a Computer Aided Dispatch ("CAD") hardware; and

WHEREAS, the current CAD system is at its end of useful life; and

WHEREAS, on June 9, 2021 the City Council approved the FY 21-22 General Fund Operating budget; and

WHEREAS, a line item on the Police Department's FY 21-22 General Fund Operating budget included \$294,330 for CAD hardware replacement; and

WHEREAS, the City desires to amend its Public Services Agreement with Peraton, Inc. ("Peraton") dated April 14, 2021 (Exhibit B), regarding hardware services necessary for ongoing operation of the City's CAD system ("Agreement"); and

WHEREAS, City Council approval is needed for purchases over \$200,000 and corresponding sole source acquisitions, per Escondido Municipal Code ("EMC") Section 10-96; and

WHEREAS, the current CAD system provider, Peraton Inc., is the only vendor that can maintain interoperability with the existing system's quality and performance; and

WHEREAS, the City Manager has made the requisite findings that this sole source purchase is consistent with the requirements of the Escondido Municipal Code including, but not limited to, EMC section 10-102(d); and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the Amendment for essential CAD system hardware services.

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 authorizes the Mayor to execute the proposed amendment to the Agreement for the purchase of essential CAD system hardware services, which is attached hereto as Exhibit "A" and incorporated herein by this reference.



CITY OF ESCONDIDO
FIRST AMENDMENT TO PUBLIC SERVICES AGREEMENT

This First Amendment to Public Services Agreement ("First Amendment") 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: Steve Lewandowski
760-839-4969
("CITY")

And: Peraton, Inc.
a Maryland corporation
12975 Worldgage Drive
Herndon, VA 20170
Attn: Cynthia Williams
865-269-1134
("CONTRACTOR").

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

WHEREAS, the Parties entered into that certain Public Services Agreement dated April 14, 2021 ("Agreement"), wherein CITY retained CONTRACTOR to provide services for Computer Aided Dispatch ("CAD") system services, as more specifically described in the Agreement; and

WHEREAS, the Parties desire to amend the Agreement to include additional services as described in "Attachment A" to this First Amendment, which is attached hereto and incorporated herein by this reference.

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. The CONTRACTOR will furnish all of the Services described in "Attachment A" to this First Amendment.
2. The CITY will compensate the CONTRACTOR in an additional amount not to exceed the sum of **\$294,625**, pursuant to the conditions contained in "Attachment A" to this First Amendment.

3. All other terms of the Agreement not referenced in this First Amendment shall remain unchanged and in full force and effect. In the event of a conflict between a provision of the Agreement and this First Amendment, this First Amendment shall prevail.
4. This First Amendment and the Agreement, together with any attachments or other documents described or incorporated therein, if any, constitute the entire agreement and understanding of the Parties, and there are no other terms or conditions, written or oral, controlling this matter.
5. This First Amendment may be executed on separate counterparts that, upon completion, may be assembled into and shall be construed as one document. Delivery of an executed signature page of this First Amendment by electronic means, including an attachment to an email, shall be effective as delivery of an executed original.
6. Unless a different date is provided in this First Amendment, the effective date of this First Amendment shall be the latest date of execution set forth by the names of the signatories below.

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

CITY OF ESCONDIDO

Date: _____

Paul McNamara, Mayor

PERATON, INC.

Date: 1/21/2021

Mathia Williams
Signature

Mathia Williams Contract Administrator
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

Peraton, Inc., a Maryland corporation ("Contractor") will provide the City of Escondido, a California municipal corporation ("City") with Computer Aided Dispatch ("CAD") system hardware, software, and installation services.

B. Location

Contractor will provide services at the City's Police and Fire Headquarters located at 1163 N. Centre City Parkway, Escondido, CA 92026.

C. Services

1. Contractor will provide, install, configure, and test new Hewlett-Packard Enterprise ("HPE") equipment to replace the current Computer Aided Dispatch ("CAD") system as more particularly described in Exhibit 1 to this Scope of Work, which is attached hereto and incorporated by this reference.
2. The new HPE equipment to be provided, installed, configured, and tested by Contractor shall include the following:
 - a. Three HPE ProLiant host servers;
 - b. One HPE ProLiant management/backup server;
 - c. A modular storage array ("MSA"); and
 - d. A tape library.
3. Each piece of HPE equipment described in Section C(2) shall include a five-year maintenance support warranty.

D. Scheduling

Inquiries relating to this Agreement, including scheduling and services issues, may be direct to:

1. Steven Lewandowski at slewandowski@escondido.org or 760-535-2272; or
2. Livier Valenzuela at lvalenzuela@escondido.org or 760-497-5301.

E. Contract Price and Payment Terms

The contract price of this First Amendment shall not exceed **\$294,625**. The combined total contract price of the Agreement (\$13,182) and this First Amendment (\$294,625) shall not exceed \$307,807. The contract price of this First Amendment includes all fees for equipment, software, installation, configuration, testing, deployment, travel, and maintenance support warranties as described in Section C of this Scope of Work.

F. Term

The term of this First Amendment shall be from the Effective Date of this First Amendment through **December 31, 2021**. The term of the five-year warranties described in Section C(3) shall be from the Effective Date of this First Amendment through **September 30, 2026**.



CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Public Services Agreement ("Agreement") is made and entered into as of this 14th day of April, 2021 ("Effective Date"),

Between: CITY OF ESCONDIDO
a California municipal corporation
201 N. Broadway
Escondido, CA 92025
Attn: Steve Lewandowski
760-839-4969
("CITY")

And: Peraton Inc.
a Maryland corporation
12975 Worldgate Drive
Herndon, VA 20170
Attn: Cindy Williams
703-668-6000
("CONTRACTOR").

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

WHEREAS, the CITY previously contracted with Northrop Grumman Systems Corporation, a Delaware corporation ("Northrop"), for Computer Aided Dispatch ("CAD") system services;

WHEREAS, Northrop has entered into a definitive agreement to sell its information technology and mission support services business to CONTRACTOR (the "Transaction");

WHEREAS, the Transaction is expected to close in the first half of 2021, subject to regulatory approvals and customary closing conditions;

WHEREAS, the Parties desire to enter into this Agreement for the performance of CAD services described herein; and

WHEREAS, the Parties desire that this Agreement will supersede any previous agreements, proposals, presentations, understandings, and arrangements between the Parties relating to the performance of CAD 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 **\$13,182**. 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, 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 \$1,000,000 per occurrence and \$2,000,000 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 attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, or in connection with CONTRACTOR's negligent 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. 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.
20. 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/dprewagedetermination.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.

21. 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.
22. Limitation of Liability. Neither Party hereto shall be liable to the other for any incidental, consequential, or other indirect damages, including but not limited to lost profits, business interruption, or costs for substitute goods, technology, or services. Under no circumstances shall CONTRACTOR be liable to CITY for any amounts in excess of the insurance coverage stated in Section 6 of this Agreement. Liability of CONTRACTOR to CITY in contract, under any warranty, or any other actions, claims, damages, disabilities or expenses not covered under Section 6 or Section 7 of this Agreement shall not exceed \$500,000.
23. Prior Agreements. This Agreement supersedes and extinguishes all prior contracts between the Parties, including those between the City and Northrop, regarding or relating to the Services described herein that may now exist or have in the past existed.
24. 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.

(SIGNATURE PAGE FOLLOWS)

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

CITY OF ESCONDIDO

Date: 04/14/2021


Edward Varso, Chief of Police

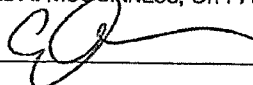
Peraton Inc.

Date: 04/13/21
Signature



Cynthia Williams Contract Administrator
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

Peraton Inc., a Maryland corporation ("Contractor"), will provide the City of Escondido, a California municipal corporation ("City"), with Computer Aided Dispatch ("CAD") system hardware services.

B. Location

Contractor will provide remote services to the City's Police and Fire Headquarters located at 1163 N. Centre City Parkway, Escondido, CA 92026.

C. Services

Contractor will provide Hewlett-Packard Enterprise ("HPE") four-hour response onsite hardware maintenance coverage for the City's CAD system. HPE will provide hardware maintenance coverage services as described in Exhibit 1 to this Scope of Work, which is attached hereto and incorporated by this reference. HPE hardware maintenance services will be available to the City 24-hours a day, seven days a week.

It is understood that Contractor is selling the HPE level of services described in Exhibit 1. The HPE services are subject to the terms described in Exhibit 2 to this Scope of Work, which is attached hereto and incorporated by this reference.

HPE hardware maintenance coverage services will be provided for and in relation to the products described in Exhibit 3 to this Scope of Work, which is attached hereto and incorporated by this reference.

D. Scheduling

For inquiries relating to this Agreement, including scheduling and service issues, Contractor will contact:

- Steven Lewandowski at slewandowski@escondido.org or 760-535-2272; or
- Livier Valenzuela at lvalenzuela@escondido.org or 760-497-5301

E. Contract Price and Payment Terms

The contract price shall not exceed **\$13,182**. The contract price includes all labor, materials, and licensing required to perform the work. Licensing will be billed in full upon receipt of the Purchase Order. 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. Purchase Order number must be included on the invoice.

F. Term

The term of this Agreement shall be from the Effective Date of the Agreement through **December 25, 2021**.

Exhibit 1

Data sheet



HPE Foundation Care Service

Support Services

HPE Foundation Care Service is composed of comprehensive hardware and software services aimed to help increase the availability of your IT infrastructure. Hewlett Packard Enterprise technical resources work with your IT team to help you resolve hardware and software problems with HPE and selected third-party products.

For hardware products covered by HPE Foundation Care, the service includes remote diagnosis and support, as well as onsite hardware repair if it is required to resolve an issue. For eligible HPE hardware products, this service may also include Basic Software Support and Collaborative Call Management for selected non-HPE software. Contact HPE for more information and determination regarding which eligible software products may be included as part of your hardware product coverage. For software products covered by HPE Foundation Care, HPE provides remote technical support and access to software updates and patches. HPE releases updates to software and reference manuals as soon as they are made available for selected HPE-supported software products for each system, processor, processor core, and end user, as allowed by HPE or the original manufacturer software license. Updates for selected HPE-supported third-party software products are included as they are made available from the original software manufacturer.

In addition, HPE Foundation Care provides electronic access to related product and support information, enabling any member of your IT staff to locate this commercially available essential information. For third-party products, access is subject to availability of information from the original manufacturer.

You can choose from a set of reactive support levels to meet your business and operational needs.

Service feature highlights

- Choice of Foundation Care service-level options
- Escalation management
- HPE electronic remote support solution
- Basic Software Support and Collaborative Call Management for non-HPE software on eligible HPE hardware products
- Access to electronic support information and services
- **Hardware support:**
 - Remote problem diagnosis and support
 - Onsite hardware support
 - Replacement parts and materials
 - Firmware updates for selected products
 - Periodic maintenance (included for certain eligible products only)

• Software support:

- Access to technical resources
- License to use software updates
- Software support
- Installation advisory support
- Software features and operational support
- Software product and documentation updates
- Hewlett Packard Enterprise recommended software and documentation updates method

• Optional service features:

- Defective media retention (for eligible hardware products only)
- Comprehensive defective material retention (for eligible hardware products only)
- Preventive maintenance (for eligible hardware products only; only available with HPE Contractual Services)

Table 1. Service features

Feature	Delivery specifications
	<p>The HPE Foundation Care service-level options noted below are product dependent. Hardware support coverage windows and response times will apply to covered hardware products, and software support coverage windows and response times will apply to covered software products.</p> <p>All coverage windows are subject to local availability. Product eligibility may vary. Contact a local Hewlett Packard Enterprise sales office for detailed information on service availability and product eligibility.</p> <p>Additional features and descriptions are included in this table.</p>
HPE Foundation Care service-level options	<p>For products covered by Foundation Care, Hewlett Packard Enterprise offers three distinct service levels:</p> <ul style="list-style-type: none"> • HPE Foundation Care NBD Service • HPE Foundation Care 24x7 Service • HPE Foundation Care CTR Service <p>The HPE Foundation Care portfolio also offers the same three service levels with the inclusion of hardware defective media retention (DMR) and comprehensive deflection material retention (CDMR) as additional core features. See table 2 for details on DMR and CDMR.</p> <p>The details of the HPE Foundation Care service levels are outlined in the text that follows.</p>
HPE Foundation Care NBD Service	<p>Hardware support:</p> <ul style="list-style-type: none"> • Coverage window: Standard business hours, standard business days: Service is available 9 hours per day between 8:00 a.m. and 5:00 p.m. local time, Monday through Friday excluding HPE holidays. • Onsite response time: Next-business-day onsite response: For incidents with covered hardware that cannot be resolved remotely, HPE will use commercially reasonable efforts to respond onsite the next business day. A Hewlett Packard Enterprise authorized representative will arrive at the Customer's site during the coverage window to begin hardware maintenance service the next coverage day after the call has been received and acknowledged by HPE. Onsite response time specifies the period of time that begins when the initial call has been received and acknowledged by HPE, as described in the 'General provisions/Other exclusions' section. The onsite response time ends when the Hewlett Packard Enterprise authorized representative arrives at the Customer's site, or when the reported event is closed with the explanation that HPE has determined that no onsite intervention is required. Calls received outside the coverage window will be acknowledged the next coverage day and serviced within the following coverage day.

Software support:

- Coverage window: Standard business hours, standard business days: Service is available 9 hours per day between 8:00 a.m. and 5:00 p.m. local time, Monday through Friday excluding HPE holidays.
- Remote response time: Once a software problem is logged, a Hewlett Packard Enterprise Solution Center engineer will respond to the call within two hours, as noted in the 'Software support' section of this table.

HPE Foundation Care 24x7 Service

Hardware support:

- Coverage window: 24x7: Service is available 24 hours per day, 7 days per week including HPE holidays.
- Onsite response time: 4-hour onsite response: For incidents with covered hardware that cannot be resolved remotely, HPE will use commercially reasonable efforts to respond onsite within 4 hours. A Hewlett Packard Enterprise authorized representative will arrive at the Customer's site during the coverage window to begin hardware maintenance service within four hours of the call having been received and acknowledged by HPE. Onsite response time specifies the period of time that begins when the initial call has been received and acknowledged by HPE, as described in the 'General provisions/Other exclusions' section. The onsite response time ends when the Hewlett Packard Enterprise authorized representative arrives at the Customer's site, or when the reported event is closed with the explanation that HPE has determined that no onsite intervention is required.

Software support:

- Coverage window: 24x7: Service is available 24 hours per day, 7 days per week including HPE holidays.
- Remote response time: Once a software problem is logged, a Hewlett Packard Enterprise Solution Center engineer will respond to the call within two hours, as noted in the 'Software support' section of this table.

HPE Foundation Care CTR Service

Hardware support:

- Coverage window: 24x7: Service is available 24 hours per day, 7 days per week including HPE holidays.
- Onsite response time: 6-hour call-to-repair time: For critical incidents (Severity 1 or 2), HPE will use commercially reasonable efforts to return the covered hardware to operating condition within 6 hours after the initial service request has been received. Availability of call-to-repair times is dependent on the proximity of the Customer site to an HPE-designated support hub, as described in the 'Travel zones' section.

For non-critical incidents (Severity 3 or 4), or at the Customer's request, HPE will work with the Customer to schedule an agreed-upon time for the remedial action to begin, and the call-to-repair time will then start at that time. Incident severity levels are defined in the 'General provisions/Other exclusions' section.

Call-to-repair time refers to the period of time that begins when the initial service request has been received and acknowledged by HPE or at the start time for work scheduled in agreement with the Customer, as specified in the 'General provisions/Other exclusions' section. Call-to-repair time ends with HPE's determination that the hardware is repaired, or when the service request is closed with the explanation that HPE has determined that no onsite intervention is required.

Repair is considered complete upon HPE verification that the hardware malfunction has been corrected or that the hardware has been replaced. HPE is not liable for any lost data, and the Customer is responsible for implementing appropriate backup procedures. Verification by HPE may be accomplished by the completion of a power-on self-test, standalone diagnostic, or visual verification of proper operation. At its sole discretion, HPE will determine the level of testing necessary to verify that the hardware is repaired. At its sole discretion, HPE may temporarily or permanently replace the product in order to meet the call-to-repair time. Replacement products are new or functionally equivalent to new in performance. Replaced products become the property of HPE.

It will take 30 days from the time this service is purchased to set up and perform necessary audits and processes so that the hardware call-to-repair time can be put into effect. During this initial 30-day period and for up to 5 additional business days after the audit is completed, HPE will provide a 4-hour onsite response time.

Enhanced parts inventory management

To support HPE call-to-repair times, an inventory of critical replacement parts is maintained for Customers who have selected the call-to-repair option. This inventory is stored at an HPE-designated facility. These parts are managed to allow for increased inventory availability and are accessible to Hewlett Packard Enterprise authorized representatives responding to eligible service requests.

Software support:

- Coverage window: 24x7: Service is available 24 hours per day, 7 days per week including HPE holidays.
- Remote response time: Once a software problem is logged, a Hewlett Packard Enterprise Solution Center engineer will respond to the call within two hours, as noted in the 'Software support' section of this table.

The HPE Foundation Care support features noted below are product dependent. Hewlett Packard Enterprise will provide the hardware support features for covered hardware products and the software support features for covered software products.

HPE will provide telephone assistance during the service coverage window for installation of customer-installable firmware and Customer Self Repair parts.

Regardless of the Customer's coverage window, incidents with covered hardware can be reported to HPE via telephone or Web portal, as locally available, or as an automated equipment reporting event via the HPE electronic remote support solution 24 hours a day, 7 days a week. HPE retains the right to determine the final resolution of all reported incidents.

Onsite hardware support

For hardware incidents that cannot, in Hewlett Packard Enterprise's judgment, be resolved remotely, a Hewlett Packard Enterprise authorized representative will provide onsite technical support on covered hardware products to return them to operating condition. For certain products, HPE may, at its sole discretion, elect to replace such products in lieu of repairing them. Replacement products are new or functionally equivalent to new in performance. Replaced products become the property of HPE.

Once a Hewlett Packard Enterprise authorized representative arrives at the Customer's site, the representative will continue to deliver the service, either onsite or remotely, at the discretion of HPE, until the products are repaired. Work may be temporarily suspended if parts or additional resources are required, but work will resume when they become available.

Repair is considered complete upon HPE verification that the hardware malfunction has been corrected or that the hardware has been replaced.

'Fix-on-Failure': In addition, at the time of onsite technical support delivery, HPE may:

- Install available engineering improvements for covered hardware products to help the Customer ensure proper operation of the hardware products and maintain compatibility with HPE-supplied hardware replacement parts
- Install available firmware updates defined by HPE as non-customer installable for covered hardware products, that, in the opinion of HPE, are required to return the covered product to operating condition or to maintain supportability by HPE

'Fix-on-Request': In addition, at the Customer's request, HPE will install during coverage hours critical firmware updates defined by HPE as non-customer installable for covered hardware products. Critical firmware updates are firmware updates recommended by the HPE product division for immediate installation.

Notwithstanding anything to the contrary in this document or HPE's current standard sales terms, HPE will, for select enterprise storage arrays and enterprise tape products, cover and replace defective or depleted batteries that are critical to the proper operation of the covered product.

Replacement parts and materials

Hewlett Packard Enterprise will provide HPE-supported replacement parts and materials necessary to maintain the covered hardware product in operating condition, including parts and materials for available engineering improvements required by HPE to assure supportability of the product. Replacement parts provided by HPE shall be new or functionally equivalent to new in performance. Replaced parts become the property of HPE. Customers who wish to retain, degauss, or otherwise physically destroy replaced parts will be billed and required to pay the list price for the replacement part.

Supplies and consumable parts are not supported and will not be provided as part of this service; standard warranty terms and conditions apply to supplies and consumable parts. The repair or replacement of any supplies or consumables is the responsibility of the Customer. Some exceptions may apply; contact Hewlett Packard Enterprise for more information. If a consumable part is eligible for coverage, as determined by HPE, call-to-repair time commitments and onsite response times do not apply to repair or replacement of the covered consumable part.

Maximum supported lifetime/maximum usage: Parts and components that have reached their maximum supported lifetime and/or the maximum usage limit as set forth in the manufacturer's operating manual, product QuickSpecs, or the technical product data sheet will not be provided, repaired, or replaced as part of this service.

Firmware updates for selected products

As Hewlett Packard Enterprise releases entitled firmware updates to HPE hardware products, these updates are only made available to Customers with an active agreement that entitles them to access these updates.

As part of this service, Customers will have the right to download, install, and use firmware updates for hardware products covered by this service, subject to all applicable license restrictions in HPE's current standard sales terms.

HPE will verify entitlement to updates by reasonable means (such as an access code or other identifier), and the Customer is responsible for using any such access tools in accordance with the terms of this data sheet and other applicable agreements with HPE. HPE may take additional reasonable steps, including audits, to verify the Customer's adherence to the terms of their agreements with HPE, including this data sheet. For Customers with licenses to firmware-based software products (features implemented in firmware activated by the purchase of a separate software license product), the Customer must also have, if available, active HPE Foundation Care support coverage or an active HPE Software Support agreement on the firmware-based software products to receive, download, install, and use related firmware updates. HPE will provide, install, or assist the Customer with installation of firmware updates as previously described in this document only if the Customer has the license to use the related software updates for each system, socket, processor, processor core, or end-user software license as allowed by the original HPE or original manufacturer software license terms.

Escalation management	Hewlett Packard Enterprise has established formal escalation procedures to facilitate the resolution of complex incidents. Local Hewlett Packard Enterprise management coordinates incident escalation, enlisting the skills of appropriate HPE resources to assist the Customer with problem solving. For selected third-party software products for which HPE is providing software support and update services, HPE will follow the agreed-upon escalation processes established between HPE and the third-party vendor to assist with problem resolution.
HPE electronic remote support solution	For eligible products, the HPE electronic remote support solution provides robust troubleshooting and repair capabilities. It can include remote system access solutions and may offer a convenient central point of administration and an enterprise view of open incidents and history. A Hewlett Packard Enterprise support specialist will only use the remote system access with the Customer's authorization. The remote system access may enable the Hewlett Packard Enterprise support specialist to provide more efficient troubleshooting and faster problem resolution.
Basic Software Support and Collaborative Call Management for non-HPE software on eligible HPE hardware products	<p>Basic Software Support provides 24 hours per day, 7 days per week phone support for selected independent software vendor (ISV) software that resides on hardware covered by HPE Foundation Care. For Basic Software Support, HPE will investigate and attempt to resolve problems by asking the Customer to apply fixes that have been made available or known to HPE. In some cases, support may be limited to communication of a known fix available through the installation of a software update or patch, and the Customer will be directed to available sources for the applicable updates or patches because access to the known fix requires additional service contracts with the respective software vendor. If the problem is still not resolved, then Collaborative Call Management can be initiated at the Customer's request.</p> <p>If HPE determines that a problem is caused by a selected ISV product and the problem is not resolved by the Customer applying known available fixes, HPE will, at the Customer's request, initiate Collaborative Call Management with the ISV. Collaborative Call Management can be provided only in cases where the Customer has appropriate active support agreements in place with selected ISVs and the Customer has taken the steps necessary to ensure that HPE can submit calls on the Customer's behalf for the limited purpose of placing a support call with the vendor. HPE will engage the ISV and provide information about the Customer's issue, as obtained during the Basic Software Support service call. Once the call has transitioned to the ISV, it is then the responsibility of the ISV to resolve the Customer issue, which will be subject to the support levels of the agreement between the Customer and that ISV. Once the ISV is engaged, HPE will close the HPE call, but the Customer or ISV can resume the service issue with HPE if needed by referencing the original call identification number.</p> <p>Basic Software Support and Collaborative Call Management apply only to select ISV software when that software is not under HPE support. When ISV software is covered by HPE Software Support, support is provided as described in the 'Software support' section of this table. Note: For a list of the non-HPE software products eligible for Basic Software Support and Collaborative Call Management, please refer to www.hpe.com/services/collaborativesupport.</p>
Access to electronic support information and services	<p>As part of this service, Hewlett Packard Enterprise provides the Customer with access to certain commercially available electronic and Web-based tools. The Customer has access to:</p> <ul style="list-style-type: none">• Certain capabilities made available to registered users with linked entitlements, such as downloading selected HPE software patches, subscribing to hardware-related proactive service notifications, and participating in support forums for solving problems and sharing best practices with other registered users• Expanded Web-based searches of technical support documents to facilitate faster problem solving• Certain HPE proprietary service diagnostic tools with password access• A Web-based tool for submitting questions directly to HPE; the tool helps to resolve problems quickly with a pre-qualification process that routes the support or service request to the resource qualified to answer the question; it also allows the status of each support or service request submitted to be viewed, including cases submitted by telephone• HPE and third-party hosted knowledge databases for certain third-party products, where Customers can search for and retrieve product information, find answers to support questions, participate in support forums, and download software updates; this service may be limited by third-party access restrictions• The Software Updates and Licensing portal, which provides the Customer with electronic access to receive, proactively manage, and plan for software product updates; access to the portal is through the HPE Support Center
Hardware support	<p>Once the Customer has placed and Hewlett Packard Enterprise has acknowledged the receipt of a call as described in the 'General provisions/Other exclusions' section, HPE will work during the coverage window to isolate the hardware incident and to remotely troubleshoot, remedy, and resolve the incident with the Customer. Prior to any onsite assistance, HPE may initiate and perform remote diagnostics using electronic remote support solution to access covered products, or HPE may use other means available to facilitate remote incident resolution.</p>

Periodic maintenance	<p>For certain eligible water-cooled products, Hewlett Packard Enterprise will provide periodic maintenance; the frequency and scope of these periodic maintenance services will be as defined by the product maintenance schedule documented in the product documentation. For more information on eligible products that will receive periodic maintenance services as part of this service, please contact your Hewlett Packard Enterprise sales representative.</p> <p>If periodic maintenance is included, a Hewlett Packard Enterprise authorized representative will contact the Customer, and the Customer will agree to arrange for the periodic maintenance to be performed at a mutually agreed-upon time, during local HPE standard business hours excluding HPE holidays, and within the required scheduled interval as defined in the product maintenance schedule, unless otherwise agreed by HPE in writing. Any services provided outside of HPE standard business hours may be subject to additional charges.</p> <p>HPE will plan the necessary periodic maintenance activities and identify and communicate any prerequisites to the Customer when contacting the Customer to schedule the service. The Customer must provide access to the product, ensure that the prerequisites have been met, and supply any consumables such as filters and chemicals required at the time of product maintenance.</p>
Software support	
Access to technical resources	<p>The Customer can access Hewlett Packard Enterprise technical resources via telephone, electronic communication, or fax (where locally available) for assistance in resolving software implementation or operations problems.</p>
License to use software updates	<p>The Customer receives the license to use software updates to HPE or HPE-supported third-party software for each system, socket, processor, processor core, or end-user software license covered by this service, as allowed by the original HPE or original manufacturer software license terms, provided the Customer has rightfully acquired the original software license.</p> <p>The license terms shall be as described in the HPE software licensing terms corresponding to the Customer's prerequisite underlying software license, or in accordance with the current licensing terms of the third-party software manufacturer, if applicable, including any additional software licensing terms that may accompany such software updates provided under this service.</p> <p>For certain third-party products, instead of purchasing an initial software product license, this service provides the Customer with the ability to download from a website, hosted by HPE or a third-party vendor, the current revision of the software and all software updates released during the support agreement period.</p>
Software support	<p>Once a software problem is logged, a Hewlett Packard Enterprise Solution Center engineer will respond to the call within two hours. Calls received and answered outside the service coverage window will be logged the next day for which the Customer has a service coverage window (may vary by geographic location). HPE provides corrective support to resolve identifiable and customer-reproducible software product problems. HPE also provides support to help the Customer identify problems that are difficult to reproduce. In addition, the Customer receives assistance in troubleshooting problems and determining configuration parameters for supported configurations.</p>
Installation advisory support	<p>Limited advisory support is provided and is restricted to basic advisory assistance for the Customer who encounters difficulties while performing a software product installation or who needs advice on proper installation methods and updating of standalone applications. Limited advisory support for software products that are installed in a network environment is also provided. The scope of such advisory support is at Hewlett Packard Enterprise's discretion.</p> <p>Exclusions to this advisory support include, but are not limited to, the following: any downloading of complete software packages or walking the Customer through an installation from start to finish. These services are available for an additional charge and can be purchased separately from HPE.</p>
Software features and operational support	<p>Hewlett Packard Enterprise provides information, as commercially available, on current product features, known problems and available solutions, and operational advice and assistance.</p>
Software product and documentation updates	<p>As Hewlett Packard Enterprise releases updates to HPE software, the latest revisions of the software and reference manuals are made available to the Customer. For selected third-party software, HPE will provide software updates as such updates are made available from the third party, or HPE may provide instructions on how the Customer can obtain any software updates directly from the third party. A license key or access code, or instructions for obtaining a license key or access code, will also be provided to the Customer when required to download, install, or run the latest software revision.</p> <p>For most HPE software and selected HPE-supported third-party software, updates will be made available through the Software Updates and Licensing portal via the HPE Support Center. The Software Updates and Licensing portal provides the Customer with electronic access to receive and proactively manage software product and documentation updates.</p> <p>For other HPE-supported third-party software, the Customer may be required to download updates directly from the vendor's website.</p>

Hewlett Packard Enterprise recommended software and documentation updates method	For HPE or HPE-supported third-party software and documentation updates, the recommended delivery method will be determined by Hewlett Packard Enterprise. The primary delivery method for software updates and documentation updates will be via download from the Software Updates and Licensing portal or a third-party hosted website.
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Table 2. Optional service features

Feature	Delivery specifications
	<p>The Foundation Care portfolio also offers the following additional service levels:</p> <ul style="list-style-type: none"> • HPE Foundation Care NBD wDMR Service • HPE Foundation Care 24x7 wDMR Service • HPE Foundation Care CTR wDMR Service
Defective media retention	For eligible products, the defective media retention service feature option allows the Customer to retain defective hard disk or eligible SSD/Flash drive components that the Customer does not want to relinquish due to sensitive data contained within the disk ("Disk or SSD/Flash Drive") covered under this service. All Disk or eligible SSD/Flash Drives on a covered system must participate in the defective media retention.
Comprehensive defective material retention	In addition to defective media retention, the comprehensive defective material retention service feature option allows the Customer to retain additional components that have been designated by Hewlett Packard Enterprise as having data retentive capabilities, such as memory modules. All eligible data retentive components on a covered system must participate in the comprehensive defective material retention. The components that can be retained under this service feature are outlined in the document located at www.hpe.com/services/cdmr .
Optional features available only with HPE Contractual Services:	
Preventive maintenance	<p>A Hewlett Packard Enterprise authorized representative will visit the Customer's site at regularly scheduled intervals. The Customer shall call HPE to request and schedule a preventive maintenance visit at the agreed-upon intervals.</p> <p>During the visit, the HPE authorized representative, at their discretion, will determine the level of checking that will be performed for preventive maintenance services such as diagnostics, checking error logs on covered systems to find potential hardware problems, and, if necessary, addressing mechanical or electronic system complaints and cleaning or replacing worn or defective parts or maintenance items.</p> <p>The representative may also check for potential problems by inspecting cables and cable connections or visual status indicators of covered hardware, checking temperature and humidity levels and comparing them to vendors' recommendations, and installing applicable engineering improvements and firmware updates as required, in the opinion of HPE, to maintain the hardware product. The representative may provide a final report on the hardware's condition.</p> <p>Preventive maintenance services will be delivered between 8:00 a.m. and 5:00 p.m. local time, Monday through Friday excluding HPE holidays, regardless of the selected coverage window.</p> <p>Availability and deliverables may vary by region.</p>

Service limitations

Hewlett Packard Enterprise retains the right to determine the final resolution of all service requests.

At the discretion of Hewlett Packard Enterprise, service will be provided using a combination of remote diagnosis and support, services delivered onsite, and other service delivery methods. Other service delivery methods may include the delivery via a courier of customer-replaceable parts such as certain hard disk drives, and other parts classified by HPE as Customer Self Repair (CSR) parts, or an entire replacement product. HPE will determine the appropriate delivery method required to provide effective and timely Customer support and meet the call-to-repair time commitment, if applicable.

If the Customer agrees to the recommended CSR and a CSR part is provided to return the system to operating condition, the onsite service level shall not apply. In such cases, it is Hewlett Packard Enterprise's practice to express ship to the Customer location the CSR parts that are critical to the product's operation. For more details on the CSR process and parts, please refer to www.hpe.com/info/csr

Call-to-repair time commitments and onsite response times do not apply to the repair or replacement of defective or depleted batteries for selected enterprise storage arrays and enterprise tape products.

Activities such as, but not limited to, the following are excluded from this service:

- Services required due to failure of the Customer to incorporate any system fix, repair, patch, or modification provided to the Customer by Hewlett Packard Enterprise
- Services that, in the opinion of Hewlett Packard Enterprise, are required due to unauthorized attempts by non-HPE personnel to install, repair, maintain, or modify hardware, firmware, or software
- Operational testing of applications, or additional tests requested or required by the Customer
- Services that, in the opinion of Hewlett Packard Enterprise, are required due to improper treatment or use of the products or equipment
- Services required due to failure of the Customer to take avoidance action previously advised by Hewlett Packard Enterprise
- Backup and recovery of the operating system, other software, and data
- Installation of any customer-installable firmware and/or software updates
- Troubleshooting for interconnectivity or compatibility problems
- Support for network-related problems

Hardware onsite support

An onsite response time will not apply if the service can be delivered using remote diagnosis, remote support, or other service delivery methods previously described.

Response times are dependent on the location of your site in relation to a designated Hewlett Packard Enterprise support office. To check service availability, please contact your local Hewlett Packard Enterprise Services representative.

For technical hardware issues that cannot, in Hewlett Packard Enterprise's judgment, be resolved remotely, a Hewlett Packard Enterprise authorized representative will provide onsite technical support on covered hardware products to return them to operating condition. For certain products, HPE may, at its sole discretion, elect to replace such products in lieu of repairing them. Replacement products are new or functionally equivalent to new in performance. Replaced products become the property of HPE.

Hardware call-to-repair time

If an upfront audit is required by Hewlett Packard Enterprise, the hardware call-to-repair time commitment will not take effect until five (5) business days after the audit has been completed. In addition, HPE reserves the right to downgrade service to an onsite response time or cancel the service contract if critical audit suggestions are not followed or the audit is not performed within the specified timeframe.

The hardware repair time may vary for specific products.

A call-to-repair time commitment does not apply when the Customer chooses to have Hewlett Packard Enterprise prolong diagnosis rather than execute recommended recovery procedures.

If the Customer requests scheduled service, the call-to-repair time period begins at the agreed-upon scheduled time.

The following activities or situations will suspend the call-to-repair time calculation (if applicable) until they are completed or resolved:

- Any Customer or third-party action or inaction impacting the repair process
- Any automated or manual recovery processes triggered by a hardware malfunction, such as disk mechanism rebuild, sparing procedures, or data integrity protection measures
- Any other activities not specific to the hardware repair but which are required to verify that the hardware malfunction has been corrected, such as rebooting the operating system

Hewlett Packard Enterprise reserves the right to modify the call-to-repair time commitment as it applies to the Customer's specific product configuration, location, and environment. This is established at the time of the support agreement order and is subject to resource availability.

Collaborative Call Management for non-Hewlett Packard Enterprise software

The Customer must have appropriate active support agreements in place with selected vendors and take any steps necessary to ensure that HP can submit calls on the Customer's behalf for the limited purpose of placing a support call with the vendor. HP will not be able to transfer the existing HP case number to the vendors and assumes no responsibility for failure to do so. HP is not liable for the performance or non-performance of third-party vendors, their products, or their support services. HP's obligations are limited to the placement of support calls only, and purchase of this service does not assign the support agreement between the Customer and vendor to HP. The Customer is still responsible for performance of its obligations under such agreements, including payment of all applicable fees, including any fees that may apply as a result of logging calls with the vendor.

Defective media retention and comprehensive defective material retention

The defective media retention and comprehensive defective material retention service feature options apply only to eligible data retentive components replaced by Hewlett Packard Enterprise due to malfunction. They do not apply to any exchange of data retentive components that have not failed.

Data retentive components that are specified by Hewlett Packard Enterprise as consumable parts and/or have reached the maximum supported lifetime and/or the maximum usage limit as set forth in the manufacturer's operating manual, the product QuickSpecs, or the technical data sheet are not covered by this service.

Defective media retention service and comprehensive defective material retention service coverage for options designated by Hewlett Packard Enterprise as requiring separate coverage, if available, must be configured and purchased separately.

Failure rates on these components are constantly monitored, and Hewlett Packard Enterprise reserves the right to cancel this service with 30 days' notice if HPE reasonably believes that the Customer is overusing the defective media retention or comprehensive defective material retention service feature option (such as when replacement of defective data retentive components materially exceeds the standard failure rates for the system involved).

Software support

Software updates are not available for all software products. When this service feature is not available, it will not be included in this service.

For some products, software updates include only minor improved features. New software versions must be purchased separately.

Travel zones

All hardware onsite response times apply only to sites located within 100 miles (160 km) of an HPE designated support hub. Travel to sites located within 200 miles (320 km) of an HPE designated support hub is provided at no additional charge. If the site is located more than 200 miles (320 km) from the HPE designated support hub, there will be an additional travel charge.

Travel zones and charges, if applicable, may vary in some geographic locations.

Response times to sites located more than 100 miles (160 km) from an HPE designated support hub will have modified response times for extended travel, as shown in the table below.

Distance from HPE-designated support hub	4-hour hardware onsite response time	Next-day hardware onsite response time
0-50 miles (0-80 km)	4 hours	Next coverage day
51-100 miles (81-160 km)	4 hours	Next coverage day
101-200 miles (161-320 km)	8 hours	1 additional coverage day
201-300 miles (321-480 km)	Established at time of order and subject to availability	2 additional coverage days
More than 300 miles (480+ km)	Established at time of order and subject to availability	Established at time of order and subject to availability

A call-to-repair time commitment is available for sites located within 50 miles (80 km) of an HPE designated support hub.

For sites that are located within 51 to 100 miles (81 to 160 km) of an HPE designated support hub, an adjusted hardware call-to-repair time commitment applies, as shown in the table below.

The hardware call-to-repair time commitment is not available for sites located more than 100 miles (160 km) from an HPE designated support hub.

Distance from HPE-designated support hub	6-hour hardware call-to-repair time
0-50 miles (0-80 km)	6 hours
51-100 miles (81-160 km)	8 hours
More than 100 miles (160+ km)	Not available

Prerequisites

The Customer must have rightfully acquired the license for any underlying firmware that will be covered under these services.

For hardware onsite response time options, Hewlett Packard Enterprise strongly recommends that the Customer install and operate the appropriate HPE remote support solution, with a secure connection to HPE, in order to enable the delivery of the service. For hardware call-to-repair time commitments, HPE requires that the Customer install and operate the appropriate HPE remote support solution, with a secure connection to HPE, in order to enable the delivery of the service. Please contact a local Hewlett Packard Enterprise representative for further details on requirements, specifications, and exclusions. If the Customer does not deploy the appropriate HPE remote support solution, HPE may not be able to provide the service as defined and is not obligated to do so. Additional charges will be applied for onsite installation of non-customer-installable firmware if the Customer does not deploy the appropriate HPE remote support solution in cases where recommended and available. Installation of customer-installable firmware is the responsibility of the Customer. Additional charges will apply if the Customer requests that HPE install customer-installable firmware and software updates. Any additional charges to the Customer will be on a time and materials basis, unless otherwise previously agreed to in writing by HPE and the Customer.

Hewlett Packard Enterprise, at its sole discretion, may require an audit on the covered products. If such an audit is required, a Hewlett Packard Enterprise authorized representative will contact the Customer, and the Customer will agree to arrange for an audit to be performed within the initial 30-day timeframe. During the audit, key system configuration information is collected and an inventory of the covered products is performed. The information gathered in the audit enables HPE to plan and maintain replacement part inventories at the appropriate level and location, and allows HPE to survey and troubleshoot possible future hardware incidents so that repairs can be completed as quickly and efficiently as possible. At the sole discretion of HPE, the audit may be performed onsite, via remote system access, via remote audit tools, or over the phone.

If an audit is required by HPE, it will take 30 days from the time this service is purchased to set up and perform the audits and processes that must be completed before the hardware call-to-repair time commitment can be put into effect. The hardware call-to-repair time commitment will not take effect until five (5) business days after the audit has been completed. Until such time, service for the covered hardware will be delivered at a 4-hour onsite response time service level.

In addition, HPE reserves the right to downgrade service to an onsite response time or cancel the service contract if critical audit suggestions are not followed or the audit is not performed within the specified timeframe, unless the delay is caused by HPE.

To be eligible to purchase this service, the Customer must be properly licensed to use a currently supported revision of the software at the time the support agreement coverage begins; otherwise, additional charges may be applied to bring the Customer into service eligibility.

Customer responsibilities

If the Customer does not act upon the specified Customer responsibilities, at Hewlett Packard Enterprise's discretion, HPE or the Hewlett Packard Enterprise authorized service provider will i) not be obligated to deliver the services as described, or ii) perform such service at the Customer's expense at the prevailing time and material rates.

The Customer must provide accurate and complete information in a timely manner as required for Hewlett Packard Enterprise to perform the services.

The Customer is responsible for removing devices that are blocked from physical access and ensuring any covered devices are directly accessible without the use of additional tools or equipment and do not expose the Hewlett Packard Enterprise authorized representative to a potential health or safety hazard in order to perform the services. The Customer must ensure the covered device(s) are fully and freely accessible to the Hewlett Packard Enterprise authorized representative without any hindrance whatsoever prior to the delivery of the service. If the Customer fails to meet the foregoing access requirements, HPE is under no obligation to perform the services and HPE shall be entitled to charge the Customer for the support call at HPE's published service rates.

Hewlett Packard Enterprise may utilize authorized service delivery partners in certain countries where HPE does not have a direct, local presence. Any specified onsite response times or Customer Self Repair are subject to local parts availability at the country level.

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The call-to-repair time commitment is subject to the Customer providing immediate and unrestricted access to the system, as requested by Hewlett Packard Enterprise. The call-to-repair time commitment does not apply when system access, including physical, remote troubleshooting, and hardware diagnostic assessments, is delayed or denied. If the Customer requests scheduled service, the call-to-repair time period begins at the agreed-upon scheduled time.

Upon Hewlett Packard Enterprise request, the Customer will be required to support HPE's remote problem resolution efforts. The Customer will:

- Start self-tests and install and run other diagnostic tools and programs
- Install customer-installable software and firmware updates and patches
- Run data collection 'scripts' on behalf of Hewlett Packard Enterprise when they cannot be initiated from HPE Remote Support Technology
- Provide all information necessary for Hewlett Packard Enterprise to deliver timely and professional remote support and to enable HPE to determine the level of support eligibility
- Perform other reasonable activities to help Hewlett Packard Enterprise identify or resolve problems, as requested by HPE

The Customer is responsible for installing, in a timely manner, critical customer-installable firmware updates, as well as Customer Self Repair parts and replacement products delivered to the Customer.

The Customer agrees to pay additional charges if the Customer requests that Hewlett Packard Enterprise install customer-installable firmware or software updates or patches. Any additional charges to the Customer will be on a time and materials basis, unless otherwise previously agreed to in writing by HPE and the Customer.

The Customer is responsible for installing and configuring all supported devices and maintaining the appropriate Hewlett Packard Enterprise Remote Support Technology with a secure connection to HPE. The Customer is responsible for providing all necessary resources in accordance with the HPE remote support solution release notes in order to enable the delivery of the service and options. The Customer must also provide any hardware required to host the remote support solution. When an HPE remote support solution is installed, the Customer must also maintain the contact details configured in the remote support solution that HPE will use in responding to a device failure. The Customer should contact a local Hewlett Packard Enterprise representative for further details on requirements, specifications, and exclusions. For scheduled calls, the Customer shall promptly make the equipment available to HPE for remedial activities at the agreed-upon time.

In cases where Customer Self Repair parts or replacement products are shipped to resolve a problem, the Customer is responsible for returning the defective part or product within a time period designated by Hewlett Packard Enterprise. In the event that HPE does not receive the defective part or product within the designated time period or if the part or product is degaussed or otherwise physically damaged upon receipt, the Customer will be required to pay the HPE list price for the defective part or product, as determined by HPE.

In order for Hewlett Packard Enterprise to provide Collaborative Call Management, the Customer must have an active support agreement with the software vendor that includes the required service level and features that allow the Customer to place calls and receive support from the vendor. If the vendor requires it, the Customer will take any steps necessary to ensure that HPE can submit calls on the Customer's behalf. In addition, the Customer must provide HPE with the appropriate information needed for HPE to initiate a service call with the software vendor on behalf of the Customer. HPE will not be able to transfer calls to the vendor and assumes no responsibility for failure to do so. HPE's obligations are limited to the placement of support calls only. Purchase of Collaborative Call Management does not assign the support agreement between the Customer and vendor to HPE. The Customer remains responsible for the performance of its obligations under such agreements, which include payment of all applicable fees, including any fees that may apply as a result of logging calls with the vendor. HPE is not liable for the performance or non-performance of third-party vendors, their products, or their support services.

The Customer will:

- Take responsibility for registering to use the Hewlett Packard Enterprise or third-party vendor's electronic facility in order to access knowledge databases or to obtain product information. HPE will provide registration information to the Customer, as required; additionally, for certain products, the Customer may be required to accept vendor-specific terms for use of the electronic facility.
- Retain, and provide to Hewlett Packard Enterprise upon request, all original software licenses, license agreements, license keys, and subscription service registration information, as applicable for this service

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- Take responsibility for acting upon software product updates and obsolescence notifications received from the Hewlett Packard Enterprise Support Center
- Use all software products in accordance with current Hewlett Packard Enterprise software licensing terms corresponding to the Customer's prerequisite underlying software license, or in accordance with the current licensing terms of the third-party software manufacturer, if applicable, including any additional software licensing terms that may accompany such software updates provided under this service

If required by Hewlett Packard Enterprise, the Customer or Hewlett Packard Enterprise authorized representative must activate the hardware product to be supported within 10 days of purchase of this service, using the registration instructions within the documentation provided by HPE, or as otherwise directed by HPE. In the event that a covered product changes location, activation and registration (or proper adjustment to existing HPE registration) is to occur within 10 days of the change.

The Customer is responsible for the security of the Customer's proprietary and confidential information. The Customer is responsible for properly sanitizing or removing data from products that may be replaced and returned to Hewlett Packard Enterprise as part of the repair process to ensure the safeguarding of the Customer's data. For more information on Customer responsibilities, including those outlined in the HPE Media Sanitization Policy and Media Handling Policy for Healthcare Customers, go to www.hpe.com/mediahandling

If the Customer chooses to retain repair parts covered under the defective media retention and/or comprehensive defective material retention service feature options, it is the Customer's responsibility to:

- Retain covered data retentive components that are replaced during support delivery by Hewlett Packard Enterprise
- Ensure that any Customer sensitive data on the retained component is destroyed or remains secure
- Have an authorized representative present to retain the defective data retentive component, accept the replacement component, provide HPE with identification information such as the serial number for each component retained hereunder, and, upon HPE request, execute a document provided by HPE acknowledging the retention of the data retentive component
- Destroy the retained data retentive component and/or ensure that it is not put into use again
- Dispose of all retained data retentive components in compliance with applicable environmental laws and regulations

For data retentive components supplied by HPE to the Customer as loaned, rented, or leased products, the Customer will promptly return the replacement components at the expiration or termination of support with HPE. The Customer will be solely responsible for removing all sensitive data before returning any such loaned, rented, or leased components or products to HPE, and HPE shall not be responsible for maintaining the confidentiality or privacy of any sensitive data that remains on such components.

Coverage

This service provides coverage for eligible Hewlett Packard Enterprise-branded hardware products and HPE-supported and -supplied components such as memory and DVD-ROM drives. Attached accessories are not covered by this service; certain exceptions may apply. Please contact your Hewlett Packard Enterprise sales representative for more information regarding what products, accessories, and components are eligible for coverage under this service.

Coverage for eligible multivendor systems includes all standard vendor-supplied internal components.

For replacement parts and components that are discontinued, an upgrade path may be required. Upgrades for discontinued parts or components may in some cases result in additional charges to the Customer. Hewlett Packard Enterprise will work with the Customer to recommend a replacement. Not all components will have available replacements in all countries due to local support capabilities.

Consumable items including, but not limited to, removable media, customer-replaceable batteries, maintenance kits, and other supplies, as well as user maintenance, are not covered by this service.

For some servers, networking, and storage products, CPUs, disks, options, and other major internal and external components will be covered if support has been configured accordingly and they are included in the contract's equipment list under the hardware support section (if applicable).

For HPE ProLiant servers and storage systems, the service on the main product covers HPE-branded hardware options not designated by HPE as requiring separate coverage, that are qualified for the server, are purchased at the same time or afterward, and are internal to the enclosure, as well as HPE-supported and -supplied tower UPS products. These items will be covered at the same service level as the main product.

For HPE BladeSystem enclosures, this service covers the enclosure, power supplies, fans, enclosure devices, and options not designated by Hewlett Packard Enterprise as requiring separate coverage.

For HPE Moonshot systems, this service covers the chassis, power supplies, fans, chassis devices, and servers not designated by HPE as requiring separate coverage.

For HPE ProLiant servers, storage, or HPE BladeSystem enclosures installed within a rack, the service also covers all HPE qualified rack options not designated by HPE as requiring separate coverage. Coverage includes HPE-supported and -supplied UPS products not exceeding 12 kVA, KVM switch, console, and PDU installed within the same rack. The UPS battery is covered separately under its own warranty terms and conditions, limited to the term of the applicable warranty period.

Notwithstanding anything in this document, service purchased on the main product does not extend to all options or all HPE Moonshot servers. Service coverage for certain options or Moonshot servers must be configured and purchased separately; otherwise, standard warranty terms apply. For a complete list of the HPE ProLiant and HPE BladeSystem options and Moonshot servers that require separate service coverage, please visit www.hpe.com/services/excludedoptions

For Hewlett Packard Enterprise networking systems, the service on the main product covers HPE-branded hardware options not designated by HPE as requiring separate coverage, that are qualified for the system, are purchased at the same time or afterward, and are internal to the system (e.g., connectivity modules, transceivers, and internal power supplies).

General provisions/Other exclusions

Distribution of certain third-party software updates, license agreements, and license keys may be made directly from the third-party vendor to the Customer, as applicable.

When this service is provided for a solution that is composed of multiple Hewlett Packard Enterprise and/or third-party products, software support will be offered only on updates that are made available for the solution by HPE.

Hewlett Packard Enterprise will acknowledge a call by logging a case, communicating the case ID to the Customer, and confirming the Customer's incident severity and time requirements for commencement of remedial action. Note: For events received via the HPE electronic remote support solution, HPE is required to contact the Customer, determine the incident severity with the Customer, and arrange access to the system before the hardware call-to-repair time or hardware onsite response time period can start.

Hardware support onsite response time and call-to-repair time commitment, as well as software support remote response time, may differ depending on incident severity. The Customer determines the incident severity level.

Incident severity levels are defined as follows:

- Severity 1—Critical Down: for example, production environment down: production system or production application down/at severe risk; data corruption/loss or risk; business severely affected; safety issues
- Severity 2—Critically Degraded: for example, production environment severely impaired; production system or production application interrupted/compromised; risk of reoccurrence; significant impact on the business
- Severity 3—Normal: for example, non-production system (e.g., test system) down or degraded; production system or production application degraded with workaround in place; non-critical functionality lost; limited impact on the business
- Severity 4—Low: for example, no business or user impact

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Ordering information

For products containing individually sold and supported units or options, all individually sold and supported units or options must be on contract and at the same service level as the base product if that service level is available on those units or options.

Software support must be purchased for each system, processor, processor core, or end user in the Customer's environment that will require support.

Availability of service features and service levels may vary according to local resources and may be restricted to eligible products and geographic locations.

To obtain further information or to order HPE Foundation Care Service, contact a local Hewlett Packard Enterprise sales representative and reference the following product numbers (x denotes the service length in years; options are 1, 3, 4, or 5 years, or "C" for contractual services).

- HPE Foundation Care NBD SVC (H7J32Ax)
- HPE Foundation Care NBD wDMR SVC (H7J33Ax)
- HPE Foundation Care 24x7 SVC (H7J34Ax)
- HPE Foundation Care 24x7 wDMR SVC (H7J35Ax)
- HPE Foundation Care CTR SVC (H7J36Ax)
- HPE Foundation Care CTR wDMR SVC (H7J37Ax)

CDMR requires DMR and can either be selected as a configurable option within the DMR service levels, or the CDMR service level will be preconfigured with both DMR and CDMR features included.

Depending on the point of purchase and the requested service-level option, other product numbers may apply. Please consult a local Hewlett Packard Enterprise representative or Hewlett Packard Enterprise reseller regarding which product number will best meet your specific needs.

For more information

For more information on HPE Foundation Care Service or other Support Services, contact any of our worldwide sales offices or visit the following website: www.hpe.com/services/support



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This data sheet is governed by the Hewlett Packard Enterprise current standard sales terms, which include the supplemental data sheet, or, if applicable, the Customer's purchase agreement with Hewlett Packard Enterprise.

4AA4-8876ENW, October 2016, Rev. 3

Exhibit 2

Hewlett Packard Enterprise

HPE CUSTOMER TERMS - PORTFOLIO

1. **Parties.** These terms represent the agreement ("**Agreement**") that governs the purchase of products and services from the Hewlett Packard Enterprise entity identified in the signature section below ("**HPE**") by the Customer entity identified below ("**Customer**").
2. **Orders.** "**Order**" means the accepted order including any supporting material which the parties identify as incorporated either by attachment or reference ("**Supporting Material**"). Supporting Material may include (as examples) product lists, hardware or software specifications, standard or negotiated service descriptions, data sheets and their supplements, and statements of work (SOWs), published warranties and service level agreements, and may be available to Customer in hard copy or by accessing a designated HPE website.
3. **Scope and Order Placement.** These terms may be used by Customer either for a single Order or as a framework for multiple Orders. In addition, these terms may be used on a global basis by the parties' "**Affiliates**", meaning any entity controlled by, controlling, or under common control with a party. The parties can confirm their agreement to these terms either by signature where indicated at the end or by referencing these terms on Orders. Affiliates participate under these terms by placing orders which specify product or service delivery in the same country as the HPE Affiliate accepting the Order, referencing these terms, and specifying any additional terms or amendments to reflect local law or business practices.
4. **Order Arrangements.** Customer may place orders with HPE through our website, customer-specific portal, or by letter, fax or e-mail. Where appropriate, orders must specify a delivery date. If Customer extends the delivery date of an existing Order beyond ninety (90) days, then it will be considered a new order. Customer may cancel a hardware Order at no charge up to five (5) business days prior to shipment date.
5. **Prices and Taxes.** Prices will be as quoted in writing by HPE or, in the absence of a written quote, as set out on our website, customer-specific portal, or HPE published list price at the time an order is submitted to HPE. Prices are exclusive of taxes, duties, and fees (including installation, shipping, and handling) unless otherwise quoted. If a withholding tax is required by law, please contact the HPE order representative to discuss appropriate procedures. HPE will charge separately for reasonable out-of-pocket expenses, such as travel expenses incurred in providing professional services.
6. **Invoices and Payment.** Customer agrees to pay all invoiced amounts within thirty (30) days of HPE's invoice date. HPE may suspend or cancel performance of open Orders or services if Customer fails to make payments when due.
7. **Title.** Risk of loss or damage and title for hardware products will pass upon delivery to Customer or its designee. Where permitted by law, HPE retains a security interest in products sold until full payment is received.
8. **Delivery.** HPE will use all commercially reasonable efforts to deliver products in a timely manner. HPE may elect to deliver software and related product/license information by electronic transmission or via download.



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9. **Installation.** If HPE is providing installation with the product purchase, HPE's site guidelines (available upon request) will describe Customer requirements. HPE will conduct its standard installation and test procedures to confirm completion.
10. **Support Services.** HPE's support services will be described in the applicable Supporting Material, which will cover the description of HPE's offering, eligibility requirements, service limitations and Customer responsibilities, as well as the Customer systems supported.
11. **Eligibility.** HPE's service, support and warranty commitments do not cover claims resulting from:
 1. improper use, site preparation, or site or environmental conditions or other non-compliance with applicable Supporting Material;
 2. Modifications or improper system maintenance or calibration not performed by HPE or authorized by HPE;
 3. failure or functional limitations of any non-HPE software or product impacting systems receiving HPE support or service;
 4. malware (e.g. virus, worm, etc.) not introduced by HPE; or
 5. abuse, negligence, accident, fire or water damage, electrical disturbances, transportation by Customer, or other causes beyond HPE's control.
12. **Professional Services.** HPE will deliver any ordered IT consulting, training or other services as described in the applicable Supporting Material.
13. **Professional Services Acceptance.** The acceptance process (if any) will be described in the applicable Supporting Material, will apply only to the deliverables specified, and shall not apply to other products or services to be provided by HPE.
14. **Dependencies.** HPE's ability to deliver services will depend on Customer's reasonable and timely cooperation and the accuracy and completeness of any information from Customer needed to deliver the services.
15. **Change Orders.** We each agree to appoint a project representative to serve as the principal point of contact in managing the delivery of services and in dealing with issues that may arise. Requests to change the scope of services or deliverables will require a change order signed by both parties.
16. **Product Performance.** All HPE-branded hardware products are covered by HPE's limited warranty statements that are provided with the products or otherwise made available. Hardware warranties begin on the date of delivery or if applicable, upon completion of HPE installation, or (where Customer delays HPE installation) at the latest 30 days from the date of delivery. Non-HPE branded products receive warranty coverage as provided by the relevant third party supplier.
17. **Software Performance.** HPE warrants that its branded software products will conform materially to their specifications and be free of malware at the time of delivery. HPE warranties for software products will begin on the date of delivery and unless otherwise specified in Supporting Material, will last for ninety (90) days. HPE does not warrant that the operation of software products will be



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uninterrupted or error-free or that software products will operate in hardware and software combinations other than as authorized by HPE in Supporting Material.

18. **Services Performance.** Services are performed using generally recognized commercial practices and standards. Customer agrees to provide prompt notice of any such service concerns and HPE will re-perform any service that fails to meet this standard.
19. **Services with Deliverables.** If Supporting Material for services define specific deliverables, HPE warrants those deliverables will conform materially to their written specifications for 30 days following delivery. If Customer notifies HPE of such a non-conformity during the 30 day period, HPE will promptly remedy the impacted deliverables or refund to Customer the fees paid for those deliverables and Customer will return those deliverables to HPE.
20. **Product Warranty Claims.** When we receive a valid warranty claim for an HPE hardware or software product, HPE will either repair the relevant defect or replace the product. If HPE is unable to complete the repair or replace the product within a reasonable time, Customer will be entitled to a full refund upon the prompt return of the product to HPE (if hardware) or upon written confirmation by Customer that the relevant software product has been destroyed or permanently disabled. HPE will pay for shipment of repaired or replaced products to Customer and Customer will be responsible for return shipment of the product to HPE.
21. **Remedies.** This Agreement states all remedies for warranty claims. To the extent permitted by law, HPE disclaims all other warranties.
22. **Intellectual Property Rights.** No transfer of ownership of any intellectual property will occur under this Agreement. Customer grants HPE a non-exclusive, worldwide, royalty-free right and license to any intellectual property that is necessary for HPE and its designees to perform the ordered services. If deliverables are created by HPE specifically for Customer and identified as such in Supporting Material, HPE hereby grants Customer a worldwide, non-exclusive, fully paid, royalty-free license to reproduce and use copies of the deliverables internally.
23. **Intellectual Property Rights Infringement.** HPE will defend and/or settle any claims against Customer that allege that an HPE-branded product or service as supplied under this Agreement infringes the intellectual property rights of a third party. HPE will rely on Customer's prompt notification of the claim and cooperation with our defense. HPE may modify the product or service so as to be non-infringing and materially equivalent, or we may procure a license. If these options are not available, we will refund to Customer the amount paid for the affected product in the first year or the depreciated value thereafter or, for support services, the balance of any pre-paid amount or, for professional services, the amount paid. HPE is not responsible for claims resulting from any unauthorized use of the products or services. This section shall also apply to deliverables identified as such in the relevant Support Material except that HPE is not responsible for claims resulting from deliverables content or design provided by Customer.
24. **License Grant.** HPE grants Customer a non-exclusive license to use the version or release of the HPE-branded software listed in the Order. Permitted use is for internal purposes only (and not for further commercialization), and is subject to any specific software licensing information



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that is in the software product or its Supporting Material. For non-HPE branded software, the third party's license terms will govern its use.

25. **Updates.** Customer may order new software versions, releases or maintenance updates ("Updates"), if available, separately or through an HPE software support agreement. Additional licenses or fees may apply for these Updates or for the use of the software in an upgraded environment. Updates are subject to the license terms in effect at the time that HPE makes them available to Customer.
26. **License Restrictions.** HPE may monitor use/license restrictions remotely and, if HPE makes a license management program available, Customer agrees to install and use it within a reasonable period of time. Customer may make a copy or adaptation of a licensed software product only for archival purposes or when it is an essential step in the authorized use of the software. Customer may use this archival copy without paying an additional license only when the primary system is inoperable. Customer may not copy licensed software onto or otherwise use or make it available on any public external distributed network. Licenses that allow use over Customer's intranet require restricted access by authorized users only. Customer will also not modify, reverse engineer, disassemble decrypt, decompile or make derivative works of any software licensed to Customer under this Agreement unless permitted by statute, in which case Customer will provide HPE with reasonably detailed information about those activities.
27. **License Term and Termination.** Unless otherwise specified, any license granted is perpetual, provided however that if Customer fails to comply with the terms of this Agreement, HPE may terminate the license upon written notice. Immediately upon termination, or in the case of a limited-term license, upon expiration, Customer will either destroy all copies of the software or return them to HPE, except that Customer may retain one copy for archival purposes only.
28. **License Transfer.** Customer may not sublicense, assign, transfer, rent or lease the software or software license except as permitted by HPE. HPE-branded software licenses are generally transferable subject to HPE's prior written authorization and payment to HPE of any applicable fees. Upon such transfer, Customer's rights shall terminate and Customer shall transfer all copies of the software to the transferee. Transferee must agree in writing to be bound by the applicable software license terms. Customer may transfer firmware only upon transfer of associated hardware.
29. **License Compliance.** HPE may audit Customer compliance with the software license terms. Upon reasonable notice, HPE may conduct an audit during normal business hours (with the auditor's costs being at HPE's expense). If an audit reveals underpayments then Customer will pay to HPE such underpayments. If underpayments discovered exceed five (5) percent of the contract price, Customer will reimburse HPE for the auditor costs.
30. **Confidentiality.** Information exchanged under this Agreement will be treated as confidential if identified as such at disclosure or if the circumstances of disclosure would reasonably indicate such treatment. Confidential information may only be used for the purpose of fulfilling obligations or exercising rights under this Agreement, and shared with employees, agents or contractors with a need to know such information to support that purpose. Confidential information will be protected using a reasonable degree of care to prevent unauthorized use or disclosure for 3



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years from the date of receipt or (if longer) for such period as the information remains confidential. These obligations do not cover information that: i) was known or becomes known to the receiving party without obligation of confidentiality; ii) is independently developed by the receiving party; or iii) where disclosure is required by law or a governmental agency.

31. **Personal Information.** Each party shall comply with their respective obligations under applicable data protection legislation. HPE does not intend to have access to personally identifiable information ("PII") of Customer in providing services. To the extent HPE has access to Customer PII stored on a system or device of Customer, such access will likely be incidental and Customer will remain the data controller of Customer PII at all times. HPE will use any PII to which it has access strictly for purposes of delivering the services ordered.
32. **US Federal Government Use.** If software is licensed to Customer for use in the performance of a US Government prime contract or subcontract, Customer agrees that consistent with FAR 12.211 and 12.212, commercial computer software, documentation and technical data for commercial items are licensed under HPE's standard commercial license.
33. **Global Trade compliance.** Products and services provided under these terms are for Customer's internal use and not for further commercialization. If Customer exports, imports or otherwise transfers products and/or deliverables provided under these terms, Customer will be responsible for complying with applicable laws and regulations and for obtaining any required export or import authorizations. HPE may suspend its performance under this Agreement to the extent required by laws applicable to either party.
34. **Limitation of Liability.** HPE's liability to Customer under this Agreement is limited to the greater of \$1,000,000 or the amount payable by Customer to HPE for the relevant Order. Neither Customer nor HPE will be liable for lost revenues or profits, downtime costs, loss or damage to data or indirect, special or consequential costs or damages. This provision does not limit either party's liability for: unauthorized use of intellectual property, death or bodily injury caused by their negligence; acts of fraud; wilful repudiation of the Agreement; nor any liability which may not be excluded or limited by applicable law.
35. **Disputes.** If Customer is dissatisfied with any products or services purchased under these terms and disagrees with HPE's proposed resolution, we both agree to promptly escalate the issue to a Vice President (or equivalent executive) in our respective organizations for an amicable resolution without prejudice to the right to later seek a legal remedy.
36. **Force Majeure.** Neither party will be liable for performance delays nor for non-performance due to causes beyond its reasonable control, except for payment obligations.
37. **Termination.** Either party may terminate this Agreement on written notice if the other fails to meet any material obligation and fails to remedy the breach within a reasonable period after being notified in writing of the details. If either party becomes insolvent, unable to pay debts when due, files for or is subject to bankruptcy or receivership or asset assignment, the other party may terminate this Agreement and cancel any unfulfilled obligations. Any terms in the Agreement which by their nature extend beyond termination or expiration of the Agreement will remain in effect until fulfilled and will apply to both parties' respective successors and permitted assigns.



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38. **General.** This Agreement represents our entire understanding with respect to its subject matter and supersedes any previous communication or agreements that may exist. Modifications to the Agreement will be made only through a written amendment signed by both parties. The Agreement will be governed by the laws of the country of HPE or the HPE Affiliate accepting the Order and the courts of that locale will have jurisdiction, however, HPE or its Affiliate may, bring suit for payment in the country where the Customer Affiliate that placed the Order is located. Customer and HPE agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply. Claims arising or raised in the United States will be governed by the laws of the state of California, excluding rules as to choice and conflict of law.

SUPPLEMENTAL DATA SHEET

This Supplemental Data Sheet provides additional general requirements and limitations that apply to HPE's support offerings, which are set forth in detail in offering-specific datasheets with the exception of those support offerings delivered by HPE Software.

1. SERVICE ELIGIBILITY

- **Hardware Support-General Eligibility.** Hardware products must be in good operating condition, as reasonably determined by HPE, to be eligible for placement under support. You must also maintain eligible products at the latest HPE-specified configuration and revision levels.
- **Return to Support.** If you allow support to lapse, HPE may charge you additional fees to resume support or require you to perform certain hardware or software upgrades.
- **Use of Proprietary Service Tools.** HPE may require you to use certain hardware and/or software system and network diagnostic and maintenance programs ("Proprietary Service Tools"), as well as certain diagnostic tools that may be included as part of the your system. Proprietary Service Tools are and remain the sole and exclusive property of HPE, and are provided "as is." Proprietary Service Tools may reside on your systems or sites. You may only use the Proprietary Service Tools during the applicable Support coverage period and only as allowed by HPE and you may not sell, transfer, assign, pledge, or in any way encumber or convey the Proprietary Service Tools. Upon termination of Support, you will return the Proprietary Service Tools or allow HPE to remove these Proprietary Service Tools. You will also be required to:
 - Allows HPE to keep the Proprietary Service Tools resident on your systems or sites, and assist HPE in running them;
 - Install Proprietary Service Tools, including installation of any required updates and patches;
 - Use the electronic data transfer capability to inform HPE of events identified by the software;
 - If required, purchase HPE-specified remote connection hardware for systems with remote diagnosis service; and
 - Provide remote connectivity through an approved communications line.
 - You may not modify, reverse engineer, disassemble, decrypt, decompile or make derivative works of the Proprietary Service Tools. If you have a mandatory right to do so under statute, you must inform HPE in writing prior to making such modifications.

2. SUPPORT LIMITATIONS

- **Local Availability of Support.** Some offerings, features, and coverage (and related products) may not be available in all countries or areas. In addition, delivery of support



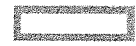
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outside of the applicable HPE coverage areas may be subject to travel charges, longer response times, reduced restoration or repair commitments, and reduced coverage hours.

- **Version Support.** Unless otherwise agreed by HPE in writing, and for those offerings not delivered by HPE Software, HPE only provides support for the current version and the immediately preceding version of HPE branded software, and provided that HPE branded software is used with hardware or software included in HPE-specified configurations at the specified version level. "Version" means a release of software that contains new features, enhancements, and/or maintenance updates, or for certain software, a collection of revisions packaged into a single entity and, as such, made available to our customers.
- **Relocation and impact on Support.** Relocation of any products under support is your responsibility and is subject to local availability and fee changes. Reasonable advance notice to HPE may be required to begin support after relocation. For products, any relocation is also subject to the license terms for such products.
- **Multi-vendor Support.** HPE provides support for certain non-HPE branded products. The relevant data sheet will specify availability and coverage levels and the support will be provided accordingly, whether or not the non-HPE branded products are under warranty. HPE may discontinue support of non-HPE branded products if the manufacturer or licensor ceases to provide support for them.
- **Modifications.** You will allow HPE, at HPE's request, and at no additional charge, to modify products to improve operation, supportability, and reliability, or to meet legal requirements.

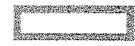
3. CUSTOMER RESPONSIBILITIES

- **Site and Product Access.** You will provide HPE access to the products covered under support; and if applicable, adequate working space and facilities within a reasonable distance of the products; access to and use of information, customer resources, and facilities as reasonably determined necessary by HPE to service the products; and other access requirements described in the relevant data sheet. If you fail to provide such access, resulting in HPE's inability to provide support, HPE shall be entitled to charge you for the support call at HPE's published service rates. You are responsible for removing any products ineligible for support, as advised by HPE, to allow HPE to perform support. If delivery of support is made more difficult because of ineligible products, HPE will charge you for the extra work at HPE's published service rates.
- **Licenses and Updates.** You may purchase available product support for HPE branded products only if you can provide evidence that you have rightfully acquired an appropriate HPE license for the products, and you may not alter or modify the products unless authorized by HPE at any time. Your right to use firmware and software updates ("Updates") provided under HPE Support or warranty or if otherwise made available to you is co-extensive with your license to the underlying product. However in addition:
 - You may not use Updates to provide services to third parties
 - You may not make copies and distribute, resell or sublicense Updates to third parties
 - You may not copy Updates or make them available on a public or external distributed network. This means that you may not copy Updates for products that are not under support by HPE.
 - You may not allow access to Updates on an intranet unless it is restricted to authorized users.



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- You cannot make copies of and distribute Updates on devices that are not supported by HPE.
 - You may make only make one copy of the Updates for archival purposes or when it is an essential step in authorized use.
 - You may not modify, reverse engineer, disassemble, decrypt, decompile or make derivative works of the Updates. If you have a mandatory right to do so under statute, you must inform HPE in writing prior to making such modifications.
 - HPE may terminate your license to use the Updates upon written notice if you fail to comply with these terms.
 - If you authorize a third-party to act as your agent and download Updates on your behalf, using your entitlement, you are strictly and wholly liable for your agents' adherence to the terms of your contract with HPE, including these license terms. In addition, all parties must execute HPE's agency agreement to allow for such access by the third party.
- **Software Support Documentation and Right to Copy.** You may only copy documentation updates if you purchased the right to copy them for the associated products. Copies must include appropriate HPE trademark and copyright notices.
 - **Loaner Units.** HPE maintains title and you shall have risk of loss or damage for loaner units if provided at HPE's discretion as part of hardware support or warranty services and such units will be returned to HPE without lien or encumbrance at the end of the loaner period.
 - **Hardware Support: Compatible Cables and Connectors.** You will connect hardware products covered under support with cables and connectors (including fiber optics if applicable) that are compatible with the system, according to the manufacturer's operating manual.
 - **Data Backup.** So that you can reconstruct your lost or altered files, data, or programs, you must maintain a separate backup system or procedure that is not dependent on the products under support.
 - **Temporary Workarounds.** If requested by HPE, you will implement temporary procedures or workarounds provided by HPE while HPE works on a permanent solution.
 - **Hazardous Environment.** You will notify HPE if you use products in an environment that poses a potential health or safety hazard to HPE employees or subcontractors. HPE may require you to maintain such products under HPE supervision and may postpone service until you remedy such hazards.
 - **Authorized Representative.** You will have a representative present when HPE provides support at your site.
 - **Product List.** You will create, maintain and update a list of all products under support including: the location of the products, serial numbers, the HPE-designated system identifiers, and coverage levels.
 - **Solution Center Designated Callers.** You will identify a reasonable number of callers, as determined by HPE and Customer ("Designated Callers"), who may access HPE's customer Support call centers ("Solution Centers") or online help tools.
 - **Solution Center Caller Qualifications.** Designated Callers must be generally knowledgeable and demonstrate technical aptitude in system administration, system management, and, if applicable, network administration and management and diagnostic testing. HPE may review and discuss with you any Designated Caller's experience to determine initial eligibility. If issues arise during a call to the Solution Center that, in HPE's reasonable opinion, may be a result of a Designated Caller's lack of general experience and training, you may be required to replace that Designated Caller. All Designated



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Callers must have the proper system identifier as provided to you when Support is initiated. Solution Centers may provide support in English or local languages, or both.

- **HIPAA Customers.** You represent that you are not a Covered Entity or Business Associate under the U.S. Health Insurance Portability and Accountability Act (HIPAA), and that you will not be creating, receiving, maintaining, or transmitting protected health information. If you determine that you are a Covered Entity or Business Associate, you agree to notify HPE and the parties agree to negotiate a mutually agreeable Business Associate Agreement.

4. GENERAL PROVISIONS

- **Cancellation.** You may cancel support orders or delete products from support upon thirty (30) days' written notice, unless otherwise agreed in writing. HPE may discontinue support for products and specific support services no longer included in HPE's support offering upon sixty (60) days' written notice, unless otherwise agreed in writing. If you cancel prepaid support, HPE will refund you a pro-rata amount for the unused prepaid support subject to any restrictions or early termination fees as may be set forth in writing.
- **Pricing.** Except for prepaid support or if otherwise agreed in writing, HPE may change support prices upon sixty (60) days' written notice.
- **Additional Services.** Additional services performed by HPE at your request, and that are not included in your purchased support, will be chargeable at the applicable published service rates for the country where the service is performed.
- **Replacement Parts.** Parts provided under hardware support may be whole unit replacements, or be new or functionally equivalent to new in performance and reliability and warranted as new. Replaced parts become the property of HPE, unless HPE agrees otherwise and you pay any applicable charges.
- **Media Sanitization.** You are responsible for properly sanitizing or removing data from products that may be replaced or returned to HPE as part of the repair process to ensure the safeguarding of your data. For more information on your responsibilities, go to <https://www.hpe.com/us/en/about/support-drivers/privacy-dataprotection.html>.
- **Audit.** HPE may audit your compliance with these terms. Upon reasonable notice, HPE may conduct an audit during normal business hours (with auditor's costs being at HPE's expense). If a software license audit reveals underpayments then you will pay to HPE such underpayments. If underpayments discovered exceed five percent of the contract price, you will reimburse HPE for the auditor costs.

Exhibit 3

City of Escondido

POP: 12/26/19 - 12/25/21

SAID: 104424132526

24 h * 7 days * 4 hr response

Product Nbr	Product Description	Serial Nbr	Support Level Description	Quantity	Effective Date
HA151AC	HPE Hardware Maintenance Onsite Support		HPE Foundation Care 24x7 wDMR SVC	1	12/26/2019
BW904A	HPE 42U 600x1075mm Enterprise Shock Rack	USE449FD0R	HPE Hardware Maintenance Onsite Support	1	12/26/2019
654081-B21	HP DL380p Gen8 8-SFF CTO Server	USE449FD0P	HPE Hardware Maintenance Onsite Support	1	12/26/2019
712775-L21	HP DL360p Gen8 E5-2643v2 SDHS FIO Kit	TDHYL04VM750FX	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708633-B21	HP 4GB 2Rx8 PC3-14900E-13 Kit	RDHAL04XV7P001	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708633-B21	HP 4GB 2Rx8 PC3-14900E-13 Kit	RDHAL04XV7P000	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708633-B21	HP 4GB 2Rx8 PC3-14900E-13 Kit	RDHAL04XV7P002	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708633-B21	HP 4GB 2Rx8 PC3-14900E-13 Kit	RDHAL04XV7P003	HPE Hardware Maintenance Onsite Support	1	12/26/2019
652611-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5GH	HPE Hardware Maintenance Onsite Support	1	12/26/2019
652611-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5GP	HPE Hardware Maintenance Onsite Support	1	12/26/2019
652611-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5HG	HPE Hardware Maintenance Onsite Support	1	12/26/2019
652611-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5GT	HPE Hardware Maintenance Onsite Support	1	12/26/2019
652238-B21	HPE 9.5mm SATA DVD ROM Jb Kit	7DVUB01KK7F73C	HPE Hardware Maintenance Onsite Support	1	12/26/2019
684208-B21	HPE Ethernet 1GbE 4P 331FLR FIO Adptr	PBQSA0AQB6WDX6	HPE Hardware Maintenance Onsite Support	1	12/26/2019
615418-B21	HP Smart Array P822/2GB FBWC Controller	PDVTF08RHG6Y451	HPE Hardware Maintenance Onsite Support	1	12/26/2019
663201-B21	HPE 1U SFF BB Rail Kit		HPE Hardware Maintenance Onsite Support	1	12/26/2019
656362-B21	HPE 460W CS Plat PL Ht Plg Pwr Spplly Kit	5BXRE0GHL7H2WU	HPE Hardware Maintenance Onsite Support	1	12/26/2019
656362-B21	HPE 460W CS Plat PL Ht Plg Pwr Spplly Kit	5BXRE0GHL7H2V1	HPE Hardware Maintenance Onsite Support	1	12/26/2019
653200-B21	HP DL380p Gen8 8-SFF CTO Server	USE449FD0N	HPE Hardware Maintenance Onsite Support	1	12/26/2019
653200-B21	HP DL380p Gen8 8-SFF CTO Server	USE449FD0M	HPE Hardware Maintenance Onsite Support	1	12/26/2019
715227-L21	HP DL380p Gen8 E5-2643v2 FIO Kit	TDHYL04VM750FY	HPE Hardware Maintenance Onsite Support	1	12/26/2019
715227-L21	HP DL380p Gen8 E5-2643v2 FIO Kit	TDHYL04VM750FZ	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC75213	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC75214	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC75216	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC75215	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC75217	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC75218	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC75219	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521B	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521I	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521J	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521K	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521L	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521M	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521N	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521P	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521Q	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521R	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521S	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521T	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521U	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521V	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521W	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HP 16GB 2Rx4 PC3-14900R-13 Kit	RDHBE04XC7521X	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5FY	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5FL	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5FR	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5FS	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 300GB SAS 15K SFF SC HDD	2CBVC01CX7M5FT	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 12.7mm SATA DVD ROM Jb Kit	7DXPL02GT7L21F	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 12.7mm SATA DVD ROM Jb Kit	7DXPL02GT7L21A	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE Ethernet 1GbE 4P 331FLR FIO Adptr	PBQSA0AQB6WDX6	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE Ethernet 1GbE 4P 331FLR FIO Adptr	PBQSA0AQB6WD80	HPE Hardware Maintenance Onsite Support	1	12/26/2019
708641-B21	HPE 2U SFF BB Gen8 Rail Kit with CMA		HPE Hardware Maintenance Onsite Support	2	12/26/2019
AK344A	HPE 81Q PCI-e FC HBA	6C442440DF	HPE Hardware Maintenance Onsite Support	1	12/26/2019
AK344A	HPE 81Q PCI-e FC HBA	6C442440NM	HPE Hardware Maintenance Onsite Support	1	12/26/2019
AK344A	HPE 81Q PCI-e FC HBA	6C442440PY	HPE Hardware Maintenance Onsite Support	1	12/26/2019
AK344A	HPE 81Q PCI-e FC HBA	6C442440DA	HPE Hardware Maintenance Onsite Support	1	12/26/2019
656362-B21	HPE 460W CS Plat PL Ht Plg Pwr Spplly Kit	5BXRE0GHL7H3FR	HPE Hardware Maintenance Onsite Support	1	12/26/2019
656362-B21	HPE 460W CS Plat PL Ht Plg Pwr Spplly Kit	5BXRE0GHL7H3OP	HPE Hardware Maintenance Onsite Support	1	12/26/2019
656362-B21	HPE 460W CS Plat PL Ht Plg Pwr Spplly Kit	5BXRE0GHL7H3OP6	HPE Hardware Maintenance Onsite Support	1	12/26/2019
656362-B21	HPE 460W CS Plat PL Ht Plg Pwr Spplly Kit	5BXRE0GHL7H3OP7	HPE Hardware Maintenance Onsite Support	1	12/26/2019
J9733A	Aruba 2920 2-port Stacking Module	SG47FM31CS	HPE Hardware Maintenance Onsite Support	1	12/26/2019
J9733A	Aruba 2920 2-port Stacking Module	SG47FM31SG	HPE Hardware Maintenance Onsite Support	1	12/26/2019
BL536B	HPE 1/8 G2 LTO-5 3000 SAS Autoloader	MXA44720D3	HPE Hardware Maintenance Onsite Support	1	12/26/2019
AH166A	HPE 1U Autoloader Rack Kit		HPE Hardware Maintenance Onsite Support	1	12/26/2019
AB469A	HP rx16/26 Factory Rackmount Shelf Kit		HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8R15A	HP MSA 2040 SAN DC SFF Storage	2S6444B011	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S58A	HP MSA 600GB 6G SAS 10K 2.5in DP ENT HDD	2CVBK01337G0JY	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S58A	HP MSA 600GB 6G SAS 10K 2.5in DP ENT HDD	2CVBK01337FG3F	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S58A	HP MSA 600GB 6G SAS 10K 2.5in DP ENT HDD	2CVBK01337FG3J	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S58A	HP MSA 600GB 6G SAS 10K 2.5in DP ENT HDD	2CVBK01337FG3L	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S58A	HP MSA 600GB 6G SAS 10K 2.5in DP ENT HDD	2CVBK01337FG3Q	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S58A	HP MSA 600GB 6G SAS 10K 2.5in DP ENT HDD	2CVBK01337G0JR	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F25X	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F266	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F25H	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F26C	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F25K	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F25R	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F371	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F25V	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F256	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F25Q	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F280	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F270	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F267	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F27E	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	2BQDD02337F25L	HPE Hardware Maintenance Onsite Support	1	12/26/2019

C8S61A	HP MSA 300GB 6G SAS 15K 2.5in DP ENT HDD	28QDD02337F25S	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8R23A	HPE MSA 2040 8Gb SW FC SFP 4 Pk	MY843704NY	HPE Hardware Maintenance Onsite Support	1	12/26/2019
C8R23A	HPE MSA 2040 8Gb SW FC SFP 4 Pk	MY843706JB	HPE Hardware Maintenance Onsite Support	1	12/26/2019
BW946A	HPE 42U Location Discovery Kit	7CE423POHF	HPE Hardware Maintenance Onsite Support	1	12/26/2019
BW932A	HPE 600mm Rack Stabilizer Kit		HPE Hardware Maintenance Onsite Support	1	12/26/2019
BW906A	HPE 42U 1075mm Side Panel Kit		HPE Hardware Maintenance Onsite Support	1	12/26/2019
BW891A	HPE Rack Grounding Kit		HPE Hardware Maintenance Onsite Support	1	12/26/2019
AF531A	HPE Intelligent 4.9kVA/L6-30P/NA/J PDU	2CJ4021014	HPE Hardware Maintenance Onsite Support	1	12/26/2019
AF531A	HPE Intelligent 4.9kVA/L6-30P/NA/J PDU	2CJ4102828	HPE Hardware Maintenance Onsite Support	1	12/26/2019
HA158AC	HPE Software Technical Unlimited Support		HPE Software Technical Unlimited Support	1	1/1/2020
C8R15A	HP MSA 2040 SAN DC SFF Storage	256444B011	HPE Software Technical Unlimited Support	1	1/1/2020
BD514AAE	VMw vSphere EntPlus 1P 5yr E-LTU		HPE Software Technical Unlimited Support	2	1/1/2020
C6N36AAE	HP Insight Control ML/DL/BL Bundle E-LTU		HPE Foundation Care 24x7 wDMR SVC	3	1/1/2020
HA156AC	HPE Software Updates SVC		HPE Software Updates SVC	1	12/26/2019
C8R15A	HP MSA 2040 SAN DC SFF Storage	256444B011	HPE Software Updates SVC	1	12/26/2019
BD514AAE	VMw vSphere EntPlus 1P 5yr E-LTU		HPE Foundation Care 24x7 wDMR SVC	2	12/26/2019
C6N36AAE	HP Insight Control ML/DL/BL Bundle E-LTU		HPE Collaborative Remote Support	3	12/26/2019
HL935AC	HPE Collaborative Remote Support		HPE Collaborative Remote Support	1	12/26/2019
654081-B21	HP DL360p Gen8 8-SFF CTO Server	USE449FD0P	HPE Collaborative Remote Support	1	12/26/2019
653200-B21	HP DL380p Gen8 8-SFF CTO Server	USE449FD0N	HPE Collaborative Remote Support	1	12/26/2019
653200-B21	HP DL380p Gen8 8-SFF CTO Server	USE449FD0M	HPE Collaborative Remote Support	1	12/26/2019

CITY COUNCIL STAFF REPORT

Consent Item No. 10

September 29, 2021

File No. 0610-90

SUBJECT: Amendment and Readoption of City Council Rules and Procedures

DEPARTMENT: City Clerk's Office

RECOMMENDATION:

The City Council adopt Resolution 2021-156 to amend and readopt the Rules of Procedure for City Council Meetings and City Council Policies.

BACKGROUND:

On January 27, 2021, the City Council approved Resolution No. 2021-22 which amended the Rules of Procedure for City Council Meetings and City Council Policies ("Rules of Procedure").

On September 1, 2021, Councilmember Garcia requested a future agenda item to allow the City Council to review, discuss and reconsider the City Council's Rules of Procedure as it relates to the issuance of proclamations and certificates.

On September 15, 2021, the City Council considered various issues regarding the ability of City Councilmembers to participate in the issuance of proclamations by less than the full City Council. Proposed language to clarify and amend that portion of the Rules of Procedure were agreed upon by the full City Council. Resolution No. 2021-156 incorporates that proposed language in Section A, paragraph 11.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Zack Beck, City Clerk

09/22/21 2:54 p.m.

ATTACHMENTS:

1. Attachment "1" – Redline of Resolution No. 2021-22 – City Council Rules and Procedures
2. Resolution No. 2021-156 – Amended and Readopted Rules of Procedure

RESOLUTION NO. 2021-~~22~~156

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING AND READOPTING RULES OF
PROCEDURE FOR CITY COUNCIL
MEETINGS AND CITY COUNCIL POLICIES

WHEREAS, the City Council of the City of Escondido, State of California, has previously adopted resolutions which provide Rules of Order and Procedure for City Council meetings and certain written policies governing Council procedures, methods of operation and ethics which are amended from time to time; and

WHEREAS, the City Council wishes to re-adopt its Rules and Policies for the purpose of including certain amendments and clarifications.

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 following Rules shall govern the City Council:

Section A: Rules of Order and Procedure

1. Time of Regular Meetings.

Unless the City Council schedules otherwise or cancels a meeting, the City Council shall hold regular meetings at 4:00 p.m. commencing with closed session items and thereafter at 5:00 p.m. commencing with a public session on each of the first four (4) Wednesdays of each calendar month at the City Hall.

2. Matters Covered.

For the purpose of efficiently focusing only on matters affecting the City of Escondido, the Council should consider those resolutions, motions

or matters which affect the conduct of the business of the City of Escondido or its corporate powers or duties as a municipal corporation, or such resolutions or motions supporting or disapproving legislation or actions pending in the Legislature of the State of California, the Congress of the United States or before any officer or agency of said State or nation where such proposed legislation or action, if adopted, will affect the conduct of the municipal business or the powers and duties of the City of Escondido or its officers or employees as such.

3. Order of Business.

Regular business of the Council at the 5:00 p.m. public session shall be taken up for consideration in substantially the following order, except as may be otherwise ordered by the Mayor or Council:

- a. Moment of Reflection
- b. Flag Salute
- c. Roll Call
- d. Closed Session Report
- e. Proclamations/Presentations
- f. Oral Communications (up to 15 minutes or as directed by the Mayor)
- g. Consent Calendar, including Affidavits of Publications, Mailing, Posting, Warrant Register & Minutes Approval
- h. Public Hearings
- i. Current Business Matters
- j. Future Agenda Items
- k. Council Members Subcommittee Reports
- l. Council Member Reports
- m. City Manager's Weekly Activity Report Highlights
- n. Oral Communications

o. Adjournment

4. Consent Calendar Defined.

Those items on the Council agenda which are generally considered routine matter of business such as the approval of minutes, approval of the warrant register, Notices of Project Completion, Treasurer's Quarterly Investment Report, certain contract and grant awards, resolutions setting hearings, final maps, and various leases and agreements are listed on the "Consent Calendar" and shall be adopted by one motion unless Council, staff or a member of the public requests specific items to be discussed and/or removed for separate action. Those items so approved under the heading "Consent Calendar" will appear in the Council minutes in their proper form, i.e., resolution accepting grant deed or easement, approval of minutes, award of bid, etc.

From time to time, the Council may schedule a "workshop" style meeting. Such workshops shall comply with all applicable noticing laws and shall be dedicated primarily to general information gathering and sharing, discussion and possible direction to staff. Final actions of the Council shall not take place at workshop sessions.

5. Oral Communications.

Time has been reserved near the beginning and end of each regular meeting agenda to provide an opportunity for members of the public to directly address the Council on items of interest to the public. The Mayor as the presiding officer may set a limit on the time at the beginning of the meeting devoted to oral communications and may at his

or her discretion extend the time for a speaker or speaker representative to address the Council. Comments on an item already appearing on the agenda shall only be taken at the time reserved for discussion of that agenda item. No action will be taken by the Council on items discussed under Oral Communications, except to refer the matter to staff or schedule for future action.

6. Council Member Reports.

The Council Member Report agenda item provides members of the Council an opportunity to report matters of general interest to the public and their fellow Council Members. No actions, votes or further discussions shall occur on any such matter(s).

7. Council Action on Agenda Matters.

Prior to the request for a motion and second by any Council member on an agenda matter, Council shall be allowed to hear any presentation by staff or member of the public, ask questions and discuss among themselves the matter to be decided. At the conclusion of the presentation, questions and discussion by Council members a request for a motion and second may be made and a roll call vote shall be taken. A motion that fails to obtain a second or a majority vote shall die.

8. Manner of Addressing Council - Time Limit.

- a. Each person addressing the Council shall step up to the microphone, shall state their name and city of residence in an audible tone of voice for the record and, unless further time is granted by the presiding officer, shall limit their

address to three (3) minutes. If significant numbers of persons desire to speak on a given item, the presiding officer has the discretion to limit speaking times and/or alter the sequence of hearing matters on the agenda. Longer time limits may be permitted for an applicant, appellant, or spokesperson for a larger group, at the discretion of the presiding officer.

- b. Whenever any group of persons wishes to address the Council on the same subject matter, it shall be proper for the presiding officer to request that a spokesperson be chosen by the group to address the Council and, in case additional matters are to be presented at the time by any other member of the said group, to limit the number of persons so addressing the Council so as to avoid unnecessary repetitions before the Council.
- c. City staff presentations and responses to Council questions are not governed by this time limit.

9. Posting of Agenda.

At least 72 hours before a regular meeting, the City Clerk shall post a certified copy of the agenda specifying the time and location of the regular meeting in a place accessible so as to be available for review by members of the public.

10. Content of Agenda.

Under state law, the City Council is limited to consideration of items which are on a posted agenda. Items may be placed on an agenda by city staff, by the Mayor, or upon the request of an individual Council member in coordination with the City Manager. The City Manager shall be in charge of preparing the Council agenda and all items shall be coordinated with the City Manager. To the fullest extent practicable, any items placed on the agenda by the Mayor, any Council member or City staff should also be listed under "Future Agenda Items" as early as possible to assure the best possible advance notice of the nature of items and discussion which are upcoming.

11. Proclamations and Presentations.

The City of Escondido recognizes members of the public, groups, or other entities in different ways. Individual Councilmembers may request the preparation of a Certificate of Achievement, Acknowledgment, or Recognition (depending on the circumstances) to be presented in their individual capacity as a member of the City Council. Such certificates shall be prepared by the City Manager's office in a manner such as to preserve consistency in design and form of the City. Such certificates shall be requested directly from the City Manager's office, with ample advance notice to the City Manager's office to enable preparation and delivery. Each Council member requesting a certificate shall be solely responsible for providing the content and verifying the accuracy of the

document. Multiple Councilmembers may sign and present such certificates subject to coordination among themselves.

The Mayor and any Councilmember may also recommend the public acknowledgement of any member of the public, group, entity or matter of public interest through the issuance and presentation of a formal proclamation on behalf of the City of Escondido. Such recommendations shall be made in coordination with the City Manager's office. Upon approval by the Mayor, such proclamations shall then be prepared by the City Manager's office in a manner such as to preserve consistency in design and form of the City. ~~Proclamations shall normally be signed on behalf of the City by the Mayor, but if all Councilmembers so desire and signatures can be obtained in a timely manner, proclamations may also be signed by the full City Council.~~ Proclamations will normally be signed on behalf of the City by the Mayor. However, if some or all City Councilmembers also wish to sign a proclamation, and signatures can be obtained in a timely maner, proclamations may be signed by the full City Council or by those members wishing to sign the document. Proclamations shall normally be presented by the Mayor at the commencement of a meeting of the City Council, unless circumstances dictate the presentation of the proclamation elsewhere. Any disagreement with whether or not such a proclamation shall be issued shall be resolved by a majority vote of the City Council.

The Mayor or any Councilmember may request that a presentation to the City Council at a regular meeting be made by members of the

public, other public entities, or other groups, on issues of interest to the City Council or members of the public. Such presentations shall be coordinated with the Mayor and the City Manager's office and shall be subject to scheduling in a manner that does not interfere with the need to conduct normal City business. Any disagreement with whether or not such a presentation is to be scheduled shall be resolved by a majority vote of the City Council.

12. Closing Time of Council Meetings.

No agenda item may be introduced after the hour of 10:00 p.m.; however, the meeting may be extended beyond 10:00 p.m. upon a majority vote of the Council members.

13. Processing of Motions.

- a. When a motion is made, it shall be stated clearly and concisely by its mover. After a motion is made and seconded, it may be stated by the presiding officer before debate. A motion may be withdrawn by the mover without consent of the Council members.
- b. The presiding officer shall at any time by majority consent of the Council members, permit a Council member to propose the reordering of agenda items.
- c. If a question contains two or more divisible propositions, the presiding officer may, and upon request of a Council member shall, divide the same.

14. Precedence of Motions.

Attachment "1"

- a. When a motion is before the Council, no motion shall be entertained except (precedence in order indicated):
 - (1) To adjourn
 - (2) To fix hour of adjournment
 - (3) To lay on the table
 - (4) For the previous question
 - (5) To postpone to a certain day
 - (6) To refer
 - (7) To amend
 - (8) To postpone indefinitely
- b. A motion to adjourn shall be in order any time, except as follows:
 - (1) When repeated without intervening business or discussion
 - (2) When made as an interruption of a Council member while speaking
 - (3) When the previous question has been ordered
 - (4) While a vote is being taken
- c. A motion to adjourn "to another time" is debatable only as to the time to which the meeting is adjourned.
- d. A motion to table or lay on the table is not debatable and shall preclude all amendments or debate of the subject under consideration. If the motion shall prevail, the matter may be "taken from the table" only by adding it to the agenda of the next regular meeting, to be discussed at the following regular meeting.

Attachment "1"

- e. A motion for previous question shall close debate on the main motion and shall be undebatable. The statement by a Council member of "question" does not accomplish the same purpose. If a motion fails, debate is reopened; if motion passes, then vote shall be taken on the main motion.
- f. A motion to amend shall be in order and is debatable only as to amendment. A motion to amend an amendment shall not be in order. An amendment modifying the intention of a motion shall be in order but an amendment relating to a different matter shall not be in order. A substitute motion on the same subject shall be acceptable and amendments are to be voted first, then the main motion is amended.
- g. A motion to postpone indefinitely shall be fully debatable and if the same is adopted, the principal motion shall be declared lost. A motion to postpone to a definite time shall be amendable and debatable as to propriety of postponement and time set.
- h. A motion to refer shall not be debatable except for the propriety of referring.

15. Administrative Mandamus.

Persons who are dissatisfied with a decision of the City Council may have the right to seek review of that decision by a court. In addition, the City has adopted Section 1094.6 of the Code of Civil Procedure which generally limits to ninety (90) days the time within which the decision of

City boards and agencies may be judicially challenged.

16. Appeals; Continuances.

Any person appealing an action of a City Board or Commission or City Staff to the City Council has a right to two two-week postponements of the initial hearing scheduled on the appeal. After exhaustion of this right, the appeal shall be considered withdrawn. This procedure shall not limit the ability of the City Council to continue a hearing which has commenced to a subsequent meeting to receive additional public testimony or information from City Staff.

17. Reconsideration.

Any member of the Council, voting in the majority on any action of the Council, may at the same meeting, or at a subsequent time, request the Council reconsider an action. A reconsideration request made by a member of the Council voting in the minority shall not be allowed, except when made more than one (1) year after the date of the original action.

All requests for reconsideration of a Council action shall be provided to each Council member, and the City Manager in writing or via electronic mail, and the request shall be placed on the next available agenda. In the event an item to be reconsidered requires public notice, it shall be calendared and noticed after Council determines when reconsideration shall occur.

18. Personal Privilege.

The right of any Council member to address the Council on a question of personal privilege shall be limited to cases in which his/her

integrity, character or motives are questioned.

19. Council Conduct.

Each member of the Council shall act in a courteous and respectful manner to all members of the Council, including providing each member the full opportunity to ask questions, voice opinions and make statements without interruption during closed and open sessions of the Council.

20. Parliamentarian.

A majority vote of the Council shall generally control matters of procedure not addressed by this Resolution. The City Attorney shall decide all other questions of interpretations of these rules and any other questions of a parliamentary nature which may arise at a City Council meeting.

21. Voting and Non-Profit Entity Membership.

It shall be the policy of this Council that a council member who serves on the governing board of a private non-profit entity shall not participate in the discussion or voting process to determine whether or not that entity receives City funds. In the event the request of a non-profit entity with a council member on its governing board is part of a larger request involving several items, or is part of the budget process, a separate vote shall be taken to allow the necessary abstention.

22. Selection of Chairperson.

In the event that the Mayor and the Deputy Mayor are absent from a City Council meeting, the three remaining Council members present

shall promptly determine which Council member will conduct and serve as the chairperson of the meeting.

23. Decorum and Security.

- a. While the City Council is in session, the Council members, staff, and members of the public are expected to act in a manner to preserve order and decorum for the meeting. No person shall engage in disorderly or disruptive behavior during the meeting. No person shall, either by conversation, applause, shouting, or any other conduct, interrupt or delay the proceedings.
- b. The City Manager, in coordination with the Mayor and/or Deputy Mayor, are authorized to and shall designate and post signs specifying those areas of the Chamber for the media wishing to record the meeting, areas for staff presentations, and areas which are restricted to City employees and elected officials.
- c. Signs, placards, posters, or similar objects which are larger than 8.5 by 11 inches and which disrupt the proceedings shall not be displayed during Council proceedings by members of the public.

Section B: City Council Policies.

1. Correspondence with Members of the City Council.

The purpose of this policy is to provide for a coordinated response to correspondence (i.e. letters, emails, and similar items) which is sent to the City generally, or in which the same correspondence is sent in identical fashion to all Council members. In such circumstances, the Council directs that the Mayor (or as appropriate the City Manager or City

Attorney) shall answer such correspondence on behalf of the City, according to the procedure set forth below.

In addition to individual e-mail addresses, the City Manager's Office shall also establish a shared email address by which citizens may direct emails to all Council members at the same time. The shared email address shall be featured on the City's website and in other publications in such a manner as to allow citizens to use the address and thereby communicate with all Council members at the same time. All Council members shall have access to review items in the mailbox at all times. All responses to such emails shall also be sent from the shared mailbox, such that all Council members may review such responses.

With respect to other communications, such as those involving other governmental entities, organizations, and related entities where such communication occurs between the entities rather than specific individuals, the Mayor shall respond on behalf of the City, with copies to all Council members. Matters involving routine city administrative issues shall generally be responded to by either the City Manager or City Attorney, as appropriate, on behalf of the City. With respect to correspondence that consists of invitations to events, the Mayor and Council shall coordinate such invitations with the City Manager's support staff.

Because substantial portions of City Council communication, whether electronic or written, is subject to California's Public Records laws, all City Council communications shall be coordinated with the City

Manager for the purpose of compliance with various laws governing public records. All Council members using city computers shall be subject to the City's Administrative Directives regarding computer use.

2. Press Releases.

All press releases on behalf of the City shall be issued on City letterhead and only on behalf of the City generally or the entire City Council. Press releases shall be prepared and coordinated by the City Manager's Office.

3. Council Calendar.

The responsibility for managing the calendars of the City Council and the City Council members shall be delegated to the City Manager's secretary.

4. Audits.

Staff shall informally assist the City Council in a periodic accounting of individual expenditures for travel, phone use, etc.

5. Council Travel Policy.

Council members shall be bound by all City policies, as expressed in Administrative Directives or otherwise, regarding travel on City business.

The City Council shall fix an amount in the City Council budget which each Council member may use for business-related education and travel expenses, including attendance at seminars, conferences and other related educational opportunities. These funds will be separate from any budget established for Council member participation in committees

associated with other public agencies and entities. If these funds are not used during the fiscal year appropriated, they shall be returned to the General Fund.

Elected officials shall provide brief reports on meetings attended at the City's expense at the next regular City Council meeting. If multiple elected officials attended, a joint report may be made. Reports may be provided in writing as part of the Agenda packet distribution.

6. Council Communication with Staff.

The Council members shall request information or give direction only to the City Manager or City Attorney, or those persons designated by the City Manager or City Attorney to assist the Council members in such inquiries or requests. Requests for information should be directed to the City Manager, although incidental or minor requests (not involving analysis or significant time) may be requested directly from department heads, with a copy to the City Manager. Requests which involve change of policy, expenditure of funds, or use of significant staff time shall be submitted to the full Council for approval.

7. Review of Reimbursements.

The Director of Finance or a designee shall review all City Council requests for reimbursement of expenses for consistency with City policy on such expenses.

In all cases, Council members shall be bound by the same policies and procedures adopted and applicable for all City employees on a citywide basis. To the extent such policies provide for per diem

reimbursements, auto allowances, and related forms of reimbursement rather than receipt-specific reimbursement, it is hereby determined that such per diem or fixed amount reimbursements, so long as applicable to all city employees, are the best and most efficient method of reimbursing expenses on an actual and necessary basis.

9. Council Salary.

To assure attention to the Council compensation allowable under state law, the City Council shall have an agenda item during a meeting in December of odd numbered years for the purpose of determining whether or not to take action regarding Council compensation.

10. Campaign Activity Funding.

The City Council shall not direct or authorize the expenditure of public funds to prepare or distribute a publication or communication when the style, tenor, and timing of the publication or communication demonstrates that it constitutes traditional campaign activity or that it supports or opposes the approval or rejection of a ballot measure.

11. Council Use of City Staff for Public Events.

The Council believes that making opportunities available for Council members to interact with the public outside of regular public meetings is a benefit to the Council and residents of the City. The ability to communicate to the public the availability of the Councilmembers for such events is critical to their success.

Council members may request through the City Manager's Office the services of City staff to assist in the hosting of public events related to

City business including, but not limited to, the electronic posting of notices of public events involving the Council members on the City's social media platforms. To the greatest extent possible, the amount of staff resources devoted to such efforts shall be equal among all Council members.

To the extent any such staff efforts require time beyond the posting of notices on the City's or related website, the City Manager shall be responsible for determining whether such personnel resources are available, whether there is a sufficient budget to cover the costs related to such efforts, and ensuring that all council members may obtain like and equal services during the course of any fiscal year. Council members shall not use any city staff or resources as part of, or in coordination with, any campaign for public office.

Section C: City Council Ethics Policy.

1. Declaration of Policy.

The respected operation of democratic government emphasizes that elected officials be independent, impartial, and responsible to the people. It requires that they conduct themselves in a manner above reproach.

This Ethics Policy provides the following general guidelines and specific prohibitions to which elected Escondido City Officials must conform in pursuit of their assigned duties and responsibilities. This policy is in addition to all applicable provisions of state law, including the Brown Act, the Political Reform Act and implementing regulations, and all other laws governing the conduct of elected officials.

2. Disclosure of Closed Session Matter.

No member of the City Council shall disclose to any person, other than members of the Council, the City Attorney, the City Manager, or other City staff designated by the City Manager to handle such matters of confidential City business, the content or substance of any information presented or discussed during a closed session meeting unless the City Council first authorizes such disclosure by the affirmative vote of three members.

3. Disclosure of Confidential Communications.

Except when disclosure is mandated by state or federal law, no member of the City Council shall disclose to any person, other than members of the Council, the City Attorney, or the City Manager, or other City staff designated by the City Manager to handle such matters of confidential City business, the content or substance of any confidential or privileged communication relating to matters of City business, received under circumstances where the confidential or privileged nature of the communication is reasonably conveyed, unless the City Council first authorizes such disclosure by the affirmative vote of three members of the City Council.

4. Conduct During Negotiations/Litigation.

The City Council is authorized to provide direction to specifically identified negotiators in a legally constituted closed session on matters involving pending litigation, real estate negotiations, and labor negotiations. If the City Council in closed session provides such direction

to its negotiators, all contact with the negotiating party or the party's representative, shall be limited to, and made by, those individuals designated to handle the negotiations.

During a pending labor negotiation, no member of the City Council shall communicate any negotiating position on behalf of the City or engage in any negotiations for employee salary, benefits or working conditions. In addition, during pending litigation or real estate negotiations, no member of the City Council (unless they have been designated as a negotiator) shall have any contact or discussion with the litigating or negotiating party or the party's representative regarding the subject matter of the pending litigation or real estate negotiations.

No member of the City Council shall communicate or disclose to any person, other than members of the Council, the City Attorney, the City Manager, or other City staff designated by the City Manager to handle such matters of confidential City business, any discussion or information received in closed session regarding the negotiation or litigation.

Nothing in this section shall prohibit Council members from receiving written communications provided they are made available to all Council members, the City Manager, the City Attorney, and the City's designated negotiators on an equal basis.

5. Ex Parte Communications.

The purpose of this provision is to guarantee that all interested parties to any adjudicatory matter before the City Council have equal opportunity to express and represent their interests. Ex parte

communications are those communications members of the City Council have with representatives of only one side of a matter outside the presence of other interested parties on a matter relevant to an adjudicatory proceeding. A communication concerning only the status of a pending matter shall not be regarded as an ex parte communication.

Any written or oral ex parte communication received by a member of the City Council in matters where all interested parties are entitled to an equal opportunity for a hearing shall be made a part of the record by the recipient.

6. Violations and Penalties.

Any violation of this Ethics Policy by a member of the City Council shall constitute official misconduct if determined by an affirmative vote of three members of the City Council in an open and public meeting. In addition to any criminal or civil penalties provided for by federal, state or other local law, any violation of this Ethics Policy shall constitute a cause for censure by City Council adoption of a Resolution of Censure.

RESOLUTION NO. 2021-156

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING AND READOPTING RULES OF
PROCEDURE FOR CITY COUNCIL
MEETINGS AND CITY COUNCIL POLICIES

WHEREAS, the City Council of the City of Escondido, State of California, has previously adopted resolutions which provide Rules of Order and Procedure for City Council meetings and certain written policies governing Council procedures, methods of operation and ethics which are amended from time to time; and

WHEREAS, the City Council wishes to re-adopt its Rules and Policies for the purpose of including certain amendments and clarifications.

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 following Rules shall govern the City Council:

Section A: Rules of Order and Procedure

1. Time of Regular Meetings.

Unless the City Council schedules otherwise or cancels a meeting, the City Council shall hold regular meetings at 4:00 p.m. commencing with closed session items and thereafter at 5:00 p.m. commencing with a public session on each of the first four (4) Wednesdays of each calendar month at the City Hall.

2. Matters Covered.

For the purpose of efficiently focusing only on matters affecting the City of Escondido, the Council should consider those resolutions, motions

or matters which affect the conduct of the business of the City of Escondido or its corporate powers or duties as a municipal corporation, or such resolutions or motions supporting or disapproving legislation or actions pending in the Legislature of the State of California, the Congress of the United States or before any officer or agency of said State or nation where such proposed legislation or action, if adopted, will affect the conduct of the municipal business or the powers and duties of the City of Escondido or its officers or employees as such.

3. Order of Business.

Regular business of the Council at the 5:00 p.m. public session shall be taken up for consideration in substantially the following order, except as may be otherwise ordered by the Mayor or Council:

- a. Moment of Reflection
- b. Flag Salute
- c. Roll Call
- d. Closed Session Report
- e. Proclamations/Presentations
- f. Oral Communications (up to 15 minutes or as directed by the Mayor)
- g. Consent Calendar, including Affidavits of Publications, Mailing, Posting, Warrant Register & Minutes Approval
- h. Public Hearings
- i. Current Business Matters
- j. Future Agenda Items
- k. Council Members Subcommittee Reports
- l. Council Member Reports
- m. City Manager's Weekly Activity Report Highlights
- n. Oral Communications

- o. Adjournment

4. Consent Calendar Defined.

Those items on the Council agenda which are generally considered routine matter of business such as the approval of minutes, approval of the warrant register, Notices of Project Completion, Treasurer's Quarterly Investment Report, certain contract and grant awards, resolutions setting hearings, final maps, and various leases and agreements are listed on the "Consent Calendar" and shall be adopted by one motion unless Council, staff or a member of the public requests specific items to be discussed and/or removed for separate action. Those items so approved under the heading "Consent Calendar" will appear in the Council minutes in their proper form, i.e., resolution accepting grant deed or easement, approval of minutes, award of bid, etc.

From time to time, the Council may schedule a "workshop" style meeting. Such workshops shall comply with all applicable noticing laws and shall be dedicated primarily to general information gathering and sharing, discussion and possible direction to staff. Final actions of the Council shall not take place at workshop sessions.

5. Oral Communications.

Time has been reserved near the beginning and end of each regular meeting agenda to provide an opportunity for members of the public to directly address the Council on items of interest to the public. The Mayor as the presiding officer may set a limit on the time at the beginning of the meeting devoted to oral communications and may at his

or her discretion extend the time for a speaker or speaker representative to address the Council. Comments on an item already appearing on the agenda shall only be taken at the time reserved for discussion of that agenda item. No action will be taken by the Council on items discussed under Oral Communications, except to refer the matter to staff or schedule for future action.

6. Council Member Reports.

The Council Member Report agenda item provides members of the Council an opportunity to report matters of general interest to the public and their fellow Council Members. No actions, votes or further discussions shall occur on any such matter(s).

7. Council Action on Agenda Matters.

Prior to the request for a motion and second by any Council member on an agenda matter, Council shall be allowed to hear any presentation by staff or member of the public, ask questions and discuss among themselves the matter to be decided. At the conclusion of the presentation, questions and discussion by Council members a request for a motion and second may be made and a roll call vote shall be taken. A motion that fails to obtain a second or a majority vote shall die.

8. Manner of Addressing Council - Time Limit.

- a. Each person addressing the Council shall step up to the microphone, shall state their name and city of residence in an audible tone of voice for the record and, unless further time is granted by the presiding officer, shall limit their

address to three (3) minutes. If significant numbers of persons desire to speak on a given item, the presiding officer has the discretion to limit speaking times and/or alter the sequence of hearing matters on the agenda. Longer time limits may be permitted for an applicant, appellant, or spokesperson for a larger group, at the discretion of the presiding officer.

- b. Whenever any group of persons wishes to address the Council on the same subject matter, it shall be proper for the presiding officer to request that a spokesperson be chosen by the group to address the Council and, in case additional matters are to be presented at the time by any other member of the said group, to limit the number of persons so addressing the Council so as to avoid unnecessary repetitions before the Council.
- c. City staff presentations and responses to Council questions are not governed by this time limit.

9. Posting of Agenda.

At least 72 hours before a regular meeting, the City Clerk shall post a certified copy of the agenda specifying the time and location of the regular meeting in a place accessible so as to be available for review by members of the public.

10. Content of Agenda.

Under state law, the City Council is limited to consideration of items which are on a posted agenda. Items may be placed on an agenda by city staff, by the Mayor, or upon the request of an individual Council member in coordination with the City Manager. The City Manager shall be in charge of preparing the Council agenda and all items shall be coordinated with the City Manager. To the fullest extent practicable, any items placed on the agenda by the Mayor, any Council member or City staff should also be listed under "Future Agenda Items" as early as possible to assure the best possible advance notice of the nature of items and discussion which are upcoming.

11. Proclamations and Presentations.

The City of Escondido recognizes members of the public, groups, or other entities in different ways. Individual Councilmembers may request the preparation of a Certificate of Achievement, Acknowledgment, or Recognition (depending on the circumstances) to be presented in their individual capacity as a member of the City Council. Such certificates shall be prepared by the City Manager's office in a manner such as to preserve consistency in design and form of the City. Such certificates shall be requested directly from the City Manager's office, with ample advance notice to the City Manager's office to enable preparation and delivery. Each Council member requesting a certificate shall be solely responsible for providing the content and verifying the accuracy of the

document. Multiple Councilmembers may sign and present such certificates subject to coordination among themselves.

The Mayor and any Councilmember may also recommend the public acknowledgement of any member of the public, group, entity or matter of public interest through the issuance and presentation of a formal proclamation on behalf of the City of Escondido. Such recommendations shall be made in coordination with the City Manager's office. Upon approval by the Mayor, such proclamations shall then be prepared by the City Manager's office in a manner such as to preserve consistency in design and form of the City. Proclamations will normally be signed on behalf of the City by the Mayor. However, if some or all City Councilmembers also wish to sign a proclamation, and signatures can be obtained in a timely maner, proclamations may be signed by the full City Council or by those members wishing to sign the document. Proclamations shall normally be presented by the Mayor at the commencement of a meeting of the City Council, unless circumstances dictate the presentation of the proclamation elsewhere. Any disagreement with whether or not such a proclamation shall be issued shall be resolved by a majority vote of the City Council.

The Mayor or any Councilmember may request that a presentation to the City Council at a regular meeting be made by members of the public, other public entities, or other groups, on issues of interest to the City Council or members of the public. Such presentations shall be coordinated with the Mayor and the City Manager's office and shall be

subject to scheduling in a manner that does not interfere with the need to conduct normal City business. Any disagreement with whether or not such a presentation is to be scheduled shall be resolved by a majority vote of the City Council.

12. Closing Time of Council Meetings.

No agenda item may be introduced after the hour of 10:00 p.m.; however, the meeting may be extended beyond 10:00 p.m. upon a majority vote of the Council members.

13. Processing of Motions.

- a. When a motion is made, it shall be stated clearly and concisely by its mover. After a motion is made and seconded, it may be stated by the presiding officer before debate. A motion may be withdrawn by the mover without consent of the Council members.
- b. The presiding officer shall at any time by majority consent of the Council members, permit a Council member to propose the reordering of agenda items.
- c. If a question contains two or more divisible propositions, the presiding officer may, and upon request of a Council member shall, divide the same.

14. Precedence of Motions.

- a. When a motion is before the Council, no motion shall be entertained except (precedence in order indicated):
 - (1) To adjourn

- (2) To fix hour of adjournment
- (3) To lay on the table
- (4) For the previous question
- (5) To postpone to a certain day
- (6) To refer
- (7) To amend
- (8) To postpone indefinitely

b. A motion to adjourn shall be in order any time, except as follows:

- (1) When repeated without intervening business or discussion
- (2) When made as an interruption of a Council member while speaking
- (3) When the previous question has been ordered
- (4) While a vote is being taken

c. A motion to adjourn "to another time" is debatable only as to the time to which the meeting is adjourned.

d. A motion to table or lay on the table is not debatable and shall preclude all amendments or debate of the subject under consideration. If the motion shall prevail, the matter may be "taken from the table" only by adding it to the agenda of the next regular meeting, to be discussed at the following regular meeting.

e. A motion for previous question shall close debate on the main motion and shall be undebatable. The statement by a Council member of "question" does not accomplish the

same purpose. If a motion fails, debate is reopened; if motion passes, then vote shall be taken on the main motion.

- f. A motion to amend shall be in order and is debatable only as to amendment. A motion to amend an amendment shall not be in order. An amendment modifying the intention of a motion shall be in order but an amendment relating to a different matter shall not be in order. A substitute motion on the same subject shall be acceptable and amendments are to be voted first, then the main motion is amended.
- g. A motion to postpone indefinitely shall be fully debatable and if the same is adopted, the principal motion shall be declared lost. A motion to postpone to a definite time shall be amendable and debatable as to propriety of postponement and time set.
- h. A motion to refer shall not be debatable except for the propriety of referring.

15. Administrative Mandamus.

Persons who are dissatisfied with a decision of the City Council may have the right to seek review of that decision by a court. In addition, the City has adopted Section 1094.6 of the Code of Civil Procedure which generally limits to ninety (90) days the time within which the decision of City boards and agencies may be judicially challenged.

16. Appeals; Continuances.

Any person appealing an action of a City Board or Commission or City Staff to the City Council has a right to two two-week postponements of the initial hearing scheduled on the appeal. After exhaustion of this right, the appeal shall be considered withdrawn. This procedure shall not limit the ability of the City Council to continue a hearing which has commenced to a subsequent meeting to receive additional public testimony or information from City Staff.

17. Reconsideration.

Any member of the Council, voting in the majority on any action of the Council, may at the same meeting, or at a subsequent time, request the Council reconsider an action. A reconsideration request made by a member of the Council voting in the minority shall not be allowed, except when made more than one (1) year after the date of the original action.

All requests for reconsideration of a Council action shall be provided to each Council member, and the City Manager in writing or via electronic mail, and the request shall be placed on the next available agenda. In the event an item to be reconsidered requires public notice, it shall be calendared and noticed after Council determines when reconsideration shall occur.

18. Personal Privilege.

The right of any Council member to address the Council on a question of personal privilege shall be limited to cases in which his/her integrity, character or motives are questioned.

19. Council Conduct.

Each member of the Council shall act in a courteous and respectful manner to all members of the Council, including providing each member the full opportunity to ask questions, voice opinions and make statements without interruption during closed and open sessions of the Council.

20. Parliamentarian.

A majority vote of the Council shall generally control matters of procedure not addressed by this Resolution. The City Attorney shall decide all other questions of interpretations of these rules and any other questions of a parliamentary nature which may arise at a City Council meeting.

21. Voting and Non-Profit Entity Membership.

It shall be the policy of this Council that a council member who serves on the governing board of a private non-profit entity shall not participate in the discussion or voting process to determine whether or not that entity receives City funds. In the event the request of a non-profit entity with a council member on its governing board is part of a larger request involving several items, or is part of the budget process, a separate vote shall be taken to allow the necessary abstention.

22. Selection of Chairperson.

In the event that the Mayor and the Deputy Mayor are absent from a City Council meeting, the three remaining Council members present shall promptly determine which Council member will conduct and serve as the chairperson of the meeting.

23. Decorum and Security.

- a. While the City Council is in session, the Council members, staff, and members of the public are expected to act in a manner to preserve order and decorum for the meeting. No person shall engage in disorderly or disruptive behavior during the meeting. No person shall, either by conversation, applause, shouting, or any other conduct, interrupt or delay the proceedings.
- b. The City Manager, in coordination with the Mayor and/or Deputy Mayor, are authorized to and shall designate and post signs specifying those areas of the Chamber for the media wishing to record the meeting, areas for staff presentations, and areas which are restricted to City employees and elected officials.
- c. Signs, placards, posters, or similar objects which are larger than 8.5 by 11 inches and which disrupt the proceedings shall not be displayed during Council proceedings by members of the public.

Section B: City Council Policies.

1. Correspondence with Members of the City Council.

The purpose of this policy is to provide for a coordinated response to correspondence (i.e. letters, emails, and similar items) which is sent to the City generally, or in which the same correspondence is sent in identical fashion to all Council members. In such circumstances, the Council directs that the Mayor (or as appropriate the City Manager or City Attorney) shall answer such correspondence on behalf of the City, according to the procedure set forth below.

In addition to individual e-mail addresses, the City Manager's Office shall also establish a shared email address by which citizens may direct emails to all Council members at the same time. The shared email address shall be featured on the City's website and in other publications in such a manner as to allow citizens to use the address and thereby communicate with all Council members at the same time. All Council members shall have access to review items in the mailbox at all times. All responses to such emails shall also be sent from the shared mailbox, such that all Council members may review such responses.

With respect to other communications, such as those involving other governmental entities, organizations, and related entities where such communication occurs between the entities rather than specific individuals, the Mayor shall respond on behalf of the City, with copies to all Council members. Matters involving routine city administrative issues shall generally be responded to by either the City Manager or City Attorney, as appropriate, on behalf of the City. With respect to correspondence that consists of invitations to events, the Mayor and Council shall coordinate such invitations with the City Manager's support staff.

Because substantial portions of City Council communication, whether electronic or written, is subject to California's Public Records laws, all City Council communications shall be coordinated with the City Manager for the purpose of compliance with various laws governing public

records. All Council members using city computers shall be subject to the City's Administrative Directives regarding computer use.

2. Press Releases.

All press releases on behalf of the City shall be issued on City letterhead and only on behalf of the City generally or the entire City Council. Press releases shall be prepared and coordinated by the City Manager's Office.

3. Council Calendar.

The responsibility for managing the calendars of the City Council and the City Council members shall be delegated to the City Manager's secretary.

4. Audits.

Staff shall informally assist the City Council in a periodic accounting of individual expenditures for travel, phone use, etc.

5. Council Travel Policy.

Council members shall be bound by all City policies, as expressed in Administrative Directives or otherwise, regarding travel on City business.

The City Council shall fix an amount in the City Council budget which each Council member may use for business-related education and travel expenses, including attendance at seminars, conferences and other related educational opportunities. These funds will be separate from any budget established for Council member participation in committees associated with other public agencies and entities. If these funds are not

used during the fiscal year appropriated, they shall be returned to the General Fund.

Elected officials shall provide brief reports on meetings attended at the City's expense at the next regular City Council meeting. If multiple elected officials attended, a joint report may be made. Reports may be provided in writing as part of the Agenda packet distribution.

6. Council Communication with Staff.

The Council members shall request information or give direction only to the City Manager or City Attorney, or those persons designated by the City Manager or City Attorney to assist the Council members in such inquiries or requests. Requests for information should be directed to the City Manager, although incidental or minor requests (not involving analysis or significant time) may be requested directly from department heads, with a copy to the City Manager. Requests which involve change of policy, expenditure of funds, or use of significant staff time shall be submitted to the full Council for approval.

7. Review of Reimbursements.

The Director of Finance or a designee shall review all City Council requests for reimbursement of expenses for consistency with City policy on such expenses.

In all cases, Council members shall be bound by the same policies and procedures adopted and applicable for all City employees on a citywide basis. To the extent such policies provide for per diem reimbursements, auto allowances, and related forms of reimbursement

rather than receipt-specific reimbursement, it is hereby determined that such per diem or fixed amount reimbursements, so long as applicable to all city employees, are the best and most efficient method of reimbursing expenses on an actual and necessary basis.

9. Council Salary.

To assure attention to the Council compensation allowable under state law, the City Council shall have an agenda item during a meeting in December of odd numbered years for the purpose of determining whether or not to take action regarding Council compensation.

10. Campaign Activity Funding.

The City Council shall not direct or authorize the expenditure of public funds to prepare or distribute a publication or communication when the style, tenor, and timing of the publication or communication demonstrates that it constitutes traditional campaign activity or that it supports or opposes the approval or rejection of a ballot measure.

11. Council Use of City Staff for Public Events.

The Council believes that making opportunities available for Council members to interact with the public outside of regular public meetings is a benefit to the Council and residents of the City. The ability to communicate to the public the availability of the Councilmembers for such events is critical to their success.

Council members may request through the City Manager's Office the services of City staff to assist in the hosting of public events related to City business including, but not limited to, the electronic posting of notices

of public events involving the Council members on the City's social media platforms. To the greatest extent possible, the amount of staff resources devoted to such efforts shall be equal among all Council members.

To the extent any such staff efforts require time beyond the posting of notices on the City's or related website, the City Manager shall be responsible for determining whether such personnel resources are available, whether there is a sufficient budget to cover the costs related to such efforts, and ensuring that all council members may obtain like and equal services during the course of any fiscal year. Council members shall not use any city staff or resources as part of, or in coordination with, any campaign for public office.

Section C: City Council Ethics Policy.

1. Declaration of Policy.

The respected operation of democratic government emphasizes that elected officials be independent, impartial, and responsible to the people. It requires that they conduct themselves in a manner above reproach.

This Ethics Policy provides the following general guidelines and specific prohibitions to which elected Escondido City Officials must conform in pursuit of their assigned duties and responsibilities. This policy is in addition to all applicable provisions of state law, including the Brown Act, the Political Reform Act and implementing regulations, and all other laws governing the conduct of elected officials.

2. Disclosure of Closed Session Matter.

No member of the City Council shall disclose to any person, other than members of the Council, the City Attorney, the City Manager, or other City staff designated by the City Manager to handle such matters of confidential City business, the content or substance of any information presented or discussed during a closed session meeting unless the City Council first authorizes such disclosure by the affirmative vote of three members.

3. Disclosure of Confidential Communications.

Except when disclosure is mandated by state or federal law, no member of the City Council shall disclose to any person, other than members of the Council, the City Attorney, or the City Manager, or other City staff designated by the City Manager to handle such matters of confidential City business, the content or substance of any confidential or privileged communication relating to matters of City business, received under circumstances where the confidential or privileged nature of the communication is reasonably conveyed, unless the City Council first authorizes such disclosure by the affirmative vote of three members of the City Council.

4. Conduct During Negotiations/Litigation.

The City Council is authorized to provide direction to specifically identified negotiators in a legally constituted closed session on matters involving pending litigation, real estate negotiations, and labor negotiations. If the City Council in closed session provides such direction to its negotiators, all contact with the negotiating party or the party's

representative, shall be limited to, and made by, those individuals designated to handle the negotiations.

During a pending labor negotiation, no member of the City Council shall communicate any negotiating position on behalf of the City or engage in any negotiations for employee salary, benefits or working conditions. In addition, during pending litigation or real estate negotiations, no member of the City Council (unless they have been designated as a negotiator) shall have any contact or discussion with the litigating or negotiating party or the party's representative regarding the subject matter of the pending litigation or real estate negotiations.

No member of the City Council shall communicate or disclose to any person, other than members of the Council, the City Attorney, the City Manager, or other City staff designated by the City Manager to handle such matters of confidential City business, any discussion or information received in closed session regarding the negotiation or litigation.

Nothing in this section shall prohibit Council members from receiving written communications provided they are made available to all Council members, the City Manager, the City Attorney, and the City's designated negotiators on an equal basis.

5. Ex Parte Communications.

The purpose of this provision is to guarantee that all interested parties to any adjudicatory matter before the City Council have equal opportunity to express and represent their interests. Ex parte communications are those communications members of the City Council

have with representatives of only one side of a matter outside the presence of other interested parties on a matter relevant to an adjudicatory proceeding. A communication concerning only the status of a pending matter shall not be regarded as an ex parte communication.

Any written or oral ex parte communication received by a member of the City Council in matters where all interested parties are entitled to an equal opportunity for a hearing shall be made a part of the record by the recipient.

6. Violations and Penalties.

Any violation of this Ethics Policy by a member of the City Council shall constitute official misconduct if determined by an affirmative vote of three members of the City Council in an open and public meeting. In addition to any criminal or civil penalties provided for by federal, state or other local law, any violation of this Ethics Policy shall constitute a cause for censure by City Council adoption of a Resolution of Censure.

CITY COUNCIL STAFF REPORT

Public Hearing Item No. 11

September 29, 2021

File No. 0870-11

SUBJECT: Sixth Amendment to the Fiscal Year 2019-2020 Department of Housing and Urban Development (“HUD”) Annual Action Plan, and Budget Adjustment

DEPARTMENT: Community Development Department/Housing & Neighborhood Services

RECOMMENDATION:

It is requested that the City Council solicit and consider citizen input on the HUD FY 2019-2020 Annual Action Plan Amendment for the use of Emergency Solutions Grant – Coronavirus (“ESG-CV”) funds and adopt Resolution No 2021-150 amending the FY 2019-2020 Annual Action Plan to realign ESG-CV funding; and approve Budget Adjustments in the total amount of \$2,509,202.

FISCAL ANALYSIS:

The City of Escondido (“City”) receives annual federal entitlements from HUD for community development, homeless and housing activities. On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), Public Law 116-136, into law providing \$2.2 trillion in federal funds to respond to the COVID-19 pandemic. The CARES Act included \$5 billion for the Community Development Block Grant – Coronavirus (“CDBG-CV”) program and \$4 billion for the ESG-CV program to prevent, prepare for and respond to the COVID-19 pandemic. The City received \$4,487,427 in ESG-CV funds in addition to the City's annual allocations of ESG funds from HUD. ESG-CV funds can only be used for projects which address ESG priorities and prevent, prepare for, or respond to COVID-19 pandemic. HUD funds must assist the low-income residents of Escondido and may not be used to supplant previously allocated City funds. Funds may also be used to pay for administrative and planning services, subject to regulatory limitations.

PREVIOUS ACTION:

The City's [2015-2019 Five Year Consolidated Plan](#) was adopted in 2015 and was amended in 2017 to include the ESG funds. This plan established priorities for the use of CDBG, ESG, and HOME funds for the period of July 1, 2015 through June 30, 2020, including the FY 2019-2020 Action Plan. At HUD's direction, all activities associated with all funding rounds of the CARES Act will amend the FY 2019-2020 Annual Action Plan.

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. Council reaffirmed existing priorities in the Consolidated Plan and directed staff to work with current subrecipients to allocate additional funds as efficiently as possible.

On June 24, 2020, the City Council approved the second amendment to the FY 2019-2020 Annual Action Plan in order to receive CARES Act Round 1 allocations, including \$1,070,025 in Community Development Block Grant-Coronavirus (“CDBG-CV”) funds and \$552,803 in ESG-CV funds.

On December 16, 2020, the City Council approved a third amendment to the FY 2019-2020 Annual Action Plan to accept \$3,934,624 in CARES Act Round 2 ESG-CV funds and create a new program.

On March 3, 2021, the City Council amended the FY 2019-2020 Action Plan for a fourth time to accept \$1,324,858 in CARES Act Round 3 CDBG-CV funds and to create new or expand existing CDBG-CV and ESG-CV projects.

On March April 21, 2021, the City Council amended the FY 2019-2020 Action Plan for a fifth time to add funding to an activity.

BACKGROUND:

The Consolidated Plan is a federally-required document for communities that receive federal HUD funds that provides a comprehensive, strategic framework for a community to establish a unified vision to address the needs of low-income individuals, families and neighborhoods. Each year, each jurisdiction must formulate a one-year action plan to determine which specific activities will be undertaken that year. HUD requires a formal Action Plan Amendment when substantial changes are made to an existing Plan. Substantial amendments include an addition of a new activity not previously identified in the Annual Plan; or a budget change of more than 25 percent. According to the City’s Citizen Participation Plan for HUD funds, substantial changes must be authorized by the City Council and must be made available on the City’s website and through public notices in the newspaper. A 2020 waiver was authorized allowing the public comment period to be reduced to five days for pandemic response.

The ESG program provides a first response to people with a housing crisis and engages people living on the streets with a focus to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS (Homeless Management Information database), as well as administrative activities. Activities funded with ESG-CV funds must: 1) be consistent with the Consolidated Plan, 2) must assist individuals and families who are homeless or are at risk of homelessness (ESG-CV), and 3) must prevent, prepare for, or respond to COVID-19.

In order to ensure that CARES Act funding are spent in a timely manner, HUD required that spending milestones be met. 20% of all ESG-CV funds (\$897,486) must be expended by September 30, 2021, 80% of all ESG-CV funds (\$3,589,940) must be expended by March 31, 2022; and all ESG-CV funds (\$4,487,427) must be expended by September 30, 2022. Funds which are not spent in a timely

manner are subject to recapture by HUD. A large percentage of Escondido funds (62%) were allocated for Homelessness Prevention program primarily to pay overdue rent or assist a family to move to a new rental home in order to prevent the household from becoming homeless due to the pandemic. These funds have been spending very slowly due to the eviction moratorium and the greater individual benefit allowed by the County of San Diego Emergency Rental Assistance Program (“ERAP”). Currently, there is approximately \$519,323 at risk of recapture. City staff has been in conversation with HUD and Interfaith Community Services (“Interfaith”) to determine how these funds may be preserved.

Program	Approved Funding	Amount Expended (8/31/2021)	Remaining Budget
Homelessness Prevention (Interfaith)	\$2,767,648.00	\$196,235.77	\$2,571,412.23
Rapid Rehousing (Interfaith)	\$785,155.00	\$133,816.32	\$651,338.68
Emergency Shelter Quarantined Entry (Interfaith)	\$20,000.00	\$20,000.00	\$0
Homeless Outreach (Interfaith)	\$ 328,337.00	\$27,168.47	\$301,168.53
Emergency Shelter (Alliance for Regional Solutions)	\$220,000.00	0.00	\$220,000.00
ESG-CV Administration	\$ 366,287.00	\$942.50	\$365,344.50
	\$4,487,427.00	\$378,163.06	\$4,109,263.94

Proposed ESG-CV Fund Activities

A draft FY 2019-2020 Sixth Annual Action Plan amendment is published on the City website.

City staff has worked with Interfaith to develop a plan to address homelessness in the current stage of the pandemic. Homelessness Prevention is best being addressed by the County’s ERAP program. As of early September, 1,229 Escondido households had been awarded just over \$10 million to pay overdue rent and utilities. The program still has significant funding from the American Rescue Plan of 2021. For assistance, San Diego County residents (excluding those living in the City of San Diego or Chula Vista) can go to <https://www.sandiegocounty.gov/sdhcd/community-development/COVID-19-Emergency-Rental-Assistance-Program.html> to learn more and apply for assistance. Staff recommends reducing the City’s Homelessness Prevention subrecipient agreement with Interfaith by \$1,254,601 to allow for additional spending on other programs, and to allow for recapture of funds, if necessary.

Staff recommends adding an additional \$82,185 to the administrative activity. This will have the least impact to subrecipient programs if HUD recapture becomes necessary. If recapture does not occur, these funds can be used to meet an urgent need later in the pandemic recovery.

Staff recommends amending Interfaith's Homelessness Outreach subrecipient agreements. This modification will include altering licensure requirements for the homeless outreach team's clinician to expedite hiring of new staff and increasing the budget by \$186,416 to allow for the lease of additional vehicles and add a Community Liaison to the team. As part of this project, Interfaith has created an Escondido specific "hotline" (escondidooutreach@interfaithservices.org or 760-489-6380 ext. 218) for businesses and community members to request support or provide information about individuals experiencing homelessness in Escondido. A new Community Liaison will work with business and community members to form a more rapid response system to triage one of the homeless outreach teams to connect the individual to appropriate services or advise the caller to call 911 (in an emergency situation).

Staff recommends amending Interfaith's Emergency Shelter subrecipient agreement to add \$180,000 for additional services. During the pandemic, Haven House converted from a night shelter to a 24/7 shelter allowing individuals to shelter in place. Additional supportive services will better support high acuity residents and assist in more positive outcomes. Staff proposes one additional case manager to connect clients with a permanent housing solution in a timelier manner and two new Peer Support Specialists (including Peer Support Specialist Training certification). An increasing number of homeless services are developing peer support and peer worker roles. Peer support is well recognized by professionals in mental health and addiction services, where peer support has been widely used over the past few decades and considerable knowledge has emerged about the approach. Given that many individuals experiencing homelessness also often suffer from co-occurring mental health problems, substance use, and traumatic stress disorder, when developing peer support work homeless service providers can learn from research, practices, and policies used to deliver recovery-oriented care elsewhere. Peer support and mutual self-help are integral to Interfaith and its service delivery model, and a key vehicle for building trust, establishing safety, and empowerment.

Staff also recommends creating a new Temporary Emergency Shelter program with \$806,000 in repurposed funds. This program will be used in conjunction with the Homeless Outreach program and other Interfaith programs. Interfaith proposes using the EconoLodge hotel located at 515 W Washington Avenue, Escondido to provide short-term housing for unsheltered homeless individuals providing up to 28 days to allow case managers to link these individuals to other temporary housing options, such as but not limited to Haven House Shelter, Veteran's Transitional Housing, or Substance Use Disorder Treatment Services, and permanent housing solutions whenever possible. Supportive services including meals, case management and mental health services will be provided on-site. This will allow a safe entry into these other programs and will allow case managers to work with individuals to determine their best course of action.

Program	Approved Funding	(Reductions) or Additions	Proposed Budget
Homelessness Prevention (Interfaith)	\$2,767,648	(\$1,254,601)	\$1,513,047
Rapid Rehousing (Interfaith)	\$785,155	\$0	\$785,155
Emergency Shelter Quarantined Entry (Interfaith)	\$20,000	\$0	\$20,000
Homeless Outreach (Interfaith)	\$ 328,337	\$186,416	\$514,753
Emergency Shelter (Alliance for Regional Solutions)	\$220,000	\$180,000	\$400,000
Temporary Emergency Shelter (Interfaith)	\$0	\$806,000	\$806,000
ESG-CV Administration (primarily held for possible recapture)	\$ 366,287	\$82,185	\$448,472
	\$4,487,427		\$4,487,427

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:
Adam Finestone, Interim Director of Community Development
 09/22/21 3:03 p.m.

Karen Youel, Housing and Neighborhood Services Manager
 9/22/21 3:12 p.m.

ATTACHMENTS:

1. Attachment "1" – Budget Adjustment
2. Resolution No. 2021-150
3. Resolution No. 2021-150, Exhibit "A"

RESOLUTION NO. 2021-150

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING THE CITY OF ESCONDIDO FY
2019-2020 ONE-YEAR ACTION PLAN AND
APPROVING SUBMITTAL OF SIXTH
AMENDED PLAN FOR ESG TO THE
DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

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

WHEREAS, the City must submit an approved Annual Action Plan listing all CDBG, ESG, and HOME projects and their budgets before the beginning of each program year; and

WHEREAS, HUD allocated a total of \$4,487,437 in Emergency Solutions Grant (“ESG-CV”) Program funds to the City, as authorized by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), Public Law 116-136 to prevent, prepare for, and respond to the coronavirus pandemic; and

WHEREAS, the City must file an Action Plan Amendment to make a substantial change to the Annual Action Plan including an addition, modification, or elimination of a Consolidated Plan goal; an addition of a new activity not previously identified in the Annual Plan; or a change that affects the funding level of more than \$25,000 for projects budgeted at \$100,000 or less, or greater than 25 percent of projects budgeted at more than \$100,000; and

WHEREAS, the City wishes to create and fund one new program: Temporary Emergency Shelter (\$806,000); and allocate additional funds to three existing programs: Emergency Shelter (\$180,000), Homeless Outreach (\$186,416), and Administration (\$82,185) while reducing allocations to the Homelessness Prevention program (\$1,254,601); and

WHEREAS, the City desires at this time and deems it to be in the best public interest to amend the FY 2019-2020 One-Year Action Plan for the sixth time to allow for the reallocation of ESG-CV funds.

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

1. That the above recitations are true.
2. That the City Council approves the amendment of the FY 2019-2020 One-Year Action Plan, allocating all rounds of ESG-CV funds to projects shown in Exhibit "A"; which is attached hereto and is incorporated by this reference.
3. That the City Council approves the submittal of the amended FY 2019-2020 One-Year Action Plan to the Department of Housing and Urban Development.

City of Escondido, Fiscal Year 2019-2020
ESG-CV Allocations
Round 1 CARES Act Funds
Round 2 CARES Act Funds
HUD Allocation: \$4,487,427

	Administration - 10% cap of allocation (\$448,742 max.)	
ESGCV6	ESG Administration	\$448,472
	Total	\$448,472
	ESG-CV Activities	
ESGCV1	Interfaith Community Services, Homelessness Prevention	\$1,513,047
ESGCV2	Interfaith Community Services, Rapid Rehousing	\$785,155
ESGCV3	Interfaith Community Services, Quarantined Entry	\$20,000
ESGCV4	Homeless Outreach Program	\$514,753
ESGCV5	Emergency Shelter	\$400,000
ESGCV7	Temporary Emergency Shelter	\$806,000
	Total	\$4,038,955
	Total CDBG-CV Allocations	\$4,487,427

Exhibit B

CITY COUNCIL STAFF REPORT

Current Business Item No. 12

September 29, 2021

File No. 0430-30

SUBJECT: American Rescue Plan Funding Act Allocation

DEPARTMENT: Finance

RECOMMENDATION:

It is requested that the City Council adopt Resolution No. 2021-146 authorizing the acceptance of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act of 2021 in the amount of \$38,808,509 and approve a budget adjustment for the appropriation of funds (Attachment "1").

FISCAL ANALYSIS:

The American Rescue Plan Act will provide the City of Escondido ("City") one-time funding of \$38,808,509 to cover expenses in response to the COVID-19 pandemic, make up for lost revenue, and ease the overall economic impact from the pandemic. Funds may only be used for project costs initiated on or after March 3, 2021, and must qualify within one of the eligible expenditure categories detailed below. All funds must be encumbered by December 31, 2024 and fully spent by December 31, 2026.

PREVIOUS ACTION:

On April 7, 2021, the City Council received an update on the American Rescue Plan Act and provided preliminary policy comments on the allocation of funds.

BACKGROUND:

On March 11, 2021, President Joe Biden signed the American Rescue Plan Act of 2021 ("ARPA"), which contains \$1.9 trillion in overall national spending to support COVID relief and economic recovery efforts. ARPA provides a \$350 billion allocation of Coronavirus State & Local Fiscal Recovery Funds ("CSLFRF") to state, local, territorial, and tribal governments. The City was categorized as a Metropolitan City within the CSLFRF recipient types and was allocated \$38,808,509 based on a methodology that was largely consistent with the Community Development Block Grant (CDBG) formula employed by the United States Department of Housing and Urban Development. The City received the first distribution equal to one-half of the total allocation (\$19,904,254.50) in July 2021 and can request the second distribution in an equal amount 12 months after the first distribution, no earlier than July 2022.

The U.S. Department of the Treasury (“Treasury”) is overseeing the CSLFRF program and distribution of funds. The intent of ARPA is to provide resources to support immediate pandemic responses, address its economic fallout, and lay the foundation for a strong and equitable recovery. Based on this foundational premise, the Treasury identified four funding objectives:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses;
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.

On May 10, 2021, Treasury announced the launch of the program and released “Interim Final Rules” and preliminary guidance on how these funds can be used. The Treasury identified the following five eligible categories of expenditures:

- Support public health expenditures;
- Address negative economic impacts caused by the public health emergency;
- Replace lost public sector revenue;
- Provide premium pay for essential workers;
- Invest in water, sewer, and broadband infrastructure.

To ensure that these funds are used for their intended purposes, the ARPA and Treasury guidelines contain certain restrictions on the use of these funds. Specifically, that the funds cannot be used to make pension payments and funds cannot remain in a reserve fund.

Within the overall categories of eligible uses, recipients have some flexibility to decide how best to use the funding to meet the needs of their communities. Specific to Escondido, staff prioritized projects that would provide long-term benefits to those most impacted by COVID-19. The proposed projects include resources to support the public health response, funding to promote and stimulate economic growth and enhance the financial stability of the City, as well as programs that support the nonprofit and local business community. The recommended projects provide benefits CityWide and make strategic investments in the City’s infrastructure to connect the community by improving access to schools, parks, and commerce.

Based on the initial Treasury guidance and unique needs of the City, staff is recommending the City Council approve the spending plan and projects for the first distribution of funds listed in Attachment “2”. The \$10.2 million of unallocated funds will be brought back for approval at a future date with a recommendation for the use of funds based on City Council priorities. This will also allow time to evaluate the community’s needs, success and demand for the proposed projects, and provide funding

to adapt to unknown circumstances as the pandemic continues. In addition, the implementing guidance from Treasury has not yet been finalized as of the date of this report, and the proposed allocations that follow may need to be revised, modified, or re-oriented based on Treasury's interpretation of allowable uses.

The following briefly outlines the allowable expenditure categories and a summary of the proposed projects listed in Attachment "2":

Supporting the Public Health Response: \$5,405,000

Funds may be used to support public health expenditures and COVID-19 mitigation efforts. Since March 2021, the City has incurred approximately \$315,000 of expenses related to the pandemic response. As the City continues to incur expenditures responding to the pandemic, staff is recommending that funding be used to cover eligible expenditures including personal protective equipment, additional cleaning of municipal parks and facilities, COVID testing and vaccination programs, public communication efforts, investments in public facilities to meet pandemic operational needs, and staff-related payroll and leave costs.

The COVID-19 pandemic also highlighted the vital role that technology plays in our ability to communicate to the public and ensure critical public safety activities continue, and the necessity of providing online self-serve options to enable customers to access City services. Project funds are allocated to provide the necessary technology upgrades to enable the City to continue responding to the pandemic and provide long-term benefits to customers, business, citizens, and City staff.

Addressing Negative Economic Impacts: \$7,750,000

Eligible activities in this category include speeding the recovery of the tourism, travel, and hospitality sectors and providing assistance to workers, households, small businesses, impacted industries, and the public sector. Funding will be available to support economic development and tourism programs, revitalize public event spaces, offset the cost of special events, and speed the recovery of the economic hardships caused by the pandemic through the permanent expansion of outdoor dining areas along Grand Avenue.

As part of the CARES Act funding that was distributed to the City in September 2020, the City's business community was supported with \$1.0 million in CARES Act grants that were awarded to 103 local businesses. In order to support and address the needs of the nonprofit community, staff is recommending that \$1.5 million in CSLFRF funds be set aside for a Community Nonprofit Grant Program. The program eligibility and requirements have not yet been determined, but staff are assessing the needs and reviewing existing programs within the County in order to develop the criteria. For example, the City of San Marcos created an operational grants program to support local nonprofits. Their [guidelines document](#) and a summary of the eligibility and criteria process is available on their [website](#).

Services to Impacted Communities: \$9,350,000

In recognition of the disproportionate negative economic impacts on certain communities and populations, the Treasury guidance allows for programs and services designed to build stronger neighborhoods and communities and to address health disparities and the social determinants of health. Since the onset of the pandemic, there has been a significant increase in demand for public outdoor spaces. Funds will be used to make investments in parks and other public outdoor recreation spaces, such as the Kit Carson Amphitheater, to promote healthier living environments and socialization to mitigate the spread of COVID-19.

Staff is recommending that \$5.4 million in funds be used at Grape Day Park for park improvements and for the development of an aquatics center. The total estimated project cost for the aquatics center is \$12 million. In addition to the CSLFRF funds, Park Development Fees of \$5 million have been identified as a funding source. City staff are in discussions with local organizations for the remaining \$2 million.

Funds are also recommended to improve public access CityWide by performing sidewalk repairs, increasing tree canopy and connecting the Escondido Creek Trail to certain access points in the community. These improvements are necessary to build stronger neighborhoods, provide safe pedestrian travel in and around the community, and improve walkability, ensuring all residents, especially those most impacted by the pandemic, are able to traverse the City to parks, schools, the library and shop local businesses in addition to obtaining necessary services in a safe and efficient manner.

Investments in Water, Sewer, Broadband: \$150,000

ARPA allows funds to be spent on projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. Staff is recommending that \$150,000 be used to prepare a comprehensive study of broadband CityWide in order to inform the City on recommendations to help close the digital divide, increase technological access, and identify any barriers for economic growth. These efforts by City staff will also include collaboration with the school districts and our North County neighbors. This will enable us to seek other funding resources so we can act on the results of the study

Replacement of Lost Revenue: \$6,000,000

Treasury has established a methodology that each recipient must use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Based on this stringent formula provided by Treasury, these funds can be used to provide government services and offset revenue not realized due to the COVID-19 Pandemic (e.g., Sales/Use Tax, Transient Occupancy Tax, Charges for Services, Fines. etc.).

The revenue loss to the City is currently estimated to be \$6 million. The City will have the opportunity to re-calculate revenue loss at several points through the spending period of the ARPA Funds, in the event that entities experience a lagged impact of the crisis on revenues. In addition, the Treasury is in the process of finalizing the Interim Final Rule and is expected to release additional guidance regarding the calculation of the revenue loss. Once released, the City's revenue loss calculation will be updated.

APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Christina Holmes, Director of Finance

9/22/21 5:17 p.m.

ATTACHMENTS:

1. Attachment "1" – Budget Adjustment
2. Attachment "2" – American Rescue Plan Project List
3. Resolution No. 2021-146



**CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST**

Date of Request: September 29, 2021Department: Finance

Division: _____

Project/Budget Manager: Christina Holmes
Name ExtensionCouncil Date (if applicable): September 29, 2021
(attach copy of staff report)**For Finance Use Only**

Log # _____

Fiscal Year _____

 Budget Balances
 General Fund Accts
 Revenue
 Interfund Transfers
 Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
CSLFRF Allocation of Funds	4128-470-000	\$38,808,509	
Dispatch Center Upgrades	470-NEW	600,000	
Ambulance Gurneys	470-NEW	230,000	
ADA Vehicle	470-NEW	75,000	
Technology Upgrades	470-NEW	4,000,000	
Community Non-Profit Grant Program	470-NEW	1,500,000	
Homelessness and Business Improvements	470-NEW	500,000	
Economic Development & Tourism Programs	470-NEW	100,000	
Queen Califia Event Space	470-NEW	250,000	
Economic Revitalization	470-NEW	400,000	
Grand Ave Streetscape Improvements	470-NEW	5,000,000	
Grape Day Park	470-NEW	5,350,000	
Citywide Public Access	470-NEW	2,500,000	
Kit Carson Amphitheater	470-NEW	1,000,000	
Citywide Park Improvements	470-NEW	500,000	
Broadband Infrastructure	470-NEW	150,000	
COVID-19 City Expenses	470-NEW	500,000	

Explanation of Request:

The American Rescue Plan Act will provide the City one-time funding of \$38,808,509. Based on the Treasury guidance, staff is recommending the City Council approve the projects listed in the amount of \$22,655,000.

APPROVALS

_____	DocuSigned by: <i>Christina Holmes</i>	<u>9/22/2021</u>	_____	_____
Department Head	DocuSigned by: <i>Jodi Coco</i>	<u>9/22/2021</u>	City Manager	Date
_____	F22DD88BFC2B4F3...	<u>9/22/2021</u>	_____	_____
Finance		Date	City Clerk	Date

Supporting the Public Health Response: \$5,405,000

<p>CityWide General COVID Expenses and Response</p> <p>Funds will be used for the following:</p> <ul style="list-style-type: none"> • On-going personal protective equipment (PPE) needs • Enforcement of public health efforts • Development of COVID testing and/or vaccination program • Public communication efforts • Investments in public facilities to meet pandemic operational needs • Payroll costs for employees primarily dedicated to the COVID-19 response • Administrative costs for federal funding management and oversight 	\$500,000
<p>Purchase of Ambulance Gurneys</p> <p>Project funds will replace the City's current inventory of 15 gurneys. The gurneys are reaching the end of their useful life and the manufacturer will be discontinuing these models. Ambulance gurneys are essential for the care, comfort and transportation of patients, including those experiencing flu-like symptoms and COVID-19. Replacing the current inventory with new models will provide technological updates and safety features that will benefit patients and the ambulance crew.</p>	\$230,000
<p>Purchase of an ADA Vehicle</p> <p>Funds will be used to purchase an ADA vehicle for transporting mobility-limited seniors to the nutrition program. As a result of the pandemic, there are less transportation providers with ADA-accessible vehicles. In order to guarantee a ride at a certain time, services are provided by FACT, which has increased rates at an annual cost of \$80,000. The estimated cost for the City to provide the transportation services is the initial capital cost of the vehicle plus a staff member and ongoing maintenance costs estimated at \$26,000 annually.</p>	\$75,000
<p>Police and Fire Dispatch Center Upgrades</p> <p>The City of Escondido has the only joint police and fire dispatch center in the County. Our dispatchers are trained to provide emergency medical directions to those calling 911 and dispatch to the appropriate police and fire personnel. One weakness that has been identified as a result of the pandemic is a lack of radio capability at all dispatch computer consoles. Of the 11 consoles in the dispatch center, four of them are not equipped with police and fire radio equipment. Operationally this limits our ability to provide adequate social distancing of on-duty dispatch personnel. Adding radio equipment to the four consoles will greatly improve the preparation necessary to manage the health of our dispatch workforce, maintain public safety services in response to COVID-19, and improve our readiness to manage large events and disasters in Escondido.</p>	\$600,000
<p>Technology Upgrades to Streamline Operations</p> <p>Project funds will provide the necessary technology upgrades to enable the City to continue responding to the pandemic and provide long-term benefits to customers, business, citizens, and City staff. The pandemic and shelter-in-place orders highlighted the need to provide services and connect to the community through different mechanisms. Technology improvements will assist during the COVID-19 crisis by allowing business to take place online, without breaking any shelter-in-place directives for residents or staff. The availability of online services enable City services to keep moving forward and ensures critical public safety activities continue. Updated software can provide for additional online or mobile payments, service requests and applications, remote work capabilities for staff,</p>	\$4,000,000

Attachment "2"

<p>ensure continuity of operations in a disaster, create digital access to engage community members, build operational efficiencies, eliminate paper workflows, and improve cybersecurity.</p> <p>This project provides for the replacement of the City's current Financial and Human Resources software systems, upgrades to the Cityworks program, implementation of an enterprise information platform to support electronic records, upgrade firewalls and core infrastructure switches, install smart irrigation controllers capable of being controlled remotely, and install Internet of Things (IoT) devices across the City to deliver actionable data.</p>	
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Addressing Negative Economic Impacts: \$7,750,000

<p>Community Nonprofit Grant Program</p> <p>This program will provide funds to nonprofit organizations in the community to adopt safer operating procedures, sustain operations during periods of closure, and mitigate financial hardship resulting from the COVID-19 public health emergency.</p>	<p>\$1,500,000</p>
<p>Homelessness and Property Improvements</p> <p>The COVID-19 pandemic has had a significant impact on the homeless population and, as a result, the City has seen an increase in encampments over the last year. Funding will be used to assist business owners with property improvements and/or changes to their property with the goal of managing the surrounding environment through the strategy of Crime Prevention Through Environmental Design (CPTED).</p>	<p>\$500,000</p>
<p>Economic Development & Tourism Programs</p> <p>The tourism industry was severely impacted by the COVID-19 public health emergency. In order to assist with the recovery of the tourism, travel, and hospitality sectors, funds will be used for community & other special events aimed at promoting tourism and the City's local economy. In collaboration with local organizations, such as the Greater Escondido Chamber of Commerce and Downtown Business Association, assistance will be provided to recover from pandemic-related losses and support businesses that have been impacted by the pandemic with program activities to support marketing, event generation, and promotions.</p>	<p>\$100,000</p>
<p>Economic Revitalization</p> <p>In order to encourage tourism and support the local economy, this project will provide the funds needed to improve the City's website and marketing efforts to provide a state-of-the-art web experience designed to grow regional visitation to Escondido and to attract businesses to the City. Funding will also be used to expedite and accelerate the City's and business community's economic recovery by supporting economic development activities and consultant expenses needed for various redevelopment efforts throughout the City.</p>	<p>\$400,000</p>
<p>Queen Calafia Event Space</p> <p>Queen Calafia's Magical Circle is the only American sculpture garden and the last major international project created by world-renowned artist Niki de Saint Phalle. This art piece is visited by tens of thousands of people each year from around the world. To further increase tourism to the piece, this project will provide funding to perform needed repairs to</p>	<p>\$250,000</p>

Attachment "2"

<p>the sculpture and construct a new rentable event space adjacent to the Queen Califia Magical Sculpture Garden. The space would be ideal for outdoor fundraisers, receptions, performances, and ceremonies.</p>	
<p>Grand Avenue Streetscape Improvements</p> <p>The impact of COVID-19 to many businesses has been severe. The pandemic has led to fluctuating public health orders that have at times limited or suspended business operations. This project is designed to help alleviate the economic hardships caused by the pandemic and speed the recovery of the particularly hard-hit hospitality sector through permanent expansion of outdoor dining areas into public spaces along Grand Avenue. The project builds upon the grant-funded phase I improvements by expanding sidewalks into street and parking areas on Grand Avenue between Maple and Juniper. To maximize area available for outdoor dining and enhance walkability, a roundabout at Broadway and Grand is proposed that will calm traffic and minimize potential conflicts between vehicles and pedestrians.</p>	<p>\$5,000,000</p>

Services to Impacted Communities: \$9,350,000

<p>Grape Day Park Investments</p> <p>This initiative will invest funding in the development of an aquatics center and other additional improvements within Grape Day Park to promote healthier living environments, outdoor recreation, and socialization to mitigate the spread of COVID-19. Since the onset of the pandemic, there has been a significant increase in demand for public outdoor spaces. The investment in Grape Day Park will provide the community with a more effective recreation program and provide opportunities for the City to address the longer-term impacts associated with the lack of social interaction, physical activities, and community building that occurred during the pandemic.</p> <p>In addition to the aquatics center, funding will be used for additional improvements to Grape Day Park including a concrete pad to support outdoor stage concerts and to finalize the Grape Day Park Master Plan and required environmental reviews.</p>	<p>\$5,350,000</p>
<p>Public Access Improvements</p> <p>This project will improve public access CityWide by performing sidewalk repairs focused around our parks, schools, and commercial corridors and connecting the Escondido Creek Trail to certain access points in the community. These repairs are necessary to build stronger neighborhoods, provide safe pedestrian travel in and around the community, and improve walkability, ensuring all residents, especially those most impacted by the pandemic, are able to traverse the City and obtain necessary services in a safe and efficient manner. Persons most disproportionately impacted by the pandemic face mobility challenges, often walk to conduct personal business or to access transit, and must walk on alleys that are unpaved without sidewalks.</p>	<p>\$2,500,000</p>
<p>Kit Carson Amphitheater Improvements</p> <p>The amphitheater located within Kit Carson Park is a full-service performance venue with outdoor setting that serves as an ideal location for a variety of outdoor performance shows and unique special events. Accessible public event space has been an essential component of responding to the pandemic. Funds will be used to make improvements to the amphitheater including the seating, restrooms, and stage, which will expand the current use of the facility in order to promote outdoor recreation and socialization activities to mitigate the spread of COVID-19.</p>	<p>\$1,000,000</p>

Attachment "2"

<p>CityWide Park Improvements</p> <p>Safe and accessible parks have been a critical component of the City's response to the pandemic because they offer residents a public space where they can safely go to maintain their physical and mental well-being. Funds will be used to improve the quality of City parks through capital improvements. Staff will identify opportunities and locations for potential skate spots, pickleball courts, and archery.</p>	<p>\$500,000</p>
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Investments in Water, Sewer, and Broadband Infrastructure: \$150,000

<p>Broadband Infrastructure Analysis</p> <p>Funds will be used to prepare a comprehensive study to identify areas that lack broadband, strategies to address those weaknesses, and identify strategies to improve connectivity and digital equity in disadvantaged neighborhoods. Through community engagement, collaboration with the School Districts, research on best practices, and a gap analysis, this plan will inform the City on both short and long-term recommendations to help close the digital divide and increase technological access and identify any barriers for economic growth.</p>	<p>\$150,000</p>
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Replacement of Lost Revenue: \$6,000,000

<p>Treasury has established a methodology that each recipient must use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Based on this stringent formula provided by Treasury, these funds can be used to provide government services and offset revenue not realized due to the COVID-19 Pandemic (e.g. Sales/Use Tax, Transient Occupancy Tax, Charges for Services, Fines. etc.).</p> <p>The revenue loss to the City is currently estimated to be \$6 million. The City will have the opportunity to re-calculate revenue loss at several points through the spending period of the ARPA Funds, in the event that entities experience a lagged impact of the crisis on revenues. In addition, the Treasury is in the process of finalizing the Interim Final Rule and is expected to release additional guidance regarding the calculation of the revenue loss. Once released, the City's revenue loss calculation will be updated.</p>	<p>\$6,000,000</p>
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RESOLUTION NO. 2021-146

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE ACCEPTANCE OF CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ESTABLISHED BY THE AMERICAN RESCUE PLAN ACT OF 2021 IN THE AMOUNT OF \$38,808,509; EXECUTE ALL NECESSARY PROGRAM DOCUMENTS; AND AUTHORIZE THE NECESSARY BUDGET ADJUSTMENT

WHEREAS, on March 11, 2021 the American Rescue Plan Act of 2021 was signed into law and includes a \$350 billion allocation of Coronavirus State & Local Fiscal Recovery Funds (“CSLFRF”) to state, local, territorial, and tribal governments to bolster their response to the COVID- 19 emergency and its economic impacts; and

WHEREAS, on May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds program, established by the American Rescue Plan Act of 2021; and

WHEREAS, eligible categories of CSLFRF expenditures include public health, negative economic impacts, services to disproportionately impacted communities, premium pay for essential workers, water, sewer, and broadband infrastructure, and to replace lost public sector revenue; and

WHEREAS, the City of Escondido (“City”) was allocated \$38,808,509 and must comply with CSLFRF program requirements; and

WHEREAS, prior to acceptance of these funds, the City had to submit a Financial Assistance Agreement in order to receive the funds; and

WHEREAS, the CSLFRF allocation must be obligated by December 31, 2024, and expended by December 31, 2026.

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 authorizes the acceptance of the ARPA CSLFRF allocation of \$38,808,509.
3. That the City Council hereby also approves and authorizes the necessary budget adjustment needed to establish new project numbers for tracking and spending the allocation of funds.

CITY COUNCIL STAFF REPORT

Current Business Item No. 13

September 29, 2021

File No. 0865-60

SUBJECT: COVID-19 Business Recovery Strategy Update

DEPARTMENT: Community Development

RECOMMENDATION:

Over the last 18 months, the City of Escondido (“City”) has been involved in a world-wide battle against the COVID-19 pandemic. During that time, the City has implemented a variety of measures in an effort to address the economic impacts the pandemic has had on our community. The purpose of this item is to present a summary of these measures, and request that the City Council provide direction on what regulatory actions should be taken in continuance of our economic recovery efforts.

FISCAL ANALYSIS:

A thorough fiscal analysis of the impacts of the COVID-19 pandemic was provided in a City Council staff report prepared for a prior update on the COVID-19 Business Recovery Strategy on June 9, 2021. A copy of that staff report is included with this staff report as Attachment 1. Further fiscal analysis is also provided in a separate staff report included with the September 29, 2021, City Council agenda packet for the *American Rescue Plan Funding Allocation*.

PREVIOUS ACTION:

On March 16, 2020, the City Manager issued a Local Emergency Proclamation related to the COVID-19 pandemic.

On March 18, 2020, the City Council issued Proclamation No. 2020-01, declaring a local state of emergency related to the COVID-19 pandemic.

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

On May 13, 2020, the City Council approved a local business recovery strategy and directed City staff to bring forth an urgency ordinance on May 20, 2020, adopting the recommended business recovery measures.

On May 20, 2020, the City Council adopted Urgency Ordinance No. 2020-12, establishing temporary business relief measures for an initial 90-day period, and adopted Urgency Ordinance No. 2020-13, extending the temporary eviction moratorium.

On June 24, 2020, and August 12, 2020, the City Council adopted Urgency Ordinance Nos. 2020-16 and 2020-22, respectively, extending the temporary eviction moratorium.

On August 19, 2020, the City Council adopted Urgency Ordinance No. 2020-21, modifying and extending the temporary business relief measures adopted on May 20, 2020.

On October 21, 2020, the City Council adopted Ordinance No. 2020-23, which is an uncodified ordinance implementing regulations in support of the City's business recovery strategy for the duration of the local emergency, to expire 30 days after the local emergency declaration is lifted.

In addition to the actions described above, the City Council adopted a series of resolutions over the past 18 months to address expenditure of Emergency Solutions Grant and Community Development Block Grant funds provided as part of the Federal Coronavirus Aid, Relief, and Economic Security Act. A detailed description of these actions is contained in a separate staff report included with the September 29, 2021, City Council agenda packet for the *Sixth Amendment to the Fiscal Year 2019-2020 Department of Housing and Urban Development ("HUD") Annual Action Plan, and Budget Adjustment*.

BACKGROUND:

On June 9, 2021, the City Council received an update on the status of economic recovery efforts that have been implemented by the City. A copy of the staff report from that meeting is included as Attachment 1 hereto. While the June 9, 2021, staff report also includes information on the impact to the City of the federal government's economic stimulus and stabilization efforts, this report focuses primarily on the City's direct efforts to assist the community. Specifically, the goal here is to provide an update on the City's legislative and non-legislative efforts to assist the business community. This has been a coordinated effort involving multiple City departments and has had a significant impact on our community's economic recovery.

City Council Ordinance No. 2020-23 serves as the primary piece of City legislation that implemented the business recovery strategy from the regulatory perspective. It modified and made semi-permanent the business recovery measures that had been included in two prior urgency ordinances. The measures included in Ordinance No. 2020-23 are described below, and remain in effect until 30 days after the local emergency declaration is lifted, unless modified or rescinded by this City Council prior to that. As detailed below, some measures have been utilized more frequently than others, and some have not been utilized at all.

Temporary Sign Limits: Temporary sign regulations have been relaxed to allow more banners and other temporary signage. The Escondido Zoning Code regulates temporary signage and typically allows one banner sign for up to 72 square feet for each side of a building facing a street or parking lot, and limits these signs to a maximum of 30 days at a time and 60 days total per calendar year. These limitations have been modified to allow one additional banner sign up to 32 square feet for each building side. Additional temporary signage such as A-frame signs and

ground-mounted directory signs on private property in front of a business are also allowed by the uncodified ordinance with no limitation on quantity.

Signage described above is not subject to the 60-day per calendar year time limitation, and no sign permits are required. While it is difficult to quantify the number of businesses that have taken advantage of these provisions because no permits are required, it is clear that they have been heavily utilized. At the June 9, 2021, meeting, the City Council expressed support for leaving temporary signage regulations in place until the end of 2022 in order to help assist business recovery. Absent direction otherwise, staff will be identifying measures necessary to accommodate this.

Regulation of Alcohol Sales: As a result of the state-wide stay-at-home order, restaurants were forced to change their operations to carry-out and delivery service only during the early stages of the pandemic. Once dine-in service was again permitted, capacity limitations were established that continued to curtail operations, and dine-in service was again prohibited for several months in late 2020/early 2021.

In an attempt to assist restaurants with providing, to the best extent possible, the same level of service and menu options as had existed prior to the pandemic, the California Department of Alcoholic Beverage Control (“ABC”) allowed restaurants to sell alcoholic beverages as part of their carry-out and delivery operations. Because local regulations also apply to the sale of alcoholic beverages, Ordinance No. 2020-23 provided relief to allow off-site sales subject to conditions related to alcohol content, concurrent food purchase, age of delivery drivers, and compliance with ABC regulations. Because ABC’s regulations layer on top of those of the City, this temporary measure may expire prior to the overall expiration of the uncodified ordinance.

There is discussion on the State level that ABC may allow these new carry-out and delivery provisions to remain in place after the pandemic is over. If the City wishes to continue allowing carry-out and delivery provisions, permanent modifications to City regulations will have to be established. Should the Council provide direction to staff to consider such changes, staff would study the issue to identify appropriate conditions to apply to these operations, and determine the appropriate permitting process.

Carry-out Zones: Ordinance No. 2020-23 allowed for businesses to designate a limited number of on- and off-street parking spaces to temporary, short-term parking for take-out customers and delivery drivers. Specifically, the ordinance allows for the reservation of up to four on-site (off-street) parking spaces and up to two on-street parking spaces (in the public right-of-way) as carry-out/delivery spaces for any particular business, subject to availability.

Upon the expiration of Ordinance No. 2020-23, an amendment to the Escondido Zoning Code would be required to continue to allow the use of on-site (off-street) parking spaces as short-term carry-out/delivery spaces. Over the coming year, the City will be conducting a grant-funded parking study and review of parking standards which may result in revisions to zoning code

parking regulations, and the allowance for reservation of carry-out/delivery spaces can be wrapped into that effort. (It is possible that businesses were already doing this prior to the pandemic, regardless of compliance with City regulations. Revising the zoning code to address this would legitimize these activities.)

The reservation of on-street parking spaces by a specific business for short-term carry-out/delivery use would be eliminated with the expiration of Ordinance No. 2020-23, and cannot be addressed directly by City codes due to the nature of use of the public right-of-way. One opportunity to retain the short-term use of parking spaces in the right-of-way would be to designate a limited number of spaces as short-term (possibly 15-minute) parking spaces, however, they would not be limited to use by any particular business. This opportunity would require approval of City Council after a recommendation from the Transportation Commission.

Accessory Retail Uses in Industrial Areas: The Escondido Zoning Code generally limits retail uses in industrial zones to no more than 15% of the gross floor area of the tenant space. Through Ordinance No. 2020-23, this percentage has been increased to 50%. Concerns with retail uses in industrial zones have to do with compatibility of uses and increased parking requirements. Early in the pandemic, many industrial/manufacturing businesses had temporarily ceased operations, which reduced compatibility concerns for related to retail operations for those businesses that were still operating, and also reduced potential conflicts caused by limited parking availability.

At this point, a large majority of industrial/manufacturing businesses have resumed operations, which would potentially raise land use compatibility and parking concerns that had not been problematic during the pandemic. Further, City staff is not aware of any businesses that have taken advantage of this provision. Considering the foregoing, staff does not believe that this provision should be retained when the local emergency declaration is lifted.

Outdoor Activities on Private Property – Non-Parking Areas: The Escondido Zoning Code contains provisions that require specific approvals to conduct outdoor commercial activities. Ordinance No. 2020-23 waived these provisions for outdoor commercial activities in areas of commercial properties not specifically designed for use as parking areas to serve the on-site business(es). In addition to retail sales, the ordinance expanded the allowance for outdoor uses to include professional, recreational, and instructional services, and assembly activities. No permits or fees are required through the Planning Division, and activities are allowed to recur during normal business hours on an ongoing basis rather than for a limited number of days. If shade tents require permits from the Fire Department (based on size), no fee is charged for the permits and/or inspections. While the ordinance does not expressly call out assembly uses in non-commercial zones, staff has interpreted the intent to be to allow assembly uses in residential zones (such as religious institutions) to take advantage of these provisions.

Expansion of uses into outdoor areas has the potential to impact land use compatibility. For instance, outdoor space used for public gatherings may have noise impacts on adjacent

properties. In the realm of retail space, use of outdoor areas for display and sale of merchandise could increase parking demands as a result of a greater square footage of retail sales area. Staff is investigating these and other implications of outdoor use of non-parking areas to determine whether any changes to City codes should be made upon expiration of Ordinance No. 2020-23.

Outdoor Activities in Public and Private Parking Areas: Similar to outdoor activities in non-parking areas, Ordinance No. 2020-23 established temporary allowances for outdoor activities in parking areas, on both public and private property. A Special Temporary Use Permit (“TUP”) is required for such activities, however no fee is required. Permits for shade tents may be required by the Fire Department, however no fee is charged. Private parking lots can only be used by businesses who have a presence at the subject property. Public parking lots can be used by nearby businesses, subject to authorization by the City Manager’s Office or Community Services Department.

At the outset of the pandemic, City staff received a number of requests for use of public and private parking lots. At this point, those requests are no longer being made, though some private parking lots are still being used for outdoor activities authorized by their original TUPs. Outdoor activities in public parking lots are no longer taking place.

The Escondido Zoning Code contains provisions for outdoor dining. The use of parking spaces is a possibility, and the entitlement process varies depending on the availability of sufficient parking spaces on-site. Staff does not support long-term use of public parking lots for outdoor activities. Based on the foregoing, it is unlikely that any revisions to the Escondido Zoning Code will be necessary to address this temporary allowance.

Parklets: Ordinance No. 2020-23 established regulations for the conversion of underutilized on-street parking spaces and public sidewalks into more functional uses. While this provision was not established for implementation at a specific location or for a specific business type, it has primarily been utilized by restaurants along Grand Avenue and to a lesser extent on side streets in the downtown area. Use of on-street spaces is limited to streets with less than 12,000 average daily traffic trips, and speed limits of 30 miles per hour or less. Additionally, businesses who utilize the outdoor space were limited to the space immediately in front of their establishment, and could spread to areas in front of adjacent businesses with that business owner’s permission. TUPs were required, however no fees were charged. Of all the provisions established by Ordinance No. 2020-23, this provision, along with the temporary signage provisions, gained the most traction.

On Grand Avenue, businesses established outdoor dining areas in the existing parking lane. The City’s Public Works Department installed K-rail and fencing adjacent to that to provide a safety barrier between outdoor seating areas and the roadway. The outside traffic lane became a parking lane, and Grand Avenue was reduced to one lane in each direction. This mirrors the goals established by the recently-approved Grand Avenue Vision Plan, which will make permanent improvements to Grand Avenue that would widen sidewalks to provide additional

outdoor space for use by adjacent businesses, provide diagonal parking in certain locations, and reduce the roadway to one travel lane in each direction. Phase I of the Vision Plan is scheduled to commence in early 2022, with future phases to follow as funding becomes available. Staff is currently considering options for semi-permanent outdoor dining opportunities in locations where Vision Plan improvements are not imminent.

Other opportunities exist for business owners to establish parklets in front of their establishments through conversion of existing parking spaces on a more-permanent basis. One such parklet has been established along Kalmia Street, in front of EscoGelato. While staff is impressed with the appearance of this parklet, there remains concern that other parklets may not be designed to such standards. As such, staff will be exploring the potential of creating design standards for use by future businesses who wish to install parklets, with the goal of providing facilities that compliment the improvements being made as part of the Vision Plan.

Temporary Indoor Expansions and Parking Regulation Exemptions: Provisions were established by Ordinance No. 2020-23 to allow existing businesses to expand into adjacent buildings or suites without the need to provide additional parking. The rationale for this provision was that additional space would allow for greater social distancing, thus not increasing the overall capacity or occupancy of the business. Staff is unaware of any businesses who took advantage of this provision. Further, once the pandemic has subsided and social distancing is no longer required, this provision would not be any different than permanent expansion into an adjacent building or suite. Staff intends to let this provision expire upon rescission of the local state of emergency.

New Structures and Modifications: A provision was established to allow businesses to erect new temporary structures or make minor modification to existing structures to support their operations. These modifications are exempt from Design Review or other zoning permits, however a TUP would need to be processed. The intent of this provision is similar to that above for temporary indoor expansions. The concern, however, is that new structures or modifications would have to be removed or made permanent upon the expiration of Ordinance No. 2020-23. Staff intends to let this provision expire upon rescission of the local state of emergency.

Only one applicant has processed a request for an expansion of their operations based on this provision. That applicant replaced existing modular classroom buildings with larger modular classroom buildings at a private school in order to accommodate students in a socially distanced manner. The applicant has already secured the necessary land use approvals to maintain the structures on a permanent basis so there is no concern regarding future removal of the structures.

Agricultural Experiences: Ordinance No. 2020-23 established regulations to allow agricultural operations to conduct expanded activities which would encourage the public to visit their facilities. These could include activities such as hikes, tours, classes, food sales, etc. Staff is

not aware of any businesses that have taken advantage of this provision and intends to let it expire upon rescission of the local state of emergency.

Home Occupations: This provision allows existing and new home occupations to have up to two non-resident employees at the facility at any time, and allows up to eight clients or customers per day to come to the residence to obtain goods or services. Due to the nature of this provision, no approvals by staff are necessary (aside from the initial Home Occupation Permit), so staff has no way of gauging whether it has been utilized. Staff does not believe it is appropriate as a long-term measure and intends to let it expire upon the rescission of the local state of emergency.

In addition to legislative actions described above, a number of non-legislative efforts have been undertaken to assist the community. At the onset of the pandemic, the Utilities Department suspended disconnection of water service and waived reconnection fees. Parking enforcement for street sweeping was also halted to benefit residents who were forced to stay home during the pandemic. In an additional effort to keep the public safe, and (coincidentally) as part of the City's effort to establish additional online services, the City launched its online permitting software to allow for electronic submittals of permit applications and plans. This built upon the existing system established for electronic business license applications, which saw a significant increase in usage over the past year and a half.

Other non-regulatory measures taken by or in coordination with the City are described below.

Use of City Parks: In order to assist businesses and churches that were not allowed to operate indoors due to COVID restriction on indoor operations and social distancing, the Community Services Department allowed these businesses and organizations to operate in our parks at no cost. Most businesses and organizations returned to their facilities when restrictions were lifted and operations were allowed to resume indoors. For the two businesses (zumba and martial arts) and one church that remain in our parks, fees will continue to be waived until the local state of emergency has been lifted.

Support Local Food and Drink Webpage: To assist in the visibility of local food and beverage locations, staff created a food and drink landing page. This page was used in email campaigns to help promote businesses open for take-out, drive-through, and/or delivery orders. The webpage can be found here: www.escondido.org/support-local-food-drink.aspx.

Collaborative meetings with Chamber and DBA: Staff conducted regular meetings with the Greater Escondido Chamber of Commerce and the Downtown Business Association (DBA) to communicate city updated and collaborate on ways to support local businesses.

“Escondido Eats” (partnership with Chamber): City staff worked with the Chamber of Commerce to create “Escondido Eats,” a social media program and event managed by the Chamber to support local businesses within the food and beverage industry. The Chamber created a Facebook page that now has over 10,000 members.

COVID-19 Emergency Business Recovery Strategy: Staff worked in partnership with the San Diego North Economic Development Council, Innovate78, key industry stakeholders, and the community to develop a Business Recovery Strategy to serve as a roadmap for Escondido's economic recovery. The strategy and an August, 2020, update to it is included with this staff report as Attachment 2.

City Business Grant Program to award \$1 million in CARES Act funds to local businesses: The City of Escondido partnered with the San Diego North Economic Development Council to administer the Small Business Grant Program to support local businesses. Escondido small businesses were eligible to receive up to \$15,000 to help make commercial rent payments, maintain payroll, buy personal protective equipment such as gloves or wipes, and/or to make physical improvements to the business space to help comply with COVID-19 requirements. 100 businesses received a total of \$1,000,000 in grant awards. Additional details can be found in a press release issued for the program at the following link: <https://www.escondido.org/city-of-escondido-accepting-business-grant-program-applications.aspx>. A list of business who were awarded grants is included as Attachment 3 to this report.

Jumpstart Small Business – Start Your Business in a Day: The City partnered with the San Diego and Imperial Small Business Development Center, San Diego North Economic Development Council, and Innovate78 to launch “Jumpstart Small Businesses” in July 2020. This effort included online business classes, tools, and coaching available in English and Spanish for local residents and business owners to transform or expand their business idea into a thriving small business.

ENVIRONMENTAL STATUS

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.

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September 29, 2021
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APPROVED AND ACKNOWLEDGED ELECTRONICALLY BY:

Adam Finestone, Interim Director of Community Development
09/23/21 2:16 p.m.

Jennifer Schoeneck, Deputy Director of Economic Development
09/23/21 2:30 p.m.

ATTACHMENTS:

1. Attachment 1 - June 6, 2021, City Council Staff Report
2. Attachment 2 - COVID-19 Emergency Business Recovery Strategy
3. Attachment 3 - Small Business Grant Program Awardees

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,

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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.

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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.

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	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.

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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.

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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.

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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

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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

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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

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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.

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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

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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.

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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 (“HHSA”) 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>

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- 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/>

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- 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.svograntportal.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>

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- SBA DISASTER LOAN DEFERMENT

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

- #SHOPSAFESHOPLOCAL RESOURCES

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



CITY OF ESCONDIDO

COVID-19 Emergency Business Recovery Strategy

2020

Stronger Together!

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INTRODUCTION



Escondido businesses have been through the ringer these past few months with the Coronavirus (COVID-19) shutting down our local economy. The City empathizes with and feels your pain as finances have been pushed to the brink for local business owners, residents, and the City.

Many entrepreneurs, small businesses, and the City were able to successfully pivot business operations to weather the storm. The City recently implemented new rules to cut the red tape, increase flexibility, and allow businesses to re-open safely for retail shopping, dining, and other activities. The plan focused on recovery policies for businesses looking to re-open, relocate, or expand in Escondido.

Over the past few months, the City team worked tirelessly and in partnership with the San Diego North Economic Development Council, Innovate78, key industry stakeholders, and the community to develop a Business Recovery Strategy to serve as a roadmap for Escondido's economic recovery. These strategies are intended to work with the State and County Public Health Orders and allow flexibility as the Orders become less restrictive.

We are here to help this resilient community get back on its feet - we are stronger together!

SUPPORTING LOCAL BUSINESSES AND THE WORKFORCE



JUMPSTART SMALL BUSINESSES PROGRAM

For the workforce and small businesses!

If you are looking to take your idea and build a small business around it, the "Jumpstart Small Businesses" program is for you! Professionals will walk you through the basics of establishing a legal business entity, obtaining a fictitious business name, how to apply for a business license and more.

If you are a small business looking to expand operations and need additional tools including access to capital, social media, marketing support, or could benefit from business coaching, this program is for you too! You will be able to pick and choose what areas meet your need and will have access to personalized coaching.

The City is partnering with the San Diego and Imperial Small Business Development Center, San Diego North Economic Development Council, and Innovate78 to launch "Jumpstart Small Businesses" in July. This effort will include offering online business classes, tools, and coaching available in English and Spanish for local residents and business owners who want to transform or expand their business idea into a thriving small business. You are invited to contact Amber Tarrac, Deputy Director of Economic Development, at Business@escondido.org or 760-839-4587 for more information on this program or if you would like to participate.

BUSINESS OMBUDSMAN PROGRAM

Your personal City Concierge!

Navigating local, state, and federal regulations and resources to operate a business can be challenging. The community and businesses have access to a personal "City Concierge" to assist with everything related to Economic Development. We are here to assist you! If you have business or workforce questions, or if you need assistance finding suitable commercial/industrial real estate locations, the City has established a "Business Ombudsman Program".

We are collecting new ideas on an ongoing basis so if you have suggestions on how we may better support the business community, we welcome your feedback. You have a direct line to the City Manager's office and are invited to contact Amber Tarrac, Deputy Director of Economic Development, at Business@escondido.org or 760-839-4587 with your questions.

EXPANDING BUSINESS OPERATIONS

To support business expansion, increase flexibility, and enhance business recovery efforts, the City implemented the following strategies effective through August 18.

Need more information or interested in implementing any of the following strategies to support your business? Please contact the Planning Division at 760-839-4671. These measures may be extended beyond August 18 on a case by case basis – if you are interested in the extension of these options, please contact Mike Strong, Director of Community Development, at mstrong@escondido.org or 760-839-4556.

1. Carry-Out Zones

- You can reserve up to four (4) parking spaces in a private lot for customer carry-out or pick-up.
- You can temporarily use up to two (2) spaces in the public right-of-way immediately adjacent to your business for customer carry-out or pick-up.



2. Parklets

- You can convert on-street parking spaces adjacent to your business to a "parklet" to use this expanded area for outdoor dining, display, and additional seating. Parklets require liability insurance and a Temporary Use Permit. If you are interested in setting up a parklet, please contact the Planning Division at 760-839-4671 to start this process.



3. Outdoor Sales Events on Private Property

- You can host outdoor sales events on private property in non-parking areas with no time limit, permit, or fees required while the ordinance is in effect. If you would like to do an outdoor sales event in a commercial parking area, please contact the Planning Division at 760-839-4671 to obtain a Temporary Use Permit.

4. Relaxed rules on Alcohol Sales

- This measure brought the City rules and regulations into alignment with the Alcohol Beverage Control (ABC) Notice of Regulatory Relief to allow dining establishments the flexibility for off-sale and the delivery of beer and wine.

5. Accessory Retail Use in Industrial Areas

- Businesses in industrial building zones can now increase the amount of space used for retail sales from 15 percent to 50 percent of the building area.

6. Temporary Sign Limits

- You can have two (2) temporary banners, one 72 SF and the other 32 SF, for each street frontage or building face fronting a street or parking lot.
- You can have A-frame signs on private property adjacent to the business entrance which may include COVID-19 safety measures in place, social distancing information, and more.
- You can have wayfinding/directory ground-mounted signs adjacent to pick-up/carry-out zones.

7. Permit Time Limit Extension Program

- The Program "froze" the permit time limits for a period of one year to give property owners, applicants, and contractors additional time to complete their work due to various delay factors beyond their control.



ESCONDIDO RECOVERY EFFORTS

The City has been actively supporting businesses and residents to get back on their feet as they move forward in regaining momentum. The following is a summary of the City's economic recovery measures from March 12 through May 25 to assist the community:

- The City's Economic Development Department created an Economic Recovery Matrix to identify and track efforts that the City has undertaken since March 12 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. This matrix is intended to be a 'living document' with additional measures and strategies incorporated as they arise.

Short-Term Completed - Business and/or Resident Economic Recovery Topic	Department Leads	Department Contact(s)	Requires Council Approval	Date	Comments
Created the Escondido COVID-19 News Page	Communications Communications Communications Fire	Joanna Axelrod Teresa Collins Michael Thorne Jeff Murdock		3/13/20	
Support Local Food and Drink Directory and Interactive Map	GIS Economic Development Communications Communications	Dante Lee Amber Tarrac Michael Thorne Teresa Collins		3/18/20	
Continuous news updates for businesses and the workforce on Business News	Economic Development	Amber Tarrac		3/19/20 (ongoing)	
Ceased issuing tickets for street sweeping	Public Works	Joe Goulart		3/20/20	
Restaurant, commercial, industrial and other environmental inspections on hold	Environmental Programs Environmental Programs Economic Development	Alicia Appel Marcus Leso Amber Tarrac		3/20/20	
Business outreach - Top 100 Sales Revenue Business Impact Survey	Finance Finance Economic Development OCM"	Joan Ryan Christina Holmes Amber Tarrac Megan Cramer		3/31/20	
Business outreach - Social Distancing Reminder Guide for Retail and Service	Economic Development Communications Communications	Amber Tarrac Michael Thorne Teresa Collins		"3/31/20 "	
Acquisition of hand sanitizer from two local Escondido businesses	Public Works Economic Development	Joe Goulart Amber Tarrac		4/2/20	
Residential and Commercial Eviction Moratorium	City Attorney	Mike McGuinness	X	4/8/20	Approved on 4/8/20
City Utilities Water Pipe Business Reopening Outreach	Utilities Department Economic Development	Chris McKinney Amber Tarrac		5/13/2020	

Live Document!



- The City launched an on-line resource "[Support Local Food and Drink](https://escondido.org/support-local-food-drink.aspx)" on March 18 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 open for business as well as an interactive map. See escondido.org/support-local-food-drink.aspx
- 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, to discuss updates and information on federal, state, and local economic recovery programs.
- The City ceased issuing tickets for street sweeping in residential and commercial areas on March 20, after the Stay at Home Order was issued.



- The Escondido Chamber of Commerce invited City Economic Development staff and the Small Business Development Center to discuss local, state, and federal programs, gather feedback, and share business best practices with their membership on April 3 and April 9.
- 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, that included City Economic Development staff and key local industry stakeholders from Escondido to discuss stakeholder business perspectives, requests, and operational needs.
- The City Manager appointed a multidisciplinary City Re-Opening Workgroup on April 21 to develop recommendations for re-opening City facilities in a phased approach including operational practices that ensure the health and safety of employees and customers. To that end, City Hall opened to the public on June 15, incorporating updated County Public Health Department protocols to protect customer and staff safety.
- Economic Development staff collaborated with the Chamber of Commerce and Downtown Business Association from April 27 through May 5 to gather feedback from industry stakeholders regarding the proposed Business Recovery Strategy recommendations.

ESCONDIDO EATS

 ESCCONDIDO
City of Choice

- The City partnered with the Chamber of Commerce to launch the on-line community resource "[Escondido Eats](https://escondidochamber.org/escondido-eats-2/)" on May 1, available for all local food and drink establishments to share meal and beverage promotions, discounts and specials on a centralized calendar. See escondidochamber.org/escondido-eats-2/
- Economic Development staff worked closely with the City's Engineering, Planning, Attorney, Police and Fire Departments, Innovate78, and the San Diego North Economic Development Council to develop a comprehensive Business Recovery Strategy that included recommendations for regulatory and non-regulatory relief to allow local businesses to meet the requirements set forth by the State and County Public Health Orders. The strategy was adopted by the City Council on May 13.
- The City Council subsequently adopted an Urgency Ordinance on May 20, which enacted the aforementioned regulatory relief measures to support local businesses.
- On May 28, the City was awarded a SANDAG Shared Streets Pilot Program grant in the amount of \$8,636. This grant will fund signage for the temporary closure of a portion of Grand Avenue in order for businesses to increase dining and retail capacity while ensuring social distancing.





KEY NEXT STEPS

- Broadly publicize the new Business Recovery Strategy measures and tools.
- Open City Hall to the public on June 15.
- Proceed with the temporary closure of a portion of Grand Avenue to allow for expanded dining and retail options in June.
- Implement the new Cityworks software platform on July 1, which promises to significantly improve City operational efficiency and business processes thereby supporting City staff, businesses, the workforce, and the community.
- Launch "Jumpstart Small Businesses" in July.

If you have ideas to support Escondido's economic recovery or have questions about the recovery strategy, you are invited to submit them to Business@escondido.org.



What is the City adding to the Business Recovery Strategy toolkit starting in August?

In addition to all of the [strategies adopted in May](#), we've also added the following to support your organization's success!

Outdoor Operations on City Sidewalks, Parking Lots, and Street Parking Spaces

We created a Business Recovery Strategy Special Permit [website](#) with information and a streamlined approval process for outdoor business activities on sidewalks, parking lots, street parking spaces, and City parking lots. We've revised the City's formal approval process to get your applications in and approved in record time. Our goal is to process your request within one business day!

We have a really easy [Special Temporary Use Permit form](#). If you would like to expand your business activities outdoors on sidewalks, in parking lots, and street parking spaces, or in a City parking lot, submit the completed form and a diagram of your proposed plans to Planning@escondido.org.

Best of all, it's FREE!

Extended Outdoor Operations

- Free Business Recovery Special Permits and free related Tent/Canopy permits.
- Work with your business neighbors to get approval to use their nearby sidewalk areas, parking lot, and/or street parking spaces for your outdoor operations. Increased pedestrian activity will benefit ALL businesses in the area! If you plan to do this, just remember to please include an email approval from your neighbor with your completed Special Permit application.
- Gyms and fitness instructors can now do outdoor activities on site in a parking lot or other open area with an approved Special Temporary Use Permit.
- Now you can drive through, drop off, and pick up with even greater flexibility in carry out zones that can be reserved with signage in front of your business.
- You can now setup more temporary signs in front of your business so your customers know important information about your business such as COVID-19 safety precautions or how to place orders.
- Existing schools and churches can continue to provide much needed community services while accommodating social distancing.
- Outdoor learning and assembly is allowed between 8 a.m. - 5 p.m. with a Special Temporary Use Permit.
- Schools can temporarily expand their space into other buildings like a satellite campus for remote learning with a Special Temporary Use Permit – no need to go through the formal planning process.



Outdoor Operations in City Parks and City Park Parking Lots

City Parks

Would you like to use one of our beautiful City Parks or City Park parking lots for outdoor services or business operations? Best of all - it's FREE!

Now you can with an approved Facility Use Permit.

Here is the link to the [Parks and Facilities Reservation Form](#) and [website](#) with more information. Submit your completed Facility Use Permit to recreation@escondido.org or in person at the City Hall Community Services front counter. Contact the City at recreation@escondido.org or call 760-839-4692 with questions.

- Please note: Fees will be charged for the use of the Kit Carson Park Amphitheater and for one-time activities in City Parks or City Park parking lots.

Tents and Canopies

- Tents and canopies are permitted to be set up for as many days as you want for your business. The permit is free and the City will provide free consultation when needed to ensure the safety of employees and customers.

Business Licensing

- Given the trend of remote work, a Business License may be granted without a Building Certificate of Occupancy on a case-by-case basis.



Stronger Together!

Attachment "3"



Small Business Grant Program Awardees and Locations

\$1M awarded to 100 local businesses from 7/24/20 - 9/3/20

7/24/20 – 6 Businesses

Tortilleria Mi Reyna, Inc.	426 W 2nd Ave
O'sullivan's Irish Pub and Restaurant	118 E Grand Ave
Tamales Jovita	158 W Grand Ave
Deborah's Next To New	1624 E Valley Pkwy
J & M's Family Restaurant	1216 E Valley Pkwy
Vincents on Grand	113 W Grand Ave

7/29/20 – 8 Businesses

Cute Cakes Bakery & Café	345 W Grand Ave
Chicken Plus Greek Cuisine	309 W Mission
Broadway Salon	609 N Broadway, Suite A
L'avenue LLC DBA Laurel Glen (Home Furnishing)	158 E Grand Ave
Clarity Hair Extensions	623 Ross Drive
Distinction Gallery	317 E Grand Ave, Suite A
Clue Avenue Escape Rooms	201 E Grand Ave, Suite 2G
Sandra Aguilar (Salon)	342 W El Norte Pkwy

8/5/20 – 21 Businesses

Seven A Signature Salon	240 E Grand Ave
Urban Barn Inc	155 W 10th Ave
Infinity Nails LLC	1835 S Centre City Pkwy
The Golden Egg Omelet House	10703 Meadow Glen Wy E
Five Points Sports Bar	1881 S Escondido Blvd
SIP Wine & Beer LLC.	129 S Orange St
Sunny Side Kitchen	155 S Orange St
Bagel and Deli	322 W Valley Pkwy
W.A. Stone Termite & Pest Control, Inc.	1539 Sterling Court
Mayflower Spa	2421 E Valley Pkwy
Escondido Barbershop	2445 E Valley Pkwy
Sky High, LLC (Window cleaning)	406 Boudinot Court
Judy's Embroidery Inc.	201 E Grand Ave #1-B
Liberty Barbershop LLC	2020 E Valley Pkwy
Mathnasium of South Escondido	1835 S Centre City Pkwy #G
North County Books	254 E Grand Ave #204
Stark Logic DBA Phenix Salon Suites	342 W El Norte Pkwy
Skin and Tonique LLC	1543 Glenna Drive

Attachment "3"

George Soultanian & Associates (Engineering)	170 S Escondido Blvd
Quinceanera Boutique	1207 S Escondido Blvd
Telekom Transportation, LLC	647 Aero Way #1

8/12/20 – 23 Businesses

Joe's Italian Dinners	118 W 10th Ave
Angel Massage Spa/Zen Massage Spa	132 City Scape Glen
Charlie's Family Restaurant	210 N Ivy St
Minx Spa	111 N Ivy Street
Design Moe Kitchen & Bath	143 W Grand Ave
4G COMMUNICATIONS, LLC.	200 E Via Rancho Pkwy
The Sculpture Salon	401 E Grand Ave
BAPS! Restaurant	2680 S Escondido Blvd
North County Rebuilders	445 N Hale Avenue
KIMSNOWS NAILS AND SPA INC.	1339 E Valley Parkway
Terri's Skincare	36331 Laurashawn Ln
Pure 1 Hair Services	1815 E Valley Pkwy, Unit 9
Family Salon	2425 E Valley Pkwy
Premier Cleaners & Alterations	1061 W El Norte Pkwy
Something Old, Something New Bridal Boutique	128 E Grand Ave
Kismet Refining Company (Vinegar Manufacturer)	1411 Queenston Drive
Lavish Blonde	342 W El Norte Pkwy, #120
Children Arts & More	2245 E Valley Pkwy
Vermel Ventures (Photography)	2022 Vermel Ave
IT Tech Pros, Inc.	350 State Place
Park-Tours, Inc. dba Left Coast Engineering	810 S Escondido Blvd
Hanna Scott, Inc. (Architect)	1651 S Juniper #58
Dependable Alarm Systems	1519 Industrial Ave #D

8/20/20 – 15 Businesses

Grand Comedy Pizzeria and Comedy Club	336 E Grand Ave
WIGS BY VEE	1800 S Maple St
HD Salon & Spa, Inc.	840 W Valley Pkwy
Chicken Lisas & Your Mexican Favorites	555 W Country Club Lane
K Shoes Co	272 E Via Rancho Pkwy
Kevin Marty Video Production	3312 Vista Rocosa
Joy Belle (Hair Salon)	1356 W Valley Pkwy
IMARQ, Inc. (Phone repair)	426 W 2nd Ave Ste A
Terry McCormick Media	2408 Nabal St
Haircuts & Highlights Forever	1015 Morning View Dr. #204
All Star Hair Parlor	961 Penguin Cir
Ferrara Market Inc. (Toys and collectibles)	16650 Guejito Road
Tartir Services LLC DBA George's Burgers	350 N Broadway
Big Joy Family, Inc. (Bakery)	1236 Oasis Drive
Bristlecone Engineering	1133 W 13th Ave

Attachment "3"

8/26/20 – 15 Businesses

The Grand Tea Room, Inc.	145 W Grand Avenue
Happy Yogurt	10130 Covey Lane
Suzy Q's Diner	258 E 2nd Ave
Hair Beauty Salon	667 N Escondido Blvd
Taqueria La Takiza	634 N Escondido Blvd
Filemon's Taco Shop	2407 East Valley Parkway
Ali Baba Medierranean Cuisine, Inc.	201 W Mission Ave
Kinesiology Clinic	3045 Sprucewood Lane
Fourthingspaper	138 Brett Pl
La Vida Sana Wellness	333 S Juniper Street
Stone and Glass	629 W Grand Ave
Nature Works Sculpture Inc	1291 Pacific Oaks Pl
Dealership Revenue Solutions dba CLUTCH	306 W El Norte Parkway
Old World Meat Company	2730 La Colina Dr
Gallery Home Design	743 E Valley Parkway

9/3/20 – 12 Businesses

Locs of Luv	501 South Escondido Blvd
Lashbar Escondido	1967 Greenview Rd
Timekeepers of Escondido	323 W Grand Ave
Craft and Taco Lounge	511 W Valley Pkwy
B&H Music/Escondido Music	354 E Grand Ave
Helen's BookMark	153 E Grand Ave
The Parlour Off Grand	129 E Grand Ave
San Diego Code School LLC	140 N Escondido Blvd
RocknHair Etc	1205 Auto Park Way
A Delight of France	126 W Grand Ave
Hundred Moons Souvenirs	124 E 7th Ave
La Tapatia	340 W Grand Ave



FUTURE CITY COUNCIL AGENDA ITEMS

Updated September 23, 2021

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

October 6, 2021 NO MEETING

**October 13, 2021
5:00 p.m.**

CONSENT CALENDAR

Resolution of Intention to Establish Community Facilities District (CFD) No. 2021-01 to Establish Community Facilities District (CFD) No. 2020-02 (Eclipse and Mountain House)
(J. Procopio)

It is requested that the City Council adopt Resolution No. 2021-134 declaring its intent to consider formation of The Eclipse and Mountain House Project CFD and setting a public hearing date of November 17, 2021. As part of this request the developer agrees to annex into the City Services CFD NO 2020-1.

\$25,000 Public Risk Innovation, Solutions, and Management ("PRISM") Property Grant MOU and Budget Adjustment
(J. Goulart)

It is requested that the City Council adopt Resolution No. 2021-155 authorizing the Director of Public Works to execute an MOU and Budget Adjustment to receive \$25,000 in funding from the Public Risk Innovation, Solutions, and Management ("PRISM") Property Grant Program for the installation of a new fire alarm system at the Park Avenue Community Center.

PUBLIC HEARINGS

2021 Omnibus Zoning Code Update
(A. Finestone)

A series of Escondido Zoning Code Amendments to address changes in state laws, correct errors, and clarify or improve existing regulations. The proposal involves minor amendments to Article 34 (Communication Antennas), Article 35 (Outdoor Lighting), Article 47 (Environmental Quality), Article 55 (Grading and Erosion Control), Article 56 (Miscellaneous Development Standards), Article 61 (Administration and Enforcement), Article 64 (Design Review), Article 65 (Old Escondido Neighborhood), Article 66 (Sign Ordinance), Article 67 (Density Bonus and Residential Incentives), Article 68 (Growth Management Ordinance), and Article 70 (Accessory Dwelling Units and Junior Accessory Dwelling Units) of the Escondido Zoning Code. The project also includes a minor revision to Table 4.1 of the East Valley Specific Plan.

	<p>Short-Form Rent Review Board Hearing for Escondido Views Mobilehome Park (Case No. 0697-20-10287) (A. Finestone)</p> <p><i>It is requested that the City Council consider a short-form rent increase application involving four spaces submitted for the City-owned lots at Escondido Views Mobilehome Park located at 2400 W. Valley Parkway, and if approved, adopt Rent Review Board Resolution No. 2021-05 granting an increase as requested in the application.</i></p>
	<p>Short-Form Rent Review Board Hearing for Mountain Shadows Mobilehome Park (Case No. 0697-20-10286) (A. Finestone)</p> <p><i>It is requested that the City Council consider a short-form rent increase application involving four spaces submitted for the City-owned lots at Mountain Shadows Mobilehome Park located at 1750-1751 W. Citracado Pkwy, and if approved, adopt Rent Review Board Resolution No. 2021-04 granting an increase as requested in the application.</i></p>
<p>CURRENT BUSINESS</p>	
	<p>San Pasqual Undergrounding Project Bid Award and Consulting Agreements (C. McKinney)</p> <p><i>It is requested that the City Council: 1) Adopt Resolution No. 2021-121, authorizing the Mayor and City Clerk to execute a Public Improvement Agreement with the lowest responsive and responsible bidder for construction of the San Pasqual Undergrounding Project; 2) Adopt Resolution No. 2021-122, authorizing the Mayor and City Clerk to execute a Second Amendment to the Consulting Agreement with Michael Baker International for Engineering Services; and 3) Adopt Resolution No. 2021-123, authorizing the Mayor and City Clerk to execute a Consulting Agreement for Construction Management Services.</i></p>
	<p>Project Home Key (R. Van De Hey)</p>
<p>FUTURE AGENDA ITEMS</p>	



September 29, 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>