



APRIL 17, 2013
CITY COUNCIL CHAMBERS
3:30 P.M. Closed Session; 4:30 P.M. Regular Session
201 N. Broadway, Escondido, CA 92025

MAYOR	Sam Abed
DEPUTY MAYOR	Olga Diaz
COUNCIL MEMBERS	Ed Gallo John Masson Michael Morasco
CITY MANAGER	Clay Phillips
CITY CLERK	Diane Halverson
CITY ATTORNEY	Jeffrey Epp
DIRECTOR OF COMMUNITY DEVELOPMENT	Barbara Redlitz
DIRECTOR OF PUBLIC WORKS	Ed Domingue

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

**April 17, 2013
3:30 P.M. Meeting**

Escondido City Council

CALL TO ORDER

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

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

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

- I. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)**
- a. Property: 2245 East Valley Parkway
City Negotiator: Debra Lundy, Real Property Manager
Negotiating parties: American Heritage Education Foundation
Under negotiation: Price and Terms of Agreement
 - b. Property: 3410 East Valley Parkway
City Negotiator: City of Escondido
Negotiating parties: Asociacion de Charros de Escondido
Under negotiation: Price and Terms of Lease Agreement

ADJOURNMENT

A black and white photograph of the Escondido City Council Building, a large, ornate structure with a central dome and multiple arched windows. The building is surrounded by trees and a paved area with some parked cars. An American flag flies on a tall pole in front of the building.

Council Meeting Agenda

**April 17, 2013
4:30 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: Diaz, Gallo, Masson, Morasco, Abed

PRESENTATIONS: Marilyn Dailey, San Diego County Water Authority Board

ORAL COMMUNICATIONS

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COUNCIL MEMBERS' REPORTS/BRIEFING

CONSENT CALENDAR

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

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
3. **APPROVAL OF MINUTES: 1) Special Meeting of April 3, 2013, 2) Regular Meeting of April 3, 2013**

4. **AWARD BID FOR FLEET REPLACEMENT OF TWELVE TRUCKS -**

Request Council approve the bid award of twelve trucks to North County Ford in the amount of \$308,270.

Staff Recommendation: **Approval (Finance Department: Gilbert Rojas)**

RESOLUTION NO. 2013-41

5. **ADOPT 2012-2013 TRAFFIC SIGNAL PRIORITY LISTS -**

Request Council approve the 2012-2013 Traffic Signal Priority List for new traffic signals at un-signalized intersections; and approve the 2012-2013 Traffic Signal Modification List for modification of existing traffic signals at signalized intersections.

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-45

6. **FIRST AMENDMENT TO LEASE AGREEMENT WITH MARK KLAMMER REVOCABLE TRUST FOR UNIMPROVED STREET FRONTAGE ADJACENT TO 1002-1018 W. MISSION -**

Request Council authorize the Real Property Manager and City Clerk to execute a First Amendment to Lease Agreement with Mark Klammer Revocable Trust for unimproved street frontage adjacent to 1002-1018 W. Mission.

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-43

7. **CALIFORNIA FRANCHISE TAX BOARD CITY BUSINESS TAX PROGRAM -**

Request Council authorize the Director of Community Development to execute an agreement with the State of California Franchise Tax Board (FTB) to participate in the City Business Tax Program.

Staff Recommendation: **Approval (Community Development/Code Enforcement: Barbara Redlitz)**

RESOLUTION NO. 2013-37

8. [AMENDMENTS TO CAMPAIGN CONTROL ORDINANCE SECTIONS 2-103 AND 2-110 -](#)
Request Council approve revisions to Chapter 2, Article 7, Sections 2-103 and 2-110 of the Escondido Municipal Code regarding campaign contributions for local elections.

Staff Recommendation: **None (Councilmember Michael Morasco and Deputy Mayor Olga Diaz)**

ORDINANCE 2013-04 (Introduction and First Reading)

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

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

WORKSHOP

9. [FISCAL YEAR 2013/14 BUDGET BRIEFING -](#)
Request Council provide direction regarding the Fiscal Year 2013/14 General Fund Operating Budget.

Staff Recommendation: **Provide direction (Finance Department: Gilbert Rojas)**

FUTURE AGENDA

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

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

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
April 24	-	-	No Meeting	-
May 1	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
May 8	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
May 15	Wednesday	4:30 p.m.	Town Hall Meeting	Council Chambers

TO ADDRESS THE COUNCIL

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

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

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

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

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

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

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

LIVE BROADCAST

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

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

**The City Council is scheduled to meet the first four Wednesdays
of the month at 3:30 in Closed Session and 4:30 in Open Session.
(Verify schedule with City Clerk's Office)**

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

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



If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4641. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

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

CITY OF ESCONDIDO
April 3, 2013
3:30 P.M. Special Meeting Minutes
Escondido City Council

CALL TO ORDER

The Special Meeting of the Escondido City Council was called to order at 3:30 p.m. on Wednesday, April 3, 2013 in the Council Chambers at City Hall with Mayor Abed presiding.

ATTENDANCE

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

ORAL COMMUNICATIONS

None

CLOSED SESSION: (COUNCIL/SUCCESSOR AGENCY/RRB)

Attorney Jeffrey Epp recommended recess to Closed Session and requested the addition of two items to the agenda.

MOTION: Moved by Councilmember Masson and seconded by Councilmember Diaz to add the following items to Closed Session pursuant to Government Code Section 54954.2(b)(2); that the need to take immediate action arose subsequent to the posting of the agenda; and to recess to Closed Session. Motion carried unanimously.

I. CONFERENCE WITH LEGAL COUNSEL--PENDING LITIGATION (Government Code 54956.9(d)(1))

Case Name: City of Escondido v. Ana J. Matosantos
Case No: 34-2013-00140530-CU-MC-GDS

II. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code §54956.8)

a.	Property:	2120 Harmony Grove Road
	City Negotiator	Charles Grimm, Assistant City Manager
	Negotiating parties	SR Commercial
	Under negotiation	Price and terms of payment

ADJOURNMENT

Mayor Abed adjourned the meeting at 4:30 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY OF ESCONDIDO
April 3, 2013
4:30 P.M. Meeting Minutes

Escondido City Council
and as Successor Agency to the CDC

CALL TO ORDER

The Regular Meeting of the Escondido City Council was called to order at 4:33 p.m. on Wednesday, April 3, 2013 in the Council Chambers at City Hall with Mayor Abed presiding.

MOMENT OF REFLECTION

FLAG SALUTE

Mayor Abed led the flag salute

ATTENDANCE

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

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Public Works Director; Diane Halverson, City Clerk; and Liane Uhl, Minutes Clerk.

PROCLAMATIONS

Mayor Abed introduced Paul Savo who accepted a proclamation for the Fellowship Center's 50th Anniversary, April 6, 2013. A walk will take place from 8:00 a.m. – 9:00 a.m. on April 6, 2013.

ORAL COMMUNICATIONS

Frank Woolridge, Escondido, distributed information and stated the homeless needed a year-round shelter.

Les Abshire, Escondido Chamber of Commerce, distributed information and indicated the Chamber had sent a letter to the California Regional Water quality Control Board asking them to postpone approval of the Municipal Storm Water Permit until the California State Water Resources Control Board provides direction on the Receiving Waters Limitation wording.

Scott Davis, Escondido, voiced concern with big rigs coming down his street.

Nicole Downey, Escondido, distributed a flyer and invited the public to "Paint the Town Purple", a cancer research fundraiser, on Friday, April 5, 2013 at 10:00 a.m. on Grand Avenue and at the Target Center at 10:00 a.m. on Saturday, April 6, 2013.

Gary Vest, Escondido, voiced concern at the loss of green space with the closing of the Escondido County Club.

COUNCIL MEMBERS' REPORTS/BRIEFING

Councilmember Diaz indicated she received the Latino Leadership Award from the Union Tribune; she was a speaker at the fourteenth anniversary of CLA and that the Escondido walking trails and Maple Street Plaza were mentioned in Footnotes Magazine.

Councilmember Gallo congratulated Neighborhood Healthcare for remodeling their building and that McDonalds and Spires restaurants on East Valley Parkway were rebuilding.

Councilmember Morasco indicated that the annual Crystal Apple Award honoring teachers was scheduled for April 18, 2013 and the Helping Hands Helping Hunger community drive was scheduled for April 27, 2013. He also stated that the LDS Church was hosting a clean-up at Grape Day Park and Kit Carson Park on April 27, 2013. He also noted the Heritage Garden being built at Grand and Juniper Streets was listed in Escondido Magazine.

Mayor Abed recognized Lori Pike, Executive Assistant in the Attorney's Office, who received an award from the Assistance League for her efforts coordinating the Holiday Drive Committee. He also stated that Footnotes Magazine had listed Escondido's walkable community and the Maple Street Plaza; and noted that the AMGEN Tour was in the latest Escondido Magazine.

Jeff Epp, City Attorney, indicated the Matosantos litigation had a negative effect on the City's General Fund Reserve Fund; and the City would have to pay the state \$7 million from the General Fund.

CONSENT CALENDAR

Mayor Abed removed items 7 and 8 and Councilmember Gallo removed items 9, 11 and 12 from the Consent Calendar for discussion.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Morasco that the following Consent Calendar items be approved with the exception of items 7, 8 9, 11 and 12. Motion carried unanimously.

- 1. AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/SUCCESSOR AGENCY/RRB)**
- 2. APPROVAL OF WARRANT REGISTER (Council/Successor Agency)**
- 3. APPROVAL OF MINUTES: None Scheduled**

4. **BID AWARD FOR THE DIGESTER CLEANING 2013 PROJECT** -Request Council authorize the Mayor and City Clerk to execute an agreement with SYNAGRO – WWT incorporated in the amount of \$699,500 for the Digester Cleaning 2013 Project. (File No. 0600-10 [A-3081])

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

RESOLUTION NO. 2013-39

5. **REJECT ALL BIDS FOR THE RESERVOIR REPAINTING 2013 PROJECT** - Request Council approve rejecting all bids for the Reservoir Repainting 2013 Project; and authorize staff to re-advertise for bids on the project. (File No. 0600-10 [3082])

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

RESOLUTION NO. 2013-38

6. **BUDGET ADJUSTMENT FOR SUCCESSOR AGENCY - HOUSING BUDGET** - Request Council approve a budget adjustment that increases the Professional Services/Contracts line item of the Housing Division budget by \$22,800 in order to hire consultants to analyze aspects of Mobilehome Rent Control Long-Form Applications; and provide direction regarding a possible reevaluation of the fee charged in conjunction with long-form rent increase applications. (File No. 0430-80)

Staff Recommendation: **Approval (Community Development/Housing: Barbara Redlitz)**

7. **SALE AND LEASE BACK AGREEMENT WITH ESCONDIDO CHAMBER OF COMMERCE FOR PROPERTY LOCATED AT 720 N. BROADWAY** - Request Council authorize the Real Property Manager and City Clerk to execute a Sale and Lease Back Agreement with the Escondido Chamber of Commerce for property located at 720 N. Broadway; and approve a decrease in the General Fund Reserve in the amount of \$555,000 and an increase to the Engineering Operating Budget in the same amount to cover the purchase price and related fees and costs. (File No. 0690-10)

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-35

RESOLUTION NO. 2013-46

ITEM 7 WAS CONTINUED TO A FUTURE AGENDA

8. **CHANGE ORDER AGREEMENT WITH J.P. WITHEROW ROOFING CONTRACTOR** - Request Council authorize the City Manager to approve a change order agreement with J.P. Witherow Roofing Contractor in the amount of \$45,337 to replace the single-ply flat roof areas at the Escondido Public Library and Technology Center. (File No. 0600-10 [A-3067])

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-40

Mayor Abed asked for clarification of the request.

Ed Domingue, Public Works Director, indicated the damage was more extensive than anticipated and was beyond the scope of the work advertised in the original bid.

MOTION: Moved by Mayor Abed and seconded by Councilmember Gallo to authorize the City Manager to approve a change order agreement with J.P. Witherow Roofing Contractor in the amount of \$45,337 to replace the single-ply flat roof areas at the Escondido Public Library and Technology Center and adopt Resolution No. 2013-40. Motion carried unanimously.

- 9. REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) FEE ADJUSTMENT** - Request Council authorize a 2% increase in the RTCIP Traffic Impact Fee from \$2,165 to \$2,209 beginning July 1, 2013; and authorize the Public Works Director/City Engineer to implement future annual increases approved by the SANDAG Board of Directors. (File No. 0145-60)

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

RESOLUTION NO. 2013-42

Councilmember Gallo indicated he was voting no on this item.

MOTION: Moved by Councilmember Diaz and seconded by Councilmember Morasco to authorize a 2% increase in the RTCIP Traffic Impact Fee from \$2,165 to \$2,209 beginning July 1, 2013; and authorize the Public Works Director/City Engineer to implement future annual increases approved by the SANDAG Board of Directors and adopt Resolution No. 2013-42. Ayes: Abed, Diaz, Masson and Morasco. Noes: Gallo. Absent: None. Motion carried.

- 10. HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) GRANT AWARD AND BUDGET ADJUSTMENT** - Request Council authorize the Public Works Department to accept federal Highway Safety Improvement Program (HSIP) Grant funds in the amount of \$675,000 from Caltrans; authorize the Director of Public Works/City Engineer or his designee to complete all necessary documents required by Caltrans on behalf of the City; and approve necessary budget adjustments. (File No. 0480-70)

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

- 11. AUTHORITY TO SUBMIT CONCEPT PROPOSALS FOR URBAN GREENING FOR SUSTAINABLE COMMUNITIES PROGRAM PROJECT FUNDS** - Request Council authorize the Public Works Director/City Engineer or his designee to submit concept proposals to the California Natural Resources Agency's Urban Greening for Sustainable Community Program to fund two projects: "Mission Pools" Area Drainage Restoration and Grand Avenue Median Tree Improvement Project. (File No. 0230-66)

Staff Recommendation: **Approval (Public Works/Engineering: Ed Domingue)**

Councilmember Gallo asked if an area by Mission Pools could be cleaned.

Jeff Warner, Senior Environmental Program Specialist, indicated the area could be cleaned by hand.

MOTION: Moved by Councilmember Gallo and seconded by Councilmember Diaz to authorize the Public Works Director/City Engineer or his designee to submit concept proposals to the California Natural Resources Agency's Urban Greening for Sustainable Community Program to fund two projects: "Mission Pools" Area Drainage Restoration and Grand Avenue Median Tree Improvement Project. Motion carried unanimously.

- 12. ORDINANCE AMENDING CHAPTER 16 OF THE MUNICIPAL CODE REGARDING MOBILE FOOD FACILITIES (Case No. AZ 12-0007)** - Request Council amend Chapter 16 of the Municipal Code regarding Mobile Food Facilities to: 1) Allow mobile food trucks throughout the City for special events subject to the issuance of a Special Event Permit by the City Manager's Office; 2) Allow mobile food trucks at Breweries and Wineries in industrial and residential-agricultural zones subject to the issuance of an appropriate use permit by the Director of Community Development and 3) Allow fixed-route mobile food trucks to operate in the City without the need to obtain a special event or other use permit. (File No. 0680-10)

Staff Recommendation: **Approval (Community Development/Planning: Barbara Redlitz)**

ORDINANCE NO. 2013-02R (Introduction and First Reading)

Councilmember Gallo asked for longer than 10 minutes for route trucks to stop.

Juan Rojas, Escondido, asked for more than 10 minutes for traditional route trucks to serve at special events on private property; he suggested 25 minutes.

MOTION: Moved by Mayor Abed and seconded by Councilmember Gallo to amend Chapter 16 of the Municipal Code regarding Mobile Food Facilities to: 1) Allow mobile food trucks throughout the City for special events subject to the issuance of a Special Event Permit by the City Manager's Office; 2) Allow mobile food trucks at Breweries and Wineries in industrial and residential-agricultural zones subject to the issuance of an appropriate use permit by the Director of Community Development; 3) Allow fixed-route mobile food trucks to operate in the City without the need to obtain a special event or other use permit, changing 10 minutes to 20 minutes; and introduce Ordinance No. 2013-02R. Motion carried unanimously.

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

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

CURRENT BUSINESS

- 13. CAMPAIGN CONTROL ORDINANCE** – Request Council consider amendments to Chapter 2, Article 7, Sections 2-103 and 2-110 of the Escondido Municipal Code regarding campaign contributions for local elections. (File No. 0680-10)

Staff Recommendation: **None (Councilmember Michael Morasco and Deputy Mayor Olga Díaz)**

Councilmember Morasco led the discussion. Councilmember Diaz requested that cash donations be accepted.

MOTION: Moved by Councilmember Morasco and seconded by Councilmember Masson to amend the Campaign Control Ordinance to allow a \$25 reportable cash donation and raise the limit to \$4,100. Motion carried unanimously.

14. **APPOINTMENT TO THE SAN DIEGO COUNTY WATER AUTHORITY BOARD** – Discussion regarding the appointment of the City of Escondido's representative to the San Diego County Water Authority Board to fill the vacancy created by the retirement of Marilyn Dailey. (File No. 0145-80)

Staff Recommendation: **None (Mayor Sam Abed)**

MOTION: Moved by Mayor Abed and seconded by Councilmember Morasco to appoint Councilmember Gallo as the representative to the San Diego County Water Authority Board. Motion carried unanimously.

PUBLIC HEARING

15. **REAFFIRM COMMUNITY DEVELOPMENT PRIORITIES OF THE FISCAL YEAR 2010-2015 CONSOLIDATED PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG); APPROVE ALLOCATION PROCESS FOR FISCAL YEAR 2013-2014 CDBG FUNDED ACTIVITIES; APPROVE AMENDMENT TO FY 2012-2013 ONE-YEAR ACTION PLAN FOR CDBG TO TRANSFER \$80,000 IN ALLOCATED FUNDS FROM THE TULIP STREET IMPROVEMENT PROJECT TO THE OAK HILL - STREET AND MODULAR SITE IMPROVEMENT PROJECT; AND BUDGET ADJUSTMENT** - Request Council approve conducting a public hearing to review and reaffirm the community development priorities adopted in the 2010-2015 Five-Year Consolidation Plan for CDBG and to amend the FY 2012-2013 One-Year Action Plan, in the amount of \$80,000, transferred from the Tulip Street Improvement Project to the Oak Hill – Street and Modular Building Site Improvement Project; 2) Approve an allocation process for FY 2013-2014 CDBG Funds to utilize the maximum 15 percent allowable for public service activities to address the priorities of the Consolidated Plan, and the maximum 20 percent allowable for administration of the CDBG Program and 3) Approve an \$80,000 budget increase for the Oak-Hill – Street and Modular Site Improvement Project and a second change order to purchase order #33832 with Southland Paving Inc. in the amount of \$80,000 to allow for additional street improvements on the Oak Hill – Street and Modular Site Improvement Project. (File No. 0870-11)

Staff Recommendation: **Approval (Public Works/Neighborhood Services: Ed Domingue)**

Rich Buquet, Neighborhood Services Manager, and Danielle Lopez, Neighborhood Services, gave the staff report and presented a series of slides.

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

Susan Hall, Angels Depot, asked Council to fund Angels Depot.

Keiara Auzenne, Center for Employment Opportunities, asked Council to fund their organization.

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

MOTION: Moved by Councilmember Masson and seconded by Councilmember Diaz to approve conducting a public hearing to review and reaffirm the community development priorities adopted in the 2010-2015 Five-Year Consolidation Plan for CDBG and to amend the FY 2012-2013 One-Year Action Plan, in the amount of \$80,000, transferred from the Tulip Street Improvement Project to the Oak Hill – Street and Modular Building Site Improvement Project; 2) Approve an allocation process for FY 2013-2014 CDBG Funds to utilize the maximum 15 percent allowable for public service activities to address the priorities of the Consolidated Plan, and the maximum 20 percent allowable for administration of the CDBG Program

and 3) Approve an \$80,000 budget increase for the Oak-Hill – Street and Modular Site Improvement Project and a second change order to purchase order #33832 with Southland Paving Inc. in the amount of \$80,000 to allow for additional street improvements on the Oak Hill – Street and Modular Site Improvement Project. Motion carried unanimously.

WORKSHOP

16. **2013 AMGEN TOUR OF CALIFORNIA UPDATE** - Request Council receive and file an update on plans for the 2013 AMGEN Tour of California bicycle race on May 12, 2013. (File No. 0110-20)

Staff Recommendation: **Receive and file (City Manager's Office: Joyce Masterson)**

Joyce Masterson, Economic Development & Community Relations Director, gave the staff report and presented a series of slides.

COUNCIL ACTION: NO ACTION, INFORMATION ONLY

FUTURE AGENDA

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

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

ORAL COMMUNICATIONS

None

ADJOURNMENT

Mayor Abed adjourned the meeting at 6:40 p.m.

MAYOR

CITY CLERK

MINUTES CLERK

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 4
Date: April 17, 2013

TO: Honorable Mayor and Members of the City Council
FROM: Gilbert Rojas, Director of Finance
SUBJECT: Award Bid for Fleet Replacement of Twelve Trucks

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-41 for the bid award to North County Ford for the fleet replacement and purchase twelve 2013 trucks in the amount of \$308,270.71. The purchase of these trucks will replace the existing trucks as listed below:

Truck number 3170, 2000 Chevrolet S-10 extended cab pickup has 88,281 miles. The truck was scheduled for replacement in FY 2010-2011; however, Fleet Services elected to postpone the purchase another two years. The truck has various mechanical issues such as the cab door hinges are falling apart, requires a park brake assembly, and the third brake light has wiring problems.

Truck number 3462, 2001 Ford F150, ½ ton extended cab pickup has 152,862 miles. The truck was scheduled for replacement in FY 2011-2012; however, Fleet Services elected to postpone the purchase for another year due to budgetary conditions.

Truck number 3183, 2001 Ford F150, ½ ton extended cab pickup has 120,890 miles. The truck was scheduled for replacement in FY 2011-2012; however, Fleet Services elected to postpone the purchase for an additional year. Furthermore, the truck will not pass State smog inspection due to a damaged catalytic converter.

Truck number 3641, 2003 Chevrolet S-10 pickup has 123,640 miles. The truck is scheduled for replacement this fiscal year. Fleet Services elects to replace this unit due to high miles.

Truck number 3193, 2001 Ford F150, ½ ton x-long pickup has 120,846 miles. The truck was scheduled for replacement in FY 2011-2012; however, Fleet Services elected to postpone the purchase for an additional year. The truck has various mechanical issues such as a powertrain control module and fuel pump failures. Additionally, the truck will not pass State smog inspection due to damaged catalytic converter.

Award Bid for Fleet Replacement of Twelve Vehicles
Page 2

Truck number 3566, 2001 Ford F250, 4X2, ¾ ton pickup has 81,900 miles. The truck was scheduled for replacement in FY 2011-2012; however, Fleet Services elected to postpone the purchase for an additional year. Due to the condition of the truck and low miles, the truck will kept as a pool vehicle in Fleet Services.

Truck number 3528, 2001 Ford F250, 4X2, ¾ ton pickup has 116,837 miles. The truck was scheduled for replacement in FY 2011-2012; however, Fleet Services elected to postpone the purchase for an additional year. The truck has emission related failures which causes the truck not to pass State smog inspection.

Truck number 3529, 2001 Ford F250, 4X4 crew cab, ¾ ton pickup has 188,660 miles. The truck was scheduled for replacement in FY 2011-2012; however, Fleet Services elected to postpone the purchase for an additional year due to budgetary conditions. Fleet Services elects to replace this unit due to high miles.

Truck number 3562, 1999 Chevrolet C1500, ½ ton pickup has 59,033 miles. The truck was scheduled for replacement in FY 2009-2010; however, Fleet Services elected to postpone the purchase for an additional three years due to low miles. Due to the condition of the truck and low miles, the truck will kept as a pool vehicle in Fleet Services.

Truck number 3584, 1992 GMC TG31305, 1 ton cargo van has 50,745 miles. The truck was scheduled for replacement in FY 2007-2008; however, Fleet Services elected to postpone the purchase for an additional five years due to low miles. The truck has various mechanical issues such as transmission problems and causes the transmission to stick in first gear and requires air conditioning repairs.

Truck number 3243, 1999 Ford F250, ¾ ton pickup has 88,949 miles. The truck was scheduled for replacement in FY 2009-2010; however, Fleet Services elected to postpone the purchase for an additional three years due to low miles. Fleet Services elects to replace this unit due to age and mechanical conditions of the vehicle.

Truck number 3242, 1997 Chevrolet C3500, 1 ton pickup has 98,606 miles. The truck was scheduled for replacement in FY 2007-2008; however, Fleet Services elected to postpone the purchase for an additional five years due to low miles. The truck has various mechanical hazards such as the cab door hinges are falling apart, severe body damage, and has rust and corrosion on the flat bed. Furthermore, the truck was used for graffiti removal; consequently, the exterior body is covered with graffiti paint.

Award Bid for Fleet Replacement of Twelve Vehicles
Page 3

FISCAL ANALYSIS:

Sufficient funds are available in the Fleet Services Vehicle Replacement Fund.

BACKGROUND:

Requests for bids were mailed to eighteen vendors on February 21, 2013; and six bids were received and opened on March 13, 2013. The bid results are as follows:

Vendor	Amount
North County Ford	\$ 308,270.71
Villa Ford	310,099.29
Raceway Ford	310,306.51
Kearny Pearson Ford	311,392.99
Ken Grody Ford	319,534.03
Heller Ford	331,458.67

Joe Goulart, Fleet Services Superintendent, has reviewed the bids and recommends the bid award to North County Ford as the lowest most responsive and responsible bidder who met the City's bid requirements.

Respectfully submitted,



Gilbert Rojas,
Director of Finance

RESOLUTION NO. 2013-41

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE CITY COUNCIL TO
APPROVE THE BID AWARD TO NORTH
COUNTY FORD FOR THE FLEET
REPLACEMENT AND PURCHASE OF
TWELVE 2013 TRUCKS

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

WHEREAS, the City of Escondido ("City") duly published an invitation for bids for the fleet replacement and purchase of twelve 2013 trucks to include detailed bid specifications; and

WHEREAS, request for bids for the fleet replacement and purchase of twelve 2013 trucks were mailed to vendors on February 21, 2013; and

WHEREAS, six bids were opened and evaluated on March 13, 2013; and

WHEREAS, the apparent low bid submitted by North County Ford was determined to be the lowest most responsive and responsible bid. North County Ford met the City's bid specifications;

WHEREAS, staff recommends awarding the bid to North County Ford in the amount of \$308,270.71; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award the bid to North County Ford.

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 City Council accepts the recommendation of staff and finds North County Ford to be the lowest most responsive and responsible bidder who met the City's bid specifications.
3. That the City Council is authorized to approve on behalf of the City, the bid award to North County Ford for the fleet replacement and purchase of twelve 2013 trucks.

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 5

Date: April 17, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Ed Domingue, Public Works Director/City Engineer
Ali M. Shahzad, Associate Engineer

SUBJECT: Adopt 2012-2013 Traffic Signal Priority Lists

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-45 approving the 2012-2013 Traffic Signal Priority List for new traffic signals at un-signalized intersections, and the 2012-2013 Traffic Signal Modification List for modification of existing traffic signals at signalized intersections.

FISCAL ANALYSIS:

The Traffic Signal Priority Lists would be used as guidelines in recommending projects for the Capital Improvement Budget.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Public Safety Facilities.

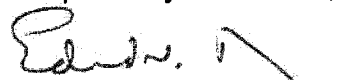
PREVIOUS ACTION:

The Transportation and Community Safety Commission recommended approval of the Traffic Signal Priority List for new traffic signals and the Traffic Signal Modification List for modification of existing traffic signals at their January 10, 2013 meeting.

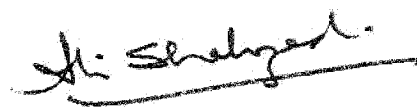
BACKGROUND:

At the direction of the Transportation Commission, seven (7) un-signalized intersections and eleven (11) signalized intersections were evaluated to develop the priority lists. Staff recommended signal priority lists were approved by the Transportation Commission. The list of prioritized new traffic signals and modification of the existing traffic signals are included as Exhibit 'A' and Exhibit 'B' of the accompanying Resolution 2013-45.

Respectfully submitted,



Edward N. Domingue, P.E.
Public Works Director/City Engineer



Ali M. Shahzad, P.E.
Associate Engineer

RESOLUTION NO. 2013-45

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
ADOPTING THE 2012-2013 TRAFFIC
SIGNAL PRIORITY LISTS

WHEREAS, the Engineering Division of the Public Works Department conducted traffic engineering studies at numerous intersection locations in the City of Escondido ("City"); and

WHEREAS, the Transportation Commission analyzed the studies to evaluate the need for new or modified traffic signals at various intersection locations; and

WHEREAS, the Transportation Commission has determined the priority of new or modified traffic signals and has compiled a priority listing of project locations; and

WHEREAS the Transportation Commission recommends that the City Council approve each of the two traffic signal priority lists: Exhibit "A", the "2012-2013 Traffic Signal Priority List", and Exhibit "B", the "2012-2013 Traffic Signal Modification List"; and use these project lists to guide the expenditure of Capital Budget funds. A copy of Exhibits "A" and "B" are attached to this resolution and incorporated by this reference.

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

1. That the above recitations are true.
2. That the City Council does hereby adopt the Traffic Signal Priority Lists as shown on Exhibits "A" and "B".

Exhibit "A"**2012-2013 Traffic Signal Priority List**New Traffic Signal

<u>Rank</u>	<u>Intersection</u>	<u>Priority Points</u>
1.	El Norte Pkwy. Fig St.	48
2.	Broadway Lincoln Ave.	42
3.	Rock Springs Rd. Lincoln Ave.	40
4.	Valley Pkwy. Date St.	39
5.	Harding St. Lincoln Ave.	38
6.	Ash St. Sheridan Ave.	17
7.	Via Rancho Pkwy. Lomas Serenas	17

Exhibit "B"

2012-2013 Traffic Signal Priority List

Left Turn Phasing Modifications

Rank	Intersection	% of Need Warrants Met		Volume	Direction
1.	Escondido Blvd.	Felicita Ave.	75%	4,403	North-South
2.	Bear Valley Parkway	Mary Lane	50%	4,651	East-West
3.	Rock Springs Rd.	Mission Ave.	50%	4,325	North-South
4.	Mission Ave.	Metcalf St.	50%	3,406	All-Way
5.	Bear Valley Pkwy.	Las Palmas Ave.	25%	4,601	East-West
6.	Quince St	Washington Ave.	25%	3,076	All-Way
7.	Escondido Blvd.	9 th Ave.	25%	3,372	East-West
8.	Rose St.	Washington Ave.	13%	3,372	North-South
9.	Escondido Blvd.	5 th Ave.	13%	2,478	North-South
10.	Ash St.	Lincoln Ave.	0%	4,155	No Change
11.	Centre City Pkwy.	9 th Ave.	0%	3,805	No Change

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED**

☐ **DENIED**

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 6

Date: April 17, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Edward N. Domingue, Public Works Director/City Engineer
Debra Lundy, Real Property Manager

SUBJECT: First Amendment to Lease Agreement with Mark Klammer Revocable Trust for Unimproved Street Frontage Adjacent to 1002-1018 W. Mission

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2013-43 authorizing the Real Property Manager and City Clerk to execute a First Amendment to Lease Agreement with Mark Klammer Revocable Trust for unimproved street frontage adjacent to 1002-1018 W. Mission.

FISCAL ANALYSIS:

Annual rent payments of \$3,090 will be deposited into the City's general fund.

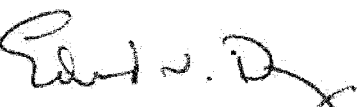
PREVIOUS ACTION:

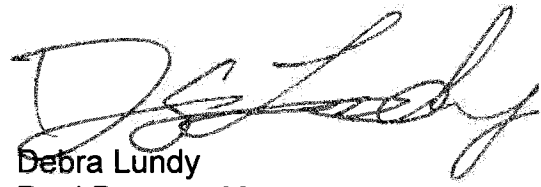
The current lease agreement was approved by Resolution 2010-47.

BACKGROUND:

In 1988, as a condition of commercial development of 1002-1018 W. Mission, Lessee dedicated an 18' wide right of way to the City. Lessee's tenants require additional parking for the display of vehicles for sale and Lessee has leased the unimproved right of way from the City since 1999 for that purpose. The rent was brought up to fair market in 2010 with a new lease agreement which expires on May 1, 2013. The Lease provides for two additional 2-year terms. This Amendment will serve to extend the term of the lease for another 2-year term and apply annual 3% rent increases. The City has no immediate plans to widen Mission.

Respectfully submitted,


Edward N. Domingue, P.E.
Public Works Director/City Engineer


Debra Lundy
Real Property Manager

RESOLUTION NO. 2013-43

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING THE REAL PROPERTY
MANAGER AND CITY CLERK TO EXECUTE,
ON BEHALF OF THE CITY, A FIRST
AMENDMENT TO LEASE AGREEMENT
WITH MARK KLAMMER REVOCABLE
TRUST**

WHEREAS, the City of Escondido ("City") owns that certain unimproved street frontage located adjacent to 1002-1018 W. Mission; and

WHEREAS, the City and Klammer Family Trust first entered into a lease agreement on May 1, 2010; and

WHEREAS, the lease agreement expires on May 1, 2013; and

WHEREAS, said City-owned real property is not immediately required for City use; and

WHEREAS, the adjacent property 1002-1018 W. Mission is now vested in Mark Klammer Revocable Trust; and

WHEREAS, the City and Mark Klammer Revocable Trust desire to enter into a First Amendment to Lease Agreement to allow continued occupancy at said real property for its tenants to display vehicles for sale; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the First Amendment to Lease Agreement.

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

1. That the above recitations are true.
2. The Real Property Manager and City Clerk are authorized to execute, on behalf of the City, the First Amendment to Lease Agreement with Mark Klammer Revocable Trust, which is attached hereto as Exhibit "1" and incorporated by this reference.

Resolution No. 2013-43
EXHIBIT 1
Page 1 of 2

FIRST AMENDMENT TO LEASE AGREEMENT

(Right of Way/1002-1018 W. Mission)

This FIRST AMENDMENT TO LEASE AGREEMENT is made as of this _____ day of _____, 2013.

Between: City of Escondido,
201 North Broadway
Escondido, California 92025
("City")

And: Mark Klammer Revocable Trust
c/o Mark Klammer, Trustee
729 Fourth Street
Encinitas, CA 92024
("Lessee")

WITNESSES THAT WHEREAS:

- A. City and the Klammer Family Trust entered into a Lease Agreement dated May 19, 2010, ("ORIGINAL AGREEMENT") for the lease of real property for the purpose of displaying vehicles for sale ("Premises"); and
- B. The ORIGINAL AGREEMENT expires on May 1, 2013, but contains a provision for two additional 2-year term extensions; and
- C. The adjacent property located at 1002-1018 West Mission is now vested in the Mark Klammer Revocable Trust, which trust has assumed the ORIGINAL AGREEMENT from the Klammer Family Trust; and
- D. City and Lessee desire to exercise the first option to extend the lease for another two year term.

NOW THEREFORE, it is mutually agreed by and between City and Lessee as follows:

- 1. The term of the lease as specified in Section 3 of the ORIGINAL AGREEMENT shall be two years commencing on May 1, 2013 and terminating on April 30, 2015.
- 2. The rent as specified in Section 4 of the ORIGINAL AGREEMENT shall be adjusted to \$3,090 per year.
- 3. The cost of living adjustment in Section 6 of the ORIGINAL AGREEMENT is hereby amended to a 3% annual increase to the rent payment in Section 4 as amended herein. This increase will be adjusted on May 1st of each subsequent year.

4. All other terms and conditions of the ORIGINAL AGREEMENT shall remain in full force and effect.
5. This FIRST AMENDMENT and the ORIGINAL AGREEMENT, together with their respective attachments, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter.

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

CITY OF ESCONDIDO

Date: _____

Debra Lundy
Real Property Manager

Date: _____

Diane Halverson
City Clerk

Mark Klammer Revocable Trust

Date: _____

Mark Klammer, Trustee

Approved as to Form:

Office of the City Attorney
JEFFREY R. EPP, City Attorney

By: _____
Deputy City Attorney

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 7
Date: April 17, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Barbara J. Redlitz, Director of Community Development

SUBJECT: California Franchise Tax Board City Business Tax Program

STAFF RECOMMENDATION:

It is requested that the Council adopt Resolution No. 2013-37 authorizing the Director of Community Development to execute an agreement with the State of California Franchise Tax Board (FTB) to participate in the City Business Tax Program. The program authorizes the State and the City of Escondido to exchange data related to businesses operating within the City limits through a three-year Reciprocal Data Exchange Agreement.

FISCAL ANALYSIS:

There is no cost to the City to enter into this agreement. The City may receive additional General Fund revenue through this information exchange by identifying incorrectly allocated sales tax or through increased compliance with business license filing requirements.

COUNCIL ACTION PLAN:

The information developed through this program could provide a useful inventory augmenting our business database that may benefit the City's economic development efforts. The data provided by the FTB allows the City to cross reference the business license and sales tax data to confirm that the correct revenue is being remitted to the City to prevent sales tax leakage from occurring.

BACKGROUND:

The FTB has established the City Business Tax Program that benefits both the State and local cities by exchanging business tax data collected independently. The information exchange provides both agencies the ability to cross-reference data to ensure compliance with State and local laws. The program calls for the City to provide information to the State annually in June and the State to provide reciprocal information from their database the following December for the previous tax year.

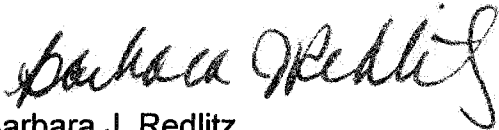
The FTB data from 2010 indicates that there were 14,052 businesses operating in the City of Escondido. The City's business license data listed 9,250 businesses for the same period, indicating that potentially 4,800 businesses have an unmet business tax filing requirement with the City. The FTB's City Business Tax Program can help to close that gap by identifying businesses that are

operating without the City's knowledge. This is the same data base used by Muni Services as part of their business license tax audit services.

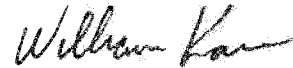
Though participation in the data exchange program is voluntary at this point, California Revenue and Taxation Code (R&TC) §19551.5 mandates that cities provide business tax data to the FTB when requested. The FTB would waive cost-reimbursement requirements which would otherwise apply, if the City enters into the proposed reciprocal data exchange agreement. The agreement covers a three-year period with the first data transmitted to the State within 30 days of executing the agreement and subsequently in June 2013 and June 2014. In return, the FTB will provide data in December 2013 for tax year 2012; December 2014 for tax year 2013; and December 2015 for tax year 2014.

The FTB is authorized to send information only on taxpayers reporting income from a trade or business with an address inside the jurisdictional boundaries of the City. The City must also submit a safeguard questionnaire prior to receiving FTB data, and each employee having access to FTB data shall sign a Confidentiality Statement. Information obtained by FTB shall be used for tax administration and nontax programs that FTB administers.

Respectfully Submitted,



Barbara J. Redlitz
Director of Community Development



William Kaw
Senior Code Enforcement Officer

RESOLUTION NO. 2013-37

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE DIRECTOR OF COMMUNITY DEVELOPMENT AND CITY CLERK, TO EXECUTE, ON BEHALF OF THE CITY, AN AGREEMENT WITH THE CALIFORNIA FRANCHISE TAX BOARD TO PARTICIPATE IN THE CITY BUSINESS TAX PROGRAM

WHEREAS, on April 17, 2013, the City of Escondido considered a proposal from the California Franchise Tax Board to participate in the City Business Tax Program to exchange data pertaining to businesses operating in the City limits; and

WHEREAS, the information developed through this program could provide a useful inventory augmenting the business database that may benefit the City's economic development efforts, insure compliance with local laws and allow the City to cross reference the business license and sales tax data to confirm that the correct revenue is being remitted to the City to prevent sales tax leakage from occurring; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve said Agreement for a three year period.

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 Director of Community Development and City Clerk are hereby authorized to execute, on behalf of the City, an Agreement with the California Franchise Tax Board. A copy of the Agreement is attached as Exhibit "1" and is incorporated by reference.

AGREEMENT NUMBER

C1200112

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

Franchise Tax Board

CONTRACTOR'S NAME

City of Escondido

2. The term of this Agreement is: June 1, 2013 through December 31, 2015

3. The maximum amount of this Agreement is: \$ 0.00
NON-FINANCIAL AGREEMENT

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	3 pages
Exhibit C* – General Terms and Conditions	GTC610
Exhibit D - Special Terms and Conditions	3 pages
Exhibit E - City Record Layout Specifications	2 pages
Exhibit F - FTB Record Layout Specifications	1 page
Exhibit G – Confidentiality Statement	1 page

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language/default.htm

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

City of Escondido

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

201 North Broadway, Escondido, CA 92025

STATE OF CALIFORNIA

AGENCY NAME

Franchise Tax Board

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Lisa Garrison, Chief Financial Officer

ADDRESS

P.O. Box 2086, Rancho Cordova, CA 95741-2086

**California Department of General
Services Use Only**

☒ Exempt per: SCM 1 - 4.04.A.2.5.

EXHIBIT A

SCOPE OF WORK

This Agreement is entered into by and between the Franchise Tax Board, herein referred to as (FTB) and the City of Escondido, herein after referred to as the City.

Purpose:

This Agreement allows FTB and the City to enter into a reciprocal agreement to exchange tax data specific to city business license information for tax administration purposes. By entering into a reciprocal agreement, each party agrees to bear its own costs of providing the data and the City is precluded from obtaining reimbursement.

Both parties will abide by the legal and confidential provisions of this Agreement. Exhibits A, C, D, E, F, and G attached hereto and incorporated by reference herein, set forth additional terms to which the parties agree to be bound. No Federal Tax Information will be exchanged.

Legal Authority:

California Revenue and Taxation Code (R&TC) Section 19551.1 authorizes a reciprocal agreement for the exchange of city business tax and income tax information between a city and FTB. R&TC Section 19551.5 mandates cities to provide city business tax data to FTB upon request.

City Responsibilities:

1. The City agrees that the information provided by FTB will be used exclusively to administer the City's business tax program.
2. The City agrees that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose; and only accessed by City employees.
3. The City agrees to provide FTB with tax information pursuant to Exhibit E, Format Specifications, which shall include but is not limited to the following:
 - Business or owner's name.
 - Business or residence address.
 - Federal employer identification number or social security number.
 - North American Industry Classification Code or Standard Industry Classification Code.
4. The City agrees to extract and provide City data to FTB annually in June for each tax year that the Agreement is in place, June 2013, 2014, and 2015. If the Agreement is executed after June 30, 2013, the City has 30 days after execution to provide FTB with the first year's data.
5. The City agrees to submit the records electronically to FTB using FTB's Secure Web Internet File Transfer (SWIFT) system.
6. The City agrees to submit the records to FTB in ASCII fixed length format, .txt, per the Format Specifications, Exhibit E.

EXHIBIT A

SCOPE OF WORK (continued)

7. The City agrees to resubmit data in the event data is initially submitted with errors. The resubmission of data must be within 30 days of notification. If data is not submitted accurately and timely, the City forfeits its rights to FTB data for that year.
8. The City agrees that each City employee having access to FTB data shall sign a FTB 712, Confidentiality Statement (Exhibit G). The signed statement is to be retained by the City and produced to FTB upon request.
9. The City agrees to submit to FTB a completed Safeguard Review Questionnaire prior to receiving FTB data. The Safeguard Review Questionnaire is valid for the duration of the Agreement.
10. The City agrees to provide a copy of the resolution, order, motion, or ordinance of the local governing body, authorizing the execution of the Agreement.

FTB Responsibilities:

1. FTB agrees that information provided by the City will be used for tax administration and non-tax programs that FTB administers and may be shared with other state/federal agencies as authorized by law.
2. FTB agrees that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose.
3. FTB agrees to provide the City data extracted from the Taxpayer Information (TI) and Business Entities Tax System (BETS). FTB will provide the City records for taxpayers within the city's jurisdiction who indicate a business on their personal or corporation income tax return. The Record Layout, Exhibit F (FTB 909A) shall include, but is not limited to:
 - Taxpayer name
 - Taxpayer address
 - Taxpayer social security number or federal employer identification number
 - Principal Business Activity code
4. FTB agrees to match the data provided by the City using the social security number or federal employer identification number against FTB's data with a yes or no indicator on the Record Layout, Exhibit F (FTB 909A). The first year's data match is at the discretion of FTB and will be based on when the data is received and processed.
5. FTB agrees to provide the City an annual extraction in December 2013 for tax year 2012, December 2014 for tax year 2013, and December 2015 for tax year 2014 via SWIFT.
6. FTB agrees to register the City for a SWIFT account, allowing for the secure electronic transmission of data.

City of Escondido

EXHIBIT A

SCOPE OF WORK (continued)

7. FTB agrees to provide the City a unique City Business Tax Number to be used for reporting purposes only.
8. FTB agrees to allow the City to resubmit data within 30 days of notification, in the event data is initially submitted with errors.

Project Coordinators:

The project coordinators during the term of this Agreement will be:

Franchise Tax Board

Cathy McCollum
Data Resources and Services Unit
P.O. Box 1468, Mailstop A181
Sacramento, CA 95812-1468
Phone: (916) 845-4431
Fax: (916) 843-5899
Email: LocalGovtLiaison@ftb.ca.gov

City of Escondido

William Kaw
201 North Broadway
Escondido, CA 92025
Phone: (760) 839-4559
Email: wkaw@ci.escondido.ca.us

Return executed agreement to:

Franchise Tax Board

Tracey Mollow
Business Acquisitions Unit
P.O. Box 2086, Mailstop A-374
Rancho Cordova, CA 95741-2086
Phone: (916) 845-5193
Fax: (916) 845-3599

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. **DATA OWNERSHIP:** The classified confidential tax information being provided to the City under this Agreement remains the exclusive property of FTB. The City shall have the right to use and process the disclosed information for the purposes stated in this Agreement, which right shall be revoked and terminated immediately upon completion of this Agreement.
2. **STATEMENT OF CONFIDENTIALITY:** The Franchise Tax Board has tax return information and other data in its custody, which is confidential data. Unauthorized inspection or disclosure of state tax return information or other confidential data is a misdemeanor (Revenue and Taxation Code Section 19542 and 19542.1).
3. **USE OF INFORMATION:** The City and FTB agree that the information furnished or secured pursuant to this Agreement shall be used solely for the purposes described by this Agreement. The information obtained by FTB shall be used for tax administration and nontax programs that FTB administers and may be shared with other state/federal agencies as authorized by law. The City and FTB further agree that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose other than identified in this Agreement or as authorized by law.
4. **EMPLOYEE ACCESS TO INFORMATION:** Both FTB and the City agree that the information obtained will be kept in the strictest confidence and shall make information available to its own employees only on a "need to know" basis. The "need to know" standard is met by authorized employees who need information to perform their official duties in connection with the uses of the information authorized by this Agreement. Both parties recognize their responsibilities to protect the confidentiality of this information as provided by law and ensure such information is disclosed only to those individuals and of such purpose, as authorized by the Revenue and Taxation Code.
5. **DISCLOSURE OF CONFIDENTIAL INFORMATION:** Any unwarranted disclosure or use of state tax return information or any willful unauthorized inspection of the return information is an act punishable as a misdemeanor. Inspection is defined to mean any examination of confidential information. No one other than authorized employees may access, use, view, or manipulate the data being transmitted to the City under this Agreement. The City, in recognizing the confidentiality of state tax return information, agrees to take all appropriate precautions to protect from unauthorized disclosure of the confidential information obtained pursuant to this Agreement. The City will conduct oversight of its users with access to the confidential information provided under this Agreement, and will promptly notify FTB of any suspected violations of security or confidentiality by its users.

The City and each of the City's employees who may have access to the confidential data of FTB will be required to sign a Confidentiality Statement, Exhibit G (FTB 712), attesting to the fact that he/she is aware of the confidential data and the penalties for unauthorized disclosure thereof. The signed statement shall be retained by the City and furnished to FTB upon request.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS (continued)

6. **PROTECTING CONFIDENTIAL INFORMATION/ INCIDENT REPORTING:** Both agencies, in recognizing the confidentiality of information exchanged, agree to take all appropriate precautions to protect the confidential information obtained pursuant to this Agreement from unauthorized disclosure. Both agencies will conduct oversight of its users with access to the confidential information provided under this Agreement, and will immediately notify the FTB's Information Security Audit Unit (SecurityAuditMail@ftb.ca.gov) of any unauthorized or suspected unauthorized accesses; uses and/or disclosures (incidents). For purposes of this section, immediately is defined within 24 hours of the discovery of the breach. The notification must describe the incident in detail and identify responsible personnel (name, title, and contact information). The agency with an incident will comply with the incident reporting requirements in accordance with Civil Code Section 1798.29 and SAM Chapter 5300 to facilitate the required reporting to the taxpayers or state oversight agencies.
7. **INFORMATION SECURITY:** Information security is defined as the preservation of the confidentiality, integrity, availability, authenticity, and utility of information. A secure environment is required to protect the confidential information obtained from FTB pursuant to this Agreement. The City will store information so that it is physically secure from unauthorized access. The records received by the City will be securely maintained and accessible only by employees of the city business license program who are committed to protect the data from unauthorized access, use, and disclosure.
8. **CLOUD COMPUTING ENVIRONMENT:** A Cloud Computing Environment cannot be used to receive, transmit, store or process FTB's confidential data.
9. **DESTRUCTION OF RECORDS:** All records received by the City from FTB and any database(s) created, copies made, or files attributed to the records received will be destroyed within three years of receipt. The records shall be destroyed in a manner to be deemed unusable or unreadable and to the extent that an individual record can no longer be reasonably ascertained. FTB will destroy City data in accordance with the Department's data retention policies.
10. **INDEMNIFICATION:** Both parties agree to indemnify, defend, and save harmless each other, its officers, agents, and employees from any and all claims and losses accruing or resulting from any breach of confidentiality by either party and/or its employees.
11. **SETTLEMENT OF DISPUTES:** In the event of a dispute, the City shall file a "Notice of Dispute" with the Chief Financial Officer of the Franchise Tax Board within ten (10) days of discovery of the problem. Within ten (10) days, the Chief Financial Officer or his/her designee shall meet with the City and the FTB contact for purposes of resolving the dispute. The decision of the Chief Financial Officer shall be final.

City of Escondido

EXHIBIT D

SPECIAL TERMS AND CONDITIONS (continued)

12. **SAFEGUARD REVIEW QUESTIONNAIRE AND REVIEW:** Prior to sending data to the City, FTB requires the City to submit a Safeguard Review Questionnaire (FTB 7484) certifying the protection and confidentiality of FTB data. The FTB retains the right to conduct an on-site safeguard review of the City. The City will be provided a minimum of seven (7) days' notice prior to an on-site safeguard review being conducted by the FTB Disclosure Office. The on-site safeguard review will examine the adequacy of information security controls established by the City in compliance with the confidentiality requirements pursuant to this Agreement. The City will take appropriate disciplinary actions against any user determined to have violated security or confidentiality requirements.
13. **LIMITED WARRANTY:** Either party does not warrant or represent the accuracy or content of the material available through this Agreement, and expressly disclaims any express or implied warranty, including any implied warranty of fitness for a specific purpose.
14. **CANCELLATION:** Either party may terminate this Agreement, in writing for any reason, upon thirty days' (30) prior written notice. This Agreement may be terminated by either party in the event of any breach of the terms of this Agreement. Both parties agree that in the event of a breach to the terms of this Agreement, it shall destroy all records and any databases created, copies made, or files attributed to the records received. The records shall be destructed in a manner to be deemed unusable or unreadable and to the extent that an individual record can no longer be reasonably ascertained, upon destruction.
15. **NO THIRD PARTY LIABILITY:** Nothing contained in this Agreement or otherwise shall create any contractual relation between either party and any other party, and no party shall relieve the City or FTB of its responsibilities and obligations hereunder. Both parties agree to be fully responsible for the acts and omissions of its third parties and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the City or FTB. Both parties shall have no obligation to pay or to see the payment of any monies to any party or persons either directly or indirectly employed by the City or FTB.
16. **EARLY TERMINATION CLAUSE:** In the event that Revenue & Taxation Code 19551.1 and 19551.5 are not amended before the sunset date of December 31, 2013, this Agreement will be terminated effective that date.

EXHIBIT E

CITY RECORD FORMAT SPECIFICATIONS

Data Element Name	Start Pos.	End Pos.	Field Size	Usage	Description
SOCIAL SECURITY NUMBER (SSN)	1	9	9	AN	Must be present unless FEIN is provided. Fill unused field with blanks.
FEDERAL EMPLOYER ID NUMBER (FEIN)	10	18	9	AN	Must be present unless SSN is provided. Fill unused field with blanks.
OWNERSHIP TYPE	19	19	1	AN	Must be present: S = Sole Proprietorship P = Partnership C = Corporation T = Trust L = Limited Liability Company
OWNER'S LAST NAME	20	34	15	AN	Must be present if Ownership Type in position 19 = S.
OWNER'S FIRST NAME	35	45	11	AN	Must be present if Ownership Type in position 19 = S.
OWNER'S MIDDLE INITIAL	46	46	1	AN	May be left blank.
BUSINESS NAME	47	86	40	AN	Enter if business is operating under a fictitious name (Doing Business As (DBA)).
BUSINESS ADDRESS NUMBER AND STREET	87	126	40	AN	Address of the business location or the residence of the owner if sole proprietorship.
CITY	127	166	40	A	Must be present.
STATE	167	168	2	A	Enter standard state abbreviation.
ZIP CODE	169	177	9	AN	Enter the five- or nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused fields with blanks.
BUSINESS START DATE	178	185	8	N	Enter the eight-digit date (MMDDYYYY). Zero fill if not known.
BUSINESS CEASE DATE	186	193	8	N	Enter the eight-digit date (MMDDYYYY) if out of business. Zero fill if not known or still in business.
CITY BUSINESS TAX	194	196	3	N	Enter three-digit number assigned

Agreement # C1200112

City of Escondido

NUMBER

by FTB.

NORTH AMERICAN
INDUSTRY CLASSIFICATION
SYSTEM (NAICS)

197 202 6 N

Enter the six-digit NAICS code. Fill
unused fields with zeros.

STANDARD INDUSTRIAL
CLASSIFICATION (SIC)

203 206 4 N

Enter the 2-4 digit SIC code. Left
justify (example 99 will be 9900).
Fill unused fields with zeros.

TOTAL RECORD LENGTH

206

City of Escondido

EXHIBIT F

FRANCHISE TAX BOARD RECORD LAYOUT SPECIFICATIONS

Field Name	Length	Start Pos.	Description
ENTITY TYPE	1	1	"P" – personal income tax record; "B" – business entity tax record.
SSN or FEIN	9	2	For "P" records, primary taxpayer's social security number; For "B" records, federal employer identification number.
LAST NAME	40	11	For "P" records, the primary taxpayer's last name; For "B" records, business name.
FIRST NAME	11	51	For "P" records ONLY.
MIDDLE INITIAL	1	62	For "P" records ONLY.
SPOUSE SSN	9	63	For "P" records filed with a joint return.
SPOUSE LAST NAME	17	72	For "P" records filed with a joint return.
SPOUSE FIRST NAME	11	89	For "P" records filed with a joint return.
SPOUSE MIDDLE INITIAL	1	100	For "P" records filed with a joint return.
PBA CODE	6	101	Principal Business Activity code.
ADDRESS NUMBER	10	107	
PRE-DIRECTIONAL DIRECTOR	2	117	Postal Service term (i.e., N, S, E, W, NE, NW, SE, SW).
STREET NAME	28	119	
STREET SUFFIX	4	147	e.g., ST, WAY, HWY, BLVD, etc.
POST-DIRECTIONAL INDICATOR	2	151	Postal Service term (i.e., N, S, E, W, NE, NW, SE, SW).
STREET SUFFIX 2	4	153	
APARTMENT/SUITE NUMBER	10	157	e.g., APT, UNIT, FL, etc.
CITY	13	167	
STATE	2	180	Standard state abbreviation.
ZIP CODE	5	182	The five-digit ZIP Code assigned by the U.S. Postal Service.
ZIP CODE SUFFIX	4	187	Provided if known.
CBT MATCH	1	191	"N" – No match per CBT data. "Y" – Yes: CBT matched to state tax return filed.

City of Escondido

Agreement # C1200112

EXHIBIT G

CONFIDENTIALITY STATEMENT

State of California

Franchise Tax Board

Confidential tax return information is protected from disclosure by law, regulation, and policy. Information security is strictly enforced. Violators may be subject to disciplinary, civil, and/or criminal action. Protecting confidential tax return information is in best interest of the city and state.

As a city employee, you are required to protect all information from the Franchise Tax Board (FTB). To protect confidential tax data, you must:

- **Access or modify tax data solely to perform official duties.**
- **Never access or inspect tax data for curiosity or personal reasons.**
- **Never show or discuss confidential tax data with anyone who does not have a need to know.**
- **Never remove confidential tax data from your worksite without authorization.**
- **Placing confidential information in approved locations only.**

Unauthorized inspection, access, use, or disclosure of confidential tax data is a crime under state laws, including but not limited to, California Revenue and Taxation Code Sections 19542 and 19552 and Penal Code Section 502. Unauthorized access, inspection, use, or disclosure may result in either or both of the following:

- **State criminal action**
- **State and/or taxpayer civil action**

I certify that I have read the confidentiality statement printed above. I further certify and understand that unauthorized access, inspection, use, or disclosure of confidential information may be punishable as a crime and may result in disciplinary and/or civil action against me.

Name	
Signature	Date

CITY COUNCIL

For City Clerk's Use:

☐

APPROVED

☐

DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 8

Date: April 17, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Jennifer K. McCain, Assistant City Attorney
Allegra D. Frost, Deputy City Attorney

SUBJECT: Amendments to Campaign Control Ordinance Sections 2-103 and 2-110

RECOMMENDATION:

Adopt Ordinance 2013-04 to revise Chapter 2, Article 7, Sections 2-103 and 2-110 of the Escondido Municipal Code regarding campaign contributions for local elections.

FISCAL ANALYSIS:

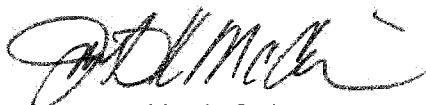
This action will have no impact on the General Fund budget.

PREVIOUS ACTION:

The City of Escondido first adopted its Campaign Control Ordinance in 1983 with a contribution limit of \$250. In 1997, the Campaign Control Ordinance was amended to conform to newly adopted statewide campaign laws. It was amended again in 2002 to authorize use of special counsel during a local election. In 2007, the contribution limit was increased to \$500 and a Consumer Price Index (CPI) formula was added to control future increases in the limit. In 2013, the City Clerk increased the 2013-2014 election-cycle contribution limit to \$560 in order to reflect changes in the CPI.

On April 3, 2013, the City Council considered amendments to the Campaign Control Ordinance. Council directed the City Attorney's Office to prepare an Ordinance amending sections 2-103 and 2-110 of the Municipal Code. The amendments to section 2-103 would increase the campaign contribution limit to \$4,100 and remove the CPI adjustment. The amendments to section 2-110 would remove the prohibition on cash contributions by allowing cash contributions up to \$25, provided the contribution is not anonymous. All anonymous contributions would continue to be prohibited.

Respectfully submitted,



Jennifer K. McCain
Assistant City Attorney



Allegra D. Frost
Deputy City Attorney

Attachments: A redlined version of Sections 2-103 and 2-110 is attached to this Staff Report.

ORDINANCE NO. 2013-04

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF ESCONDIDO, CALIFORNIA, AMENDING THE
ESCONDIDO MUNICIPAL ELECTION CAMPAIGN
CONTROL ORDINANCE, CHAPTER 2, ARTICLE 7
REGARDING CAMPAIGN CONTRIBUTIONS FOR LOCAL
ELECTIONS

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

WHEREAS, pursuant to the authority granted by Government Code section 81013, the
Escondido City Council enacted Article 7 of Chapter 2 of the Escondido Municipal Code in 1983 to
supplement the Political Reform Act of 1974, as amended; and

WHEREAS, further amendments were made to Article 7 of Chapter 2 of the Escondido
Municipal Code in 1986, 1997, 2002 and 2007; and

WHEREAS, the Escondido City Council now desires to increase local campaign contribution
limits and allow small cash contributions as permitted by State law.

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

SECTION 1. That Article 7 of Chapter 2, Sections 2-103 and 2-110 of the Escondido
Municipal Code are amended to read as follows:

Article 7. Controls on Campaign Contributions

Sec. 2-103. Campaign contributions; limitations.

(a) No person other than a candidate shall make, and no campaign treasurer shall
solicit or accept, any contribution which will cause the total amount contributed by such
person with respect to a single election in support of or opposition to such candidate,
including contributions to all committees supporting or opposing such candidate, to
exceed ~~four thousand and one hundred dollars (\$4,100.00)~~ ~~five hundred dollars (\$500)~~.
~~The limit set forth in this subsection may be adjusted every odd numbered year~~
~~pursuant to Section 2-103(e).~~

(b) Extensions of credit for a period of more than thirty (30) days are prohibited. Extensions of credit of more than five hundred dollars (\$500.00) are prohibited. A candidate shall not lend his or her own campaign more than one hundred thousand dollars (\$100,000.00) per election. A candidate may not charge interest on any loan he or she made to his or her campaign.

(c) The terms of this section are applicable to any contributions made to a candidate or committee, whether used by such candidate or committee to finance a current campaign, to pay deficits incurred in prior campaigns, or otherwise.

(d) If any person is found guilty of violating the terms of this section, the amount of funds received constituting such violation shall be paid by the candidate or committee treasurer who received such funds to the city treasurer for deposit in the general fund of the city.

~~(e) The dollar limitation set forth in subdivision (a) of this section shall be adjusted every odd numbered year commencing in 2009. The City Clerk shall adjust the contribution limits to reflect any changes in the Consumer Price Index for the San Diego area for the two year period ending December 31 of the previous year. Adjustments shall be rounded to the nearest ten dollars. The City Clerk shall publish a public notice of any adjustments by March 1, or as soon as practicable, following the Bureau of Labor Statistic's release of the applicable Consumer Price Index data.~~

Sec. 2-110. Cash and anonymous contributions.

(a) No contribution over twenty-five dollars (\$25.00) shall be made or received in cash. Any cash contributions above twenty-five dollars (\$25.00) shall be paid promptly from available campaign funds, if any, to the city treasurer for deposit in the general fund of the city.

(b) No cash or anonymous contributions shall be accepted by any candidate or committee. Any such anonymous contributions received shall be paid promptly from available campaign funds, if any, to the city treasurer for deposit in the general fund of the city.

SECTION 2. SEPARABILITY. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding will not affect the validity of the remaining portions hereof.

SECTION 3. That all ordinances, or parts of ordinances, in conflict herewith are hereby repealed.

SECTION 4. That the City Clerk is hereby directed to certify the passage of this ordinance and to cause the same or a summary to be published one time, within 15 days of its passage, in a newspaper of general circulation, printed and published in the City of Escondido.

ORDINANCE NO. 2013-04

AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AMENDING THE ESCONDIDO MUNICIPAL
ELECTION CAMPAIGN CONTROL ORDINANCE,
CHAPTER 2, ARTICLE 7 REGARDING
CAMPAIGN CONTRIBUTIONS FOR LOCAL
ELECTIONS

WHEREAS, pursuant to the authority granted by Government Code Section 81013, the Escondido City Council enacted Article 7 of Chapter 2 of the Escondido Municipal Code in 1983 to supplement the Political Reform Act of 1974, as amended; and

WHEREAS, further amendments were made to Article 7 of Chapter 2 of the Escondido Municipal Code in 1986, 1997, 2002 and 2007; and

WHEREAS, the Escondido City Council now desires to increase local campaign contribution limits and allow small cash contributions as permitted by State law.

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

SECTION 1. That Article 7 of Chapter 2, Sections 2-103 and 2-110 of the Escondido Municipal Code are amended to read as follows:

Article 7. Controls on Campaign Contributions

Sec. 2-103. Campaign contributions; limitations.

(a) No person other than a candidate shall make, and no campaign treasurer shall solicit or accept, any contribution which will cause the total amount contributed by such person with respect to a single election in support of or opposition to such candidate, including contributions to all committees supporting or opposing such candidate, to exceed four thousand and one hundred dollars (\$4,100).

(b) Extensions of credit for a period of more than thirty (30) days are prohibited. Extensions of credit of more than five hundred dollars (\$500) are prohibited. A candidate shall not lend his or her own campaign more than one hundred thousand dollars (\$100,000) per election. A candidate may not charge interest on any loan he or she made to his or her campaign.

(c) The terms of this section are applicable to any contributions made to a candidate or committee, whether used by such candidate or committee to finance a current campaign, to pay deficits incurred in prior campaigns, or otherwise.

(d) If any person is found guilty of violating the terms of this section, the amount of funds received constituting such violation shall be paid by the candidate or committee treasurer who received such funds to the city treasurer for deposit in the general fund of the city.

Sec. 2-110. Cash and anonymous contributions.

(a) No contribution over twenty-five dollars (\$25) shall be made or received in cash. Any cash contributions above twenty-five dollars (\$25) shall be paid promptly from available campaign funds, if any, to the city treasurer for deposit in the general fund of the city.

(b) No anonymous contributions shall be accepted by any candidate or committee. Any anonymous contributions received shall be paid promptly from available campaign funds, if any, to the city treasurer for deposit in the general fund of the city.

SECTION 2. SEPARABILITY. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding will not affect the validity of the remaining portions hereof.

SECTION 3. That all ordinances, or parts of ordinances, in conflict herewith are hereby repealed.

SECTION 4. That the City Clerk is hereby directed to certify the passage of this ordinance and to cause the same or a summary to be published one time, within 15 days of its passage, in a newspaper of general circulation, printed and published in the City of Escondido.

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 9

Date: April 17, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance

SUBJECT: Fiscal Year 2013/14 Budget Briefing

RECOMMENDATION:

It is requested that Council provide direction regarding the fiscal year 2013/14 General Fund operating budget.

FISCAL ANALYSIS:

Projected revenues and expenses for fiscal year 2013/14 will be presented at the City Council meeting.

The following proposed 2013/14 General Fund sources and uses of funds is balanced without the use of reserves:

Sources of Funds:

Estimated Revenue	\$80,327,500
Transfer from Cable Technology	7,000
Transfer from Gas Tax	2,055,000
Transfer from Heygi Trust	2,000
Transfer from Ryan Trust-Library/Pioneer Room	44,800
Transfer from Wastewater	25,000
TOTAL, Sources	<u>\$82,461,300</u>

Uses of Funds:

General Fund Operating Budget	\$81,582,150
Transfer to Recreation	76,635
Transfer to Reidy Creek Golf Course Debt Service	380,715
Transfer to Vehicle Parking District	76,800
Transfer to Successor Agency-Housing	25,000
Advance Payback to Wastewater-Principal	210,000
Advance Payback to Public Facilities Fund-Principal	110,000
TOTAL, Uses	<u>\$82,461,300</u>

BACKGROUND:**General Fund:**

The proposed 2013/14 budget for the General fund is \$81,582,150. This is an increase of \$5.5 million from the fiscal year 2012/13 budget adopted in June. \$1.6 million of this increase is a change in budgeting for support for the Center for the Arts. Discounting this change in budgeting for the Center for the Arts contribution, the proposed General Fund budget would increase by \$3.9 million dollars or a 5.2% increase from the current year. The most significant portion of this increase is due to a previous City Council action of adding 24 non-safety paramedics with 3 safety positions which added \$1.865 million annually to the budget. This budget is also proposing three new positions, one each in the City Manager's office, Finance and Planning Department's. Another major increase in cost has been the second year of negotiated union contracts. Retirement rates and medical rates have had a small increase in this budget. However, there is a proposal from our State of California Public Employees Retirement System (PERS) to have significant increases to local governments starting in fiscal year 2015/16 and phased in over the next 5 years to address the unfunded liability portion of the retirement system. Another increase is the recognition that for the last two years the Center for the Arts building has exceeded their electricity and gas budget and they are receiving more support from our IT department. We have proposed to increase the city provided support by \$182,000 to cover these costs. At this time, this budget does not provide funds for union contracts that expire within this proposed budget period.

On the revenue side, the fiscal year 2012/13 revenue estimate was \$75,861,500. In March 2013, the City Council approved a mid-year adjustment to revenue estimates of \$2.1 million that primarily increased sales tax revenue and other one-time unanticipated revenue. The proposed fiscal year 2013/14 operating budget revenue estimate is \$80,327,500. This is a projected increase of 4.5% over the FY 2012/13 revised revenue projection excluding one-time revenue. Following are the assumptions used for revenue projections in fiscal year 2013/14:

<u>Revenue</u>	<u>2012/13 Revised</u>	<u>2013/14 Projected</u>	<u>Change</u>	<u>% Change</u>
Sales Tax	\$24,400,000	\$26,352,000	\$1,952,000	+8.0%
Property Tax in lieu of sales tax	7,477,895	8,489,500	1,011,605	+13.5%
Property Tax	10,274,000	10,674,500	400,500	+4.0%
Property Tax in lieu of VLF	10,428,000	10,532,000	104,000	+1.0%
Other taxes	9,486,000	9,686,000	200,000	+2.1%
Permits and licenses	934,000	934,000		0.0%
Fines and forfeitures	1,526,000	1,416,500	(109,500)	-7.2%
Intergovernmental	2,653,500	2,527,500	(126,000)	-4.7%
Charges for Services	6,112,000	6,167,000	55,000	+1.0%
Investment and rental income	3,207,000	3,207,000		0.0%
Other revenue	341,500	341,500		0.0%
Total	\$76,839,895	\$80,327,500	\$3,487,605	+4.5%

- Sales tax receipts are estimated to grow by 8% to reach projected sales tax revenue of \$26.4 million. While aggressive this amount seems warranted as annual sales tax receipts for the past two years have grown by double digits of between 11% and 13%.
- Property tax in lieu of sales tax is projected to increase by 13.5% or about \$1 million to reach projected revenue of \$8.5 million. Of this projected increase \$.7 million of this amount represents a true-up from the State for the prior year underpayment of in lieu sales tax with the remaining \$.3 million representing projected growth in revenue of 4%.
- Property taxes are projected to increase by 4% to reach projected revenue of \$10.7 million. This projected increase is due to improvements in the residential real estate market and a positive County Assessor's applied CPI factor of 2%. All real property not reduced by Proposition 8 will receive the 2% CPI adjustment to assessed value. Those properties that received Proposition 8 temporary reductions in prior years are required to be reviewed by the County Assessor outside of the CPI adjustment factor. Because the median sales price for homes sold in Escondido is up 9% compared to the same time a year ago, our assumption is that this positive growth will be applied by the County Auditor to the lost value of the properties in the Proposition 8 pool.
- Property tax in lieu of VLF is estimated to increase by 1% to reach projected revenue of \$10.5 million. Growth in this revenue is based on the change in assessed value of taxable property in the city from the prior year.
- Other taxes which include franchise fees, TOT, business license fees, property transfer tax and the Redevelopment Property Tax Trust Fund (RPTTF) residual payment is projected to increase by 2% to reached projected revenue of \$9.7 million. This increase is mainly due to a projected residual payment from the RPTTF of \$168,000.
- Permits and licenses that are collected for building, plumbing, electrical, mechanical, fire code and mobile-home permits are projected to remain flat to reach revenue of \$.9 million.
- Fines and forfeitures are projected to decrease by 7% to reach projected revenue of \$1.4 million. This decrease is mainly due to declines in parking ticket and vehicle code fines.
- Intergovernmental revenue includes the Rincon fire services agreement, state mandated cost claims and various grants and is projected to decrease by 5% to reach projected revenue of \$2.5 million. The primary reason for this decrease is delays in payments from the State on mandated cost claims.
- Charges for services are projected to increase by about 1% to reach projected revenue of \$6.2 million. This increase is due to an increase in estimated revenue from conservation credits of about \$100,000 which is offset by a decrease in the reimbursement from the School District's for the School Resource Officer.
- Income from interest and property is projected to remain unchanged at \$3.2 million.

Other Funds:

Information regarding proposed budgets for other funds is summarized below.

Building Maintenance:

Increases to this operating budget include the addition of a Deputy Director position and an increase in safety facility utilities of \$120,000. This fund is not proposing any increases in charges to the General Fund. It is projected that there will not be any remaining reserves at the end of fiscal year 2012/13. In order to balance this budget, \$364,000 of the \$875,000 that was transferred to the Capital Projects Fund during 2012/13 will need to be transferred back in 2013/14.

Warehouse:

Approximately \$90,000 of reserves is requested to be used to replace a forklift.

Fleet:

This fund is proposing no increases in charges to the General Fund. Significant increases included in this budget are \$450,000 for gas, oil, lubricants and fuel, \$200,000 lease payment for a Fire ladder truck, \$140,000 for a new fueling system and approximately \$90,000 for vehicle replacements. If these increases are approved, \$931,000 of reserves will need to be used in order to balance this budget.

Telecommunications:

This fund is proposing to use \$400,000 in reserves for voice/data hardware and network backbone upgrades.

Workers' Comp:

Benefits paid and medical services costs have increased by approximately \$418,000. This fund is proposing a \$600,000 decrease in charges to departments and a use of reserves of \$1.8 million.

General Liability:

The proposed operating budget for this fund is fairly consistent with prior year. It is requested that \$625,000 of reserves be used to offset expenditures.

Benefits Administration:

This fund projects an increase in insurance premiums of approximately \$250,000.

Property Insurance:

It is proposed that reserves be used to cover an \$80,000 projected increase in insurance premiums.

Dental Insurance:

There is no change to the bottom line of this operating budget. Similar to last year, it is balanced with the use of approximately \$166,000 in reserves.

Unemployment Insurance:

It is projected that claims will decrease by \$60,000. This budget is balanced with a use of reserves of \$89,000 and a decrease in charges to departments of \$90,000.

Recreation:

This fund has decreased its' operating budget by \$82,000 and includes the elimination of two grant funded positions. There are no available reserves in this fund. In order to balance this budget, a transfer from the General Fund of \$77,000 is proposed.

CDBG:

An 8% reduction in grant funding and \$113,000 decrease in CDBG projects are projected for this fund. This fund anticipates further reductions in 2014/15 due to the Federal sequestration order.

Landscape Maintenance District:

The bottom line of this operating budget is fairly consistent with prior year. It is proposed that it be balanced with a use of reserves of \$98,000.

Successor Agency-Housing:

Proposed changes to this fund include the addition of a Principal Planner position transferred from the capital improvement program and an \$80,000 increase in allocations out to the HOME fund and \$97,000 allocation out to the capital improvement program. The \$695,000 ERAF repayment that was anticipated to be received by this fund during 2013/14 has been disallowed by the State Department of Finance causing a significant decrease in housing programs and future development.

HOME Program:

This fund is balanced with a use of reserves of approximately \$2 million due to the 1997 Terraces loan repayment that was received during 2012/13 that will be used for program costs during 2013/14.

Water:

This fund projects an approximately \$5 million increase in the cost of purchased water to be offset by an increase in water rates.

Wastewater:

Professional service contracts are proposed to increase by over \$1 million for the benthic study, ocean monitoring and municipal separate storm sewer (MS4) maintenance. In addition, this fund is proposing a reorganization of staff. Four full-time positions are requested to be added to this fund.

Respectfully submitted,



Gilbert Rojas
Director of Finance

FUTURE CITY COUNCIL AGENDA ITEMS
April 11, 2013

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

APRIL 24, 2013
4:30 p.m. No Meeting

MAY 1, 2013
4:30 p.m.

PRESENTATION

Water is Life Poster Contest Awards

CONSENT CALENDAR

Contract Change Order for the 2011 Miscellaneous Water Main Replacement Project Phase I
(C. McKinney)

The area encompassed by Stanley Way, Thomas Way, Lincoln Avenue and North Rose was originally developed in a piecemeal fashion in the County of San Diego. The water services for many of the residents were located in the backyards of houses in private easements. In order to bring the area up to an acceptable City standard and to re-locate meters to the front yards, additional water mains and appurtenances were found to be required.

Summary Street Vacation: Portions of South Orange Street and a Portion of the Alley Running Perpendicular to South Orange Street and Centre City Parkway
(E. Domingue)

Request Council authorize the summary street vacation of portions of South Orange Street and a portion of the alley running perpendicular to South Orange Street and Centre City Parkway.

PUBLIC HEARINGS:

Conditional Use Permit for John Paul the Great University (PHG 13-0005)
(B. Redlitz)

The Council adopted Resolution No. 2013-14 on February 13, 2013 amending the Interim Downtown Specific Plan to allow 'Educational Facilities for Adults' in the Historic Downtown District on the ground floor along Grand Avenue with a Conditional Use Permit (CUP). On April 3, 2013, the Economic Development Subcommittee approved the applicant's request for expedited processing of the project. This would allow the CUP to be considered by the City Council instead of the Planning Commission. CUPS's typically only are considered by the Planning Commission unless appealed to the Council.

One-Year Action Plan for FY 2013-2014 Home Funds for Affordable Housing Activities and CDBG Funds for Community Development Programs and Projects (File No. PHG 13-0007)
(E. Domingue and B. Redlitz)

This is a required hearing for the annual Action Plan for allocating federal HOME and CDBG funds for projects and programs.

MAY 1, 2013

Continued

CURRENT BUSINESS

**Preliminary Five-Year Capital Improvement Program and Project Budgets
for FY 2013/14**

(G. Rojas)

*Per Council direction, preliminary meeting to discuss staff recommended capital project requests for the
2013/14 Capital Improvement Program and Budget.*

Future Agenda Items (D. Halverson)