

ONLINE AGENDA INFORMATION

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CITY OF EL CAJON

*City Council/Housing Authority/
Successor Agency to the Redevelopment Agency*

AGENDA



February 27, 2018

**Honoring
and celebrating
the people
who make
El Cajon**

***The Valley
of
Opportunity***

Bill Wells
Mayor

Gary Kendrick
Mayor Pro Tem

Steve Goble
Councilmember

Ben Kalasho
Councilmember

Bob McClellan
Councilmember

Douglas Williford
City Manager

Morgan Foley
City Attorney

Graham Mitchell
Assistant City Manager

Angela Aguirre
City Clerk



**February 27, 2018
3:00 p.m.**

The Agenda contains a brief general description of each item to be considered and most items have a *RECOMMENDATION* from Staff or a Commission, which Council will consider when making a final decision.

Copies of written documentation relating to each item of business on the Agenda are on file in the City Clerk's Office and in the Agenda Book next to the podium in the Council Chambers.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM FOR EACH ITEM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE CITY CLERK if you wish to speak about an Item on the Agenda or under Public Comment.

- **CALL TO ORDER:** Mayor Bill Wells
- **ROLL CALL:** City Clerk Angela Aguirre



PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE

- **POSTINGS:** The City Clerk posted Orders of Adjournment of the February 13, 2018, Meetings and the Agenda of the February 27, 2018 Meetings in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.
- **PRESENTATIONS:**
 - **PROCLAMATION: Career and Technical Education Month**

- **AGENDA CHANGES:**

CONSENT ITEMS: (1.1 – 1.9)

** Asterisk indicates agenda item includes back up information available for review.*

Consent Items are routine matters enacted by one motion according to the RECOMMENDATION listed below. With the concurrence of the City Council, a Council Member or person in attendance may request discussion of a *Consent Item* at this time.

***1.1 MINUTES OF CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY MEETINGS**

RECOMMENDATION: That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the February 13, 2018 Meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

1.2 WARRANTS

RECOMMENDATION: That the City Council approves payment of Warrants as submitted by the Finance Department.

1.3 APPROVAL OF READING BY TITLE AND WAIVER OF READING IN FULL OF ORDINANCES ON AGENDA

RECOMMENDATION: That the City Council approves the reading by title and waive the reading in full of all Ordinances on the Agenda.

***1.4 RESOLUTION: AWARD OF RFP NO. 022-18, EL CAJON SYSTEMIC SAFETY ANALYSIS REPORT (Report: Nahid Razi, Purchasing Agent)**

RECOMMENDATION: That the City Council adopts the next RESOLUTION in order to enter into an agreement for vehicle collision safety analysis services with Chen Ryan Associates, Inc., in the not-to-exceed amount of \$67,260.00 for a six-month term.

CONSENT ITEMS: (Continued)

- *1.5 RESOLUTION: AWARD OF BID NO. 024-18, STREET LIGHT TRANSIT FACILITY IMPROVEMENTS (Report: Nahid Razi, Purchasing Agent)**

RECOMMENDATION: That the **City Council** adopts the next RESOLUTION in order awarding the bid to the lowest responsive, responsible bidder, LNR Engineering & Construction, Inc., in the amount of \$68,950.00.

- *1.6 RESOLUTION: AWARD OF BID NO. 014-18, ADA PEDESTRIAN CURB RAMPS & SIDEWALKS 2018 (Report: Nahid Razi, Purchasing Agent)**

RECOMMENDATION: That the **City Council** adopts the next RESOLUTION in order awarding the bid to the lowest responsive, responsible bidder, Tri-Group Construction & Development, Inc., in the amount of \$147,056.00 for the base bid and Additive Alternate No. 1.

- *1.7 ACCEPTANCE OF WELLS PARK FENCING REBID PROJECT, PK3603, BID NO. 010-18 (Report: Dirk Epperson, Director of Public Works)**

RECOMMENDATION: That the **City Council** accepts the Wells Park Fencing Rebid project, PK3603, Bid No. 010-18, and authorizes the City Clerk to record a Notice of Completion and release the bonds in accordance with the contract terms.

- *1.8 RETIREMENT/RELINQUISHMENT OF POLICE SERVICE DOG "RAICO" (Report: Jeff Davis, Chief of Police)**

RECOMMENDATION: That the **City Council** takes the following action: Retires and releases sole ownership of El Cajon Police Service Dog "Raico" to Officer Michael Murphy, his experienced and sole handler.

CONSENT ITEMS: (Continued)

*1.9 FISCAL YEAR 2017-18 MID-YEAR REPORT AND FIVE-YEAR BUSINESS PLAN UPDATE (Report: Clay Schoen, Finance Director)

RECOMMENDATION: That the City Council:

- Receives and accepts the Fiscal Year 2017-18 Mid-Year Report and Five-Year Business Plan Update;
- Authorizes the proposed personnel changes detailed in the report;
- Increases or modifies Fiscal Year 2017-18 appropriations in the net amount of \$1,476,411.00 for additional needs as detailed in the report; and
- Authorizes the proposed capital expenditures detailed in the report.

PUBLIC COMMENT

At this time, any person may address a matter within the jurisdiction of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency that is not on the Agenda. Comments relating to items on today's agenda are to be taken at the time the item is heard. State law prohibits discussion or action on items not on the Agenda; however, Council, Authority and Agency Members may briefly respond to statements or questions. An item may be placed on a future Agenda.

2. WRITTEN COMMUNICATIONS: NONE

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3. PUBLIC HEARINGS:

***3.1 RESOLUTIONS: DELINQUENT REFUSE COLLECTION CHARGES
(Report: Dirk Epperson, Director of Public Works)**

RECOMMENDATION: That the City Council:

- Opens the Public Hearing and considers public testimony;
- Closes the Public Hearing;
- Adopts the next RESOLUTIONS in order confirming the list of property owners as delinquent in the payment of their mandatory trash service bills; and
- Authorizes the City Clerk to record the amount owed as a lien on the property and forward a list to the County Tax Assessor for billing on the next property tax bill.

***3.2 RESOLUTIONS: DELINQUENT SEWER SERVICE CHARGES
(Report: Dirk Epperson, Director of Public Works)**

RECOMMENDATION: That the City Council:

- Opens the Public Hearing and considers public testimony;
- Closes the Public Hearing;
- Adopts the next RESOLUTIONS in order confirming the charges and levying the assessments on the next regular tax bill; and
- Authorizes the City Clerk to place a lien on delinquent properties and to forward a list to the County Tax Assessor for billing on the next property tax bill.

4. ADMINISTRATIVE REPORTS:

***4.1 DONATION TO SALVATION ARMY FOR EL CAJON SENIORS
(Report: Graham Mitchell, Assistant City Manager)**

RECOMMENDATION: That the City Council receives a report from the Salvation Army regarding a \$5,000.00 donation from the City to assist El Cajon seniors.

ADMINISTRATIVE REPORTS: (Continued)

- *4.2 PROPOSAL FOR TWO ADDITIONAL SWORN POLICE OFFICERS, MODIFICATION OF THE POLICE SERVICES OFFICER CLASSIFICATION, AND CREATION/ADDITION OF THE POLICE SERVICE OFFICE II CLASSIFICATION
(Report: Jeff Davis, Chief of Police)**

RECOMMENDATION: That the City Council approves:

- Adding two additional full-time Police Officer positions;
- Modifying the existing Police Services Officer classification;
- Creating the Police Services Officer II classification; and
- Directing the City Manager to add these positions to the FY 2017-18 Budget.

5. COMMISSION REPORTS: None

6. ACTIVITIES REPORTS OF MAYOR WELLS/COMMENTS

SANDAG (San Diego Association of Governments); League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; Indian Gaming Local Community Benefit Committee. LAFCO*

***6.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

***6.2 LEGISLATIVE ACTIONS (Report: Graham Mitchell, Assistant City Manager)**

RECOMMENDATION: That the City Council opposes SB 827 (Wiener), and SB 946 (Lara).

ACTIVITIES REPORTS OF COUNCILMEMBERS

7. MAYOR PRO TEM GARY KENDRICK Heartland Communications JPA; Heartland Fire Training JPA.

***7.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)

8. COUNCILMEMBER BOB MCCLELLAN
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications JPA – Alternate.

***8.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

9. COUNCILMEMBER BEN KALASHO
East County Economic Development Council – Alternate; METRO Commission/Wastewater JPA; Indian Gaming Local Community Benefit Committee – Alternate.

***9.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

10. COUNCILMEMBER STEVE GOBLE
SANDAG – Alternate; SANDAG Public Safety Committee – Alternate; Chamber of Commerce – Government Affairs; MTS (Metropolitan Transit System Board) – Alternate; East County Economic Development Council; METRO Commission/Wastewater JPA - Alternate.

***10.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

11. JOINT COUNCILMEMBER REPORTS: None

12. GENERAL INFORMATION ITEMS FOR DISCUSSION: None

13. ORDINANCES: FIRST READING - None

14. ORDINANCES: SECOND READING AND ADOPTION - None

15. CLOSED SESSIONS: None

ADJOURNMENT: The Adjourned Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 27th day of February 2018, is adjourned to Tuesday, February 27th, 2018, at 7:00 p.m.

*Joint Meeting
El Cajon City Council/Housing
Authority/Successor Agency to the El Cajon
Redevelopment Agency*

February 27, 2018
7:00 p.m.

COUNCIL CHAMBERS
200 Civic Center Way
El Cajon, California

AGENDA

- **CALL TO ORDER:** Mayor Bill Wells
- **ROLL CALL:** City Clerk Angela Aguirre

PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE

- **AGENDA CHANGES:**
- **PUBLIC COMMENT:**

At this time, any person may address a matter within the jurisdiction of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency that is not on the Agenda. Comments relating to items on today's docket are to be taken at the time the item is heard. State law prohibits discussion or action on items not on the Agenda; however, Council, Authority and Agency Members may briefly respond to statements or questions. An item may be placed on a future Agenda.

** Asterisk indicates agenda item includes back up information that is available for review.*

PUBLIC HEARINGS:

- *100 FY 2018-19 CDBG AND HOME ALLOCATIONS FOR ONE-YEAR ACTION PLAN
(Report: Anthony Shute, Director of Community Development)**

RECOMMENDATION: That the City Council:

- Opens the Public Hearing;
- Accepts public input for the FY 2018-19 One-Year Action Plan;
- Closes the Public Hearing; and
- Allocates funds to projects and programs that will be funded from the FY 2018-19 Community Development Block Grant (CDBG) and HOME grant programs.

ADJOURNMENT: The Adjourned Regular Joint Meeting of the El Cajon City Council/El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 27th day of February 2018, is adjourned to Tuesday, March 13, 2018, at 3:00 p.m.

Upcoming Events in El Cajon - City Council Meeting for February 27, 2018

Firefighters “Give Burns the Boot” Drive – Thursday, March 1, 6 a.m. – 10 a.m.

Firefighters from Heartland Fire & Rescue in El Cajon will be collecting donations on E. Main Street at Greenfield Drive near Interstate 8. Funds benefit the Burn Institute for burn survivor support programs. Donations in any amount are appreciated!

RUN EC’s St. Patrick’s Day Half Marathon - Sunday, March 4, 6:15 a.m.

Register now for the St. Patrick’s Day Half Marathon, 5K Run/Walk, Green Mile, and Tribes & Clans competition. The marathon begins at 198 West Main Street, in Downtown El Cajon, next to the El Cajon Arch. Funds raised will benefit several East County charities. Visit www.stpatricksdlayhalf.com for more information, to register or to volunteer. The marathon is hosted by the Run East County Foundation.

Daylight Saving Time Begins – Sunday, March 11

It’s time to “spring forward” and turn clocks ahead one hour at 2:00 a.m. Sunday morning. It’s also a great opportunity to check and replace the batteries in your smoke and carbon monoxide (CO) alarms in your home and/or business. Visit www.heartlandfire.org for safety tips!

Arbor Day Celebration - Saturday, March 24, 8 a.m.

Join the City of El Cajon as it celebrates the 21st year of receiving the Tree City USA award and the 29th Annual Arbor Day ceremony. The event will be held at Kennedy Park, 1675 E. Madison Avenue. To volunteer, please call (619) 441-1658.

5th Annual America on Main Street - Saturday, May 19, 2 p.m. to 9 p.m.

This free community event celebrates Diversity in America with live entertainment, rides, crafts, and food! A Naturalization Ceremony will be held at 1:30 p.m. For details, visit www.AmericaOnMainStreet.org.

Youth of the Year Nomination Forms Now Being Accepted - Deadline is March 22

The City of El Cajon Teen Coalition presents a “Youth of the Year” Award to recognize those youth who go above and beyond in serving their community. One middle school and one high school student will be selected. Youth will be awarded for community service accomplished between January 1, 2017 and December 31, 2017. Applications are available on the City’s website at www.cityofelcajon.us, or can be requested by calling (619) 441-1678.

El Cajon Recreation Guide Winter 2018 - now available!

The City offers a wide variety of classes, camps, and sports for every member of the family! Register for recreation programs in person at the City recreation centers or online at www.elcajonrec.org. For information, call (619) 441-1754.

General Information:

City Hall Closed on Alternate Fridays - Next closure on Friday, March 9

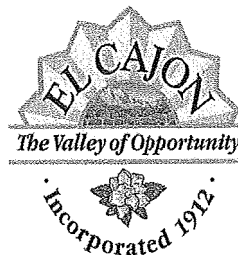
For a full calendar of City Hall office hours, visit www.cityofelcajon.us.

City Council Meeting – Tuesday, March 13, 3 p.m. and 7 p.m. (as needed)

Meetings are held on the second and fourth Tuesday of the month as needed in the Council Chamber, at 200 Civic Center Way. For information, and to view the full agenda, visit www.cityofelcajon.us.

Stay Informed on City Events, Services & Meetings - Visit the City of El Cajon’s website at www.cityofelcajon.us. Register for the “E-NOTIFICATION.”

**JOINT MEETING OF THE
EL CAJON CITY COUNCIL/HOUSING
AUTHORITY/SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY**



MINUTES

**CITY OF EL CAJON
EL CAJON, CALIFORNIA**

February 13, 2018

A Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the Redevelopment Agency of the City of El Cajon, California held Tuesday, February 13, 2018, was called to order by Mayor/Chair Bill Wells at 3:00 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present:	Goble, Kalasho and McClellan
Council/Agencymembers absent:	None
Mayor Pro Tem/Vice Chair present:	Kendrick
Mayor/Chair present:	Wells
Other Officers present:	Aguirre, City Clerk/Secretary Foley, City Attorney/General Counsel Mitchell, Assistant City Manager Williford, City Manager/Executive Director

DRAFT

Mayor Wells invited Alyssa Holgin, Mayoral Candidate for Rancho San Diego Elementary Jr. Achievement Biztown, to lead the PLEDGE OF ALLEGIANCE and a MOMENT OF SILENCE. (The Courts have concluded that sectarian prayer as part of City Council Meetings is not permitted under the Constitution).

POSTINGS: The City Clerk posted Orders of Adjournment of the January 23, 2018, meeting and the Agenda of the February 13, 2018, meetings in accordance with State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

PRESENTATIONS:

- **El Cajon Teen Coalition**

Councilmember McClellan invited the students in the audience to introduce themselves to Council.

- **Fletcher Hills Recreation Center - Award**

AGENDA CHANGES: None

CONSENT ITEMS: (1.1 – 1.8)

City Attorney Foley stated that a corrected version for Item 1.6, was presented to Council, with an amount change from \$76,000.00 to \$76,200.00.

1.1 MINUTES OF CITY COUNCIL/REDEVELOPMENT AGENCY MEETINGS

Approve Minutes of the January 23, 2018 Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

1.2 WARRANTS

Approve payment of Warrants as submitted by the Finance Department.

1.3 APPROVAL OF READING BY TITLE AND WAIVER OF READING IN FULL OF ORDINANCES ON AGENDA

Approve the reading by title and waive the reading in full of all Ordinances on the Agenda.

CONSENT ITEMS: (Continued)

**1.4 RESOLUTIONS: APPROVAL OF PLANS AND SPECIFICATIONS FOR STREET RESURFACING/PAVEMENT PRESERVATION 2018, JOB NO. PW3622, BID NO. 029-18
(Report: Dirk Epperson, Director of Public Works)**

Adopts RESOLUTION NO. 005-18 to Approve Plans and Specifications for Street Resurfacing Pavement Preservation 2018, PW3622, Bid No. 029-18; and RESOLUTION NO. 006-18 to Direct a Notice Inviting Sealed Bids to be opened on March 15, 2018.

1.5 RESOLUTION: AWARD OF BID NO. 026-18 – BMW POLICE MOTORCYCLE (Report: Nahid Razi, Purchasing Agent)

Adopts RESOLUTION NO. 007-18 to awarding the bid to the sole responsive, responsible bidder, Powersports Unlimited, Inc., dba: BMW Motorcycles of Escondido, in the amount of \$26,767.86.

Item Pulled for Discussion:

**1.6 FIRST AMENDMENT TO FY 2017-18 ONE YEAR ACTION PLAN FOR RE-ALLOCATION OF AVAILABLE CDBG FUNDS
(Report: Anthony Shute, Director of Community Development)**

RECOMMENDATION: That the City Council:

- Re-allocates \$76,200.00 in available unallocated Community Development Block Grant (CDBG) funds to Project PK3582/C0923, Stoney's Neighborhood Park Improvements; and
- Appropriates \$76,200.00 of CDBG funding to Parks Capital Improvement Project PK3582 Stoney's Neighborhood Park Improvements.

DISCUSSION

Bonnie Price stated that the budget sent from the President's office to Congress, eliminates Community Development Block Grant funding, and that the City would have to be diligent in order to get funding for projects.

CONSENT ITEMS: (Continued)

1.7 APPROVE CONTRACT CHANGE ORDER FOR PW3575 ADA PEDESTRIAN CURB RAMP AND SIDEWALKS 2017 PROJECT, BID NO. 018-18

(Report: Yazmin Arellano, Deputy Director of Public Works/City Engineer)

Approves the Contract Change Order for PW3575 ADA Pedestrian Curb Ramp and Sidewalks 2017 Project, Bid No. 018-18, in the amount of \$60,603.50 for Crest Equipment, Inc., for construction and installation of ADA pedestrian curb ramps and related concrete surface improvements. The existing contract amount with Crest Equipment, Inc., is \$213,699.35, and the revised contract amount, if approved, would be \$274,302.85.

**1.8 COMMUNITY EVENT IN THE RIGHT-OF-WAY - RunEC
(Report: Frank Carson, Director of Recreation)**

Approves the use of the public right-of-way for the RunEC St. Patrick's Day Half Marathon/5K.

**MOTION BY McCLELLAN, SECOND BY KENDRICK, to APPROVE
Consent Items 1.1 to 1.8.**

MOTION CARRIED BY UNANIMOUS VOTE.

PUBLIC COMMENT:

Stanley Sexton spoke about an incident with AMR Ambulance service, which he considered dangerous. **City Manager Williford** stated he would investigate the incident with the help of **Fire Chief Stowell**, and make a report to the **City Council**.

Jim Cirigliano, resident of Villa Novia Mobile Home Park shared a handout with **City Council**, which included the El Cajon Municipal Code, Mobile Home Rent Mediation chapter, and a consumer price index statistics from the U.S. Department of Labor.

Debrah Reeves, resident of Villa Novia, expressed her concern for the way the park management raises their rent space fees.

PUBLIC COMMENT: (Continued)

Jenelle Pickett, resident of Villa Novia, protested the injustice to the senior residents by way of unfair rent increase.

Linda Munsch stated that seniors are living on a limited income, and that at the continued rate increase they would not be able to afford living at the mobile home park.

Wendy Morris, Administrator of Sophie's Art Gallery, invited Council to view the Bowling Pin Exhibit currently at City Hall, and she introduced two (2) artists of the exhibit, **Terry Ash** and **Andrea Sheldon**. **Ms. Morris** also introduced **Tracy Kale**, event coordinator for Parkway Bowl and **Rachel Lynch**, Director of sales for the Marriott Hotel, and St. Madeleine Sophie's CEO, **Debra Emerson**.

Larry Schulte shared that the lot where the new Kaiser building is to be built needs maintenance, as it has become a homeless camp. He stated that the program used to pay the sewer online needs an update for better services to the citizens. **Mr. Schulte** thanked the City Council for the work done to help homelessness. **Mayor Wells** directed staff to contact **Mr. Schulte** after Kaiser Management has been contacted for cleanup, and regarding the website problems.

Carol Chuhna supports the no panhandling signs and encourages the **City Council** to adopt regulations to protect the citizens and the homeless population.

Bonnie Price spoke in support of rent control for citizens of El Cajon.

Eric Lund, CEO for the East County Chamber of Commerce, shared a pamphlet with information about shelters both temporary and long term for homeless citizens. He also provided information on the Salvation's Army program "A Way Back Home", a homeless reunification program.

Margaret Carlson spoke to advocate the need of a full service hospital in the East County. She stated she would like to see the Friendship Festival as part of the City's events once again, and she would like to see a program that trains citizens to help the city during a local crisis.

Mark Lane thanked Council for rescinding the ban on food sharing. He thanked **Councilmember Goble** for reaching out to him and spending time sharing ideas. He asked that the **City Council** and **City Attorney** to consider changing the charges on the 12 people arrested for feeding the homeless. **Mr. Lane** made disapproving comments against **Councilmember Kalasho**.

PUBLIC COMMENT: (Continued)

Ever Parmely stated she was one of the twelve people arrested for feeding the homeless, she asked that charges against her and the other people be dropped by the City.

Shane Parmely stated that arresting homeless people and releasing them onto another city seems to be the way to remove them from El Cajon. She added that high rent will make it even more of a challenge for people to afford a home to live in. **Ms. Parmely** thanked **Councilmember Goble** for his time and ideas to solve some of the local problems.

Jeanine Schmidt spoke about the homeless count in the County of San Diego, and how it justifies rent increases.

2. **WRITTEN COMMUNICATIONS: None**

3. **PUBLIC HEARINGS: None**

4. **ADMINISTRATIVE REPORTS:**

4.1 **RESOLUTION: AWARD OF BID NO. 021-18, SEWER AND STORM DRAIN REPAIR AND REPLACEMENT, WW3519 (Report: Nahid Razi, Purchasing Agent)**

RECOMMENDATION: That the City Council adopts the next RESOLUTION in order awarding the bid to the sole responsive, responsible bidder, Burtech Pipeline, Inc., in the amount of \$2,627,759.00 for the base bid and Additive Alternate No. 3.

DISCUSSION

Director of Public Works, **Dirk Epperson**, provided detailed information on the Item.

MOTION BY McCLELLAN, SECOND BY KENDRICK, to ADOPT RESOLUTION NO. 008-18 to award the bid to the sole responsive, responsible bidder, Burtech Pipeline, Inc., in the amount of \$2,627,759.00 for the base bid and Additive Alternate No. 3.

MOTION CARRIED BY UNANIMOUS VOTE.

Recess called at 4:31 p.m.

Meeting called back to order at 4:36 p.m.

5. COMMISSION REPORTS: None

6. ACTIVITIES REPORTS OF MAYOR WELLS/COMMENTS

SANDAG (San Diego Association of Governments); League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; Indian Gaming Local Community Benefit Committee. LAFCO*

6.1 Council Activities Report/Comments

REPORT AS STATED.

6.2 LEGISLATIVE REPORT - No Report

ACTIVITIES REPORTS OF COUNCILMEMBERS

7. MAYOR PRO TEM GARY KENDRICK

Heartland Communications JPA; Heartland Fire Training JPA.

7.1 Council Activities Report/Comments

REPORT AS STATED.

8. COUNCILMEMBER BOB MCCLELLAN

MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications JPA – Alternate.

8.1 Council Activities Report/Comments

REPORT AS STATED.

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)

9. COUNCILMEMBER BEN KALASHO

East County Economic Development Council – Alternate; METRO Commission/Wastewater JPA; Indian Gaming Local Community Benefit Committee – Alternate.

9.1 Council Activities Report/Comments

REPORT AS STATED.

9.2 PROCLAMATION HONORING THE EL CAJON POLICE DEPARTMENT

RECOMMENDATION: That the City Council place on its next agenda a proclamation honoring our Police Department for its outstanding service to the community.

DISCUSSION

Councilmember Kalasho recommends approving the proclamation to honor the El Cajon Police Department for their participation during the ban on public feedings.

City Attorney Foley confirmed the statement by **Mayor Wells**, that the Item was noticed as a procedural matter, and not advertised as action to be taken. Per Brown Act requirements, it can not be voted on during this meeting.

MOTION BY KALASHO, SECOND BY GOBLE, to place on its next agenda a proclamation honoring our Police Department for its outstanding service to the community.

DISCUSSION

Mayor Wells stated he would be voting No on the Item, because he was uncomfortable with continuing to politize the situation.

Mayor Pro Tem Kendrick stated that he believed this was a political maneuver. He added that out of respect for the people who stood against the food sharing ban, he would not support this Item.

Councilmember McClellan spoke in support of the comments made by **Mayor Wells**.

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Item 9.2 - Continued)

Councilmember Goble shared that his opinion was that, this was just a recommendation to add to the next agenda. He added that he reserved his judgement on the proclamation, pending the wording, to see if in fact this was a political move or otherwise.

**MOTION FAILED BY A 2 – 3 VOTE
KENDRICK, McCLELLAN, WELLS – NO.**

10. COUNCILMEMBER STEVE GOBLE

SANDAG – Alternate; SANDAG Public Safety Committee – Alternate; Chamber of Commerce – Government Affairs; MTS (Metropolitan Transit System Board) – Alternate; East County Economic Development Council; METRO Commission/Wastewater JPA - Alternate.

10.1 Council Activities Report/Comments

REPORT AS STATED.

10.2 ENHANCEMENTS TO THE CITY'S EFFORT ADDRESSING HOMELESSNESS

RECOMMENDATION: That the City Council place on a future meeting agenda a discussion, and any relevant action, on the ways to make the public, including people experiencing homelessness, more aware of the help available to people who are homeless, including the City's own efforts.

DISCUSSION

Councilmember Goble stated that he would like for the signs posted throughout the City to have additional information for those seeking help. He encouraged the **City Council** to join forces with the East County Homeless Task Force (ECHTF) to promote bracelets, and other information, including the mobile device application.

Mayor Wells spoke in support of adding a Report to a future agenda.

Harold Brown thanked everyone who has worked on coming up with a solution to help people experiencing homelessness. He added that he does not see anything wrong with the current signs posted throughout the City.

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Item 10.2 - Continued)

Councilmember McClellan suggested including the ECHTF in future discussions to get their input on the issue.

Lorraine Leighten spoke about comments made by **Councilmember Kalasho** on the Reader Publication.

Eric Lund, President of the San Diego East County Chamber of Commerce and Acting Director for the East County Homeless Task Force. He shared an update for the EConnect Application. And he introduced **Mark Ostrosky** who spoke about the information that can be reached through the EConnect App.

Cathy Zeman, representing the Downtown El Cajon Business Partners, praised the **City Council** on the compassionate ways they have addressed the homeless issue in the City.

Local Business Owner, **Leland Mench**, spoke in support of everything the **City Council** is doing to help the homeless population.

In response to a question by **Councilmember McClellan**, **Assistant City Manager Mitchell** stated that by using Police statistics, the City has installed about 25 signs.

Mayor Pro Tem Kendrick stated that he has spoken with local business owners and that they support the anti-panhandling signs.

Mark Lane stated that more services are required for the homeless to prevent panhandling. He added that he has a commitment to **Councilmember Goble** for financial support for additional signs if required.

Shane Parmely stated that more help is needed for the homeless population. She stated that more homeless representation is needed in the Homeless Task Force.

MOTION BY GOBLE, SECOND BY WELLS, to PLACE on a future meeting agenda a discussion, and any relevant action, on the ways to make the public, including people experiencing homelessness, more aware of the help available to people who are homeless, including the City's own efforts.

MOTION CARRIED BY UNANIMOUS VOTE.

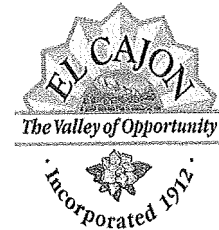
11. JOINT COUNCILMEMBER REPORTS: None
12. GENERAL INFORMATION ITEMS FOR DISCUSSION: None
13. ORDINANCES: FIRST READING - None
14. ORDINANCES: SECOND READING AND ADOPTION - None
15. CLOSED SESSIONS: None

Adjournment: Mayor Wells adjourned the Regular Joint Meeting of the City Council/Housing Authority/Successor Agency to the Redevelopment Agency held this 13th day of February 2018, at 5:11 p.m. to Tuesday, February 13, 2018, at 7:00 p.m.

DRAFT

Angela Aguirre
City Clerk/Secretary

JOINT MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY



MINUTES

CITY OF EL CAJON EL CAJON, CALIFORNIA

February 13, 2018

An Adjourned Regular Joint Meeting of the City Council/Housing Authority/Successor Agency to the Redevelopment Agency of the City of El Cajon, California, held Tuesday, February 13, 2018, was called to order by Mayor/Chair Bill Wells at 7:00 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California. This meeting was adjourned from the Adjourned Regular Joint Meeting held at 3:00 p.m., Tuesday February 13, 2018, by order of the City Council and Redevelopment Agency.

ROLL CALL

Council/Agencymembers present:	Goble, Kalasho and McClellan
Council/Agencymembers absent:	None
Mayor Pro Tem/Vice Chair present:	Kendrick
Mayor/Chair present:	Wells
Other Officers present:	Aguirre, City Clerk/Secretary Foley, City Attorney/General Counsel Mitchell, Assistant City Manager Williford, City Manager/Executive Director

PLEDGE OF ALLEGIANCE TO FLAG and MOMENT OF SILENCE.

(The Courts have concluded that sectarian prayer as part of City Council meetings is not permitted under the Constitution)

AGENDA CHANGES: None

PUBLIC COMMENT: None

PUBLIC HEARINGS:

**100 INTERVIEWS FOR COMMISSION VACANCIES
(Report: Angela Aguirre, City Clerk)**

RECOMMENDATION: That the City Council

- *Conducts interviews for one (1) seat on the Personnel Commission and one (1) seat on the Planning Commission, and appoints applicants to serve appropriate terms;*
- *Continues to accept applications for an available seat on the Veterans' Commission until filled, as no applications were received.*

Personnel Commission Applicant:

1. Richard Nasif (Incumbent)

Planning Commission Applicants:

1. Zachary Bunshaft
2. Humbert Cabrera
3. Pavel Consuegra
4. Vickie Fageol
5. Sherri Johnston
6. Robert Pennoyer
7. James Queenan
8. Janet Reaume
9. Anthony Sottile (Incumbent)

INTERVIEWS FOR COMMISSION VACANCIES (Item 100 – Continued)

DISCUSSION

Mayor Wells provided instructions for the interview process. Interviews ensued for each of the Commission vacancies.

Personnel Commission Applicant:

1. Richard Nasif (Incumbent)

MOTION BY McCLELLAN, SECOND BY GOBLE, to RE-APPOINT Richard Nasif to the Personnel Commission for a term to expire January 31, 2022.

MOTION CARRIED BY UNANIMOUS VOTE.

Planning Commission Applicants:

Mayor Wells announced that the following applicants were not present, and would not be called upon:

- Zachary Bunshaft
- Vickie Fageol
- Janet Reaume

Mayor Wells called to the podium:

1. Humbert Cabrera
2. Pavel Consuegra
3. Sherri Johnston
4. Robert Pennoyer
5. James Queenan
6. Anthony Sottile (Incumbent)

INTERVIEWS FOR COMMISSION VACANCIES (Item 100 – Continued)

MOTION BY KENDRICK, SECOND BY McCLELLAN, to RE-APPOINT Anthony Sottile to the Planning Commission for a term to expire January 31, 2022.

**MOTION CARRIED BY A 3 - 2 VOTE
GOBLE, KALASHO – NO.**

ADJOURNMENT: Mayor Wells adjourned the Adjourned Regular Joint Meeting of the City Council/Housing Authority/Successor Agency to the Redevelopment Agency held this 13th day of February 2018, at 7:44 p.m. to Tuesday, February 27, 2018, at 3:00 p.m.

DRAFT

Angela Aguirre
City Clerk/Secretary

**APPROVAL OF READING BY TITLE AND WAIVER OF READING
OF ORDINANCES ON THIS AGENDA**

The City Council waives the reading of the full text of every ordinance contained in this agenda and approves the reading of the ordinance title only.

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City of El Cajon Agenda Report

MEETING: Feb. 27, 2018

ITEM NO: 1.4



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Nahid Razi, Purchasing Agent

SUBJECT: Award of RFP No. 022-18, El Cajon Systemic Safety Analysis Report

RECOMMENDATION: That the City Council adopts the next resolution in order to enter into an agreement for vehicle collision safety analysis services with Chen Ryan Associates, Inc. in the not-to-exceed amount of \$67,260.00 for a six-month term.

BACKGROUND: On June 27, 2017, the City Council approved a vehicle crash history analysis to assist in prioritizing roadway safety needs and deploying proactive safety countermeasures within the City limits as part of the Fiscal Year 2017-2018 budget. In 2016, the City obtained the California Department of Transportation's Strategic Highway Safety Plan grant. The grant was a statewide data-driven traffic safety plan with the goal of reducing traffic accident fatalities and serious injuries on all public roads in coordination with federal, state, local, and private sector safety stakeholders.

As stated in the specifications, consultants had the opportunity to submit a proposal to develop a Systemic Safety Analysis Report to identify, evaluate, and address universal issues throughout the network, high-incident locations, and corridors that may benefit from low cost safety improvements. The request for proposal was posted on the City's website and six responses were received and opened at 5:00 p.m. on January 3, 2018.

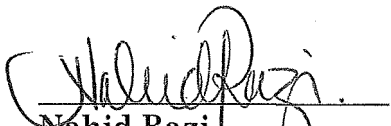
The proposals were evaluated by a selection committee consisting of City staff to ensure all minimum requirements specified in the Request for Proposal were met. After thorough evaluations, Chen Ryan Associates, Inc., was selected as the vendor that best met the City's requirements for the Systemic Safety Analysis Report. The attached memorandum details the evaluation and selection process.


FISCAL IMPACT: The fiscal impact of this project is \$67,260.00. Funds are available for this project in the Highway Safety Improvement Program Grant (HS036).

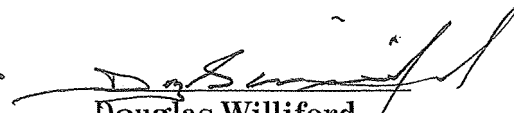
PREPARED BY:

REVIEWED BY:

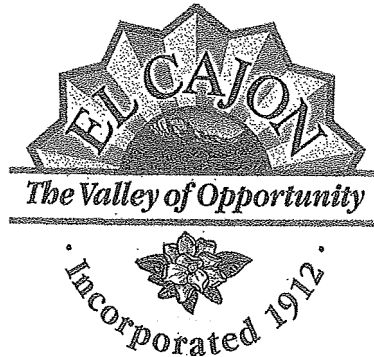
APPROVED BY:


Nahid Razi
PURCHASING AGENT


Dirk Epperson
DIRECTOR OF
PUBLIC WORKS


Douglas Williford
CITY MANAGER

CITY OF EL CAJON



MEMORANDUM

DATE: February 14, 2018

TO: Nahid Razi, Purchasing Agent

FROM: Yazmin Arellano, Deputy Director of Public Works/City Engineer

SUBJECT: RECOMMENDATION TO AWARD- EI Cajon Systemic Safety Analysis Report, Bid No. 022-18

A total of six (6) proposals were received on January 3, 2018, for the above referenced project. The selection committee independently reviewed the proposals in conformance with the guidelines in Chapter 10, "Consultant Selection" of the California Department of Transportation (Caltrans) Local Assistance Procedures Manual and the Consultant Procurement Manual of the Caltrans Office of Policy Development and Quality Assurance. The selection committee independently scored each proposal on the evaluation form that was included in RFP No. 022-18. The proposal evaluation form is based on a weighted scale with criteria including: 1) Overall Quality and Completeness of the Proposal, 2) Consultant's Experience, 3) Quality of Staff, 4) Innovation of Work, 5) Familiarity of State and Federal Procedures, 6) Financial Responsibility of Company, and 7) Technical Ability of Consultant with a total possible of score of 300 points or (100 points per each evaluator).

The weighted scores from the selection committee resulted in the following rankings:

<u>Consultant</u>	<u>Weighted Score</u>
Chen Ryan Associates	241.00
STC Traffic, Incorporated	212.75
Kimley-Horn & Associates	210.75
KOA Corporation	209.25
Fehr & Peers	206.50
LG2WB (LLG) Engineers	161.00

February 14, 2018

Memorandum

Page 2 of 2

Recommendation

The selection committee concluded that the contract be should awarded to the most qualified proposer Chen Ryan Associates (San Diego, CA). Chen Ryan Associates scored the highest in all of the categories listed in the proposal evaluation criteria form with a well-defined scope of work, project organization, community outreach strategy, high quality of staff, performance on similar projects with other cities, and understanding of the City's needs.

This project is a State-funded grant that is administered by Caltrans. Per the guidelines listed in Chapter 10, "Consultant Selection", the local agency (City of El Cajon) must submit Exhibit 10-C, Architectural & Engineering Consultant Contract Reviewer Checklist to Caltrans Office of Policy Development and Quality Assurance for review and approval prior to award of the contract. The City received notification of approval of Exhibit 10-C on January 30, 2018.

State grant funds in the amount of \$67,500.00 is available for the project and Chen Ryan Associates' cost proposal is \$67,260.00. A ten percent (10%) match is required for the project that will be paid for with "in-kind" staff time for a project total of \$75,000.00. The project will be completed in approximately six (6) months after the notice-to-proceed is issued. Funds for fiscal year 2017-18 are available for this contract in budget activity account 552900-8395 (Professional-Technical Services) and 552900-8336 (Internal Engineering). Please place this item on the City Council Agenda for February 27, 2018.

Sincerely,



Yazmin Arellano, P.E.
Deputy Director of Public Works/City Engineer

RESOLUTION NO. -18

RESOLUTION AWARDING REQUEST FOR PROPOSALS FOR
EL CAJON SYSTEMIC SAFETY ANALYSIS REPORT
(RFP No. 022-18)

WHEREAS, on June 27, 2017, the City Council approved an analysis of vehicle crash history to assist in prioritizing roadway safety needs and deploying proactive safety countermeasures (the "Project") within the City of El Cajon (the "City") limits as part of the Fiscal Year 2017-2018 budget; and

WHEREAS, in 2016, the City obtained the California Department of Transportation's Strategic Highway Safety Plan grant, which is a state-wide data-driven traffic safety plan with the goal of reducing traffic accident fatalities and serious injuries on all public roads, in coordination with federal, state, local, and private sector safety stakeholders; and

WHEREAS, the Request for Proposals (the "RFP") specifications provided consultants the opportunity to submit proposals to develop a Systemic Safety Analysis Report to identify, evaluate, and address universal issues throughout the network, high-incident locations, and corridors that may benefit from low-cost safety improvements; and

WHEREAS, the RFP was posted on the City's website, and six (6) responses were received and opened at 5:00 p.m. on January 3, 2018; and

WHEREAS, after thorough review and evaluation of the responses by a selection committee consisting of City staff to ensure all minimum requirements specified in the RFP were met, it was determined that Chen Ryan Associates, Inc. was the vendor that best met the City's requirements for the Project; and

WHEREAS, the Purchasing Division, in concurrence with the Director of Public Works, recommends award of the RFP to Chen Ryan Associates, Inc.; and

WHEREAS, the City Council believes it to be in the best interests of the City to award the RFP to Chen Ryan Associates, Inc., as recommended by the Purchasing Division.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.

2. The City Council hereby awards the Request for Proposals For El Cajon Systemic Safety Analysis Report to:

Chen Ryan Associates, Inc.

in the not-to-exceed amount of \$67,260.00 for a six-month term.

3. The Mayor and City Clerk are authorized and directed to execute an agreement for said Project on behalf of the City of El Cajon.

02/27/18 (Item 1.4)

RFP 022-18 – EC Systemic Safety Analysis Report awd 022118

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City of El Cajon Agenda Report

MEETING: Feb. 27, 2018

ITEM NO: 1.5



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Nahid Razi, Purchasing Agent

SUBJECT: Award of Bid No. 024-18, Street Light Transit Facility
Improvements

RECOMMENDATION: That the City Council adopts the next resolution in order awarding the bid to the lowest responsive, responsible bidder, LNR Engineering & Construction, Inc., in the amount of \$68,950.00.

BACKGROUND: On November 14, 2017, the City Council approved the plans and specifications for the installation of six new public street light standards with light-emitting diode (LED) luminaires on Marshall Avenue between Palm Avenue and El Cajon Boulevard adjacent to the El Cajon Transit Center (ECTC). Five responses were received and opened at 2:00 p.m. on January 22, 2018.


The Purchasing Division, in concurrence with the Director of Public Works, recommends award of the bid to the lowest responsive, responsible bidder, LNR Engineering & Construction, Inc., in the amount of \$68,950.00. The summary of bids is attached and complete proposals are on file in the Purchasing Division.


FISCAL IMPACT: The fiscal impact of this project is \$68,950.00. Sufficient funds are available for this project in the Transportation Development Act, Article 4 Funds (213000).

PREPARED BY:

REVIEWED BY:

APPROVED BY:


Nahid Razi
PURCHASING AGENT


Dirk Epperson
DIRECTOR OF
PUBLIC WORKS


Douglas Williford
CITY MANAGER

BID SUMMARY - BID NO. 024-18

BIDDER

BASE BID AMOUNT

LNR Engineering & Consulting, Inc. (El Cajon, CA)	\$68,950.00*
CTE, Inc. (El Cajon, CA)	\$79,780.00
HMS Construction, Inc. (Vista, CA)	\$89,027.00
Traffic Loops Crackfilling, Inc. (Anaheim, CA)	\$99,100.00
Lekos Electric, Inc. (El Cajon, CA)	\$102,040.00

ENGINEER'S ESTIMATE \$70,000.00

*** RECOMMEND AWARD**

RESOLUTION NO. -18

RESOLUTION AWARDDING BID FOR
STREET LIGHT TRANSIT FACILITY IMPROVEMENTS
(Bid No. 024-18)

WHEREAS, on November 14, 2017, the City Council approved the plans and specifications for the Street Light Transit Facility Improvements project (the "Project") in the City of El Cajon (the "City"), to install six (6) new public street light standards with light-emitting diode ("LED") luminaires on Marshall Avenue between Palm Avenue and El Cajon Boulevard adjacent to the El Cajon Transit Center ("ECTC"); and

WHEREAS, on December 7, 2017, an Invitation to Bid was published on PlanetBids on the City's website; and

WHEREAS, five (5) responses to the Invitation to Bid were received and publicly opened at 2:00 p.m. on January 22, 2018; and

WHEREAS, the Purchasing Division, in concurrence with the Director of Public Works, recommends award of the bid to the lowest responsive, responsible bidder; and

WHEREAS, the City Council believes it to be in the best interests of the City to award the contract to the lowest responsive, responsible bidder as recommended by the Purchasing Division.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The City Council does hereby reject all other bids and proposals except that herein mentioned, and awards the bid for the Street Light Transit Facility Improvements project to:

LNR Engineering & Construction, Inc.

in the amount of \$68,950.00.

2. The Mayor and City Clerk are authorized and directed to execute a contract for said project on behalf of the City of El Cajon.

02/27/18 (Item 1.5)

Bid 024-18 – Street Light Transit Facility Improv (LNR Engineering) 022218

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City of El Cajon Agenda Report

MEETING: Feb. 27, 2018

ITEM NO: 1.6



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Nahid Razi, Purchasing Agent

SUBJECT: Award of Bid No. 014-18, ADA Pedestrian Curb Ramps & Sidewalks
2018

RECOMMENDATION: That the City Council adopts the next resolution in order awarding the bid to the lowest responsive, responsible bidder, Tri-Group Construction & Development, Inc., in the amount of \$147,056.00 for the base bid and Additive Alternate No. 1.

BACKGROUND: On December 12, 2017, the City Council approved the plans and specifications for the installation of new pedestrian curb ramps and sidewalk repairs. The project locations were identified by the City Traffic Engineer based on the recommendations of the Americans with Disabilities Act (ADA) Transition Plan. Ten responses were received and opened at 2:00 p.m. on January 30, 2018.

The California Public Contract Code allows the City to specify which award method will be utilized to determine the lowest bid. In accordance with the bid specifications, the lowest bid shall be determined by the lowest base bid plus the sum of additive alternates. This language does not preclude the City from adding or deducting any additive items after the lowest responsible bidder has been determined; therefore, Additive Alternate No. 1 (Prescott Avenue and Lindell Avenue) shall be included in the award.

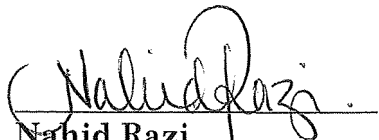
The Purchasing Division, in concurrence with the Director of Public Works, recommends award of the bid to the lowest responsive, responsible bidder, Tri-Group Construction & Development, Inc., in the amount of \$147,056.00 (base bid of \$73,740.00 and Additive Alternate No. 1 of \$73,316.00). The summary of bids is attached and complete proposals are on file in the Purchasing Division.


FISCAL IMPACT: The fiscal impact of this project is \$147,056.00. Sufficient funds are available for this project in the Public Works Transportation Capital Improvement Program (PW3594).


PREPARED BY:

REVIEWED BY:

APPROVED BY:


Nahid Razi
PURCHASING AGENT


Dirk Epperson
DIRECTOR OF
PUBLIC WORKS


Douglas Williford
CITY MANAGER

BID SUMMARY – BID NO. 014-18

BIDDER	BASE BID	ADD. ALT. NO. 1	TOTAL OF BASE BID AND ADD. ALT. NO. 1
Tri-Group Construction & Development, Inc. (San Diego, CA)	\$73,740.00	\$73,316.00	\$147,056.00*
LC Paving & Sealing, Inc. (San Marcos, CA)	\$71,848.50	\$82,160.00	\$154,008.50
Toro Engineering (Poway, CA)	\$72,363.09	\$100,353.62	\$172,716.71
Miramar General Engineering (San Diego, CA)	\$74,610.00	\$98,846.00	\$173,456.00
Portillo Concrete, Inc. (Lemon Grove, CA)	\$80,115.00	\$95,257.00	\$175,372.00
New Century Construction, Inc. (Lakeside, CA)	\$108,700.00	\$85,190.00	\$193,890.00
Victor Concrete, Inc. (Riverside, CA)	\$87,600.00	\$122,000.00	\$209,600.00
Ramona Paving & Construction Corporation (Ramona, CA)	\$119,515.50	\$129,821.00	\$249,336.50
Blue Pacific Engineering & Construction (San Diego, CA)	\$134,850.00	\$123,050.00	\$257,900.00
PAL General Engineering, Inc. (San Diego, CA)	\$129,949.00	\$147,494.00	\$277,443.00

ENGINEER'S ESTIMATE

\$160,000.00

*** RECOMMEND AWARD**

RESOLUTION NO. -18

RESOLUTION AWARDING BID FOR
ADA PEDESTRIAN CURB RAMPS AND SIDEWALKS 2018 PROJECT
(Bid No. 014-18)

WHEREAS, on December 12, 2017, the City Council approved the plans and specifications for the Pedestrian Curb Ramps and Sidewalks 2018 project (the "Project") in the City of El Cajon (the "City"), to install new pedestrian curb ramps and sidewalk repairs at locations identified by the City Traffic Engineer based on recommendations of the Americans with Disabilities Act (ADA) Transition Plan; and

WHEREAS, on December 21, 2017, an Invitation to Bid was published on PlanetBids on the City's website and in the East County Gazette; and

WHEREAS, ten (10) responses to the Invitation to Bid were received and publicly opened at 2:00 p.m. on January 30, 2018; and

WHEREAS, the California Public Contract Code allows the City to specify which award method will be utilized to determine the lowest bid, and in accordance with the bid specifications, the lowest bid shall be determined by the lowest base bid plus the sum of all additive alternates; and

WHEREAS, the lowest base bid plus the sum of all additive alternates was submitted by Tri-Group Construction & Development, Inc.; and

WHEREAS, after examination of the bids, it was determined that only Additive Alternate No. 1 (Prescott Avenue and Lindell Avenue) should be included in the award; and

WHEREAS, the Purchasing Division, in concurrence with the Director of Public Works, recommends award of the bid, including only Additive Alternate No. 1, to the lowest responsive, responsible bidder; and

WHEREAS, the City Council believes it to be in the best interests of the City to award the contract to the lowest responsive, responsible bidder as recommended by the Purchasing Division.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The City Council does hereby reject all other bids and proposals except that herein mentioned, and awards the bid for the Pedestrian Curb Ramps and Sidewalks 2018 project to:

Tri-Group Construction & Development, Inc.

in the amount of \$147,056.00 (consisting of its base bid amount of \$73,740.00 plus Additive Alternate No. 1 in the amount of \$73,316.00).

2. The Mayor and City Clerk are authorized and directed to execute a contract for said project on behalf of the City of El Cajon.

02/27/18 (Item 1.6)

Bid 014-18 -- Ped Curb Ramps & Sidewalks 2018 (Tri-Group Const & Dev) 022118

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City of El Cajon Agenda Report

MEETING: Feb. 27, 2018

ITEM NO: 1.7



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Dirk Epperson, Director of Public Works

SUBJECT: Acceptance of Wells Park Fencing Rebid project, PK3603, Bid No. 010-18

RECOMMENDATION: That the City Council accepts the Wells Park Fencing Rebid project, PK3603, Bid No. 010-18, and authorizes the City Clerk to record a Notice of Completion and release the bonds in accordance with the contract terms.

BACKGROUND: On September 12, 2017, the contract for the Wells Park Fencing Rebid project was awarded by City Council Resolution No. 078-17 to Ardmore Construction, Inc. The scope of work for this project included a decomposed granite path for the Boys and Girls Club of East County and ball field fencing.

This project was completed on January 26, 2018. Quantities and payments have been finalized and there are no pending claims.

FISCAL IMPACT: This project was budgeted in Parks Projects (505000-PK3603) with General Funds. The total construction contract expenditure on this project was \$50,257.50.

PREPARED BY:

Yazmin Arellano
CITY ENGINEER/
DEPUTY DIRECTOR
OF PUBLIC WORKS

REVIEWED BY:

Dirk Epperson
DIRECTOR OF
PUBLIC WORKS

APPROVED BY:

Douglas Williford
CITY MANAGER

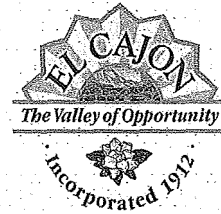
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City of El Cajon Agenda Report

MEETING: 2/27/17

ITEM NO: 1.8



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Jeff Davis, Chief of Police

SUBJECT: Retirement/Relinquishment of Police Service Dog "Raico"

RECOMMENDATION: That the City Council takes the following action:

Retire and release sole ownership of El Cajon Police Service Dog "Raico" to Officer Michael Murphy, his experienced and sole handler.

BACKGROUND: "Raico" is an eight year old Belgian Malinois that was purchased by the El Cajon Police Department and graduated the San Diego Sheriff's Department's Canine Academy in 2013. "Raico" later attended and graduated a Narcotics Detection Academy in 2015. Officer Murphy and "Raico" have been working together as a Canine Team for the City of El Cajon since completing the 2013 academy.

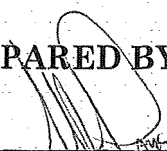
"Raico" has reached an age where it would be beneficial to retire him as he has reached the end of his productive years. Additionally, during a recent health assessment, "Raico" was discovered to have arthritis in his back and hip dysplasia.

Due to the fact that these dogs are highly trained in the art of detection and apprehension, the disposition of these dogs once retired is limited. The most favorable option is to allow these dogs to live out their remaining years with their handler with whom they have formed a subservient bond. Officer Murphy has voluntarily requested that the sole ownership of El Cajon Police Service Dog "Raico" be transferred to him. "Raico" is no longer qualified or suitable for duty and is, therefore, of no value to the City. Officer Murphy agrees to sign an appropriate hold harmless agreement and release of liability to take ownership of "Raico".

FISCAL IMPACT:


Estimated cost for a replacement canine is \$16,000.00 and includes the Basic Handler Training Academy.

PREPARED BY:



Jeff Davis
CHIEF OF POLICE

APPROVED BY:



Douglas Williford
CITY MANAGER

Hold Harmless Agreement

I, Mike Murphy, HEREBY ACKNOWLEDGE that I have voluntarily requested that sole ownership of the El Cajon Police Service Dog, Raico, be transferred to me. The dog is no longer qualified or suitable for duty and is, therefore, of no value to the City. I am an experienced police dog handler and/or trainer and am personally familiar with the dog.

I AM AWARE THAT MY OWNERSHIP OF A TRAINED EX-POLICE DOG WILL INCLUDE COMPLETE FINANCIAL RESPONSIBILITY FOR THE CARE OF SUCH DOG AND MAY INVOLVE A RISK OF SERIOUS INJURY TO MYSELF AND/OR OTHERS. I AM VOLUNTARILY REQUESTING SUCH OWNERSHIP WITH THE KNOWLEDGE OF SUCH RESPONSIBILITY AND POTENTIAL DANGER INVOLVED AND HEREBY AGREE TO ASSUME ANY AND ALL RISKS OF INJURY. M

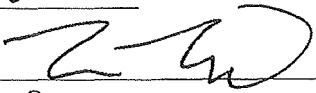
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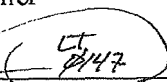
As LAWFUL CONSIDERATION for sole ownership of the dog, I hereby agree to the following:

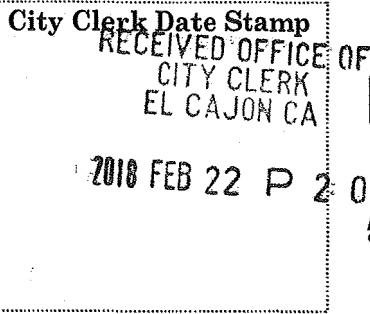
1. I, my heirs, personal representative, next of kin, spouse and assigns, will not make a claim against, sue, attach the property of, or prosecute the City of El Cajon for injury or damage resulting from my ownership of the dog;
2. I agree to indemnify and hold the City of El Cajon, its officers, agents, and employees from and against any and all claims, costs, suits, and damages, including attorneys fees arising from or associated with my ownership of the dog;
3. Should either party become involved in litigation arising out of this Agreement, or in the performance thereof, the Court, in such litigation or any separate suit, shall award reasonable costs and expenses, including attorney's fees, to the prevailing party;
4. Additionally, I agree to obtain and maintain personal liability (homeowner's) insurance in the amount of one hundred thousand dollars as long as I own the dog.

I HAVE CAREFULLY READ THIS AGREEMENT AND FULLY UNDERSTAND ITS CONTENTS. I AM AWARE THAT THIS IS A RELEASE OF LIABILITY, AND A CONTRACT BETWEEN MYSELF AND THE CITY OF EL CAJON, AND SIGN IT OF MY OWN FREE WILL.

DATE: 1-31-16

M. Murphy 
New Owner

S. [Signature] 
Witness



City of El Cajon Agenda Report

MEETING: 02/27/2018

ITEM NO: 1.9



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho, and McClellan

FROM: Clay Schoen, Finance Director

SUBJECT: Fiscal Year 2017-18 Mid-Year Report and Five-Year Business Plan Update

RECOMMENDATION: That the City Council:

- 1) Receives and accepts the Fiscal Year 2017-18 Mid-Year Report and Five-Year Business Plan update;
- 2) Authorizes the proposed personnel changes detailed in this report;
- 3) Increases or modifies Fiscal Year 2017-18 appropriations in the net amount of \$1,476,411 for additional needs as detailed in this report; and
- 4) Authorizes the proposed capital expenditures detailed in this report.

BACKGROUND: The City of El Cajon prepares the Mid-Year Report and Five-Year Business Plan Update as part of an overall financial planning and monitoring program. Other major components of the program include the Annual Budget and the Comprehensive Annual Financial Report. When viewed as a cycle, they represent long-term planning, the implementation of that plan, and the execution and measurement of that plan.

Mid-Year Report - This document is an opportunity to measure financial performance at the midpoint of the fiscal year. Mid-year results are compared to both budgeted amounts and previous year's results. This is also the basis for projecting year-end results, as well as longer-term projections.

Five-Year Business Plan - This document is a long range financial plan intended to clarify City goals and objectives. By forecasting five years, City decision makers can easily see the long term impacts of their decisions, as well as provide time to prepare for future challenges.

As part of this process, it is not uncommon to identify City Council actions, including budget adjustments, which are needed for financial and/or operational circumstances that have arisen since the Fiscal Year 2017-18 budget was developed last year. A brief description of each such circumstance follows.

Personnel Adjustments

Three employee classification changes are proposed in this report to properly categorize and compensate City staff for changes in work assignment since the adoption of the annual budget in June, 2017. All changes represent job reclassifications, and do not change the number of full-time equivalent employees and can be absorbed by current appropriations. The following table details these proposed reclassifications.

Summary of Proposed Personnel Changes

Department	Classification Add	Classification Delete
Community Development	Deputy Director	Building Official/Fire Marshall
Community Development	Assistant Planner	Junior Planner
Fire Department	Management Analyst	Senior Management Analyst

Appropriation Adjustments

Each of the following items require an appropriation increase or modification and/or a Capital Outlay authorization. Following the descriptions of each is a summary table of all proposed budget adjustments.

City Monument Sign Project

Funding for the north City entrance sign on Cuyamaca Street that will include the Taylor Guitar design and “Home of Taylor Guitars” message, which was conceptually approved by the City Council in late 2016. This project would be funded by City Capital Improvement Project Fund balance in an amount not to exceed \$50,000. (Project number IFM3637.)

Road Maintenance and Rehabilitation Project

The Road Maintenance and Rehabilitation Act (SB1) provided additional funding for streets and roads. As part of that act, a list of proposed projects was approved by the El Cajon City Council on October 10, 2017 (Item 1.4) before being submitted to the appropriate authority. This list consisted of a single proposal, and was an expansion of an existing City project, the Overlay Thoroughfares 2018 (PW3613).

This action would formally increase the appropriation of this additional funding, the related interfund transfers, and increase the Overlay Thoroughfares 2018 (PW3613) project by the estimated Fiscal Year 2018 revenue of \$586,305.

Local Public Safety (Fire) Equipment

During the course of the fiscal year, two additional equipment needs were identified by the Fire Department. The first is an ice maker for Station 7 (currently the only station without an ice maker) in order to keep drinking water cool on emergency vehicles. The identified ice maker is consistent with models installed in other stations, and the cost is estimated to total \$4,500.

The second is a station alerting device for Station 6. During implementation of the City’s new light duty response vehicle, the current equipment was found to be unable to properly

alert and dispatch the new equipment. The proposed device can also accommodate future growth and changes and is estimated to cost \$13,000. Both pieces of equipment, if approved, will be funded by Local Public Safety Fund balance.

Police Department Grant Equipment

In January 2017, the Police Department initiated the Homeless Outreach Team to work in collaboration with County of San Diego Health and Human Services to provide resources to the homeless population in the City of El Cajon. Many of the homeless population utilize the flood channels as a place of refuge and residence. Flood channels are narrow and, if covered, have a low ceiling, and officers are unable to use a typical police vehicle. Currently, they are utilizing an EZ-GO cart from the Public Works Department which does not meet operational needs. In order to better address this challenge, the Police Department requests the purchase of an all-terrain vehicle and related equipment. The vehicle can also be utilized at our local parks during Homeless Outreach details or specialty functions to provide services and resources. Proposed funding for this purchase, estimated at \$25,000, is the Board of State and Community Corrections Grant already secured by the Department.

Additionally, the Police Department Miscellaneous Grants Fund's Fiscal Year 2017-18 Annual Budget authorized the purchase of equipment. The original funding, the 2016 Stonegarden Grant, is insufficient to complete the purchase and this report proposes funding the approximate \$13,000 shortfall with COPS Grant funding. The total equipment expenditure is approximately \$22,000.

Information Technology

During the course of Fiscal Year 2016-17 State Homeland Security Grant and City Information Technology funds were secured for a Consolidated Video Management System. This project will provide the hardware, software, installation, on-going maintenance, and training for a video management system to assist with collecting, recording, storing, and viewing video. It was originally anticipated this project would be completed by the end of last year and therefore was not included in the Fiscal Year 2017-18 Annual Budget; however, the project was not completed as anticipated. This report proposes increasing appropriations in the amount of \$95,000 in the Information Technology Services Fund for this purpose. The proposed appropriation increase is funded from Information Technology Services Fund balance. State Homeland Security Grant funds have been appropriated via a separate City Council action accepting the grant.

Animal Control Donations

Over the past several years the City has collected numerous donations, approximately \$41,000, in support of the new animal shelter. As construction progresses, and completion nears, it is time to apply these funds consistent with the donors' wishes. This report proposes the appropriation, and transfer if necessary, of all amounts donated for this purpose.

Housing Navigator

On September 12, 2017, City Council approved the use of \$62,301 of General Fund reserves to fund the Housing Navigator program. Community Development Department staff

determined that this program is eligible for funding from the Low and Moderate Income Housing Asset Fund (LMIHAF). This action changes the funding source for the Housing Navigator from the General Fund to the LMIHAF and would increase appropriations in the LMIHAF by that amount.

The following table summarizes these proposed adjustments.

Circumstance Requiring Council Action	Fund	Budget Impact	Source
City Monument Sign Project	City CIP Fund	\$50,000	Fund Balance
Road Maintenance and Rehabilitation Project	Transportation CIP	586,305	Transfer
Road Maintenance and Rehabilitation Project	Road Maint&Rehab-RMRA	586,305	Revenue
Local Public Safety (Fire) Equipment	Local Public Safety	17,500	Fund Balance
Police Department Grant Equipment	Misc Public Safety Grants	25,000	Revenue
Police Department Grant Equipment	COPS Grant	13,000	Revenue
Information Technology	IT Services	95,000	Fund Balance
Animal Control Donations	Animal Control Donations	41,000	Revenue / Fund Balance
Housing Navigator	Low and Moderate Income Housing Asset Fund	62,301	Revenue / Fund Balance

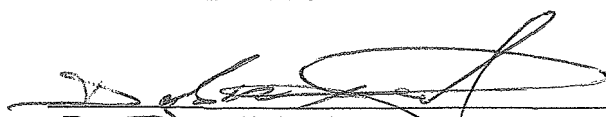
FISCAL IMPACT: The Fiscal Year 2017-18 Mid-Year Report and Five-Year Business Plan are critical for informed financial decision making and the on-going implementation of City goals. As part of the analysis performed in preparing the Report and Plan, a number of items require Council Action, some of which will result in budget increases and/or modifications in the net amount of \$1,476,411. All funds are from Special Funds/ Grants or are transfers from the already established Capital Improvement Fund. No additional use of General Fund appropriations are being proposed.

PREPARED BY:



**Clay Schoen
DIRECTOR OF FINANCE**

APPROVED BY:



**Douglas Williford
CITY MANAGER**

CITY OF EL CAJON MID-YEAR REPORT

FISCAL YEAR 2017-18

This report is intended to evaluate the status of revenues and expenditures at the halfway point of the fiscal year, as well as communicate anticipated year-end results. In evaluating mid-year performance, current year activity is compared to that of previous years and budgeted expectations. This analysis has been conducted for the City of El Cajon's five major funds: the General Fund, the Wastewater enterprise fund, the Low-Moderate Income Housing Asset Fund special revenue fund, the City Capital Improvement Program fund, and the Public Safety Facilities Projects capital improvement fund. This report is useful for both managing operations for the remainder of this fiscal year, as well as contributing information necessary for the Five-Year Business Plan and developing the Fiscal Year 2018-19 Annual Budget.

Note: The following analysis was prepared solely for the purpose of determining how revenues and expenditures are performing as related to the budget. Consequently, the information contained herein may not be presented in accordance with generally accepted accounting principles.

GENERAL FUND

Overview

As of December 31, 2017, General Fund Revenues and Sources of Funds totaled \$26.2 million, an increase of 8.9% (\$2.1 million) from the same point last year. Expenditures and Uses of Funds totaled \$32.1 million, which is up approximately 2.8% (\$885,910) from last year's midway point.

For this period, July through December 2017, Expenditures and Uses of Funds exceeded Revenues and Sources of Funds by approximately \$5.9 million. Several of the General Fund's larger revenue streams, such as Property Taxes) are received in the latter half of the fiscal year. During the first six months of the fiscal year, the General Fund cash flow needs are reliant upon the City's 20% Operating Reserve which prevents the City from having to borrow funds (i.e. issue tax and revenue anticipation notes), thereby avoiding additional interest and issuance expenses.

The table below summarizes this activity for the current year, as well as the two previous years.

	FY17-18 <u>Budget*</u>	FY17-18 <u>Mid-Year</u>	% of <u>Budget</u>	FY16-17 <u>Mid-Year</u>	FY15-16 <u>Mid-Year</u>
Revenues and Sources of Funds	\$69,754,105	\$26,173,956	37.5	\$24,039,570	\$25,797,535
Expenditures and Uses of Funds	71,525,532	32,083,154	44.9	31,197,243	32,086,077

*The adopted Fiscal Year 2017-18 budget included the planned use of reserves following an operating surplus in the previous year.

By fiscal year end, Revenues and Sources of Funds are projected to total \$71.9 million, which is \$2.1 million above budget and represents a 2.4% increase from last year. The majority of this increase is attributable to growth in sales taxes. Expenditures and Uses of Funds are estimated to be \$67.5 million at fiscal year-end. This is 1.3% higher than last

year, but is \$3.8 million under budget. Together, this activity is expected to increase fund balance by an estimated \$4.4 million. Additionally, given this performance, it is unlikely that the use of reserves planned in the Fiscal Year 2017-18 Annual Budget will be necessary. Further analysis of selected revenues and expenditures follows.

Revenue and Sources of Funds

While the General Fund has many sources of revenue, three major categories account for 84.1% of total budgeted revenue. These categories are: Sales Taxes, Property Taxes, and Franchise Fees. Each of these will be discussed separate of all remaining sources.

Sales Taxes- Sales tax revenue is comprised of two components: the City’s share of the State sales tax rate and a voter approved 0.5% general sales tax (Proposition J). A controversial State driven revenue swap arrangement, known as the Triple Flip, came to an end in fiscal year 2016. This arrangement withheld one quarter of the City’s Sales Tax proceeds, and replaced it with a similar amount of Property Tax. For the sake of comparison, property taxes received in lieu of sales tax have been included in the discussion of this category.

At the mid-year point of the fiscal year, sales tax receipts are up \$1.0 million from the same point last year. The primary reason for this growth is the result of the continued expansion of the economy. The table below summarizes these balances, as well as those of the two previous years.

	FY17-18 Budget	FY17-18 Mid-Year	% of Budget	FY16-17 Mid-Year	FY15-16 Mid-Year
Sales Taxes	\$25,693,314	\$11,789,725	45.9	\$10,831,971	\$9,178,966
Sales Taxes (Proposition J)	9,726,267	4,414,801	45.4	4,023,924	4,615,339

Sales Taxes are expected to exceed budgeted amounts by approximately \$1.1 million by fiscal year end.

Property Taxes- Property tax revenue is comprised of three major components: regular property taxes, property tax received in lieu of Vehicle License Fees, and the residual distribution from the Redevelopment Property Tax Trust Fund. Property taxes are up approximately 8.1% (\$252,727) from this point last year.

	FY17-18 Budget	FY17-18 Mid-Year	% of Budget	FY16-17 Mid-Year	FY15-16 Mid-Year
Property Taxes (PT)	\$8,229,721	\$3,356,157	40.8	\$3,103,430	\$3,078,434
PT – In Lieu VLF	8,680,990	0	0.0	0	0
PT – RPTTF Residual Distribution	900,000	0	0.0	0	0

The majority of this revenue is received in the second half of the fiscal year, and projections indicate that year-end results will exceed budgets for this category by approximately \$640,000.

Franchise Fees- Franchise fees are collected from San Diego Gas & Electric, Waste Management, Cox Communications, and Pacific Bell. At the midpoint of the fiscal year, current year Franchise Fees are up 3.5% (\$35,422) from last year. The table below illustrates Franchise Fees for the current year, as well as the two previous years.

	FY17-18 <u>Budget</u>	FY17-18 <u>Mid-Year</u>	% of <u>Budget</u>	FY16-17 <u>Mid-Year</u>	FY15-16 <u>Mid-Year</u>
Franchise Fees	\$5,407,262	\$1,054,148	19.5	\$1,018,726	\$2,019,370

Other Revenue Categories- The remaining revenue categories represent 15.9% of total General Fund Revenues and Sources of Funds. The following table details the mid-year performance of each category for the current year, as well as the two most recent years.

	FY17-18 <u>Budget</u>	FY17-18 <u>Mid-Year</u>	% of <u>Budget</u>	FY16-17 <u>Mid-Year</u>	FY15-16 <u>Mid-Year</u>
Transient Occupancy Tax	\$1,400,332	\$453,873	32.4	\$416,608	\$437,621
Business Licenses	867,427	490,407	56.5	521,176	493,917
Real Property Transfer Tax	300,000	130,170	43.4	112,620	152,582
Ambulance/Paramedic Tax	378,000	53,139	14.1	-	-
Licenses and Permits	1,222,200	645,092	52.8	543,084	854,987
Intergovernmental Revenues	621,536	495,069	79.7	299,210	76,970
Charges for Services	2,818,760	1,585,879	56.3	1,422,315	1,448,323
Investment Earnings	300,000	153,895	51.3	34,237	249,901
Fines and Forfeitures	558,500	348,254	62.4	270,432	293,991
Other Revenue & Reimbursement	2,438,881	1,177,890	48.3	1,212,256	1,301,760
Other Financing Sources	210,915	25,458	12.1	240,581	1,595,372

By year end, these categories in total are projected to exceed budgeted amounts. Projected results for each major revenue category is shown in the following table.

	FY17-18 <u>Budget</u>	FY17-18 <u>Projected</u>	% of <u>Budget</u>
Sales Taxes	\$35,419,581	36,510,130	103.1
Property Taxes	17,810,711	18,449,162	103.6
Franchise Fees	5,407,262	5,175,415	95.7
All Other Categories	11,116,551	11,736,570	105.6
Total General Fund Revenue	<u>\$69,754,105</u>	<u>\$71,871,277</u>	103.0

Expenditures and Uses of Funds

Expenditures and Uses of Funds are \$32.1 million or 44.9% of budget at mid-year. This represents a 2.8% (\$885,910) increase from the same point last year. The following table shows mid-year expenditures organized by function for the current year, as well as the two preceding years.

	FY17-18 Budget	FY17-18 Mid-Year	% of Budget	FY16-17 Mid-Year	FY15-16 Mid-Year
General Government	\$6,916,523	\$2,768,310	40.0	\$3,131,343	\$3,050,488
Public Safety- Police	33,717,784	15,540,276	46.1	14,500,008	14,034,647
Public Safety- Fire	15,282,372	7,169,174	46.9	5,329,098	5,708,693
Public Works	9,522,855	3,886,426	40.8	3,370,522	3,619,337
Recreation	3,005,130	1,321,217	44.0	1,197,396	1,156,210
Community Development	3,080,868	1,397,751	45.4	1,209,453	1,134,073
Other Financing Uses	-	-	100.0	2,462,528	3,382,629
Total Expenditures	<u>\$71,525,532</u>	<u>\$32,083,154</u>	44.9	<u>\$31,200,348</u>	<u>\$32,086,077</u>

General Fund expenditures are also shown by category in the following table.

	FY17-18 Budget	FY17-18 Mid-Year	% of Budget	FY16-17 Mid-Year	FY15-16 Mid-Year
Salaries and Benefits	\$54,061,210	\$25,027,433	46.3	\$23,188,254	\$22,274,198
Materials, Services, and Supplies	17,348,445	6,996,845	40.3	5,922,390	6,987,989
Capital Outlay	115,877	58,876	50.8	2,176	38,127
Other Financing Uses	-	-	100.0	2,087,528	2,785,763
Total Expenditures	<u>\$71,525,532</u>	<u>\$32,083,154</u>	44.9	<u>\$31,200,348</u>	<u>\$32,086,077</u>

General Fund expenditures are higher than last year, with the largest impacts due to negotiated salary and benefit increases, CalPERS contribution rate increases, as well as general inflationary pressure. Projected year end results anticipate the General Fund closing the year under budget.

Fund Balance

Fund balance is comprised of reserves and designations for specific operating needs or purposes. The 20% Operating Reserve is used to provide sufficient cash flow during the first half of the fiscal year, primarily resulting from the timing differences between expenditures and revenues. The Economic Uncertainty Reserve is established for the purpose of stabilizing delivery of City services during periods of budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures. The Reserve for Unfunded Retirement Obligation was established to address increasing unfunded liabilities and higher employer contribution rates. Any remaining fund balance creates a Carryover Reserve.

The fund balance at the start of the fiscal year was \$39.1 million. Taking into consideration projected revenues and expenditures at fiscal year-end, fund balance is expected to total approximately \$43.4 million. The following table illustrates projected reserve balances at year-end.

Projected General Fund Balance

	07/01/17 <u>Fund Balance</u>	06/30/2018 <u>Estimated Fund Balance</u>
20% Operating Reserve	\$13,052,990	\$13,500,667
Economic Uncertainty Reserve	6,500,000	6,500,000
Reserve for Unfunded Retirement Obligation	8,000,000	8,000,000
Carryover Reserve **	<u>11,500,369</u>	<u>15,420,632</u>
Total Fund Balance	<u>\$39,053,359</u>	<u>\$43,421,299</u>

** Carryover Reserve is available to bridge any imbalance of expenditures exceeding revenues.

WASTEWATER ENTERPRISE FUND

Revenues at the midpoint of the fiscal year total \$11.3 million, which is up 10.9% from the same point last year. The chart below illustrates mid-year performance for the current year, as well as the two preceding years.

<u>Wastewater Revenues</u>	FY17-18 <u>Budget</u>	FY17-18 <u>Mid-Year</u>	% of <u>Budget</u>	FY16-17 <u>Mid-Year</u>	FY15-16 <u>Mid-Year</u>
Sewer Service Fee	\$18,000,000	\$9,620,690	53.5	\$9,198,448	\$8,806,560
Septic Tank Disposal Fee	1,000,000	1,286,907	128.7	723,807	500,280
All Other Revenue	<u>222,500</u>	<u>391,060</u>	175.8	<u>264,879</u>	<u>426,329</u>
Total Revenue	<u>\$19,222,500</u>	<u>\$11,298,657</u>	58.8	<u>\$10,187,134</u>	<u>\$9,733,169</u>

Expenditures of \$11.2 million are 35.1% higher than the same period last year, largely as a result of the timing of capital expenditures. It is anticipated that the Wastewater Fund expenditures will be below budget at year end.

<u>Wastewater Expenditures</u>	FY17-18 <u>Budget</u>	FY17-18 <u>Mid-Year</u>	% of <u>Budget</u>	FY16-17 <u>Mid-Year</u>	FY15-16 <u>Mid-Year</u>
Salaries & Benefits	\$3,987,783	\$1,485,443	37.3	\$1,447,411	\$1,415,975
Materials, Services, and Supplies	17,737,658	6,807,514	38.4	6,241,231	6,120,253
Debt Service	500,000	36,559	7.3	25,086	-
Capital Outlay and Projects	13,149,144	2,891,900	22.0	561,412	1,210,452
Other Financing Uses	<u>150,999</u>	<u>-</u>	-	<u>28,628</u>	<u>2,840</u>
Total Expenditures	<u>\$35,525,584</u>	<u>\$11,221,416</u>	25.7	<u>\$8,303,768</u>	<u>\$8,749,520</u>

LOW-MODERATE INCOME HOUSING ASSET FUND

The Low-Moderate Income Housing Asset Fund (LMIHAF) is a special revenue fund used to manage the housing programs and projects to increase affordable housing opportunities for the City’s lower income households. The fund is administered by the City’s Community Development Department, and is funded primarily by revenues generated from the housing assets transferred from the former redevelopment agency.

	FY17-18 Budget	FY17-18 Mid-Year	% of Budget	FY16-17 Mid-Year	FY15-16 Mid-Year
Expenditures	\$4,040,661	\$37,339	0.9	\$56,876	\$59,349
Revenues	1,594,421	303,313	19.0	255,132	28,100

The activity in this fund is largely project based, and therefore highly impacted by timing differences. However, it is anticipated that year-end results will be within budget.

CITY CAPITAL IMPROVEMENT PROGRAM FUND

This capital fund includes capital projects primarily funded by general tax revenues. However, some projects include additional funding sources. While many projects are multi-year in nature, each project has an annual budget for anticipated activity in the current fiscal year. The following table illustrates the annual budget and expenditures through the half-way point in the year for each capital project in this fund.

PROJECT DESCRIPTION	PROJECT NUMBER	FY 2017-18 BUDGET	FY 2017-18 YTD EXPENDITURE	% of BUDGET
ECPAC Improvements	IFM3471	3,446,456	8,419	0.2%
City Hall and Council Chambers HVAC	IFM3389	1,470,529	1,916	0.1%
Public Works Operations Generators	IFM3527	301,997	-	0.0%
Elevator Improvements	IFM3469	109,770	7,414	6.8%
City Council Chambers Audio Visual Improvements	IFM3524	90,000	-	0.0%
Fire Station Extractors	IFM3551	70,000	-	0.0%
Security Improvements	IFM3621	60,000	-	0.0%
Fire Station 7 Generator	IFM3619	22,000	-	0.0%
Transfer out to other capital project funds		177,353	57,859	32.6%
TOTAL		5,748,105	75,608	1.3%

PUBLIC SAFETY FACILITIES PROJECTS FUND

The voters approved Proposition O in 2004, a one-half cent sales tax which is dedicated to the construction and/or improvement of public safety facilities. The Public Safety Facilities Citizen's Oversight Committee receives periodic updates on the collection and use of Proposition O sales taxes and submits an annual report to the City Council. Proposition O expired on March 31, 2015. The following table shows the actual revenues and expenditures through December 31, 2017.

SUMMARY OF REVENUES

Account Name/Description	Inception to June 30, 2016	July 1, 2016 to December 31, 2017	Received To Date
Sales Tax Revenue	\$81,063,628.35	\$8,872.97	\$81,072,501.32
Investment Earnings	2,886,050.48	29,533.00	2,915,583.48
Investment Earnings - Fiscal Agent	123,027.10	0.00	123,027.10
Sale of Property to Redevelopment Agency	2,955,856.89	0.00	2,955,856.89
Rental Income	77,905.37	0.00	77,905.37
Miscellaneous Reimbursement	594,379.34	0.00	594,379.34
Bond Proceeds	25,195,000.00	0.00	25,195,000.00
Premium on Bond Issuance	769,982.80	0.00	769,982.80
Total Revenues	\$113,665,830.33	\$38,405.97	\$113,704,236.30

SUMMARY OF EXPENDITURES BY ACTIVITY/PROJECT

Activity/Project Name	Activity/ Project #	Inception to June 30, 2016	July 1, 2016 to December 31, 2017	Total to Date
Program Support	502000	\$1,349,712.53	3,280.79	\$1,352,993.32
Debt Service	502000	30,025,245.41	0.00	30,025,245.41
<u>Projects:</u>				
Public Safety Center	PS0010	62,625,814.29	0.00	62,625,814.29
Animal Shelter	PS0020	2,232,192.76	2,679,609.15	4,911,801.91
Fire Station 8	PS0030	1,659,969.25	0.00	1,659,969.25
Fire Station 6 - Roof & HVAC	PS0040	1,071,387.03	0.00	1,071,387.03
Fire Station 6 - Kitchen Remodel	PS0041	95,440.47	0.00	95,440.47
Fire Station 6 - Add'l Improv	PS0042	156,219.99	0.00	156,219.99
Fire Station 7	PS0050	71,583.68	0.00	71,583.68
Fire Station 9	PS0060	1,581,118.66	0.00	1,581,118.66
Fire Station 6 - Renovation	PS1502	182,790.29	0.00	182,790.29
Projects Subtotal		69,676,516.42	2,679,609.15	72,356,125.57
Total Expenditures		\$101,051,474.36	\$2,682,889.94	\$103,734,364.30

**CITY OF EL CAJON
MID-YEAR REVENUE AND SOURCES OF FUNDS COMPARISON REPORT**

FUND		CURRENT YEAR / FY2017-18				PRIOR YEAR / FY2016-17			
		BUDGET	REVENUE	BALANCE	%	BUDGET	REVENUE	BALANCE	%
101	GENERAL FUND								
103000	COMMUNITY SVCS & E	76,000.00	10,925.00	65,075.00	14.38	59,500.00	18,061.00	41,439.00	30.35
106000	CITY ATTORNEY	-	78,550.00	(78,550.00)	N/A	-	2,512.20	(2,512.20)	N/A
107000	CITY CLERK AND ELE	340.00	1,000.00	(660.00)	294.12	4,870.00	7,460.00	(2,590.00)	153.18
110000	CITY MANAGER	60,000.00	25,680.67	34,319.33	42.80	62,000.00	17,674.87	44,325.13	28.51
114000	FINANCE	64,368,723.00	23,314,566.90	41,054,156.10	36.22	62,956,204.00	21,969,567.16	40,986,636.84	34.90
123000	FACILITIES MAINTEN	56,466.00	28,969.48	27,496.52	51.30	42,376.00	30,199.32	12,176.68	71.27
124000	ECPAC - ADMIN SERV	-	-	-	-	120,000.00	-	120,000.00	-
130110	POLICE ADMINISTRAT	1,459,601.00	617,773.21	841,827.79	42.32	1,394,816.00	610,085.94	784,730.06	43.74
130230	AUXILIARY	150.00	-	150.00	-	650.00	-	650.00	-
135000	ANIMAL CONTROL	155,000.00	101,955.18	53,044.82	65.78	183,000.00	86,793.00	96,207.00	47.43
140000	FIRE ADMINISTRATIO	120,200.00	196,231.65	(76,031.65)	163.25	105,300.00	73,975.35	31,324.65	70.25
145000	HEARTLAND FIRE & R	-	-	-	-	-	19,496.94	(19,496.94)	N/A
146000	FIRE EMERGENCY MED	750,000.00	351,789.72	398,210.28	46.91	-	-	-	-
151330	ENG - PRIVATE DEVE	250,000.00	208,172.04	41,827.96	83.27	250,000.00	138,467.34	111,532.66	55.39
151900	ENG - CIP PROJECTS	750,000.00	321,011.50	428,988.50	42.80	750,000.00	321,153.56	428,846.44	42.82
152310	TRAFFIC ENGINEERIN	16,000.00	22,190.75	(6,190.75)	138.69	16,500.00	6,489.50	10,010.50	39.33
160000	PARKS	10,000.00	5,424.49	4,575.51	54.24	5,000.00	10,043.43	(5,043.43)	200.87
165000	RECREATION	150,625.00	77,544.47	73,080.53	51.48	105,125.00	48,800.49	56,324.51	46.42
170110	HOUSING & SA ADMIN	235,500.00	98,718.25	136,781.75	41.92	235,400.00	94,158.14	141,241.86	40.00
170510	PLANNING DIVISION	228,500.00	147,518.54	80,981.46	64.56	330,000.00	126,382.28	203,617.72	38.30
170520	PLANNING - ADVANCE	-	-	-	-	-	200.00	(200.00)	N/A
171000	BUILDING AND FIRE	1,067,000.00	565,934.55	501,065.45	53.04	1,060,000.00	458,049.38	601,950.62	43.21
	TOTAL GENERAL FUND	69,754,105.00	26,173,956.40	43,580,148.60	37.52	67,660,741.00	24,039,570.00	43,641,171.00	35.52
209	CA BEVERAGE GRANT	-	616.87	(616.87)	N/A	160.00	266.18	(106.18)	166.36
211	GAS TAX	2,854,237.00	988,475.14	1,865,761.86	34.63	2,076,746.00	1,050,637.75	1,026,108.25	50.59
213	TRANSIT	90,883.00	265,860.07	(174,977.07)	292.53	90,883.00	168,551.54	(77,668.54)	185.46
215	STATE COPS GRANT-B	100,000.00	122,915.70	(22,915.70)	122.92	100,000.00	117,054.00	(17,054.00)	117.05
221	ST HOMELAND SEC GR	62,249.00	9,075.00	53,174.00	14.58	65,954.00	-	65,954.00	-
222	ASSET FORFEITURE	30,000.00	7,420.86	22,579.14	24.74	10,000.00	38,572.40	(28,572.40)	385.72
223	STATE ASSET FORFEI	-	7,202.69	(7,202.69)	N/A	10,000.00	12.58	9,987.42	0.13
224	LOCAL PUB SAFETY P	400,000.00	188,373.51	211,626.49	47.09	385,000.00	177,510.41	207,489.59	46.11
225	POLICE MISC GRANTS	700,907.00	77,326.94	623,580.06	11.03	409,619.00	58,091.36	351,527.64	14.18
240	RECREATION PROGRAM	546,080.00	344,287.22	201,792.78	63.05	551,886.00	362,173.99	189,712.01	65.65
250	EMERGENCY MEDICAL	-	-	-	-	2,483,000.00	1,373,448.81	1,109,551.19	55.31
253	UASI GRANTS	489,961.00	-	489,961.00	-	13,576.00	1,913.70	11,662.30	14.10
254	INDIAN GAMING GRAN	-	25.53	(25.53)	N/A	-	72.63	(72.63)	N/A
265	COMM DEV MISC GRAN	275,428.00	10,347.23	265,080.77	3.76	515,000.00	32,233.77	482,766.23	6.26
270	CDBG	1,308,960.00	38,817.00	1,270,143.00	2.97	1,239,437.00	147,266.97	1,092,170.03	11.88
275	HOME	435,000.00	126,871.05	308,128.95	29.17	446,073.00	863,424.27	(417,351.27)	193.56
280	CAL HOME GRANT	394,000.00	59,650.00	334,350.00	15.14	380,400.00	-	380,400.00	-
298	LOW/MOD HOUSING AS	1,594,421.00	303,313.05	1,291,107.95	19.02	1,274,193.00	55,132.08	1,219,060.92	4.33
299	HOUSING IN LIEU FE	-	901.28	(901.28)	N/A	-	388.91	(388.91)	N/A
311	ANIMAL SHELTER DON	-	77.00	(77.00)	N/A	-	10.00	(10.00)	N/A
322	ANMAL SHLTR BLDG D	-	2,662.12	(2,662.12)	N/A	-	250.43	(250.43)	N/A
501	CITY CAPITAL IMPRO	1,912,998.00	41,668.67	1,871,329.33	2.18	2,641,750.00	1,117,851.34	1,523,898.66	42.31
502	PUBLIC SFTY FACILI	-	38,405.97	(38,405.97)	N/A	-	18,359.80	(18,359.80)	N/A
503	TRANSNET	3,693,113.00	485,000.00	3,208,113.00	13.13	3,807,801.00	1,032,398.71	2,775,402.29	27.11
505	PARKS & REC IMPROV	1,099,053.00	88,143.86	1,010,909.14	8.02	2,492,537.00	448,926.83	2,043,610.17	18.01
508	PARKS & REC GRANTS	-	-	-	-	77,267.00	58,300.00	18,967.00	75.45
515	PARKS IMPACT FEES	5,000.00	7,783.55	(2,783.55)	155.67	10,000.00	2,741.18	7,258.82	27.41
550	PW TRANSPORTATION	6,986,912.00	736,912.09	6,249,999.91	10.55	8,143,640.00	1,252,665.02	6,890,974.98	15.38
552	TRANSPORTATION GRA	2,796,685.00	105,772.54	2,690,912.46	3.78	3,258,939.00	191,086.43	3,067,852.57	5.86
553	REG TRANS CONGSTIO	-	43,979.27	(43,979.27)	N/A	280,000.00	28,902.63	251,097.37	10.32
601	VEHICLE/EQUIP MAIN	2,400,000.00	1,204,710.06	1,195,289.94	50.20	2,475,000.00	1,239,904.45	1,235,095.55	50.10
605	VEHICLE/EQUIP REPL	750,000.00	382,206.00	367,794.00	50.96	750,000.00	379,788.00	370,212.00	50.64
610	SELF-INSURANCE	898,260.00	487,978.73	410,281.27	54.32	860,000.00	461,495.86	398,504.14	53.66
615	IT SERVICES FUND	3,797,029.00	1,898,514.00	1,898,515.00	50.00	750,000.00	375,000.00	375,000.00	50.00
620	OTHER POST-EMP BEN	1,500,000.00	750,006.00	749,994.00	50.00	1,200,000.00	600,024.00	599,976.00	50.00
650	WASTEWATER	19,222,500.00	11,298,656.53	7,923,843.47	58.78	21,873,000.00	10,187,134.29	11,685,865.71	46.57

CITY OF EL CAJON FIVE-YEAR BUSINESS PLAN FISCAL YEAR 2018-19 UPDATE

The Five-Year Business Plan is used to evaluate and update revenue and expenditure assumptions for the General Fund and other funds based on current economic conditions. Long-range forecasting can reveal imbalances not apparent today, providing time to take corrective action in a proactive way. Accordingly, financial planning is central to how the City is governed and managed. This long-range financial forecast is not intended as a budget, but as a decision-making tool.

The purpose of the plan is to assist City staff in making better business decisions by assessing mid-term and long-term financial implications of current economic conditions and proposed obligations, policies, programs, and assumptions. As such, the Five-Year Business Plan is an important tool in preparation of the upcoming budget. The plan represents the opportunity to take a broad view of the City's operating finances before considering the details of the Annual Budget.

Economic Outlook

The economic outlook for the county, state, and nation are taken into consideration when updating the Five-Year Business Plan. The economy continued to grow 2017, and is expected to continue at a steady pace.

University of San Diego Professor Alan Gin publishes the USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators that measures and reflects on the direction of the San Diego economy. The most recent report was issued on November 29, 2017. In this report, he states "[T]he USD Index has now increased or been unchanged for an entire year. The outlook then continues to be for positive but slower growth for the local economy at least through most of 2018."

The UCLA Anderson Forecast, in a November, 2017 release, made the following comments regarding the national economy.

It looks like 2018 is shaping up to be a pretty good year. There is momentum coming from the recent strength in 2017, strong equipment spending, the likelihood of a tax cut and a consumer that is benefitting from higher asset prices and the prospect of higher wages. Unemployment will drop below 4% and remain there throughout most of the forecast horizon and inflation will experience an uptick. The Fed will respond by continuing to normalize short-term interest rates with the Fed Funds rate on a path to 3% by 2019. However, as we get into 2019, inflation could be approaching 3% and the economy will slow as it reaches capacity constraints.

The Federal Open Market Committee made the following comments January 31, 2018.

Information received since the Federal Open Market Committee met in December indicates that the labor market has continued to strengthen and that economic activity has been rising at a solid rate.

Gains in employment, household spending, and business fixed investment have been solid, and the unemployment rate has stayed low. On a 12-month basis, both overall inflation and inflation for items other than food and energy have continued to run below 2 percent. Market-based measures of inflation compensation have increased in recent months but remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.

Other Sources of economic information, such as the Bureau of Labor Statistics and the Bureau of Economic Analysis, support the anticipation that the economy should continue to grow, if at a slower pace.

Employee Retirement – CalPERS

The City is a member of the California Public Employees' Retirement System (CalPERS). All City employees who work at least 1,000 hours per fiscal year are eligible to participate in CalPERS. Participants in the plan vest after five years of employment.

Over the past few years the CalPERS Board approved significant changes to actuarial policies and assumptions to enhance the long-term stability of the fund. As a result of these changes, along with investment performance, employer retirement contribution rates have increased, and are expected to continue to grow. The largest portion of this rate increase is attributed to the unfunded liability of the miscellaneous and safety plans. The following table shows the actual employer contributions over a five-year period.

CALPERS EMPLOYER CONTRIBUTION RATES

Miscellaneous Members	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
Normal Cost	10.096%	10.042%	10.012%	10.575%	10.512%
Unfunded Rate	<u>17.310%</u>	<u>20.103%</u>	<u>23.749%</u>	<u>27.185%</u>	<u>30.285%</u>
Total Miscellaneous Rate	<u>27.406%</u>	<u>30.145%</u>	<u>33.761%</u>	<u>37.760%</u>	<u>40.797%</u>
Safety Members	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
Normal Cost	17.939%	18.029%	18.188%	18.933%	18.687%
Unfunded Rate	<u>19.589%</u>	<u>24.028%</u>	<u>29.271%</u>	<u>30.878%</u>	<u>39.038%</u>
Total Safety Rate	<u>37.528%</u>	<u>42.057%</u>	<u>47.459%</u>	<u>49.811%</u>	<u>57.725%</u>

*The rates stated above are employer rates only; employee rates apply in addition to the above rates.

As of the most recent actuarial valuation date, June 30, 2016, the City's combined plans cover 1,533 current and former employees, of which 747 are retired. Safety plan retirees receive an average annual benefit of \$54,829, while miscellaneous plan members receives an average annual benefit of \$23,904. The combined unfunded retirement liability was \$185.4 million, and the combined plans were funded to 63.2%. In Fiscal Year 2017-18, total citywide CalPERS employer contributions for both plans is expected to total \$14.7 million.

CalPERS annual investment goal has been 7.5% for the past several years, but the system has significantly underperformed that goal (on average). The result of these poor returns has been an annual underfunding of most CalPERS plans by greatly reducing the plans' primary funding mechanism: investment returns. After several years of underperformance, the unfunded retirement liability and contribution rate have grown, and the plans' funded status have shrunk.

In December 2016 CalPERS voted to reduce the annual investment return assumption from 7.5% to 7.0% over a three year period. While this is a somber move to recognize a significant problem, this is still short of CalPERS investment earnings expectation for the next ten years.

Presented below are projected employer contributions rates.

CALPERS PROJECTED TOTAL EMPLOYER CONTRIBUTION RATES

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
Miscellaneous Plan	40.8%	42.7%	47.3%	51.1%	54.4%
Safety Plan	57.7%	61.0%	67.8%	73.5%	78.6%

*The rates stated above are employer rates only; employee rates apply in addition to the above rates.

CalPERS employer contributions, and the City's unfunded pension liability, continue to represent one of the most significant challenges for the foreseeable. Pension cost increases will result in millions of dollars in additional costs for the City each year, which will significantly offset anticipated revenue growth.

Assumptions Utilized in the Five-Year Business Plan

The Five-Year Business Plan is based on a number of assumptions regarding the future. These assumptions are detailed below.

General Fund Revenue Assumptions

1. Revenue projections are based on the anticipated Fiscal Year 2017-18 revenues as determined by mid-year analysis, as well as the most recent data available.
2. Sales tax revenue projections are based on estimates provided by the City's sales tax consultant/analyst. These estimates were updated based on information from the 2nd quarter sales tax information.
3. Property tax revenues are projected to grow by 4.0% annually.
4. Franchise fees from SDG&E, Waste Management, Cox Communication, and AT&T are projected to increase 2.0% annually.
5. Ongoing residual revenue distribution resulting from the dissolution of the redevelopment agency, net of expenses, is conservatively projected based on experience.
6. Assumes most other revenues to grow 2.0% annually.
7. Anticipates no revenue reductions to aid in balancing the State's budget.

General Fund Expenditure Assumptions

1. Salary and wages are projected using negotiated rates where available, and assumes 2.0% growth where applicable.
2. Pension related costs are projected based on information provided by CalPERS as part of the actuarial valuations.
3. Assumes Workers Compensation Insurance rates increase slightly higher than the inflation assumptions.
4. Contributions to the Vehicle/Equipment Replacement Fund, and Capital Improvement Project Fund projected based on anticipated needs.
5. Materials and Supplies expenditure growth is projected at 1.0% annually.

Projection Limitations

Projections are designed to anticipate future performance based on past results, but unforeseen events can dramatically impact anticipated results. Projections should therefore be used as a planning tool and to identify structural flaws. The mitigation of these unforeseen events takes place during the annual budget process and the daily operation of the organization.

General Fund Projection Results

Once the assumptions identified above are taken into account, and weighed alongside objective information, a picture of anticipated results emerges. The overall conclusion is that revenue growth is anticipated to be slow, and offset by expenditure growth primarily in pension and salary costs. The impact of unforeseen events may have much bigger impacts than what is anticipated here. The information presented below indicates the starting point from which adjustments can be made during the annual budget process to ensure balanced budgets going forward.

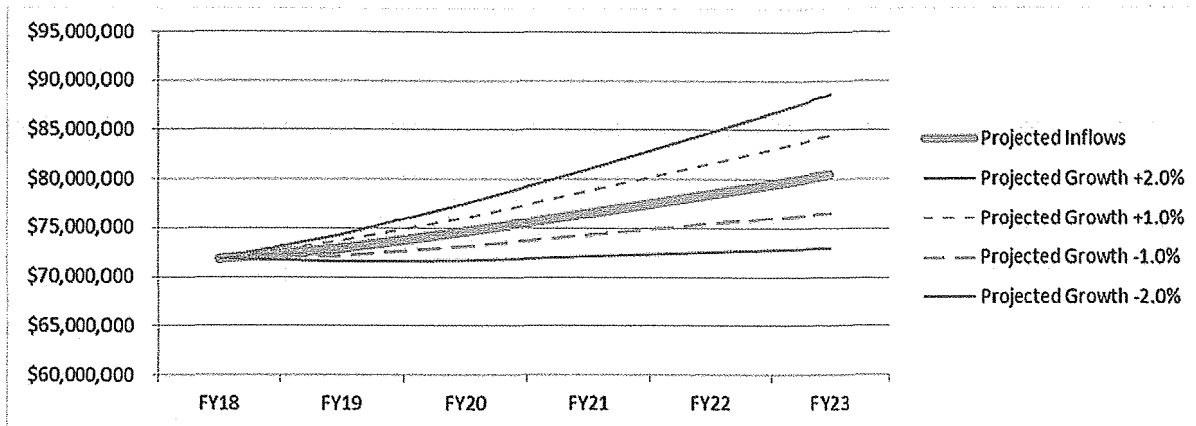
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Summary of Projected General Fund Activity

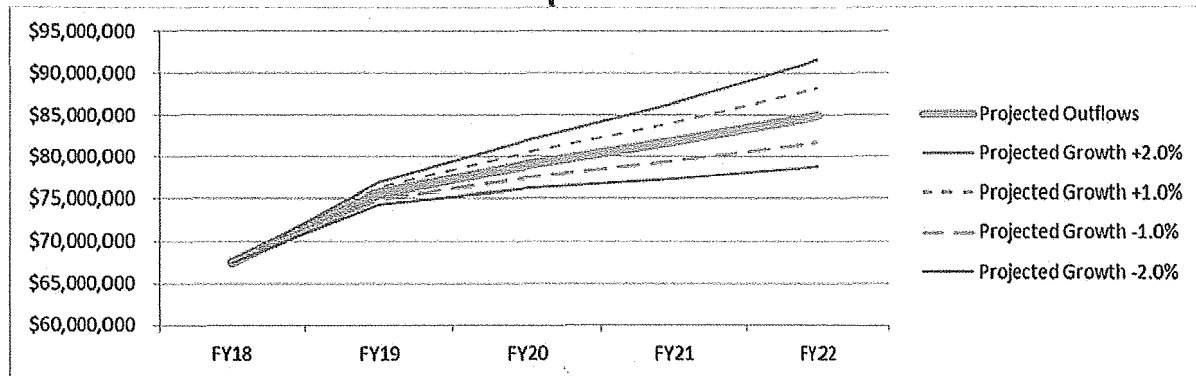
Fiscal Year	Projected Inflows	Projected Outflows	Change in Fund Balance
FY 2017-18	71,871,277	67,503,337	4,367,940
FY 2018-19	72,945,291	75,593,395	(2,648,104)
FY 2019-20	74,607,028	79,027,621	(4,420,592)
FY 2020-21	76,532,971	81,778,680	(5,245,710)
FY 2021-22	78,489,906	84,969,997	(6,480,091)
FY 2022-23	80,496,149	87,984,668	(7,488,519)

The two following tables are intended to demonstrate the impact on results from relatively minor deviations from expectations

General Fund Total Revenues and Sources of Funds



General Fund Total Expenditures and Uses of Funds



Fund Balance

City Council Policy B-12, Fund Balance, establishes a policy that ensures the City maintains adequate fund balance and reserves to provide sufficient cash flow for daily needs, secure and maintain investment grade bond ratings, offset significant economic downturns and revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.

In accordance with the Policy, the General Fund, Fund Balance is currently segregated into an operating reserve, an economic uncertainty reserve, an unfunded pension obligation reserve, and a carryover reserve. The purpose for each of these reserves is discussed more fully below.

Operating Reserve – The Operating Reserve is recomputed annually at 20% of expenditures and is maintained each year. The Operating Reserve serves the following essential purposes:

1. Provides cash flow to avoid borrowing (tax and revenue anticipation notes) during low cash periods (typically the first six-months of the fiscal year).
2. Provides interest-earning revenues to benefit the General Fund.
3. Serves as the single most important practice evaluated by credit rating agencies when rating a municipality.
4. Protects the City from unforeseeable circumstances such as:
 - Unexpected costs resulting from a national or local disaster.
 - A sudden worsening in the economy, such as the recent prolonged recession and existing effects.
 - Unanticipated external factors, such as litigation or negative actions of other governments.

Economic Uncertainty Reserve – This reserve is established for the purpose of stabilizing delivery of City services during periods of structural budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures.

Unfunded Retirement Obligation Reserve - This reserve was established to address the increasing unfunded liability and higher employer contribution rates. CalPERS conducts periodic evaluations of the actuarial assumptions and, after due consideration by its Board, modifies the assumptions based on actual experience.

Carryover Reserve – The Carryover Reserve is available for the following purposes, and, without mitigation, is expected to be significantly reduced over the course of the Five-Year Business Plan:

1. Allocating additional contributions to vehicle/equipment replacement, information technology replacement, and capital improvement projects for long-term fiscal sustainability.
2. Stabilizing delivery of City services during periods of operational budget deficits.
3. Mitigating the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures.

Based on projections, and without mitigation, the table below summarizes the impact on fund balance of anticipated activity over the next five years.

GENERAL FUND	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Projected Total Ending Fund Balance	\$43,421,299	\$40,773,195	\$36,352,603	\$31,106,894	\$24,626,802	\$17,138,283

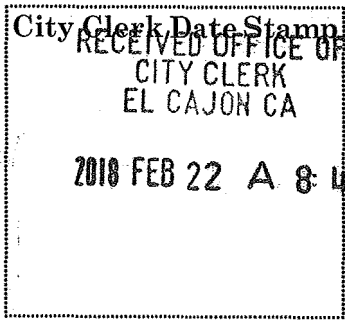
Guidelines for Fiscal Year 2018-19 Budget Development

Personnel changes (additions and/or reclassifications), if needed, must be offset by cost reductions or revenue enhancements.

Overtime must be limited to only covering vacancies and other staffing shortfalls.

Contain material, supplies, and services growth allowing for only inflation/cost increases where applicable.

Non-General Fund resources should be utilized as a first priority for capital needs.



City of El Cajon Agenda Report

MEETING: Feb. 27, 2018

ITEM NO: 3.1



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Dirk Epperson, Director of Public Works

SUBJECT: Delinquent Refuse Collection Charges

RECOMMENDATION: That the City Council:

1. Opens the Public Hearing and considers public testimony;
2. Closes the Public Hearing;
3. Adopts the next RESOLUTIONS in order confirming the list of property owners as delinquent in the payment of their mandatory trash service bills; and
4. Authorizes the City Clerk to record the amount owed as a lien on the property and forward a list to the County Tax Assessor for billing on the next property tax bill.

BACKGROUND: On January 1, 1996, the City began mandatory trash service for all single-family residences. The City's agreement with the City's solid-waste hauler, Waste Management, allows Waste Management to bill for regular service with the City assuming responsibility for placing liens on delinquent accounts. This allows the City to use the enforcement power of a property lien, when necessary, to collect past due amounts. By utilizing a property lien rather than a collection agency or other recoupment procedure, not only is Waste Management paid for their service, but the City is able to collect the franchise fee associated with the delinquencies. Additionally, the lien process is a cost-effective way for the City to ensure payment of delivered services.

Every four months, Waste Management provides the City with a list of properties that are delinquent in their payments for refuse and recycling collection services. A customer is considered delinquent when their account is more than 120 days overdue with a minimum balance of \$40. In February, June, and November of each year, the City Council reviews the list of delinquencies and directs staff to record a lien on the delinquent properties. Residents have several opportunities prior to the lien process to reconcile their accounts, including advanced notice of the public hearing. Residents are able to pay their delinquent balance up to the day of the City Council Meeting. Per the requirements of California State Senate Bill #2 (SB2, 2017), these lien balances also now include an additional \$75 recording fee.

Furthermore, the El Cajon Municipal Code allows for exemption from the mandatory refuse service with sufficient proof of use of a City-approved refuse and recyclables collection alternative. Residents may take their refuse to their private business located within the City limits of El Cajon, or they may haul their refuse to the landfill and provide receipts for such service.

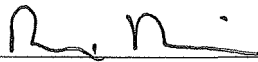
On January 24, 2018, 930 customers were sent a Final Notice of Delinquency, asking them to pay a combined total of \$127,869.41. As of February 15, 2018, 338 customers have paid, leaving a balance of 592 delinquent accounts for the City Council to consider totaling \$84,525.72. Each customer will also pay \$100 for the City's \$25 recording processing cost and the State of California's \$75 new recording fee pursuant to SB2.

FISCAL IMPACT: As the City collects a 15% franchise fee for Waste Management services, the City's financial share of these delinquencies is approximately \$12,678.86. These funds are deposited into the General Fund.

PREPARED BY:

REVIEWED BY:

APPROVED BY:



Dennis Davies
DEPUTY DIRECTOR OF
PUBLIC WORKS



Dirk Epperson
DIRECTOR OF
PUBLIC WORKS



Douglas Williford
CITY MANAGER

RESOLUTION NO. -18

RESOLUTION APPROVING REPORT AND ACCOUNT OF
DELINQUENT REFUSE COLLECTION SERVICE FEES AND CHARGES;
AND CONFIRMING ASSESSMENTS AS LIENS PURSUANT TO
CHAPTER 8.24 OF THE EL CAJON MUNICIPAL CODE

WHEREAS, pursuant to the provisions of Chapter 8.24 of the El Cajon Municipal Code, a public hearing was held on February 27, 2018, for the purpose of hearing objections or protests to a report and account of delinquent refuse collection service fees and charges; and

WHEREAS, protests and objections of the owners of the properties liable to be assessed for said delinquent charges have been heard and considered by said City Council, and said accounts have been approved as submitted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. In accordance with the provisions of Title 4, Division 3, Chapter 10, section 38791 and Title 3, Division 2, Chapter 8, section 25831 of the Government Code of the State of California, and section 8.24.090 of Chapter 8.24 of the El Cajon Municipal Code, the report and account of delinquent refuse collection service fees and charges (Exhibit "A") considered at the hearing held on February 27, 2018, on file in the office of the City Clerk, is approved, and the unpaid amounts designated in said report and account shall be a charge to the owners of the properties on the next regular tax bill, and shall be liens upon the properties involved.

2. The sums herein assessed remaining unpaid after thirty (30) days from the date of this resolution shall bear interest at the rate of seven percent (7%) per annum, as set forth in section 8.24.100 of Chapter 8.24 of the El Cajon Municipal Code.

3. The designation of said parcels is shown by Assessor's parcel numbers, and the initial amounts plus interest to be assessed and imposed as liens are designated thereafter on Exhibit "A," on file in the Office of the City Clerk.

4. Said liens shall be of no further force or effect upon the confirmation of the Tax Collector that said assessments have been added to the tax rolls.

5. The City Clerk is hereby directed to record a certified copy of this resolution and Exhibit "A" in the office of the County Recorder of San Diego County.

6. The City Clerk is hereby authorized to discharge and release any such lien when the claim under said lien has been fully satisfied.

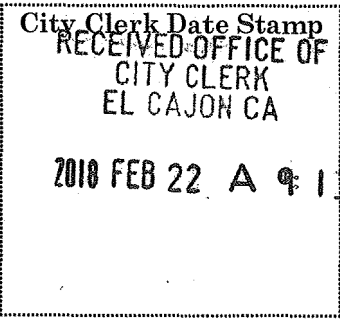
7. **The decision in your matter is final on this date, and by this notice, you have 90 calendar days from the date of the mailing of this notice to seek judicial**

review of this decision pursuant to California Code of Civil Procedure sections 1094.5 and 1094.6, and El Cajon Municipal Code Chapter 1.32.

02/27/18 (Item 3.1)

Delinquent Refuse Liens (February 2018) 022118

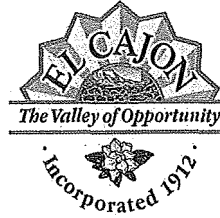
**List of Delinquent Refuse
Collection Accounts is
Available for Review in the
City Clerk's Office, 200
Civic Center Way, El Cajon,
CA 92020. (619) 441-1763**



City of El Cajon Agenda Report

MEETING: Feb. 27, 2018

ITEM NO: 3.2



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Dirk Epperson, Director of Public Works

SUBJECT: Delinquent Sewer Service Charges

RECOMMENDATION: That the City Council:

- 1) Opens the Public Hearing and considers public testimony;
- 2) Closes the Public Hearing;
- 3) Adopts the next RESOLUTIONS in order confirming the charges and levying the assessments on the next regular tax bill; and
- 4) Authorizes the City Clerk to place a lien on delinquent properties and to forward a list to the County Tax Assessor for billing on the next property tax bill.

BACKGROUND: In accordance with the requirements of Municipal Code Section 13.44, a public hearing has been requested for delinquent sewer service charges.

Typically, most of the sewer accounts are paid on time; however, the City experiences delinquent accounts ranging from 6% to 8% of the total sewer billing accounts each billing period. A number of customers wait until a notice of delinquency is issued prior to reconciling their accounts, sometimes allowing it to be assessed through the tax roll.

Each sewer bill includes a due date 28 days after the date of the bill. Any balance that remains one week after the due date has a 10% penalty added and a past due notice is sent to the customer as well as the property owner. In addition, the City sends a Notice of Public Hearing (lien notice) to property owners for any sewer account that remains delinquent for at least 30 days past the original due date. This lien notice gives no less than 30 days for the property owner to reconcile the delinquency before the debt is presented to Council for approval of a lien against the property. The final lien balances in the updated listing provided to Council include a standard \$25.00 administrative lien fee and a 1.5% interest charge. Per the requirements of California State Senate Bill #2 (SB2, 2017), these lien balances also now include an additional \$75.00 recording fee.

This is the second lien hearing of the standard tri-annual lien practices to be completed this fiscal year (July 1, 2017 - June 30, 2018). At the end of each fiscal year, staff reviews all recorded liens for delinquent sewer charges and applies the remaining

delinquent balances as an assessment against the corresponding properties. This balance is then included on and collected with the property taxes. Many of the sewer billing customers actually prefer to pay for their sewer charges with their tax bills, and therefore, allow all sewer charges to be liened and assessed each year.

By utilizing a property lien and assessment process rather than a collection agency or other recoupment procedure, the City is able to ensure the security of the wastewater funding for the operation and maintenance of our wastewater collection system, as well as costs associated with transportation, treatment, and disposal of our wastewater by the Metropolitan Wastewater Joint Powers Authority. Additionally, liens are a cost-effective way for the City to ensure payment of delinquent fees for services rendered.

On January 19, 2018, 463 delinquency lien hearing notices were mailed with a must pay date of February 16, 2017, representing a total unpaid balance of \$182,952.99. The lien notices informed property owners of the corresponding public hearing during the February 27, 2018, Council Meeting.

As of February 20, 2018, only 371 of the accounts remained delinquent, owing \$186,445.30. A revised listing of those accounts that remain delinquent as of February 27, 2018, will be provided to Council at the time of the hearing.

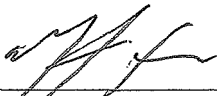
FISCAL IMPACT:

Failure to pay sewer charges impacts the City's ability to meet wastewater collection, treatment, and maintenance costs. There is no impact to the General Fund.

PREPARED BY:

REVIEWED BY:

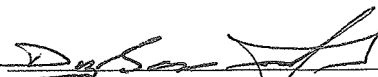
APPROVED BY:



Yazmin Arellano
CITY ENGINEER
DEPUTY DIRECTOR
PUBLIC WORKS



Dirk Epperson
DIRECTOR
PUBLIC WORKS



Douglas Williford
CITY MANAGER

RESOLUTION NO. -18

RESOLUTION APPROVING REPORT AND ACCOUNT OF
SEWER SERVICE CHARGE DELINQUENCIES; AND
CONFIRMING ASSESSMENTS AS LIENS PURSUANT TO
CHAPTER 13.44 OF THE EL CAJON MUNICIPAL CODE

WHEREAS, pursuant to the provisions of Chapter 13.44 of the El Cajon Municipal Code, a public hearing was held on February 27, 2018, for the purpose of hearing objections or protests to a report and account of delinquent sewer service charges; and

WHEREAS, protests and objections of the owners of the property liable to be assessed for said delinquent charges have been heard and considered by said City Council, and said account has been approved as submitted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. In accordance with the provisions of section 13.44.100 of Chapter 13.44 of the El Cajon Municipal Code, the report and account of delinquent sewer service charges (Exhibit "A") considered at the hearing held on February 27, 2018, on file in the office of the City Clerk, is approved, and the unpaid amounts designated in said report and account shall be a charge to the owners of the property on the next regular tax bill, and shall be a lien upon the property involved.

2. The sums herein assessed remaining unpaid after thirty (30) days from the date of this resolution shall bear interest as set forth in section 13.44.110 of Chapter 13.44 of the El Cajon Municipal Code.

3. The designation of said parcels is shown by Assessor's parcel numbers, and the initial amount plus interest to be assessed and imposed as a lien is designated thereafter on Exhibit "A" on file in the Office of the City Clerk.

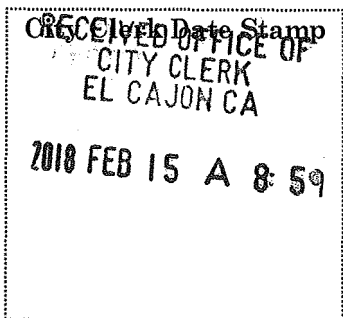
4. Said liens shall be of no further force or effect upon the confirmation of the Tax Collector that said assessments have been added to the tax rolls.

5. The City Clerk is hereby directed to record a certified copy of this resolution and Exhibit "A" in the office of the County Recorder of San Diego County.

6. The City Clerk is hereby authorized to discharge and release any such lien when the claim under said lien has been fully satisfied.

7. The decision in your matter is final on this date, and by this notice, you have 90 calendar days from the date of the mailing of this notice to seek judicial review of this decision pursuant to California Code of Civil Procedure sections 1094.5 and 1094.6, and El Cajon Municipal Code Chapter 1.32.

**List of Delinquent
Sewer Collection
Accounts is Available
for Review in the
City Clerk's Office,
200 Civic Center Way,
El Cajon, CA 92020
619-441-1763**



City of El Cajon Agenda Report

MEETING: 2/27/2018

ITEM NO: 4.1



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Graham Mitchell, Assistant City Manager

SUBJECT: Donation to Salvation Army for El Cajon Seniors

RECOMMENDATION: That the City Council receive a report from the Salvation Army regarding a \$5,000 donation from the City to assist El Cajon seniors.

BACKGROUND: At its April 25, 2017 meeting, the City Council authorized the allocation of a \$5,000 donation to the Salvation Army for the purpose of providing assistance to seniors within El Cajon during the holiday season. The grant was to be used to distribute basic necessities to seniors within the City. The Salvation Army was required to return to the City Council with a report providing information on how the donation was used. The report was to include the number of seniors served, the types of necessities provided, the number of volunteers involved, and any other information that may be useful.

During the agenda item, Salvation Army representatives will provide a presentation regarding its program. As a summary, staff learned that 82 El Cajon seniors were served, 17 volunteers participated in distributing items, and the Salvation Army tailored gifts to meet the needs of the recipients. Examples of necessities provided included blankets, clothes, heaters, beds, medical supplies, and car tires.

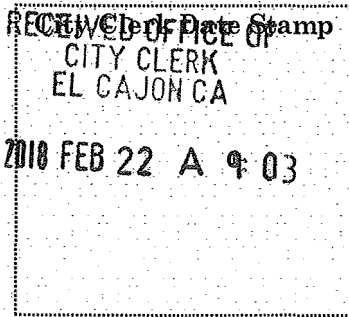
FISCAL IMPACT: The donation of \$5,000 was from the City Council Contingency Fund, which contains sufficient funds remaining for this fiscal year.

PREPARED BY:

Graham Mitchell
ASSISTANT CITY MANAGER

APPROVED BY:

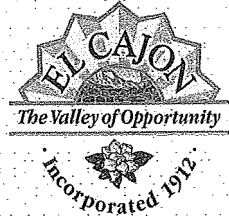
Douglas Williford
CITY MANAGER



City of El Cajon Agenda Report

MEETING: 2/27/2018

ITEM NO: 4.2



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Jeff Davis, Police Chief

SUBJECT: Proposal for Two Additional Sworn Police Officers, Modification of the Police Services Officer Classification, and Creation/Addition of the Police Service Officer II Classification

RECOMMENDATION: That the City Council approves:

- 1) Adding two additional full-time Police Officer positions,
- 2) Modifying the existing Police Services Officer classification,
- 3) Creating the Police Services Officer II classification, and
- 4) Directing the City Manager to add these positions to the FY 2017-18 Budget.

BACKGROUND: The Police Department relies on non-sworn Police Service Officers (PSOs) to perform duties in support of daily police operations. There are currently thirteen PSO positions identified in the FY 2017-18 Budget, with eight of those allotted positions filled and five positions vacant.

The intent of this agenda item is to recommend replacing or reclassifying the five vacant PSO positions. Staff recommends that three of the PSO positions be replaced by two new additional police officers. Also, staff recommends reclassifying the remaining two PSO vacancies as PSO IIs to serve in the capacity of park rangers. Ultimately, this recommendation does not increase the number of staff and gives the Police Department greater flexibility in meeting the needs of the community.

Police Officer Positions

The recommended shift in personnel helps the City respond to a steady increase of calls for service that the Department has experienced. Since 2013, the volume of calls has increased by 17.3 percent—much of this increase reflects calls addressing homeless issues and not necessarily criminal activity.

As a reminder, since 2013, the City Council has added four new police officer positions. In addition, this past year, the City Council authorized replacing the full-time police sergeant that oversaw the Animal Control Shelter with a civilian employee. This has allowed the

sergeant to be reassigned to direct police duties, effectively adding five police positions to the Department over the past five years.

Regionally, the average ratio of sworn police officer positions per 1,000 residents in FY 16-17 was 1.29. During that time period, the ratio for the El Cajon Police Department was 1.19. By adding the additional positions to the FY 2017-18 Budget, the ratio increases to 1.24 officers per 1,000 residents in El Cajon.

Police Service Officer II Classification

Last year, the City Council discussed the need for park rangers to enforce the municipal code in City parks. These non-sworn staff would have the ability to write citations and cover animal control issues. Currently, the City has no job classifications to meet these needs.

The Police Department worked with Human Resources on several classification modifications. The discussions resulted in two recommendations that have been reviewed and approved by the El Cajon Municipal Employee Association and the City's Personnel Commission.


First, staff recommends creating the PSO II classification which would enable the City to staff parks with the intended park rangers. Second, staff recommends retitling the current PSO position to PSO I—this would not modify the current pay scale for the PSO.

FISCAL IMPACT: This proposed action modify the FY 2017-18 Budget by replacing five PSO positions with two additional police officer and two PSO II positions. Funding for this staffing shift would be from the elimination of five vacant PSO positions. The net impact of these adjustments is an increase of approximately \$35,000 and will be absorbed by existing General Fund appropriations.

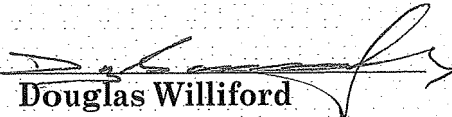
PREPARED BY:

REVIEWED BY:

APPROVED BY:


Jeff Davis
POLICE CHIEF


Graham Mitchell
ASSISTANT CITY
MANAGER

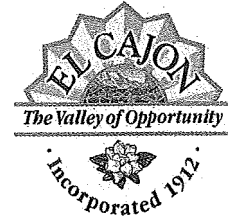

Douglas Williford
CITY MANAGER

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City of El Cajon Agenda Report

MEETING: 2/27/18

ITEM NO: 6.1



TO: Mayor Pro Tem Kendrick, and Councilmembers
Goble, Kalasho and McClellan

FROM: Mayor Wells

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- February 22, 2018 – Speaker at Charter School
- February 23, 2018 - SANDAG Board Meeting
- February 24, 2018 - East County Chamber Annual Awards Ceremony
- February 27, 2018 - City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,



Bill Wells
Mayor

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City of El Cajon Agenda Report

MEETING: 2/27/2018

ITEM NO: 6.2



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and McClellan

FROM: Graham Mitchell, Assistant City Manager

SUBJECT: Legislative Actions

RECOMMENDATION: That the City Council oppose SB 827 (Wiener) and SB 946 (Lara).

BACKGROUND: February 16, 2018 marked the last day regular legislation may be introduced in the California Senate and Assembly. In the next few months, the League of California Cities will analyze legislation as bills move through committees. In the past, the City has opposed State actions that eroded local control and fiscal security. Conversely, it has supported legislation that enhances local governance and economic prosperity.

Currently, there are two bills that staff recommends that the City oppose—SB 827 (Wiener) and SB 946 (Lara).

SB 827 (Wiener) was introduced on January 3, 2018 by Senator Scott Wiener. SB 827 is opposed by the League of California Cities because of its grab of local land use authority. SB 827 would exempt proposed housing development located within a half mile of a transit center (i.e. trolley stop) from having to comply with local development standards, such as density, height limits, parking, and design review.

Because the City encourages and promotes development through its streamlined process, staff believes that the outcomes of this bill in El Cajon would be the erosion of its local land use authority and subsequently, the removal of citizen participation. As such, staff recommends the City Council oppose SB 827.

SB 946 (Lara) was introduced on January 29, 2018 by Senator Ricardo Lara. SB 946 would prohibit cities from enforcing rules that regulate or prohibit sidewalk vendors, unless it first adopts a sidewalk vending licensing program. The bill prescribes elements of the required vending licensing program. Some of these provisions include:

- 1) Cannot restrict the location of licensed sidewalk vendors, unless there is a health and safety concern—the bill specifically states that “economic competition does not constitute an objective health, safety, or welfare concern”;
- 2) Cannot prohibit a licensed vendor from selling food or merchandise in a park;

- 3) Cannot restrict the overall number of sidewalk vendor licenses issued; and
- 4) Establishes limits on the administrative fines, which is in conflict with the City's adopted administrative fine schedule.

SB 946 erodes local control of the City's ability to ensure rights-of-way are safe and that parks are used for their intended purpose. Staff is also concerned with the impact that this bill would have on the City's established businesses. As such, staff recommends that the City Council oppose this bill.

Staff seeks City Council direction on the two bills presented in this report. If the City Council wishes to oppose these two bills, staff will prepare letters of opposition for the Mayor's signature and will instruct its State lobbyist regarding the direction.

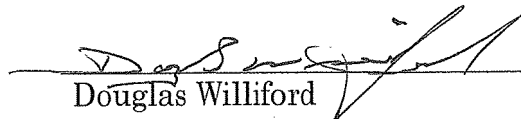
FISCAL IMPACT: The City will not incur any direct cost in opposing SB 827 and SB 946.

PREPARED BY:



Graham Mitchell
ASSISTANT CITY MANAGER

APPROVED BY:



Douglas Williford
CITY MANAGER

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City of El Cajon Agenda Report

MEETING: 2/27/18

ITEM NO: 7.1



TO: Mayor Wells, Councilmembers Goble, Kalasho and McClellan

FROM: Mayor Pro Tem Kendrick

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

February 27, 2018 - City Council Meeting(s)

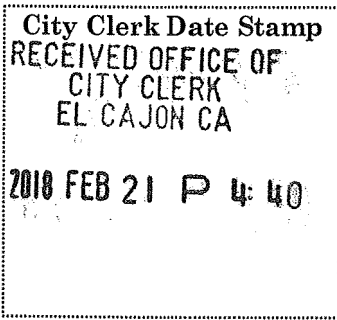
I will be happy to answer any questions you may have.

SUBMITTED BY,

Gary Kendrick

Gary Kendrick
Mayor Pro Tem

A handwritten signature of Gary Kendrick, consisting of a stylized 'G' and 'K' followed by the name 'Gary Kendrick'.



City of El Cajon Agenda Report

MEETING: 2/27/18

ITEM NO: 8.1



TO: Mayor Wells, Mayor Pro Tem Kendrick and Councilmembers Goble and Kalasho

FROM: Councilmember McClellan

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

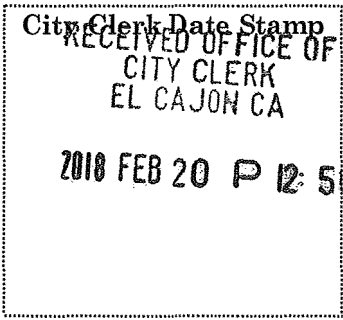
Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- February 15, 2018 - MTS Board Meeting
- February 17, 2018 - Jacqueline's Celebration of Life
- February 22, 2018 - MTS Budget Development Meeting
- February 23, 2018 - St. Paul's PACE Center Grand Opening
- February 27, 2018 - City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,

Bob McClellan
Councilmember



City of El Cajon Agenda Report

MEETING: 2/27/18

ITEM NO: 9.1



TO: Mayor Wells, Mayor Pro Tem Kendrick and Councilmembers Goble and McClellan

FROM: Councilmember Kalasho

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- February 23, 2018 - St. Paul's PACE Grand Opening
- February 26, 2018 - POA Meeting
- February 26, 2018 - John Gibson meeting
- February 27, 2018 - City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,

Ben Kalasho

**Ben Kalasho
Councilmember**

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City of El Cajon Agenda Report

MEETING: 2/27/18

ITEM NO: 10.1



TO: Mayor Wells, Mayor Pro Tem Kendrick, and Councilmembers Kalasho and McClellan

FROM: Councilmember Goble

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:


Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

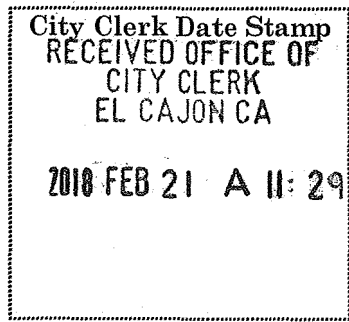
- February 20, 2018 - Meet with Leadership of Alano Club in El Cajon
- February 22, 2018 - Kroc Institute for Peace and Justice Youth Event
- February 23, 2018 - St Paul's East County PACE Grand Opening
- February 24, 2018 - Chamber East County Awards Dinner
- February 26, 2018 - Meeting with City Manager
- February 27, 2018 - City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,

Steve Goble

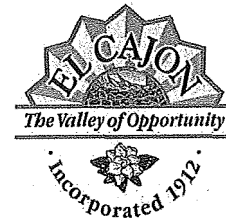
Steve Goble 
Councilmember



City of El Cajon Agenda Report

MEETING: 2/27/18

ITEM NO: 100



TO: Mayor Wells, Mayor Pro Tem Kendrick,
Councilmembers Goble, Kalasho and
McClellan

FROM: Anthony Shute, Director of Community Development

SUBJECT: FY 2018-19 CDBG AND HOME ALLOCATIONS FOR ONE YEAR
ACTION PLAN

RECOMMENDATION: That the City Council

- 1) Opens the public hearing;
- 2) Accepts public input for the FY 2018-19 One-Year Action Plan;
- 3) Closes the public hearing; and
- 4) Allocates funds to projects and programs that will be funded from the FY 2018-19 Community Development Block Grant (CDBG) and HOME grant programs.

Staff will prepare a preliminary funding schedule reflecting the City Council’s decisions from this public hearing relative to the FY 2018-19 Annual Action Plan, and will present it for final adoption at the second public hearing scheduled for April 24, 2018.

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) provides funding each year to eligible jurisdictions through the federal Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) grant programs. These federal funds must be used for eligible projects and programs that benefit low- and moderate-income individuals and households in the City of El Cajon. “Low- and moderate-income” is defined as those persons and households who earn at or below 80% of the Area Median Income (AMI) adjusted for family size for the San Diego Metropolitan Service Area. CDBG funds are used for community development (public services) activities and public facility/capital improvement projects. HOME funds can be used solely to assist in providing affordable housing opportunities.

FIVE-YEAR CONSOLIDATED PLAN

In order to receive the CDBG and HOME funds, every five years the City must prepare and submit a Five Year Consolidated Plan (Consolidated Plan) which describes the community’s needs, goals and priorities for the use of the CDBG and HOME funds over a five-year period. The Consolidated Plan is developed with significant citizen and community participation. The current FY 2014-2018 Consolidated Plan was adopted on April 22, 2014, and expires on

Consolidated Plan is available for public review on the following web page: <http://www.cityofelcajon.us/your-government/departments/community-development/housing-division>. The Consolidated Plan is also available for review during normal operating hours at the Project Assistance Center counter on the third floor of City Hall.

ANNUAL ACTION PLAN

To implement the Five Year Consolidated Plan, the City must annually prepare and adopt a One Year Action Plan, which specifies how the CDBG and HOME resources will be allocated in that year to address the goals and priorities in the Five Year Consolidated Plan. The projects and programs awarded allocations of funding today will form the core of the FY 2018-19 One Year Action Plan, which will be the fifth year of the current Consolidated Plan.

Following the allocation decisions from this public hearing, the draft One Year Action Plan will be prepared and made available for public review and comment for a 30-day period. The One Year Action Plan will be finalized and presented to the City Council at the second public hearing on April 24, 2018, for approval and adoption.

Once approved by the City Council, the One Year Action Plan will be submitted to HUD for review. Upon approval, the funds will become available on or after July 1, 2018. The attached CDBG Fact Sheet provides a summary of eligible and ineligible activities, and a timeline for citizen participation in the development of the Annual Action Plan in FY 2018-19.

EVALUATION OF PAST YEAR'S PERFORMANCE

Annually, the City submits a comprehensive review of each fiscal year's performance to HUD, including the progress made towards meeting the goals of the Five Year Consolidated Plan. A complete review of the City's FY 2016-17 One Year Action Plan performance is included in the City's Consolidated Annual Performance and Evaluation Report ("CAPER"), which is available for public review on the Community Development – Housing web page, located at <http://www.cityofelcajon.us/your-government/departments/community-development/housing-division>. The CAPER is also available for review during normal operating hours at the Project Assistance Center counter on the third floor of City Hall.

Projects and programs are currently underway for the FY 2017-18 Action Plan period, the fourth year of the current Five Year Consolidated Plan.

ANTICIPATED FY 2018-19 CDBG AND HOME FUNDING

The annual allocations of CDBG and HOME funding are based on formulas calculated by HUD and are usually released in the spring of each year. HUD has not yet announced the allocation amounts for FY 2018-19. Staff has prepared estimates of the expected funding amounts based on the allocations remaining essentially level over the previous year's allocation amounts. However, given ongoing reductions in federal funding, it is highly possible that CDBG and HOME program funds will be dramatically impacted, or even eliminated altogether. If such severe changes do take place causing substantial deviations in or elimination of grant funding for these programs, staff will return to Council with recommendations.

Based on these estimates, the CDBG allocation is expected to total approximately \$1,200,000, and the HOME allocation is expected to be approximately \$420,000. Staff has also identified additional CDBG funds available in the amount of \$200,000 that can be made available for re-allocation to public facility/capital-type projects only. These additional CDBG funds come from funds allocated to programs and projects in prior years that accumulate from project

savings, project cancellations and miscellaneous program income received. In addition, the Housing Rehabilitation (Mobile Home) Loan Program (HRLP) periodically accumulates balances that are in excess of current-year needs. Rehabilitation loans to homeowners made in prior years are periodically repaid, and the repayments are automatically allocated back to the Rehab program. This contributes to the build-up of excess balances in the HRLP program.

City Council action is requested to identify the projects, programs and activities to be conducted that will receive allocations of CDBG and HOME funding in FY 2018-19. Action is also requested to identify the projects that will automatically receive increases or decreases in funding once actual funding amounts are known, in order to preclude the need for additional public hearings to allocate minor amounts.

CATEGORIES OF FUNDING/RESTRICTIONS

The federal regulations for CDBG and HOME funding detail the eligible activities under each grant source. For certain categories of activities, restrictions are placed on the amounts of the total grant allocation that may be expended in a given year.

For the CDBG program, the regulations restrict the amount of funds that may be reserved and expended as follows:

- No greater than 20% of the annual CDBG grant allocation may be awarded or expended during that year for planning and grant administration activities;
- No more than 15% of the annual CDBG grant allocation may be awarded or expended for public service activities.

There are no maximums established on the amount of the annual CDBG grant allocation that may be awarded for public facility/capital/other projects.

For the HOME program, the regulations restrict the amount of funds that may be reserved and expended as follows:

- No more than 10% of the total HOME grant allocation may be awarded or expended for planning and grant administration activities during the year;
- A minimum of 15% of the total HOME grant amount must be reserved for eligible affordable housing activities to be conducted by Community Housing Development Organizations (CHDOs) as outlined below.

CDBG PROPOSALS RECEIVED

Through the published application process for CDBG projects and programs, the City received 15 eligible requests for the CDBG funding. As in past years, the requests for funding exceed the amounts expected to be available for allocation. The complete Applications Binder is available in the City Clerk's Office for City Council and public review.

Subject to the funding restrictions outlined above, staff recommendations for the various categories of funding are listed below and are also summarized in **Attachment "2"** of this report.

PLANNING AND ADMINISTRATION (Maximum 20% of CDBG Grant)

CDBG funds can be used for grant administration and planning activities, including general administration, management oversight, program implementation and fair housing services.

Staff anticipates that a maximum of \$240,000 will be available for allocation to Planning and Administration activities in FY 2018-19, and recommends awarding the funds as follows:

- CDBG Administration – The City provides staffing and management oversight for the administration and implementation of the CDBG and HOME programs. These activities will require the maximum amount of CDBG Administration funds available to adequately administer both programs for FY 2018-19. Staff recommends allocating \$215,000 of CDBG funds to the City's Community Development Department for continued administration of both grant programs, including internal and external costs.
- CSA San Diego County – Fair Housing Services/Housing Placement Services – The provision of fair housing services is mandatory for federal programs, including the CDBG and HOME programs. CSA San Diego County has requested funds to provide fair housing and landlord/tenant services for City of El Cajon residents, including fair housing testing in the City. Staff recommends funding for CSA San Diego County, in the amount of \$30,000 (\$25,000 in CDBG funds and \$5,000 in HOME funds) for the provision of essential fair housing services and testing.

PUBLIC FACILITIES/CAPITAL IMPROVEMENT PROJECTS (No Maximums)

Under the CDBG program, the City may use funds to undertake a variety of public facility and public improvement projects that benefit low- and moderate-income residents. This includes all facilities and improvements that are publicly owned, or that are owned by a nonprofit and open to the public (with certain exceptions). The City received several proposals for Public Facility/Capital Improvement funds.

Previous City Council direction has been to maximize and prioritize the use of CDBG funds for CDBG-eligible, City-owned Public Facility improvements serving the entire community, and to bring all public facilities into compliance with ADA requirements. The City Council has preferred to prioritize funding to continuing phased projects and projects already underway, before funding new projects.

Staff anticipates that a total of approximately \$980,000 will be available for allocation to public facility/capital/other activities in FY 2018-19. This amount includes the additional \$200,000 in available funding as outlined above. The following is a brief discussion of each project's submittal for Public Facilities/Capital funds, and staff's recommendations for funding:

- City Public Works (Wells Park Improvements – Phase II) – Funding has been requested for the second phase of comprehensive improvements to Wells Park, a heavily-used public park located in a low-income census tract. In FY 2017-18, CDBG funds (\$500,000) were awarded in a first phase for comprehensive improvements to the park. The park requires significant security enhancements, including new fencing, improved lighting, reconstruction of the parking lot, reconstruction of the restroom building, new irrigation and landscaping. The total cost of the improvements is expected to reach \$1.5 million. The FY 2017-18 funding awarded was intended to be supplemented with additional CDBG funding in following years in order to complete the full scope of the comprehensive improvements needed. To address the full scope of the comprehensive improvements planned and improve the quality of life and safety for the area's residents, staff recommends funding for this activity in FY 2018-19 in the amount of \$500,000.

- City Public Works (ADA Curb Ramps & Sidewalks Improvements) – Funding has been requested for this project to include the installation of new ADA compliant curb ramps, as well as the retrofit of existing curb ramps throughout the City during the fiscal year. Based on a City 25-year work plan, approximately 45 curb ramps and a quarter mile of sidewalks need to be constructed each year to complete the plan in that timeframe. Staff recommends funding this activity in the amount of \$250,000. Approximately 70 curb ramps and adjacent sidewalks can be completed with this funding amount.
- Home of Guiding Hands (Facility Improvements at 1011 Pine Drive) - Funding has been requested for additional major facility improvements to one existing group home serving developmentally disabled adults. Improvements will include replacements of the water heater, flooring, old deck and rail, concrete slab and retaining wall, fencing and upgrading one bathroom. Staff recommends funding this activity in the amount of \$28,038.
- Crisis House (Security Fencing at 1034 N. Magnolia) – Funding has been requested for the purchase and installation of additional security fencing (decorative wrought iron) at this City-owned facility leased by Crisis House. The building was originally purchased using CDBG funds, and Crisis House provides services for the homeless on weekdays. The building is closed on nights and weekends. However, Crisis House reports a new trend of homeless encampments on the property over the weekend, causing some property damage and unsanitary conditions that require remediation each week. This problem can be alleviated, and homeless encampments discouraged, with the installation of additional fencing in areas that are currently not contained within the existing fencing. Staff recommends funding this activity in the amount of \$19,725.
- LH Avocado, Inc./Little House (Installation of Solar Panels and Outdoor Meeting Space) – Funding has been requested by this non-profit agency for installation of solar panels and an improved outdoor meeting space at its facility at 131 Avocado Avenue. This facility provides low-rent leases to non-profit agency-partners who provide counseling and training services to the community. Staff recommends funding this activity in the amount of \$38,100.
- San Diego Habitat for Humanity (Critical Home Repair) - Funding has been requested for continuation of Habitat’s program to assist low-income households in El Cajon by providing minor housing rehabilitation. The program includes minor improvements (e.g. roofs, windows, paint) to existing single-family homes that enhance the subject property and neighborhoods. This program was previously awarded CDBG funding in FY 2016-17 (\$48,000) and is currently underway with two completions expected in the spring of 2018. Staff recommends renewed funding for this activity in the amount of \$44,137.
- Housing Rehabilitation Loan Program (HRLP) – Funding is required annually for continuation of the City’s Housing Rehabilitation Loan Program (HRLP). This program provides loans of up to \$20,000 to low-income mobile home owners for comprehensive rehabilitation to their mobile homes. Staff recommends funding for this activity in the amount of \$100,000, which is sufficient to support up to four loans per year, as well as providing for the direct costs of administration for the program (both internal and external costs).

PUBLIC SERVICES (Maximum 15% of Grant)

The City received a number of applications for public service programs. Staff anticipates that a maximum amount of approximately \$180,000 will be available for allocation to Public Service programs and projects in FY 2018-19, and recommends as follows:

- Community Policing (Crime Free Multi-Housing) - Funds have been requested for the continued provision of the very successful Crime Free Multi-Housing Program which serves residents city-wide by reducing crime and increasing safety in neighborhoods. This program has received operational support every year since 1997. Staff recommends funding this activity in the amount of \$50,915.
- Center for Community Solutions (SAFE Program) – Funds have been requested for operational support for the SAFE program which supports victims, families and youth exposed to domestic violence who seek services at this agency’s El Cajon office (460 N. Magnolia Ave.). Participants in this program are considered homeless. Although this program receives other state, federal and county grants for baseline coverage, their complete costs of supplemental services are not covered by these funding sources. Due to limited CDBG funds, this program is not recommended for funding.
- Crisis House (El Cajon Housing Connections) – Funds have been requested for the provision of a full-time Housing Navigator providing housing placement, case management and referral services for the homeless in East County. This program was previously awarded CDBG and other funding in FY 2017-18 (\$70,000) and is currently underway. In FY 2018-19, this program is expected to be funded by eligible housing funds (Low Moderate Income Housing Asset Funds) through the City’s annual budget process and is not recommended for funding with CDBG funding at this time.
- East County Transitional Living Center (Emergency Shelter Program) - Funds have been requested to provide emergency shelter for the homeless. The program proposes to serve 270 persons with emergency shelter beds (up to 28 days), as well as providing food and case management. This program has received operational support since 2005. Staff recommends funding this activity in the amount of \$100,000.
- Elderhelp of San Diego (Care Coordination Program) – Funds have been requested for operational support for the provision of case management, referrals and transportation for El Cajon seniors. Since past City Council practice has been to maximize the available funds for basic services for the homeless, food services for the elderly, and crime prevention services that benefit all parts of the City, this is not recommended for funding.
- Meals on Wheels (Meal Delivery for Seniors) - Funds have been requested for the provision of meals to low-income, homebound seniors within the City. The program proposes to serve 126 El Cajon seniors. This program has received annual operational support of \$10,000 since 1992. However, in each of the last two years, expanded funding (\$15,000) was requested based on expected growth in the number of seniors in El Cajon requiring services. The higher numbers have not been substantiated. Staff recommends funding this activity in the amount of \$10,000.
- St. Madeleine Sophie’s Center (Volunteer-to-Employment Program) - Funds have been requested for an existing program providing job development opportunities for disabled adults. The program proposes to serve 75 people from throughout the region. Staff recommends funding this activity in the amount of \$9,085.

- Interfaith Shelter Network (Rotational Shelter Program) - Funds have been requested for this program that provides emergency shelter for homeless individuals at East County churches on a rotational basis during the winter months. Each church agrees to provide beds, food and shower facilities for two weeks at a time. The program proposes to serve up to 40 people (20 from El Cajon) over the winter months the shelter is operating. Staff recommends funding this activity in the amount of \$10,000.

HOME PROGRAM

Unlike the CDBG program, the HOME program mandates a 10% set-aside for Administration, a 15% set-aside for Certified Housing Development Organizations (CHDOs), and the balance is reserved for ongoing, City Council-authorized entitlement projects such as the City's First-Time Homebuyer Down Payment Assistance Program and the Housing Rehabilitation Loan Program (for single-family, mobile homes and multi-family homes). Staff recommendations for funding in each category are summarized below and included in **Attachment "3."** The total HOME program allocation is expected to be approximately \$420,000 in FY 2018-19.

PLANNING AND ADMINISTRATION (Maximum 10% of Grant)

HOME funds are used for administration and planning activities, including general management, oversight, program implementation and fair housing services. Staff anticipates that a maximum amount of approximately \$42,000 will be available for allocation to Planning and Administration activities in FY 2018-19, and recommends as follows:

- HOME Administration - Staff recommends allocating \$37,000 to Community Development Department for administration of the HOME Program, including internal and external costs. Since this amount of funding is not sufficient to adequately administer the HOME program, funds awarded for CDBG Administration are used to pay for administration costs of the HOME program over this amount.
- CSA San Diego County (Fair Housing Services) – As noted earlier, staff recommends funding of \$5,000 from HOME funds, along with an allocation of \$25,000 from CDBG funds (see the discussion above), for a total contract for \$30,000 for the provision of fair housing and testing in El Cajon.

CHDO SET-ASIDE FUNDING (Minimum 15% of HOME Grant)

The HOME program also requires that 15% of the grant be reserved for the production of affordable housing opportunities by one or more Community Housing Development Organizations ("CHDOs"). A CHDO is a private nonprofit, community-based service organization that has as its mission the provision of affordable housing for the community it serves. A CHDO must also have staff on board with the capacity to develop affordable housing, along with meeting other criteria. Once a CHDO has met the criteria, it must be certified by the City of El Cajon in order to qualify for the use of CHDO funds, and a specific project must be identified.

For FY 2018-19, \$63,000 is the amount expected to be set-aside for future allocation to one or more CHDOs. Staff will return with recommendations for a specific CHDO and project at a later time once a CHDO and a project have been identified. At this stage, in order to comply with HOME regulations, funds must simply be reserved.

ENTITLEMENT PROJECTS (Balance of Grant)

The amount available for continuing housing programs is anticipated to be approximately \$315,000. Staff recommends the balance be allocated to the Housing Programs Pool of Funds for continuing City Council-authorized housing activities, including the Housing Rehabilitation Loan Programs and the First-Time Homebuyer Program. Funds will be moved from the Housing Programs Pool of Funds to these HOME Entitlement programs on an as-needed basis, based on market conditions and demand. These programs assist the City with meeting the goals and objectives adopted in the City's Five Year Consolidated Plan.


FISCAL IMPACT

All CDBG and HOME grant allocations will be utilized to fund project and program costs pursuant to Federal law. There is no impact to the General Fund.


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Attachments:

- Attachment 1 - CDBG Fact Sheet (summary of priorities, eligibility criteria, and Citizen Participation schedule)
- Attachment 2 - FY 2018-19 CDBG Allocations Worksheet
- Attachment 3 - FY 2018-19 HOME Allocations Worksheet

CDBG FACT SHEET & ANNUAL ACTION PLAN TIMELINE*

I. Introduction

This FACT SHEET has been prepared to assist the community to understand the COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) program in El Cajon. Also, this FACT SHEET provides information as to how non-profit organizations may apply for CDBG funds from the City of El Cajon and how those funds must be used to benefit the community.

II. Overview of Program

- A. Per Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, the City of El Cajon is entitled to receive federal CDBG funds on an annual basis. The purpose of the federal grant program is to assist cities, such as El Cajon, with the development of decent housing, a suitable living environment, and economic opportunities for the benefit of low and moderate-income residents.
- B. **All CDBG-funded projects and programs must meet one or more of the following NATIONAL OBJECTIVES:**
- 1) **Benefit low/moderate income residents;** or
 - 2) Meet a community need having a particular urgency because existing conditions pose a serious and immediate threat to the health and/or welfare of the community and no other financial resources are available to meet the need. (A condition will be considered urgent or of recent origin if it developed or became critical within the 18-month period preceding the application);
or
 - 3) Aid in the prevention or elimination of conditions of slum and blight.

NOTE: All CDBG-funded projects in the City of El Cajon must address the national objective to benefit low/moderate income residents.

- C. **Additionally, projects must meet at least one or more of the local goals/priorities developed by the City of El Cajon in its FY 2014-2018 Five-Year Consolidated Plan:**

- Goal 1:** Provide Decent and Affordable Housing
- Goal 2:** Promote Equal Housing Opportunity
- Goal 3:** Support a Continuum of Care System for the Homeless
- Goal 4:** Provide Community Facilities and Infrastructure
- Goal 5:** Provide Community and Supportive Services

The Goals/Priorities are more fully described in the FY 2014-2018 Five-Year Consolidated Plan which is available for review at the Community Development - Housing public counter, located at 200 Civic Center Way, Third Floor, El Cajon, CA 92020 during regular business hours. The FY 2014-2018 Five-Year Consolidated Plan is also available for review any time on the City's website at <http://www.cityofelcajon.us/dept/redev/housing/funding.aspx>.

- D. In addition, proposed projects/programs will be assessed according to the following objectives and outcomes:

PERFORMANCE MEASUREMENT STANDARDS

Outcomes → Objectives ↓	Availability / Accessibility	Affordability	Sustainability
Suitable Living Environment	Enhance suitable living environment through improved/ new accessibility	Enhance suitable living environment through improved/ new affordability	Enhance suitable living environment through improved/ new sustainability
Decent Housing	Create decent housing with improved/ new availability	Create decent housing with improved/ new affordability	Create decent housing with improved/ new sustainability
Economic Opportunity	Provide economic opportunity through improved/ new accessibility	Provide economic opportunity through improved/ new affordability	Provide economic opportunity through improved/ new sustainability

NOTE: City staff will assign the most suitable Outcome/Objective classification.

III. Eligible Activity Categories (24 CFR 570.201)

The following provides a sample of activities that may be eligible for funding under the CDBG program. Please note that each category is subject to very specific guidelines.

- ◆ Acquisition of real property
- ◆ Disposition of real property
- ◆ Public facilities and improvements
- ◆ Infrastructure improvements
- ◆ Public services
- ◆ Housing and fair housing services
- ◆ Construction of improvements related to housing
- ◆ Rehabilitation and preservation activities
- ◆ Homeownership assistance
- ◆ Facilitation of economic development
- ◆ Planning and Program administration

IV. Ineligible Activities (24 CFR 570.207)

The following provides a sample of activities which would **NOT** be eligible for CDBG funding:

- ◆ Buildings, or portions thereof, used for the general conduct of government.
- ◆ General government expenses.
- ◆ Political activities.
- ◆ Purchase of construction equipment.
- ◆ Purchase of equipment, fixtures, motor vehicles, furnishings or other personal property that is not an integral structural fixture (specific exceptions exist—contact program administrator with questions).
- ◆ Income payments to individuals for housing or any other purpose.
- ◆ Services, activities or improvements to facilities which do not serve primarily low income persons and households.

V. Citizen Participation

To encourage public participation in the development of the CDBG program, the City has adopted a Citizen Participation Plan which outlines the procedures to be followed by public officials and private citizens to establish a statement of projects for a given program year. The complete Citizen Participation Plan is available for review at the public counter of the Community Development - Housing, Third Floor, 200 Civic Center Way, El Cajon, CA 92020 and also on the City's webpage at <http://www.cityofelcajon.us/your-government/departments/community-development/housing-division/funding-sources>. A summary of the application process for CDBG funds is provided below for organizations and/or private citizens who wish to participate in the City's program.

The application process for CDBG funding begins each year in the fall. A "Notice of Funding Availability" is published in the local newspaper of general circulation for review by the public and a courtesy copy is mailed to all persons and organizations that requested to be placed on the City's mailing list. The Notice will provide information regarding the amount of funds expected to be available, the procedures to follow for submitting proposals to the City with a schedule of applicable activities, and any additional information determined to be necessary by the program coordinator.

In the "Notice of Funding Availability", the City will request applications for proposed projects from community agencies for eligible projects to be funded through the CDBG program. Applicants will be given at least thirty (30) days to submit a proposal or submit program comments/suggestions to the Community Development - Housing, 200 Civic Center Way in El Cajon. Staff will review project submittals and determine whether or not a proposed project meets the stated criteria and is eligible for CDBG funding, and will then forward all eligible projects to the City Council for further consideration at two (2) public hearings.

The City Council will select the projects to be funded through the CDBG program and those projects will be included in the One Year Action Plan that is submitted to the U.S. Department of Housing and Urban Development for additional review and final approval. Once the Action Plan is approved, and all other stated conditions are met, project activities may begin and CDBG funding will be available for disbursement to the agencies who were selected to participate in the program.

For additional information on the CDBG program and/or to obtain an application for funding, contact City of El Cajon Community Development - Housing at (619) 441-1786.

SAMPLE ANNUAL ACTION PLAN TIMELINE*

(*In this Fact Sheet, all dates are approximate and should be viewed as sample dates for any given funding application/year)

November 9, 2017	"Notice of Funding Availability" published in the newspaper and notice mailed to interested parties' list.
November 9, 2017	Applications for CDBG Funding available.
November 9 -December 21, 2017	Technical Assistance is available upon request. Call the Community Development - Housing at (619) 441-1786 for assistance via telephone or to set an appointment.
December 21, 2017	Deadline for proposals/applications for CDBG funds to be submitted to Community Development - Housing, 200 Civic Center Way, Third Floor, El Cajon, CA 92020 by 5:00 p.m.
January 31, 2018*	Notify applicants regarding eligibility.
February 8 & 15, 2018*	"Notice of First Public Hearing" to be published in newspaper.
February 27, 2018*	First Public Hearing at 7:00 p.m. to solicit public input and to tentatively allocate FY 2018-19 CDBG and HOME funds.
March 15, 2018	"Notice of 30-day Public Review Period and Second Public Hearing" to be published in newspaper. Notice includes full listing of approved projects, amounts and regulatory citations, and seeks public input. Draft of Action Plan is available at the Community Development - Housing Counter.
April 24, 2018	Second Public Hearing at 3:00 p.m. to solicit public input and final adoption of FY 2018-19 One-Year Action Plan.
April 25, 2019	Begin contract negotiations with selected CDBG subrecipients and initiate environmental reviews. Agreements targeted for execution on or about July 1, 2018.
May 15, 2018	One-Year Action Plan submitted to HUD for approval.
May 24, 2018	"Notice of Submittal of One-Year Action Plan" published in newspaper.
May 15 – June 30, 2018	HUD review period of One-Year Action Plan.
July 1, 2018	Begin Fiscal Year 2018-19. Program activities may not begin until all pre-conditions of the funding are met and agency is notified that it may proceed.

*All dates listed herein are approximate and are subject to change. Persons relying on this Schedule must contact the Community Development - Housing at (619) 441-1786 or jkasviki@cityofelcajon.us to confirm the actual date of each event as the timeframe nears.

FY 2018-19 CDBG ALLOCATIONS WORKSHEET

ATTACHMENT "2"

ESTIMATED CDBG FUNDS AVAILABLE on 7/1/18:	
Est FY 2018-19 CDBG Grant Allocation:*	\$ 1,200,000
Less 20% (MAX) for ADMIN:	\$ (240,000)
Less 15% (MAX) for PUBLIC SERVICES:	\$ (180,000)
ADD'L FUNDS AVAILABLE FROM PRIOR YEARS:	\$ 200,000
CDBG Funds Available for Capital projects:	\$ 980,000

*Assumes level funding over current year

ADMINISTRATION - 20% CAP (estimated \$240,000 available)

Tab No.	Agency	Project/Program	Grant	Type	FUNDED PRIOR YEAR	AMOUNT REQUESTED	STAFF RECOMMENDATIONS
-	City - Housing	CDBG Administration (1)	CDBG	Admin	\$ 218,275	\$ 215,000	\$ 215,000
1	CSA San Diego County	Fair Housing Services	CDBG	Admin or PS	\$ 25,000	\$ 35,000	\$ 25,000
						sub-total:	\$ 250,000
							\$ 240,000

(1) When the actual final allocation from HUD is determined, CDBG Administration is authorized to be allocated any excesses or decreases in CDBG funds for Planning/Administration, to the maximum allowed (20%).

FY 2018-19 CDBG ALLOCATIONS WORKSHEET

ATTACHMENT "2"

PUBLIC FACILITIES/CAPITAL/OTHER - NO CAP (estimated \$980,000 available)

Tab No.	Agency	Project/Program	Grant	Type	FUNDED PRIOR YEAR(S)	AMOUNT REQUESTED	STAFF RECOMMENDATIONS	
2	City - Public Works	Wells Park - Phase 2	CDBG	Capital	\$ 500,000	\$ 500,000	\$ 500,000	
3	City - Public Works	ADA Pedestrian Curb Ramps & Sidewalks Program (2)	CDBG	Capital	\$ 40,642	\$ 250,000	\$ 250,000	
4	Home of Guiding Hands	Facility Improvements at 1011 Pine Drive	CDBG	Capital	\$ 20,000	\$ 28,038	\$ 28,038	
5	Crisis House	Improved Fencing at 1034 N. Magnolia Facility	CDBG	Capital	\$ -	\$ 19,725	\$ 19,725	
6	LH Avocado, Inc./Little House	Installation of Solar Panels and Construction of Outdoor Meeting Space	CDBG	Capital	\$ -	\$ 38,100	\$ 38,100	
7	San Diego Habitat for Humanity	Neighborhood Revitalization (Critical Home Repair program)	CDBG	Capital	\$ 48,000	\$ 50,000	\$ 44,137	
--	City - Community Development/ Housing	Housing Rehabilitation Loan Program	CDBG	Capital	\$ 169,405	\$ 100,000	\$ 100,000	
						sub-total:	\$ 985,863	\$ 980,000

(2) When the actual final allocation from HUD is determined, and after adjusting for the maximum Planning/Admin and Public Services allocations, the ADA Pedestrian Curb Ramps & Sidewalks Program is authorized to receive any excesses or decreases in CDBG funds awarded by HUD.

FY 2018-19 CDBG ALLOCATIONS WORKSHEET

ATTACHMENT "2"

PUBLIC SERVICES - 15% CAP (estimated \$180,000 available)

Tab No.	Agency	Project/Program	Grant	Type	FUNDED PRIOR YEAR	AMOUNT REQUESTED	STAFF RECOMMENDATIONS	
8	City - Police Services	Community Policing (Crime-Free Multi-Housing Program)	CDBG	Pub Svc	\$ 50,915	\$ 50,915	\$ 50,915	
9	Center for Community Solutions	SAFE Program	CDBG	Pub Svc	\$ -	\$ 10,000	\$ -	
10	Crisis House	El Cajon Housing Connections (Housing Navigator)	CDBG	Pub Svc	\$ 7,966	\$ 68,035	(To be Funded from Low-Mod Housing Asset Funds)	
11	ECTLC	Emergency Shelter Program for Homeless	CDBG	Pub Svc	\$ 100,614	\$ 100,000	\$ 100,000	
12	Elderhelp of San Diego	Care Coordination Program	CDBG	Pub Svc	\$ -	\$ 15,000	\$ -	
13	Meals on Wheels Greater San Diego	Food Delivery Program for Seniors	CDBG	Pub Svc	\$ 15,614	\$ 15,000	\$ 10,000	
14	St. Madeleine Sophie's Center	Volunteer-to-Employment Program	CDBG	Pub Svc	\$ -	\$ 30,000	\$ 9,085	
15	Interfaith Shelter Network	Rotational Shelter Program (3)	CDBG	Pub Svc	\$ 7,614	\$ 10,000	\$ 10,000	
						subtotal:	\$ 298,950	\$ 180,000

(3) When the actual final allocation from HUD is determined, and whether it is higher or lower than anticipated herein, the projects funded herein are to be adjusted higher or lower in equal proportion (with the exception of the Crime-Free Multi-Housing program which amount shall remain unchanged), to the maximum allowed (15%).

FY 2018-19 HOME ALLOCATIONS WORKSHEET

ATTACHMENT "3"

ESTIMATED HOME FUNDS AVAILABLE on 7/1/18:	
Est. FY 2018-19 HOME Grant Allocation:	\$ 420,000
Less 10% Reserved for Admin:	\$ (42,000)
Less 15% Required for CHDO Set-Aside:	\$ (63,000)
Total HOME available to allocate:	\$ 315,000

City Project No.	Agency	Project/Program	Grant	Type	FUNDED PRIOR YEAR	REQUESTED NEXT YEAR	STAFF RECOMMENDATIONS
ADMINISTRATION - 10% CAP (estimated \$42,000 available)							
HADMIN	City - Housing	HOME Administration (1)	HOME	Admin	\$ 37,233	\$ 37,000	\$ 37,000
H0715	CSA San Diego County	Fair Housing Services	HOME	Admin	\$ 5,000	\$ 5,000	\$ 5,000
(1) HOME Administration is authorized to be allocated excesses or decreases in HOME funds when the actual final allocation from HUD is determined, to the maximum allowed (10%).						sub-total:	\$ 42,000

REQUIRED CHDO RESERVE - 15% MINIMUM (estimated \$63,000 available)							
	TBD	CHDO Set Aside Funds (2)	HOME	CHDO Set-aside	\$ 63,351	\$ 63,000	\$ 63,000
(2) CHDO Reserve amount is authorized to be adjusted automatically to 15% of the total HOME allocation when the actual final allocation of HOME funds from HUD is determined.						sub-total:	\$ 63,000

ENTITLEMENT PROGRAMS - NO CAP (estimated \$315,000 available)							
H0719	City - Housing Division	American Dream First-Time Homebuyer*	HOME	Entitlement	\$ -	\$ -	\$ -
H0722	City - Housing Division	Single-Family Rehabilitation Program*	HOME	Entitlement	\$ -	\$ -	\$ -
H0721	City - Housing Division	Mobilehome Rehab/Replacement Program*	HOME	Entitlement	\$ -	\$ -	\$ -
H0720	City - Housing Division	Housing Programs Pool of Funds*	HOME	Entitlement	\$ 316,753	\$ 315,000	\$ 315,000
*These programs are City Council-authorized, and the City Manager is authorized to move funds between the Housing Programs Pool of Funds (H0720) and these authorized HOME Entitlement programs (H0719, H0722, H0721) on an as-needed basis, based on market conditions and demand.						sub-total:	\$ 315,000

FY 2018-19 Grand Totals:	\$ 420,000	\$ 420,000
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