



CITY COUNCIL
HOUSING AUTHORITY AND
SUCCESSOR AGENCY TO THE EL CAJON
REDEVELOPMENT AGENCY

Council Chamber
200 Civic Center Way
El Cajon, CA 92020

Agenda AUGUST 13, 2019, 3:00 p.m.

Bill Wells, Mayor
Steve Goble, Deputy Mayor
Gary Kendrick, Councilmember
Bob McClellan, Councilmember
Phil Ortiz, Councilmember

Graham Mitchell, City Manager
Vince DiMaggio, Assistant City Manager
Morgan Foley, City Attorney
Angela Cortez, City Clerk

CALL TO ORDER: Mayor Bill Wells

ROLL CALL: City Clerk Angela Cortez

PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE

POSTINGS: The City Clerk posted Orders of Adjournment of the July 23, 2019, Meeting and the Agenda of the August 13, 2019, Meetings in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

PRESENTATIONS:

AGENDA CHANGES:

CONSENT ITEMS:

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. Minutes of the 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 July 23, 2019, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

RECOMMENDATION:

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

3. Approval of Reading Ordinances by Title Only

RECOMMENDATION:

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

4. San Diego River Conservancy's Proposition 68 Grant Program

RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, authorizing the City Manager, or approved designee, to submit applications for the San Diego River Conservancy's Proposition 68 Grant Program, appropriate funding if received; and,
2. Executes agreements and such other documents necessary, with the San Diego River Conservancy, and other agencies, to accept any awards of grants.

5. Schedule for Application Period for the Mission Trails Regional Park Citizen Advisory Committee

RECOMMENDATION:

That the City Council approves the acceptance of applications for the Mission Trails Regional Park Citizen Advisory Committee on a continuous basis, until vacancy is filled.

The date for interviews and appointment will be determined once applications are received.

6. Community Event in the Right of Way: Manufacturing Expo

RECOMMENDATION:

That the City Council approves the use of alcohol for the East County Manufacturing Expo at Prescott Promenade on Tuesday, October 1, 2019.

7. Community Event in the Right Of Way: Alley Cat Artwalk

RECOMMENDATION:

That the City Council approves the use of the public right-of-way for the Alley Cat Art Walk on September 13, 2019.

8. Award of Bid No. 007-20 – Stationary Generator Maintenance and Emergency Repair Services

RECOMMENDATION:

That the City Council adopts the next Resolutions, in order, to:

1. Approve Plans and Specifications for the Stationary Generator Maintenance and Emergency Repair Services, Bid No. 007-20; and
2. Award the bid to the lowest responsive, responsible bidder, Bay City Equipment Industries, Inc., dba Bay City Electric Works in the amount of \$23,855 for the initial one-year term, with up to four additional one-year renewal options.

9. Amendment to Purchase Agreement for Computer Aided Dispatch (CAD) System

RECOMMENDATION:

That the City Council (1) authorizes the Purchasing Agent, in accordance with Municipal Code 3.20.010(C)(5), to increase the purchase agreement with Tyler Technologies, Inc., in the amount of \$149,965; and (2) authorizes the City Manager to execute an amendment to the purchase agreement, with the approval of the City Attorney.

10. Contract Amendment for Pest Control Services

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to increase the contract for pest control services in the not-to-exceed amount of \$13,086 for the second renewal period.

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.

WRITTEN COMMUNICATIONS:

PUBLIC HEARINGS:

ADMINISTRATIVE REPORTS:

11. City of El Cajon's Homeless Programs Update

RECOMMENDATION:

That the City Council receives the report and provides feedback.

12. Wastewater Fund Sewer Service Rate Case

RECOMMENDATION:

That the City Council:

1. Directs the City Clerk to set a Public Hearing on October 8, 2019, at 7:00 p.m., regarding the proposed changes to the Wastewater Service Rates.
2. Directs staff to proceed with mailing of Public Notices in accordance with Proposition 218 in regards to the proposed changes to the Wastewater Service Rates.

13. Code of Ethics and Conduct for Elected and Appointed Officials

RECOMMENDATION:

That the City Council considers staff's analysis regarding a code of ethics and conduct policy and provide feedback.

14. Update of City Ticket and Distribution Policy (A-28)

RECOMMENDATION:

That the City Council, in preparation for the opening of The Magnolia Performing Arts Center (The Magnolia):

1. Directs staff to revise City Council Policy A-28 (Distribution of City Tickets and Passes) to incorporate recent amendments to Title 2 California Code of Regulations, Section 18944.1; and
2. Directs staff to update language for Policy A-28 from the East County Performing Arts Center (ECPAC) to The Magnolia; and
3. Discusses options to administer complimentary tickets to events at The Magnolia, outlined in the management agreement between the City and Live Nation, in accordance with the updates to Policy A-28.

15. Facility Rental Rates and Fee Structure for The Magnolia

RECOMMENDATION:

That the City Council adopts a Resolution approving the Facility Rental Rates and Fee Structure for The Magnolia.

COMMISSION REPORTS:

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; LAFCO.

16. Council Activity Report

17. Legislative Report

ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:

18. **COUNCILMEMBER GARY KENDRICK**

METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.

19. **COUNCILMEMBER BOB MCCLELLAN**

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

20. **DEPUTY MAYOR STEVE GOBLE**
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate.

21. **COUNCILMEMBER PHIL ORTIZ - NO REPORT**
East County Economic Development Council; League of California Cities, San Diego Division.

JOINT COUNCILMEMBER REPORTS:

GENERAL INFORMATION ITEMS FOR DISCUSSION:

ORDINANCES: FIRST READING

ORDINANCES: SECOND READING AND ADOPTION

CLOSED SESSIONS:

22. Closed Session - Conference with Legal Counsel - Anticipated Litigation - pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9: one (1) potential case:

Coast Law Group LLP, representing Climate Action Campaign, has delivered to the City a letter expressing its intent to sue the City, alleging that the City failed to comply with the California Environmental Quality Act when adopting its Climate Action Plan on July 9, 2019.

23. Closed Session - Conference with Legal Counsel - Existing Litigation - pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9: Ary Jarjis vs. City of El Cajon, et al.

San Diego Superior Court Case No. 37-2018-00051362-CU-PA-CTL

ADJOURNMENT: The Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 13th day of August 2019, is adjourned to Tuesday, September 10, 2019, at 3:00 p.m.



City Council
Agenda Report

Agenda Item 1.

DATE: August 13, 2019

TO: Honorable Mayor and City Councilmembers

FROM: Angela Cortez, City Clerk

SUBJECT: Minutes of the 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 July 23, 2019, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

Attachments

07-23-19 Draft Minutes - 3 PM

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



MINUTES

CITY OF EL CAJON EL CAJON, CALIFORNIA

July 23, 2019

An Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, July 23, 2019, was called to order by Deputy Mayor/Chair Steve Goble at 3:02 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present:	Kendrick, McClellan and Ortiz
Council/Agencymembers absent:	None
Deputy Mayor/Vice Chair present:	Goble
Mayor/Chair absent:	Wells
Other Officers present:	Mitchell, City Manager/Executive Director Foley, City Attorney/General Counsel Cortez, City Clerk/Secretary
Other Officers absent:	DiMaggio, Assistant City Manager

PLEDGE OF ALLEGIANCE TO FLAG led by Deputy Mayor Goble and 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 July 9, 2019, meetings and the Agenda of the July 23, 2019, meeting in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

PRESENTATIONS:

Presentation: Crime Free Multi-Housing

Presentation: Recycle Champions - Waste Management

AGENDA CHANGES: None

CONSENT ITEMS: (1 – 6)

MOTION BY McCLELLAN, SECOND BY KENDRICK, to APPROVE Consent Items 1 to 6.

MOTION CARRIED BY UNANIMOUS VOTE OF THOSE PRESENT (WELLS – Absent).

1. Minutes of El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy

Approves Minutes of the July 9, 2019, meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

2. Warrants

Approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title only

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

4. Award of Bid No. 010-20 – Street Striping and Removal Services

1. Adopts Resolution No. 074-19, to approve Plans and Specifications for the Street Striping and Removal Services, Bid No. 010-20; and
2. Adopts Resolution No. 075-19, to award the bid to the lowest responsive, responsible bidder, Statewide Stripes, Inc. in the amount of \$126,611 for the initial one-year term, with up to four additional one-year renewal options.

CONSENT ITEMS: (Continued)

- 5. New Classification Specification for Housing Specialist

Approves the classification specification for Housing Specialist.

- 6. Acceptance of City Hall HVAC Re-Bid Project, Bid No. 016-18

- 1. Accepts the City Hall HVAC Project IFM3389 (Bid No. 016-18); and
- 2. Authorizes the City Clerk to record a Notice of Completion and release the bonds in accordance with the contract terms.

PUBLIC COMMENT:

Sunshine Horton spoke of her efforts in combatting the littering of cigarette buds and preventing it from polluting the environment.

Jim Cirigliano thanked Councilmember Ortiz for meeting with him and spoke of his support for the water purification project. He handed out an information sheet on smart meters. Mr. Cirigliano spoke in support of the new Planning Commissioner, Humbert Cabrera and commended the El Cajon Police for promptly responding to an incident at the Villa Novia Mobile Home Park. He requested that the Form 700 and Form 460 be posted on the City's webpage.

Peggy Buffo, representing the Animal Center for Education and Services (ACES) Foundation, extended an open invitation to Council and staff to attend a fundraiser on August 8th, at the Downtown Café.

WRITTEN COMMUNICATIONS: None

PUBLIC HEARINGS: None

ADMINISTRATIVE REPORTS: None

COMMISSION REPORTS: None

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; LAFCO.

16. Council Activities Report/Comments

Report as stated.

17. Legislative Update - None

ACTIVITIES REPORTS OF COUNCILMEMBERS:

18. COUNCILMEMBER GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.

Council Activities Report/Comments.

In addition to the submitted Report, Councilmember Kendrick advised that he did not attend the Heartland training last week. The training is scheduled for July 25, 2019.

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

Council Activities Report/Comments.

Report as stated.

20. DEPUTY MAYOR STEVE GOBLE
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate.

Council Activities Report/Comments.

Report as stated.

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)

21. COUNCILMEMBER PHIL ORTIZ
East County Economic Development Council; League of California Cities, San Diego Division.

Council Activities Report/Comments.

Report as stated.

JOINT COUNCILMEMBER REPORTS:

13. Modifications to the Tobacco Retailer's License Program

RECOMMENDATION:

That the City Council discusses possible changes to Municipal Code Chapter 8.33 and directs staff to return with changes based on City Council discussion.

DISCUSSION

Councilmember Kendrick provided information of the Item.

Discussion ensued amongst Council and Staff regarding:

- Current Tobacco Ordinance ineffectiveness;
- Impose substantial fines;
- Perform sting operations for repeat offenders;
- Suggestion for staff to look at other city for stronger punishments; and
- New discoveries found through the prosecution of this ordinance.

Dana Stevens, representing the Communities Against Substance Abuse (CASA), indicated that the first offense is netting too many offenders, and spoke of her support in working together with the city towards finding a solution that will earn compliance from retailers.

Dr. Gary Woods, representing the Grossmont Union Board, spoke about the increasing addiction and cancer related discoveries involving vaping devices amongst the junior high and high schools students.

MOTION BY KENDRICK, SECOND BY ORTIZ, to DIRECT staff to prepare a report with options for changes to the Municipal Code Chapter 8.33.

MOTION CARRIED BY UNANIMOUS VOTE OF THOSE PRESENT (WELLS – Absent).

GENERAL INFORMATION ITEMS FOR DISCUSSION:

14. El Cajon Animal Shelter Donations for June 2019

RECOMMENDATION:

In accordance with City Council Policy B-2, staff informs the City Council about receiving the following donations for the El Cajon Animal Shelter for the month of June:

Gary and Julie Robinson	\$100.00
Anonymous	\$556.71
Total	\$656.71

ORDINANCES: FIRST READING – None

ORDINANCES: SECOND READING AND ADOPTION

15. Granite Hills Drive Rezoning - Zone Reclassification No. 2330

RECOMMENDATION:

That Deputy Mayor Goble requests the City Clerk to recite the title.

The City Clerk recited the title of the ordinance for a second reading.

AN ORDINANCE REZONING PROPERTIES LOCATED ON THE SOUTH SIDE OF GRANITE HILLS DRIVE BETWEEN JAMACHA ROAD AND TERRACE CREST, FROM RS-9 (RESIDENTIAL, SINGLE-FAMILY, 9,000 SQUARE FEET) TO RS-6 (RESIDENTIAL, SINGLE-FAMILY, 6,000 SQUARE FEET) ZONE; APNS 514-013-14 AND -15; GENERAL PLAN DESIGNATION: LOW DENSITY RESIDENTIAL (LR)

MOTION BY KENDRICK, SECOND BY McCLELLAN, to ADOPT Ordinance No. 5085, Approving Granite Hills Drive Rezoning – Zone Reclassification No. 2330.

MOTION CARRIED BY UNANIMOUS VOTE OF THOSE PRESENT (WELLS – Absent).

CLOSED SESSIONS: None

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Adjournment: Deputy Mayor Goble adjourned the Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 23rd day of July 2019, at 3:56 p.m., to Tuesday, August 13, 2019, at 3:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary

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City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Dirk Epperson, Director of Public Works
SUBJECT: San Diego River Conservancy's Proposition 68 Grant Program

RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, authorizing the City Manager, or approved designee, to submit applications for the San Diego River Conservancy's Proposition 68 Grant Program, appropriate funding if received; and,
2. Executes agreements and such other documents necessary, with the San Diego River Conservancy, and other agencies, to accept any awards of grants.

BACKGROUND:

In 2018, Proposition 68 entitled "State Conservancy, Wildlife Conservation Board, and Authority Funding," was approved by the voters and allocated a \$180 million set-aside for state conservancies. Among the funds allocated, \$12 million has been made available to the San Diego River Conservancy ("Conservancy") and will serve to fund several competitive grant rounds until expended. The grant program intends to fund multi-benefit projects that serve to protect and enhance the San Diego River watershed and connected resources. Projects funded through the grant program should align with the Conservancy's strategic plan and priorities.

FISCAL IMPACT:

While there is no fiscal impact associated with submitting an application for the subject Proposition 68 Grant, acceptance of the grant, if awarded, will result in a fiscal impact as follows. No general fund or local money will be used.

Grant Application	Requested Grant Amount	Funding Match Required by City	Funding Source
El Cajon Transit Center Community Connection Improvements	\$250,000	\$2,500,000	Smart Growth Incentive Program Grant
Main Street Green Street Gateway Improvements	\$250,000	\$2,500,000	Smart Growth Incentive Program Grant
Broadway Creek Improvement Project (Phase A)	\$250,000	\$3,050,000	Local, Developer and San Diego County Funds

REPORT:

The City intends to submit grant applications for the Conservancy's Proposition 68 Grant Program in order to secure funding for several community infrastructure improvement projects. If approved, the funding would complement two fully-funded Smart Growth Incentive Program (SGIP) Capital Projects, as budgeted and funded through the San Diego Association of Governments (SANDAG), and one creek restoration project, as budgeted and programmed through the City's Capital Improvement Program. All of the aforementioned projects intend to: 1) offset local match requirements; and 2) grow the individual project's landscaping and green-infrastructure budget. The projects being considered align well with the Conservancy's strategic plan and overall goals for the program. Further, the funding will serve constituents included in disadvantaged and severely disadvantaged communities (DAC), which is a goal of the Conservancy and align with demonstrated needs.

The grant applications are as follows:

El Cajon Transit Center Community Connection Improvements ~ Total Project Cost = \$2.8 million

The El Cajon Transit Center, adjacent to the intersection of Marshall Avenue and West Main Street, is the major transit hub for East County. The Orange and Green Trolley lines provide quick and efficient service to SDSU, Mission Valley, Downtown San Diego, and Santee. There are multiple bus routes operated by MTS at the transit center and a service to transport residents to local casinos. The project limits are from Marshall Avenue beginning at the El Cajon Transit Center entrance southerly to Palm Avenue, Palm Avenue easterly to El Cajon Boulevard, and El Cajon Boulevard northerly past Johnson Avenue. Improvements include: a new roundabout at the intersection of Johnson Avenue and El Cajon Boulevard; new bicycle lanes; sidewalk widenings; new street trees, landscaping, and green spaces; and other features to promote a village retail streetscape along El Cajon Boulevard similar to improvements in the downtown area. Grant funds in the amount of \$2.5 million, as provided by SANDAG, have been received and allocated to the project. The project seeks \$250,000 to fund additional green space and partially offset local match requirements.

Main Street - Green Street Gateway Improvements ~ Total Project Cost = \$2.5 million

The project spans West Main Street from Marshall Avenue to Johnson Avenue and includes: a vehicular lane conversion from four lanes to three lanes; sidewalk widenings; dedicated bicycle lanes; new street trees, landscaping and green spaces; new street lighting; and traffic-calming features to reduce vehicle speeds. The project seeks \$250,000 to fund additional green space and partially offset local match requirements for the West Main Street corridor.

Broadway Creek Improvements (Phase A) ~ Total Project Cost = \$3.3 million

The project would restore approximately 1,400 linear feet of Broadway Creek across 1.6 acres of area in an effort to: increase the capacity of the existing channel to better convey storm water and reduce flooding frequency beyond the extent of the creek; stabilize slopes; revegetate the creek's side slopes; improve water quality and downstream effects; and restore the natural habitat.

Summary

The grant applications considered by the Proposition 68 program demonstrate the City's commitment to improving neighborhoods through capital improvement projects, enhancing public spaces with green infrastructure, restoring open spaces with riparian and wetland habitats, improving public health and achieving Climate Action Plan goals.

Prepared By: Dirk Epperson, Director of Public Works
Reviewed By: Vince DiMaggio, Assistant City Manager
Approved By: Graham Mitchell, City Manager

Attachments

Reso-Broadway Creek

Reso-EC Transit Ctr

Reso-Main St-Green St Gateway

RESOLUTION NO. __-19

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE
SAN DIEGO RIVER CONSERVANCY PROPOSITION 68 GRANT PROGRAM
FOR THE BROADWAY CREEK IMPROVEMENTS PROJECT

WHEREAS, the Legislature and Governor of the State of California have provided funds for the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (the "Grant Program"); and

WHEREAS, the San Diego River Conservancy (the "Conservancy") has been delegated the responsibility for the administration of the Grant Program, establishing necessary procedures for the application and award of funds under the Grant Program; and

WHEREAS, said procedures established by the Conservancy require a resolution certifying the approval of each application by the governing board of an applicant before submission of an application to the Conservancy; and

WHEREAS, the City of El Cajon (the "City"), if selected, will enter into an agreement with the Conservancy to carry out the proposed project.

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

Section 1. The City Council hereby:

- A. Approves the filing of an application for the BROADWAY CREEK IMPROVEMENTS PROJECT (the "Project");
- B. Certifies that the City understands the assurances and certification in the application;
- C. Certifies that the City will have sufficient funds to operate and maintain the Project consistent with the land tenure requirements; or will secure the resources to do so;
- D. Certifies that it will comply with all provisions of section 1771.5 of the California Labor Code;
- E. If applicable, certifies that the Project will comply with any laws and regulations including, but not limited to, the California Environmental Quality Act; legal requirements for building codes; health and safety codes; disabled access laws; and, that prior to commencement of construction, all applicable permits will have been obtained;

- F. Certifies that the City will work towards the state planning priorities identified in Government Code section 65041.1, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety; and

- G. Hereby appoints the City Manager, or such person designated by the City Manager, as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, and payment requests, which may be necessary for the completion of the Project.

CC Agenda 08/13/19

Reso – SDRC Prop 68 Broadway Creek Improvements 080619

RESOLUTION NO. __-19

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE
SAN DIEGO RIVER CONSERVANCY PROPOSITION 68 GRANT PROGRAM
FOR THE EL CAJON TRANSIT CENTER COMMUNITY IMPROVEMENTS PROJECT

WHEREAS, the Legislature and Governor of the State of California have provided funds for the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (the "Grant Program"); and

WHEREAS, the San Diego River Conservancy (the "Conservancy") has been delegated the responsibility for the administration of the Grant Program, establishing necessary procedures for the application and award of funds under the Grant Program; and

WHEREAS, said procedures established by the Conservancy require a resolution certifying the approval of each application by the governing board of an applicant before submission of an application to the Conservancy; and

WHEREAS, the City of El Cajon (the "City"), if selected, will enter into an agreement with the Conservancy to carry out the proposed project.

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

Section 1. The City Council hereby:

- A. Approves the filing of an application for the EL CAJON TRANSIT CENTER COMMUNITY IMPROVEMENTS PROJECT (the "Project");
- B. Certifies that the City understands the assurances and certification in the application;
- C. Certifies that the City will have sufficient funds to operate and maintain the Project consistent with the land tenure requirements; or will secure the resources to do so;
- D. Certifies that it will comply with all provisions of section 1771.5 of the California Labor Code;
- E. If applicable, certifies that the Project will comply with any laws and regulations including, but not limited to, the California Environmental Quality Act; legal requirements for building codes; health and safety codes; disabled access laws; and, that prior to commencement of construction, all applicable permits will have been obtained;

- F. Certifies that the City will work towards the state planning priorities identified in California Government Code section 65041.1, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety; and
- G. Hereby appoints the City Manager, or such person designated by the City Manager, as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, and payment requests, which may be necessary for the completion of the Project.

CC Agenda 08/13/19

Reso – SDRC Prop 68 El Cajon Transit Center Community Improvements 080619

RESOLUTION NO. __-19

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE
SAN DIEGO RIVER CONSERVANCY PROPOSITION 68 GRANT PROGRAM
FOR THE MAIN STREET - GREEN STREET GATEWAY
IMPROVEMENTS PROJECT

WHEREAS, the Legislature and Governor of the State of California have provided funds for the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (the "Grant Program"); and

WHEREAS, the San Diego River Conservancy (the "Conservancy") has been delegated the responsibility for the administration of the Grant Program, establishing necessary procedures for the application and award of funds under the Grant Program; and

WHEREAS, said procedures established by the Conservancy require a resolution certifying the approval of each application by the governing board of an applicant before submission of an application to the Conservancy; and

WHEREAS, the City of El Cajon (the "City"), if selected, will enter into an agreement with the Conservancy to carry out the proposed project.

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

Section 1. The City Council hereby:

- A. Approves the filing of an application for the MAIN STREET - GREEN STREET GATEWAY IMPROVEMENTS PROJECT (the "Project");
- B. Certifies that the City understands the assurances and certification in the application;
- C. Certifies that the City will have sufficient funds to operate and maintain the Project consistent with the land tenure requirements; or will secure the resources to do so;
- D. Certifies that it will comply with all provisions of section 1771.5 of the California Labor Code;
- E. If applicable, certifies that the Project will comply with any laws and regulations including, but not limited to, the California Environmental Quality Act; legal requirements for building codes; health and safety codes; disabled access laws; and, that prior to commencement of construction, all applicable permits will have been obtained;

- F. Certifies that the City will work towards the state planning priorities identified in California Government Code section 65041.1, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety; and

- G. Hereby appoints the City Manager, or such person designated by the City Manager, as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, and payment requests, which may be necessary for the completion of the Project.

CC Agenda 08/13/19

Reso – SDRC Prop 68 Main Street – Green Street Gateway Improvements 080619



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Graham Mitchell, City Manager
SUBJECT: Schedule for Application Period for the Mission Trails Regional Park Citizen Advisory Committee

RECOMMENDATION:

That the City Council approves the acceptance of applications for the Mission Trails Regional Park Citizen Advisory Committee on a continuous basis, until vacancy is filled.

The date for interviews and appointment will be determined once applications are received.

BACKGROUND:

The Mission Trails Regional park is under the jurisdiction of the City of San Diego. There are nine affected major community planning areas bordering the park, including the City of El Cajon. The Mission trails Regional Park Citizen Advisory Committee was established to allow representation by each of these agencies as a means for arriving at consensus recommendations impacting the park and the surrounding agencies.

For more than three decades, Mr. Richard Gadler has represented the City on the Advisory Committee. On July 30, 2019, Mr. Gadler presented his resignation to the City from his post. As such, staff recommends that the City accept applications for the position for an undetermined period. As applications are received, staff will bring these forward to the City Council for consideration.

FISCAL IMPACT:

None

Prepared By: Graham Mitchell, City Manager

Reviewed By:

Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Frank Carson, Director of Recreation
SUBJECT: Community Event in the Right of Way: Manufacturing Expo

RECOMMENDATION:

That the City Council approves the use of alcohol for the East County Manufacturing Expo at Prescott Promenade on Tuesday, October 1, 2019.

BACKGROUND:

The East County Economic Development Council (ECEDC) seeks authorization to serve alcohol in a designated beer/wine garden only during its East County Manufacturing Expo at Prescott Promenade on Tuesday, October 1, 2019 from 3:00 p.m. to 6:00 p.m.

This year marks ECEDC's fourth annual Manufacturing Expo and it will be held for the first time in a City park. Held in accordance with National Manufacturing Day, this event is a celebration of the vibrant manufacturing industry in San Diego's East County. The goal of the event is to show the community that manufacturing is alive and well in East County, to highlight that manufacturing offers secure career opportunities, and to ignite excitement in the next generation about pursuing careers in this sector. This year's event will feature beer and wine tastings in a designated area monitored by attendants checking identification. The event will also have music and display booths for students and job-seekers. Last year's event featured 40 manufacturing exhibitors and over 500 attendees and this year's event is expected to have the same.

Pending City Council approval, the City's Traffic Engineer will implement a traffic plan with Public Works to ensure a safe event. The Special Event Committee will notify ECEDC of the necessary conditions that must be met prior to their event. Failure to comply with any of the conditions shall result in cancellation of the permit and event.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) according to Section 15061 (b)(3) the General Rule, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The temporary use of the City's right-of-way for a community event and the detouring of other modes of transportation within City streets will not have a significant effect on the environment.

FISCAL IMPACT:

The applicant will pay all applicable fees.

Prepared By: Frank Carson

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Frank Carson, Director of Recreation
SUBJECT: Community Event in the Right Of Way: Alley Cat Artwalk

RECOMMENDATION:

That the City Council approves the use of the public right-of-way for the Alley Cat Art Walk on September 13, 2019.

BACKGROUND:

St. Madeleine Sophie's Center, in conjunction with Downtown El Cajon Business Partners and Main Street Art Galleries, seeks authorization to hold the Alley Cat Art Walk from 3:00 p.m. to 8:00 p.m. on Friday, September 13, 2019. They request the use of the alley located between Rea Avenue and East Main Street with a street closure between Magnolia Avenue and Sulzfeld Way from 9:00 a.m. through 10:00 p.m. on Friday, September 13, 2019.

Alley Cat Art Walk is a free annual community event, showcasing prominent artists, galleries, local businesses and restaurants. This year's event will feature beer and wine tastings in the art galleries, live music and craft booths for children. Vendors and food trucks will be positioned in the alley parking stalls and parking lots located off the alley. Organizers anticipate between 300 and 500 attendees at this downtown event.

Pending City Council approval, the City's Traffic Engineer will implement a traffic plan with Public Works to ensure a safe event. St. Madeleine Sophie's Center will inform the businesses and residents in the surrounding area of the Alley Cat Art Walk and street closures. The Special Event Committee will notify St. Madeleine Sophie's Center of the necessary conditions that must be met prior to their event. Failure to comply with conditions shall result in cancellation of the permit and event.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) according to Section 15061 (b)(3) the General Rule, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The temporary use of the City's right-of-way for a community event and the detouring of other modes of transportation within City streets will not have a significant effect on the environment.

FISCAL IMPACT:

The applicant will pay all applicable fees.

Prepared By: Frank Carson

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Award of Bid No. 007-20 – Stationary Generator Maintenance and Emergency Repair Services

RECOMMENDATION:

That the City Council adopts the next Resolutions, in order, to:

1. Approve Plans and Specifications for the Stationary Generator Maintenance and Emergency Repair Services, Bid No. 007-20; and
2. Award the bid to the lowest responsive, responsible bidder, Bay City Equipment Industries, Inc., dba Bay City Electric Works in the amount of \$23,855 for the initial one-year term, with up to four additional one-year renewal options.

BACKGROUND:

The Stationary Generator Maintenance and Emergency Repair Services contract provides for scheduled maintenance and as-needed repairs on the City's generators. The bid includes an opportunity to renew the contract for up to four optional one-year terms. Funds for the renewal terms will be in accordance with the approved budget for each fiscal year.

This project was advertised on June 6, 2019. Four responses were received and opened at 2:00 p.m. on July 11, 2019. The three lowest bid responses were evaluated.

Staff recommends award of the bid to the lowest responsive, responsible bidder, Bay City Equipment Industries, Inc., dba Bay City Electric Works, in the amount of \$23,855. The summary of bids is attached and complete proposals are on file in the Purchasing Division.

FISCAL IMPACT:

The fiscal impact for the initial one-year term is \$23,855. Sufficient funds are available for this service in FY2019-20 Public Works Facilities Operations (123000) Annual Budget. Subsequent 4-year costs are estimated to total \$102,794.43.

Prepared By: Nahid Razi, Purchasing Agent

Reviewed By: Dirk Epperson, Director of Public Works

Approved By: Graham Mitchell, City Manager

Attachments

Bid Summary

Resolution - Plans & Specs

Resolution - Award



City of El Cajon Purchasing Division

Bid Summary

Bid No. 007-20 – Stationary Generator Maintenance and
Emergency Repair Services

Bidder	Bid Amount
Bay City Equipment Industries, Inc. dba Bay City Electric Works (Poway, CA)	\$23,855.00*
Global Power Group, Inc. (Lakeside, CA)	\$30,385.00
Duthie Electric Service Corporation (Escondido, CA)	\$32,184.68
LNR Engineering & Construction, Inc. (El Cajon, CA)	\$74,700.00

*RECOMMEND AWARD

PROJECT MANAGER'S ESTIMATE: \$25,000.00

RESOLUTION NO. __-19

RESOLUTION APPROVING
PLANS AND SPECIFICATIONS FOR
STATIONARY GENERATOR MAINTENANCE
AND EMERGENCY REPAIR SERVICES
(Bid No. 007-20)

WHEREAS, the Director of Public Works has submitted plans and specifications for Stationary Generator Maintenance and Emergency Repair Services (the "Project"); and

WHEREAS, it appears to be in the best interests of the City of El Cajon that the plans and specifications for the Project should be approved.

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

1. That the plans and specifications submitted for the Project by the Director of Public Works are hereby approved and adopted as the official plans and specifications for said Project.

2. Said plans and specifications are directed to be filed in the office of the Director of Public Works of the City of El Cajon.

RESOLUTION NO. __-19

RESOLUTION AWARDING BID FOR
STATIONARY GENERATOR MAINTENANCE
AND EMERGENCY REPAIR SERVICES
(Bid No. 007-20)

WHEREAS, on June 6, 2019, the City of El Cajon (the "City") advertised the Stationary Generator Maintenance and Emergency Repair Services bid (the "Project"); and

WHEREAS, four (4) responses were received and opened at 2:00 p.m. on July 11, 2019; and

WHEREAS, City staff recommends award of the bid to the lowest responsive, responsible bidder, Bay City Equipment Industries, Inc., doing business as Bay City Electric Works, in the total amount of \$23,855.00 for an initial one-year term, with up to four (4) additional one-year renewal options; 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 City staff.

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 rejects all other bids and proposals except that herein mentioned, and awards the bid to the lowest responsive, responsible bidder as follows:

Bay City Equipment Industries, Inc., dba Bay City Electric Works

in the total amount of \$23,855.00 for an initial one-year term, with up to four (4) additional one-year renewal options.

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



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Amendment to Purchase Agreement for Computer Aided Dispatch (CAD) System

RECOMMENDATION:

That the City Council (1) authorizes the Purchasing Agent, in accordance with Municipal Code 3.20.010(C)(5), to increase the purchase agreement with Tyler Technologies, Inc., in the amount of \$149,965; and (2) authorizes the City Manager to execute an amendment to the purchase agreement, with the approval of the City Attorney.

BACKGROUND:

The computer aided dispatch (“CAD”) system is an essential safety tool for the police department and a clearinghouse for data withdrawal and resource management. CAD is used for a variety of functions, including documenting calls for service, tracking deployment and status of resources in the field, documenting call dispositions, and generating calls for service reports which often serve as documentation for crime cases.

On June 22, 2010, Council approved the award of Bid No. 028-10, Integrated Computer Aided Dispatch & Mobile Computing System to New World Systems. The initial contract award included maintenance through August 31, 2015.

On August 11, 2015, Council approved a sole source procurement of exclusive software maintenance with Tyler Technologies, Inc. (formerly New World Systems) for the existing CAD system through August 31, 2020.

Upon evaluation by the Police Department Technology and Innovation Committee, it was determined that the final year of the existing CAD system requires an amendment to extend the annual software maintenance, add the development of a customer interface to the County of San Diego’s law enforcement databases, and transition our existing New World Mobility license to a Law Enforcement Mobile Messaging Site license. The attached memorandum details the evaluation conducted by the Police Department Technology and Innovation Committee.

The lifespan of the CAD system is estimated to be 15 years, and the replacement cost is estimated to be close to \$1,000,000, not including training and other soft costs. At this time, there is no identified need or desire to entertain a replacement system; therefore, exclusive licensing for the system is required.

FISCAL IMPACT:

The fiscal impact of this proposed amendment is \$149,965. Sufficient funds are available in the Fiscal Year 2019-20 Annual Budget IT Services - Police (615280).

Prepared By: Nahid Razi, Purchasing Agent

Reviewed By: Sara Diaz, Director of Information Technology

Approved By: Graham Mitchell, City Manager

Attachments

Memorandum


CITY OF EL CAJON INFORMATION TECHNOLOGY DEPARTMENT



MEMORANDUM

DATE: July 31, 2019

TO: Nahid Razi, Purchasing Agent

FROM: Sara Diaz, Director of Information Technology 

SUBJECT: Purchase of Tyler New World Software and Services

RECOMMENDATION:

That the City Council authorizes the City Manager to execute an amendment with Tyler Technologies, Inc. for a 1-year annual software maintenance renewal and two contract amendments for additional services associated with the Police Department's Computer Aided Dispatch (CAD) System.

BACKGROUND:

The CAD system is an essential tool for the police department, and is used to document calls for service from the public, track the deployment and status of resources in the field, (patrol, investigative, and other units,) document call dispositions, generate calls for service reports which often serve as documentation for crime cases, and is an officer safety tool. The New World system is used by virtually all staff in the department for one purpose or another. The police department has invested tremendous amounts of money and time acquiring the system, ensuring staff is trained and experienced using New World software, and developing specialized reports with assistance from the vendor.

On June 22, 2010, Council approved the award of Bid No. 028-10, Integrated Computer Aided Dispatch & Mobile Computing System to New World Systems. Eight proposals were evaluated, and New World Systems was selected as the vendor to provide the best product and service to meet the City's requirements. The initial contract award included maintenance through August 31, 2015.

On August 11, 2015, Council approved a sole source procurement of software maintenance with Tyler Technologies for the existing New World Computer Aided Dispatch system through August 31, 2020.

In September of 2018, the Police Department Technology and Innovation Committee began the process of evaluating mobile capabilities for police field staff. The review included analysis of hardware and software used by officers. Based on their findings, the Police Technology and Innovation Committee recommended that the department move to having more software available to officers on their person, rather than mounted in the car. In order to make this transition they presented the following four recommendations:

1. Transition car mounted laptops from rugged to semi-rugged style, at a replacement cost savings of approximately \$185,000 every 5 years.
2. Increase the number of phones and tablets available to field staff.
3. Move to a Tyler New World site license for their Mobility product, which includes an unlimited number of devices to the department and supports phones, tablets, and wearable technology.
4. Increase the number of Law Enforcement applications and capabilities that an officer can use from a phone or tablet in the field.

The Police Department implemented recommendations #1 and #2 in fiscal year 2018-2019. Recommendation #3 was approved as part of the Fiscal Year 2019-2020 budgeting process. In working towards Recommendation #4, a budget request was approved in Fiscal Year 2019-2020 for data integration services to build a new interface between the New World CAD system, which already queries state and federal warrants, and the county's local warrants system. This interface will ensure that when Police are in the field, an officer only needs to use New World Mobility application to determine if a person has a local, state, or federal criminal history. When coupled with the Mobility site license, this ensures that field staff can run criminal history checks from laptops, tablets, or phones in the field using a single application and receive a comprehensive list of returns.

In order to implement the Police Department's vision for field technology capabilities, the Information Technology Department is requesting the procurement of the following services from Tyler Technologies:

1. Renew the contract for the annual software maintenance (Year 5 of 5)
2. Amend the original contract to include development of a custom interface to San Diego County
3. Amend the original contract to transition our existing New World Mobility license to LE Mobile Messaging Site License

The lifespan of the CAD system is estimated to be 15 years, and the replacement cost is estimated to be close to \$1 M, not including training and other soft costs. At this time, there is no identified need or desire to entertain a replacement system, therefore, exclusive licensing for the system is required.

The Information Technology Department, in concurrence with the Chief of Police, recommends the amendment renewal for the purchase of CAD software maintenance, new site license, and custom interface development with New World Systems.

FISCAL IMPACT:

The fiscal impact for this effort is \$149,965, with estimated ongoing annual costs of \$109,560 beginning next fiscal year. Sufficient funds are included in the approved Fiscal Year 2019-20 budget: Police IT Services (615280). Additional ongoing maintenance costs will be budgeted in Police IT Services (615280) beginning in Fiscal Year 2020-2021.



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Contract Amendment for Pest Control Services

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to increase the contract for pest control services in the not-to-exceed amount of \$13,086 for the second renewal period.

BACKGROUND:

On July 26, 2017, the City of El Cajon awarded Bid No. 002-18 – Pest Control Services to Annex Pest Control, Inc. for a one-year term in the amount of \$16,792, with the option to renew for four (4) additional one-year periods. During the first renewal period, the contract was increased by \$3,848 due to the addition of services at the new animal shelter, Centennial Plaza, and Wells Park.

During a routine inspection earlier this year, staff discovered additional areas requiring pest control services that were not part of the original scope, including one-time termite eradication services at six recreation centers, and ongoing rodent and gopher control services at Council Chambers and the Civic Center turf area. These services shall be added as part of the second renewal period.

As detailed in the attached memorandum, staff is requesting an increase to the contract for ongoing maintenance services in the annual amount of \$1,986 and one-time termite eradication services in the amount of \$11,100, for a total increase of \$13,086.

FISCAL IMPACT:

Approval of the \$13,086 increase will supplement the existing contract, for a total annual amount of \$36,038.82 (CPI increase included) for the second renewal period. Sufficient funds are available in Fiscal Year 2019-20 Annual Budget: Public Works' Facilities Operations and Parks Operations (123000 and 160000); Police Department's Animal Shelter and Ancillary & Auxiliary Units (135000 and 130120); Fire Suppression (141000); Recreation Department (165000); and Vehicle and Equipment Maintenance (601000).

If all renewal options are exercised, the remaining 2-year costs are estimated to be \$55,000 (CPI increases included).

Prepared By: Nahid Razi, Purchasing Agent
Reviewed By: Dirk Epperson, Director of Public Works
Approved By: Graham Mitchell, City Manager

Attachments

Memorandum
Resolution

CITY OF EL CAJON



MEMORANDUM

DATE: August 2, 2019

TO: Nahid Razi, Purchasing Agent

FROM: Kevin Wright, Operation Manager, Facilities
Martin Bitterling, Operations Manager, Parks

VIA: Dirk Epperson, Director of Public Works

SUBJECT: Additional funds for Annex Pest Control Inc.

On July 26, 2017 the City entered into a citywide contract with Annex Pest Control, Inc. (Bid No. 002-18, Resolution No. 058-17) in the initial annual amount of \$16,792.00. The first amendment for the citywide contract was issued for the term of 08/01/2018 through 07/31/19 in the not-to-exceed amount of \$20,640.02.

In January of this year during a routine inspection, termites and termite damage were discovered at (6) Recreation Centers; Bostonia, Fletcher Hills, Kennedy, Hillside, Renette and Wells. We also determined that rodent bait stations were needed at City Council Chambers and gopher control at the Civic Center turf area.

Therefore, we are seeking to amend the contract with Annex Pest Control, Inc. to include termite eradication and repairs at various City facilities, and to include placement and monthly maintenance of rodent bait stations at the Council Chambers and gopher control at the Civic Center turf area. The additions of termite eradication and repairs at City facilities will result in a one-time increase to the contract in the amount of \$11,100.00, and the addition of rodent bait station maintenance at the City Council Chambers and gopher control at the Civic Center turf area will result in an annual increase of \$1,206.00. We would also like to add an additional \$780.00 in funds for as needed gopher infestations. The proposed request will result in an increase of \$13,086.00, bringing the Public Works Department's portion of the contract from \$11,843.34 to \$24,929.34.

We have anticipated and included for these cost increases in the 2019-2020 budget under Budget Activity 123000-8564 and Activity 160000-8564.

Submitted by:

Kevin Wright
Operations Manager, Facilities

Authorized by:

Dirk Epperson
Director of Public Works

RESOLUTION NO. __-19

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL CAJON
APPROVING AMENDMENT OF A CONTRACT
FOR PEST CONTROL SERVICES

WHEREAS, on July 26, 2017, the City of El Cajon (the "City") awarded Bid No. 002-18 – Pest Control Services to Annex Pest Control, Inc. for a one-year term in the amount of \$16,792.00, with the option to renew for four (4) additional one-year periods; and

WHEREAS, during the first renewal period, the contract was increased by \$3,848.00 due to the addition of services at the new animal shelter, Centennial Plaza, and Wells Park; and

WHEREAS, during a routine inspection earlier this year, staff discovered additional areas requiring pest control services that were not part of the original scope, including one-time termite eradication services at six (6) recreation centers, and ongoing rodent and gopher control services at the City Council Chambers and the Civic Center turf area; and

WHEREAS, staff has requested an increase of \$13,086.00 to add these services as part of the second renewal period to the contract for ongoing maintenance services, which includes an increase in the annual amount of \$1,986.00, and one-time termite eradication services in the amount of \$11,100.00.

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 approves amendment of the City's contract with Annex Pest Control, Inc. for pest control services at various City facilities, in the not-to-exceed amount of \$13,086.00, and authorizes the City Manager to execute an amendment to contract, with such changes as may be approved by the City Manager.



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Jamie Van Ravesteyn, Housing Manager
SUBJECT: City of El Cajon's Homeless Programs Update

RECOMMENDATION:

That the City Council receives the report and provides feedback.

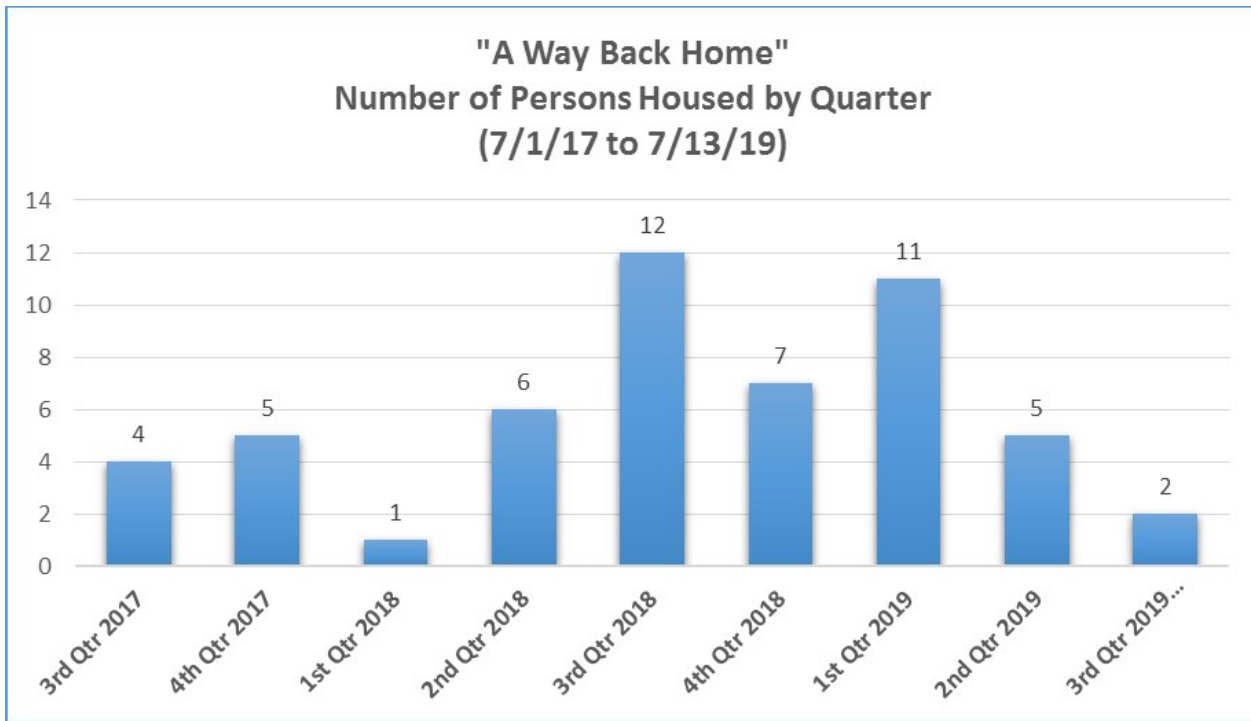
BACKGROUND:

Approximately two and a half years ago, the City Council began earnest discussions on strategies to address the impacts of homelessness in El Cajon. The result of the homeless strategy discussions was the development and funding of various programs. Two of those programs have accomplished the most toward the goal of securing permanent housing for those that are homeless—the "El Cajon Housing Connections" (Housing Navigator) and the "A Way Back Home" programs. Both of these programs rely on non-profit partners and are unique from efforts tried in other San Diego County communities. From an impact and a return on investment perspective, staff believes that these two programs have been very successful. The purpose of this agenda item is to present an update on these two programs.

"A Way Back Home" Program

The City partnered with The Salvation Army El Cajon Corps and funded a pilot program referred to as "A Way Back Home." The program reunites homeless individuals with supportive family members outside of the San Diego region. The City originally committed \$10,000 to this program, and in February this year committed another \$10,000. Since August 2017, the Salvation Army expended \$13,135.41 of City funds and has reunited 54 individuals with supportive family. The average cost per reunification has been about \$240.

For those participating in the program, the average amount of time homeless has been 3.24 years, with 1.93 (23 months) of those years being homeless in El Cajon. The majority of those reunited with family had their last permanent housing in other states or other countries. The following graph shows homeless individuals reunited with family or friends by quarter, starting with 3rd quarter 2017 through partial 3rd quarter 2019.

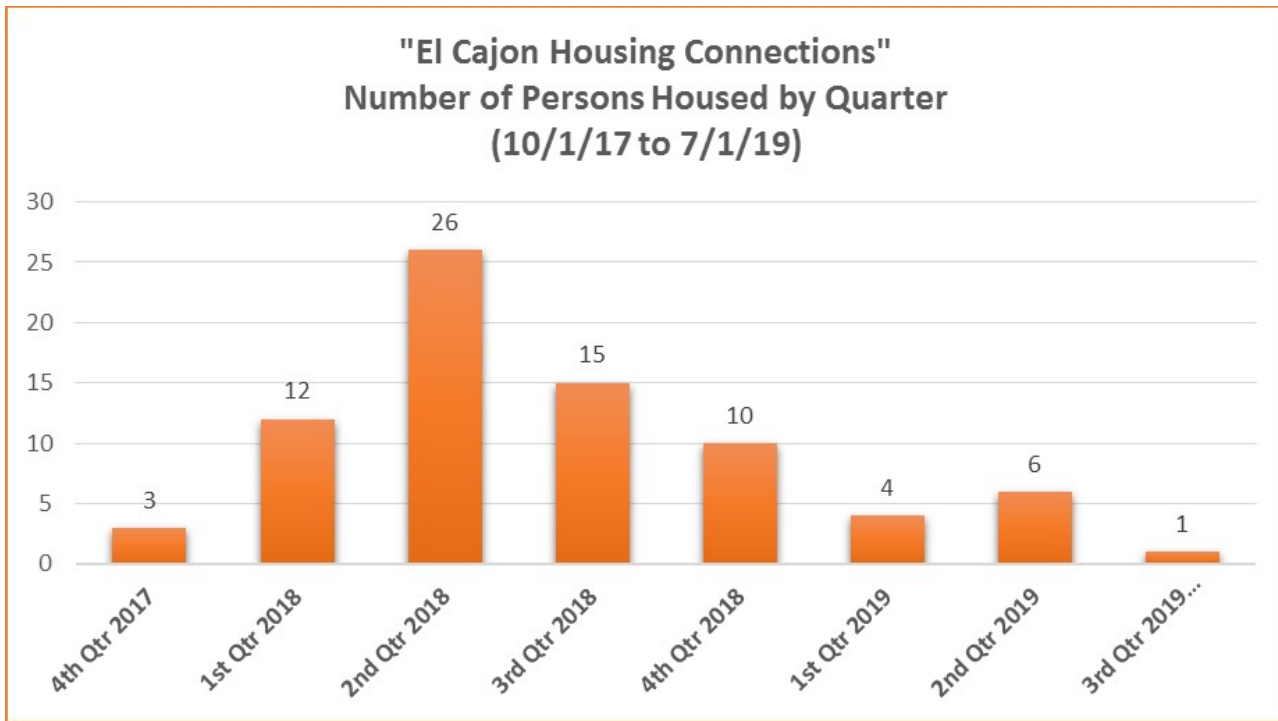


As reported earlier this year, the Salvation Army San Diego/Imperial Counties applied for a Homeless Emergency Aid Program (HEAP) grant to expand the successful El Cajon-based pilot program to the entire San Diego region. Staff is pleased to report that The Salvation Army's HEAP application was awarded funding in the reported amount of \$900,000 over two years for both a prevention program and the "A Way Back Home" program. These programs will now serve the entire San Diego region. The Salvation Army reports that a majority of the funding will be used for the new prevention program (assisting those at risk of being evicted) since the "A Way Back Home" program is expected to be very inexpensive to operate based on the El Cajon program model.

El Cajon Housing Connections Program (Housing Navigator)

The City also recognized the value of funding a dedicated Housing Navigator position to help homeless individuals, with a case management approach, to secure permanent housing. Again, relying on a local partner, Crisis House, the City committed two years of funding for the Housing Navigator, and also provided the Housing Navigator with access to housing assistance funds from the City. Since the program's inception in October of 2017, the Navigator has found permanent housing for 77 individuals (52 households). The Navigator, to date, has used \$88,275.41 in housing assistance funds to accomplish this feat. Combining the cost of the Navigator for the past 21 months and the housing assistance funds spent, the cost to secure permanent housing has been approximately \$2,700 per person housed. In addition to the 77 individuals housed, the Navigator enrolled another 33 individuals over the same time period in an effort to find housing. Some of those individuals are still seeking housing.

Of those enrolled, 76 were adults and 34 were children. The average amount of time homeless was 2.05 years, with 1.92 of those years being homeless in El Cajon. Opposite of the "A Way Back Home" program, the majority of those enrolled (51%) with the Housing Navigator experienced having their last permanent home most recently in El Cajon. The following graph shows homeless individuals housed in permanent housing, starting in 4th quarter 2017 through partial 3rd quarter 2019. As is illustrated by the graph, the success of finding housing has slowed down as those that are ready for housing have been housed.



Like The Salvation Army, Crisis House applied for a grant of funds through the HEAP program to expand the Housing Navigator program to serve all of East San Diego County. City staff worked with the staff of our neighboring cities and Crisis House to develop the possible expanded program. Staff is pleased to report that Crisis House's HEAP application was funded in the reported amount of \$300,000 over two years for the expansion of the Housing Navigator program to serve all of East County. With both the HEAP funding and the City's continued funding (subject to City Council authorization), one additional Housing Navigator will be hired through Crisis House and the program has set a target of serving a total of 80 households over the next two years (20 per year from El Cajon and 20 per year from the remaining East County area).

Conclusion

In the past 21 months, through the Housing Navigator and "A Way Back Home" programs, the City has been able to secure permanent housing for 131 individuals at a combined cost to date of \$206,786. This equates to \$1,578.52 per person housed. Staff believes that this has been an effective use of the City's funds. For context, the 2018 Point-in-Time count identified that there were 288 unsheltered homeless individuals residing in the City's limits.

Staff presents this update for City Council discussion and feedback.

Prepared By: Jamie van Ravesteyn, Housing Manager

Reviewed By: Anthony Shute, Director of Community Development

Approved By: Graham Mitchell, City Manager

Attachments

Summary of Homeless Data

Data Summary
Homeless Individuals Serviced by the El Cajon Housing Connections Program
and the A Way Back Home Program
(October 1, 2017 through July 13, 2019)

Total Persons Enrolled in both programs over 22 months: 164

Total Persons Housed through both programs over 22 months: 131 persons (87 households)

Crisis House/Housing Navigator	The Salvation Army/A Way Back Home
<u>Total Enrolled: 110 individuals (71 households)</u>	<u>Total Enrolled: 54 individuals (35 households)</u>
<u>Housed: 77 individuals (52 households)</u>	<u>Housed/Reunified: 54 individuals (35 households)</u>
<u>Characteristics of those Enrolled</u>	<u>Characteristics of those Enrolled</u>
<u>Ages</u> Total number of Adults 76 Total number of Children 34 Average Age 34.3 years old	<u>Ages</u> Total number of Adults 45 Total number of Children 8 Unknown 1 Average Age 39.2 years old
<u>Race and Ethnicity</u> <u>Race</u> White 67.3% African American 23.6% Mixed 5.5% Other 0%	<u>Race and Ethnicity</u> <u>Race</u> White 55.5% African American 20.4% Mixed 11.1% Other 0% Unknown 1.8%
<u>Ethnicity</u> Hispanic 21.8%	<u>Ethnicity</u> Hispanic 11.1%
<u>Gender</u> Female 51.8% Male 48.2%	<u>Gender</u> Female 44.4% Male 55.6%
<u>Patterns of Homelessness for those Enrolled</u>	<u>Patterns of Homelessness for those Enrolled</u>
Chronically Homeless 45.5% Average Years Continually Homeless 2.05 yrs Average Years Homeless in El Cajon 1.92 yrs Location Last Slept in El Cajon: Street/Park 52.7% Vehicle 25.4% ECTLC 6.4% Other (motel/friends/etc.) 6.4% No Response/Unknown 9%	Chronically Homeless 42.5% Average Years Continually Homeless 3.24 yrs Average Years Homeless in El Cajon 1.93 yrs Location Last Slept in El Cajon: Street/Park 61% Vehicle 3.7% ECTLC 9.25% Other (motel/friends/etc.) 24% No Response/Unknown 1.9%

<u>Chronically Homeless Enrollees</u> Number enrolled 50 Number successfully housed 40 (80%)	<u>Chronically Homeless Enrollees</u> Number enrolled 23 Number successfully housed 23 (100%)
<u>Location of Last Permanent Residence</u> El Cajon 51.8% San Diego 12.7% Other in County 12.7% Other in California 8.2% Other State 4.5% Other Country 0% No Response/Unknown 10%	<u>Location of Last Permanent Residence</u> El Cajon 31.5% San Diego 14.97% Other in County 5.5% Other in California 7.4% Other State 35.2% Other Country 3.7% No Response/Unknown 1.8%
<u>Substance Abuse in those Enrolled</u> Yes 19% No 46.4% No Response/Unknown 34.5% Substance(s) Used, if any: Either one or a combination of- meth, alcohol, cocaine, marijuana, heroin, prescriptions	<u>Substance Abuse in those Serviced</u> Yes 53.7% No 44.4% No Response/Unknown 1.85% Substance(s) Used, if any: Either one or a combination of- meth, alcohol, cocaine, marijuana, heroin, prescriptions
<u>Average Time from Program Enrollment to Move-In Date: 1.6 months</u>	<u>Average Time from Program Enrollment to Move-In Date: 4 days</u>
<u>Still Housed After 6 months: 45.4%</u>	<u>Still Housed After 6 months: 42.6%</u>



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Dirk Epperson, Director of Public Works
SUBJECT: Wastewater Fund Sewer Service Rate Case

RECOMMENDATION:

That the City Council:

1. Directs the City Clerk to set a Public Hearing on October 8, 2019, at 7:00 p.m., regarding the proposed changes to the Wastewater Service Rates.
2. Directs staff to proceed with mailing of Public Notices in accordance with Proposition 218 in regards to the proposed changes to the Wastewater Service Rates.

BACKGROUND:

The City of El Cajon has conducted only two rate studies over the last twenty years, each of which resulted in wastewater rate increases. The study conducted in 2011, triggered a rate increase annually for five years to support repayment of a long-term loan by the State Water Resources Control Board for the construction of the Johnson Avenue Sewer Relief Project. After this, two major impacts to the City's Wastewater Enterprise Fund occurred. First, the rate study did not anticipate a substantial increase in wastewater treatment costs from the San Diego Metropolitan Sewer Treatment System (Metro System) for the Pure Water Program upgrades. Second, the Fund experienced a decrease in revenue due to water use reduction triggered by droughts. Even though the drought conditions are over, a new normal has been established and consumers are consistently using less water.

Without adjusting rates, the Wastewater Enterprise Fund is in danger of going into a deficit despite efforts by the City to minimize expenditures. Therefore, a sewer rate adjustment is necessary to consider at this time.

Wastewater charges are calculated to meet the revenue needs of the Wastewater Fund, in compliance with section 204(b)(1) of the Clean Water Act (33 U.S.C. section 1284(b)(1)). The Act requires that each recipient of wastewater treatment services pays their proportionate share of the costs. In accordance with section 5471 of the California Health and Safety Code, revenues derived from wastewater fees are used solely for the purpose of covering program costs and expenses related to operating the City's wastewater utility, including: wastewater treatment and transportation, operation and maintenance activities, capital improvements, program administration, regulatory compliance, and program financing. Furthermore, as a recipient of a State Revolving Fund (SRF) and as a Metro System Participating Agency, El Cajon must also maintain compliance with the revenue program guidelines established by the State.

Although the City operates the wastewater collection system within City limits, wastewater treatment is performed by the Metro System for which the City pays fees on a quarterly basis. These wastewater treatment fees represent the largest portion of the costs of the wastewater system operation (over 50 percent of the cost).

In September 2017, the City hired NV5 to analyze the current rate structure, perform a cost of service analysis, and develop a rate model and a wastewater multi-year financial plan that produces revenues adequate to meet financial needs of the City to cover the funding requirements of the Metro System for its planned Pure Water Program upgrades and the City's operations and capital needs.

Prior to bringing a wastewater rate adjustment to the City Council for approval, the City is required to follow the notification and public hearing requirements set forth under Proposition 218 (California Constitution Article XIII D, section 6). The Proposition 218 process requires that written notification be given to all affected property owners, and that those property owners be given a 45-day period in which to submit written protests if they oppose the proposed rate adjustments. The proposed notice will specify the basis of the rate adjustment, the reason, and the date, time and location of the public hearing at which the proposed rates will be considered. Upon City Council approval, staff will notify El Cajon property owners of the public hearing to be held on October 8, 2019. After conducting the public hearing on that date, the City Council could consider taking action on a rate change. If less than a majority of the City's affected property owners file written protests then the City Council may adjust the rates up to the amounts identified in the notice.

The City provides wastewater service to approximately 17,000 customers within the incorporated area of the City of El Cajon. It owns and operates approximately 190 miles of pipeline, with the majority of the pipelines being constructed before 1965 and some older pipelines dating back to the late 1920s. Increases in the wastewater system Capital Improvement Program (CIP) requirements, the costs associated with the increase in wastewater treatment costs from the Metro System for the planned Pure Water Program upgrades and the increased costs from a reduction in flow and higher wastewater strength due to water conservation require that the City adjust the wastewater rates for the next five years. The City's sewer rate includes many categories such as single family residential, multi-family, commercial/retail, and industrial. The fee schedule includes the proposed rates for each category.

Using a typical single family residential property as an example, the sewer rate study suggests the following monthly increases:

Year	Monthly Rate
2019 (current)	\$48.31
2020	\$55.09
2021	\$61.22
2022	\$69.70
2023	\$77.35
2024	\$88.76

These rates equal a 14 percent increase in 2020, 11 percent increase in 2021, 14 percent increase in 2022, 11 percent increase in 2023, and 11 percent increase in 2024. The proposed percent adjustments would be applied in the same manner to all fee categories. Also, the current adopted rate structure has two components: a fixed base charge and a volumetric charge. The principles used to develop this rate structure still meet industry standards and follow Best Management Practices (BMPs) established by the State of California. In addition to the proposed rate adjustments, staff proposes aligning the fixed base charge to more closely reflect current costs associated with wastewater system infrastructure maintenance, repair, and rehabilitation.

Based on the financial projections, staff recommends that wastewater rate adjustments be considered by City Council at a public hearing on October 8, 2019. It is also recommended that the City provide a provision to give the City the ability to pass through transportation, treatment, and disposal costs to customers in accordance with California Government Code section 53756.

FISCAL IMPACT:

Approximately \$15,000 for the preparation of the notice, printing, and postage. Funding is available in Fiscal Year 2020, Wastewater Operations (650720).

Prepared By: Dirk Epperson, Director of Public Works
Reviewed By: Vince DiMaggio, Assistant City Manager
Approved By: Graham Mitchell, City Manager

Attachments

Rate Study
Schedule

City of El Cajon
Wastewater Rate Study

DRAFT July 2019

Submitted To:

City of El Cajon
200 Civic Center Way
El Cajon, CA 92020

Submitted By:

NV5
15092 Avenue of Science, Suite 200
San Diego, CA 92128
858.385.0500



City of El Cajon

Wastewater Rate Study

DRAFT

July 2019

Prepared for:

City of El Cajon
200 Civic Center Way
El Cajon, CA 92020

Prepared by:

NV5, Inc.
15092 Avenue of Science, Suite 200
San Diego, CA 92128
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Appendices

Appendix A – Wastewater Rate Study

Abbreviations

BMP	Best Management Practices as Prescribed by the State of California
CIP	Capital Improvement Program or Plan
City	City of El Cajon
CPI	Consumer Price Index
FY	Fiscal Year Ending June 30
HCF	Hundred Cubic Feet
Metro	City of San Diego Metropolitan Wastewater System
NV5	NV5, Inc.
O&M	Operations and Maintenance
PA	Participating Agency in the San Diego Metro System
SWRCB	California State Water Resources Control Board
US EPA	U.S. Environmental Protection Agency
WDR	Waste Discharge Requirement

1.0 Executive Summary

This report was prepared for the City of El Cajon (City) to document the development of a wastewater multi-year financial plan, cost-of-service analysis, and rate design for the City (rate case). The specific goals of the study were to:

- Evaluate the adequacy of projected revenues under existing wastewater service charges to meet projected revenue requirements;
- Develop a wastewater cost-of-service and rate model for the City covering a five-year study (Fiscal Year 2020 through Fiscal Year 2024) period for both ongoing operations and planned capital improvements;
- Develop a five-year wastewater service charge program that produces revenues adequate to meet financial needs of the City for both their required funding of the City of San Diego’s Pure Water Program and the City’s operations and capital needs, while recognizing customer costs of service, and local and state legal and policy considerations such as California Constitution Articles XIII C and D (Proposition 218), and Proposition 26; and
- Recommend appropriate reserve levels for operations and capital needs based on industry standards.

1.1 Findings

During the course of our analysis in relation to the specific goals of the study, we made the following findings:

1. The City of El Cajon last adjusted the wastewater service charges in FY 2017, and the most recent Cost of Service Study was completed in August 2011.
2. Wastewater service charge revenues at current levels will not be sufficient over the next five years to meet the increasing cost of City operating and capital expenses without negatively affecting fund balance levels¹. In the absence of annual rate adjustments, projections show that the City would deplete the Net Fund Balance during FY 2021. **Table 1-1** on the next page illustrates the projected financial picture without recommended wastewater service charge adjustments and shows that the City's Fund Balance falls below recommended operating reserve target levels by FY 2020 and falls into a negative cash position by FY 2021.

¹The term "fund balance" refers to the remaining amounts available after short-term liabilities (monies owed) are paid off with the agency's available cash and other financial resources (such as receivables). The fund balance includes reserved and unreserved components. For the purposes of this Study, this term refers to "available cash excluding reserved monies" and the term "fund" refers to the "Wastewater Enterprise Fund" account in which these monies reside.

Table 1-1 – Wastewater Enterprise Fund Long Range Plan without Revenue Adjustments (Status Quo)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Beginning Balance	\$ 25,209,009.82	\$ 15,629,742.93	\$ 2,400,901.78	\$ (3,920,994.39)	\$ (11,995,902.04)	\$ (22,159,175.72)
Revenue						
Non-Operating Revenue	\$ 749,597.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00
Proceeds	\$ 3,546,903.00					
User Fees	\$ 18,880,984.82	\$ 18,880,984.82	\$ 18,880,984.82	\$ 18,880,984.82	\$ 18,880,984.82	\$ 18,880,984.82
Total Revenue	\$ 23,177,484.82	\$ 19,955,689.82	\$ 19,955,689.82	\$ 19,955,689.82	\$ 19,955,689.82	\$ 19,955,689.82
Operations Expenses						
Salaries and Benefits	\$ 4,318,970.00	\$ 4,699,505.00	\$ 5,079,922.00	\$ 5,437,672.00	\$ 5,794,395.00	\$ 6,138,536.00
Materials, Service, and Supplies	\$ 3,626,850.00	\$ 3,717,521.25	\$ 3,810,459.28	\$ 3,905,720.76	\$ 4,003,363.78	\$ 4,103,447.88
Capital Outlay	\$ 23,600.00					
Metro and JPA Costs	\$ 13,560,000.00	\$ 13,500,000.00	\$ 13,845,000.00	\$ 12,945,000.00	\$ 14,579,000.00	\$ 15,016,370.00
Total Operations Expenses	\$ 21,529,420.00	\$ 21,917,026.25	\$ 22,735,381.28	\$ 22,288,392.76	\$ 24,376,758.78	\$ 25,258,353.88
Capital Improvement Program						
Equipment Replacement	\$ 722,877.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Wastewater CIP	\$ 9,812,250.00	\$ 6,025,300.00	\$ 2,800,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Debt Repayments						
Principal	\$ 467,097.71	\$ 415,943.40	\$ 424,678.21	\$ 433,596.46	\$ 442,701.98	\$ 451,998.72
Interest	\$ 125,107.00	\$ 176,261.31	\$ 167,526.50	\$ 158,608.25	\$ 149,502.73	\$ 140,205.99
Alvarado	\$ 100,000.00					
Mission Gorge		\$ 4,500,000.00				
Total Expenses	\$ 32,756,751.71	\$ 33,184,530.96	\$ 26,277,585.99	\$ 28,030,597.47	\$ 30,118,963.49	\$ 31,000,558.59
Fund Balance Prior to Reserves	\$ 15,629,742.93	\$ 2,400,901.78	\$ (3,920,994.39)	\$ (11,995,902.04)	\$ (22,159,175.72)	\$ (33,204,044.49)
Reserve Targets						
Operations/Cash Flow and Capital Expansion/Replacement Reserve	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Metro Cash Flow						
Emergency/Nat. Disaster						
Total Recommended Reserves	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Are Reserves Met?	Yes	No	No	No	No	No
Remaining Balance After Reserve Target (Use)/Replacement of Reserves	\$ 12,090,660.19	\$ (1,201,897.05)	\$ (7,658,317.34)	\$ (15,659,747.43)	\$ (26,166,314.15)	\$ (37,356,102.66)
	\$ (9,579,266.89)	\$ (13,228,841.14)	\$ (6,321,896.17)	\$ (8,074,907.66)	\$ (10,163,273.67)	\$ (11,044,868.77)

3. The City does not have a formal reserve policy for their operations or capital funds.
4. The City does not currently have a mechanism to pass through wholesale treatment costs from the City of San Diego to customers should those costs rise beyond projections in the cost-of-service model, or beyond future year projections.
5. Since the most recent Cost of Service Study in 2011, City of San Diego Metropolitan Wastewater System (Metro) and JPA costs have nearly doubled. Metro and JPA costs have increased 45 percent since 2018.
6. Utilities cost per index (CPI) since 2018 rose 3.7 percent, and the cost for wastewater operations and the capital improvement program (CIP) increased 6 percent since 2018.

The City has an adequate system of wastewater service charges to meet regulatory and industry standards, and their current rate schedule reflects the proper elements of a cost-of-service based rate structure. As a result, we are not recommending any structural changes to the current system of charges except for the increase in the base charge to more closely align with fixed versus variable costs and the change in the return-to-sewer flow calculations for multi-family and non-residential commercial users without irrigation meters. The proposed rates help maintain a positive fund balance while covering as much of the increase in expenses as much as possible.

1.2 Recommendations

The following lists NV5, Inc.’s (NV5) recommendations to address the findings listed above:

1. Per the cost-of-service analysis contained within this report, NV5 recommends City wastewater service charges be adjusted to reflect current costs of providing wastewater service to customers within the City. This recommendation includes adjusting total revenue from rates by up to 14 percent beginning in FY 2020, 11 percent in FY 2021, 14 percent in FY 2022, and 11 percent in FY 2023 and 2024, as shown in **Table 1-2**.

Table 1-2 – Recommended Annual Revenue Adjustment

Annual Revenue Adjustment	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Adjustment	14%	11%	14%	11%	11%
Effective Month	November	July	July	July	July

Based on the cost-of-service analysis, revenue adjustments per customer class will vary. In total, the City requires between 11 and 14 percent of an increase in revenue from customer rates each year, resulting from an increase in the monthly fixed rate and a decrease in the volumetric rate to more accurately depict the fixed costs versus the volumetric costs associated with wastewater collection and treatment. Since 2018, the utilities CPI rose 3.7 percent and wastewater operations and CIP increased 6 percent. It is also recommended that the City create a provision for a pass through for wholesale treatment costs from the City of San Diego to customers should those costs rise beyond projections in the cost-of-service model, or beyond future year projections. Suggested language is provided at the end of this section. As noted, the City has not had a rate increase since FY 2017, and the last rate study was completed in 2011. Since then, Metro and operations expenses have increased, and as the system continues to age, more capital improvement program expenditures are required to keep the system up to date.

Should the City approve these rate adjustments, the projected financial picture of the City should stabilize significantly; however, it should be noted that the City will only meet recommended reserve targets with the current rate increase recommendation by scaling back some of the capital improvement program expenditures and thereby deferring some of the capital projects until a later

date. **Table 1-3** depicts the projected financial picture given the recommended revenue adjustments described in this section.

Table 1-3 - Wastewater Enterprise Fund Long Range Plan with Recommended Revenue Adjustments

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Beginning Balance	\$ 25,209,009.82	\$ 15,629,742.93	\$ 5,091,492.09	\$ 3,824,877.49	\$ 4,059,465.51	\$ 5,111,065.32
Revenue						
Non-Operating Revenue	\$ 749,597.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00
Proceeds	\$ 3,546,903.00					
User Fees	\$ 18,880,984.82	\$ 21,571,575.12	\$ 23,936,266.40	\$ 27,190,480.50	\$ 30,095,858.30	\$ 33,366,669.35
Total Revenue	\$ 23,177,484.82	\$ 22,646,280.12	\$ 25,010,971.40	\$ 28,265,185.50	\$ 31,170,563.30	\$ 34,441,374.35
Operations Expenses						
Salaries and Benefits	\$ 4,318,970.00	\$ 4,699,505.00	\$ 5,079,922.00	\$ 5,437,672.00	\$ 5,794,395.00	\$ 6,138,536.00
Materials, Service, and Supplies	\$ 3,626,850.00	\$ 3,717,521.25	\$ 3,810,459.28	\$ 3,905,720.76	\$ 4,003,363.78	\$ 4,103,447.88
Capital Outlay	\$ 23,600.00	\$ -	\$ -	\$ -	\$ -	\$ -
Metro and JPA Costs	\$ 13,560,000.00	\$ 13,500,000.00	\$ 13,845,000.00	\$ 12,945,000.00	\$ 14,579,000.00	\$ 15,016,370.00
Total Operations Expenses	\$ 21,529,420.00	\$ 21,917,026.25	\$ 22,735,381.28	\$ 22,288,392.76	\$ 24,376,758.78	\$ 25,258,353.88
Capital Improvement Program						
Equipment Replacement	\$ 722,877.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Wastewater CIP	\$ 9,812,250.00	\$ 6,025,300.00	\$ 2,800,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Debt Repayments						
Principal	\$ 467,097.71	\$ 415,943.40	\$ 424,678.21	\$ 433,596.46	\$ 442,701.98	\$ 451,998.72
Interest	\$ 125,107.00	\$ 176,261.31	\$ 167,526.50	\$ 158,608.25	\$ 149,502.73	\$ 140,205.99
Alvarado	\$ 100,000.00					
Mission Gorge		\$ 4,500,000.00				
Total Expenses	\$ 32,756,751.71	\$ 33,184,530.96	\$ 26,277,585.99	\$ 28,030,597.47	\$ 30,118,963.49	\$ 31,000,558.59
Fund Balance Prior to Reserves	\$ 15,629,742.93	\$ 5,091,492.09	\$ 3,824,877.49	\$ 4,059,465.51	\$ 5,111,065.32	\$ 8,551,881.08
Reserve Targets						
Operations/Cash Flow and Capital Expansion/Replacement Reserve	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Metro Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency/Nat. Disaster	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Recommended Reserves	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Are Reserves Met?	Yes	Yes	Yes	Yes	Yes	Yes
Remaining Balance After Reserve Target (Use)/Replacement of Reserves	\$ 12,090,660.19	\$ 1,488,693.25	\$ 87,554.54	\$ 395,620.13	\$ 1,103,926.89	\$ 4,399,822.91
	\$ (9,579,266.89)	\$ (10,538,250.84)	\$ (1,266,614.59)	\$ 234,588.02	\$ 1,051,599.80	\$ 3,440,815.76

Additional rate models were evaluated, and in an effort to balance the goals to minimize the impact of the rate increases to the customers while improving the financial health of the City's wastewater enterprise fund, the following alternatives were not selected:

- The alternative presented in **Table 1-4** and **Table 1-5** would increase rates by 20 percent and 15 percent in the first and second years, respectively, followed by a maximum rate increase of 10 percent each year. This scenario would also require changes to the capital improvement program as proposed in the model, thereby reducing capital expenditures and deferring some capital projects, and reserve targets would be met each year.

Table 1-4: Alternative Annual Revenue Adjustment – Reduced Capital Improvement Program

Annual Revenue Adjustment	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Adjustment	20%	15%	10%	10%	10%
Effective Month	November	July	July	July	July

Table 1-5: Wastewater Enterprise Fund Long Range Plan with Alternative Revenue Adjustments – Reduced Capital Improvement Program

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Beginning Balance	\$ 25,209,009.82	\$ 15,629,742.93	\$ 6,243,563.25	\$ 3,789,594.80	\$ 3,711,958.59	\$ 4,044,462.17
Revenue						
Non-Operating Revenue	\$ 749,597.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00
User Fees	\$ 18,880,984.82	\$ 22,723,646.28	\$ 26,048,912.55	\$ 28,578,256.26	\$ 31,376,762.07	\$ 34,670,851.84
Total Revenue	\$ 23,177,484.82	\$ 23,798,351.28	\$ 27,123,617.55	\$ 29,652,961.26	\$ 32,451,467.07	\$ 35,745,556.84
Operations Expenses						
Salaries and Benefits	\$ 4,318,970.00	\$ 4,699,505.00	\$ 5,079,922.00	\$ 5,437,672.00	\$ 5,794,395.00	\$ 6,138,536.00
Materials, Service, and Supplies	\$ 3,626,850.00	\$ 3,717,521.25	\$ 3,810,459.28	\$ 3,905,720.76	\$ 4,003,363.78	\$ 4,103,447.88
Capital Outlay	\$ 23,600.00	\$ -	\$ -	\$ -	\$ -	\$ -
Metro and JPA Costs	\$ 13,560,000.00	\$ 13,500,000.00	\$ 13,845,000.00	\$ 12,945,000.00	\$ 14,579,000.00	\$ 15,016,370.00
Total Operations Expenses	\$ 21,529,420.00	\$ 21,917,026.25	\$ 22,735,381.28	\$ 22,288,392.76	\$ 24,376,758.78	\$ 25,258,353.88
Capital Improvement Program						
Equipment Replacement	\$ 722,877.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Wastewater CIP	\$ 9,812,250.00	\$ 6,025,300.00	\$ 6,100,000.00	\$ 6,700,000.00	\$ 7,000,000.00	\$ 9,500,000.00
Debt Repayments						
Principal	\$ 467,097.71	\$ 415,943.40	\$ 424,678.21	\$ 433,596.46	\$ 442,701.98	\$ 451,998.72
Interest	\$ 125,107.00	\$ 176,261.31	\$ 167,526.50	\$ 158,608.25	\$ 149,502.73	\$ 140,205.99
Alvarado	\$ 100,000.00					
Mission Gorge		\$ 4,500,000.00				
Total Expenses	\$ 32,756,751.71	\$ 33,184,530.96	\$ 29,577,585.99	\$ 29,730,597.47	\$ 32,118,963.49	\$ 35,500,558.59
Fund Balance Prior to Reserves	\$ 15,629,742.93	\$ 6,243,563.25	\$ 3,789,594.80	\$ 3,711,958.59	\$ 4,044,462.17	\$ 4,289,460.42
Reserve Targets						
Operations/Cash Flow and Capital Expansion/Replacement Reserve	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Metro Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency/Nat. Disaster	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Recommended Reserves	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Are Reserves Met?	Yes	Yes	Yes	Yes	Yes	Yes
Remaining Balance After Reserve Target	\$ 12,090,660.19	\$ 2,640,764.41	\$ 52,271.85	\$ 48,113.20	\$ 37,323.74	\$ 137,402.25
(Use)/Replacement of Reserves	\$ (9,579,266.89)	\$ (9,386,179.68)	\$ (2,453,968.44)	\$ (77,636.21)	\$ 332,503.58	\$ 244,998.25

- Another alternative presented in **Table 1-6** and **Table 1-7** would increase revenue collected from rates by 30 percent in FY 2020, 15 percent in FY 2021, followed by an increase in rates of 10 percent each year thereafter, from FY 2022 to FY 2024. The rate adjustments in FY 2020 include a significant shift in the cost allocations to the fixed base and volumetric charges. This rate model alternative most sufficiently accounts for the shift in the cost allocations related to infrastructure maintenance, repair, and replacement and wastewater collection and treatment due to the change in Metro costs and the consequences of increased indoor conservation, which led to lower flows and higher strength wastewater throughout

Southern California. As shown in **Table 1-7**, this alternative ensures that all current proposed reserve targets would be sufficiently met while maintaining the capital improvement program as initially projected by the City staff; however, it does result in a significant impact in rates to the customers. As a result, this alternative was not selected as the proposed rate model.

Table 1-6: Alternative Annual Revenue Adjustment – Optimal Capital Improvement Program

Annual Revenue Adjustment	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Adjustment	30%	15%	10%	10%	10%
Effective Month	November	July	July	July	July

Table 1-7: Wastewater Enterprise Fund Long Range Plan with Alternative Revenue Adjustments – Optimal Capital Improvement Program

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Beginning Balance	\$ 25,209,009.82	\$ 15,629,742.93	\$ 8,142,368.54	\$ 4,010,719.14	\$ 3,725,190.38	\$ 4,219,973.31
Revenue						
Non-Operating Revenue	\$ 749,597.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00
Proceeds	\$ 3,546,903.00					
User Fees	\$ 18,880,984.82	\$ 24,622,451.57	\$ 28,271,231.60	\$ 31,070,363.71	\$ 34,174,041.43	\$ 37,643,975.31
Total Revenue	\$ 23,177,484.82	\$ 25,697,156.57	\$ 29,345,936.60	\$ 32,145,068.71	\$ 35,248,746.43	\$ 38,718,680.31
Operations Expenses						
Salaries and Benefits	\$ 4,318,970.00	\$ 4,699,505.00	\$ 5,079,922.00	\$ 5,437,672.00	\$ 5,794,395.00	\$ 6,138,536.00
Materials, Service, and Supplies	\$ 3,626,850.00	\$ 3,717,521.25	\$ 3,810,459.28	\$ 3,905,720.76	\$ 4,003,363.78	\$ 4,103,447.88
Capital Outlay	\$ 23,600.00	\$ -	\$ -	\$ -	\$ -	\$ -
Metro and JPA Costs	\$ 13,560,000.00	\$ 13,500,000.00	\$ 13,845,000.00	\$ 12,945,000.00	\$ 14,579,000.00	\$ 15,016,370.00
Total Operations Expenses	\$ 21,529,420.00	\$ 21,917,026.25	\$ 22,735,381.28	\$ 22,288,392.76	\$ 24,376,758.78	\$ 25,258,353.88
Capital Improvement Program						
Equipment Replacement	\$ 722,877.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Wastewater CIP	\$ 9,812,250.00	\$ 6,025,300.00	\$ 10,000,000.00	\$ 9,400,000.00	\$ 9,635,000.00	\$ 9,875,875.00
Debt Repayments						
Principal	\$ 467,097.71	\$ 415,943.40	\$ 424,678.21	\$ 433,596.46	\$ 442,701.98	\$ 451,998.72
Interest	\$ 125,107.00	\$ 176,261.31	\$ 167,526.50	\$ 158,608.25	\$ 149,502.73	\$ 140,205.99
Alvarado	\$ 100,000.00					
Mission Gorge		\$ 4,500,000.00				
Total Expenses	\$ 32,756,751.71	\$ 33,184,530.96	\$ 33,477,585.99	\$ 32,430,597.47	\$ 34,753,963.49	\$ 35,876,433.59
Fund Balance Prior to Reserves	\$ 15,629,742.93	\$ 8,142,368.54	\$ 4,010,719.14	\$ 3,725,190.38	\$ 4,219,973.31	\$ 7,062,220.04
Reserve Targets						
Operations/Cash Flow and Capital Expansion/Replacement Reserve	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Metro Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency/Nat. Disaster	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Recommended Reserves	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Are Reserves Met?	Yes	Yes	Yes	Yes	Yes	Yes
Remaining Balance After Reserve Target (Use)/Replacement of Reserves	\$ 12,090,660.19	\$ 4,539,569.70	\$ 273,396.19	\$ 61,344.99	\$ 212,834.88	\$ 2,910,161.87
	\$ (9,579,266.89)	\$ (7,487,374.39)	\$ (4,131,649.39)	\$ (285,528.76)	\$ 494,782.94	\$ 2,842,246.72

- Based on cost-of-service projected revenue requirements and the objective to avoid a significant impact in rates to customers, the City should adopt the following wastewater service charges.

Table 1-8 shows the proposed wastewater charges for FY 2020 through FY 2024 and compares them to existing charges.

Table 1-8: Recommended Monthly Wastewater Service Charges

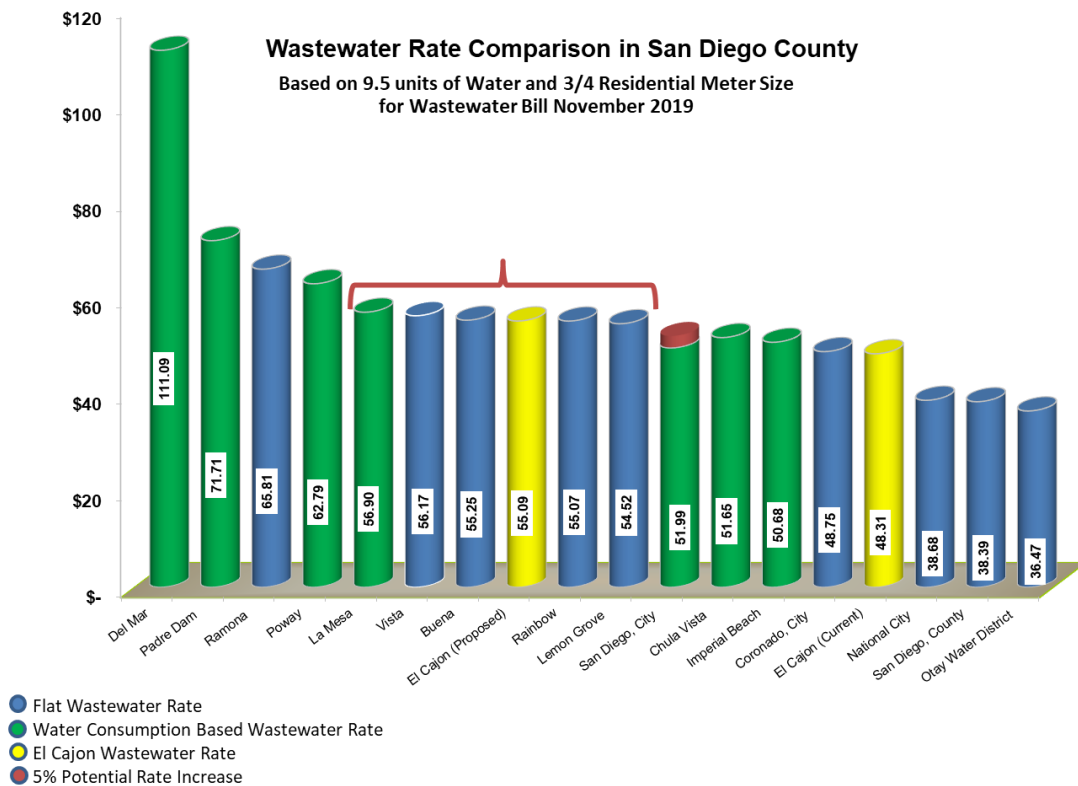
User Class	FY 2019		FY 2020		FY 2021	
	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)
Residential:						
Single Family	\$ 5.65	\$ 4.49	\$ 12.43	\$ 4.49	\$ 14.29	\$ 4.94
Multi-Family/Condo w/o Irrig Meter ²	\$ 5.65	\$ 3.92	\$ 12.43	\$ 3.92	\$ 14.29	\$ 4.31
Multi-Family/Condo w/ Irrig Meter ²	\$ 5.65	\$ 4.49	\$ 12.43	\$ 4.49	\$ 14.29	\$ 4.94
Non-Residential:						
Commercial - Low w/o Irrig Meter	\$ 5.65	\$ 3.67	\$ 16.95	\$ 4.04	\$ 19.49	\$ 4.45
Commercial - Low w/ Irrig Meter	\$ 5.65	\$ 4.49	\$ 16.95	\$ 4.49	\$ 19.49	\$ 4.94
Commercial - Medium w/o Irrig Meter	\$ 5.65	\$ 4.31	\$ 16.95	\$ 5.30	\$ 19.49	\$ 5.83
Commercial - Medium w/ Irrig Meter	\$ 5.65	\$ 5.89	\$ 16.95	\$ 5.89	\$ 19.49	\$ 6.48
Commercial - High w/o Irrig Meter	\$ 5.65	\$ 7.13	\$ 16.95	\$ 7.05	\$ 19.49	\$ 7.75
Commercial - High w/ Irrig Meter	\$ 5.65	\$ 7.83	\$ 16.95	\$ 7.83	\$ 19.49	\$ 8.61
Septic Haulers		\$ 7.04		\$ 7.87		\$ 8.66
User Class	FY 2022		FY 2023		FY 2024	
	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)
Residential:						
Single Family	\$ 17.15	\$ 5.53	\$ 20.07	\$ 6.03	\$ 23.48	\$ 6.51
Multi-Family/Condo w/o Irrig Meter ²	\$ 17.15	\$ 4.83	\$ 20.07	\$ 5.26	\$ 23.48	\$ 5.69
Multi-Family/Condo w/ Irrig Meter ²	\$ 17.15	\$ 5.53	\$ 20.07	\$ 6.03	\$ 23.48	\$ 6.51
Non-Residential:						
Commercial - Low w/o Irrig Meter	\$ 23.39	\$ 4.98	\$ 27.37	\$ 5.43	\$ 32.02	\$ 6.19
Commercial - Low w/ Irrig Meter	\$ 23.39	\$ 5.53	\$ 27.37	\$ 6.03	\$ 32.02	\$ 6.51
Commercial - Medium w/o Irrig Meter	\$ 23.39	\$ 6.53	\$ 27.37	\$ 7.12	\$ 32.02	\$ 8.12
Commercial - Medium w/ Irrig Meter	\$ 23.39	\$ 7.26	\$ 27.37	\$ 7.91	\$ 32.02	\$ 8.54
Commercial - High w/o Irrig Meter	\$ 23.39	\$ 8.68	\$ 27.37	\$ 9.46	\$ 32.02	\$ 10.79
Commercial - High w/ Irrig Meter	\$ 23.39	\$ 9.65	\$ 27.37	\$ 10.51	\$ 32.02	\$ 11.36
Septic Haulers		\$ 9.70		\$ 10.57		\$ 11.41

Figure 1-1 summarizes all San Diego Metro Member Agencies comparative wastewater user rates based on 9.5 HCF of water usage/wastewater flow and a residential monthly base fee. The figure also includes the City’s current monthly rate as well as the proposed FY 2020 typical rate of \$55.09 per month for a single family residential customer. It should be noted that the rates shown are those effective November 22, 2019, which is when the City’s first proposed rate adjustment would go into effect. By that time, many of these rates will be 5 to 10 percent higher as all agencies except San Diego have either adopted current rate cases or are in the process of updating their current rate cases to phase in the required Pure Water Program costs. At the time of this report, very few member agencies, except City of National City, Poway, and the County of San Diego have conducted a wastewater cost-of-service studies that incorporates the most recent increase in the Metro costs due to the Pure Water Program.

¹ Additional Base Charge of 50 percent of Single Family Residential Base Charge per dwelling unit (i.e., for FY 2020, a Multi-Family Residential customer with 22 dwelling units would have a base charge of \$149.50)

In the figure below, agencies that have not implemented a rate increase for FY 2019 are shown with a 5 percent potential rate increase added to the current rate. Even with the proposed 5-year rate adjustments, the City of El Cajon will still enjoy rates that are within the average range amongst the users of the Metro System. The typical proposed FY 2020 single family residence rate will be approximately \$55.09.

Figure 1-1 Metro Member Agencies Wastewater Rates Comparison



- The City should establish a definitive reserve policy to protect the financial integrity of their wastewater enterprise fund. The following operational and capital reserves are recommended:

<p>Operations/Cash Flow Reserve and Capital Expansion and Replacement Reserves</p>	<p>The operating reserve provides working capital for day-to-day operations and helps to absorb fluctuations in cash balances due to routine difference in revenue and expense cycles. The City’s fiscal year begins July 1 of each year and must fund their ongoing operations and capital budget requirements starting at that date. As the City currently bills customers bi-monthly, there is a regular and ongoing stream of revenue, and this was taken into consideration in the development of the reserve target.</p>
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	<p>As a participating agency (PA) in the San Diego Metro System, the City is required by State and US Environmental Protection Agency (US EPA) regulations to maintain reserves that provide for the expansion and replacement of the City’s collection system. The current CIP includes approximately of \$5 million most years for routine replacement, repair, and rehabilitation of wastewater infrastructure, including work to reduce infiltration and inflows to the wastewater collection system. The capital expansion and replacement reserves provide funding in addition to the CIP program for replacement, repair, or rehabilitation of wastewater infrastructure for extraordinary events, such as the catastrophic failure of a major system asset.</p> <p>While a 90-day cash flow reserve would be recommended to allow for the orderly payment of the City’s wastewater enterprise fund’s expenditures throughout the fiscal year, given the City’s current financial situation, the City has elected to take a measured approach to rebuilding City reserves incrementally over the next decade. Thereby, a 60-day cash flow reserve is the current target, which would provide additional funding for replacement, repair, or rehabilitation of wastewater infrastructure, especially in the event of catastrophic failure of a major system asset.</p>
<p>Metro Cash Flow Reserve</p>	<p>In 2015, the City of San Diego launched a massive public works program, the Pure Water San Diego Program. This program has the potential to introduce an additional risk of annual cost overruns to the City’s required payments to the City of San Diego for transportation, treatment, and disposal of wastewater collected from the City’s customers. In 2015, San Diego provided the City with a draft financing plan for the entire program which established the City of El Cajon’s non-debt funded portion of the program to be approximately \$11.7 million in estimated pay-go expenses. It is recommended that the City establish a Metro Cash Flow Reserve of at least \$5.5 million to be used to offset unplanned cost increases for this project with a future reserve goal that would cover the full amount of the City’s non-debt funded portion of the program in the next rate study.</p>
<p>Emergency/Natural Disaster Reserve</p>	<p>Recent historic events such as Hurricanes Harvey and Irma have only emphasized the need for an agency to have additional monies set aside to pay for unforeseen events, such a restoring service to flooded pump stations, emergency response, etc. It is recommended that this reserve be established at a minimum of 60-days of operating cash as part of the next rate study. This would provide cash-flow until the City was able to secure outside funding and/or FEMA reimbursements.</p>

4. NV5 recommends that the City provide a provision to give the City the ability to pass through City of San Diego wholesale transportation, treatment, and disposal costs to customers should those costs rise beyond projections in the cost-of-service model or beyond what the City notices to customers at time of rate implementation. This action would obviate the need for the City to conduct another Proposition 218 mailed 45-day notice and public hearing requirement. The authority to provide this provision is located in California Government Code Section 53756. Specifically, the Government Code reads as follows:

An agency providing water, wastewater, sewer, or refuse collection service may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation, if it complies with all of the following:

(a) It adopts the schedule of fees or charges for a property-related service for a period not to exceed five years pursuant to Section 53755.

(b) The schedule of fees or charges may include a schedule of adjustments, including a clearly defined formula for adjusting for inflation. Any inflation adjustment to a fee or charge for a property-related service shall not exceed the cost of providing that service.

(c) The schedule of fees or charges for an agency that purchases wholesale water, sewage treatment, or wastewater treatment from a public agency may provide for automatic adjustments that pass through the adopted increases or decreases in the wholesale charges for water, sewage treatment, or wastewater treatment established by the other agency.

2.0 Introduction

This study takes a long-range planning approach to establishing wastewater service charges and fees. A discussion of the long-range plan and recommended wastewater charge and fee adjustments are included in the following section of this report. The analyses contained herein include operation and maintenance (O&M) costs, Metro transportation, treatment and disposal costs, reserve levels, and identified CIP. To that end, the Study examines the revenues generated by the City and makes recommendations for revenue adjustments, as needed. The City retained NV5 in 2017 to update a wastewater cost-of-service study previously developed by CDM in FY 2012. Megan Yoo Schneider of Seven Management and Consulting, Inc., is the lead rate consultant for this study. The FY 2017 wastewater service charges are still in effect today.

For purposes of this report, the study period is the fiscal years beginning July 1, 2019, and ending June 30, 2024. Unless otherwise noted, references in this report to a specific year are for the City's fiscal year ending June 30. To avoid confusion between calendar and fiscal years, the term FY refers to the year beginning July 1 and ending June 30. Presented herein are the results of a study of the City's projected revenues, revenue requirements, cost-of-service, and rates for service.

Given the timing of the study, the revenue calculations for FY 2020 do not account for the projected rate adoption date of November 22, 2019. The revenues for July through October 2019 are based on the recommended rates, not the existing rates. Additionally, given the data available at the time the study commenced, flow data from FY 2017 was used. Many agencies have not been seeing as much of a "bounceback" to pre-2014 flows as originally anticipated, and due to the passage of AB 1668/SB 606, it is anticipated that FY 2017 flows should be applicable to future years. Due to the recent conservation mandates, the City has seen a reduction in revenue due to the lower flows, and a conservative approach was taken to minimize shortfalls in revenue projections.

2.1 Background: City of El Cajon

The City provides wastewater service to approximately 17,700 customers within the incorporated area of the City of El Cajon. It owns and operates approximately 190 miles of pipeline, and an additional 3.5 miles of privately-owned sewers connect to the City's system. In addition, the City maintains 13 inverted siphons. Most of the existing trunk sewers (60 percent) were constructed before 1965 and are now over 40 to 60 years old, with some of the oldest sewer mains being constructed in the late 1920s and the oldest trunk sewers dating back to the 1940s.

Environmentally safe and efficient collection, treatment, and disposal of wastewater promotes healthy communities and increases the quality of life for residents. The City is responsible for collecting and conveying wastewater flows originating within the City to the City of San Diego's

Point Loma Treatment Plant for treatment and disposal. The City's primary goals are operating the wastewater system safely and efficiently while meeting the needs of their customers.

To meet these goals, the City undertakes routine cleaning, inspections, and repairs and rehabilitates its facilities as needed. The wastewater system operates in an area subject to strict regulatory oversight by Federal and State agencies such as the U.S. Environmental Protection Agency (US EPA) and the California State Water Resources Control Board (SWRCB). The City must comply with a multitude of laws including, but not limited to, State Wastewater Discharge Requirements (WDRs). Complying with these regulations and resulting mandates contributes to a large share of the cost burden on the City's system.

The City completed a Wastewater Master Plan in 2008, which was updated with an addendum in 2015, and the City has identified an average of \$5.5 million per year in required rehabilitation and replacement projects. Annual projected CIP costs of approximately of \$5 million most years for routine replacement, repair, and rehabilitation of wastewater infrastructure, including work to reduce infiltration and inflows to the wastewater collection system, are incorporated into this study and form the basis for the City's annual capital requirements.

2.2 Background: City of San Diego Metropolitan Sewage Treatment System

The City of El Cajon is one of thirteen participating agencies (PAs) who send their wastewater to the Metro for treatment and disposal. Along with the other Pas, the City entered into the Regional Disposal Agreement with San Diego in 1998. Because of positive financial negotiations with San Diego since that time and particularly since the establishment of the "Administrative Protocol on Allocation of Operating Reserves and Debt Service Coverage" during FY 2010, the City has enjoyed stable annual billings for the last 8 years from the City of San Diego except for changes in the City's sewage strengths associated with water conservation. In 2015, however, the City of San Diego initiated a multi-billion dollar public works project entitled the Pure Water Program which will provide the double benefit of "secondary equivalency" to San Diego's wastewater customers including the City of El Cajon, as well as a significant new potable water supply for the City of San Diego.

In November 2017 the City of San Diego provided the PAs with a range of annual costs from FY 2018 through FY 2022 for Phase I and FY 2023 and beyond for Phase II of the Pure Water Program, and the City of El Cajon provided NV5 with cost projections to be used for the study. These annual cost increases began with FY 2018 (current fiscal year) and are the basis for establishing the San Diego portion of the revenue requirement developed by this study.

These projections provided both a low and a high end-of-range, starting in 2023 with Phase II of the Pure Water Program. **Table 2-1** summarizes the range of costs provided to the City of El Cajon,

which are recommended by San Diego to be used in establishing this rate case. After discussions with City staff, NV5 is recommending that the Metro low cost numbers be used for this rate analysis, and that a pass through resolution should be adopted should the costs exceed the Metro low projections. The Metro rate projections presented in this report have recently been updated to reflect slightly lower costs. In order to maintain a more conservative approach, however, the original projections have been used in this study, as the more recent cost projections have yet to be verified and validated.

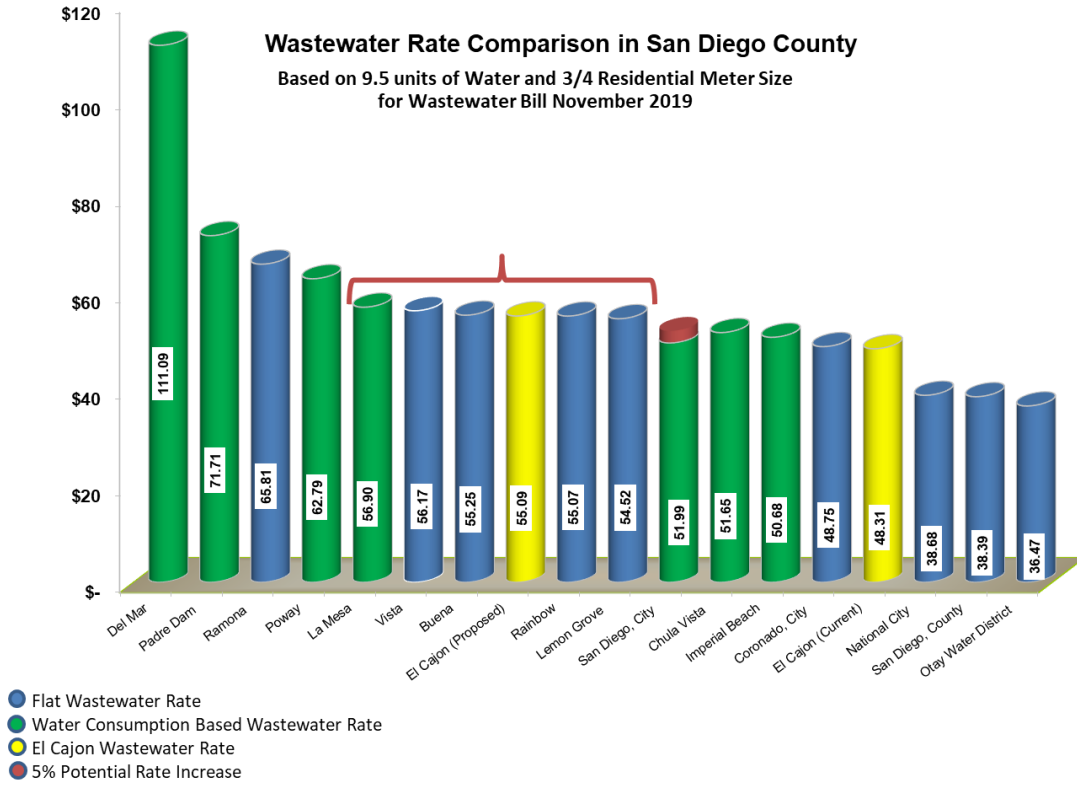
Table 2-1 Summary of Low and High Metro Cost Projections

		2019	2020	2021	2022	2033	2024
METRO	Low	13,560	13,500	13,845	12,945	14,579	15,016
	High	13,560	13,500	13,845	12,945	15,767	16,204

2.3 Rate Study Summary

The City of El Cajon customers enjoy wastewater service charges that are consistent with other agencies in the Metro System as shown in **Figure 2-1** and have been for many years. The City last adjusted wastewater service charges in FY 2017. Increases in the system CIP requirements and the costs associated with the Pure Water Program require that the City adjust their wastewater rates for the next five years adjusting total revenue from rates by up to 14 percent beginning in FY 2020, 11 percent in FY 2021, 14 percent in FY 2022, and 11 percent in FY 2023 and 2024. The initial increase includes an increase in the fixed base charge and a decrease in the volumetric charge to more closely reflect current costs associated with system infrastructure maintenance, repair, and replacement versus wastewater collection and treatment costs. The proposed rate increases are higher in the first and third years due to increased expenditures in the last few years and the lack of a rate increase since FY 2017.

Figure 2-1 Wastewater Rate Comparison for Participating Agencies in Metro System

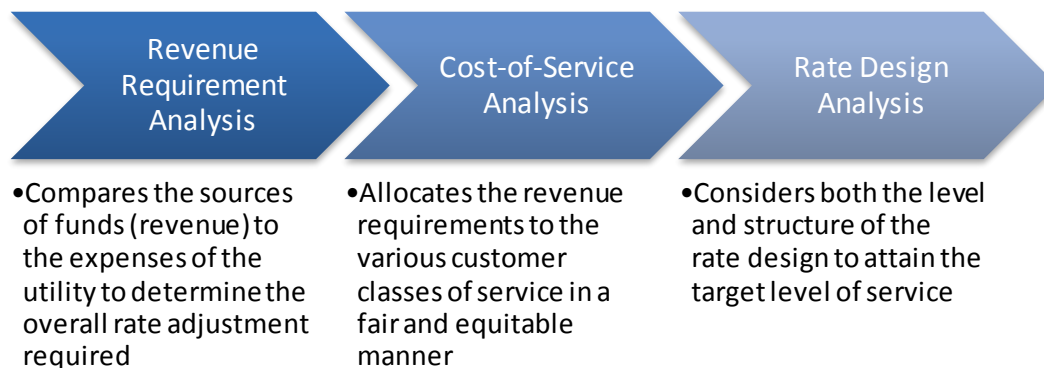


3.0 Wastewater Rate Study

3.1 Overview of the Wastewater Service Charge Update Process

A comprehensive cost-of-service study typically utilizes three interrelated analyses to address the adequacy and equity of the rates. These three analyses are comprised of the following: a revenue requirement analysis; a cost-of-service analysis; and a rate design analysis. The process is illustrated in **Figure 3 -1**.

Figure 3-1 Overview of the Comprehensive Rate Study Analysis



The City’s wastewater utility was evaluated on a “stand-alone” basis. It was assumed that no subsidies between the utility or other City funds would occur. By reviewing the utility finances and financial obligations on a stand-alone basis, the need to adequately fund both O&M costs and the CIP must be balanced with consideration for the rate impacts on utility customers.

A detailed and comprehensive process was used to review the City’s rates. As a part of the cost-of-service study process, several on-site project meetings and conference calls were used to review the results with City management, staff, and the City Council. From this process, final proposed rates were developed, and the process to develop these rates is reviewed in this section of the report. Following is a summary of each step in the process.

Revenue Requirement Analysis: The revenue requirement analysis revealed that several significant financial changes have occurred since the City’s 2011 rate study and subsequently adopted wastewater user rates. The significant changes are:

- The current 5-Year CIP contains an annual capital requirement ranging from \$5.0 million to \$9.0 million needed in capital projects. As the infrastructure reaches the end of its usual life, a comprehensive maintenance, repair, and replacement program and infiltration and inflow reduction program are required to avoid unintended consequences, such as catastrophic system failures and sewer system overflows. These costs need to be incorporated into the budget and long-term financial plan.
- The planning phase of the City of San Diego’s Pure Water Program has begun and during FY 2019 to FY 2023 additional Metro costs are anticipated for Phase 1 of this program. City of San Diego staff has identified the increased funding level for the participating agencies from the 2010 adopted Protocol level of \$65 million to \$86.3 million per year over the next four-years. The City’s portion of this budget is currently 15 percent. El Cajon’s increased funding level for the Pure Water Program is included in this rate case.
- As a result of the most recent historic drought and impending long-term conservation legislation, the City must shift its cost allocations to fit the “new normal.” The City has seen a reduction in flow due to increased indoor conservation, and consequentially, an increase in wastewater strength. These shifts have an impact on the infrastructure system maintenance and wastewater collection and treatment costs.

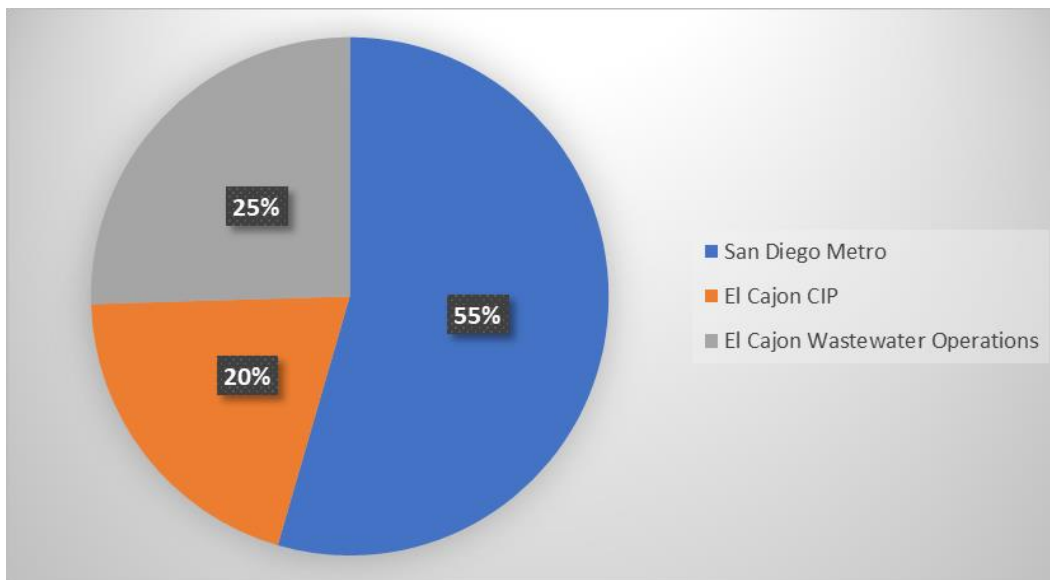
The largest component of the City of El Cajon’s revenue requirement is the cost associated with transportation, treatment, and disposal of the City’s wastewater by the Metro facilities. A summary of the projected City collection system O&M and CIP, in addition to the Metro expenses to be included in the City’s cost-of-service study, are included in **Table 3-1**.

Table 3-1: City of El Cajon Revenue Requirements

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Operations Expenses						
Salaries and Benefits	\$ 4,318,970.00	\$ 4,699,505.00	\$ 5,079,922.00	\$ 5,437,672.00	\$ 5,794,395.00	\$ 6,138,536.00
Materials, Service, and Supplies	\$ 3,626,850.00	\$ 3,717,521.25	\$ 3,810,459.28	\$ 3,905,720.76	\$ 4,003,363.78	\$ 4,103,447.88
Capital Outlay	\$ 23,600.00	\$ -	\$ -	\$ -	\$ -	\$ -
Metro and JPA Costs	\$ 13,560,000.00	\$ 13,500,000.00	\$ 13,845,000.00	\$ 12,945,000.00	\$ 14,579,000.00	\$ 15,016,370.00
Total Operations Expenses	\$ 21,529,420.00	\$ 21,917,026.25	\$ 22,735,381.28	\$ 22,288,392.76	\$ 24,376,758.78	\$ 25,258,353.88
Capital Improvement Program						
Equipment Replacement	\$ 722,877.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Wastewater CIP	\$ 9,812,250.00	\$ 6,025,300.00	\$ 2,800,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Debt Repayments						
Principal	\$ 467,097.71	\$ 415,943.40	\$ 424,678.21	\$ 433,596.46	\$ 442,701.98	\$ 451,998.72
Interest	\$ 125,107.00	\$ 176,261.31	\$ 167,526.50	\$ 158,608.25	\$ 149,502.73	\$ 140,205.99
Alvarado	\$ 100,000.00					
Mission Gorge		\$ 4,500,000.00				
Total Expenses	\$ 32,756,751.71	\$ 33,184,530.96	\$ 26,277,585.99	\$ 28,030,597.47	\$ 30,118,963.49	\$ 31,000,558.59

Figure 3-2 shows the percentage of each of the major cost centers in the City’s rate case. As noted, most of all required revenue from rates (55 percent) will be paid directly to the City of San Diego.

Figure 3-2 Major Cost Components of City of El Cajon’s FY 2020 Revenue Requirements



City staff requested guidance from NV5 in establishing guidelines for the reserve policy to ensure financial protection of the City’s wastewater enterprise fund as part of the process in establishing the revenue requirement for the wastewater cost-of-service study.

NV5 reviewed with City staff both the industry standard guidelines in establishing formal reserve policies as well as the City’s needs for financial stability and potential exposures to external forces


which could require unplanned O&M or capital expenditures. After review of these guidelines and exposures the following formal reserve policy is recommended for the City and consists of three cash flow reserves and one emergency and natural disaster reserve. The establishment of this reserve policy has been integrated into the projected revenue requirements for the rate case.

Operations/Cash Flow Reserve and Capital Expansion and Replacement Reserves: The operating reserve provides working capital for-day-to-day operations and helps to absorb fluctuations in cash balances due to routine difference in revenue and expense cycles. The City's fiscal year begins July 1 of each year and must fund their ongoing operations and capital budget requirements starting at that date. As the City currently bills customers bi-monthly, there is a regular and ongoing stream of revenue, and this was taken into consideration in the development of the reserve target.

As a PA in the San Diego Metro System, the City is required by State and US EPA regulations to maintain reserves that provide for the expansion and replacement of the City's collection system. The current CIP includes approximately of \$5 million most years for routine replacement, repair, and rehabilitation of wastewater infrastructure, including work to reduce infiltration and inflows to the wastewater collection system. The capital expansion and replacement reserves provide funding in addition to the CIP program for replacement, repair, or rehabilitation of wastewater infrastructure for extraordinary events, such as the catastrophic failure of a major system asset. While a 90-day cash flow reserve would be recommended to allow for the orderly payment of the City's wastewater enterprise fund's expenditures throughout the fiscal year, given the City's current financial situation, the City has elected to take a measured approach to rebuilding City reserves incrementally over the next decade. Thereby, a 60-day cash flow reserve is the current target, which would provide additional funding for replacement, repair, or rehabilitation of wastewater infrastructure, especially in the event of catastrophic failure of a major system asset.

Metro Cash Flow Reserve: In 2015, the City of San Diego launched a massive public works program, the Pure Water San Diego Program. This program has the potential to introduce an additional risk of annual cost overruns to the City's required payments to the City of San Diego for transportation, treatment, and disposal of wastewater collected from the City's customers. In 2015, San Diego provided the City with a draft financing plan for the entire program which established the City of El Cajon's non-debt funded portion of the program to be approximately \$11.7 million in estimated pay-go expenses. It is recommended that the City establish a Metro Cash Flow Reserve of at least \$5.5 million to be used to offset unplanned cost increases for this project with a future reserve goal that would cover the full amount of the City's non-debt funded portion of the program in the next rate study.

Emergency/Natural Disaster Reserve: Recent historic events such as Hurricanes Harvey and Irma have emphasized the need for an agency to have additional monies set aside to pay for



unforeseen events, such a restoring service to flooded pump stations, emergency response, etc. It is recommended that this reserve be established at a minimum of 60-days of operating cash as part of the next rate study. This would provide cash-flow until the City was able to secure outside funding and/or FEMA reimbursements.

The final step in determining the revenue requirement for the City’s rate case was to overlay the projected expenditures for the next five years as summarized in **Table 3-1** and the recommended reserve policy. **Table 3-2** creates a long-range plan showing the use of reserves to moderate the annual rate adjustment by adjusting total revenue from rates by up to 14 percent beginning in FY 2020, 11 percent in FY 2021, 14 percent in FY 2022, and 11 percent in FY 2023 and 2024. The use/replacement of the City’s reserves is shown in the following table. A detailed copy of the five-year revenue requirement is included in **Appendix A** to this report.

Table 3-2: City of El Cajon Long Range Financial Plan

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Beginning Balance	\$ 25,209,009.82	\$ 15,629,742.93	\$ 5,091,492.09	\$ 3,824,877.49	\$ 4,059,465.51	\$ 5,111,065.32
Revenue						
Non-Operating Revenue	\$ 749,597.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00	\$ 1,074,705.00
Proceeds	\$ 3,546,903.00					
User Fees	\$ 18,880,984.82	\$ 21,571,575.12	\$ 23,936,266.40	\$ 27,190,480.50	\$ 30,095,858.30	\$ 33,366,669.35
Total Revenue	\$ 23,177,484.82	\$ 22,646,280.12	\$ 25,010,971.40	\$ 28,265,185.50	\$ 31,170,563.30	\$ 34,441,374.35
Operations Expenses						
Salaries and Benefits	\$ 4,318,970.00	\$ 4,699,505.00	\$ 5,079,922.00	\$ 5,437,672.00	\$ 5,794,395.00	\$ 6,138,536.00
Materials, Service, and Supplies	\$ 3,626,850.00	\$ 3,717,521.25	\$ 3,810,459.28	\$ 3,905,720.76	\$ 4,003,363.78	\$ 4,103,447.88
Capital Outlay	\$ 23,600.00	\$ -	\$ -	\$ -	\$ -	\$ -
Metro and JPA Costs	\$ 13,560,000.00	\$ 13,500,000.00	\$ 13,845,000.00	\$ 12,945,000.00	\$ 14,579,000.00	\$ 15,016,370.00
Total Operations Expenses	\$ 21,529,420.00	\$ 21,917,026.25	\$ 22,735,381.28	\$ 22,288,392.76	\$ 24,376,758.78	\$ 25,258,353.88
Capital Improvement Program						
Equipment Replacement	\$ 722,877.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Wastewater CIP	\$ 9,812,250.00	\$ 6,025,300.00	\$ 2,800,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Debt Repayments						
Principal	\$ 467,097.71	\$ 415,943.40	\$ 424,678.21	\$ 433,596.46	\$ 442,701.98	\$ 451,998.72
Interest	\$ 125,107.00	\$ 176,261.31	\$ 167,526.50	\$ 158,608.25	\$ 149,502.73	\$ 140,205.99
Alvarado	\$ 100,000.00					
Mission Gorge		\$ 4,500,000.00				
Total Expenses	\$ 32,756,751.71	\$ 33,184,530.96	\$ 26,277,585.99	\$ 28,030,597.47	\$ 30,118,963.49	\$ 31,000,558.59
Fund Balance Prior to Reserves	\$ 15,629,742.93	\$ 5,091,492.09	\$ 3,824,877.49	\$ 4,059,465.51	\$ 5,111,065.32	\$ 8,551,881.08
Reserve Targets						
Operations/Cash Flow and Capital Expansion/Replacement Reserve	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Metro Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency/Nat. Disaster	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Recommended Reserves	\$ 3,539,082.74	\$ 3,602,798.84	\$ 3,737,322.95	\$ 3,663,845.39	\$ 4,007,138.43	\$ 4,152,058.17
Are Reserves Met?	Yes	Yes	Yes	Yes	Yes	Yes
Remaining Balance After Reserve Target (Use)/Replacement of Reserves	\$ 12,090,660.19	\$ 1,488,693.25	\$ 87,554.54	\$ 395,620.13	\$ 1,103,926.89	\$ 4,399,822.91
	\$ (9,579,266.89)	\$ (10,538,250.84)	\$ (1,266,614.59)	\$ 234,588.02	\$ 1,051,599.80	\$ 3,440,815.76

Cost-of-service Analysis: The cost-of-service analysis revealed that several major changes have occurred in users and use since the City’s 2011 rate study and subsequently adopted wastewater user rates. The significant changes are:

- As with other communities in San Diego County and Southern California, the City’s citizens and businesses have decreased their water usage significantly since FY 2011. This has resulted in decreased flow from the all customer classes and increased wastewater strength, which necessitated the re-balancing of the rates with a higher fixed base charge to more accurately reflect the costs of system infrastructure maintenance, repair, and rehabilitation and a lower volumetric rate that is more closely aligned with the wastewater collection and treatment costs. To fully recover the costs associated with the system infrastructure maintenance, repair, and rehabilitation, a higher fixed base charge would need to be implemented; however, in the

interest of keeping rate increases to a minimum, the proposed rate model does include a draw on reserves to help offset the cost to the customers.

- The return-to-sewer flow assumption for multi-family/condo and commercial customers without a dedicated irrigation meter was modified to 90 percent of the actual water consumption, in order to more accurately reflect current industry standards and water use practices by multi-family/condo and commercial customers. This value increases to 95 percent of the actual water consumption in FY 2024, as increased indoor water conservation standards are projected to be mandated by the SWRCB.
- The fixed base charge was also increased for non-residential customers to account for the higher flows compared to single-family residential customers.
- The additional base charge of 50 percent of the residential base charge for each additional multi-dwelling unit for multi-family residential customers, which has been part of the City's rate structure, has also been maintained in this rate model.
- The FY 2020 septic hauler rate was designed to match the City of San Diego septic hauler rate, per the City's recommendation.
- The residential bi-monthly billing cap of 42 units will continue to apply. This is a cap that is part of the existing rate structure. There is an average of 3.09 persons per household in El Cajon, and the targeted 55 gallons per person per day from AB 1668/SB 606 results in an average of 13.8 billing units a month, which is well below the billing cap. The billing cap should have a very minimal impact on revenue projections.

The City's rate model was updated with the number of residential and commercial/industrial customers from the FY 2017 billing data and FY 2018 multi-family unit quantities. Given the timing of the study, the revenue calculations for FY 2020 do not account for the projected rate implementation date of **November 22, 2019**. The revenues for July through **November 2019** are based on the recommended rates, not the existing rates. Additionally, given the data available at the time the study commenced, flow data from FY 2017 was used. Many agencies have not been seeing as much of a "bounceback" to pre-2014 flows as originally anticipated, and due to the passage of AB 1668/SB 606, it is anticipated that FY 2017 flows should be applicable to future years. Due to the recent conservation mandates, the City has seen a reduction in revenue due to the lower flows, and a conservative approach was taken to minimize shortfalls in revenue projections.

Table 3-3 summarizes the current number of City users and their projected wastewater flows based on the most current water use billing data for FY 2017.

Table 3-3: Summary of Current Users and Estimated Wastewater Flow

User Class	No. of Active Customers	Total Flow (hcf)
Residential:		
El Cajon Single Family Residential	403	24,998
El Cajon Single Family Res-Fixed Winter	14,057	1,147,759
El Cajon SF Res-FW NO Avg.	33	138
El Cajon Multi-Family Res-No Irr	1,420	1,506,117
El Cajon Multi-Family Residential	104	208,620
El Cajon Multi-Family Res-Fixed Winter	43	9,582
Subtotal - Residential	16,060	2,897,214
Non-Residential:		
El Cajon Comm/Gov-Low Strength-No Irr	1,136	479,139
El Cajon Commercial/Gov-Low Strength	97	50,066
El Cajon Comm/Gov-Med Strength-No Irr	44	77,353
El Cajon Commercial/Gov-Med Strength	12	9,287
El Cajon Comm/Gov-High Strength-No Irr	306	124,952
El Cajon Commercial/Gov-High Strength	33	52,921
Subtotal - Non-Residential	1,628	793,718
TOTAL	17,688	3,690,932

Rate Design Analysis: A thorough review of an agency’s wastewater service charge rate structure is performed as part of the rate setting process to ensure that the agency’s rate structure not only meets industry standards but is compliant with local, State, and Federal guidelines and regulations.

The current rate structure adopted by the City of El Cajon has two components: a fixed base charge and a volumetric charge. The principles used to develop this rate structure still meet industry standards today and follow Best Management Practices (BMPs) established by the State of California. Therefore, there are no recommended changes to the existing rate structure except for the increase in the base charge to more closely align with fixed versus variable costs and the change in the return-to-sewer flow calculations for multi-family and non-residential commercial users without dedicated irrigation meters.

Single family residential customers are billed based on their winter usage, which is typically based on the usage in the months between November and April of the previous year. Most multi-family/condo customers are billed based on actual water consumption. Multi-family/condo and commercial customers without a dedicated irrigation meter are billed at a lower rate that assumes that the return-to-sewer flow is 90 percent of the actual water consumption. Commercial/industrial users are also grouped based on their estimated sewage strengths into three classes of users (low, medium, and high).

All classes of users will continue to be billed bi-monthly based on classification, winter water usage or actual water usage, and sewage strength category. **Table 3-4** compares the current FYE 2019 wastewater rates with the proposed rates for FY 2020 through FY 2024. The entire output from the rate model showing the detailed elements of the cost-of-service study is contained in **Appendix A** of this study.

Table 3-4: Comparison of Current Versus Proposed Monthly Wastewater User Rates

User Class	FY 2019		FY 2020		FY 2021	
	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)
Residential:						
Single Family	\$ 5.65	\$ 4.49	\$ 12.43	\$ 4.49	\$ 14.29	\$ 4.94
Multi-Family/Condo w/o Irrig Meter ²	\$ 5.65	\$ 3.92	\$ 12.43	\$ 3.92	\$ 14.29	\$ 4.31
Multi-Family/Condo w/ Irrig Meter ²	\$ 5.65	\$ 4.49	\$ 12.43	\$ 4.49	\$ 14.29	\$ 4.94
Non-Residential:						
Commercial - Low w/o Irrig Meter	\$ 5.65	\$ 3.67	\$ 16.95	\$ 4.04	\$ 19.49	\$ 4.45
Commercial - Low w/ Irrig Meter	\$ 5.65	\$ 4.49	\$ 16.95	\$ 4.49	\$ 19.49	\$ 4.94
Commercial - Medium w/o Irrig Meter	\$ 5.65	\$ 4.31	\$ 16.95	\$ 5.30	\$ 19.49	\$ 5.83
Commercial - Medium w/ Irrig Meter	\$ 5.65	\$ 5.89	\$ 16.95	\$ 5.89	\$ 19.49	\$ 6.48
Commercial - High w/o Irrig Meter	\$ 5.65	\$ 7.13	\$ 16.95	\$ 7.05	\$ 19.49	\$ 7.75
Commercial - High w/ Irrig Meter	\$ 5.65	\$ 7.83	\$ 16.95	\$ 7.83	\$ 19.49	\$ 8.61
Septic Haulers		\$ 7.04		\$ 7.87		\$ 8.66
User Class	FY 2022		FY 2023		FY 2024	
	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)	Base Charge	Volumetric Charge (per hcf)
Residential:						
Single Family	\$ 17.15	\$ 5.53	\$ 20.07	\$ 6.03	\$ 23.48	\$ 6.51
Multi-Family/Condo w/o Irrig Meter ²	\$ 17.15	\$ 4.83	\$ 20.07	\$ 5.26	\$ 23.48	\$ 5.69
Multi-Family/Condo w/ Irrig Meter ²	\$ 17.15	\$ 5.53	\$ 20.07	\$ 6.03	\$ 23.48	\$ 6.51
Non-Residential:						
Commercial - Low w/o Irrig Meter	\$ 23.39	\$ 4.98	\$ 27.37	\$ 5.43	\$ 32.02	\$ 6.19
Commercial - Low w/ Irrig Meter	\$ 23.39	\$ 5.53	\$ 27.37	\$ 6.03	\$ 32.02	\$ 6.51
Commercial - Medium w/o Irrig Meter	\$ 23.39	\$ 6.53	\$ 27.37	\$ 7.12	\$ 32.02	\$ 8.12
Commercial - Medium w/ Irrig Meter	\$ 23.39	\$ 7.26	\$ 27.37	\$ 7.91	\$ 32.02	\$ 8.54
Commercial - High w/o Irrig Meter	\$ 23.39	\$ 8.68	\$ 27.37	\$ 9.46	\$ 32.02	\$ 10.79
Commercial - High w/ Irrig Meter	\$ 23.39	\$ 9.65	\$ 27.37	\$ 10.51	\$ 32.02	\$ 11.36
Septic Haulers		\$ 9.70		\$ 10.57		\$ 11.41

Most of the revenue requirement recovered by the City’s wastewater service charges are allocated to costs associated with the charges from San Diego Metro. **Figure 3-3** summarizes the major components of the typical proposed FY 2020 monthly single-family residence wastewater service charge of \$55.09. This figure also shows the use of City reserves to phase in the Pure Water Program and City CIP costs:

² Additional Base Charge of 50 percent of Single Family Residential Base Charge per dwelling unit (i.e., for FY 2020, a Multi-Family Residential customer with 22 dwelling units would have a base charge of \$149.50)

Figure 3-3 Components of FY 2019 Typical Single Family Residence Monthly Bill

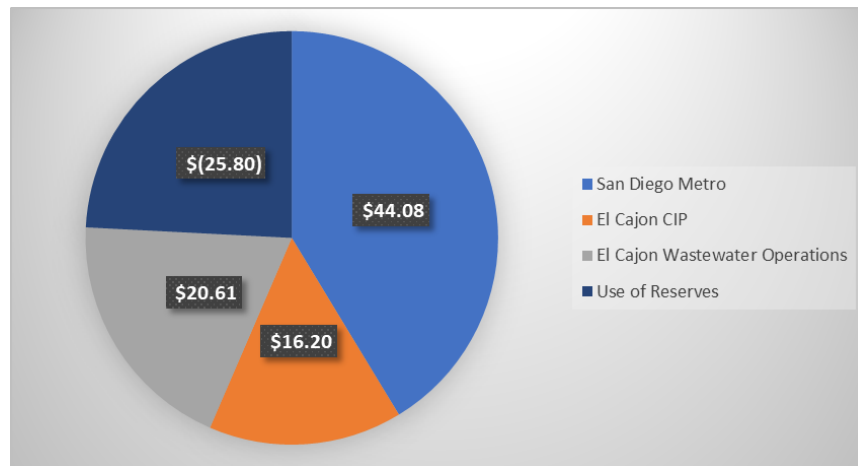
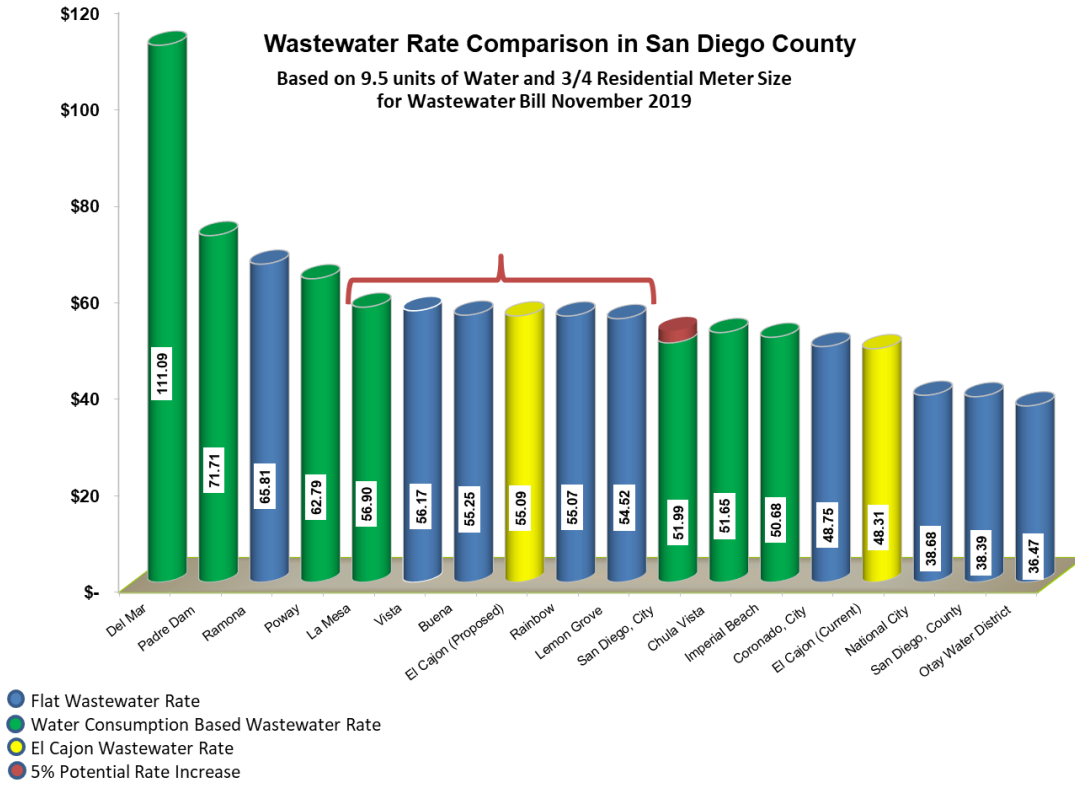


Figure 3-4 summarizes all Metro Member Agencies comparative wastewater user rates based on 9.5 HCF of water usage/wastewater flow and a residential monthly base fee. It should be noted that the rates shown are those effective **November 22, 2019**, which is when the City’s first proposed rate adjustment would go into effect. By that time, many of these rates will be 5 to 10 percent higher as all agencies except San Diego have either adopted current rate cases or are in the process of updating their current rate cases to phase in the required Pure Water Program costs. At the time of this report, very few member agencies, except for such as the City of National City, Poway and the County of San Diego have conducted a wastewater cost-of-service studies that incorporates the most recent increase in the Metro costs due to the Pure Water Program.

In the figure below, agencies that have not implemented a rate increase for FY 2020 are shown with a 5 percent potential rate increase added to the current rate. Even with the proposed 5-year rate adjustments, the City of El Cajon will still enjoy rates that are within the average rate amongst the users of the Metro System. The typical proposed FY 2019 single family residence bill will be approximately \$55.09.

Figure 3-4 Metro Member Agencies Wastewater Rate Comparison





Appendix A – Rate Model

- Appendix A1 - Recommended Annual Revenue Adjustment - Adjusted Fixed Base Charge and Volumetric Charge Cost Allocations
- Appendix A2 - Alternative Annual Revenue Adjustment – Adjusted Fixed Base Charge and Volumetric Charge Cost Allocations – Reduced Capital Improvement Program
- Appendix A3 - Alternative Annual Revenue Adjustment – Adjusted Fixed Base Charge and Volumetric Charge Cost Allocations – Optimal Capital Improvement Program

**WW RATE ADOPTION
PROPOSED IMPLEMENTATION SCHEDULE**

The following are tentative milestones:

Meeting with CM and ACM	July 19, 2019
Meeting with City Attorney to go over Proposed Timeline	July 22, 2019
Council Meeting to review recommendations and authorize mailing of the proposed rates for the Prop 218 Hearing	August 13, 2019
Send Notice of Public Hearing to property owners (City must mail a notice of proposed rate increases to all affected property owners specifying the basis of the fee, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted. The notice will state that the Council will receive and consider public input and any written protest)	August 14, 2019
Public Hearing to consider public input/written protests and approve rates (City must hold a public hearing prior to adopting the proposed rate increases not less than 45 days after the required notices are mailed)	October 8, 2019
2nd Council Hearing and adoption	October 22, 2019
Rates take effect (30 days after second council hearing)	November 22, 2019



City Council Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Graham Mitchell, City Manager
SUBJECT: Code of Ethics and Conduct for Elected and Appointed Officials

RECOMMENDATION:

That the City Council considers staff's analysis regarding a code of ethics and conduct policy and provide feedback.

BACKGROUND:

At its June 9, 2019 meeting, the City Council directed staff to examine the City's existing policies related to civility and ethics and recommend changes. This report presents a summary of the City's current policy, provides ranges of options that staff analyzed, and presents a recommendation for City Council consideration. Staff solicits the City Council's feedback and direction on a draft Code of Ethics and Conduct for Elected and Appointed Officials. The draft policy is found in the Report section of this staff report.

Existing Policy

The City Council established two policies on June 26, 2002 related to the topic of conduct. City Council Policy A-23 is the City's "Statement of Ethical Principles," and Policy A-24 is the City's "Civility" policy. The City Council, earlier in 2019, updated the City's Municipal Code relating to rules of decorum during a meeting. All three policies are attached to this report.

Statement of Ethical Principles

The Statement of Ethical Principles (A-23) establishes standards and ethical practices for Councilmembers and Commissioners. City officials must also adhere to State ethics rules. The City's A-23 policy identifies 33 statements of ethics. The policy includes:

- 14 statements about decision making,
- 12 statements about ethical behavior, and
- 7 statements about public interest.

Civility Policy

The Civility policy (A-24) references the Municipal Code's Rules of Decorum and identifies three expectations:

1. Courtesy practiced by the City Council, employees, public speakers, and appointed members of boards and commissions; and
2. Noise in the City Council lobby should not disrupt meetings; and
3. City Manager should provide for appropriate crowd control in the Council chambers.

Rules of Decorum

Municipal Code Section 2.12.160, entitled “Rules of Decorum – Enforcement” identifies a set of rules that should be followed during Council meetings. This section of the Municipal Code was updated earlier this year. In summary, this Municipal Code section includes the following:

1. The public nor a Councilmember should disrupt or impeded the orderly conduct of a meeting;
2. The Mayor (or presiding officer) has the right to exclude the person disrupting the meeting, unless the majority of the City Council grants permission to attend;
3. Any person disrupting a meeting is subject to arrest for violating the California Penal Code (PC 403);
4. No person, except for City officials and credentialed media may enter into the area between the rostrum and City Council dais;
5. The City Manager may designate a sergeant of arms to carry out orders of presiding officer; and
6. “Disrupt” is defined (utterance of loud, threatening or abusive language, whistling, clapping, displaying banners that block views, etc. which prevent the conduct of the City Council’s business.

Range of Options

Municipalities across the state have varying ranges of policies. This staff report includes examples from three cities that typify the range of options. This section also includes a summary of sample language provided to staff by Councilmember Ortiz.

City of Arroyo Grande

Arroyo Grande had adopted a simple policy that follows a resolution mirroring a regional code of conduct (the “San Luis Obispo Regional Code of Civility”). The resolution identifies five best practices to be used in all meetings:

- Respect the right of all to hold different opinions,
- Avoid rhetoric intended to humiliate, malign, or question the motive of those whose opinions are different,
- Strive to understand differing perspectives,
- Choose words carefully, and
- Speak truthfully without accusation and avoid distortion.

Arroyo Grande’s resolution also references a Code of Civility that elaborates on the pledge to “listen first,” “respect different opinions,” “be courteous,” “disagree constructively,” and “debate the policy not the person.”

City of Manhattan Beach

Manhattan Beach adopted a simple civility policy and rules of decorum as one policy document. The policy focuses on treating each other, staff, and the public with respect and encourages positive communication while discouraging volatile, hostile, or aggressive actions. The policy calls out four actions:

- Interactions between staff, elected officials, and the public will be conducted in a respectful manner,
- Threats of violence are not tolerated,
- Loud, insulting, demeaning, or offensive communication is not tolerated, and
- City will not tolerate any individual who disrupts or threatens to disrupt City government operations.

City of Sunnyvale

The Sunnyvale City Council adopted the “2018 Code of Ethics and Conduct for Elected and Appointed Officials”—a 19-page document that covers much of the same topics as El Cajon’s policies. However, Sunnyvale includes much more detail and addresses the topic of sanction or censure. The policy includes 16 statements on ethics and addresses conduct of officials with each other (public meetings and private encounters), with city staff, with the public, with other public agencies, and with other boards and commissions, and with the media.

The policy requires Councilmembers to sign a statement indicating that they understand the policy. Officials not signing the document cannot be on intergovernmental assignments or Council subcommittees. Finally, the policy includes sections entitled “Principles of Property Conduct,” “Checklist for Monitoring Conduct,” “Glossary of Terms,” and “Implementation.”

Ideas from Councilmember Ortiz

Councilmember Ortiz provided staff with possible code of conduct statements. These include three broad statements that encompass much of the policy statements found in detailed and extensive policies. These statements include the following:

Stewardship of Public Interest

Elected and Appointed Officials recognize that their stewardship of the public interest must be their primary concern. Officials shall work for the common good of the people of El Cajon and not for any private or personal interest, continually guiding the City to its greatest potential. Officials shall assure fair and equal treatment of all persons, claims, and transactions.

Above Reproach

The professional and personal conduct of Elected and Appointed Officials must be above reproach, with respect to duties with the City, professionally, and personally. Officials should avoid even the appearance of impropriety. Officials shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other Officials and the public.

Honor, Integrity, and Wisdom

Elected and Appointed Officials shall comply with both the letter and spirit of the laws; they are independent, impartial, and fair in their judgment and actions; conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility; and represent the City with honor, integrity, and wisdom.

Recommendations

In developing a draft policy for City Council consideration, staff recognized the merit of simplicity and believes that there is a need to include a section regarding procedures of censure. Staff has drafted a "Code of Ethics and Conduct for Elected and Appointed Officials" document (attached) for City Council consideration and feedback.

Staff recommends maintaining Municipal Code section 2.12.160 "Rules of Decorum – Enforcement" as it is currently adopted. Staff also recommends including modified statements provided by Councilmember Ortiz as a preamble to a condensed ethics and conduct section (merging City Council Policies A-23 and A-24 into one single policy). The draft policy condenses the ethics section from 33 statements to 16 statements and incorporates the City's policies related to civility and conduct. Lastly, staff drafted a section regarding the admonition and/or censure of a possible violator of the policy. The proposed code applies to El Cajon elected officials and appointees to boards, committees, and commissions.

REPORT:

City of El Cajon Code of Ethics and Conduct for Elected and Appointed Officials

PURPOSE

To establish a policy to assure public confidence in the integrity of all Elected and Appointed Officials ("Officials") and to instill public confidence and trust in the fair operation of El Cajon's municipal government. Appointed Officials are defined as appointees to boards, committees, and commissions.

ETHICS & CONDUCT

The citizens and those doing business in and with the City of El Cajon are entitled to fair, ethical, and accountable local government. It is imperative that the City's Officials adhere to the following principles:

Stewardship of Public Interest

Elected and Appointed Officials recognize that their stewardship of the public interest must be their primary concern. Officials shall work for the common good of the people of El Cajon and not for any private or personal interest, continually guiding the City to its greatest potential. Officials shall assure fair and equal treatment of all persons and transactions.

Above Reproach

The professional and personal conduct of Elected and Appointed Officials must be above reproach, with respect to duties with the City, professionally, and personally. Officials should avoid even the appearance of impropriety. Officials shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other Officials and the public.

Honor, Integrity, and Wisdom

Elected and Appointed Officials shall comply with both the letter and spirit of the laws; they are independent, impartial, and strive to be fair in their judgment; conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility; and represent the City with honor, integrity, and wisdom.

To meet the objectives of these principles, Officials shall conduct themselves in accordance with the following ethical standards and expectations of conduct:

1. **Act in the Public Interest.** Recognizing that stewardship of the public interest must be their primary concern, Officials will work for the common good of the people of El Cajon and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before them.
2. **Comply with the Letter and Spirit of the Law and City Policy.** Officials shall comply with the Constitutions and the laws of the nation and the State of California, and ordinances of the City of El Cajon in the performance of their public duties.
3. **Conduct of Officials.** The professional and personal conduct of Officials while exercising their office must be above reproach and avoid even the appearance of impropriety. Officials shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of Council, Boards, Committees and Commissions, the staff, or public.
4. **Respect for Process.** Officials shall perform their duties in accordance with the processes and rules of order established by the City Council and by law.
5. **Conduct at Public Meetings.** Officials shall prepare themselves for public issues, listen courteously and attentively to all public discussions before the body, and focus on the business at hand. During this process, they shall recognize the rights of citizens to participate in the decision making process. Officials shall accurately represent the qualifications, views and findings of public speakers and colleagues, and shall treat fairly and comment responsively on the views of colleagues and the public.
6. **Decisions Based on Merit.** Officials shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations and shall exercise fairness, honesty, and independent judgment as decision makers and advisors. When making adjudicative decisions (those decisions where the Official is called upon to determine and apply facts peculiar to an individual case), Officials shall maintain an open mind until the conclusion of the hearing on the matter and shall base their decisions on the facts presented at the hearing along with facts which may be commonly known to the public, and applicable law. Officials can consider the interrelatedness of decisions and the long-range consequences of present actions.
7. **Communication.** For adjudicative matters pending before the body, Officials shall refrain from receiving information outside of an open public meeting or the agenda materials, except on advice of the City Attorney. Officials shall publicly disclose substantive information that is relevant to a matter under consideration by the body which they may have received from sources outside of the public decision-making process, including the Official's own personal knowledge.

8. **Conflict of Interest.** In order to assure their independence and impartiality on behalf of the common good and compliance with conflict of interest laws, Officials shall use their best efforts to refrain from creating an appearance of impropriety in their actions and decisions. Officials shall not use their official positions to influence government decisions in which they have (a) a material financial interest, (b) an organizational responsibility or personal relationship which may give the appearance of a conflict of interest, or (c) a strong personal bias. An Official who has a potential conflict of interest regarding a particular decision shall disclose the matter to the City Attorney and reasonably cooperate with the City Attorney to analyze the potential conflict. If advised by the City Attorney to seek advice from the Fair Political Practices Commission (FPPC) or other appropriate state agency, an Official shall not participate in a decision unless and until he or she has requested and received advice allowing the Official to participate. An Official shall diligently pursue obtaining such advice. The Official shall provide the Mayor and the City Attorney a copy of any written request or advice, and conform his or her participation to the advice given. In providing assistance to Official, the City Attorney represents the City and not individual Officials. In accordance with the law, Officials shall disclose investments, interests in real property, sources of income, and gifts; and if they have a conflict of interest regarding a particular decision, shall not, once the conflict is ascertained, participate in the decision and shall not discuss or comment on the matter in any way to any person including other Officials unless otherwise permitted by law.

9. **Gifts and Favors.** Officials shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. They shall refrain from accepting gifts, favors, or promises of future benefits which might compromise their objectivity or give the appearance of being compromised.
10. **Confidential Information.** Officials must maintain the confidentiality of all written materials and verbal information provided to Officials which is confidential or privileged. Officials shall neither disclose nor use confidential information, without proper legal authorization, to further a personal interest or interest for a private party.
11. **Use of Public Resources.** Officials shall not use public resources which are not available to the public in general (e.g., City staff time, equipment, supplies or facilities) for private gain, political advantage, or for personal purposes not otherwise authorized by law.
12. **Representation of Private Interests.** In keeping with their role as stewards of the public interest, Officials shall not appear on behalf of the private interests of third parties before the Council or any Board, Committee, Commission or proceeding of the City. Officials shall not represent their interests or those of private third parties to City employees.
13. **Advocacy.** Officials shall represent the official policies or positions of the City Council to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, Officials shall explicitly state they do not represent their body or the City of El Cajon.
14. **Policy Role of Officials.** Officials shall respect and adhere to the council-manager structure of the City's government, as defined in the Municipal Code. In this structure, the City Council determines the policies of the City with advice, information, and analysis provided by City staff, boards, committees, and commissions, and the public. Except as provided by the Municipal Code, Officials shall not interfere with the administration functions of the City or the professional duties of City employees.
15. **Independence of Boards, Committees, and Commissions.** Members of boards, committees, and commissions play a valuable role in the public decision-making process. Officials shall refrain from using their position to unduly influence the deliberations or outcomes of board, committee, or commission proceedings.
16. **Positive Work Place Environment.** Officials shall support a positive and constructive work environment for City employees and for the citizens and businesses interacting with the City. Officials shall recognize their special role in dealing with City employees to in no way create the perception of inappropriate direction to employees and shall treat City employees in a respectful manner.

ADMONITION & CENSURE

The City Council, acting as a whole, may adopt a resolution of admonition or censure expressing the Council's disapproval of the conduct of an Official, if the Council finds, subject to the procedures set forth herein, that an Official's conduct violates federal, state, or local law, or any by-law, standing order, or this "Code of Ethics and Conduct for Elected and Appointed Officials."

Depending on the circumstances of alleged violations of law or policy, the Council may initiate an investigation of the allegations prior to the filing of a request for any of the actions described in this policy.

Nothing in this policy shall preclude individual Councilmembers from making public statements regarding such alleged conduct.

At any point during any of the processes described in this policy, the Council may refer the matter, as appropriate, to the San Diego County District Attorney for investigation. Following such a referral, the Council may proceed with any actions it chooses to undertake under the provisions of this policy. While the Council has broad discretion in deciding actions it may choose to take in response to violations of law or policy, this policy provides definitions and procedures related to two types of action: admonition and censure.

1. **Admonition.** An admonition may typically be directed to all members of the City Council, commission, board, or committee, reminding them that a particular type of behavior is in violation of law or City policy, and that, if it occurs or is found to have occurred, could make a member subject to censure. An admonition may be issued in response to a particular alleged action or actions, although it would not necessarily have to be triggered by such allegations. An admonition may be issued by the City Council prior to any findings of fact regarding allegations, and because it is a warning or reminder, would not necessarily require an investigation or separate hearings to determine whether the allegation is true. An admonition may also be treated as taking action to criticize an Official's conduct. The right to criticize is protected by the First Amendment, and may be done individually, or as a whole by motion.
2. **Informal Admonition.** An individual Councilmember can make an admonition at any Council meeting during the Public Presentations or Reports of Members and Special Committees portion of the meeting.
3. **Censure.** Censure is an official reprimand or condemnation made by City Council in response to specified conduct by one of its own members or that of a member of a board, commission, or committee. Censure is disciplinary in nature, and requires the formal adoption of a resolution setting forth the Official's alleged violations of law or policies. Censure may require an investigation, and must protect the due process rights of the Official. Censure carries no fine or suspension of the rights of a council member as an elected official but a censure is a punitive action that serves as a punishment for wrongdoing. Possible penalties of a censure may include loss of committee assignments or other privileges afforded to Officials. For non-elected Officials, a censure could include termination of appointment.

The Council may request a formal censure action be placed on a Council agenda. The City Clerk shall provide notice of the possible censure to the Councilmember who is the subject of the action. The notice shall contain the specific charges on which the proposed censure is based and the date and time that the matter will be heard. Upon hearing the testimony, the Council may take action by resolution setting forth its findings and stating the terms of the censure.

Prepared By: Graham Mitchell, City Manager

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

Attachments

Arroyo Grande Policy

Manhattan Beach Policy

Sunnyvale Policy

EXHIBIT E – BEST PRACTICES OF CIVILITY AND CIVIL DISCOURSE

RESOLUTION NO. 4872

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ARROYO GRANDE AMENDING THE EXISTING PLEDGE TO
FOLLOW BEST PRACTICES OF CIVILITY AND CIVIL
DISCOURSE IN ALL MEETINGS**

WHEREAS, members of the City Council, Commissions, Committees, and Boards are committed to building a civil political community in which each person is respected and spirited public and political debate is aimed at the betterment of the City of Arroyo Grande and its citizens and not the disparagement of those with whom we disagree; and

WHEREAS, the City Council pledges to promote the use of and adherence to the principles of civility and civil discourse in conducting business with appointed and elected officials, staff, and citizens; and

WHEREAS, the City Council desires to reaffirm the importance of civility and civil discourse in the democratic process by incorporating a regional Code of Civility.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande, in order to ensure civility and civil discourse in all of our meetings, we pledge our commitment to the following best practices of civility and civil discourse:

- a. To respect the right of all people to hold different opinions in all our meetings.
- b. To avoid rhetoric intended to humiliate, malign, or question the motivation of those whose opinions are different from ours in all our meetings.
- c. To strive to understand differing perspectives in all our meetings.
- d. To choose words carefully in all our meetings.
- e. To speak truthfully without accusations, and avoid distortion in all our meetings.

BE IT FURTHER RESOLVED that the City Council desires to reaffirm the importance of civility and civil discourse by including a regional "Code of Civility", attached hereto as Exhibit A and incorporated herein by reference.

BE IT FURTHER RESOLVED that this Resolution amends and supercedes Resolution No. 4685 adopted September 8, 2015.

On motion by Mayor Hill, seconded by Council Member Harmon, and on the following roll call vote, to wit:

AYES: Mayor Hill, Council Members Harmon, Brown, Barneich, and Ray
NOES: None
ABSENT: None

The foregoing Resolution was passed and adopted this 26th day of June, 2018.

CODE OF CIVILITY

A healthy democracy respects the people's right to debate issues with passion. A healthy democracy not only tolerates disagreement but welcomes it in order to refine ideas and create policies that benefit the greater good.

The deterioration of civility across the country and within our community poses a threat to our democracy and our civic well-being. This deterioration:

- Compromises the integrity of a healthy, representative democracy
- Closes the door on depth of thought, reducing complex problems to harmful oversimplification
- Deters potential leaders from running for office or serving in government
- Poisons the civic well and discourages citizens from engaging on pressing community issues
- Casts the spotlight on poor behavior rather than shining a light on possible solutions
- Sets a poor example for our children

We have crafted this Code of Civility as a promise to each other, and to the people and institutions we serve, that we will always strive to conduct our debates - whether in person, online, or in written communication - in ways that allow for the widest range of opinions on ideas and policies, yet also respect the dignity, integrity and rights of those with whom we might disagree. With our individual and collective commitment to this code, we welcome our elected colleagues, the press and the public to hold us accountable.

In our deliberations we pledge to:

Listen First

We will make an honest effort to understand views and reasoning of others by listening to understand, not listening to find fault, allowing thoughtful discussion to lead to the best possible outcomes.

Respect Different Opinions

We will invite and consider different perspectives, allowing space for ideas to be expressed, opposed and clarified in a constructive manner.

Be Courteous

We will treat all colleagues, staff and members of the public in a professional and courteous manner whether in person, online, or in written communication, especially when we disagree.

Disagree Constructively

We strive to advance solutions to community issues; when faced with disagreement, we do more than simply share our concerns with differing positions, we work to propose a course of action of mutual benefit.

Debate the Policy Not the Person

We will focus on the issues, and not personalize debate or use other tactics that divert attention from the issue.

MANHATTAN BEACH CIVILITY POLICY AND RULES OF DECORUM

WHEREAS, a majority of Americans believe that our society is increasingly uncivil and that this problem is particularly acute and particularly detrimental in national, state and local political arenas where it threatens government's ability to function democratically and effectively;

WHEREAS, across the nation many groups have adopted policies and rules to enhance civility at public meetings and in interactions with the public including the United States Conference of Mayors which adopted a Civility Accord;

WHEREAS, in keeping with this national trend many cities have approved policies to promote civility at local public meetings and at the workplace;

WHEREAS, the defining characteristics of the City of Manhattan Beach include its commitment to the democratic process, individual rights of expression, robust debate and tolerance for disparate views;

WHEREAS, the Manhattan Beach City Council, the City's boards and commissions, other public bodies and various community groups all convene public meetings to address controversial issues that engender passionate and often conflicting opinions;

WHEREAS, an atmosphere of incivility and disrespect at these meetings can stifle participation and debate, threaten the quality of decisions and undermine the local democratic process; and

WHEREAS, adopting principles of civility applicable to all public meetings and in all interactions in the workplace will help ensure that civic engagement and local democracy continue to flourish in Manhattan Beach.

BASED UPON THE FOREGOING, the Manhattan Beach City Council adopted, by Resolution No. 15-0048 and Resolution No. 15-0065, the following Civility Policy and Rules of Decorum:

CIVILITY POLICY

A. Manhattan Beach elected officials and employees will treat members of the public with respect and expect the same in return. The City is committed to maintaining orderly administrative processes in keeping City Council meetings and City administrative offices free from disruptions.

B. This policy promotes mutual respect, civility and orderly conduct among City employees, elected officials, and the public. This policy is not intended to deprive any person of his/her right to freedom of expression, but only to maintain, to the extent possible and reasonable, a safe, harassment-free workplace for our staff. The City encourages positive communication and discourages volatile, hostile or aggressive actions. The City seeks public cooperation with this endeavor.

- All interactions between City staff, City elected officials and members of the public will be conducted in a respectful manner.

- Threats of violence will not be tolerated.
- Loud, insulting, demeaning, or offensive communications will not be tolerated.
- The City will not tolerate any individual who disrupts or threatens to disrupt City government operations, threatens the health and safety of staff or councilmembers, willfully causes property damage, uses loud and/or offensive written or oral language which could provoke a violent reaction; or who has otherwise established a continued pattern of uncivil behavior.

C. Safety and Security Steps for City Property.

The City will take the following steps to promote compliance with the Civility Policy. Internally, the City will provide a safety and/or crisis intervention techniques program in order to raise awareness on how to deal with these situations if and when they occur, and how to document each incident.

1. Official Warning

If a member of the public begins to act abusively towards a City employee, staff will issue an oral warning before taking further action in response to the abuse, and provide that person with this policy. This warning, which should clearly identify both the offending behavior and the potential consequences that will arise if such behavior persists, will provide the abusive member of the public with an opportunity to improve his or her behavior before the City takes more serious action, such as removal from the premises. A warning from City staff will often be sufficient to halt any abusive treatment.

2. Suspension from the Government Building for a Short Period

If an abusive member of the public does not improve his or her behavior in response to an official warning, the City will request the abusive individual leave the premises for a short period of time (e.g., the remainder of the day). This temporary suspension from City property provides the abusive member of the public with an opportunity to “cool down” and reflect on his or her treatment of City staff.

3. Cease and Desist Letter

If an abusive member of the public does not improve his or her behavior in response to an official warning or brief suspension, the City will respond by sending a “cease-and-desist” letter. The letter will identify both the prohibited conduct and the City’s potential remedies. A “cease-and-desist” letter will put the abusive member of the public on notice of the potentially serious consequences of his or her conduct.

4. Further Measures

Nothing in this policy precludes additional action if the above measures are not effective.

RULES OF DECORUM AT PUBLIC MEETINGS

A. General Guidelines

The City has numerous public meetings such as City Council meetings, Commission meetings, Board meetings, etc. (hereinafter "Public Meetings"). In order to safeguard participatory democracy in Manhattan Beach, all persons attending Public Meetings in Manhattan Beach should strive to:

- Treat everyone courteously
- Listen to others respectfully
- Exercise self-control
- Give open-minded consideration to all viewpoints
- Focus on the issues and avoid personalizing debate
- Embrace respectful disagreement and dissent as democratic rights that are inherent components of an inclusive public process and tools for forging sound decisions.

B. Rules of Decorum

1. No person attending a Public Meetings shall engage in disorderly or boisterous conduct, including but not limited to applause, whistling, stamping of feet, booing, or making any loud, threatening, profane, abusive, personal, impertinent, or slanderous utterance—that disturbs, disrupts, or otherwise impedes the orderly conduct of the meeting.

2. All remarks by members of the public shall be addressed to the Mayor or the Chair (hereinafter "Presiding Officer") and not to any other member of the public or to any single Council, Board or Commission Member unless in response to a question from that Member.

3. Signs, placards, banners, or other similar items shall not be permitted in the audience during a Public Meeting if the presence of such item disturbs, disrupts or otherwise impedes the orderly conduct of the meeting.

4. All persons attending a Public Meeting shall remain seated in the seats provided, unless addressing the body at the podium or entering or leaving the meeting.

5. All persons attending a Public Meeting shall obey any lawful order of the Presiding Officer to enforce the Rules of Decorum.

C. Enforcement of the Rules of Decorum

1. The Presiding Officer shall be responsible for maintaining the decorum at the Public Meeting and uniformly enforcing the Rules of Decorum.

2. In the event that any person breaches the Rules of Decorum in a manner that disturbs, disrupts, or otherwise impedes the orderly conduct of the meeting, the Presiding Officer shall order that person to cease the offending conduct.

3. If any person continues to breach the Rules of Decorum in a manner that disturbs, disrupts, or otherwise impedes the orderly conduct of the meeting following an order from the Presiding Officer to cease the offending conduct, the Presiding Officer may order that person to leave the Public Meeting.

4. If any person refuses to leave the Public Meeting following an order from the Presiding Officer to do so, the Presiding Officer may order any law enforcement officer on duty to remove that person from the Public Meeting.

The City Council, all City Boards and Commissions and City staff shall promote the use of and adherence to these guidelines for behavior at all public meetings within the City.



Sunnyvale

City of Sunnyvale

**2018 Code of Ethics and Conduct for
Elected and Appointed Officials**

"Conduct is three-fourths of our life and its largest concern."

-- Matthew Arnold

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For ease of reference in the Code of Ethics and Conduct, the term "member" refers to any member of the Sunnyvale City Council or the City's boards and commissions established by the City Charter, City Ordinance or Council policy.

Policy Purpose

The Sunnyvale City Council has adopted a Code of Ethics and Conduct for members of the City Council and the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation.

A. ETHICS

The citizens and businesses of Sunnyvale are entitled to have fair, ethical and accountable local government which has earned the public's full confidence for integrity. In keeping with the City of Sunnyvale Commitment to Excellence, the effective functioning of democratic government therefore requires that:

- public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of government;
- public officials be independent, impartial and fair in their judgment and actions;
- public office be used for the public good, not for personal gain; and
- public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the Sunnyvale City Council has adopted a Code of Ethics and Conduct for members of the City Council and of the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation. The Ethics section of the City's Code of Ethics and Conduct provides guidance on ethical issues and questions of right and wrong.

1. Act in the Public Interest. Recognizing that stewardship of the public interest must be their primary concern, members will work for the common good of the people of Sunnyvale and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before the Sunnyvale City Council, boards and commissions.
2. Comply with both the spirit and the letter of the Law and City Policy. Members shall comply with the laws of the nation, the State of California and the City of Sunnyvale in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions; the Sunnyvale City Charter; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.
3. Conduct of Members. The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of Council, boards and commissions, the staff or public.
4. Respect for Process. Members shall perform their duties in accordance with the processes and rules of order established by the City Council and board and commissions governing the deliberation of public policy issues, meaningful involvement of the public, and implementation of policy decisions of the City Council by City staff.

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5. **Conduct of Public Meetings.** Members shall prepare themselves for public issues; listen courteously and attentively to all public discussions before the body; and focus on the business at hand. They shall refrain from interrupting other speakers; making personal comments not germane to the business of the body; or otherwise interfering with the orderly conduct of meetings.
6. **Decisions Based on Merit.** Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations.
7. **Communication.** Members shall publicly disclose substantive information that is relevant to a matter under consideration by the Council or boards and commissions, which they may have received from sources outside of the public decision-making process.
8. **Conflict of Interest.** In order to assure their independence and impartiality on behalf of the common good, members shall not use their official positions to influence government decisions in which they have a material financial interest, or where they have an organizational responsibility or personal relationship which may give the appearance of a conflict of interest. In accordance with the law, members shall disclose investments, interests in real property, sources of income, and gifts; and they shall abstain from participating in deliberations and decision-making where conflicts may exist.
9. **Gifts and Favors.** Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office, that are not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.
10. **Confidential Information.** Members shall respect the confidentiality of information concerning the property, personnel or affairs of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.
11. **Use of Public Resources.** Members shall not use public resources not available to the public in general, such as City staff time, equipment, supplies or facilities, for private gain or personal purposes.
12. **Representation of Private Interests.** In keeping with their role as stewards of the public interest, members of Council shall not appear on behalf of the private interests of third parties before the Council or any board, commission or proceeding of the City, nor shall members of boards and commissions appear before their own bodies or before the Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.
13. **Advocacy.** Members shall represent the official policies or positions of the City Council, board or commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Sunnyvale, nor will they allow the inference that they do.

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Councilmembers and board and commission members have the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention or display endorsements during Council meetings, board/commission meetings, or other official City meetings.

14. **Policy Role of Members.** Members shall respect and adhere to the council-manager structure of Sunnyvale City government as outlined by the Sunnyvale City Charter. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by the public, boards and commissions, and City staff. Except as provided by the City Charter, members therefore shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.
15. **Independence of boards and commissions.** Because of the value of the independent advice of boards and commissions to the public decision-making process, members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of board and commission proceedings.
16. **Positive Work Place Environment.** Members shall support the maintenance of a positive and constructive work place environment for City employees and for citizens and businesses dealing with the City. Members shall recognize their special role in dealings with City employees to in no way create the perception of inappropriate direction to staff.

B. CONDUCT

The Conduct section of the City's Code of Ethics and Conduct is designed to describe the manner in which Councilmembers and board and commission members should treat one another, City staff, constituents, and others they come into contact with in representing the City of Sunnyvale. It reflects the work of a Council Policy and Protocol Subcommittee that was charged with defining more clearly the behavior, manners, and courtesies that are suitable for various occasions. The Subcommittee also considered a wide variety of policy changes and clarifications designed to make public meetings and the process of governance run more smoothly.

The constant and consistent theme through all of the conduct guidelines is "respect." Councilmembers experience huge workloads and tremendous stress in making decisions that could impact thousands of lives. Despite these pressures, elected and appointed officials are called upon to exhibit appropriate behavior at all times. Demonstrating respect for each individual through words and actions is the touchstone that can help guide Councilmembers and board and commission members to do the right thing in even the most difficult situations.

1. Elected and Appointed Officials' Conduct with One Another

"In life, courtesy and self-possession, and in the arts, style, are the sensible impressions of the free mind, for both arise out of a deliberate shaping of all things and from never being swept away, whatever the emotion, into confusion or dullness."

-- William Butler Yeats

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Elected and appointed officials are composed of individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even though individuals may "agree to disagree" on contentious issues.

1(a). In Public Meetings

Use formal titles

Elected and appointed officials should refer to one another formally during public meetings, such as Mayor, Vice Mayor, Chair, Commissioner or Councilmember followed by the individual's last name.

Practice civility and decorum in discussions and debate

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of a free democracy in action. This does not allow, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments. No shouting or physical actions that could be construed as threatening will be tolerated.

Honor the role of the chair in maintaining order

It is the responsibility of the chair to keep the comments of members on track during public meetings. Members should honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure.

Avoid personal comments that could offend other members

If a member is personally offended by the remarks of another member, the offended member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this discussion.

Demonstrate effective problem-solving approaches

Members have a public stage to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

Outside of official board or commission meetings, individual board and commission members are not authorized to represent the City or their board or commission unless specifically designated by the Council or the board or commission to do so for a particular purpose. In private settings, board and commission members may communicate at any time and on any subject with individual members of the City Council, and may express to them individual viewpoints and opinions. In public, however, all members shall represent the official policies or positions of their board or commission, with the following exception. During a Council public hearing on any item addressed by the board or commission, any member may speak under standard time limits, but shall indicate whether their testimony represents an official position (majority opinion) or a minority opinion of the board/commission to which they belong. The chair shall represent the majority view of the

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board or commission, but may report on any minority views as well, including his or her own. When an official board or commission position differs from staff's recommendation on a particular policy issue, then at the Mayor's discretion additional time may be provided to the chair of the board or commission (or his/her designee) to explain the position of the board/commission or to rebut statements made by staff or the public. If new information is brought to light during a public hearing which was not shared previously with the board or commission, the Mayor may allow the board or commission chair to respond. If the Council deems the new information sufficient to warrant additional study, then by majority vote Council may remand the issue back to the board or commission for further study prior to taking other action itself.

Individual opinions and positions may be expressed by board and commission members regarding items that have not come before the particular board/commission to which they belong. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Sunnyvale, nor will they allow the inference that they do.

Although a board or commission may disagree with the final decision the Council makes, the board or commission shall not act in any manner contrary to the established policy adopted by the Council.

1(b). In Private Encounters

Continue respectful behavior in private

The same level of respect and consideration of differing points of view that is deemed appropriate for public discussions should be maintained in private conversations.

Be aware of the insecurity of written notes, voicemail messages, and E-mail

Technology allows words written or said without much forethought to be distributed wide and far. Would you feel comfortable to have this note faxed to others? How would you feel if this voicemail message were played on a speaker phone in a full office? What would happen if this E-mail message were forwarded to others? Written notes, voicemail messages and e-mail should be treated as potentially "public" communication.

Even private conversations can have a public presence

Elected and appointed officials are always on display – their actions, mannerisms, and language are monitored by people around them that they may not know. Lunch table conversations will be eavesdropped upon, parking lot debates will be watched, and casual comments between individuals before and after public meetings noted.

In private, board and commission members may communicate at any time and on any subject with the City Council, and may express to Council individual viewpoints and opinions.

2. Elected and Appointed Officials' Conduct with City Staff

*"Never let a problem become an excuse."
-- Robert Schuller*

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Governance of a City relies on the cooperative efforts of elected officials, who set policy, appointed officials who advise the elected, and City staff who implements and administers the Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

Member questions/inquiries to City staff

1. General. Council and board/commission communications with City staff should be limited to normal City business hours unless the circumstances warrant otherwise. Responses to Council questions posed outside of normal business hours should be expected no earlier than the next business day.
2. Routine Requests for Information and Inquiries. Members may contact staff directly for information made readily available to the general public on a regular basis (e.g., "What are the library's hours of operation?" or "How does one reserve a tee time at the golf course?"). Under these circumstances staff shall treat the member no differently than they would the general public, and the member shall not use their elected status to secure preferential treatment. The city manager does not need to be advised of such contacts.
3. Non-Routine Requests for Readily Available Information. Members may also contact staff directly for easily retrievable information not routinely requested by the general public so long as it does not require staff to discuss the issue or express an opinion (e.g., "How many traffic lights are there in the City?" or "Under what circumstances does the City lower its flags to half mast?").
4. Non-Routine Requests Requiring Special Effort. Any member request or inquiry that requires staff to compile information that is not readily available or easily retrievable and/or that requests staff to express an opinion (legal or otherwise) must be directed to the city manager, or to the city attorney, as appropriate (e.g., "How many Study Issues completed over the past five years have required 500 or more hours of staff time?", or "What is the logic behind the City's sign ordinances affecting businesses along El Camino Real?"). The city manager (or city attorney as appropriate) shall be responsible for distributing such requests to his/her staff for follow-up. Responses to such requests shall be copied to all Councilmembers (if originating from a Councilmember), relevant board or commission members (if originating from a board or commission member), the city manager, the city attorney as appropriate and affected department directors.
5. Meeting Requests. Any member request for a meeting with staff must be directed to the city manager or city attorney, as appropriate.
6. Public Safety Restrictions. Under certain circumstances, requests for information regarding operations or personnel of the Department of Public Safety may be legally restricted. Applicable statutes include: The Peace Officers' Procedural Bill of Rights (California Government Code

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Section 3300, et seq.), Confidentiality of Peace Officer Records (California Penal Code Section 832.5-7), and a number of exceptions to the California Public Records Act, defined in Government Code Section 6254. Providing information in response to such requests could violate the law, and might also violate due process rights that have been defined for peace officers in the State of California. Accordingly, it shall be the policy of the City of Sunnyvale to strictly comply with all applicable legal authorities governing the release of Department of Public Safety information and records.

Do not disrupt City staff from their jobs

Elected and appointed officials should not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Do not attend City staff meetings unless requested by staff – even if the elected or appointed official does not say anything, his or her presence implies support, shows partiality, intimidates staff, and hampers staff's ability to do their job objectively.

Never publicly criticize an individual employee

Elected and appointed officials should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee's manager. Comments about staff performance should only be made to the city manager through private correspondence or conversation. Comments about staff in the office of the city attorney should be made directly to the city attorney. Appointed officials should make their comments regarding staff to the city manager or the Mayor.

Do not get involved in administrative functions

Elected and appointed officials must not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits. [See Code of Ethics] The Sunnyvale City Charter, Section 807, also contains information about the prohibition of Council interference in administrative functions.

Check with City staff on correspondence before taking action

Before sending correspondence, Councilmembers should check with City staff to see if an official City response has already been sent or is in progress. Board and commission members shall not send correspondence except as authorized under the City's policies governing volunteers. (Council Policy 7.2.19, Boards and Commissions.)

Limit requests for staff support

Routine secretarial support will be provided to all Councilmembers. The Council Executive Assistant opens all mail for Councilmembers, unless a Councilmember requests other arrangements. Mail addressed to the Mayor is reviewed first by the city manager who notes suggested action and/or follow-up items.

Requests for additional staff support – even in high priority or emergency situations – should be made to the city manager who is responsible for allocating City resources in order to maintain a professional, well-run City government.

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Do not solicit political support from staff

Elected and appointed officials should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities must be done away from the workplace.

3. Elected and Appointed Officials' Conduct with the Public

"If a man be gracious and courteous to strangers, it shows he is a citizen of the world, and that his heart is no island cut off from other lands, but a continent that joins to them."

-- Francis Bacon

3(a). In Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

Be welcoming to speakers and treat them with care and gentleness. While questions of clarification may be asked, the official's primary role during public testimony is to listen.

"I give many public presentations so standing up in front of a group and using a microphone is not new to me. But I found that speaking in front of Council was an entirely different experience. I was incredibly nervous and my voice was shaking. I think the reason was because the issue was so personal to me. The Council was going to take a vote that would affect my family's daily life and my home. I was feeling a lot of emotion. The way that Council treats people during public hearings can do a lot to make them relax or to push their emotions to a higher level of intensity."

Be fair and equitable in allocating public hearing time to individual speakers.

"The first thing the Mayor said to me was to be brief because the meeting was running late and the Council was eager to go home. That shouldn't be my problem. I'm sorry my item was at the end of the agenda and that there were a lot of speakers, but it is critically important to me and I should be allowed to say what I have to say and believe that the Council is listening to me."

The chair will determine and announce limits on speakers at the start of the public hearing process. Questions should not be asked for the express purpose of allowing one speaker to evade the time limit imposed on all others (e.g., "Was there something else you wanted to say?"). Generally, each speaker will be allocated three minutes with applicants and appellants or their designated representatives allowed ten. If many speakers are anticipated, the chair may shorten the time limit and/or ask speakers to limit themselves to new information and points of view not already covered by previous speakers.

No speaker will be turned away unless he or she exhibits inappropriate behavior. Each speaker may only speak once during the public hearing unless the chair requests additional clarification later in the process. After the close of the public hearing, no more public testimony will be accepted unless the chair reopens the public hearing for a limited and specific purpose.

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Give the appearance of active listening

It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Be aware of facial expressions, especially those that could be interpreted as "smirking," disbelief, anger or boredom.

Maintain an open mind

Members of the public deserve an opportunity to influence the thinking of elected and appointed officials. To express an opinion or pass judgment prior to the close of a public hearing casts doubt on a member's ability to conduct a fair review of the issue. This is particularly important when officials are serving in a quasi-judicial capacity.

Ask for clarification, but avoid debate and argument with the public

Only the chair – not individual members – can interrupt a speaker during a presentation. However, a member can ask the chair for a point of order if the speaker is off the topic or exhibiting behavior or language the member finds disturbing.

If speakers become flustered or defensive by questions, it is the responsibility of the chair to calm and focus the speaker and to maintain the order and decorum of the meeting. Questions by members to the public testifying should seek to clarify or expand information. It is never appropriate to belligerently challenge or belittle the speaker. Members' personal opinions or inclinations about upcoming votes should not be revealed until after the public hearing is closed.

No personal attacks of any kind, under any circumstance

Members should be aware that their body language and tone of voice, as well as the words they use, can appear to be intimidating or aggressive.

Follow parliamentary procedure in conducting public meetings

The city attorney serves as advisory parliamentarian for the City and is available to answer questions or interpret situations according to parliamentary procedures. The chair, subject to the appeal of the full Council or board/commission makes final rulings on parliamentary procedure.

3(b). In Unofficial Settings

Make no promises on behalf of the Council, board/commission or City

Members will frequently be asked to explain a Council or board/commission action or to give their opinion about an issue as they meet and talk with constituents in the community. It is appropriate to give a brief overview of City policy and to refer to City staff for further information. It is inappropriate to overtly or implicitly promise Council or board/commission action, or to promise City staff will do something specific (fix a pothole, remove a library book, plant new flowers in the median, etc.).

Make no personal comments about other members

It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory comments about other members, their opinions and actions.

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Remember that despite its impressive population figures, Sunnyvale is a small town at heart. Members are constantly being observed by the community every day that they serve in office. Their behaviors and comments serve as models for proper deportment in the City of Sunnyvale. Honesty and respect for the dignity of each individual should be reflected in every word and action taken by members, 24 hours a day, seven days a week. It is a serious and continuous responsibility.

4. Council Conduct with Other Public Agencies

*"Always do right. This will gratify some people and astonish the rest."
-- Mark Twain*

Be clear about representing the City or personal interests

When representing the City, the Councilmember must support and advocate the official City position on an issue, not a personal viewpoint. Outside of official board or commission meetings, board and commission members are not authorized to represent the City or their board or commission unless specifically designated by the Council or the board or commission to do so for a particular purpose.

When representing another organization whose position is different from the City, the Councilmember should withdraw from voting on the issue if it significantly impacts or is detrimental to the City's interest. Councilmembers should be clear about which organizations they represent and inform the Mayor and Council of their involvement.

Correspondence also should be equally clear about representation

City letterhead may be used when the Councilmember is representing the City and the City's official position. A copy of official correspondence should be given to the Council Executive Assistant to be filed in the Council Office as part of the permanent public record.

City letterhead should not be used for non-City business nor for correspondence representing a dissenting point of view from an official Council position.

5. Council Conduct with Boards and Commissions

*"We rarely find that people have good sense unless they agree with us."
--Francois, Duc de La Rochefoucauld*

The City has established several boards and commissions as a means of gathering more community input. Citizens who serve on boards and commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.

If attending a board or commission meeting, be careful to only express personal opinions

Councilmembers may attend any board or commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation especially if it is on behalf of an individual, business or developer -- could be viewed as unfairly affecting the process. Any public comments by a Councilmember at a board or commission meeting should be

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clearly made as individual opinion and not a representation of the feelings of the entire City Council.

Limit contact with board and commission members to questions of clarification

It is inappropriate for a Councilmember to contact a board or commission member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact board or commission members in order to clarify a position taken by the board or commission.

Remember that boards and commissions serve the community, not individual Councilmembers

The City Council appoints individuals to serve on boards and commissions, and it is the responsibility of boards and commissions to follow policy established by the Council. But board and commission members do not report to individual Councilmembers, nor should Councilmembers feel they have the power or right to threaten board and commission members with removal if they disagree about an issue. Appointment and re-appointment to a board or commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A board or commission appointment should not be used as a political "reward."

Be respectful of diverse opinions

A primary role of boards and commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on boards and commissions, but must be fair and respectful of all citizens serving on boards and commissions.

Keep political support away from public forums

Board and commission members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support board and commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

6. Conduct with the Media

*"Keep them well fed and never let them know that all you've got is a chair and a whip."
-- Lion Tamer School*

Board and commission members are not authorized to represent the City outside of official board/commission meetings unless specifically authorized to do so.

Councilmembers are frequently contacted by the media for background and quotes.

The best advice for dealing with the media is to never go "off the record"

Most members of the media represent the highest levels of journalistic integrity and ethics, and can be trusted to keep their word. But one bad experience can be catastrophic. Words that are not said cannot be quoted.

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The Mayor is the official spokesperson for the City on City positions.

The Mayor is the designated representative of the Council to present and speak on the official City position. If an individual Councilmember is contacted by the media, the Councilmember should be clear about whether their comments represent the official City position or a personal viewpoint.

Choose words carefully and cautiously

Comments taken out of context can cause problems. Be especially cautious about humor, sardonic asides, sarcasm, or word play. It is never appropriate to use personal slurs or swear words when talking with the media.

C. SANCTIONS

*"You cannot have a proud and chivalrous spirit if your conduct is mean and paltry;
for whatever a man's actions are, such must be his spirit."*

-- Demosthenes

Model of Excellence

City Councilmembers, Board and Commission Members, and Council appointees who do not sign the Model of Excellence (Appendix A) shall be ineligible for intergovernmental assignments or Council subcommittees.

Ethics Training for Local Officials

City Councilmembers, Board and Commission Members, and Council appointees who are out of compliance with State- or City-mandated requirements for ethics training shall not represent the City on intergovernmental assignments or Council sub-committees, and may be subject to sanctions.

Public Disruption

Members of the public who do not follow proper conduct after a warning in a public hearing may be barred from further testimony at that meeting or removed from the Council Chambers.

Inappropriate Staff Behavior

Councilmembers should refer to the city manager any City staff or to the city attorney any City Attorney's staff who do not follow proper conduct in their dealings with Councilmembers, other City staff, or the public. These employees may be disciplined in accordance with standard City procedures for such actions. (Please refer to the section on Council Conduct with City Staff for more details on interaction with Staff.)

Councilmembers Behavior and Conduct

Compliance and Enforcement. The Sunnyvale Code of Ethics and Conduct expresses standards of ethical conduct expected for members of the Sunnyvale City Council, boards and commissions. Members themselves have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government. The chairs of boards and commissions and the Mayor and Council have the additional responsibility to

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intervene when actions of members that appear to be in violation of the Code of Ethics and Conduct are brought to their attention.

City Councilmembers who intentionally and repeatedly do not follow proper conduct may be reprimanded or formally censured by the Council, lose seniority or committee assignments (both within the City of Sunnyvale or with inter-government agencies) or have official travel restricted. Serious infractions of the Code of Ethics or Code of Conduct could lead to other sanctions as deemed appropriate by Council.

Councilmembers should point out to the offending Councilmember infractions of the Code of Ethics and Conduct. If the offenses continue, then the matter should be referred to the Mayor in private. If the Mayor is the individual whose actions are being challenged, then the matter should be referred to the Vice Mayor.

It is the responsibility of the Mayor to initiate action if a Councilmember's behavior may warrant sanction. If no action is taken by the Mayor, the alleged violation(s) can be brought up with the full Council in a public meeting.

Board and Commission Members Behavior and Conduct

Counseling, verbal reprimands and written warnings may be administered by the Mayor to board and commission members failing to comply with City policy. These lower levels of sanctions shall be kept private to the degree allowed by law. Copies of all written reprimands administered by the Mayor shall be distributed in memo format to the chair of the respective board or commission, the city clerk, the city attorney, the city manager, and the City Council. Written reprimands administered by the Mayor shall not be included in packets for public meetings and shall not be publicized except as required under the Public Records Act.

The City Council may impose sanctions on board and commission members whose conduct does not comply with the City's policies, up to and including removal from office. Any form of discipline imposed by Council shall be determined by a majority vote of at least a quorum of the Council at a noticed public meeting and such action shall be preceded by a Report to Council with supporting documentation. The Report to Council shall be distributed in accordance with normal procedures, including hard copies to numerous public facilities and posting online. Any Report to Council addressing alleged misconduct by a board or commission member shall be routed through the Office of the city attorney for review of whether any information is exempt from disclosure (subject to redaction) based on privacy interests authorized under the Public Records Act.

When deemed warranted, the Mayor or majority of Council may call for an investigation of board or commission member conduct. Should the city manager or city attorney believe an investigation is warranted, they shall confer with the Mayor or Council. The Mayor or Council shall ask the city manager and/or the city attorney to investigate the allegation and report the findings.

The results of any such investigation shall be provided to the full Council in the form of a Report to Council, and shall be placed on the agenda of a noticed public meeting as "Information Only". Any such report shall be made public and distributed in accordance with normal procedures (i.e., hard copies to numerous public locations and posted online). Any report to Council addressing the

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investigation of board and commission members shall be routed through the Office of the City Attorney for review of whether any information is exempt from disclosure (subject to redaction) based on privacy interests authorized under the Public Records Act.

It shall be the Mayor and/or the Council's responsibility to determine the next appropriate action. Any such action taken by Council (with the exception of "take no further action") shall be conducted at a noticed public hearing. These actions include, but are not limited to: discussing and counseling the individual on the violations; placing the matter on a future public hearing agenda to consider sanctions; forming a Council ad hoc subcommittee to review the allegation, the investigation and its findings, as well as to recommend sanction options for Council consideration.

Under the City Charter, the City Council also may remove members of boards and commissions from office. A violation of this Code of Ethics and Conduct shall not be considered a basis for challenging the validity of a Council, board or commission decision.

D. PRINCIPLES OF PROPER CONDUCT

Proper conduct IS ...

- Keeping promises
- Being dependable
- Building a solid reputation
- Participating and being available
- Demonstrating patience
- Showing empathy
- Holding onto ethical principles under stress
- Listening attentively
- Studying thoroughly
- Keeping integrity intact
- Overcoming discouragement
- Going above and beyond, time and time again
- Modeling a professional manner

Proper conduct IS NOT ...

- Showing antagonism or hostility
- Deliberately lying or misleading
- Speaking recklessly
- Spreading rumors
- Stirring up bad feelings, divisiveness
- Acting in a self-righteous manner

It all comes down to respect

Respect for one another as individuals ... respect for the validity of different opinions ... respect for the democratic process ... respect for the community that we serve.

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E. CHECKLIST FOR MONITORING CONDUCT

- Will my decision/statement/action violate the trust, rights or good will of others?
- What are my interior motives and the spirit behind my actions?
- If I have to justify my conduct in public tomorrow, will I do so with pride or shame?
- How would my conduct be evaluated by people whose integrity and character I respect?
- Even if my conduct is not illegal or unethical, is it done at someone else's painful expense? Will it destroy their trust in me? Will it harm their reputation?
- Is my conduct fair? Just? Morally right?
- If I were on the receiving end of my conduct, would I approve and agree, or would I take offense?
- Does my conduct give others reason to trust or distrust me?
- Am I willing to take an ethical stand when it is called for? Am I willing to make my ethical beliefs public in a way that makes it clear what I stand for?
- Do I exhibit the same conduct in my private life as I do in my public life?
- Can I take legitimate pride in the way I conduct myself and the example I set?
- Do I listen and understand the views of others?
- Do I question and confront different points of view in a constructive manner?
- Do I work to resolve differences and come to mutual agreement?
- Do I support others and show respect for their ideas?
- Will my conduct cause public embarrassment to someone else?

F. GLOSSARY OF TERMS

attitude	The manner in which one shows one's dispositions, opinions, and feelings
behavior	External appearance or action; manner of behaving; carriage of oneself
civility	Politeness, consideration, courtesy
conduct	The way one acts; personal behavior
courtesy	Politeness connected with kindness
decorum	Suitable; proper; good taste in behavior
manners	A way of acting; a style, method, or form; the way in which things are done
point of order	An interruption of a meeting to question whether rules or bylaws are being broken, such as the speaker has strayed from the motion currently under consideration
point of personal privilege	A challenge to a speaker to defend or apologize for comments that a fellow member considers offensive
propriety	Conforming to acceptable standards of behavior
protocol	The courtesies that are established as proper and correct
respect	The act of noticing with attention; holding in esteem; courteous regard

G. IMPLEMENTATION

As an expression of the standards of conduct for members expected by the City, the Sunnyvale Code of Ethics and Conduct is intended to be self-enforcing. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions. For this reason, this document shall be included in the regular orientations for candidates for City Council, applicants to

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board and commissions, and newly elected and appointed officials. Members entering office shall sign a statement affirming they read and understood the City of Sunnyvale Code of Ethics and Conduct. In addition, the Code of Ethics and Conduct shall be annually reviewed by the City Council, boards and commissions, and the City Council shall consider recommendations from boards and commissions and update it as necessary.

(Adopted: RTC 08-113 (4/8/08), Update: RTC 09-036 (2/3/09); Updated: RTC 09-047 (2/24/09); Approved with no changes: RTC 10-078 (3/23/10); Approved with no changes: RTC 11-058 (3/29/11); Approved with no changes: RTC 12-067 (3/20/2012); Updated: RTC 13-060 (3/19/13); Approved with no changes: RTC 14-0211 (3/18/14); RTC 15-0050 (3/24/15); RTC 16-0360 (4/5/16); RTC 17-0161 (3/28/17); RTC 18-0036 (1/9/18)

Lead Department: Office of the City Manager

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APPENDIX A - Model of Excellence Member Statement

MODEL OF EXCELLENCE

Sunnyvale City Council, Boards and Commissions

MEMBER STATEMENT

As a member of the Sunnyvale City Council or of a Sunnyvale board or commission, I agree to uphold the Code of Ethics and Conduct for Elected and Appointed Officials adopted by the City and conduct myself by the following model of excellence. I will:

- Recognize the worth of individual members and appreciate their individual talents, perspectives and contributions;
- Help create an atmosphere of respect and civility where individual members, City staff and the public are free to express their ideas and work to their full potential;
- Conduct my personal and public affairs with honesty, integrity, fairness and respect for others;
- Respect the dignity and privacy of individuals and organizations;
- Keep the common good as my highest purpose and focus on achieving constructive solutions for the public benefit;
- Avoid and discourage conduct which is divisive or harmful to the best interests of Sunnyvale;
- Treat all people with whom I come in contact in the way I wish to be treated;

I affirm that I have read and understood the City of Sunnyvale Code of Ethics and Conduct for Elected and Appointed Officials.

Signature

Date

City Council Seat # _____

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City Council
Agenda Report

Agenda Item 14.

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Ryan Villegas, Management Analyst
SUBJECT: Update of City Ticket and Distribution Policy (A-28)

RECOMMENDATION:

That the City Council, in preparation for the opening of The Magnolia Performing Arts Center (The Magnolia):

1. Directs staff to revise City Council Policy A-28 (Distribution of City Tickets and Passes) to incorporate recent amendments to Title 2 California Code of Regulations, Section 18944.1; and
2. Directs staff to update language for Policy A-28 from the East County Performing Arts Center (ECPAC) to The Magnolia; and
3. Discusses options to administer complimentary tickets to events at The Magnolia, outlined in the management agreement between the City and Live Nation, in accordance with the updates to Policy A-28.

BACKGROUND:

Prior to the closing of ECPAC, complimentary tickets were made available for each event as part of the agreement with the previous contractor. City Council Policy A-28 was created to address the treatment of these complimentary tickets, in compliance with regulations set forth by the Fair Political Practices Commission (FPPC) in Section 18944.1 of Title 2 of the California Code of Regulations. Shortly after the adoption of A-28 in 2009, ECPAC was shuttered due to budgetary cuts stemming from the 2008 recession.

Ten years later, in preparation for the reopening of the facility now known as The Magnolia, staff conducted a review of Section 18944.1 and identified amendments that require revisions to Policy A-28. While the recipients of complimentary tickets will still be required to fill out Form 802 and the completed form be posted on the City's website, the updates impact how tickets may be distributed—a change from the previous practice. Some of the required changes include:

- The familial relationship with whom tickets or passes are transferred to, must be disclosed on Form 802 (i.e. spouse, niece); additionally, aside from family members, state regulations allow that one ticket may now be transferred to a guest.
- A recipient of tickets or passes may reimburse the City for the fair value of the tickets or passes within 30 days of receipt, and not be subject to the reporting purposes of this act as they will no longer be considered gifts; and
- A provision prohibiting the disproportionate use of tickets or passes by a member of the governing body, chief administrative officer of the agency, political appointee, or department head.

Agreement Between the City and Live Nation

The management agreement between the City of El Cajon and Live Nation entitles the City to ten complimentary tickets per event, but not to exceed 300 in a one-year period. These tickets are available for events that are open to the general public and promoted by Live Nation. While ten complimentary tickets might be available per event, discretion with regard to quantity and for what purpose tickets are distributed, rests with the City.

Distribution Practices in Agencies with Similar Venues

In preparing a proposed policy for City Council consideration, staff reviewed several policies of cities that own ticketed venues. All of the cities have policies consistent with the FPPC policy. The following is a summary of the various distribution processes.

1. City of Vista's Moonlight Amphitheatre – City of Vista employees are welcome to watch the final dress rehearsal of any performance and can bring a guest free of charge. No complimentary tickets are available for actual performances, except tickets are available for “2 for 1” on the first Friday of the month for city employees.
2. Chula Vista's North Island Credit Union Amphitheatre (In partnership with Live Nation) – Chula Vista receives 12 complimentary tickets per event and distributes a pair of tickets to each of the five City Foundations for fund raising purposes. The remaining pair of tickets is donated to a non-profit charity who has offices within the city limits, but a charity must contact the city manager's office to be considered for the tickets. If tickets to an event still remain, a department is selected and the director selects an outstanding employee to recognize them for their service.
3. Riverside's Fox Performing Arts Center (In Partnership with Live Nation) – Riverside sponsored the creation of the Fox Foundation, a non-profit which works to connect students and seniors to the arts. All complimentary tickets to the venue are given to the foundation, that possesses sole discretion to distribute for reasons which serve a public purpose.
4. Anaheim Venues: Angel Stadium, Convention Center, The Grove, and Honda Center – Discretion over the distribution of complimentary tickets rests first with the mayor, followed by the city council, then the city manager, the deputy city manager, and finally the department directors.

Possible El Cajon Ticket Distribution Policy

After reviewing FPPC policy, referencing the management agreement with Live Nation, and observing other policies, staff recommends possible means to distribute tickets:

1. Employee Retention and Morale – Raffle 1 or 2 pairs of tickets (total of 4 tickets) per event as a means to boost employee morale.
2. Economic Development Purposes – Use complimentary tickets as a means to bolster economic development activity.
3. Do Nothing – Offer no complimentary tickets for a trial period of time (between six and twelve months) to observe how the facility performs as a revenue generator.

Conclusion

In this report, staff addresses the need to update language to City Council Policy A-28 regarding the distribution of tickets to The Magnolia. This revision is needed to comply with amendments that have occurred in FPPC Section 18944.1 in recent years and references the new name of the facility. Staff recommends that the City Council directs staff to revise City Council Policy A-28 and to also provide feedback on ticket distribution options. Based on direction provided, staff will return with a policy for City Council consideration on September 10, 2019.

Prepared By: Ryan Villegas, Management Analyst

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Graham Mitchell, City Manager
SUBJECT: Facility Rental Rates and Fee Structure for The Magnolia

RECOMMENDATION:

That the City Council adopts a Resolution approving the Facility Rental Rates and Fee Structure for The Magnolia.

BACKGROUND:

On December 12, 2017, the City Council approved a management agreement with Live Nation to operate The Magnolia. Since that time, the City has initiated and nearly completed approximately \$8 million of improvements, including deferred maintenance to the building. Under the management agreement, Live Nation is to provide for the management and operation of The Magnolia as a first-class live entertainment and special events venue. The Magnolia remains under the ownership of the City. Events not negotiated by Live Nation will be subject to the City's Facility Rental Rates and Fee Structure. The purpose of this agenda item is to present a Facility Rental Rates and Fee Structure for City Council consideration.

Facility Rental Rates and Fee Structure

In developing proposed rental rates, staff worked with Live Nation to understand the local market of similar venues, as well as similar venues operated by Live Nation. The proposed Facility Rental Rates and Fee Structure (attached) breaks the venue into different spaces that can be reserved:

- Entire Venue Buyout
- Stage Only
- VIP Lounge
- Lobby Areas
- Entire Plaza
- Lower Plaza (Centennial)
- Upper Plaza

For some of the rentable spaces there are different fees depending on whether it is a day or night event. The fee structure indicates that the rate is for non-profits or City affiliated event (such as a local community theater production). Most events marketed and booked by Live Nation will be charged an industry standard rate (usually more than the rate identified in the Facility Rental Rates and Fee Structure). Because this venue is new to the marketplace, staff recognizes that fee adjustments may need to be considered within the first year of operation.

Other Fees

The attached Facility Rental Rates and Fee Structure document indicates there are associated fees in addition to the rental rate. Other fees include a \$2.00 City-imposed fee per ticket or seat for building maintenance, Live Nation staffing costs, cleaning charges, and equipment rental (if needed).

Insurance

Staff recommends that all organizations using The Magnolia provide a certificate of insurance no later than three business days prior to the start of the event. In addition to listing the City as Additionally Insured on the Certificate of Insurance with endorsement, the organization must also list Live Nation Worldwide, Inc.

City Subsidized Events

One of the considerations discussed earlier by the City Council is the possibility of subsidizing several events each year. Staff recommends that the City Council consider setting aside \$15,000 from the General Fund this year for rental rate subsidies so that non-profit and community groups may benefit from the impact of the venue. If the City Council wishes to set funds aside, staff recommends that a mid-year budget adjustment reflect the direction. Staff recommends that the following guidelines be established to be eligible for a subsidy consideration:

1. Must have non-profit status and located in San Diego County,
2. May only receive one subsidized event per year,
3. Must be able to show the ability to occupy a minimum of 60 percent of the venue,
4. Will be required to pay other fees such as the \$2.00 per ticket/seat maintenance fee, staff cost, and cleaning charge,
5. For those entities that sell tickets to an event, they must use Live Nation for ticketing (special events that do not require assigned seats and are not for the general public may be exempt from this requirement), and
6. The City Council will consider each request on a case-by-case basis until the City has experience in administering this program.

FISCAL IMPACT:

It is unknown at this time the precise impact of these fees on the venue's revenue. Staff, based on a pro forma, makes the assumption that first year revenues will be approximately \$550,000 and expenditures up to \$770,000, resulting in a net income of -\$220,000. This loss was anticipated in the first few years of operation. However, until The Magnolia is operational for at least one quarter, it is difficult to project revenue and expenditures.

Prepared By: Graham Mitchell, City Manager

Reviewed By:

Approved By: Graham Mitchell, City Manager

Attachments

Fee Schedule - The Magnolia

Reso Approving The Magnolia Rates & Fee

Magnolia Performing Arts Center
Rental Rates & Fee Structure
2019

Room	Non-Profit / City Rate	Sq Ft	Reception Capacity	Banquet Capacity	Table Top Capacity
Venue Buyout*	\$ 6,000	11,760	1,320	-	-
Stage (only if Auditorium is not in use)	\$ 600	3,030	450	360	180
VIP Lounge (only if Auditorium is not in use)	\$ 500	620	50	40	20
Lobby Areas (only if Auditorium is not in use)	\$ 500	6,150	800	250	250
Entire Plaza (non-show day)					
day	\$ 1,200	22,500	3,050	2,600	1,300
night	\$ 2,000				
Lower Plaza (Centennial) (non-show day)					
day	\$ 600	14,700	1,650	1,375	650
night	\$ 1,000				
Upper Plaza (non-show day)					
day	\$ 600	7,800	1,400	1,150	575
night	\$ 1,000				

* Includes Sound & Lights and Projector in auditorium only per rental day

Additional Fees

- Facility Maintenance Fee (\$2.00 per ticket or seat)
- Staffing cost (depending on event)
- Cleaning charge (depending on event)
- Rental equipment (depending on event)

RESOLUTION NO. __-19

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL CAJON APPROVING
RENTAL RATES AND FEE STRUCTURE FOR
THE MAGNOLIA PERFORMING ARTS CENTER

WHEREAS, on December 12, 2017, the City Council approved a management agreement with Live Nation Worldwide, Inc. ("Live Nation") to manage and operate The Magnolia Performing Arts Center ("The Magnolia") as a first-class live entertainment and special events venue; and

WHEREAS, since that time, the City of El Cajon (the "City") has initiated and nearly completed approximately \$8,000,000 of improvements, including deferred maintenance to the building, and Live Nation will begin operations at The Magnolia in September of 2019; and

WHEREAS, while The Magnolia remains under the ownership of the City under the management agreement, Live Nation is to provide for the management and operation of The Magnolia; and

WHEREAS, events not negotiated by Live Nation will be subject to the City's Magnolia Performing Arts Center Rental Rates & Fee Structure 2019 (the "Fee Structure"), attached hereto as Exhibit "A"; and

WHEREAS, the proposed Fee Structure breaks the venue into different spaces that can be rented:

- Entire Venue
- Auditorium and Stage
- Stage Only
- Entire Plaza
- Lower Plaza (Centennial)
- Upper Plaza

requiring the approval of various fees for the rentable spaces depending on day of week and time of day; and

WHEREAS, the fee structure indicates a rate for non-profits or City-affiliated events (such as a local community theater production); and

WHEREAS, most events marketed and booked by Live Nation will be charged an industry standard rate (usually more than the rate identified in the Fee Structure); and

WHEREAS, the Fee Structure includes associated fees in addition to the rental rates, such as a \$2.00 City-imposed fee per ticket or seat for building maintenance, Live

Nation staffing costs, cleaning charges, and equipment rental (if needed), but does not exceed the reasonably estimated cost to provide The Magnolia for such events; and

WHEREAS, the City Council previously considered the possibility of subsidizing several events each year, and City staff recommends that the City Council set aside \$15,000 in The Magnolia's operational budget for rental rate subsidies in order to allow non-profit and community groups an opportunity to benefit from the impact of the venue, based on a case-by-case basis, with the following guidelines required to be eligible for a subsidy consideration:

- 1) Must have non-profit status and be located in San Diego County.
- 2) May only receive one (1) subsidized event per year.
- 3) Must be able to show the ability to occupy a minimum of sixty percent (60%) of the venue.
- 4) Will be required to pay the other fees such as the \$2.00 per ticket/seat maintenance fee, staff cost, and cleaning charge.
- 5) Those entities that sell tickets to an event must use Live Nation for ticketing (special events that do not require assigned seats and are not for the general public may be exempt from this requirement).

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 hereby incorporated as findings.

2. The City Council hereby approves the Magnolia Performing Arts Center Rental Rates & Fee Structure, substantially in the form as presented to the City Council in this meeting, with such changes as may be approved by the City Manager, or his designee.

3. The City Council hereby approves the requirement that all organizations using The Magnolia provide a certificate of insurance no later than three (3) business days prior to the start of the event, and must list both the City and Live Nation as Additionally Insureds on the certificate of insurance endorsement page(s).

4. The City Council hereby recognizes that fee adjustments may be considered within the first year of operation, and authorizes the City Manager, or his designee, to approve such changes as may be required to achieve full cost recovery.

Magnolia Performing Arts Center
Rental Rates & Fee Structure
2019

Room	Non-Profit / City Rate	Sq Ft	Reception Capacity	Banquet Capacity	Table Top Capacity
Venue Buyout*	\$ 6,000	11,760	1,320	-	-
Stage (only if Auditorium is not in use)	\$ 600	3,030	450	360	180
VIP Lounge (only if Auditorium is not in use)	\$ 500	620	50	40	20
Lobby Areas (only if Auditorium is not in use)	\$ 500	6,150	800	250	250
Entire Plaza (non-show day)					
day	\$ 1,200	22,500	3,050	2,600	1,300
night	\$ 2,000				
Lower Plaza (Centennial) (non-show day)					
day	\$ 600	14,700	1,650	1,375	650
night	\$ 1,000				
Upper Plaza (non-show day)					
day	\$ 600	7,800	1,400	1,150	575
night	\$ 1,000				

* Includes Sound & Lights and Projector in auditorium only

Additional Fees

Facility Maintenance Fee (\$2.00 per ticket or seat)

Staffing cost (depending on event)

Cleaning charge (depending on event)

Rental equipment (depending on event)

EXHIBIT "A"



City Council
Agenda Report

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Mayor Wells
SUBJECT: Council Activity 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:

- July 17, 2019 - Meeting w/ Dave Hoffman, Foothills Church
- July 18, 2019 - Interview w/ KUSI re: The Magnolia
- July 22, 2019 - Meeting w/ Mr. Smith re: Dokua Smith Foundation
- July 23, 2019 - Lunch with Retired Mayor Lewis
- July 25, 2019 - Meeting w/ Seritage re: Sears Building
- July 25, 2019 - Meeting w/ Supt. Glover, Grossmont Union High School District
- July 26, 2019 - SANDAG Board Meeting
- July 26, 2019 - SANDAG Audit Committee Meeting
- July 29, 2019 - Meeting w/ Mayor Pro Tem Goble, City Manager and Assistant City Manager
- July 29, 2019 - Lyons Club Bench Donation - Prescott Promenade
- August 5, 2019 - San Diego LAFCO Meeting
- August 13, 2019 - City Council Meeting(s)

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

Submitted By: Bill Wells, Mayor



City Council
Agenda Report

Agenda Item 17.

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM:
SUBJECT: Legislative Report

RECOMMENDATION:

Attachments

Legislative Report 8/13/19



LEGISLATIVE REPORT

BILL	NO.	SPONSOR	SUBJECT	COUNCIL DATE	POSITION	COMMITTEE	BILL STATUS / LAST ACTION DATE
AB	377	Garcia	Microenterprise home kitchen operations	3/26/19		Assembly	6/27/19 - In committee: Hearing postponed by committee. 5/20/19 – From committee chair, with author’s amendments: Amend, and re-refer to committee. Read second time, amended and re-referred to Com. on HEALTH. 5/2/19 – In Senate. Read first time. To Com. on RLS. for assignment. 3/11/19 – Amended in Assembly
AB	392	Weber	Peace Officers: deadly force	5/14/19	Oppose	Assembly	7/10/19 – In Assembly. Ordered to Engrossing and Enrolling. 6/19/19 - Read second time. Ordered to third reading. 5/30/19 – Passed Assembly; in Senate, in Committee. 4/10/19 - From committee: Do pass and re-refer to Com. on RLS. (Ayes 6. Noes 2.) (April 9). Re-referred to Com. on RLS.

The Legislative Report tracks bills of the California Legislature that the El Cajon City Council/Housing Authority/Successor Agency to the Redevelopment Agency has voted to monitor/watch, support or oppose.

BILL	NO.	SPONSOR	SUBJECT	COUNCIL DATE	POSITION	COMMITTEE	BILL STATUS/ LAST ACTION DATE
AB	516	Chiu	Authority to remove vehicles	5/14/19	Oppose	Assembly	7/9/19 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 2.) (July 9). Re-referred to Com. on APPR. 6/18/19 - From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on TRANS. 5/22/19 - Passed Assembly; In Senate, Committee on Transportation and Public Safety. 5/2/19 – Read second time. Ordered to Consent Calendar.
AB	1356	Ting	Cannabis: local jurisdictions: retail commercial cannabis activity	4/9/19	Oppose	Assembly	5/30/19 - Ordered to inactive file at the request of Assembly Member Ting. 5/20/19 – Read second time. Ordered to third reading. 5/1/19 – Re-referred to Com. on APPR. 4/8/19 - Re-referred to Com. on B. & P.
AB	1568	McCarty	Housing law compliance: prohibition on applying for state grants	5/14/19		Assembly	5/16/19 - In committee: Hearing postponed by committee. 4/25/19 – From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 1.)

The Legislative Report tracks bills of the California Legislature that the El Cajon City Council/Housing Authority/Successor Agency to the Redevelopment Agency has voted to monitor/watch, support or oppose.

BILL	NO.	SPONSOR	SUBJECT	COUNCIL DATE	POSITION	COMMITTEE	BILL STATUS/ LAST ACTION DATE
SB	5	Beall and McGuire	Affordable Housing and Community Development Investment	3/26/19	Support	Senate	6/27/19 – Assembly Rule 56 suspended. 5/29/19 - In Assembly. Read first time. Held at Desk. 4/29/19 – April 29 hearing; Placed on APPR. suspense file. 3/18/19 – Amended in Senate.
SB	50	Weiner	Proposes certain changes to the current density bonus law. Introduces the concept of an “equitable communities incentive” for projects proposed in a “job-rich environment” or “transit-rich environment.”	2/12/19	Oppose unless amended	Senate	7/11/19 - From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (July 10). 7/3/19 - From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 6. Noes 1.) (July 3). Re-referred to Com. on L. GOV. 6/4/19 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on APPR. 5/16/19 – Held in committee and under submission (until 2020). 5/3/19 – Set for hearing May 13. 3/11/19 – Amended in Senate. 1/24/19 – Referred to Coms. on HOUSING and GOV. & F.

The Legislative Report tracks bills of the California Legislature that the El Cajon City Council/Housing Authority/Successor Agency to the Redevelopment Agency has voted to monitor/watch, support or oppose.

BILL	NO.	SPONSOR	SUBJECT	COUNCIL DATE	POSITION	COMMITTEE	BILL STATUS/ LAST ACTION DATE
SB	230	Caballero	Law enforcement: use of deadly force: training: policies	5/14/19	Oppose	Senate	7/3/19 - July 3 set for first hearing. Placed on APPR. suspense file. 6/26/19 - Read second time and amended. Re-referred to Com. on APPR. 5/28/19 - Passed Senate; In Assembly 5/28/19 - Read third time. Passed. (Ayes 38. Noes 0.) Ordered to the Assembly. 5/16/19 – Read second time. Ordered to third reading. 5/3/19 – Set for hearing May 13.
SB	330	Skinner	Housing Crisis Act of 2019	5/28/19	Oppose	Senate	7/11/19 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 1.) (July 10). Re-referred to Com. on APPR. 7/1/19 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on L. GOV. 6/25/19 - Read second time and amended. Re-referred to Com. on L. GOV. 5/29/19 - In Assembly. Read first time. Held at Desk.

The Legislative Report tracks bills of the California Legislature that the El Cajon City Council/Housing Authority/Successor Agency to the Redevelopment Agency has voted to monitor/watch, support or oppose.

BILL	NO.	SPONSOR	SUBJECT	COUNCIL DATE	POSITION	COMMITTEE	BILL STATUS/ LAST ACTION DATE
							5/29/19 - Read third time. Passed. (Ayes 28. Noes 7.) Ordered to the Assembly. 5/20/19 – From committee: Do pass as Amended (Ayes 6. Noes 2.)
SB	542	Stern	Workers’ compensation	5/28/19	Oppose	Senate	5/30/19 - Referred to Com. on INS. 5/22/19 - In Assembly. Read first time. Held at Desk. 5/21/19 - Read third time. Passed. (Ayes 32. Noes 3.) Ordered to the Assembly. 5/16/19 – Read second time. Ordered to third reading.
SB	635	Hueso	Taxation: Gross income exclusions; opportunity zones.	6/11/19	Support	Senate	5/16/19 - Held in committee and under submission.

The Legislative Report tracks bills of the California Legislature that the El Cajon City Council/Housing Authority/Successor Agency to the Redevelopment Agency has voted to monitor/watch, support or oppose.



City Council
Agenda Report

Agenda Item 18.

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Councilmember Kendrick
SUBJECT: COUNCILMEMBER GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications;
Heartland Fire Training JPA.

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:

- July 25, 2019 - Meeting w/ Councilmember Ortiz, City Manager and Assistant City Manager
- July 25, 2019 - Heartland Communications Facility Authority
- July 25, 2019 - Heartland Fire Training Facility Authority
- July 26, 2019 - California Fish Grill Ribbon Cutting
- August 13, 2019 - City Council Meeting(s)

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

Submitted By: Gary Kendrick, Councilmember



City Council
Agenda Report

Agenda Item 19.

DATE: August 13, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Councilmember McClellan
SUBJECT: COUNCILMEMBER BOB MCCLELLAN
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.

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:

- July 25 - MTS Board Meeting
- July 29 - Meeting with City Manager and Assistant City Manager
- August 11 - East County Transitional Living Center Celebration
- August 13 - City Council Meeting(s)

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

Submitted By: Bob McClellan, Councilmember



City Council
Agenda Report

Agenda Item 20.

DATE: August 13, 2019

TO: Honorable Mayor and City Councilmembers

FROM: Deputy Mayor Goble

SUBJECT: DEPUTY MAYOR STEVE GOBLE

SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate.

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:

- July 24 - Joe C from Outdoor Media re: billboard
- July 24 - Email from Marc C re: blocked sidewalks on Travelodge Way
- July 26 - California Fish Grill Ribbon Cutting
- July 27 - Email from Ruth T re: trash on empty lot
- July 29 - Meeting with City Manager
- July 29 - Meeting with Seritage re: old Sears property
- July 29 - Lions Club Bench Dedication
- August 1 - Email from Miriam R. re: Southwest Key facility
- August 2 - Chamber First Friday Breakfast
- August 3 - Phone Call with Todd S re: homeless on 2nd St
- August 5 - Sandra H. requesting pickup of mattresses on sidewalk
- August 5 - National Night Out Against Crime Event
- August 8 - ACES Dog Days of Summer Event
- August 12 - Meeting with City Manager
- August 13 - City Council Meeting(s)

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

Submitted By: Steve Goble, Deputy Mayor



City Council
Agenda Report

Agenda Item 21.

DATE: August 13, 2019

TO: Honorable Mayor and City Councilmembers

FROM: Councilmember Kendrick

SUBJECT: COUNCILMEMBER PHIL ORTIZ - NO REPORT

East County Economic Development Council; League of California Cities,
San Diego Division.

RECOMMENDATION:

BACKGROUND:

REPORT:

Submitted By: Phil Ortiz, Councilmember



City Council
Agenda Report

Agenda Item 22.

DATE: August 13, 2019

TO: City Clerk

FROM: City Attorney/General Legal Counsel

SUBJECT: Closed Session - Conference with Legal Counsel - Anticipated Litigation - pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9: one (1) potential case:

Coast Law Group LLP, representing Climate Action Campaign, has delivered to the City a letter expressing its intent to sue the City, alleging that the City failed to comply with the California Environmental Quality Act when adopting its Climate Action Plan on July 9, 2019.

RECOMMENDATION:

That the following Closed Session be scheduled for the Tuesday, August 13, 2019 Joint City Council/Housing Authority/Successor Agency to El Cajon Redevelopment Agency agenda at 3:00 p.m.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9:

NAME OF CASE:

One (1) potential case: Coast Law Group LLP, representing Climate Action Campaign, has delivered to the City a letter expressing its intent to sue the City, alleging that the City failed to comply with the California Environmental Quality Act when adopting its Climate Action Plan on July 9, 2019.

Morgan L. Foley
City Attorney/General Legal Counsel

MLF:hms



City Council
Agenda Report

DATE: August 13, 2019
TO: City Clerk
FROM: City Attorney/General Legal Counsel
SUBJECT: Closed Session - Conference with Legal Counsel - Existing Litigation - pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9: Ary Jarjis vs. City of El Cajon, et al.

San Diego Superior Court Case No. 37-2018-00051362-CU-PA-CTL

RECOMMENDATION:

That the following Closed Session be scheduled for the Tuesday, August 13, 2019 Joint City Council/Housing Authority/Successor Agency to El Cajon Redevelopment Agency agenda at 3:00 p.m.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9:

NAME OF CASE:

Ary Jarjis vs. City of El Cajon, et al.

San Diego Superior Court Case No. 37-2018-00051362-CU-PA-CTL

Morgan L. Foley
City Attorney/General Legal Counsel

MLF:hms
