



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

Council Chamber
200 Civic Center Way
El Cajon, CA 92020

Agenda

SEPTEMBER 24, 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 September 10, 2019, Meeting and the Agenda of the September 24, 2019, Meetings in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

PRESENTATIONS:

Oath of Office: Police Chief Michael Moulton

Presentation: San Diego River Park Foundation

Proclamation: San Diego Metropolitan Transit System - Free Ride Day

Proclamation: German American Month

Proclamation: Fire Prevention Week

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 September 10, 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 waive the reading in full of all Ordinances on the Agenda.

4. Housing Authority Annual Report for FY 2018-2019

RECOMMENDATION:

That the El Cajon Housing Authority:

1. Approves the attached Annual Report; and
2. Authorizes the Executive Director to transmit it, in a form substantially as presented, to the California Department of Housing and Community Development as required by State law.

5. Extension and Modification of New Hire Incentive Pilot Program for Sworn Police Officers

RECOMMENDATION:

That the City Council authorizes the extension and modification of the Police Department's "New Hire Incentive Pilot Program".

6. 2019 Investment Policy Update

RECOMMENDATION:

That the City Council and Housing Authority, respectively, adopts the next Resolutions, in order, adopting City of El Cajon Investment Policy and delegating investment authorities to the Director of Finance/Authority Treasurer.

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 HEARING:

7. Administrative Hearing - Appeal by Alexandra Investments, Inc., dba Angelo's Towing & Recovery

RECOMMENDATION:

That the City Council conducts the Administrative Hearing; reviews the documents submitted; receives testimony from witnesses who have been identified on each party's list; and determines whether the City Manager's denial of a Special Operations License ("SOL") to operate a Police Department towing business should be upheld or overturned.

ADMINISTRATIVE REPORTS:

8. First Quarter Budget Amendments for Fiscal Year 2019-20

RECOMMENDATION:

That the City Council:

1. Appropriates carry-over funding of \$2,863,130 from previously approved Capital Improvement Projects, capital outlay requests, and programs, to be expended in Fiscal Year 2019-20;
2. Increases or modifies Fiscal Year 2019-20 appropriations in the net amount of \$46,000, for additional needs, as detailed in the report.

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.

9. Council Activity Report

10. Legislative Report

ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:

11. **COUNCILMEMBER GARY KENDRICK**

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

12. **COUNCILMEMBER BOB MCCLELLAN**

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

13. **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.

14. **COUNCILMEMBER PHIL ORTIZ**

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

JOINT COUNCILMEMBER REPORTS:

GENERAL INFORMATION ITEMS FOR DISCUSSION:

- 15. El Cajon Animal Shelter Donations for August 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 August:

Madeline Muller & Family	\$100
David Carroll	\$100
Nancy Lewis	\$100
The Jensen & Geraty Family	\$150
Total	\$450

ORDINANCES: FIRST READING

ORDINANCES: SECOND READING AND ADOPTION

- 16. Amendment of Chapter 2.24 of El Cajon Municipal Code to Eliminate the Veterans' Commission, the Commission on Arts and Culture, and the Human Relations Commission

RECOMMENDATION:

That Mayor Wells requests the City Clerk to recite the title.

An Ordinance Amending Chapter 2.24 of Title 2 of the El Cajon Municipal Code to Eliminate the Veterans' Commission, Commission on Arts and Culture, and Human Relations Commission

CLOSED SESSIONS:

- 17. Closed Session - Conference with Legal Counsel - Existing Litigation - pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9: Climate Action Campaign vs. City of El Cajon, et al.
San Diego Superior Court Case No. 37-2019-00041565-CU-TT-CTL

ADJOURNMENT: The Adjourned Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 24th day of September 2019, is adjourned to Tuesday, September 24, 2019, at 7:00 p.m.



City Council
Agenda Report

Agenda Item 1.

DATE: September 24, 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 September 10, 2019, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

Attachments

09-10-19 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

September 10, 2019

A Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, September 10, 2019, was called to order by Mayor/Chair Bill Wells at 3:00 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present:

McClellan and Ortiz

Council/Agencymembers absent:

Kendrick

Deputy Mayor/Vice Chair present:

Goble

Mayor/Chair present:

Wells

Other Officers present:

Mitchell, City Manager/Executive Director

DiMaggio, Assistant City Manager

Foley, City Attorney/General Counsel

Cortez, City Clerk/Secretary

PLEDGE OF ALLEGIANCE TO FLAG led by Mayor Wells 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 August 13, 2019, Meetings and the Agenda of the September 10, 2019, Meeting in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

PRESENTATIONS:

Presentation: Neighborhood Watch

Proclamation: National Preparedness Month

Proclamation: Importance of Gender Equity

Commendation: Retirement of Police Chief Jeff Davis

Councilmember McClellan greeted students from Valhalla High School present in the audience.

Mayor Wells congratulated City Manager Mitchell for receiving the designation of Credentialed Manager from the International City Management Association (ICMA). Mayor Wells added that Assistant City Manager DiMaggio received the same designation earlier in 2019. He added that the City of El Cajon has the unique distinction of being the only City in San Diego County to have both the City Manager and the Assistant City Manager as ICMA credentialed managers.

AGENDA CHANGES: None

CONSENT ITEMS: (1 – 17)

MOTION BY WELLS, SECOND BY McCLELLAN, to APPROVE Consent Items 1 to 17.

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

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

Approves Minutes of the August 13, 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.

CONSENT ITEMS: (Continued)

3. Approval of Reading Ordinances by Title only

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

4. Acceptance of the Sewer and Storm Drain Repair and Replacement (WW3519) Project

1. Accepts the Sewer and Storm Drain Repair and Replacement (WW3519), Bid No. 021-18; and
2. Authorizes the City Clerk to record a Notice of Completion, and release the bonds in accordance with the contract terms.

5. Acceptance of the Washington Avenue Complete Streets Project, Federal-aid HSIP 5211(037), Job No. PW3617, Bid No. 020-19

1. Accepts the Washington Avenue Complete Streets Project, Federal-aid HSIP 5211(037), Job No. PW3617, Bid No. 020-19; and
2. Authorizes the City Clerk to record a Notice of Completion and release the bonds in accordance with the contract terms.

6. Acceptance of the Traffic Signal Upgrades 2018, Bid No. 004-19, Job No. PW3616

1. Accepts the Traffic Signal Upgrades 2018, Bid No. 004-19, Job No. PW3616; and
2. Authorizes the City Clerk to record a Notice of Completion, and release the bonds in accordance with the contract terms.

7. Fiscal Year 2019 U.S. Department of Justice Edward Byrne Memorial Justice Assistance Grant (JAG) Program Application

Receives the FY 2019 JAG application as an informational item at this time as required by the JAG application. If the Police Department is awarded the JAG grant funds, City Council action will be needed to accept and appropriate the grant.

8. Fiscal Year 2019/2020 Youth League Utility Support Recommendation

Approves the Recreation Council recommendation to provide utility support, in the amount of \$2,100 per league, to eight (8) Executive Member youth leagues.

CONSENT ITEMS: (Continued)

9. Community Event in the Right-of-Way – HauntFest

Approves the use of the public right-of-way for the 8th Annual HauntFest.

10. Authorization to Use Any Editions of the Standard Specifications for Public Works Construction (Greenbook), the San Diego County Regional Supplement to the Greenbook, and the San Diego Regional Standard Drawings, for Public Works Construction in the City of El Cajon

Adopts Resolution No. 086-19 authorizing the Director of Public Works to approve the use of any Editions of the Standard Specifications for Public Works Construction (Greenbook), the San Diego County Regional Supplement to the Greenbook, and the San Diego Regional Standard Drawings, for Public Works Construction in the City of El Cajon.

11. Board of Supervisors Appointment to Gillespie Field

That the City Council ratifies the Board of Supervisors appointment of James Sly to the Gillespie Field Development Council for a term to expire August 6, 2023.

12. 2019-2020 Office of Traffic Safety (OTS) Selective Traffic Enforcement Program (STEP) Grant

1. Authorizes the City Manager or his designee to accept the California Office of Traffic Safety STEP Grant in the amount of \$90,000 and to execute any grant documents and agreements necessary for the receipt and use of these funds.
2. Appropriates the California Office of Traffic Safety STEP Grant funds in the amount of \$84,966 for overtime, \$2,787 for training and travel, \$2,247 for supplies, services and equipment for a total grant award of \$90,000.

13. Disposal of Retired Property

That the City Council declares the listed property retired and authorizes disposal in accordance with policy.

14. KaBOOM! Refresh Grant at Wells Park

Authorizes the acceptance, appropriation, and expenditure for grant funds in the amount of \$9,750 from KaBOOM! to host a three-hour "Park & Playground Refresh at Wells Park."

CONSENT ITEMS: (Continued)

15. January – March 2019 and April – June 2019 Quarterly Treasurer’s Reports

Receives the Treasurer’s Reports for the quarters ending March 31, 2019 and June 30, 2019.

16. Contract Amendment for Street Light Maintenance, Emergency Repairs, and Related Construction Services

Adopts Resolution No. 087-19 to increase the contract for Street Light Maintenance, Emergency Repairs, and Related Construction Services in the annual not-to-exceed amount of \$26,000.

17. Approval of Updates to City Council Policy A-28 Regarding Ticket Distribution

Approves amendments to City Council Policy A-28 and directs the City Manager to exercise his discretion in distributing complimentary tickets provided as part of the City's agreement with Live Nation.

PUBLIC COMMENT:

Hei-ock Kim, representing Kim Center for Social Balance, spoke of the importance of Workplace Equity Day.

Jim Cirigliano acknowledged the anniversary of the September 11 attacks. He shared the poem, “Skins”.

WRITTEN COMMUNICATIONS: None

PUBLIC HEARINGS: None

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ADMINISTRATIVE REPORTS:

18. Facility Rental Rates for Centennial Plaza

RECOMMENDATION: That the City Council adopts the next Resolution in order, revising the facility rental rates for Centennial Plaza.

DISCUSSION

City Manager Mitchell provided a summary of the Item.

Discussion ensued among **Council** and **Staff** concerning the following:

- Changes to the fee schedule may be modified by adopting a Resolution;
- Rental of Centennial plaza on concert days are to be approved by Live Nation.

MOTION BY McCLELLAN, SECOND BY GOBLE, to ADOPT Resolution No.088-19, revising the facility rental rates for Centennial Plaza.

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

19. Fire Station Dog Pilot Program, City of El Cajon Wellness Initiative

RECOMMENDATION: That the City Council receives a report regarding the Fire Station Dog Pilot Program, a City of El Cajon Wellness Initiative.

DISCUSSION

City Manager Mitchell provided a brief description of the item, and introduced Director of Human Resources, Marisol Thorn, who provided detailed information of the Item.

Fire Engineer, Travis Timmins, stated the City of El Cajon would be the sixth city in the nation to have a Fire Station dog, as part of a wellness initiative.

Councilmembers spoke in support of the proposed wellness program.

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.

20. Council Activities Report/Comments

In addition to the submitted report, Mayor Wells stated he visited the local immigrant children’s center. He was pleased to report that he witnessed the children being in a professional and safe environment. Mayor Wells also reported that he spoke with several children, and they seemed happy and well cared for.

21. Legislative Update

Assistant City Manager DiMaggio provided information on the following bills:

AB 392: Update on bill regarding Peace officers: deadly force. Bill was signed by Governor Newsom on August 19, 2019.

SB 5: Update on Affordable Housing and Community Development Investment Program, a more comprehensive report will be provided in the future.

ACTIVITIES REPORTS OF COUNCILMEMBERS:

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

Council Activities Report/Comments.

Report as stated.

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

Council Activities Report/Comments.

Report as stated.

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)

24. 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.

In addition to the submitted report, Deputy Mayor Goble praised the Public Works Department for the cost savings on the Sewer and Storm Drain Replacement project, which was completed for less money than initially anticipated.

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

Council Activities Report/Comments.

Councilmember Ortiz stated he did not attend the East County Chamber of Commerce Government Affairs Committee meeting, as previously reported on his report.

JOINT COUNCILMEMBER REPORTS: None

GENERAL INFORMATION ITEMS FOR DISCUSSION:

26. El Cajon Animal Shelter Donations for July 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 July:

Diana Rouse	\$500.00
Christina Waara-Bogajczyk	\$500.00

ORDINANCES: FIRST READING

27. Introduction of Ordinance Amending Chapter 2.24 of the El Cajon Municipal Code to Eliminate the Veterans' Commission, the Commission on Arts and Culture, and the Human Relations Commission

RECOMMENDATION: That the City Council considers approving the attached ordinance amending Chapter 2.24 of the El Cajon Municipal Code ("ECMC") to eliminate the City of El Cajon Veterans' Commission, the Commission on Arts and Culture, and the Human Relations Commission; and, if approved, take the following actions:

1. By Motion, Second and Vote, moves to introduce the ordinance; and
2. Directs the City Clerk to read the title of the ordinance.

DISCUSSION

City Attorney Foley, provided information on the Item.

MOTION BY McCLELLAN, SECOND BY GOBLE, to INTRODUCE an Ordinance amending Chapter 2.24 of the El Cajon Municipal Code ("ECMC") to eliminate the City of El Cajon Veterans' Commission, the Commission on Arts and Culture, and the Human Relations Commission.

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

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

AN ORDINANCE AMENDING CHAPTER 2.24 OF
TITLE 2 OF THE EL CAJON MUNICIPAL CODE
TO ELIMINATE THE VETERANS' COMMISSION,
COMMISSION ON ARTS AND CULTURE, AND
HUMAN RELATIONS COMMISSION

ORDINANCES: SECOND READING AND ADOPTION: None

CLOSED SESSIONS:

RECOMMENDATION: That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency adjourned Closed Session as follows:

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

San Diego Superior Court Case No. 37-2019-00040676-CU-MC-CTL

29. Closed Session - Conference with Real Property Negotiators - pursuant to Government Code section 54956.8:

Property

Lexington Avenue Senior Apartments
250 E. Lexington Avenue
APN 488-212-21-00

Negotiating Parties

Thomas Safran and Associates Development, Inc.

Authority Negotiators

Executive Director
Assistant Executive Director
General Legal Counsel
Housing Manager

Under negotiation: For the Housing Authority Board to provide instructions to its negotiators regarding the price and terms for an extension of a lease of the Authority's property.

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

San Diego Superior Court Case No. 37-2019-00041565-CU-TT-CTL

MOTION BY WELLS, SECOND BY McCLELLAN, to ADJOURN to Closed Session at 4:02 p.m.

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

CLOSED SESSIONS:

RECONVENE TO OPEN SESSION AT 4:47 PM

City Attorney Foley reported the following actions:

- Item 28: City Council received report from City Attorney; No action taken.
- Item 29: City Council provided direction to Property Negotiator.
- Item 30: No action taken.

Adjournment: Mayor Wells adjourned the Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 10th day of September, 2019, at 4:48 p.m., to Tuesday, September 24, 2019, at 3:00 p.m.

DRAFT

ANGELA L. CORTEZ, CMC
City Clerk/Secretary



City Council Agenda Report

Agenda Item 4.

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Jamie Van Ravesteyn, Housing Manager
SUBJECT: Housing Authority Annual Report for FY 2018-2019

RECOMMENDATION:

That the El Cajon Housing Authority:

1. Approves the attached Annual Report; and
2. Authorizes the Executive Director to transmit it, in a form substantially as presented, to the California Department of Housing and Community Development as required by State law.

BACKGROUND:

On March 9, 2011, the City Council adopted Resolution No. 32-11 establishing the El Cajon Housing Authority (Housing Authority). In accordance with Health and Safety Code sections 34328 and 34328.1, the Housing Authority must prepare a report of its activities during the previous fiscal year by October 1st of each year. The annual report must be filed with the City Clerk and submitted to the California Department of Housing and Community Development (HCD).

FISCAL IMPACT:

No impact to the General Fund. In accordance with Health & Safety code section 34328.1(b), the Housing Authority may be required to reimburse HCD for the cost of processing the report under Project/Activity No. 298110-8395. If this were to occur, the cost would be covered with Housing funds.

REPORT:

The Annual Report provides background on the Housing Authority's formation, assets, budget, and activities from July 1, 2018, through June 30, 2019. Over the past year, the Housing Authority continued to focus on providing affordable housing for low-income households through the continuation of its existing first-time homebuyer program, committing Low and Moderate Income Housing Asset Funds for the development of affordable housing for veterans and families, and identifying possible sites for acquisition/new construction of homebuyer housing.

The Annual Report also demonstrates compliance with the requirements of Health and Safety Code section 34312.3, which includes:

- Providing the minimum amount of housing units affordable to lower income households in housing projects assisted by the housing authority;
- Establishing base rents pursuant to Federal Section 8 requirements for lower income households; and
- Establishing maximum rental payments for lower income households pursuant to State and Federal requirements.

Based on existing documentation, the Housing Authority's properties meet all of these requirements, as they align with California Community Redevelopment Law requirements regarding affordable housing with the use of Low and Moderate-Income Housing Funds of the former redevelopment agency.

In addition to the objectives and items enumerated above, the Annual Report includes a FY 2019-20 Proposed Budget, reflecting anticipated expenses for expected Housing Authority activities and projects. Table 3 of the Annual Report displays revenue from various sources, expenditures, as well as displays the Proposed FY 2019-20 Budget which was adopted by City Council in June of 2019. Under expenditures, the categories are presented as follows:

The Administration item reflects anticipated costs for overall administration of Housing Authority funds for activities unrelated to a specific project. This includes internal staff costs, records management and external costs, such as legal and consultant services.

Materials, Services and Supplies line item represents similar expenditures as those above, but in relation to a particular Housing Authority project (represented as an aggregate).

The Capital Outlay item includes costs for anticipated projects such as land acquisition and construction of approved projects. Currently under construction, the Cornerstone Place development and proposed future projects to be identified represent the majority of the projected expenditures. Once specific projects are identified, they are brought to the El Cajon Housing Authority and City Council for approval.

The Annual Report also requires data on termination of tenancies and termination of Section 8 vouchers because of domestic violence in housing authority units, and a brief summary of steps taken by the Housing Authority to address termination of tenancies resulting from domestic violence. Between July 1, 2018, and June 30, 2019, no properties owned by the Housing Authority reported termination of tenancies for victims of domestic violence, nor has the Section 8 Division of the County of San Diego reported any such terminations.

Prepared By: Jamie van Ravesteyn, Housing Manager

Reviewed By: Anthony Shute, Director of Community Development

Approved By: Graham Mitchell, City Manager

Attachments

El Cajon Housing Authority FY 2018-19 Annual Report



El Cajon Housing Authority

Annual Report

FY 2018-2019

SUMMARY

Pursuant to California Health & Safety Code (“HSC”) section 34328, all housing authorities must annually file a report of their activities for the preceding year (“Annual Report”) with their respective City or County Clerk and with the California Department of Housing and Community Development (“HCD”). This Annual Report covers all activities of the El Cajon Housing Authority that occurred during the Fiscal Year 2018-2019, including housing unit compliance with affordability requirements, activities concerning existing debt obligations, as well as land transactions and development.

LEGAL AUTHORITY

The State legislature allows housing authorities to function as local entities with the primary responsibility of providing housing for very low and low income households. Housing Authorities are distinct, autonomous, legal entities that derive their power from State legislature. Under HSC section 34200, the law provides the functioning of a local housing authority through a resolution of the local governing body.

In the case of the City of El Cajon (“City”), the City Council adopted Resolution No. 32-11 on March 9, 2011, to establish the El Cajon Housing Authority (“Housing Authority”) by confirming and finding: (1) that unsanitary or unsafe inhabited dwellings exist in the City; or (2) that there is a shortage of safe and sanitary dwellings accommodations in the City available to persons of low income at affordable rents.

On January 24, 2012, the El Cajon Redevelopment Agency (“Agency”) adopted Resolution No. ECRA-427 to transfer title of the Agency’s housing real property assets and loans receivable before February 1, 2012, to the Housing Authority and transfer all remaining housing assets to same entity, including, but not limited to: recorded or unrecorded leases, Deeds of Trust, intangible assets, fixtures and equipment, agreements, contracts, promises to pay, receivables and any/all other unspecified assets. The Housing Authority then adopted Resolution No. ECHA-1 to appoint the officers of the Housing Authority; to accept the Agency’s housing real property assets and loans receivable before February 1, 2012; to accept transfer of all remaining housing assets, including, but not limited to: recorded or unrecorded leases, Deeds of Trust, intangible assets, fixtures and equipment, agreements, contracts, promises to pay, receivables and any/all other unspecified assets; and to authorize the Executive Director to pay enforceable obligations, and conduct day to day operations of the Housing Authority.

OBJECTIVES OF THE HOUSING AUTHORITY

Historically, the primary role of housing authorities has been to interact with the Department of Housing and Urban Development (“HUD”) on behalf of their communities, and to function as the administrator of “Section 8” funds, as defined by Section 8 of the United States Housing Act of 1937. A housing authority’s function under Section 8 entails determining applicants’ eligibility to receive Section 8 assistance, maintaining a waiting list of eligible participants,

contracting with property owners and ensuring that contracted rent prices are reasonable. The County of San Diego conducts this function on the behalf of the El Cajon Housing Authority.

However, a housing authority also serves to meet the affordable housing needs of a wider range of residents than Section 8 alone. Unlike the former Agency, the Housing Authority is able to own and operate housing developments, subject to Article XXXIV of the California Constitution (“Article 34”) limitations, which alleviates the need to find prospective owners or operators for the units created. If political support permits, the Housing Authority is able to utilize eminent domain as a tool by which to assemble land for housing developments without the need to document blighting conditions.

The Housing Authority’s future goals and objectives are to:

- Increase, improve or preserve housing stock available to low and very low income residents;
- Rehabilitate multi-family properties that exhibit unsafe or unhealthy characteristics;
- Increase the affordability of housing for low and very low income residents;
- Reduce overcrowding conditions in multi-family units;
- Fulfill obligations to produce and maintain affordable housing units pursuant to HSC section 33000 *et. seq.*, with housing assets transferred from the Agency; and
- Generate ongoing revenues to achieve Housing Authority self-sustainability.

CONTENTS OF THE HOUSING AUTHORITY’S ANNUAL REPORT

This Annual Report has been developed to address the following requirements:

- To provide a complete report of activities during FY 2018-19;
- To prove compliance with the requirements of HSC section 34312.3; and
- To document terminations as required by HSC section 34328.1.

HOUSING AUTHORITY DEBT OBLIGATIONS

Pursuant to HSC section 34312.3, the Housing Authority must provide a complete report of its activities taken during the prior fiscal year, which includes bonds, loans and financing agreements for multifamily rental projects.

The Housing Authority was activated on March 9, 2011, and has not issued any bonds. Any future financing for the acquisition, construction, rehabilitation, or development of multi-family housing through the issuance of bonds, construction loans, mortgage loans, and/or financing agreements will be documented and provided in subsequent Annual Reports.

LAND TRANSACTIONS AND DEVELOPMENT ACTIVITIES

HSC section 34312.3 also requires that all prior year’s activities be reported, which include not only debt obligations but activities related to the development, rehabilitation, or finance of

housing projects, including: purchase, sale, lease, ownership, operation, or management of housing projects assisted by the Housing Authority; conveyance of surplus lands to a developer for permitted purposes; and establishment of a special trust fund or account funded with bond-loan issuance proceeds or developer fees.

During FY 2018-19, the Housing Authority undertook the following land transactions or development activities:

El Cajon Housing Authority Land Transactions and Development Activities				Table 1-A
Parcel #	Site Address	Type	Purpose	Status
492-643-09-00	812 - 816 Grossmont Avenue	Disposition and Development Agreement	This property was previously acquired and partially developed as part of the Greenovation Program. In October of 2016, the property was deeded to the El Cajon Housing Authority in lieu of repayment of the development loan. In February of 2017, the El Cajon City Council approved the sale of the property to San Diego Habitat for Humanity (SDHFH) in the total amount of \$640,000 for subsequent development and sale of 3 single-family homes for low-income homebuyers. The Housing Authority agreed to accept \$300,000 in cash at close of escrow and a Note for the remaining \$340,000, to be repaid upon sale of the first two homes. Title was transferred to SDHFH in August of 2017. Tentative Parcel Map No. 665 was approved on May 25, 2018 and the Final Map to create three separate sellable units in a Common Interest Development is complete. In FY 2018-19, SDHFH identified two qualified low-income households to purchase the first two homes. These prospective homebuyers will enter into zero-percent, 1 st mortgage loans with SDHFH, and will also utilize LMIHAF Funds through deferred, zero-interest second mortgages through the Housing Authority's FTIB program. Escrow is expected to close on the first two homes in September of 2019. Building Permits for construction of the third and final unit have been issued, and development is underway.	Permitting and Development Underway
487-342-03-00 487-342-06-00	230 S. Sunshine	Commitment of Funds	On December 8, 2015, the Housing Authority appropriated and committed a total of \$1.3 million in LMIHAF and 2005 Bond funds for the development of 70 units of affordable housing for veterans and families. The Cornerstone project commenced construction in March, 2018 and has progressed steadily. Construction is expected to be complete in October 2019, with full lease-up in November. Through June 30, 2019, the total LMIHAF funds drawn from the committed amount equals \$1,235,000, with the remaining balance (\$65,000) to be drawn upon project completion. Once completed, this 70-unit project will become home to low-income families and individuals, including veterans. 69 of the 70 units will be occupied by low-income residents earning 60% or less of the Area Median Income (AMI). Six units will be restricted by HCD and TCAC rent limit schedules (whichever is lower) for 40% AMI households.	Development Underway

HOUSING AUTHORITY ASSETS

Housing Authority assets include, but are not limited to: real property, recorded or unrecorded leases, Deeds of Trust, intangible assets, fixtures and equipment, agreements, contracts, promises to pay, receivables, transfers, and any/all other unspecified assets. All Real Property Assets owned and transferred to the Housing Authority are shown on **Table 1-B** and a summary of all Loans Receivable are shown on **Table 1-C**.

Table 1-B

El Cajon Housing Authority Real Property Assets (Properties owned and transferred to the Housing Authority)			
Parcel #	Site Address	Date Acquired	Current Use
487-180-09-00	151 Chambers Street	07/26/2007	DDA - Solterra Sr. Residences
487-191-14-00	131 Chambers Street	07/25/2008	DDA - Solterra Sr. Residences
488-111-35-00	Lot Adjacent to 146 Ballantyne Street	08/24/1973	Vacant
488-212-21-00	250 E. Lexington Avenue	07/01/1994	Lease - Lexington Senior Apartments
488-212-22-00	Prescott Promenade- Parking Lot	06/27/2014	Parking Lot

Table 1-C

El Cajon Housing Authority Loans Receivable (Loans transferred to the Housing Authority)			
Loan Receivable Type	# of Outstanding Loans	Value of 6/30/2019	
Multi-Family Projects	3	\$	5,941,250
Single Family Units	68	\$	4,480,070
Single Family Development	1	\$	340,000
Total	72	\$	10,761,320

HOUSING UNIT COMPLIANCE

As set forth by HSC sections 34328 and 34328.1, housing authorities are required to:

- Prove compliance with the requirements of HSC section 34312.3 such as the minimum number of housing units affordable to lower income households in projects assisted by the Housing Authority and establish base rents and/or maximum rental payments for lower income households;
- Lower-income households are defined as a household with income not greater than 80% of the Area Median Income (“AMI”) established by the U. S Department of Housing & Urban Development; and
- To document any domestic violence tenancy terminations or Section 8 voucher terminations as required by Health and Safety Code section 34328.1.

The following subsections provide a summary of the Housing Authority’s progress toward the requirements listed above.

HOUSING UNIT AFFORDABILITY REQUIREMENT

Pursuant to HSC section 34312.3, not less than 20 percent of the units assisted by the Housing Authority, or 15 percent in targeted areas¹, as defined by section 103(b) (12) (A) of Title 26 of the United States Code, must be affordable to persons of low income. Of that percentage, not less than one-half must be available to persons of very-low income, if the housing development is financed by bonds². Nevertheless, the power to finance, own, build, and/or operate a housing development allows the Housing Authority to take on a more active role in the creation and maintenance of housing for low income families.

¹ CA Health & Safety Code Section 34312.3 (e)(1)(A)

² CA Health & Safety Code Section 34312.3 (2)(A)

Table 1-D provides a summary of the multi-family real estate assets owned or managed by the Housing Authority, and the breakdown of the current income levels that the units fall within, where known. **Table 1-D** shows how the current affordability mix of the Housing Authority’s projects meet established requirements within HSC section 34312.3, or the requirements of the funding sources at the time the assistance was provided.

El Cajon Housing Authority Multi-Family Residential Real Estate Assets (Owned or managed by the Housing Authority)							Table 1-D
Project Name/Location	Project Type	VL	Low	Mod	Mkt Unit	Total No. Units	
Solterra Sr. Residences 131 Chambers Street 151 Chambers Street	Senior Rental Units Senior Rental Units (Ground Lease)	48	----	1	-----	49	
Lexington Senior Apts. 250 E. Lexington Avenue	Senior Rental Units (Ground Lease)	100	----	----	-----	100	
El Cajon Senior Towers, L. P 180 Ballantyne Street	Senior Rental Units ³	13	----	----	-----	13	
Total		161		1		162	

During FY 2018-19, the Housing Authority did not issue any first time homebuyer loans with Low & Moderate Income Housing Asset Funds. **Table 1-E** provides a summary of the single family real estate assets assisted by the Housing Authority during this reporting fiscal year, and the breakdown of the current income level that the unit falls within.

El Cajon Housing Authority Single-Family Residential Real Estate Assets (Assisted by the Authority)							Table 1-E
Address	Project Type	VL	Low	Mod	Mkt Unit	Total No. Units	
No activity	N/A	N/A	N/A	N/A	N/A	N/A	
Total		0	0	0	0	0	

BASE & MAXIMUM RENTS

HSC section 34312.3 establishes a set of guidelines to determine the base and maximum rents that a housing authority can charge for units reserved for lower income households. According to HSC section 34312.3, “rental payments shall not exceed the amount derived by multiplying 30 percent times 50 percent of the median adjusted gross income for the area, adjusted for family size, as determined pursuant to Section 8 of the United States Housing Act of 1937 (42 U. S. C. Sec. 1437f).” The Housing Authority does not have an adopted schedule of base rental payments; however, the following table provides a calculation of the maximum rental payments that the Housing Authority can charge for lower income household units. The Housing Authority monitors to ensure compliance of rental payments charged for its housing units and will make necessary adjustments to bring any rental payments that exceed the listed amounts in **Table 2** into compliance.

³ The Housing Authority required 15% of the units in the El Cajon Senior Tower Apartments be restricted to very-low income households through the sale of 146 Ballantyne, and recording of a Notice of Affordability Restrictions on Transfer of Property.

EL CAJON HOUSING AUTHORITY - 2018											Table 2
Affordable Rental Housing Limits											
San Diego County											
Area Median Income		\$81,800			Very Low Income		Low Income		Moderate Income		
Change from 2017		+3.2%									
Median Income	Utility Allowance	HUD FMR ¹	Number of Persons	Number of Bedrooms	Qualifying Income Limit	Max Rent 30% X 50%*	Qualifying Income Limit	Max Rent 30% X 70%**	Qualifying Income Limit	Max Rent 30% X 110%***	
					<i>H&S Code 50052.5(b)(2)</i>	<i>H&S Code 50052.5(b)(3)</i>		<i>H&S Code 50052.5(b)(4)</i>			
\$57,250	\$65	\$1,257	1	Studio	\$34,100	\$716	\$54,500	\$859	\$68,700	\$1,574	
\$65,450	\$92	\$1,400	2	One	\$38,950	\$818	\$62,300	\$982	\$78,500	\$1,800	
\$73,600	\$117	\$1,816	3	Two	\$43,800	\$920	\$70,100	\$1,104	\$88,350	\$2,024	
\$81,800	\$144	\$2,612	4	Three	\$48,650	\$1,023	\$77,850	\$1,227	\$98,150	\$2,250	
\$88,350	\$184	\$3,198	5	Four	\$52,550	\$1,104	\$84,100	\$1,325	\$106,000	\$2,243	
\$94,900	\$209	\$3,678	6	Five	\$56,450	\$1,186	\$90,350	\$1,424	\$113,850	\$2,610	

¹Fair Market Rents

*Affordable Housing Cost for Very Low Income Households is the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code section 50052.5(b)(2).

**Affordable Housing Cost for Lower Income Households is the product of 30 percent times 70 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code section 50052.5(b)(3).

***Affordable Housing Cost for Moderate Income Households is not less than 28 percent of the gross income of the household, and not more than the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate to the unit. Health and Safety Code section 50052.5(b)(4).

Utility Allowance reflects use of water service and gas for heating, cooking, and water heating in accordance with County of San Diego Section 8 Rental Assistance Program, effective 07/01/2017.

DOMESTIC VIOLENCE

State law requires that a housing authority annually report data related to domestic violence incidents in units owned or operated by the housing authority. Specifically, the report must include data on the following:

- Data on termination of tenancy and/or Section 8 vouchers' of victims of domestic violence in Housing Authority units.
- Summary of steps taken by the Housing Authority to address any termination of tenancies and/or Section 8 vouchers of victims of domestic violence.

Between July 1, 2018, and the end of the reporting year on June 30, 2019, no properties owned by the Housing Authority reported termination of any tenancies for victims of domestic violence. In addition, the Section 8 Division for the County of San Diego reported no terminations of Section 8 vouchers of victims of domestic violence during the reporting period, as the County does not own or operate any units in the City of El Cajon. In the future, information on any terminations of this kind will be limited to a summary of the number and non-specific information to protect the privacy of the parties involved.

FINANCIAL STATEMENT/BUDGET

Table 3 presents the revenues and expenditures within the Housing Authority’s actual budget for FY 2018-2019 as well as the estimated budget for FY 2019-2020.

City of El Cajon Housing Authority		Table 3	
Schedule of Revenues and Expenditures and Changes in Fund Balances - Budgetary Basis			
		Actual 2018-19 (Unaudited)	Proposed Budget 2019-20
Beginning Fund Balance		\$ 3,737,408	\$ 3,737,408
Revenues/Sources:			
Investment earnings		182,975	-
Sale of Property		-	-
Rental Income		-	1
Other Revenues		890	420
Loan Repayments		216,617	200,000
Successor Agency Funds		11,500	-
Transfers in -In-Lieu Funds		-	287,000
Total Revenues		411,982	487,421
Expenditure/Uses:			
Administration		87,460	220,556
Material, services, and supplies		129,824	234,100
Capital Outlay		-	-
Loan Disbursements		361,911	2,716,261
Total Expenditures		579,195	3,170,917
Excess (deficiency) of revenues over (under) expenditures		(167,213)	(2,683,496)
Ending Fund Balance		\$ 3,570,195	\$ 886,699

Source: City of El Cajon, Revenue & Expenditure Status Reports Fiscal Year 2018-2019 & City of El Cajon Adopted Annual Budget Fiscal Year 2019-2020

FUTURE HOUSING AUTHORITY ACTIVITIES

Future Housing Authority activities to meet goals and objectives will be directed to undertaking activities that meet HSC and supplementary/leveraged funding regulatory requirements, maximize existing and new financial resources for the continued production of affordable housing for low-income households, generate ongoing revenues through affordable housing production to ensure Housing Authority self-sustainability, improve the quality of affordable housing stock in El Cajon, and eliminate conditions that lead to blight in affordable housing developments in El Cajon.

Specific activities that are anticipated or may be contemplated during FY 2019-20 include:

- Acquisition-New Development/Multi-Family Affordable Housing Production:** On July 28, 2015, the City of El Cajon appropriated and allocated \$1.2 million in federal HOME funds for acquisition of vacant property at 230 S. Sunshine Avenue for the future development of a 70-unit affordable housing project (69 affordable units and 1 unrestricted manager’s unit). On December 8, 2015, the El Cajon Housing Authority appropriated and committed LMIHAF and 2005 Bond funds, in the amounts of \$608,000 and \$692,000 respectively, for a total of \$1.3 million, to the project with developer Domus Development, LLC (“Domus”). The project is subject to Affordable Housing Regulatory Agreements which will require residency to be restricted to low-income veterans and families. Forty-eight (48) of the units will be 1-bedrooms with preference for veterans, and twenty-two (22) of the units will be 3-bedroom units targeted for families. Construction commenced in March of 2018 and

is expected to be complete late 2019. As of June 30, 2019, \$1,235,000 has been drawn for the Cornerstone project. Six (6) of the units will be restricted for 55 years by HCD and TCAC rent limit schedules (whichever is lower) for 40% AMI households.

- **812-816 Grossmont Avenue (formerly the Greenovation Program):** This property was previously acquired and partially developed as part of the Greenovation Program. In October of 2016, the property was deeded to the El Cajon Housing Authority in lieu of repayment of the development loan. In February of 2017, the El Cajon City Council approved the sale of the property to San Diego Habitat for Humanity (SDHFH) in the total amount of \$640,000 for subsequent development and sale of 3 single-family homes for low-income homebuyers. The Housing Authority agreed to accept \$300,000 in cash at close of escrow and a Note for the remaining \$340,000, to be repaid upon sale of the first two homes. Title was transferred to SDHFH in August of 2017. Tentative Parcel Map No. 665 was approved on May 25, 2018 and the Final Map to create three separate sellable units in a Common Interest Development is complete. In FY 2018-19, SDHFH identified two qualified low-income households to purchase the first two homes. These prospective homebuyers will enter into zero-percent, 1st mortgage loans with SDHFH, and will also utilize LMIHAF Funds through deferred, zero-interest second mortgages through the Housing Authority's FTHB program. Escrow is expected to close on the first two homes in September of 2019. In addition, Building Permits for construction of the third and final unit have been issued, and development is underway.
- **Community Housing Development Organizations (CHDOs):** On July 26, 2016, the City appropriated and allocated \$1 million of federal HOME funds to SDHFH, a non-profit housing development organization and certified CHDO, to acquire available property located at 585 Ballantyne and for development of five (5) new units of affordable homebuyer housing. This project is complete and escrow closed on all five of the homes in July of 2019.
- **Homeless Prevention and Rapid Re-Housing:** Since the Housing Authority has fulfilled its obligations pursuant to sections 33413 and 33418 of the HSC, for the past two years, the City has contracted with Crisis House to utilize LMIHAF funds to provide assistance to homeless individuals and families through the hiring and management of a dedicated Housing Navigator to provide housing relocation and stabilization services. The program is titled "El Cajon Housing Connections" and the services include case management, housing search and placement, and connection to supportive services, along with funds for rental housing assistance, to include short-term rental assistance, utility deposits, and other appropriate assistance. As of July 31, 2019, 110 individuals have been enrolled in the program, and 77 of those individuals (52 households) have successfully found permanent housing. In 2019, the program was granted a matching amount of \$150,000 in HEAP funding for further expansion into the East County region. In FY 2019-20, the Housing Authority anticipates entering into a renewed agreement with Crisis House

for the continued provision of the El Cajon Housing Connections program and services in El Cajon city.

- **Revenue Generation:** Revenue generation continues to be essential for the Housing Authority into the future and will be limited to the preservation of current outstanding Housing Authority Assets, collection of Loans Receivable, and generation of lease revenues through the acquisition of property.

Current revenue and asset limitations will be the greatest challenge for the Housing Authority in its quest for the production of affordable housing units and achievement of self-sustainability. As federal, state and local programs are being eliminated or reduced, there are fewer subsidies and financial resources available to make affordable projects economically feasible. This trend requires the Housing Authority to be strategic and deliberate in the types of projects for which it chooses to participate, or it must seek other viable alternatives to preserve or build housing that is affordable.



City Council Agenda Report

Agenda Item 5.

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Marisol Thorn, Director of Human Resources
SUBJECT: Extension and Modification of New Hire Incentive Pilot Program for Sworn Police Officers

RECOMMENDATION:

That the City Council authorizes the extension and modification of the Police Department's "New Hire Incentive Pilot Program".

BACKGROUND:

At its October 10, 2017 meeting, the City Council approved the creation of a New Hire Incentive Pilot Program for sworn police officers. The program was created to address the shortage of officers in the City. Although the City has increased staffing levels through aggressive recruiting, the City now finds itself with a shortage of senior level officers. The City requests that the City Council approve the extension of the program to provide financial incentives to both existing employees who refer successful candidates and to lateral officers who meet certain criteria of success.

The initial pilot program became effective for all recruitments the date approved by the City Council. The program was set to expire on June 30, 2019 unless the parties mutually agreed to an extension. Both parties agreed to an extension but only for lateral hires (sworn police officers from outside agencies). The amounts of the incentives will remain the same for new lateral hires and referring officers. The other terms of the program will remain the same with the exception of the modification language for lateral hires only. A detailed copy of the terms of the program can be found at Human Resources.

The extension of this pilot program is effective for all recruitments after June 30, 2019. This pilot program will end June 30, 2024 unless the parties mutually agree to an extension.

FISCAL IMPACT:

The approximate annual costs per fiscal year based on an estimated four new hire incentives and four referral incentives each year will be no more than \$30,000 - \$35,000, including "roll up" costs.

Prepared By: Marisol Thorn, Director of Human Resources

Reviewed By:

Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Clay Schoen, Director of Finance
SUBJECT: 2019 Investment Policy Update

RECOMMENDATION:

That the City Council and Housing Authority, respectively, adopts the next Resolutions, in order, adopting City of El Cajon Investment Policy and delegating investment authorities to the Director of Finance/Authority Treasurer.

BACKGROUND:

The City's investment policy requires that the policy be reviewed and adopted annually. The City's policy was first adopted by the City Council on May 15, 1996. In 2002, the National Association of Public Treasurers in the United States and Canada certified the City's investment policy as meeting their established standards. The policy has since been reviewed for update every year thereafter to ensure compliance and sound investment practices.

In preparing the update, the City's investment advisor, Public Financial Management (PFM), was asked to review and provide comment. Their attached response offers revisions to consider, although not required. The proposed investment policy is presented for consideration and approval.

FISCAL IMPACT:

Prudent investments provide for the safekeeping of funds and are an important revenue source.

Prepared By: Clay Schoen, Director of Finance
Reviewed By: N/A
Approved By: Graham Mitchell, City Manager

Attachments

Proposed 2019 Investment Policy
2019 PFM Comments
Reso - City
Reso - ECHA

1. Purpose

This Statement is intended to provide guidelines for the prudent investment of the City's temporarily idle cash, and outline the policies for maximizing the efficiency of the City's cash management system. The investment goal is to enhance the economic condition of the City while insuring the safety of funds invested.

2. Scope

This investment policy applies to all financial assets of the City of El Cajon. Funds applicable are as accounted for in the City's Comprehensive Annual Financial Report and include:

- 2.1 Major Governmental Funds
- 2.2 Non-Major Governmental Funds
- 2.3 Enterprise Fund
- 2.4 Internal Service Funds
- 2.5 Agency Funds

Additionally, the City provides cash management and investment services for:

- 2.1 El Cajon Housing Authority
- 2.2 Heartland Fire Training Facility Authority Funds
- 2.3 Heartland Communication Facility Authority Funds
- 2.4 Successor Agency to the Former El Cajon Redevelopment Agency

3. Objective

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield on its investments consistent with the criteria established for safety and liquidity.

4. Policy

It is the policy of the City of El Cajon to invest public funds in a manner that will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City.

The primary objectives, in priority order, of the City's investment activities shall be:

- 4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to reduce the potential for loss of principal, interest or combination of

the two. The City invests only in those instruments that are considered very safe.

4.2 Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. Liquidity refers to the ability to convert an investment to cash promptly with minimum risk of losing some portion of principal or interest.

4.3 Yield: Yield is defined as the average annual return on an investment based on the interest rate, price, and length of time to maturity. The City attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met. The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio.

5. Prudence

Investments will conform to all state and local statutes governing the investment of public funds. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6. Authorized Investments

The City is empowered by statute to invest in securities listed below.

Percentage holding limits listed in this section apply at the time the security is purchased. In the event a security held by the City is subject to a credit rating change that brings it below the minimum credit ratings specified in this policy, the Director of Finance/Treasurer should notify the City Council of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the change, prognosis for recovery or further rate drops, and the market price of the security.

Bond reserves and proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy:

- 6.1 Bank Deposits FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits (“TCDs”) and other types of bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder’s equity. To be eligible to receive City deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et seq. The Director of Finance/Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The City shall have a signed agreement with any depository accepting City funds per Government Code Section 53649. The maturity of TCDs may not exceed 1 year in maturity. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in TCDs.
- 6.2 Negotiable Certificates of Deposit Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions which have long-term debt rated in the rating category of “A” or its equivalent or better by a Nationally Recognized Statistical Rating Organization (“NRSRO”); and/or have short-term debt rated “A-1” or higher or its equivalent by a NRSRO. Purchases of Negotiable CDs may not exceed 30% of the City’s investment portfolio.
- 6.3 Placement Service Deposits Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall meet all of the requirements of Government Code Section 53601.8. Purchases of Placement Service CDs may not exceed 30% of the City’s investment portfolio.
- 6.4 Securities of the U.S. Government or its Agencies Federal agency or United States government-sponsored enterprise obligations, participations,

or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- 6.5 Treasury Bills and Notes U.S. Treasury Bills, Notes, Bonds or Certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- 6.6 Medium-Term Notes Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in the rating category of “A” or its equivalent or better by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.
- 6.7 Municipal Debt Registered treasury notes or bonds of this or any of the other 49 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state or any of the other 49 United States.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in the rating category of “A” or its equivalent or better by a NRSRO. A maximum of 20 percent of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed 10 percent of the portfolio.

- 6.8 Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio.
- 6.9 Asset-Backed Securities. Asset-backed securities include mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed

or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds. Purchases are limited to securities rated in a rating category of "AA" or its equivalent or better by a NRSRO. ~~Additionally, securities must be issued by an issuer whose debt is rated in a rating category of "A" or its equivalent or better by a NRSRO.~~ A maximum of 20 percent of the portfolio may be invested in this category.

- 6.10 Local Agency Investment Fund (LAIF) Investment of funds in the California State Pool (LAIF), subject to the State's maximum investment regulation.
- 6.11 Bankers' Acceptance Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as Bankers' Acceptances, which are eligible for purchase by the Federal Reserve System, the short term paper of which is rated in the highest category by a NRSRO. Purchases of Bankers' Acceptances may not exceed 180 days maturity or 30% of the City's investment portfolio.
- 6.12 Commercial Paper rated the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the conditions in either paragraph (1) or paragraph (2):
- (1) The corporation shall be organized and operating within the United States, shall have total assets in excess of five hundred million dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.
 - (2) The corporation shall be organized with the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond; has commercial paper that is rated "A-1" or higher, or its equivalent, by a NRSRO.

Purchases of commercial paper may not exceed 25% of the City's investment portfolio.

- 6.13 Repurchase Agreements (Repos) A purchase of securities by the City pursuant to an agreement by which the seller will repurchase such securities on or before a specified date, or on demand of either party, and for a specified amount. Investments in repos will be used solely as short-term investments not to exceed 30 days or 30% of the City's investment portfolio. Prior to investing in repurchase agreements the City shall have

properly executed a master repurchase agreement with each counterparty with which it enters into repurchase agreements.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in Section 6.4 and 6.5, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the City's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by the City for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis. Market Value must be calculated each time there is a substitution of collateral.

The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The City may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$1 billion and in the highest short-term rating category as provided by a NRSRO.

- 6.14 Money Market Mutual Funds Mutual funds must consist of securities and obligations of the U.S. Treasury and agencies of the federal government, and repurchase agreements collateralized with U.S. Treasury and Federal Agency obligations. The management companies shall either (1) attain the highest ranking or the highest letters and numerical rating provided by not less than two of the three largest NRSRO, or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations as authorized above and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares for beneficial interest purchase shall not include any commission and shall not exceed 15% of the City's surplus money, which may be invested.

- 6.15 County of San Diego Treasury (County Pool) Investment in the County of San Diego Treasury pool not to exceed 30% of the City's investment portfolio.
- 6.16 California Asset Management Trust Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Government Code. Investment in the Trust's Cash Reserve Portfolio (pool) not to exceed 30% of the City's investment portfolio.
- 6.17 Other investments that are, or may become, legal investments through the State of California Government Code and with prior approval of the City Council.

7. Diversification and Maturity

The investment portfolio shall be diversified among security types, individual financial institutions or maturity segments. In addition to the percentage limitation specified in Section 6 above, the maximum amount of the portfolio the City may invest with any one non-governmental issuer is 10%. Percentage limitations apply at time of purchase.

This investment policy limits maturities to five years unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the City Council no less than three months prior to the investment. Bond reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds.

8. Investment Reports

The Director of Finance/Treasurer shall submit a quarterly investment report to the City Manager and City Council as soon as practical but no later than 60 days after the close of the quarter, except at fiscal year-end when the report shall be submitted no later than 90 days after the close of the quarter. The report shall include performance, market sector and interest earnings, the state of the investment market, highlight changes since the last report, and discuss investment strategy. Reporting shall be on the basis of both cost and market. The report shall include:

- 8.1 A listing of individual securities held at the end of the reporting period by authorized investment category.
- 8.2 A listing of all investment types at par values, date of maturity, and the market value.
- 8.3 Quarterly historical data by investment category.

8.4 Pool investment portfolio make-up, by investment categories (BA's, CD's, Commercial Paper, Agencies, etc.).

8.5 Percentage of portfolio represented by each investment category.

The policy recognizes that reporting on a market basis will periodically cause market gains or losses to be reported. In most instances such gains or losses will not be realized since individual securities with specific maturities are purchased based upon projected cash flows and normally will not be liquidated prior to maturity.

The report shall state whether the investments comply with the investment policy, or manner in which the portfolio is not in compliance, and whether the City will be able to meet its needs for cash for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

9. Internal Controls

The Director of Finance/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management. The internal controls shall address the following points:

9.1 Control of Collusion - Collusion is a situation where two or more employees are working together to defraud their employer.

9.2 Separation of Duties - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.

9.3 Custodial Safekeeping - Securities purchased from any bank or dealer, including appropriate collateral, shall be placed and held by a third party custodian designated by the Director of Finance/Treasurer and evidenced by safekeeping receipts.

9.4 Avoidance of physical delivery securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis.

- 9.5 Clear Delegation of Authority - Subordinate staff members must have a clear understanding of their authority and responsibility to avoid improper actions.
- 9.6 Written Confirmation of Telephone Transactions for Investments and Wire Transfers - Due to the potential for error arising from telephone transactions, all telephone transactions shall be supported by written communications and approved by the appropriate person.
- 9.7 The Director of Finance/Treasurer shall establish an annual process of independent review by the external auditor. This review will provide internal control by assuring compliance with policies and procedures.
- 9.8 The Director of Finance/Treasurer shall establish a review process for government investment pools used by the City. At a minimum, the City shall maintain on file a copy of the pool's investment policy and its requirements for participation, including limitations on deposits or withdrawals. For any pools used by the City, the Director of Finance/Treasurer shall include a listing by report to the Board quarterly by percentage the amount the pool has invested by investment sector.

10. Use of Professional Investment Manager

The City has engaged an investment advisor to assist in its investment program. Investments made by the Investment Advisor will be under the direction of the Director of Finance/Treasurer and will conform to this policy and within limitations of the Government Code.

11. Authorized Financial Dealers and Institutions

For transactions executed by the City's Investment Advisor, the Investment Advisor shall select broker/dealers according to Investment Advisor's selection policy. The use of broker/dealers will conform to the Investment Advisor's approved list at the time of investment. For transactions executed directly by the City and not purchased from the issuer, the Director of Finance/Treasurer will maintain a list of financial institutions authorized to execute investment transactions.

12. Safekeeping and Custody

All security transactions entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by the City shall be held in

safekeeping by a third party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and by the City. The only exception to the foregoing shall be investments in: (i) depository accounts, (ii) LAIF, the county pool and other local government investment pools, and (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by the City.

13. **Other Constraints**

The City shall operate its investments within the many stated and self-imposed constraints. The City shall not leverage funds for investment purposes. It shall buy no stocks, shall not speculate, nor shall it deal in futures or options, or buy on the margin. Outside of participation in the State and County investment pools, the City shall not have any investments in exotic instruments such as inverse floaters, range notes, or mortgage-derived, interest-only strips, reverse repurchase agreements, or flexible repurchase agreements. The City will not purchase any security having an interest rate derived from an index, commodity price or other variable, i.e., securities commonly known as derivatives. The City may invest in floating rate securities.

14. **Performance Standards – Yield**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The City may utilize either a passive or active management approach of portfolio assets. Accordingly, the City may from time to time sell securities that it owns in order to better reposition its portfolio assets in accordance with changes in cash flow schedules or market conditions. Given this strategy, the basis used by the Director of Finance/Treasurer to determine whether market yields are being achieved shall be to compare the City's portfolio yield to LAIF and two-year Treasury Note rates.

15. **Ethics and Conflict of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City.

16. **Investment Procedures**

The Director of Finance/Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance/Treasurer.

17. Delegation of Authority

Management responsibility for the investment program is hereby delegated for a one-year period to the Director of Finance/Treasurer who shall have full responsibility until the delegation of authority is revoked or expires for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the Director of Finance/Treasurer.

18. Investment Policy Adoption

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.



September 3, 2019

Memorandum

To: Clay Schoen, CPA, Director of Financer
City of El Cajon

From: Richard Babbe, Senior Managing Consultant
PFM Asset Management LLC

Re: 2019 Investment Policy Review

We completed our annual review of the City of El Cajon's ("City") Investment Policy ("Policy"). As written, the Policy is comprehensive and is in compliance with the California Government Code ("Code") sections that govern the investment of public funds. However, there was one Code change that took effect in 2019 that we wanted to bring to your attention. Our recommendations are summarized below. In addition, we have attached a marked-up version of the Policy to illustrate our recommendations.

Section 6.9 Asset-Backed Securities

AB 1770, which took effect on January 1, 2019, clarified the Code's requirements for the purchase of asset-backed securities in two respects: 1) the bill revised the wording of the maturity limit to require that securities have a maximum remaining maturity of 5 years or less rather than a maximum maturity of five years. This change simply brings the description of the maturity limit in line with how maturity limits are generally worded in the Code, but it doesn't change the effective maturity limit for this security type. 2) The bill eliminated the requirement that the issuer of the securities be rated "A" or better. We believe the removal of the issuer rating criteria makes sense, since the issuers of ABS are typically organized as trusts that do not have standalone issuer ratings. The minimum "AA" issue rating remains, which is an important risk management criteria. These changes are mainly technical in nature and do not change the particular securities that can be purchased by the City.

Please let me know if you have any questions or if you would like to discuss further.

RESOLUTION NO. __-19

A RESOLUTION ADOPTING THE
CITY OF EL CAJON
INVESTMENT POLICY AND
DELEGATING INVESTMENT AUTHORITY
TO THE DIRECTOR OF FINANCE

WHEREAS, the City of El Cajon Investment Policy is created for the purpose of establishing safekeeping of principal and prudent investment of City funds; and

WHEREAS, the policy has been updated to conform to state investment laws, enacted during the past year; and

WHEREAS, the policy has been prepared to standards promulgated by the Municipal Treasurers Association of the United States and Canada; and

WHEREAS, the investment policy has been reviewed by the City's investment advisors, Public Financial Management.

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

1. The City Council hereby adopts the City of El Cajon Investment Policy, dated September, 2019.

2. The City Council hereby delegates, to the Director of Finance, the authority to invest and reinvest funds of the City, and to sell and exchange securities so purchased, for the period of September 1, 2019, to and including August 31, 2020.

RESOLUTION NO. ECHA-__

A RESOLUTION OF THE
EL CAJON HOUSING AUTHORITY
ADOPTING BY REFERENCE THE
CITY OF EL CAJON INVESTMENT POLICY AND
DELEGATING INVESTMENT AUTHORITY
TO THE TREASURER

WHEREAS, the City of El Cajon Investment Policy is created for the purpose of establishing safekeeping of principal and prudent investment of Housing Authority funds; and

WHEREAS, the policy has been updated to conform to state investment laws, enacted during the past year; and

WHEREAS, the policy has been prepared to standards promulgated by the Municipal Treasurers Association of the United States and Canada; and

WHEREAS, the investment policy has been reviewed by the City's investment advisors, Public Financial Management.

NOW THEREFORE, BE IT RESOLVED BY THE EL CAJON HOUSING AUTHORITY AS FOLLOWS:

1. The Housing Authority adopts by this reference the City of El Cajon Investment Policy, dated September, 2019, as the Investment Policy for the Housing Authority.

2. The Housing Authority hereby delegates, to the Treasurer, the authority to invest and reinvest funds of the El Cajon Housing Authority, and to sell and exchange securities so purchased, for the period of September 1, 2019, to and including August 31, 2020.

09/24/19 CC Agenda

Reso - Annual Investment Policy - Housing Authority 091319



City Council
Agenda Report

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Morgan Foley, City Attorney
SUBJECT: Administrative Hearing - Appeal by Alexandra Investments, Inc., dba Angelo's Towing & Recovery

RECOMMENDATION:

That the City Council conducts the Administrative Hearing; reviews the documents submitted; receives testimony from witnesses who have been identified on each party's list; and determines whether the City Manager's denial of a Special Operations License ("SOL") to operate a Police Department towing business should be upheld or overturned.

BACKGROUND:

On June 12, 2019, Nashwan Habib of Alexandra Investments, Inc. dba Angelo's Towing & Recovery ("Angelo's Towing"), applied for a SOL to operate a Police Department towing business at 501 Front Street in El Cajon. This application was stamped received by the City of El Cajon ("City") on June 20, 2019. On August 19, 2019, El Cajon City Manager, Graham Mitchell, denied the above-referenced application. A letter dated August 26, 2019, sent from the City's Business License Division, confirmed the City Manager's denial.

Angelo's Towing filed an appeal of the City Manager's denial to the City Clerk's Office on September 5, 2019, accompanied by a letter dated September 3, 2019, under Nashwan Habib's signature on behalf of Angelo's Towing. On September 11, 2019, the City Clerk set an Administrative Hearing before the City Council for today's meeting to consider whether the City Manager's denial of inclusion on the police tow rotation list should be upheld or overturned, and sent a copy of that letter to the applicant, Mr. Habib.

The City Manager's decision was made pursuant to the provisions of El Cajon Resolution No. 161-00, which sets out the City's eligibility qualifications for a SOL and inclusion on the police tow rotation list. Two of the provisions of Resolution No. 161-00 required to be met are: section 2(C)(5), which states that a tow company must demonstrate trustworthiness and capacity to deal fairly and effectively with the City and the public; and section 2(A), which states that all tow companies on the tow rotation list shall strictly conform in all aspects to local, state and federal law(s). A copy of Resolution No. 161-00 is attached to this Agenda Report.

The City Manager based his denial of the SOL on information that came to light in a 2015 news article by Liam Dillon of the Voice of San Diego ("VOSD"). The article referenced Nashwan Habib and Angelo's Towing's business practices, including contacts or involvement with persons operating illegal marijuana dispensaries in East County, and Mr. Habib's arrests and

convictions in Michigan that were not disclosed on Mr. Habib's and Angelo's Towing's application. Mr. Habib answered "none" on the line on the SOL application requesting past criminal records of all financially interested persons. The allegations in the article were investigated by Lt. Jason Taub of the El Cajon Police Department, who conducted a search of public records and located documents corroborating statements contained in Mr. Dillon's VOSD report.

These records, along with memos by Lt. Taub and Officer M. Pollard of the El Cajon Police Department, were provided to Community Development personnel and the City Manager to assist in the City Manager's decision. Accordingly, the City Manager determined Angelo's Towing is not eligible for a SOL for inclusion on the police tow list.

A portion of Lt. Taub's memo has been redacted in order to protect information related to an ongoing investigation that would be compromised by premature disclosure to the public.

The appeals process is outlined in El Cajon Municipal Code section 1.36.020. This type of proceeding is known as an administrative hearing. Section 1.36.080 provides that the presenting officer and the party involved are required to file with the City Clerk a list of all witnesses to be presented at the hearing, and ten copies of each document the party intends to offer into evidence. The witness lists of the City's representative and the applicant are attached to this Agenda Report; the documents intended to be offered into evidence by both sides are likewise included with this report, in separate envelopes.

Only a party, the presenting officer, or a person whose name appears on a filed witness list may present oral evidence at the hearing. All oral testimony must be taken either under oath or affirmation. The City Attorney will swear in all witnesses at the time of the hearing.

The procedure to be followed will be explained by the City Attorney at the time of the hearing. In general, the City Council will first receive testimony and evidence from City representatives and witnesses, as the City bears the burden of proving grounds for the action taken to deny Angelo's Towing a SOL for inclusion on the police tow list. Mr. Nashwan Habib, or his representative, is then allowed to present his evidence and witnesses in support of his position. Each party will then be allowed the right to present evidence in explanation or rebuttal. Each party may question the other party, or its witnesses, generally to be conducted through the Mayor, although the Mayor may allow the question to be presented directly.

The hearing is not conducted according to the technical rules of evidence and any relevant evidence, including hearsay, shall be allowed and admitted. The City Council will give the evidence the weight it deserves.

Upon the conclusion of the submission of evidence, only the presenting officer of the City and an authorized representative of the applicant may present arguments to support their respective positions. Thereafter, applying laws, ordinances, rules and regulations to the evidence presented, including Resolution No. 161-00, the City Council shall make an adjudicatory decision regarding the rights, duties and entitlements of Angelo's Towing. The decision may direct that certain action be taken as deemed necessary by the City Council. Such deliberations and discussions will be conducted in the public meeting.

Attachments

Resolution No. 161-00

City's Witness List

City's Evidence Documents

Angelo's Towing Witness List

Angelo's Towing Evidence Documents

RESOLUTION NO. 161-00

RESOLUTION REGULATING POLICE INITIATED
VEHICLE TOWING AND STORAGE WITHIN
THE CITY OF EL CAJON, AND RESCINDING
RESOLUTION NO. 16-72 AND RESOLUTION NO. 67-97.

WHEREAS, the El Cajon Police Department (the "ECPD") enforces state and local laws pertaining to the operation of motor vehicles within the City of El Cajon; and

WHEREAS, during the course of enforcing such laws the ECPD often has need to remove vehicles from traffic circulation pursuant to state or local laws; and

WHEREAS, by Resolution No. 16-72, the El Cajon City Council established basic regulations for the operation of ECPD-initiated vehicle towing services within the City of El Cajon; and

WHEREAS, by Resolution No. 67-97, adopted on May 27, 1997, the City Council amended Resolution 16-72 to incorporate certain changes to said ECPD-initiated towing services, and

WHEREAS, the City Council wishes to adopt new regulations for the operation of ECPD-initiated towing services including certain tow company eligibility requirements; and rescind Resolution 16-72 and Resolution 67-97;

NOW, THEREFORE, THE EL CAJON CITY COUNCIL RESOLVES AS FOLLOWS:

1. Authority

A. Whenever the ECPD requires vehicles or debris to be removed from traffic circulation within the City of El Cajon pursuant to state or local law including, without limitation, El Cajon Municipal Code ("ECMC") Chapter 1.16, ECMC section 10.28.060, or section 15.16.050, it shall use the vehicle towing and storage guidelines established by this Resolution.

B. ECPD shall maintain an authorized list of tow companies (the "Tow List") from which it will select towing companies to perform vehicle towing and debris removal services pursuant to this Resolution.

2. Eligibility

A. All towing companies on the Tow List shall strictly conform in all respects to federal, state, and local law including, without limitation, this Resolution.

B. No person, company, partnership, corporation, or other entity, having a financial or operational interest in any towing company on the Tow List, may have any financial or operational interest in any other towing company included on the Tow List.

C. Prior to being included on the Tow List, a towing company must:

- (1) Obtain a valid business license pursuant to ECMC sections 5.04.010 □ 5.04.350;
- (2) Obtain a valid special operations license pursuant to ECMC sections 5.16.010 □ 5.16.140;
- (3) Have both its business office and a storage lot (sufficient to accommodate all ECPD initiated towed vehicles from within the City) located within the City of El Cajon;
- (4) Have the following equipment:
 - (a) At least two trucks, at least one of which must have twin booms, of a minimum one-ton capacity specifically designed for towing;

(CONTINUED ON PAGE 2)

b) All tow trucks must be equipped in conformance with the California Vehicle Code and have an operational fire extinguisher;

(c) All tow trucks must be equipped with the necessary tools of the trade to accomplish all tasks normally assigned by the ECPD; and

(5) Have demonstrated trustworthiness, financial resources, service experience, completion ability, personnel, and a demonstrated capacity to deal fairly and effectively with the City of El Cajon and public.

3. Minimum Business and Storage Requirements

A. Storage

The business and storage lot must be a reasonable distance from public transportation and must have adequate storage space either under cover or well fenced. Stored vehicles, and contents, must be reasonably safe from theft and vandalism.

B. Business

(1) Hours: Each tow company shall have an employee on duty for towing and the release of vehicles to the public, between 8:00 a.m. and 5:00 p.m. at least six (6) days per week.

(2) Insurance: Each tow company must have adequate public liability and property damage insurance conforming, without limitation, with ECMC section 5.68.050 and the City Council Policy in force at all times and filed with the City Clerk's Office.

(3) Hold Harmless Agreement: Each tow company shall enter into an agreement to hold the City, its elected and appointed officials, officers, employees and agents harmless from any liability incurred as a result of the ECPD requesting towing and storage services.

(4) Records: Each tow company must maintain complete records for all ECPD requested towing and storage transactions. These records shall include license and vehicle identification numbers, time and date of tow or impound, location from where vehicle was towed, and any other records deemed necessary by the ECPD.

(5) Invoices: All invoices for towing and storage shall be itemized indicating minimum charges, plus any additional charges as specified in the rate schedule.

(6) Charges: Tow companies shall base their charges according to the rate schedule adopted by City Council resolution. This schedule shall be reviewed by City Council at least once every two (2) years.

4. Dispatching

A. All requests for ECPD initiated impounds, and removal of traffic hazards, shall be made through the ECPD Communications Center.

B. Requests for towing services shall be made on a rotating basis from firms on the Tow List.

C. When it is reasonably evident that there will be a delay in responding to an ECPD request for towing service, the tow company concerned shall immediately advise the ECPD Communications Center of such delay.

D. In the event a firm selected from the Tow List is unable to respond within a reasonable period of time, the next firm on the Tow List will be selected. The firm not able to respond will revert to the bottom of the eligible Tow List.

E. Towing units will generally be dispatched from the place of business, or a reasonable distance from the place of business.

(CONTINUED ON PAGE 3)

5. General Provisions

A. Removing hazards: After being dispatched by the ECPD, the tow truck operator will cooperate with Peace Officers at the scene to remove hazards and illegally parked vehicles from streets, and in impounding vehicles as requested. The Peace Officer at the scene shall determine whether a vehicle should be impounded or moved, and the tow truck operator shall abide by this decision.

B. Supervision checks: All tow companies' records, equipment, and storage facilities are subject to periodic checks by the City of El Cajon.

C. Fee: There shall be no fee for being placed on the approved Tow List other than the investigation fee provided for in ECMC Chapter 5.16.

D. Independent Contractor: Every tow company on the Tow List, its employees and agents, are independent contractors and not City's agents. Any provision of this Resolution that may appear to give City or the ECPD the right to direct tow truck operators as to the details of doing the work or to exercise a measure of control over the work means that these tow companies shall follow the direction of the City and/or the ECPD as to end results of the work only.

6. Removal or Suspension from Tow List; Reinstatement

A. The requirements and guidelines established by this Resolution do not impart property rights or an expectation of continued inclusion upon the Tow List by any tow company. Any tow company on the ECPD Tow List may be removed or suspended, without notice, under the following circumstances:

- 1) Consistent and repeated failure to respond to ECPD requests for towing services within twenty (20) minutes of receiving such request;
- (2) Failure to abide by any provision of this Resolution; or
- (3) Failure to abide by any requirement of federal, state, or local law.

B. A tow company removed from the Tow List may, with reason satisfactory to the ECPD, apply to the ECPD to be reinstated. The ECPD may, but is not required to, reinstate that towing company on the Tow List.

7. The City Clerk is hereby directed to provide a copy of this Resolution to all City authorized towing and storage operators.

8. This Resolution supersedes Resolution No. 16-72, and Resolution No. 67-97, and said Resolution 16-72 and Resolution 67-97 are hereby rescinded.

(CONTINUED ON PAGE 4)

PASSED AND ADOPTED by the City Council of the City of El Cajon, California at a regular Joint City Council/Redevelopment Agency Meeting held this 10th day of October, 2000, by the following vote to wit:

AYES	:	McClellan, Ramos, Santos, Keegan, Lewis
NOES	:	None
ABSENT	:	None
DISQUALIFY	:	None

MARK LEWIS
Mayor of the City of El Cajon

ATTEST:

MARILYNN LINN, CMC
City Clerk

I hereby certify that the above and foregoing is a full and true copy of Resolution No. 161-00 of the Resolutions of the City of El Cajon, California, as adopted by the City Council at the Joint Meeting of the City Council/Redevelopment Agency on the 10th day of October, 2000.

Marilynn Linn, CMC, City Clerk

CITY OF EL CAJON

WITNESS LIST

Re: Administrative Hearing – Appeal by Alexandra Investments, Inc., dba Angelo’s Towing & Recovery. Denial of Special Operations Permit for Inclusion on the Police Tow List

- Presenting Officer: Lieutenant Jason Taub, Metropolitan Division

CITY OF EL CAJON

EVIDENCE DOCUMENTS

Re: Administrative Hearing – Appeal by Alexandra Investments, Inc., dba Angelo's Towing & Recovery. Denial of Special Operations Permit for Inclusion on the Police Tow List

- Documents to be presented to Councilmembers in separate envelopes.
- Documents are available for review in the City Clerk's Office, 200 Civic Center Way, El Cajon, CA.

**Alexandra Investments, Inc.
dba Angelo's Towing & Recovery**

WITNESS LIST

Re: Administrative Hearing – Appeal by Alexandra Investments, Inc., dba Angelo's Towing & Recovery. Denial of Special Operations Permit for Inclusion on the Police Tow List

- Nashwan Habib
- Rostom Arshak
- Todd M. Abbott, Esquire

**Alexandra Investments, Inc.
dba Angelo's Towing & Recovery**

EVIDENCE DOCUMENTS

Re: Administrative Hearing – Appeal by Alexandra Investments, Inc., dba Angelo's Towing & Recovery. Denial of Special Operations Permit for Inclusion on the Police Tow List

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- Documents are available for review in the City Clerk's Office, 200 Civic Center Way, El Cajon, CA.



City Council
Agenda Report

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Clay Schoen, Director of Finance
SUBJECT: First Quarter Budget Amendments for Fiscal Year 2019-20

RECOMMENDATION:

That the City Council:

1. Appropriates carry-over funding of \$2,863,130 from previously approved Capital Improvement Projects, capital outlay requests, and programs, to be expended in Fiscal Year 2019-20;
2. Increases or modifies Fiscal Year 2019-20 appropriations in the net amount of \$46,000, for additional needs, as detailed in the report.

BACKGROUND:

As part of the budget process each year, departments estimate funding requirements through fiscal year-end (June 30) and the subsequent fiscal year to establish a total budget for multi-year projects, capital purchases, and certain programs. Due to unforeseen conditions and schedule adjustments, unspent, but committed, funds as of June 30 need to be carried forward to the new fiscal year so that projects and purchases can be completed. Table 1 on the Attachment lists the carry-over amounts to be appropriated in Fiscal Year 2019-20.

A number of items require an appropriation increase or modification; each item is described below. Proposed budget adjustments are summarized by Table 2 on the Attachment.

City Council – SANDAG Annual Membership

As part of the Fiscal Year 2019-20 Annual Budget, the City Council appropriated \$19,000 for payment of SANDAG annual membership fees. However, SANDAG fees for Fiscal Year 2019-20 were assessed at \$34,481, an increase of 99.2% from the previous year. This action recommends the appropriation of an additional \$16,000 from General Fund Unallocated Reserves for the purpose of funding the increased SANDAG annual membership fee.

City Manager / Economic Development

Included in the Fiscal Year 2019-20 Annual Budget is \$1.1 million appropriated for the purpose of providing incentives to businesses engaged in substantial economic development projects in the City. This activity has been included in the budget for the City Manager's Office over the past several years. However, given the significant increases in economic development and the related incentive payments, it now represents a large portion of the City Manager's Office budget. This mixes the financial performance of both activities and therefore limits fiscal transparency. As part of this report, it is recommended that the economic development funding

is removed from the City Manager's Office budget, and is appropriated in a separate organizational unit established solely for this purpose. There is no additional cost associated with this action.

City Council Contingency / The Magnolia

As discussed multiple times by the City Council, there may be times when it is in the best interest of the community to help financially support certain performances at The Magnolia. This report proposes appropriating \$30,000 from General Fund Unallocated Reserves to the City Council Contingency budget for this purpose. This action only makes funding available, and does not address to whom this support may apply and this would therefore need to be determined by separate action of the City Council.

FISCAL IMPACT:

This action will carry-over unused Fiscal Year 2018-19 appropriations totaling \$2,863,130 into the current year and authorize \$46,000 of additional Fiscal Year 2019-20 expenditures. Table 3 on the Attachment details the individual fund impact.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

Attachments

FY20 1st Quarter Report Attachment

FIRST QUARTER BUDGET AMENDMENTS FOR FISCAL YEAR 2019-20

TABLE 1: CARRY-OVER FUNDING

Purchase Order (PO)/ Project Number	Description	Fund Name Budget Activity	Carry Over Appropriation
PO 93489	Audio Visual Support Services	Information Technology	\$ 11,100
PO 93592	City Hall/Council HVAC	Capital Improvement Project	5,000
PO 93657	Hazardous Materials Testing Services for The Magnolia	Capital Improvement Project	6,000
PO 93794	Energov System Implementation & Project Management	Information Technology	22,200
PO 93951	Police Equipment - Dual Beam Laser Devices	State COPS Grant	9,900
PO 93712	Fire Equipment - Tripod Converter Kit	Homeland Security Grant	3,400
PO 94012	Police Vehicles	Vehicle Replacement Fund	262,000
PO 94102	Latex Printer - Installation & Training	Gas Tax	31,800
PO 94117	Public Safety Communications Equipment	Information Technology	7,100
PO 94124	Fire Station 9 Extractors	Public Safety Facility Projects	10,200
PO 94129	Police Defense Equipment	Police Grants	7,000
PO 94147	Computer Servers	Information Technology	33,900
Project C0704	Mobile Home Rehabilitation Loan Program	CDBG	209,803
Project C0742	San Diego Habitat for Humanity	CDBG	17,218
Project C0747	Solar Panels 131 Avocado	CDBG	38,100
Project C0919	ADA Improvements - The Magnolia	CDBG	225,953
Project C0922	Wells Park Improvements	CDBG	34,823
Project C0924	ADA Curb Ramps & Sidewalks	CDBG	92,008
Project H0719	First Time Homebuyer Program	HOME	237,153
Project H0720	Housing Rehabilitation Pool of Funds	HOME	1,018,709
Project H0722	Single Family Rehabilitation Program	HOME	50,626
Project H0718	Community Housing Development Organization (CHDO) Project Set-Aside	HOME	153,698
Project H0918	San Diego Habitat for Humanity - 585 Ballantyne	HOME	201,553
Project HA 1501	Cornerstone Project	HOME	1,262
Project 280000	First Time Homebuyer Loans	CalHOME	64,588
Project PK3610	Wells Park Improvements	Park Capital Improvement Projects	24,300
Project PW53019	ADA Concrete Improvements	Transportation Capital Improvement Projects	83,736
Appropriations for Purchase Orders and Project Carry Overs			\$2,863,130

FIRST QUARTER BUDGET AMENDMENTS FOR FISCAL YEAR 2019-20

TABLE 2: MISCELLANEOUS ADJUSTMENTS

Description	Department/Fund	Type of Adjustment	Amount
City Council –SANDAG Annual Membership	City Council / General Fund	Appropriation Increase	\$ 16,000
City Manager / Economic Development	City Manager / General Fund	Reorganization	-
City Council Contingency / Magnolia Performing Arts	Council Contingency / General Fund	Appropriation Increase	30,000

TABLE 3: IMPACT BY FUND

Fund Name	Fund Number	Total Impact
General Fund	101	\$ 46,000
Gas Tax	211	31,800
State COPS Grant	215	9,900
State Homeland Security Program	221	3,400
Police Grants	225	7,000
Community Development Block Grant (CDBG)	270	617,905
HOME Grant	275	1,663,001
CalHOME	280	64,588
Capital Improvement Projects	501	11,000
Public Safety Facilities	502	10,200
Park Capital Improvement Projects	505	24,300
Transportation Capital Improvement Projects	550	83,736
Vehicle Replacement	605	262,000
Information Technology	615	74,300



City Council
Agenda Report

DATE: September 24, 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:

- September 10 - The Magnolia Community Open House
- September 12 - Chief Jeff Davis' Retirement Ceremony
- September 13 - SANDAG Board Meeting
- September 13 - SANDAG Executive Committee Meeting
- September 24 - 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 10.

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM:
SUBJECT: Legislative Report

RECOMMENDATION:

Attachments

Legislative Report 9/24/19



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	<p>9/12/19 - Enrolled and presented to the Governor at 3:30 p.m.</p> <p>9/9/19 - Senate amendments concurred in. To Engrossing and Enrolling. (Ayes 74. Noes 3.).</p> <p>9/6/19 - In Assembly. Concurrence in Senate amendments pending. May be considered on or after September 8 pursuant to Assembly Rule 77.</p> <p>9/5/19 - Read third time. Urgency clause adopted. Passed. Ordered to the Assembly.</p> <p>8/27/19 - Read second time. Ordered to third reading.</p> <p>6/27/19 - In committee: Hearing postponed by committee.</p> <p>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.</p> <p>5/2/19 – In Senate. Read first time. To Com. on RLS. for assignment.</p> <p>3/11/19 – Amended in Assembly</p>

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	392	Weber	Peace Officers: deadly force	5/14/19	Oppose	Assembly	8/19/19 - Approved by the Governor. & Chaptered by Secretary of State - Chapter 170, Statutes of 2019. 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.
AB	516	Chiu	Authority to remove vehicles	5/14/19	Oppose	Assembly	8/30/19 - In committee: Held under submission. 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.

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	9/11/19 - Assembly amendments concurred in. (Ayes 29. Noes 8.) Ordered to engrossing and enrolling. 9/10/19 - In Senate. Concurrence in Assembly amendments pending. Read a third time. Passed. Ordered to the Senate 8/30/19 - From committee: Do pass. (Ayes 12. Noes 6.) (August 30). 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	13	Wieckowski	Accessory Dwelling Units	9/24/19		Senate	9/13/19 - Assembly amendments concurred in. (Ayes 34. Noes 4.) Ordered to engrossing and enrolling. 12/3/18 – Introduced. Read first time.
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	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.

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
							1/24/19 – Referred to Coms. on HOUSING and GOV. & F.
SB	230	Caballero	Law enforcement: use of deadly force: training: policies	5/14/19	Oppose	Senate	9/13/19 – Chaptered by Secretary of State. Chapter 285, Statutes of 2019. 8/30/19 - From committee: Do pass as amended. (Ayes 18. Noes 0.) (August 30). 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	9/6/19 - Assembly amendments concurred in. (Ayes 30. Noes 4.) Ordered to engrossing and enrolling. 8/30/19 - From committee: Do pass. (Ayes 18. Noes 0.) (August 30). 7/11/19 - From committee: Do pass and re-refer to Com. on APPR.

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
							(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. 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	9/11/19 - Assembly amendments concurred in. (Ayes 39. Noes 0.) Ordered to engrossing and enrolling. 8/30/19 - From committee: Do pass. (Ayes 18. Noes 0.) (August 30). 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.

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 11.

DATE: September 24, 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:

Nothing to report.

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

Submitted By: Gary Kendrick, Councilmember



City Council
Agenda Report

Agenda Item 12.

DATE: September 24, 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:

September 10 - The Magnolia Community Open House
September 12 - Chief Jeff Davis' Retirement Ceremony

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

Submitted By: Bob McClellan, Councilmember



City Council
Agenda Report

DATE: September 24, 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:

- September 12 - Chief Davis Retirement Ceremony
- September 13 - Email with Colin P. re: Circulate San Diego Request
- September 18 - El Cajon Citizen of Year Meeting
- September 23 - Meeting with City Manager
- September 24 - City Council Meetings (3pm & 7pm)

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

Submitted By: Steve Goble, Deputy Mayor



City Council
Agenda Report

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Councilmember Phil Ortiz
SUBJECT: COUNCILMEMBER PHIL ORTIZ
East County Economic Development Council; League of California Cities,
San Diego Division.

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:

- September 10 - Magnolia Community Open House
- September 12 - Chief Davis Retirement Ceremony
- September 18 - East County Economic Development Council Board Meeting
- September 20 - Women In Leadership Award Lunch
- September 24 - Government Affairs Meeting-East County Chamber of Commerce

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

Submitted By: Phil Ortiz, Councilmember



City Council
Agenda Report

DATE: September 24, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Mike Moulton, Chief of Police
SUBJECT: El Cajon Animal Shelter Donations for August 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 August:

Madeline Muller & Family	\$100
David Carroll	\$100
Nancy Lewis	\$100
The Jensen & Geraty Family	\$150
Total	\$450

Prepared By: Captain Rob Ransweiler
Reviewed By: Mike Moulton, Police Chief
Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

Agenda Item 16.

DATE: September 24, 2019

TO: Honorable Mayor and City Councilmembers

FROM:

SUBJECT: Amendment of Chapter 2.24 of El Cajon Municipal Code to Eliminate the Veterans' Commission, the Commission on Arts and Culture, and the Human Relations Commission

RECOMMENDATION:

That Mayor Wells requests the City Clerk to recite the title.

An Ordinance Amending Chapter 2.24 of Title 2 of the El Cajon Municipal Code to Eliminate the Veterans' Commission, Commission on Arts and Culture, and Human Relations Commission

Attachments

Eliminate Veterans' Commission/Arts&Culture/Human Relations

ORDINANCE NO. 5086

AN ORDINANCE AMENDING CHAPTER 2.24 OF
TITLE 2 OF THE EL CAJON MUNICIPAL CODE
TO ELIMINATE THE VETERANS' COMMISSION,
COMMISSION ON ARTS AND CULTURE, AND
HUMAN RELATIONS COMMISSION

THE CITY COUNCIL OF THE CITY OF EL CAJON DOES HEREBY ORDAIN AS
FOLLOWS:

SECTION 1: Sections 2.24.400, 2.24.410, 2.24.420, 2.24.700, 2.24.710,
2.24.720, 2.24.730, 2.24.800, and 2.24.810 of Chapter 2.24 of the El Cajon Municipal
Code are hereby deleted.

SECTION 2: This ordinance shall become effective thirty (30) days following its
passage and adoption.

Ord - Amend ECMC 2.24 to Eliminate Veterans, Arts & Culture, and Human Relations Commissions 082919

09/10/19 CC Agenda – 1st Reading
09/24/19 CC Agenda – 2nd Reading



City Council
Agenda Report

DATE: September 24, 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: Climate Action Campaign vs. City of El Cajon, et al. San Diego Superior Court Case No. 37-2019-00041565-CU-TT-CTL

RECOMMENDATION:

That the following Closed Session be scheduled for the Tuesday, September 24, 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:

Climate Action Campaign vs. City of El Cajon, et al.
San Diego Superior Court
Case No. 37-2019-00041565-CU-TT-CTL

Morgan L. Foley
City Attorney/General Legal Counsel

MLF:hms
