



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

Council Chamber
200 Civic Center Way
El Cajon, CA 92020

Agenda

FEBRUARY 25, 2020, 3:00 p.m.

Bill Wells, Mayor
Phil Ortiz, Deputy Mayor
Steve Goble, Councilmember
Gary Kendrick, Councilmember
Bob McClellan, 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 February 11, 2020, Meetings and the Agenda of the February 25, 2020, Meetings in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

PRESENTATIONS:

AGENDA CHANGES:

CONSENT ITEMS:

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

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

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the February 11, 2020, Meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

RECOMMENDATION:

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

3. Approval of Reading Ordinances by Title Only

RECOMMENDATION:

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

4. Award of Bid No. 020-20 – Pipeline Replacement 2019

RECOMMENDATION:

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

1. Approve Plans and Specifications for Pipeline Replacement 2019, Bid No. 020-20; and
2. Award the bid to the lowest responsive, responsible bidder, Tri-Group Construction & Development, Inc., in the amount of \$859,765.

5. Award of RFP No. 018-20 – Safety and Environmental Justice General Plan Amendment

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to enter into an agreement with Dudek in an amount not to exceed \$104,640 for a one-year term with the option to renew for an additional one-year term.

6. Award of RFP No. 017-20 – Housing Element Update

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to enter into an agreement with Veronica Tam and Associates, Inc., in an amount not to exceed \$84,900 for a one-year term with the option to renew for an additional one-year term.

7. Progress Report - Emergency Storm Damage Repairs

RECOMMENDATION:

That the City Council determines that there continues to be a State of Emergency to facilitate repairs to sinkhole conditions at the intersection of Jackman Street and Petree Street, and that the necessity requires the immediate expenditure of public money to safeguard life, health, and property per Public Contract Code Section 22050.

8. CalRecycle Beverage Container Recycling Grant

RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, and authorizes the City Manager to apply for Beverage Container Recycling Grant funds in the amount of \$26,073 from the State of California Department of Resources Recycling and Recovery (CalRecycle);
2. Appropriates Beverage Container Recycling Grant funds in the amount of \$26,073 for Recycled Beverage Container diversion; and
3. Authorizes the City Manager, or such person designated by the City Manager, to execute the grant agreement and all such other documents necessary to obtain the grant funds, in such form as approved by the City Manager with the approval of the City Attorney.

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:

9. Delinquent Refuse Collection Charges

RECOMMENDATION:

That the City Council:

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

ADMINISTRATIVE REPORTS:

10. Strategies to Address Unfunded Pension Liabilities

RECOMMENDATION:

That the City Council:

1. Directs staff to commence judicial validation proceedings in order to obtain authority to issue Pension Obligation Bonds in the future;
2. Directs City Manager to enter into a professional services agreement with Stradling, Yocca, Carlson & Rauth to file the judicial validation proceedings;
3. Directs staff to establish a Public Agency Retirement Services (PARS) Section 115 Trust to fund employee benefit costs and serve as pension stabilization fund;
4. Directs staff to draft Pension Funding Policies to document long-term financing plan to address unfunded retirement costs and to bring draft policies back for City Council adoption.

COMMISSION REPORTS:

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:

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

11. Council Activity Report
12. LEGISLATIVE REPORT: None

ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:

- 13. COUNCILMEMBER GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA; East County Advance Water Purification Joint Powers Authority Board.

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

- 15. COUNCILMEMBER 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; East County Advance Water Purification Joint Powers Authority Board - Alternate.

- 16. DEPUTY MAYOR PHIL ORTIZ
East County Economic Development Council; League of California Cities, San Diego Division.

JOINT COUNCILMEMBER REPORTS:

GENERAL INFORMATION ITEMS FOR DISCUSSION:

- 17. El Cajon Animal Shelter Donations for January 2020

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 January:

| | |
|---------------------------------|-----------------|
| United Way - Anonymous | \$524.24 |
| Rancho Santee Lions Association | \$200.00 |
| Total | \$724.24 |

ORDINANCES: FIRST READING

ORDINANCES: SECOND READING AND ADOPTION

CLOSED SESSIONS:

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

Property

1373 N. Marshall Avenue

Negotiating Party

San Diego Humane Society

Agency Negotiators

City Manager

Assistant City Manager

City Attorney

Under negotiation: Price and terms for lease of all or part of the property.

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 25th day of February 2020, is adjourned to Tuesday, February 25, 2020, at 7:00 p.m.



City Council
Agenda Report

Agenda Item 1.

DATE: February 25, 2020

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 February 11, 2020, Meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

Attachments

02-11-20 DRAFT Minutes - 3PM

02-11-20 DRAFT Minutes - 7PM

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

February 11, 2020

A Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, January 11, 2020, was called to order by Mayor/Chair Bill Wells at 3:01 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present:
Council/Agencymembers absent:
Deputy Mayor/Vice Chair present:
Mayor/Chair present:
Other Officers present:

Goble, Kendrick, and McClellan
None
Ortiz
Wells
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 January 28, Meeting and the Agenda of the February 11, 2020, Meetings in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

PRESENTATIONS:

Presentation: Teen Coalition Mid-Year Report

AGENDA CHANGES:

MOTION BY WELLS, SECOND BY McCLELLAN, to APPROVE Consent Items 1 to 9.

MOTION CARRIED BY UNANIMOUS VOTE.

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

Approves Minutes of the January 28, 2020, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

Approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title only

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

4. Progress Report - Emergency Storm Damage Repairs

Determines that there continues to be a State of Emergency to facilitate repairs to sinkhole conditions at the intersection of Jackman Street and Petree Street, and that the necessity requires the immediate expenditure of public money to safeguard life, health, and property per Public Contract Code Section 22050.

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CONSENT ITEMS: (Continued)

5. Contract Amendment for Overlay (Various Locations) Multi-year Contract

1. Adopts Resolution No. 011-20, to authorize the reappropriation of surplus funding from the Overlay 2019 (PW50019) project, once deemed complete, to the Overlay 2020 (PW50020) project; and
2. Adopts Resolution No. 012-20, to increase the overlay multi-year contract in the not-to-exceed amounts of \$1,816,454.65 for Option Period 1, \$1,707,277.38 for Option Period 2, \$1,592,641.25 for Option Period 3, and \$1,472,273.31 for Option Period 4.

6. Conflict of Interest Code - Interim Review

Adopts Resolution No. 013-20, approving changes to the designated employee and official positions required to be filed under the City's Conflict of Interest Code.

7. Community Event - 2020 July 4th Picnic at Kennedy Park

Approves the sale of merchandise by vendors at Kennedy Park associated with the annual July 4th picnic and fireworks display; and authorizes the City Manager, or designee, to execute the necessary agreements and forms for the annual July 4th fireworks display at Granite Hills High School.

8. ADA Concrete Improvements (Various Locations) Multi-Year Project Acceptance

1. Accepts the ADA Concrete Improvements (Various Locations) Multi-Year Project; PW53019, Bid No. 014-19; and
2. Authorizes the City Clerk to record a Notice of Completion and release the bonds in accordance with the contract terms.

9. October – December 2019 Quarterly Treasurer's Report

Receives the Treasurer's Report for the quarter ending December 31, 2019.

PUBLIC COMMENT:

Jim Cirigliano applauded Sara Diaz, Director of Information Technology, for her prompt assistance. He spoke in reference to Form 700 and Form 460, and requested that these forms be made available on the City's website.

WRITTEN COMMUNICATIONS: None

PUBLIC HEARINGS:

(Item 10 was continued from the January 28, 2020 meeting.)

10. Approval for Termination of Existing Disposition and Development Agreement and Sale of the Leasehold Interest and new Disposition and Development Agreement (Lexington Avenue Senior Apartments)

RECOMMENDATION:

That the Authority Board:

1. Affirms the public hearing is still open and accepts public testimony;
2. Closes the public hearing;
3. Adopts the next Resolution, in order, APPROVING the proposed conditional termination of the existing Disposition and Development Agreement, Regulatory Agreement and Ground Lease (collectively the "Existing DDA") between the El Cajon Housing Authority ("Authority"), as housing successor in interest to the El Cajon Redevelopment Agency ("Agency") and Lexington Avenue Senior Apartments, LLC, ("Original Developer"); and approving the sale of the leasehold interest and a new Disposition and Development Agreement, Regulatory Agreement, and Ground Lease (collectively the "New DDA") with ECJ Housing LP, an affiliate of Thomas Safran & Associates Development, Inc. ("Developer/Operator");
4. Authorizes receipt of sales proceeds, appropriation of funds in the Low and Moderate Income Housing Asset Fund ("LMIHAF"), and the expenditures as outlined in this report; and
5. Authorizes the Executive Director or designee to execute all affiliated documents, in final form as approved by the City Attorney.

DISCUSSION

Housing Manager, Jamie Van Ravesteyn, provided a detailed summary of the Item.

Mayor Wells stated that the public hearing opened on January 28 continued to be open.

Anthony Yannatta, Vice President of Thomas Safran & Associates Development, Inc., discussed the in-house maintenance management company, explained the rent structures, and funding available to ensure residents are not priced out of their homes.

PUBLIC HEARINGS: (Continued)

Discussion ensued among Council and Staff concerning the following:

- Redevelopment costs for relocation available to the current tenants;
- The Executed Disposition and Development Agreement (DDA) promissory note for the project;
- Temporary placement for current tenants during the renovation period;
- Annual monitoring to ensure maintenance of the property; and
- City retention of potential savings.

MOTION BY WELLS, SECOND BY KENDRICK, to CLOSE the Public Hearing.

MOTION CARRIED BY UNANIMOUS VOTE.

MOTION BY McCLELLAN, SECOND BY KENDRICK, to ADOPT Resolution No. ECHA-30, APPROVING the proposed conditional termination of the existing Disposition and Development Agreement, Regulatory Agreement and Ground Lease (collectively the “Existing DDA”) between the El Cajon Housing Authority (“Authority”), as housing successor in interest to the El Cajon Redevelopment Agency (“Agency”) and Lexington Avenue Senior Apartments, LLC, (“Original Developer”); and approving the sale of the leasehold interest and a new Disposition and Development Agreement, Regulatory Agreement, and Ground Lease (collectively the “New DDA”) with ECJ Housing LP, an affiliate of Thomas Safran & Associates Development, Inc. (“Developer/Operator”).

MOTION CARRIED BY UNANIMOUS VOTE.

ADMINISTRATIVE REPORTS: None

COMMISSION REPORTS: None

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:

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

11. Council Activities Report/Comments

In addition to the submitted report, Mayor Wells stated that he attended the El Cajon Citizen of the Year luncheon on February 10, 2020.

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS: (Continued)

12. Legislative Update: None

ACTIVITIES REPORTS OF COUNCILMEMBERS:

13. COUNCILMEMBER GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA; East County Advance Water Purification Joint Powers Authority Board.

Council Activities Report/Comments.

In addition to the submitted report, Councilmember Kendrick stated that he attended the Metro Commission/Wastewater JPA meeting on February 6, 2020.

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

Council Activities Report/Comments.

In addition to the submitted report, Councilmember McClelland stated that he attended the El Cajon Citizen of the Year luncheon on February 10, 2020.

15. COUNCILMEMBER 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; East County Advance Water Purification Joint Powers Authority Board – Alternate.

Council Activities Report/Comments.

Report as stated.

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)

16. DEPUTY MAYOR PHIL ORTIZ
East County Economic Development Council; League of California Cities, San Diego Division.

Council Activities Report/Comments.

Report as stated.

JOINT COUNCILMEMBER REPORTS: None

GENERAL INFORMATION ITEMS FOR DISCUSSION:

17. Teen Coalition Status Report

RECOMMENDATION:

That the City Council receives and files the information-only Teen Coalition status report.

ORDINANCES: FIRST READING – None

ORDINANCES: SECOND READING AND ADOPTION – None

CLOSED SESSIONS: None

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 11th day of February, 2020, at 3:31 p.m., to Tuesday, February 11, 2020, at 7:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary

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

February 11, 2020

An Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, February 11, 2020, was called to order by Mayor/Chair Bill Wells at 7:01 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California. This meeting was adjourned from the Adjourned Regular Joint Meeting held at 3:00 p.m., Tuesday, February 11, 2020, by order of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

ROLL CALL

Council/Agencymembers present:

Council/Agencymembers absent:

Deputy Mayor/Vice Chair present:

Mayor/Chair present:

Other Officers present:

Kendrick, and McClellan

Goble

Ortiz

Wells

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).

AGENDA CHANGES: None

PUBLIC COMMENTS:

Ronnie Peterson spoke about the multiple marijuana dispensaries on Greenfield Drive.

City Manager Mitchell stated the existing dispensaries are not within city limits.

Mayor Wells and the Councilmembers encouraged Mr. Peterson to contact County Supervisor Dianne Jacob for assistance.

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

PUBLIC HEARINGS:

100. Interviews for City Commissions and Committees

RECOMMENDATION:

That the City Council conducts interviews for three (3) seats on the Personnel Commission; one (1) seat on the Planning Commission; and one (1) seat on the Mission Trails Regional Park Citizens' Advisory Committee.

DISCUSSION

City Manager Mitchell provided a summary of the Item, and stated that only one application was received for the three available seats in the Personnel Commission. He requested feedback from the City Council on what options could be considered for the future of the Commission.

Personnel Commission

Vacancies: Three (3) Commissioner vacancies as follows:

*One (1) Commissioner with a Term expiration of 01/31/2024

**One (1) Commissioner with a Term expiration of 01/31/2021

***One (1) Commissioner with a Term expiration of 01/31/2024

Requirements: Applicant must be a resident of the City of El Cajon and continue to reside in the City during the term of office.

PUBLIC HEARINGS: (Item 100 – Continued)

*Applicant must be appointed by the City Council from a list of three persons nominated by employees in the Classified Service, except when an incumbent is re-nominated, then one name may be submitted.

**Applicant must be appointed by the City Council directly.

***Applicant must be appointed by the City Council from a list of three persons nominated by the current appointed members, except when an incumbent is nominated, then only one name may be submitted.

Personnel Commissioners are required to file a Form 700 according to provisions of the Political Reform Act, the Fair Political Practices Commission, and the City's Conflict of Interest Code.

APPLICANT:
Richard Agundez

It was noted that applicant Richard Agundez was not present at the meeting.

MOTION BY WELLS, SECOND BY KENDRICK, to RE-APPOINT Richard Agundez, Jr. to the Personnel Commission for a term to expire January 31, 2024.

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

Mission Trails Regional Park Citizens' Advisory Committee

Vacancies:

One (1) Commissioner with a Term expiration of 01/31/2022

Requirements: Applicant must be a resident of the City of El Cajon and continue to reside in the City during the term of office. Applicant must have: a knowledge of parks; an interest in the use and maintenance of Mission Trails Park; the ability to work with members of the committee, the general public, and park-affiliated agencies.

APPLICANT:
Demetrios Sparacino

PUBLIC HEARINGS: (Item 100 – Continued)

MOTION BY WELLS, SECOND BY McCLELLAN, to APPOINT Demetrios Sparacino to the Mission Trails Regional Park Citizens' Advisory Committee for a term to expire January 31, 2022.

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

Planning Commission

Vacancies:

One (1) Commissioner with a Term expiration of 01/31/2024

Requirements: Applicant must be a resident of the City of El Cajon and continue to reside in the City during the term of office. Planning Commissioners are required to file a Form 700 according to provisions of the Political Reform Act, the Fair Political Practices Commission, and the City's Conflict of Interest Code.

APPLICANTS:

Mark E. Estes

Veronica Longoria

Rebecca Pollack-Rude

Planning Commissioner, Paul Circo, spoke in favor of re-appointing Veronica Longoria.

Discussion ensued among Council regarding selection of the commissioner.

MOTION BY KENDRICK, SECOND BY McCLELLAN, to APPOINT Rebecca Pollack-Rude to the Planning Commission, for a term to expire January 31, 2024.

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

Adjournment: Mayor Wells adjourned the Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 11th day of February, 2020, at 7:46 p.m., to Tuesday, February 25, 2020, at 3:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary



City Council
Agenda Report

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Award of Bid No. 020-20 – Pipeline Replacement 2019

RECOMMENDATION:

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

1. Approve Plans and Specifications for Pipeline Replacement 2019, Bid No. 020-20; and
2. Award the bid to the lowest responsive, responsible bidder, Tri-Group Construction & Development, Inc., in the amount of \$859,765.

BACKGROUND:

The Pipeline Replacement 2019 project includes the replacement of sewer and storm drain pipelines, inlets, and cleanouts at various locations throughout the City. This work is essential to maintain working systems and prevent failures.

This project was advertised on December 26, 2019. Four responses were received and opened at 2:00 p.m. on January 27, 2020 and the three lowest bids were evaluated.

Staff recommends award of the bid to the lowest responsive, responsible bidder, Tri-Group Construction & Development, Inc., in the amount of \$859,765. The summary of bids is attached and complete proposals are on file in the Purchasing Division.

FISCAL IMPACT:

The fiscal impact for this project is \$859,765. Sufficient funds are available in FY2019-20 Annual Budget: Pipeline Replacement 2019 (WW61019) project.

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

Attachments

Reso - Approve Plans & Specs
Reso - Award
Bid Summary

RESOLUTION NO. __-20

RESOLUTION APPROVING
PLANS AND SPECIFICATIONS FOR
PIPELINE REPLACEMENT 2019
(Bid No. 020-20)

WHEREAS, the Director of Public Works has submitted plans and specifications for Pipeline Replacement 2019 (the "Project"); and

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

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

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

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

02/25/20 CC Agenda

Bid 020-20 – Pipeline Replacement 2019 - Approve Plans & Specs 021220

RESOLUTION NO. __-20

RESOLUTION AWARDING BID FOR
PIPELINE REPLACEMENT 2019
(Bid No. 020-20)

WHEREAS, the Pipeline Replacement 2019 project (the "Project") includes the replacement of sewer and storm drain pipelines, inlets, and cleanouts at various locations throughout the City of El Cajon (the "City"), which is essential in maintaining working systems and to prevent failures; and

WHEREAS, this project was advertised on December 26, 2019, and four (4) responses were received and opened at 2:00 p.m. on January 27, 2020; and

WHEREAS, the three (3) lowest bids were evaluated; and

WHEREAS, City staff recommends award of the bid to the lowest responsive, responsible bidder, Tri-Group Construction & Development, Inc., in the amount of \$859,765.00; and

WHEREAS, the City Council believes it to be in the best interests of the City to award the bid to the lowest responsive, responsible bidder, in the amount of \$859,765.00.

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

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

2. The City Council hereby awards the bid for Pipeline Replacement 2019 to:

Tri-Group Construction & Development, Inc.

in an amount not to exceed \$859,765.00.

3. The City Manager and City Clerk are authorized and directed to execute an agreement for the Project on behalf of the City of El Cajon, with such changes or amendments as maybe approved by the City Manager.



City of El Cajon Purchasing Division

Bid Summary

Bid No. 020-20 – Pipeline Replacement 2019

| Bidder | Bid Amount |
|--|-------------------|
| Tri-Group Construction & Development, Inc. (San Diego, CA) | \$859,765* |
| LB Civil Construction (San Diego, CA) | \$1,383,928 |
| SC Valley Engineering, Inc. (El Cajon, CA) | \$1,196,850 |
| Burtech Pipeline, Inc. (Encinitas, CA) | \$1,778,344 |

*RECOMMEND AWARD

PROJECT MANAGER'S ESTIMATE: \$1,600,000 - \$1,800,000



City Council
Agenda Report

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Award of RFP No. 018-20 – Safety and Environmental Justice General Plan Amendment

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to enter into an agreement with Dudek in an amount not to exceed \$104,640 for a one-year term with the option to renew for an additional one-year term.

BACKGROUND:

On December 17, 2019, the City of El Cajon issued a Request for Proposals (RFP) for a Safety and Environmental Justice General Plan Amendment. Two responses were received by 5:00 p.m. on January 14, 2020. The primary focus of the update is to comply with legislatively mandated updates to the Safety Element and to adopt the required Environmental Justice Element.

A three-person evaluation team independently reviewed the proposals according to the criteria specified in the RFP. Factors evaluated included experience, personnel, innovation, knowledge of local issues, and technical ability. Each firm provided a cost proposal separate from the technical proposal. After review and ranking of firms based upon technical qualifications, cost information was factored into the weighted evaluation.

It was determined the proposal received from Dudek best met the City's requirements. The attached memorandum details the evaluation process.

FISCAL IMPACT:

The fiscal impact is \$104,640 for a one-year term. Sufficient funds are available in FY2019-20 Planning (170510) Annual Budget.

Prepared By: Nahid Razi, Purchasing Agent

Reviewed By: Anthony Shute, Director of Community Development

Approved By: Graham Mitchell, City Manager

Attachments

Resolution

Memorandum

RESOLUTION NO. __-20

RESOLUTION AWARDING REQUEST FOR PROPOSALS FOR
SAFETY AND ENVIRONMENTAL JUSTICE GENERAL PLAN AMENDMENT
(RFP No. 018-20)

WHEREAS, on December 17, 2019, the City of El Cajon (the "City") issued a Request for Proposals (the "RFP") for a Safety and Environmental Justice General Plan Amendment (the "Project"), and two (2) responses were received; and

WHEREAS, a three-person evaluation team independently reviewed each proposal according to the criteria specified in the RFP, and factors evaluated included experience, personnel, innovation, knowledge of local issues, and technical ability; and

WHEREAS, each firm provided a cost proposal separate from the technical proposal, and after review and ranking of firms based upon technical qualifications, cost information was factored into the weighted evaluation; and

WHEREAS, upon thorough evaluation of the proposals, it was determined the proposal received from Dudek best met the City's requirements; and

WHEREAS, City staff, in concurrence with the Director of Finance, recommends award of the RFP for the Project to Dudek in an amount not to exceed \$104,640.00 for a one-year term, with the option to renew for one (1) additional one-year term; and

WHEREAS, the City Council believes it to be in the best interests of the City to award of the RFP for the Project to Dudek in an amount not to exceed \$104,640.00 for a one-year term with the option to renew for one (1) additional one-year term, as recommended by City staff.

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

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby awards the RFP for the Project to:

Dudek

in an amount not to exceed \$104,640.00 for a one-year term with the option to renew for one (1) additional one-year term.

3. The City Manager and City Clerk are authorized and directed to execute an agreement for the Project on behalf of the City of El Cajon, with such changes or amendments as maybe approved by the City Manager.

02/25/20 CC Agenda

Reso - RFP 018-20 – Safety & Environmental Justice GPA – Awd (Dudek) 021120



To: Nahid Razi, Purchasing Agent
From: Melissa Devine, Planning Manager, Chair of the Selection Committee *MCD*
Date: January 30, 2020
Re: Selection Recommendation for RFP 018-20 Safety and Environmental Justice General Plan Amendment

The selection committee has independently reviewed the proposals and completed proposal evaluation forms for the two proposals received in response to RFP 018-20 for the Safety and Environmental Justice General Plan Amendment.

The composite scores of the firms resulted in the following ranking.

| Consultant Firm | Composite Score |
|--------------------------|-----------------|
| Dudek | 267.75 |
| CityPlace Planning, Inc. | 258 |

The selection committee found the proposal by Dudek to represent the best value to the City of El Cajon. The proposal includes technical experts in the fields of wildfire and evacuation, urban forestry, hydrology, and hazardous materials. The proposal demonstrates that the consultant has the technical skill and ability as well as local knowledge needed to complete the scope of work. The proposal is innovative and includes an online informational GIS database as an additional added benefit. The contract fee is within the specified budget identified in the RFP. In conclusion, the committee recommends the selection of Dudek.

The requested contract amount is \$104,640. The requested term is one-year with an optional one-year renewal period. The funds were budgeted in the following account: 170510 8395.d in the amount of \$115,000.

Attachments: Composite Score Spreadsheet
Completed Evaluation Forms



City Council
Agenda Report

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Award of RFP No. 017-20 – Housing Element Update

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to enter into an agreement with Veronica Tam and Associates, Inc., in an amount not to exceed \$84,900 for a one-year term with the option to renew for an additional one-year term.

BACKGROUND:

On December 17, 2019, the City of El Cajon issued a Request for Proposals (RFP) for a Housing Element Update. One response was received by 5:00 p.m. on January 14, 2020. The primary focal points of the update to the Housing Element of the General Plan are to evaluate and address housing needs in the City of El Cajon, identify qualifying and sufficient sites, and develop the goals, policies, objectives and needed programs for housing.

A three-person evaluation team independently reviewed the proposal according to the criteria specified in the RFP. Factors evaluated included experience, personnel, innovation, knowledge of procedural and statutory requirements, and technical ability. The firm provided a cost proposal separate from the technical proposal. After thorough evaluation based upon technical qualifications, cost information was factored into the weighted evaluation.

It was determined the sole proposal received from Veronica Tam and Associates, Inc. met the City's requirements. The attached memorandum details the evaluation process.

FISCAL IMPACT:

The fiscal impact is \$84,900 for a one-year term. Sufficient funds are available in FY2019-20 Community Development Block Grant (270900), HOME Grant (275900), and Low and Moderate Income Housing Act Administration (298110) Annual Budget.

Prepared By: Nahid Razi, Purchasing Agent

Reviewed By: Anthony Shute, Director of Community Development

Approved By: Graham Mitchell, City Manager

Attachments

Resolution

Memorandum

RESOLUTION NO. __-20

RESOLUTION AWARDING
REQUEST FOR PROPOSALS FOR
HOUSING ELEMENT UPDATE
(RFP No. 017-20)

WHEREAS, on December 17, 2019, the City of El Cajon (the "City") issued a Request for Proposals (the "RFP") for a Housing Element Update (the "Project"), and one (1) response was received; and

WHEREAS, a three-person evaluation team independently reviewed the proposal according to the criteria specified in the RFP, and factors evaluated included experience, personnel, innovation, knowledge of procedural and statutory requirements, and technical ability; and

WHEREAS, the sole responsive firm provided a cost proposal separate from the technical proposal, and after thorough evaluation based upon technical qualifications, cost information was factored into the weighted evaluation and it was determined the proposal received from Veronica Tam and Associates, Inc. ("Veronica Tam") met the City's requirements; and

WHEREAS, City staff, in concurrence with the Director of Finance, recommends award of the RFP for the Project to Veronica Tam in an amount not to exceed \$84,900.00 for a one-year term, with the option to renew for one (1) additional one-year term; and

WHEREAS, the City Council believes it to be in the best interests of the City to award of the RFP for the Project to Veronica Tam in an amount not to exceed \$84,900.00 for a one-year term with the option to renew for one (1) additional one-year term, as recommended by City staff.

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

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

2. The City Council hereby awards the RFP for the Project to:

Veronica Tam and Associates, Inc.

in an amount not to exceed \$84,900.00 for a one-year term with the option to renew for one (1) additional one-year term.

3. The City Manager and City Clerk are authorized and directed to execute an agreement for the Project on behalf of the City of El Cajon, with such changes or amendments as maybe approved by the City Manager.

02/25/20 CC Agenda

Reso - RFP 017-20 – Housing Element Update – Awd (Veronica Tam) 021120



To: Nahid Razi, Purchasing Agent
From: Melissa Devine, Planning Manager, Chair of the Selection Committee
Date: January 30, 2020
Re: Selection Recommendation for RFP 017-20 Housing Element

The selection committee has independently reviewed the proposal and completed proposal evaluation forms for the one proposal received in response to RFP 017-20 for the Housing Element.

The composite scores of the firms resulted in the following ranking.

| Consultant Firm | Composite Score |
|-----------------------------|-----------------|
| Veronica Tam and Associates | 255.25 |

The selection committee found the proposal to be responsive to the RFP, and the consultant firm highly qualified.

The committee recommends the selection of Veronica Tam and Associates. There is an optional task included within the RFP, Task 6 Sites Inventory Justification. This planned task will be funded by SB2 grant funding pending from the California Housing and Community Development Department. The request is to include within the agreement the \$69,900 contract price with an additional \$15,000 budgeted on time and materials for Task 6 pending funding. Task 7, Environmental Clearance, will be declined.

The total contract amount is \$84,900 inclusive of the additional \$15,000 for Task 6. The contract term requested in one year with an additional one-year optional renewal period.

| Account | Activity | Amount |
|---------|----------|----------|
| 270900 | 8325d | \$20,000 |
| 275900 | 8325b | \$5,000 |
| 298110 | 8325c | \$50,000 |
| Total | | \$75,000 |

Additional funds are pending from the California HCD SB2 grant in the amount of \$310,000 which will be used for the optional task. These funds are not yet reflected in the budget. A budget adjustment will be completed after grant award.

Attachments: Composite Score Spreadsheet
Completed Evaluation Forms



City Council
Agenda Report

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Dirk Epperson, Director of Public Works
SUBJECT: Progress Report - Emergency Storm Damage Repairs

RECOMMENDATION:

That the City Council determines that there continues to be a State of Emergency to facilitate repairs to sinkhole conditions at the intersection of Jackman Street and Petree Street, and that the necessity requires the immediate expenditure of public money to safeguard life, health, and property per Public Contract Code Section 22050.

BACKGROUND:

This report is intended to update the City Council on the emergency repair project located at the intersection of Jackman Street and Petree Street, which provides critical repairs to damaged facilities resulting from recent storms. City Council approved Resolution 007-20 on January 28, 2020, declaring a State of Emergency and authorizing expenditures to make repairs necessary to remediate the situation.

Following the approval of emergency declaration, the following is an update on the project:

Intersection of Jackman Street / Petree Street: on December 2, 2019, two sinkholes were discovered at the subject intersection and immediate measures were taken to prevent further damage, which included installing traffic control devices and traffic-rated plates to cover areas that were exposed. Concurrently, an investigation was conducted to determine the cause and develop an appropriate course of action for the repairs. With the risk that existing utilities, street and sidewalk infrastructure could potentially collapse, the City Manager declared an emergency on January 7, 2020, and a contractor was procured to repair the storm drain system, backfill voids, and restore surface improvements. Following initial repairs, the contractor successfully completed approximately fifty-percent (50%) of the project scope, with the remaining work area contingent on the delivery of additional pipe and materials. An update was provided to the City Council on February 11, 2020, and the remaining project scope is expected to be completed the week of February 24, 2020, when the pipe and material orders are fulfilled. In the interim, the project area has been secured and is being monitored by staff on a daily basis.

Final acceptance of the project to City Council is anticipated for the March 10, 2020 City Council Meeting.

FISCAL IMPACT:

Funding in the amount of \$75,000 has been allocated to the project through Account #650900, CIP Project No. WW3519.

Prepared By: Dirk Epperson, Director of Public Works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

Agenda Item 8.

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Dirk Epperson, Director of Public Works
SUBJECT: CalRecycle Beverage Container Recycling Grant

RECOMMENDATION:

That the City Council:

1. Adopts the next Resolution, in order, and authorizes the City Manager to apply for Beverage Container Recycling Grant funds in the amount of \$26,073 from the State of California Department of Resources Recycling and Recovery (CalRecycle);
2. Appropriates Beverage Container Recycling Grant funds in the amount of \$26,073 for Recycled Beverage Container diversion; and
3. Authorizes the City Manager, or such person designated by the City Manager, to execute the grant agreement and all such other documents necessary to obtain the grant funds, in such form as approved by the City Manager with the approval of the City Attorney.

BACKGROUND:

The State of California Department of Resources Recycling and Recovery (CalRecycle) distributes grant funding specifically for beverage container recycling and litter cleanup activities. The Beverage Container Recycling Grant funds are generated from deposits paid by consumers on recyclable beverage containers. The funding may only be used for activities related to recycling programs, litter reduction, and public education and support for recycling programs. Staff recommends that the Fiscal Year 2019-20 funding be used to divert beverage containers from the landfills. In the past, the City has used these funds for the purchase of recycling containers in City Hall, the Police Department, Parks, and Recreation Centers. Most recently the funding was used to purchase recycling containers for The Magnolia. The City will explore additional uses of these funds as the program requirements change.

FISCAL IMPACT:

An additional \$26,073 for grant funding will be appropriated in the Beverage Container Recycling Grant Fund (2020).

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

Attachments

Resolution

RESOLUTION NO. __-20

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CAJON
AUTHORIZING THE FILING OF AN APPLICATION FOR THE
CALRECYCLE BEVERAGE CONTAINER RECYCLING GRANT,
ACCEPTING THE TERMS OF THE GRANT AGREEMENT,
AND APPROPRIATION OF FUNDS FOR
RECYCLED BEVERAGE CONTAINER DIVERSION

WHEREAS, pursuant to Public Resources Code sections 48000 et seq., 14581, and 42023.1(g), the Department of Resources Recycling and Recovery ("CalRecycle") has established various payment programs to make payments to qualifying jurisdictions; and

WHEREAS, in furtherance of this authority, CalRecycle is required to establish procedures governing the administration of the payment programs; and

WHEREAS, CalRecycle's procedures for administering payment programs require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the payment program.

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

1. The City Manager is authorized to submit an application to CalRecycle for any and all payment programs offered.
2. This City Manager, or his designee, is hereby authorized as Signature Authority to execute all documents necessary to implement and secure payment.
3. This authorization is effective until rescinded by the City Manager or the City Council.
4. Upon the award of Grant Funds the City Manager is authorized to appropriate Beverage Container Recycling Grant funds in the amount of \$26,073 for Recycled Beverage Container diversion.

02/25/20 CC Meeting

Reso - CalRecycle Beverage Container Recycling Grant 021120



City Council Agenda Report

Agenda Item 9.

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Dirk Epperson, Director of Public Works
SUBJECT: Delinquent Refuse Collection Charges

RECOMMENDATION:

That the City Council:

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

BACKGROUND:

On January 1, 1996, the City began mandatory trash service for all single-family residences. The City's agreement with its solid-waste hauler, Waste Management, allows Waste Management to bill for regular service with the City assuming responsibility for placing liens on delinquent accounts. This allows the City to use the enforcement power of a property lien, when necessary, to collect past due amounts. Additionally, the lien process is a cost-effective way for the City to ensure payment of delivered services.

Every four months, Waste Management provides the City with a list of properties that are delinquent in payments for refuse and recycling collection services. A customer is considered delinquent when their account is more than 120 days overdue with a minimum balance of \$40. In February, June, and November of each year, the City Council reviews the list of delinquencies and directs staff to record a lien on the delinquent properties. Residents have several opportunities prior to the lien process to reconcile their accounts, including advanced notice of the public hearing. Residents are able to pay their delinquent balance up to the day of the City Council Meeting.

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

On January 16, 2020, 685 customers were sent a Final Notice of Delinquency, asking them to pay a combined total of \$100,669.69. As of February 14, 2020, 220 customers have paid, leaving a balance of 465 delinquent accounts for the City Council to consider totaling \$69,406.45.

FISCAL IMPACT:

As the City collects a 15 percent franchise fee for Waste Management services, the City's financial share of these delinquencies is approximately \$10,410.97. These funds are deposited into the General Fund.

List of Delinquent Refuse Collection Accounts is available for review in the City Clerk's Office, during regular business hours.

Prepared By: Dirk Epperson, Director of Public Works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

Attachments

Resolution

RESOLUTION NO. ___-20

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

WHEREAS, pursuant to the provisions of Chapter 8.24 of the El Cajon Municipal Code, a public hearing was held on February 25, 2020, for the purpose of hearing objections or protests to a report and account of delinquent refuse collection service fees and charges; and

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

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

1. In accordance with the provisions of Title 4, Division 3, Chapter 10, section 38791 and Title 3, Division 2, Chapter 8, section 25831 of the Government Code of the State of California, and section 8.24.090 of Chapter 8.24 of the El Cajon Municipal Code, the report and account of delinquent refuse collection service fees and charges (Exhibit "A") considered at the hearing held on February 25, 2020, on file in the office of the City Clerk, is approved, and the unpaid amounts designated in said report and account shall be a charge to the owners of the properties on the next regular tax bill, and shall be liens upon the properties involved.

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

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

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

5. The City Clerk is hereby directed to record one or more certified copies of this resolution, which shall collectively include all of Exhibit "A," in the office of the County Recorder of San Diego County.

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

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

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

02/25/20 CC Agenda

Delinquent Refuse Liens (February 2020) 012320



City Council
Agenda Report

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Graham Mitchell, City Manager
SUBJECT: Strategies to Address Unfunded Pension Liabilities

RECOMMENDATION:

That the City Council:

1. Directs staff to commence judicial validation proceedings in order to obtain authority to issue Pension Obligation Bonds in the future;
2. Directs City Manager to enter into a professional services agreement with Stradling, Yocca, Carlson & Rauth to file the judicial validation proceedings;
3. Directs staff to establish a Public Agency Retirement Services (PARS) Section 115 Trust to fund employee benefit costs and serve as pension stabilization fund;
4. Directs staff to draft Pension Funding Policies to document long-term financing plan to address unfunded retirement costs and to bring draft policies back for City Council adoption.

BACKGROUND:

On January 14, 2020, the City Council hired Urban Futures, Inc., (UFI), which was selected via RFP process, to provide pension advisory services to assist City staff in evaluating potential funding solutions and developing recommendations to address the City's rising pension costs and its unfunded accrued liabilities (UAL) with the California Public Employees' Retirement System ("CalPERS") as well as retiree medical costs or Other Post-Employment Benefits (OPEB) liabilities.

The purpose of this agenda report is to summarize staff's recommendations and to seek direction on several of those recommendations. Prior to addressing recommendations, it is important to define several terms related to the City's pension liabilities.

Annual CalPERS Pension Liability – the amount the City is required to pay to CalPERS each year is comprised of two components: Normal Cost and UAL Payment. Normal Cost represents the retirement benefits earned by employees during the current fiscal year, it is paid as a percentage of payroll. UAL represents the unfunded portion of benefits already earned by retirees and current employees.

Unfunded Accrued Liability – as of the most recent CalPERS actuarial report, June 30, 2018, the City has an unfunded accrued liability (UAL) equal to \$204 million. Each year CalPERS adjusts the UAL to account for investment performance, as well as changes in assumptions such as interest rate, methodology, life expectancy, or salary/benefit levels. The City's annual

UAL payments are expected to increase over the next 12 years, from \$15 million in the current fiscal year to peaking at \$21 million in 2031.

Evaluation of Pension Funding Solutions

UFI presented seven possible solutions for addressing unfunded pension liabilities. These solutions encompass either: budgeting/use of available resources or a financing mechanism, and include:

- Allocation among funds,
- Use of reserves and one-time monies,
- PARS Section 115 Employee Benefit Trust,
- Employee cost sharing,
- Leveraged refunding,
- Tax-exempt exchange, and
- Pension Obligation Bonds (POBs).

UFI and City staff evaluated each solution, which resulted in several recommendations for City Council consideration. In summary, staff recommends that the City Council further explore issuing Pension Obligation Bonds, establish PARS Section 115 Trust funds, and adopt a pension funding policy.

Pension Obligation Bonds (POBs)

UFI and staff recommend pension obligation bonds (POBs) because they do not require the City to allocate its limited resources (i.e., reserves or annual revenues) to reduce its UAL payment. Like refinancing a home, annual payments toward POBs are more affordable by effectively cutting the interest rate from 7.0% to approximately 3.5%. The City could realize significant savings, compared to projected future UAL payments over the next several years. POBs could be viewed as “refinancing” the CalPERS liability at a lower rate.

In moving forward with this option, the issuance of POBs requires review before a Superior Court judge prior to issuance, which could take 90 to 120 days. In California, POBs do not require voter approval due to their exception to the State Constitutional debt limitation. However, each agency is required to file a validation action with its respective County Superior Court, in order to obtain authorization to issue POBs. The judicial proceedings are largely an administrative matter, which is usually handled by bond counsel.

By simply entering the process, the City is not committed to issuing POBs; rather, it will provide the legal authority to issue POBs sometime in the future. Fees typically range between \$25,000 to \$35,000, plus court filing fees (additional \$3,000 to \$5,000) to accomplish the validation process. Once the validation process is complete, staff will bring the POBs option back to the City Council for further action.

Staff recommends that the City Council authorize necessary steps to commence the validation proceedings, which includes entering into a professional service agreement with Stradling, Yocca, Carlson & Rauth.

Establish PARS Section 115 Trust

The City has already established a “committed” Pension Stabilization Fund, which has grown to about \$8 million. Staff recommends that the City deposit these and possibly other funds into an established PARS Section 115 Trust. (The deposit of these funds will be requested via separate action.)

A PARS Section 115 Trust has two main advantages. First, it creates a legally restricted fund that can only be used to pay for employee benefit costs. Second, it allows the City to invest in higher-yield investments. Establishing a PARS Section 115 Trust is viewed as a credit positive with the rating agencies. Investing monies with PARS has the added advantage of “diversification” from CalPERS. Most cities that have established trust funds have relied on the services of PARS because of their separation from CalPERS and their investment performance. Additionally, creating a trust fund helps the City maintain a disciplined approach toward reserving funds to make additional pension payments.

Pension Funding Policies

The City’s unfunded pension liability is not a static number. As noted previously, the City’s UAL could grow beyond \$204 million for a number of reasons including a recession or market adjustment.

Addressing the City’s unfunded pension liability requires long-term, sustained, financial discipline. Periodic review and updates will be necessary to take into account changes in the City’s financial position and funding status over time. Formal pension funding policies are important because they:

- Lay out a financial plan to address the City's pension liability;
- Provide guidance in making budget decisions and how to use budget surplus or one-time monies;
- Demonstrate prudent financial management and improve the agency’s credit rating; and
- Illustrate to employees and the public the City’s commitment and plan for responsibly addressing its employee benefit liability.

Staff recommends that the City Council direct staff to draft pension related policies and bring those back for City Council consideration and adoption.

FISCAL IMPACT:

Issuing Pension Obligation Bonds (POBs) could result in substantial savings. Staff is still in the initial phase of this process; the final size, structure, and timing have not yet been determined. Moreover, staff anticipates implementing other solutions as well, which will require further analysis and review on a case-by-case basis. These recommendations serve as the initial steps needed to address these long-term liabilities. Sufficient funding is available for judicial validation proceedings in the Fiscal Year 2019-20 City Manager Annual Budget (110000).

Prepared By: Clay Schoen, Director of Finance

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

Attachments

Resolution

RESOLUTION NO. __

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL CAJON
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, the Public Agency Retirement Services ("PARS") has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations and/or Other Post-Employment Benefits ("OPEB") obligations; and

WHEREAS, the City of El Cajon ("City") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of section 115 of the Internal Revenue Code, as amended, and the Regulations issued thereunder, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the City's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Program.

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

1. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective _____.

2. The City Council hereby appoints the city manager, or his successor or designee, as the plan administrator (the "Plan Administrator") for the City's Program.

3. The Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing the Plan Administrator to take whatever additional actions are required to administer the City's Program.



**City Council
Agenda Report**

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Mayor Wells
SUBJECT: Council Activity Report

RECOMMENDATION:

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

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

REPORT:

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

- February 13 - Meeting with SC Fuels
- February 14 - SANDAG Executive Meeting
- February 21 - Career Day at El Cajon SDA School
- February 21 - SD County Taxpayers Association Meeting
- February 25 - Meeting with Resident
- February 25 - Council Meeting(s)

I am available to answer questions.

Submitted By: Bill Wells, Mayor



City Council
Agenda Report

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Councilmember Kendrick
SUBJECT: COUNCILMEMBER GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications;
Heartland Fire Training JPA; East County Advance Water Purification Joint
Powers Authority Board.

RECOMMENDATION:

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

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

REPORT:

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

February 18 - Phone meeting with AWP STAFF
February 20 - AWP Joint Powers Authority Meeting
February 25 - Council Meeting(s)

I am available to answer questions.

Submitted By: Gary Kendrick, Councilmember



City Council
Agenda Report

Agenda Item 14.

DATE: February 25, 2020
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 accepts and files the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

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

REPORT:

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

February 13 - MTS Board Meeting
February 25 - Council Meeting(s)

I am available to answer questions.

Submitted By: Bob McClellan, Councilmember



City Council
Agenda Report

Agenda Item 15.

DATE: February 25, 2020

TO: Honorable Mayor and City Councilmembers

FROM: Councilmember Goble

SUBJECT: COUNCILMEMBER 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; East County Advance Water Purification Joint Powers Authority Board - Alternate.

RECOMMENDATION:

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

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

REPORT:

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

February 11 - Connect Waste Management and Owner of 2nd St Carwash
February 13 - Attend Best of East County Awards Event
February 14 - Discussion with City Manager re: nonprofit rental of The Magnolia
February 15 - Discussion with City Manager re: HEAP funds
February 15 - Assist with F. Millen request re: trash on Washington/Magnolia
February 17 - Spoke at SDSU Classes
February 24 - Meeting with City Manager
February 25 - City Council Meeting(s)

I am available to answer questions.

Submitted By: Steve Goble, Councilmember



City Council
Agenda Report

Agenda Item 16.

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Deputy Mayor Phil Ortiz
SUBJECT: DEPUTY MAYOR PHIL ORTIZ
East County Economic Development Council; League of California Cities,
San Diego Division.

RECOMMENDATION:

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

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

REPORT:

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

February 10 - Meeting with City Manager
February 11 - Phone call with resident Barbara
February 25 - Council Meeting(s)

I am available to answer questions.

Submitted By: Phil Ortiz, Deputy Mayor



City Council
Agenda Report

DATE: February 25, 2020
TO: Honorable Mayor and City Councilmembers
FROM: Mike Moulton, Chief of Police
SUBJECT: El Cajon Animal Shelter Donations for January 2020

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 January:

| | |
|---------------------------------|-----------------|
| United Way - Anonymous | \$524.24 |
| Rancho Santee Lions Association | \$200.00 |
| Total | \$724.24 |

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



City Council
Agenda Report

DATE: February 25, 2020

TO: City Clerk

FROM: City Attorney/General Legal Counsel

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

Property
1373 N. Marshall Avenue

Negotiating Party
San Diego Humane Society

Agency Negotiators
City Manager
Assistant City Manager
City Attorney

Under negotiation: Price and terms for lease of all or part of the property.

RECOMMENDATION:

That the following Closed Session be scheduled for the Tuesday, February 25, 2020, Joint City Council/Housing Authority/Successor Agency to El Cajon Redevelopment Agency agenda at 3:00 p.m.

Morgan L. Foley
City Attorney/General Legal Counsel

MLF:hms
