



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

Council Chamber
200 Civic Center Way
El Cajon, CA 92020

Agenda

MARCH 9, 2021, 3:00 p.m.

Please note that, pursuant to the State of California Governor's Executive Order N-29-20, and in the interest of the public health and safety, members of the City Council and Staff may attend the meeting telephonically.

Further, Orders from the San Diego County Health Officer prevent persons other than City officials and essential employees to be physically present.

In accordance with the Executive Order, and in compliance with the County Health Officer's Orders, the public may view the meeting on the City's website. Please visit <https://www.cityofelcajon.us/videostreaming> for more details.

To submit comments on an item on this agenda, or a Public Comment, please visit the City's website at <https://www.cityofelcajon.us/videostreaming>. Comments will be accepted up to the conclusion or the vote of each item. Comments will be limited to 300 words and will be entered into the official Council Meeting Record. The City Council will endeavor to include all comments prior to taking action.

If you find that you are unable to submit a comment through the website, please contact the City Clerk's Office at (619) 441-1763, not later than 2:30 p.m. prior to the start of the City Council Meeting.

Should technical difficulties arise, they will be resolved as soon as possible.

Bill Wells, Mayor
Gary Kendrick, Mayor Pro Tem
Michelle Metschel, Councilmember
Steve Goble, 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 February 23, 2021, and March 1, 2021, Meetings and the Agenda of the March 9, 2021, Meetings in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

PRESENTATIONS:

Presentation: Teen Coalition Mid-Year Report

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 Meeting

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the February 23, 2021, Meetings, and of the March 1, Joint Special Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

RECOMMENDATION:

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

3. Approval of Reading Ordinances by Title Only

RECOMMENDATION:

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

4. Sales Tax Records Access Authorization

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to authorize the examination of sales, use, and transactions tax records on file with the California Department of Tax and Fee Administration (CDTFA) by designated City officials and Hinderliter, de Llamas & Associates (HdL).

5. Agreement Amendment for Annual Sewer Billing Services

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to amend the existing professional services agreement with NV5, Inc., (the "Agreement") for continuing support with sewer billing services, in an additional amount not-to-exceed \$140,000.

6. Application for the Green Schoolyards Technical Assistance Program

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to approve the El Cajon Parks & Recreation Department submitting an application for the Green Schoolyards Technical Assistance Program which includes the Green Schoolyards Pledge to be signed by the Mayor and Cajon Valley Union District School Superintendent.

PUBLIC COMMENT:

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

WRITTEN COMMUNICATIONS:

PUBLIC HEARINGS:

ADMINISTRATIVE REPORTS:

7. Fiscal Year 2020-21 Mid-Year Report and Five-Year Business Plan Update

RECOMMENDATION:

That the City Council:

1. Receives and accepts the Fiscal Year 2020-21 Mid-Year Report and Five-Year Business Plan update;
2. Authorizes the proposed personnel changes detailed in the report;
3. Increases or modifies Fiscal Year 2020-21 appropriations in the net amount of \$40,000 for additional needs as detailed in the report; and
4. Authorizes the proposed capital expenditures detailed in the report.

8. Prop 68 Grant Parks & Recreation Applications

RECOMMENDATION:

That the City Council adopts the next Resolution(s), in order, to approve the El Cajon Parks & Recreation Department to submit one or all four Prop 68 Grant Application(s) for Parks and Recreation Facilities.

9. COVID-19 Status Report

RECOMMENDATION:

No action required.

COMMISSION REPORTS:

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee, San Diego Division; LAFCO.

10. Council Activity Report

ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:

11. **MAYOR PRO TEM GARY KENDRICK**
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.

12. **COUNCILMEMBER MICHELLE METSCHEL**
Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate; Heartland Fire Training JPA – Alternate.

13. **COUNCILMEMBER STEVE GOBLE**
MTS (Metropolitan Transit System Board); East County Advanced Water Purification Joint Powers Authority Board; Chamber of Commerce – Government Affairs Committee; SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate.

14. **COUNCILMEMBER PHIL ORTIZ**
League of California Cities, San Diego Division; East County Economic Development Council; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced Water Purification Joint Powers Authority Board – Alternate; Chamber of Commerce – Government Affairs Committee – Alternate.

JOINT COUNCILMEMBER REPORTS:

GENERAL INFORMATION ITEMS FOR DISCUSSION:

ORDINANCES: FIRST READING

15. Ordinance to Add Chapter 2.18 to Establish Local Campaign Limits

RECOMMENDATION:

That the City Council approves the introduction of *An Ordinance Adding Chapter 2.18 to Title 2 of the El Cajon Municipal Code to Establish Local Campaign Limits for the City of El Cajon*, and, if approved, requests the City Clerk to read the ordinance by title.

16. Ordinance to Amend ECMC Chapter 6.16

RECOMMENDATION:

That the City Council approves the introduction of *An Ordinance to Amend Sections 6.16.060 and 6.16.090, and to Repeal Sections 6.16.080 and 6.16.120, of Chapter 6.16 of Title 6 of the El Cajon Municipal Code to Conform to the San Diego Humane Society's Dog Licensing Procedures* , and, if approved, requests the City Clerk to read the ordinance by title.

17. Speed Limit Zone-Hacienda Drive

RECOMMENDATION:

That the City Council approves the introduction of an Ordinance amending Section 10.20.130 of Chapter 10.20 of the Municipal Code to include updating the existing speed limit for Hacienda Drive from Swallow Drive to Windmill View Road.

ORDINANCES: SECOND READING AND ADOPTION

CLOSED SESSIONS:

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

ADJOURNMENT: The Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 9th day of March 2021, is adjourned to Tuesday, March 9th, 2021, at 7:00 p.m.



City Council
Agenda Report

Agenda Item 1.

DATE: March 9, 2021

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 Meeting

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the February 23, 2021, Meetings, and of the March 1, Joint Special Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

Attachments

02-23-21 DRAFT minutes - 3PM

02-23-21 DRAFT minutes - 7PM

03-01-21 DRAFT Joint Special Meeting - 630PM

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 23, 2021

An Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, February 23, 2021, 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 via virtual platform: Goble, Metschel and Ortiz
Council/Agencymembers absent: None
Deputy Mayor/Vice Chair via virtual platform: Kendrick
Mayor/Chair present via virtual platform: Wells
Other Officers present via virtual platform: 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 February 9, 2021, Meeting and the Agenda of the February 23 2021, Meetings in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

PRESENTATIONS: None

AGENDA CHANGES: None

CONSENT ITEMS: (1 – 5)

MOTION BY WELLS, SECOND BY KENDRICK, to APPROVE Consent Items 1 to 5.

MOTION CARRIED BY UNANIMOUS VOTE.

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

Approves Minutes of the February 9, 2021, 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. Contract Amendment to Proximity Access Upgrades

Adopts Resolution No. 017-21 to increase the contract for proximity access upgrades in the not-to-exceed amount of \$34,689.82.

5. Disposal of Retired Property

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

PUBLIC COMMENT:

Aimal Omer submitted an online comment to state that the volleyball group he belongs to, is not allowed to play at Kennedy Park.

Mayor Wells requested that a staff member reach out to Mr. Omer to clarify the issue.

WRITTEN COMMUNICATIONS: None

PUBLIC HEARINGS: None

ADMINISTRATIVE REPORTS:

6. Permanent Stage in Prescott Promenade

RECOMMENDATION:

That the City Council authorizes the placement of a permanent stage in Prescott Promenade to be constructed by the Downtown Business Partnership with no cost to the City.

DISCUSSION

City Manager Mitchell provided detailed information of the Item.

Darryl Priest and Cathy Zeman from the Downtown Business Partnership were available for questions from the Council.

Council expressed support of the proposed project.

No comments were submitted for the Item.

MOTION BY KENDRICK, SECOND BY GOBLE, to AUTHORIZE the placement of a permanent stage in Prescott Promenade to be constructed by the Downtown Business Partnership with no cost to the City.

MOTION CARRIED BY UNANIMOUS VOTE.

ADMINISTRATIVE REPORTS: (Continued)

- 7. Extend Application Period for City Commissions/Committee

RECOMMENDATION:

That the City Council directs staff on the timeline to accept applications for the vacancies on the City's Personnel Commission, Planning Commission, and Public Safety Facility Financing Oversight Committee. Once a new application period has been approved, an interview date can be scheduled.

DISCUSSION

City Manager Mitchell stated only one application was submitted for the Personnel Commission and that no applications had been received for the Planning Commission or the Public Safety Facility Oversight Committee. He recommended that the interviews for the Personnel Commission are held on the originally scheduled Council meeting of March 9, 2021, and that the application period for the Planning Commission and the Public Safety Facility Oversight Committee be extended until applications are received, at which time interviews would be scheduled.

No comments were submitted for the Item.

MOTION BY WELLS, SECOND BY KENDRICK, to EXTEND application period for the Planning Commission and for the Public Safety Facility Oversight Committee until applications are received.

MOTION CARRIED BY UNANIMOUS VOTE.

- 8. COVID-19 Status Report

RECOMMENDATION: No action required.

City Manager Mitchell provided detailed information of the Item.

No comments were submitted for the Item.

COMMISSION REPORTS: None

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee; LAFCO.

9. Council Activities Report/Comments

Report as stated.

10. Legislative Report

Assistant City Manager DiMaggio provided a comprehensive report on the Legislative Bills of interest to the City.

Council and staff discussed the following bills:

- AB 329 (Bonta-D) Requires bail to be set at \$0 for all offenses, except serious or violent felonies, violations of specified protective orders, spousal battery, sex offenses, and DUI. (Status: Committee on Public Safety).
- AB 333 (Kamlager-D) Proposes to remove burglary, looting, felony vandalism, and identify fraud from crimes that define a pattern of criminal gang activity. (Status: Committee on Public Safety). (Status: Committee on Public Safety).
- AB 48 (Gonzalez-D) Prohibits use of kinetic energy projectiles, nor CN or CS gas to disperse as assembly, protest, or demonstration.
- SB 358 (Jones – R) Bill would prohibit a person from entering the curtilage of a residential dwelling, as defined, with the intent to commit theft of a package shipped through the mail or delivered by a public or private carrier. The bill would make a violation of that prohibition punishable as a misdemeanor by imprisonment in a county jail for a term not exceeding one year. For a 3rd or subsequent violation within a 36-month period, the bill would make the crime punishable as a misdemeanor by imprisonment in a county jail for a term not exceeding one year or as a felony by imprisonment in a county jail for 16 months, or 2 or 3 years. By creating a new crime, the bill would impose a state-mandated local program. (Status: Awaiting Committee referral).

Council directed staff to write a letter of support on AB 329, AB 333 and AB 48.

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ACTIVITIES REPORTS OF COUNCILMEMBERS:

11. MAYOR PRO TEM GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.

Council Activities Report/Comments.

Report as stated.

12. COUNCILMEMBER MICHELLE METSCHEL
Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate; Heartland Fire Training JPA – Alternate.

Council Activities Report/Comments.

Report as stated.

13. COUNCILMEMBER STEVE GOBLE
MTS (Metropolitan Transit System Board); East County Advanced Water Purification Joint Powers Authority Board; Chamber of Commerce – Government Affairs Committee; SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate.

Council Activities Report/Comments.

In addition to the submitted report, Councilmember Goble stated that he will attend an event at MTS Bus Yard, on Friday February 26, 2021, where the last diesel bus will be retired and replaced with a new electric bus.

14. COUNCILMEMBER PHIL ORTIZ
League of California Cities, San Diego Division; East County Economic Development Council; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced Water Purification Joint Powers Authority Board – Alternate; Chamber of Commerce – Government Affairs Committee – Alternate.

Council Activities Report/Comments.

Report as stated.

JOINT COUNCILMEMBER REPORTS: None

GENERAL INFORMATION ITEMS FOR DISCUSSION: None

ORDINANCES: FIRST READING - None

ORDINANCES: SECOND READING AND ADOPTION

15. Add Chapter 9.41 to the El Cajon Municipal Code Prohibiting Demonstrations that Target Residences

RECOMMENDATION:

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

DISCUSSION

The following submitted a comment in opposition of the Item:

- Madeleine Morales
- Kayle
- Dante
- Matt
- Tareq Asfour
- Savannah Fortney
- Akiko Mims
- Danielle Sheri
- Leland Samuel Griffith
- Kelly Ports
- Jennifer Vargas

Discussion ensued amongst Council and Staff regarding:

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

AN ORDINANCE ADDING CHAPTER 9.41 TO TITLE 9 OF THE EL CAJON MUNICIPAL CODE TO PROHIBIT DEMONSTRATIONS THAT TARGET RESIDENCES.

MOTION BY WELLS, SECOND BY KENDRICK, to Adopt Ordinance No. 5107, ADDING Chapter 9.41 to Title 9 of the El Cajon Municipal Code to prohibit demonstrations that target residences.

MOTION CARRIED BY UNANIMOUS VOTE.

CLOSED SESSIONS: None

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 23rd day of February, 2021, at 3:46 p.m., to Tuesday, February 23, 2021, at 7:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary

DRAFT

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 23, 2021

An Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, February 23, 2021, was called to order by Mayor/Chair Bill Wells at 7:00 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California. This meeting was adjourned from the Adjourned Regular Joint Meeting held at 3:00 p.m., Tuesday, February 23, 2021, by order of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

ROLL CALL

Council/Agencymembers via virtual platform: Goble, Metschel and Ortiz

Council/Agencymembers absent: None

Deputy Mayor/Vice Chair via virtual platform: Kendrick

Mayor/Chair present via virtual platform: Wells

Other Officers present via virtual platform: 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 COMMENT: None

PUBLIC HEARINGS:

100. FY 2021-22 CDBG and HOME Allocations for One Year Action Plan

RECOMMENDATION:

That the City Council:

1. Opens the public hearing and accepts testimony;
2. Accepts public input for the FY 2021-22 One Year Action Plan;
3. Closes the public hearing; and
4. Allocates funds to projects and programs that will be funded from the FY 2021-22 Community Development Block Grant (CDBG) and HOME grant programs.

Staff will prepare a preliminary funding schedule reflecting the City Council's decisions from this public hearing relative to the FY 2021-22 One Year Action Plan, and will present it for final adoption at the second public hearing scheduled for April 27, 2021.

DISCUSSION

Director of Community Development, Anthony Shute, introduced Housing Manager, Jamie van Ravesteyn who provided information of the Item.

Mayor Wells opened the Public Hearing.

The following people submitted an online comment to advocate for their organizations:

- Estela De Los Rios, representing CSA San Diego
- Deborah Martin, representing ElderHelp of San Diego
- Harold Brown, representing East County Transitional Living Center
- Debra Emerson, representing St. Madeleine Sophie's Center

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

MOTION CARRIED BY UNANIMOUS VOTE.

PUBLIC HEARINGS: (Item 100 – Continued)

Discussion ensued among Council and Staff concerning the following:

- Utilizing CDBG funds for sidewalks in eligible areas;
- New street lights at various locations;
- Reach out to San Diego Gas & Electric for possible CARES Act funds to supplement installation of street lights; and
- Cost for new lights is costly, as new underground lines must be set up.

MOTION BY KENDRICK, SECOND BY GOBLE, to ALLOCATES funds to projects and programs to be funded from the FY 2021-22 Community Development Block Grant (CDBG) grant program.

MOTION CARRIED BY UNANIMOUS VOTE.

MOTION BY KENDRICK, SECOND BY GOBLE, to ALLOCATES funds to projects and programs to be funded from the FY 2021-22 HOME grant program.

MOTION CARRIED BY UNANIMOUS VOTE.

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 23rd day of February, 2021, at 7:28 p.m., to Tuesday, March 9, 2021, at 3:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary

JOINT SPECIAL 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

March 1, 2021

A Joint Special Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Monday, March 1, 2021, was called to order by Mayor Bill Wells at 6:30 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

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

Mayor Wells lead the **PLEDGE OF ALLEGIANCE TO THE FLAG** and **MOMENT OF SILENCE**. (The Courts have concluded that sectarian prayer as part of City Council Meetings is not permitted under the Constitution).

ADMINISTRATIVE REPORTS:

1. City Council Priority/Goal-Setting Workshop

RECOMMENDATION:

That the City Council conducts a Priority/Goal-Setting Workshop.

DISCUSSION

City Manager Mitchell provided detailed information of the Item.

City Attorney Foley reminded Councilmembers about Brown Act guidelines that must be followed throughout the breakout sessions.

City Manager Mitchell gave direction to the Council on focusing on what priorities are important to them, and explained the dynamics of the breakout groups.

After the 10 minute breakout session, City Council identified the following areas to focus on (not in order of importance):

- Homelessness
- Economic Development
- Fiscal Stability
- Communications with the Public
- Public Safety
- Infrastructure and Street Improvements
- Enhanced Technology
- Image of the City
- Health of Employees

Sadie Sullivan-Greiner submitted a lengthy online comment, which was forwarded to the City Council.

Barbara J. Johnson, representing Innocence Lost submitted an online comment to bring attention to human trafficking in the City of El Cajon.

After a 30 minute breakout session, City Council agreed to the following list as priorities for the FY 2020/2021(not in order of importance):

- Homelessness
- Economic Development
- Public Safety
- Communication/Civic Engagement
- Enhance Image of City by Focusing on City's Entry Locations
- Miscellaneous Items

ADMINISTRATIVE REPORTS: (Continued)

City Manager Mitchell stated that staff will prepare a draft implementation plan to present to the City Council in the upcoming weeks.

Adjournment: The Joint Special Meeting of the El Cajon City Council/El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 1st day of March 2021 was adjourned at 9:07pm, to Tuesday, March 9, 2021 at 3:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary



City Council Agenda Report

Agenda Item 4.

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Clay Schoen, Director of Finance
SUBJECT: Sales Tax Records Access Authorization

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to authorize the examination of sales, use, and transactions tax records on file with the California Department of Tax and Fee Administration (CDTFA) by designated City officials and Hinderliter, de Llamas & Associates (HdL).

BACKGROUND:

On January 26, 2021, the City Council agreed to enter into a contract with Hinderliter, de Llamas & Associates (HdL) to provide Sales and Use Tax Services, and Transactions and Use Tax Audit Management Services.

Section 7056 of the State of California Revenue and Taxation Code gives local agencies the ability to examine sales, use, and transactions tax records of the CDTFA, provided that the examination of confidential tax information is authorized by a resolution of an agency's legislative body. The required resolution should permit "any duly authorized officer or employee of the city or other person designated by that resolution, to examine all the sales or transactions and use tax records of the board pertaining to the ascertainment of those sales or transactions and use taxes to be collected for the city."

Furthermore, the law restricts the disclosure of confidential taxpayer information contained in the records of the CDTFA. The resolution accompanying this report designates the City's representatives who are authorized to perform such examination of records. If approved, the designated representatives will be:

- City Manager
- Director of Finance/Treasurer
- Any additional City personnel designated in writing by the City Manager
- HdL

FISCAL IMPACT:

There is no direct fiscal impact as a result of this action; however, diligent monitoring of sales tax revenue is critical to the City's fiscal success.

Prepared By: Autumn Reberger, Sr. Management Analyst

Reviewed By: Clay Schoen, Director of Finance

Approved By: Graham Mitchell, City Manager

Attachments

Resolution

RESOLUTION NO. __-21

RESOLUTION AUTHORIZING THE EXAMINATION OF
LOCAL SALES AND USE TAX AND TRANSACTIONS
SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance No. 4919, the City of El Cajon (the "City") entered into a contract with the California Department of Tax and Fee Administration ("CDTFA") to perform all functions incident to the administration and collection of *local sales and use taxes*; and

WHEREAS, on January 26, 2021, the City Council agreed to enter into a contract with Hinderliter, de Llamas & Associates ("HdL") to provide Sales and Use Tax Services, and Transitions and Use Tax Audit Management Services; and

WHEREAS, Section 7056 of the State of California Revenue and Taxation Code gives local agencies the ability to examine sales, use, and transactions tax records of the CDTFA, provided that the examination of confidential tax information is authorized by a resolution of the City Council that permits any duly authorized officer or employee of the city or other person designated by that resolution, to examine all the sales or transactions and use tax records of the board pertaining to the ascertainment of those sales or transactions and use taxes to be collected for the City; and

WHEREAS, the law further restricts the disclosure of confidential taxpayer information contained in the records of the California Department of Tax and Fee Administration; and

WHEREAS, the City Council deems it necessary for authorized representative of the City to examine confidential sales and transactions and use tax records of the CDTFA pertaining to sales and transactions and use taxes collected by CDTFA for the City; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of CDTFA records and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from sales or transactions and use tax records of the CDTFA; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code requires that any person designated by the City shall have an existing contract to examine the City's sales and transactions and use tax records.

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

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

Section 2. The City Council hereby authorizes the examination of sales, use, and transaction tax records on file with the CDTFA by the following designated City officials and HdL.

Section 3. The City Manager, Director of Finance/Treasurer, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration (the "Department"), is hereby appointed to represent the City with authority to examine all of the sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department under the Bradley-Bums Uniform Local Sales and Use Tax Law or the Transactions and Use Tax Law. The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Department pursuant to the contract.

Section 4. Hinderliter, de Llamas & Associates is hereby designated to examine the sales and transactions and use tax records of the Department pertaining to sales and transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with the City to examine sales and transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from those sales and transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Department records shall be used only for purposes related to the collection of City's sales and transactions and use taxes by the Department pursuant to the contracts between the City and the Department.

Section 5. This resolution supersedes all prior sales and transactions and use tax resolutions of the City adopted pursuant to subdivision (b) of Revenue and Taxation Section 7056.



City Council
Agenda Report

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Yazmin Arellano, Director of Public of Works
SUBJECT: Agreement Amendment for Annual Sewer Billing Services

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to amend the existing professional services agreement with NV5, Inc., (the "Agreement") for continuing support with sewer billing services, in an additional amount not-to-exceed \$140,000.

BACKGROUND:

Annual Billing Process

The City provides sewer services to nearly 17,000 customers. Section 13.44.070 of the Municipal Code allows the City to place the sewer charges on the tax roll for the properties receiving these services. The City annually submits sewer charges to the San Diego County Tax Assessor's Office, and property owners pay their sewer charges with their property taxes.

Prior to the City providing the sewer charges to the County, each property owner receives a summary of charges. This document, sent out 30 days before the County's deadline, allows customers to know the amount of next year's sewer bill, can serve as a record for those leasing property, and can be used to determine if an error exists. This process is similar to many other cities in the County.

The sewer bill then appears on the property tax bill as a separate line item. For those with impound accounts, this amount will be calculated as part of the monthly mortgage payment. Customers can elect to pay all or half of the sewer bill when the December property tax bill is due.

Tax Roll Preparation

Staff recommends amending the existing Agreement, originally approved by the City Council on March 10, 2020. The amendment will require additional services for a second year and add a not-to-exceed amount of \$140,000 to the Agreement. This amount is less than the first year (\$194,251) since much of the work base-work has been accomplished.

NV5, Inc. prepared the annual sewer charges for the City last year and is very familiar with the project's complexity. Their scope of services includes the following annual updates:

- Calculating the updated sewer rates and base charges for each user classification;
- Calculation of annual charges for all properties in El Cajon based on consumption data;
- Production and mailing of the annual summary letters to property owners, including materials and postage costs; and
- Preparation of the master file for the annual sewer assessments for the County Tax Collector's office.

Additionally, customer support is included with the Agreement as an optional task. This task referenced is for a not-to-exceed cost of \$21,000, which is included in the overall award amount and will only be utilized if additional customer support is necessary to augment City resources.

FISCAL IMPACT:

Approval of the \$140,000 increase will supplement the existing Agreement, for a total amount of \$334,251. The total Agreement amount is budgeted in Fiscal Year 2020-2021 Wastewater Funds.

Prepared By: Yazmin Arellano, Director of Public of Works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

Attachments

Resolution

NV5 Proposal

RESOLUTION NO. __-21

RESOLUTION APPROVING AMENDMENT TO
AGREEMENT FOR PROFESSIONAL SERVICES WITH
NV5, INC. FOR ANNUAL SEWER BILLING SERVICES,
AND AUTHORIZING ADDITIONAL COMPENSATION

WHEREAS, the City of El Cajon (the "City") provides sewer services to nearly 17,000 customers, and El Cajon Municipal Code section 13.44.070 allows the City to place the sewer charges on the tax roll for the properties receiving these services; and

WHEREAS, the City submits sewer charges annually to the San Diego County Tax Assessor's Office (the "County") to be included on property tax bills as a separate line item; and

WHEREAS, on March 10, 2020, the City Council approved entering into a professional services agreement with NV5, Inc. ("NV5"), for sewer billing services in a not-to-exceed compensation amount of \$194,251, for the term of June 9, 2020 through June 8, 2021, with the option to renew for four (4) additional one-year periods (the "Agreement"); and

WHEREAS, staff has requested NV5 to provide additional services requiring increased compensation in a not-to-exceed amount of \$140,000, for a total Agreement amount of \$334,251 for work performed; and

WHEREAS, the City Council believes it to be in the City's best interest to: (1) approve additional compensation in the not-to-exceed amount of \$140,000; and (2) approve the total Agreement amount of \$334,251, which is budgeted in Fiscal Year 2020-2021 Wastewater Funds.

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

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby approves amendment of the Agreement to increase compensation for services rendered by NV5 in the not-to-exceed amount of \$140,000.
3. The City Council hereby authorizes the City Manager, or such person as is designated by the City Manager, to execute an amendment to the Agreement with NV5 on behalf of the City of El Cajon, with such changes as may be approved by the City Manager.



January 26 2021

Yazmin Arellano
Public Works Director / City Engineer
City of El Cajon
200 Civic Center Way
El Cajon, CA 92020

Subject: Sewer User Survey and Tax Roll

Dear Ms. Arellano:

NV5 is pleased to be able to again work with the City of El Cajon (City) in completing the bimonthly billing to the County of San Diego Tax Roll. Last year's transition of the data will be updated with new water usage and an updated Tax Roll list and report for Fiscal Year (FY) 2022 will be developed. This list is to be filed with the City Clerk for approval by City Council. In addition, NV5 will submit the approved list to the County of San Diego for processing on the property tax roll.

NV5 will also update the wastewater rates based upon pass through costs and provide customer service support on an hourly rate basis in response to the sewer billing process.

The City's wastewater rate study was adopted in November of 2019, which established recommended charges and fees for sewer service. The rate structure for these fees is based on the cost of providing sewer service to residential and commercial users. Residential rates are based on actual low winter water use. Commercial/industrial rates are based on actual flow volume throughout the year and classification. Commercial/industrial users are grouped based on their estimated sewage strengths into three classes of users. The objective is to provide updated user data that reflects current users, flows and develop an annual tax roll report required by the California Health and Safety Code, Section 5473.

Task 1: Project Planning Phase

Project Management: NV5 will perform general administrative duties including client correspondence, billing, project documentation, and coordination with City staff and their other consultants/vendors on data collection.

Meetings: The project team will conduct a kick-off meeting to review the scope of services and provide an opportunity for the City staff to provide input regarding the goals and objectives for the project. This meeting will be used to finalize the project schedule, task priorities, and identify the lines of communication.

NV5 assumes weekly virtual meetings with City staff to complete this update. NV5 has also anticipated multiple phone/conference calls with staff to gain input and discuss issues. Assumes 16 hours of meetings.

Data Collection: NV5 will prepare an initial request for current data and other pertinent information such as building permit, business license, and industrial/commercial user parcel data prior to the first meeting with City staff. NV5 anticipates this information will be provided electronically in a

format that can be integrated into the Microsoft Excel and GIS models. A preliminary list of typical information and data in electronic format required for the updates includes the following:

Rate update: The City's rate case was developed and approved with pass through provisions for Metro costs and inflation. The rate model will be updated to include current information for those elements and the current billing costs. These amounts will be used as part of the tax role calculations and part for the noticing for the tax roll.

Sewer System User Data:

- Commercial/Industrial sewer users' building permits and business licenses.
- Commercial/Industrial sewer users' parcel and zoning data.
- Commercial/Industrial sewer users' water consumption and wastewater flow rates.
- Updated GIS database of sewer customers.
- Updated approved sewer user rates for the fiscal year.

Task 2: Evaluation of Sewer Users

NV5 will review and evaluate building permits, business licenses, parcel, zoning of real property, water consumption and sewage strength data of City users of the City's sewer collection system and facilities. Through this evaluation NV5 will:

- Verify and update the classifications of users and determine which users will be included in the FY 2022 tax roll. Review changes and corrections from last year's data.
- Calculate sewer service charges for users with updated information provided by the City based on approved sewer rates for the fiscal year.
- Review, verify, and update the GIS database of sewer users to reconcile and validate existing tax roll data.
- Perform outreach to Home Owners Associations (HOAs). Outreach to HOAs is an effort that started last summer, the goal is to bring as many of them onto the tax roll as possible and that requires reaching out to each of them to discuss the process. NV5 has included up to 40 hours of time to do this outreach to them and come to conclusion on direction for each of the HOA's. Letters to each may be needed to document the decision.

Task 3: Tax Roll Update

NV5 will develop the GIS database of sewer users with verified and corrected user classifications and sewer service charges to be submitted in the City's FY 2022 tax roll. A letter of notification prior to the council meeting will be sent to every property owner that will be on the tax roll with details of the charges that are anticipated. This letter format will follow the format from last year's effort and NV5 will work with the City on approved language.

There are a fair number of delinquent accounts from the bills that went out prior to the tax roll going into effect. There will be an effort to reach out to them, but many will require adding the delinquent bill to the tax roll and the notification that is sent out prior to the council meeting.

NV5 will prepare a report required by the California Health and Safety Code, Section 5473. The report will provide a list of the annual fee for each parcel of real property utilizing sewer collection services and facilities provided by the City. Following review of the data with the City, NV5 will prepare a draft report for the City's review and a final report will be produced to be filed with the City Clerk.

Upon approval of the tax roll report and list by City Council, NV5 will submit the approved list to the County of San Diego for processing on property tax rolls. Government agencies that are not billed on the property tax rolls will be billed separately. NV5 will prepare a letter with merged data to be sent to bill the appropriate agencies, Envelopes with City information will be used with all letters and City will review and approve all letters since they will be sent on City letterhead.

All data to be provided to the City in the approved GIS format that was developed in 2020 for the City's GIS consultant to update and import to the City's GIS.

Deliverables as a result of Task 3:

- Draft Tax Roll Report.
- Final Tax Roll Report.
- Final Tax Roll List and Report submission to City Council for Approval.
- Letters to each property owner with the total amount to be placed on the tax roll including any delinquent amount from billings sent prior to the 20-21 tax roll.
- Approved Tax Roll List to the County of San Diego.
- Handbills for those properties that do not receive property tax bills (governmental entities and HOA's). NV5 will prepare and mail the invoices. The City to track payment.

Task 4: Customer Service Support and As-Needed Services

The current proposal includes an hourly rate of \$ 87.50/hour for customer service support. This will include a dedicated phone line to be available for the City to transfer calls where bill payers can call with questions. A dedicated person will be provided to answer the phone and answer questions the same day as the call with normal business hours of 8 a.m. to 5 p.m. Phone calls received the last hour of the day may occasionally be returned the next day. The City's Frequently Asked Questions (FAQ) will be updated as calls come in with similar questions. This task does not include processing payment over the phones.

An allowance of 240 hours has been included in the not-to-exceed fee.

City Staff Responsibilities

A defensible and comprehensive evaluation and report requires input from those who know your utility system the best among City staff. To perform a defensible analysis, NV5 will utilize means and methods recognized as industry standards. NV5 will seek the input of City staff in the evaluation and who will have the opportunity to review and adjust the report. In addition, to meet or exceed the project schedule, it is expected that City staff will respond to our questions and data/information needs in a timely manner.

NV5 shall be entitled to rely upon the accuracy and completeness of the data provided by the City in performing its services, without liability. Unless requested in writing by the City, NV5 will not, and has no obligation to, perform any manner of check, review, or verification of the accuracy or completeness of the data provided.

NV5 will not be preparing any public outreach materials as part of this proposal except the letters to the residents notifying them of their billings.

Fees

NV5 will complete the above scope of services on a time and materials basis, in a not-to-exceed amount of \$140,000 per the attached rate schedule.

Summary

NV5 welcomes the opportunity to work with the City staff on this update. If you have any questions, please contact me at 858-385-2131 or carmen.kasner@NV5.com.

Sincerely,
NV5, Inc



Carmen Kasner, PE
Regional Managing Director
P27521-0001359.00



Cynthia Peraza, PE
Engineering Manager

January 2021-December 2021 CHARGE RATE SCHEDULE

OFFICE:

Technical Services

Engineering Aide/Planning Aide _____	\$77.00/hour
Project Assistant _____	\$87.50/hour
Project Administrator _____	\$97.00/hour
CADD Technician I _____	\$97.00/hour
CADD Technician II _____	\$121.50/hour
CADD Technician III _____	\$133.75/hour
Sr. CADD Technician/Designer _____	\$149.25/hour
Design Supervisor _____	\$159.50/hour
Plan Check Services _____	\$159.50/hour
Conditions of Approval Development _____	\$180.25/hour
Junior Engineer / Planner / Scientist/Surveyor _____	\$123.50/hour
Assistant Engineer / Planner / Scientist/Surveyor _____	\$144.00/hour
Associate Engineer / Planner / Scientist/Surveyor _____	\$154.50/hour
Senior Engineer / Planner / Scientist/Surveyor _____	\$169.75/hour
Manager _____	\$221.25/hour
Associate _____	\$242.00/hour
Principal _____	\$257.50/hour

EXPENSES:

Plotting and In-House Reproduction _____	1.10 x Cost
Subsistence _____	1.10 x Cost
Other Expenses - Including Subconsultants & Purchased Services through Subcontracts _____	1.10 x Cost
GIS Web Hosting _____	1.10 x Cost

Mileage - Outside Local Area _____ Per Accepted IRS Rate

Rates will be effective through 12/31/2021 and will increase by 3% each subsequent year of the contract.



City Council
Agenda Report

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Frank Carson, Director of Parks & Recreation
SUBJECT: Application for the Green Schoolyards Technical Assistance Program

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to approve the El Cajon Parks & Recreation Department submitting an application for the Green Schoolyards Technical Assistance Program which includes the Green Schoolyards Pledge to be signed by the Mayor and Cajon Valley Union District School Superintendent.

BACKGROUND:

The City of El Cajon Parks & Recreation Department is eligible to submit an application with the Cajon Valley Unified School District for the Green Schoolyards Technical Assistance Program through Cities Connecting Children to Nature. Cities Connecting Children to Nature is a partnership between Children & Nature Network and the National League of Cities Institute for Youth Education and Families. City Council action on this item will allow the City to apply for grants related to this program in the future.

The Green Schoolyards Programs involve multiple agencies coming together to support strong city and school agencies working together to accelerate efforts in storm water retention, expansion of city greenspace, 10-Minute walk-to-a-park goals, and neighborhood revitalization.

The Green Schoolyard Technical Assistance program helps cities, school districts, and other agencies work together to create open access green schoolyards. A green schoolyard is a nature filled, multi-functional school ground designed for and by students, teachers, parents, and community members that offers spaces to play, learn, explore and grow. During out-of-school time, green schoolyards are ideally open for community use, increasing access to nearby parks for the communities they are located in.

This collaboration would increase access to parks for El Cajon residents and align with the El Cajon 2030 Connecting People to Parks Plan which was adopted on April 2019.

Prepared By: Shannon J. Bullock

Reviewed By: Frank Carson, Director of Parks & Recreation

Approved By: Graham Mitchell, City Manager

Attachments

Resolution

RESOLUTION NO. ___-21

A RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING APPLICATION FOR THE
GREEN SCHOOLYARDS TECHNICAL ASSISTANCE PROGRAM

WHEREAS, the Parks & Recreation Department of the City of El Cajon (the "City") is eligible to submit an application with Cajon Valley Unified School District ("CVUSD") for the Green Schoolyards Technical Assistance Program (the "Program") through the Cities Connecting Children to Nature ("CCCN"); and

WHEREAS, CCCN is a partnership between Children & Nature Network and the National League of Cities' Institute for Youth Education and Families; and

WHEREAS, the Green Schoolyards Programs involve multiple agencies working together to support strong city and school organizations in order to accelerate efforts in storm water retention, expansion of city greenspace, 10-Minute walk-to-a-park goals, and neighborhood revitalization; and

WHEREAS, the Program helps cities, school districts, and other agencies create open access green schoolyards that are nature-filled, multi-functional school grounds designed for and by students, teachers, parents, and community members to offer spaces to play, learn, explore and grow; and

WHEREAS, green schoolyards are ideally open for community use when schools are not in session, increasing access to nearby parks for the communities they are located in; and

WHEREAS, this collaboration would increase access to parks for City residents and align with the El Cajon 2030 Connecting People to Parks Plan, which was adopted on April 2019; and

WHEREAS, the City Council believes it to be in the City's best interests to approve submission of an application by the City's Parks & Recreation Department for the Program, which includes the Green Schoolyards Pledge to be signed by the Mayor and CVUSD Superintendent.

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

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby approves submission of an application for the Program as recommended by staff.

3. The City Manager is hereby authorized to execute such documents, reports, and agreements necessary for the submission of an Application for the Program as generally described herein.

4. The Mayor, acting on behalf of the entire City Council, is hereby authorized to execute the Green Schoolyards Pledge to demonstrate the City's support of the Program.

03/09/21 CC Agenda
Reso – App for Green Schoolyards Tech Assistance Program 022521



City Council
Agenda Report

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Clay Schoen, Director of Finance
SUBJECT: Fiscal Year 2020-21 Mid-Year Report and Five-Year Business Plan Update

RECOMMENDATION:

That the City Council:

1. Receives and accepts the Fiscal Year 2020-21 Mid-Year Report and Five-Year Business Plan update;
2. Authorizes the proposed personnel changes detailed in the report;
3. Increases or modifies Fiscal Year 2020-21 appropriations in the net amount of \$40,000 for additional needs as detailed in the report; and
4. Authorizes the proposed capital expenditures detailed in the report.

BACKGROUND:

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

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

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

As part of this process, it is common to identify City Council actions, including budget adjustments, which are needed for financial and/or operational circumstances that have arisen since the Fiscal Year 2020-21 budget was developed last year. A brief description of each such circumstance follows.

Personnel Adjustments

The following employee classification changes are proposed in order to properly categorize and compensate City staff for work assignments reconsidered since the adoption of the annual budget in June 2020.

Housing Services Staff

A reassignment of housing services positions is proposed for better alignment of resources and responsibilities. Specifically, the General Fund positions listed below will be reduced, and matched by corresponding increases in the CDBG, HOME, and Low- and Moderate-Income Housing Asset Fund funds. The positions affected are the Housing Manager (1.0 FTE), Housing Specialist (1.0 FTE), and a portion of an Administrative Secretary (0.5 FTE). The net impact is no changes to either overall City position counts or financial impact. This adjustment is requested for administrative efficiency and improved transparency of the assignment of resources.

Appropriation Adjustments / Authorizations

The following items require an appropriation increase or modification and/or a Capital Outlay authorization.

Local Public Safety Fund (Prop 172)

On November 10, 2020, the City Council authorized Heartland Fire and Rescue to accept the assignment of a State of California funded Type III Brush Fire Engine to the City of El Cajon. In consideration of how this apparatus would be utilized, it was determined that its utility would be maximized if the vehicle was equipped with its own specialized equipment, rather than transferring it from another apparatus with each use. The majority of this equipment will be sourced from regular Heartland Fire and Rescue inventories. However, specific authorization, and the associated appropriation of funds, is required to address the vehicle's breathing apparatuses. Therefore, proposed is an appropriation increase of \$40,000 in the Local Public Safety Fund (Prop 172) for the acquisition of breathing apparatus of the Type III Engine. This proposed increase is funded from fund balance, but offset by cost savings in other Heartland Fire and Rescue projects in the fund.

Miscellaneous Public Safety Grants - Police

On May 26, 2020, the City Council authorized the acceptance of the Coronavirus Emergency Supplemental Funding (CESF) Program award, and appropriated the funding. The grant application included the purchase of a drone with a FLIR camera, but subsequent to award, the granting agency suspended all drone funding. Therefore, it is proposed these funds be reallocated for the purpose of purchasing video production equipment for recruitment and training. Funding from the original appropriation is sufficient to support the procurement; acceptance of this action grants the authorization for the capital purchase.

FISCAL IMPACT:

The Fiscal Year 2020-21 Mid-Year Report and Five-Year Business Plan are critical for informed financial decision-making and the ongoing implementation of City goals. As part of the analysis performed in preparing the Report and Plan, a number of items require Council Action, some of which will result in appropriation increases and/or modifications in the total amount of \$40,000.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

Attachments

FY2021 Mid-Year Report and Five-Year Business Plan

CITY OF EL CAJON MID-YEAR REPORT FISCAL YEAR 2020-21

This report is intended to evaluate the status of revenues and expenditures at the halfway point of the fiscal year, as well as communicate anticipated year-end results. In evaluating mid-year performance, current year activity is compared to that of previous years and budgeted expectations. This analysis has been conducted for the City of El Cajon’s major funds: the General Fund, the CARES Act Fund special revenue fund, the HOME special revenue fund, the Low-Moderate Income Housing Asset Fund special revenue fund, and the Wastewater enterprise fund. This report is useful for both managing operations for the remainder of this fiscal year, as well as contributing information necessary for the Five-Year Business Plan and developing the Fiscal Year 2021-22 Annual Budget.

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

GENERAL FUND

Overview

As of December 31, 2020, General Fund Revenues and Sources of Funds totaled \$24.6 million, an increase of 1.0% (\$238,929) from the same point last year. Expenditures and Uses of Funds totaled \$37.0 million, which is down approximately 3.3% (\$1.3 million) from last year’s midway point.

For this period, July through December 2020, Expenditures and Uses of Funds exceeded Revenues and Sources of Funds by approximately \$12.4 million. Several of the General Fund’s larger revenue streams, such as Property Taxes, are received in the latter half of the fiscal year. During the first six months of the fiscal year, the General Fund cash flow needs are reliant upon the City’s 20% Operating Reserve which prevents the City from having to borrow funds (i.e. issue tax and revenue anticipation notes), thereby avoiding additional interest and issuance expenses.

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

	FY20-21 Budget*	FY20-21 Mid-Year	% of Budget	FY19-20 Mid-Year	FY18-19 Mid-Year
Revenues and Sources of Funds	\$74,056,814	\$24,563,861	33.2	\$24,324,932	\$24,915,262
Expenditures and Uses of Funds	79,865,985	36,953,020	46.3	38,209,136	33,772,231

By fiscal year end, Revenues and Sources of Funds are projected to total \$75.9 million, which is \$1.9 million above budget, but represents a 2.6% decrease from last year. This decrease is the result of declines in most revenue categories as a result of the economic impacts of the COVID-19 pandemic. Expenditures and Uses of Funds are estimated to

be \$79.2 million at fiscal year-end. This amount includes a \$2.0 million transfer of funds to establish the Public Agency Retirement Services Section 115 Trust. When adjusted for that transaction, projected results are 0.1% lower than last year, and is \$626,211 under budget. Further analysis of selected revenues and expenditures follows.

Revenue and Sources of Funds

While the General Fund has many sources of revenue, three major categories account for 82.0% of total budgeted revenue. These categories are: Sales Taxes, Property Taxes, and Franchise Fees. Each of these will be discussed separate of all remaining sources.

Sales Taxes- Sales tax revenue is comprised of two components: the City's share of the State sales tax rate and a voter approved 0.5% general sales tax (Proposition J). At the mid-year point of the fiscal year, sales tax receipts are up \$432,536 (3.3%) from the same point last year. The table below summarizes these balances, as well as those of the two previous years.

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Sales Taxes	\$23,284,420	\$9,827,365	42.2	\$9,577,179	\$10,066,555
Sales Taxes (Proposition J)	9,451,167	3,758,885	39.8	3,576,535	3,652,870

Sales Taxes are expected to exceed budgeted amounts by approximately \$2.8 million by fiscal year end. This is the result of better than expected economic performance during the current public health crisis. Although this is encouraging, it should be noted that the results of the holiday season are not available at this time, and may change this projection.

Property Taxes- Property tax revenue is comprised of three major components: regular property taxes, property tax received in lieu of Vehicle License Fees, and the residual distribution from the Redevelopment Property Tax Trust Fund. Property taxes, in total, are up approximately 9.6% (\$386,415) from last year.

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Property Taxes (PT)	\$9,914,017	\$4,083,604	41.2	\$3,697,592	\$3,530,502
PT – In Lieu VLF	10,439,695	403	-	-	-
PT – RPTTF Residual Distribution	1,285,000	-	-	-	381,296

The majority of this revenue is received in the second half of the fiscal year, and projections indicate that year-end results will meet budgetary expectations for this category.

Franchise Fees- Franchise fees are collected from San Diego Gas & Electric, Waste Management, EDCO, Cox Communications, and Pacific Bell. At the midpoint of the fiscal year, current year Franchise Fees are up 9.1% (\$105,025) from last year. The table below illustrates Franchise Fees for the current year, as well as the two previous years.

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Franchise Fees	\$6,335,994	\$1,256,339	19.8	\$1,151,313	\$1,068,716

Other Revenue Categories- The remaining revenue categories represent 18.0% of total budgeted General Fund Revenues and Sources of Funds. The following table details the mid-year performance of each category for the current year, as well as the two most recent years.

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Transient Occupancy Tax	\$1,841,733	\$562,305	30.5	\$625,921	\$634,768
Business Licenses	798,619	520,196	65.1	525,708	550,616
Real Property Transfer Tax	400,000	157,240	39.3	241,243	119,903
Ambulance/Paramedic Tax	350,000	80,797	23.1	64,677	97,812
Licenses and Permits	1,460,200	822,295	56.3	1,181,573	1,153,526
Intergovernmental Revenues	982,100	107,096	10.9	291,760	315,782
Charges for Services	2,762,966	1,493,929	54.1	1,635,519	1,622,938
Investment Earnings	400,000	191,975	48.0	247,064	206,267
Fines and Forfeitures	593,000	180,195	30.4	277,713	250,942
Other Revenue & Reimbursement	3,547,626	1,508,116	42.5	1,205,811	1,252,461
Other Financing Sources	210,277	13,119	6.2	25,323	10,308

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

	FY20-21 <u>Budget</u>	FY20-21 <u>Projected</u>	% of <u>Budget</u>
Sales Taxes	\$32,735,587	35,526,653	108.5
Property Taxes	20,353,712	21,708,190	106.7
Franchise Fees	6,335,994	6,230,572	98.3
All Other Categories	<u>14,631,521</u>	<u>12,461,051</u>	85.2
Total General Fund Revenue	<u>\$74,056,814</u>	<u>\$75,926,466</u>	102.5

Expenditures and Uses of Funds

Expenditures and Uses of Funds are \$37.0 million or 46.3% of budget at mid-year. This represents a 3.3% (\$1.3 million) decrease from the same point last year. The following table shows mid-year expenditures organized by function for the current year, as well as the two preceding years.

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
General Government	\$6,966,506	\$2,990,566	42.9	\$3,382,339	\$2,589,330
Public Safety- Police	38,364,561	19,345,491	50.4	19,010,683	16,813,815
Public Safety- Fire	16,943,527	8,332,772	49.2	8,289,657	7,537,743
Public Works	8,667,193	3,559,881	41.1	4,344,300	3,939,516
Recreation	3,349,351	1,434,625	42.8	1,600,543	1,499,496
Community Development	2,574,847	1,289,685	50.1	1,581,614	1,392,331
Other Financing Uses	<u>3,000,000</u>	<u>-</u>	-	<u>-</u>	<u>-</u>
Total General Fund Expenditures	<u>\$79,865,985</u>	<u>\$36,953,020</u>	46.3	<u>\$38,209,136</u>	<u>\$33,772,231</u>

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

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Salaries and Benefits	\$62,058,933	\$30,146,337	48.6	\$30,534,117	\$26,207,160
Materials, Services, and Supplies	16,697,252	6,755,293	40.5	7,669,479	7,515,208
Capital Outlay	109,800	51,390	46.8	5,540	28,473
Other Financing Uses	<u>1,000,000</u>	<u>-</u>	-	<u>-</u>	<u>21,390</u>
Total General Fund Expenditures	<u>\$79,865,985</u>	<u>\$36,953,020</u>	46.3	<u>\$38,209,136</u>	<u>\$33,772,231</u>

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

	FY20-21 <u>Budget</u>	FY20-21 <u>Projected</u>	% of <u>Budget</u>
Salaries and Benefits	\$62,058,933	62,448,140	100.6%
Materials, Services, and Supplies	16,697,252	15,703,794	94.1%
Capital Outlay	109,800	87,840	80.0%
Other Financing Uses	<u>1,000,000</u>	<u>1,000,000</u>	-
Total General Fund Expenditures	<u>\$79,865,985</u>	<u>\$79,239,774</u>	99.2

Fund Balance

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

The fund balance at the start of the fiscal year was \$48.8 million. Taking into consideration projected revenues and expenditures at fiscal year-end, fund balance is expected to total approximately \$45.5 million. The following table illustrates projected reserve balances at year-end.

Projected General Fund Balance

	07/01/20 <u>Fund Balance</u>	06/30/21 Estimated <u>Fund Balance</u>
20% Operating Reserve	\$15,778,655	\$15,778,655
Economic Uncertainty Reserve	6,500,000	6,500,000
Reserve for Unfunded Retirement Obligation	8,000,000	6,000,000
Carryover Reserve **	<u>18,524,015</u>	<u>17,210,707</u>
Total Fund Balance	<u>\$48,802,670</u>	<u>\$45,489,362</u>

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

CARES ACT FUND

The CARES Act Fund is a special revenue fund used to manage various programs related to the public health crisis caused by the COVID-19 pandemic. The fund is administered by the City Manager's Department, and is funded primarily by revenues generated from the federal Coronavirus Aid, Relief, and Economic Security Act.

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Expenditures	\$3,025,408	\$2,741,797	90.6	\$ -	\$ -
Revenues	3,025,408	1,288,954	42.6	-	-

HOME INVESTMENT PARTNERSHIPS (HOME) FUND

The Home Investment Partnerships (HOME) Fund is a special revenue fund used to manage various housing related programs such as the First Time Homebuyer and Rehabilitation Loan Programs. The fund is administered by the City's Community Development Department, and is funded primarily by revenues generated from federal grants and its programs.

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Expenditures	\$646,351	\$ 34,868	5.4	\$23,790	\$343,545
Revenues	646,351	162,952	25.2	2,652	98,079

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

LOW-MODERATE INCOME HOUSING ASSET FUND

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

	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Expenditures	\$7,250,587	\$ 96,003	1.3	\$ 98,371	\$393,336
Revenues	5,018,421	4,656,573	92.8	226,128	103,960

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

WASTEWATER ENTERPRISE FUND

Revenues at the midpoint of the fiscal year total \$22.7 million, which is up 170.0% from the same point last year. This change is the result of the timing differences related to the transition to residential sewer billing via the County property tax roll. The chart below illustrates mid-year performance for the current year, as well as the two preceding years.

<u>Wastewater Revenues</u>	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Sewer Service Fee	\$20,000,000	\$22,053,296	110.3	\$7,434,279	\$ 7,687,100
Septic Tank Disposal Fee	1,300,000	404,298	31.1	212,570	666,818
All Other Revenue	<u>4,097,000</u>	<u>262,188</u>	6.4	<u>768,801</u>	<u>1,678,547</u>
Total Revenue	<u>\$25,397,000</u>	<u>\$22,719,782</u>	89.5	<u>\$8,415,650</u>	<u>\$10,032,465</u>

Expenditures of \$10.5 million are 5.6% higher than the same period last year. It is anticipated that the Wastewater Fund expenditures will be within budget at year end.

<u>Wastewater Expenditures</u>	FY20-21 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY19-20 <u>Mid-Year</u>	FY18-19 <u>Mid-Year</u>
Salaries & Benefits	\$4,837,876	\$2,131,495	44.1	\$1,753,119	\$ 1,593,229
Materials, Services, and Supplies	17,629,287	7,887,849	44.7	7,437,129	7,037,003
Debt Service	591,939	475,485	80.3	469,546	47,456
Capital Outlay and Projects	<u>5,746,190</u>	<u>52,472</u>	0.9	<u>329,884</u>	<u>1,424,811</u>
Total Expenditures	<u>\$28,805,292</u>	<u>\$10,547,301</u>	36.6	<u>\$9,989,678</u>	<u>\$10,102,499</u>

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

FUND	CURRENT YEAR / FY2020-21				PRIOR YEAR / FY2019-20			
	BUDGET	REVENUE	BALANCE	%	BUDGET	REVENUE	BALANCE	%
101 GENERAL FUND								
103000 COMMUNITY SVCS & E	\$ 84,000.00	\$ 20,000.00	\$ 64,000.00	23.81	\$ 84,000.00	\$ 25,980.00	\$ 58,020.00	30.93
106000 CITY ATTORNEY	-	239.00	(239.00)	-	-	-	-	-
107000 CITY CLERK AND ELE	25,000.00	18,986.35	6,013.65	75.95	25,000.00	9,200.00	15,800.00	36.80
110000 CITY MANAGER	93,545.00	62,200.88	31,344.12	66.49	85,000.00	16,329.98	68,670.02	19.21
114000 FINANCE	67,785,956.00	22,042,279.58	45,743,676.42	32.52	70,867,503.00	21,021,891.49	49,845,611.51	29.66
123000 FACILITIES MAINTEN	51,800.00	9,339.48	42,460.52	18.03	46,800.00	23,230.83	23,569.17	49.64
130110 POLICE ADMINISTRAT	1,689,707.00	247,286.15	1,442,420.85	14.63	1,682,707.00	466,939.19	1,215,767.81	27.75
130120 PD INSPECTION & TR	-	395.00	(395.00)	-	-	-	-	-
135000 ANIMAL CONTROL	256,000.00	57,211.28	198,788.72	22.35	223,100.00	124,784.43	98,315.57	55.93
140000 FIRE ADMINISTRATIO	100,200.00	47,121.74	53,078.26	47.03	50,200.00	105,359.52	(55,159.52)	209.88
141000 FIRE SUPPRESSION	100,000.00	540.71	99,459.29	0.54	200,000.00	50,174.18	149,825.82	25.09
145000 HEARTLAND FIRE & R	50,000.00	-	50,000.00	-	50,000.00	35,399.25	14,600.75	70.80
146000 FIRE EMERGENCY MED	802,000.00	264,364.10	537,635.90	32.96	796,000.00	389,125.40	406,874.60	48.89
151330 ENG - PRIVATE DEVE	250,000.00	330,706.56	(80,706.56)	132.28	250,000.00	158,911.51	91,088.49	63.56
151900 ENG - CIP PROJECTS	800,000.00	346,384.38	453,615.62	43.30	700,000.00	400,115.88	299,884.12	57.16
152310 TRAFFIC ENGINEERIN	18,000.00	7,248.00	10,752.00	40.27	19,000.00	12,686.00	6,314.00	66.77
160000 PARKS	9,260.00	4,905.45	4,354.55	52.97	10,000.00	1,112.41	8,887.59	11.12
165000 RECREATION	173,500.00	3,442.32	170,057.68	1.98	172,750.00	78,661.38	94,088.62	45.53
170110 HOUSING & SA ADMIN	219,676.00	160,823.21	58,852.79	73.21	363,900.00	92,937.07	270,962.93	25.54
170510 PLANNING DIVISION	292,000.00	250,857.22	41,142.78	85.91	315,000.00	315,083.48	(83.48)	100.03
171000 BUILDING AND FIRE	1,256,170.00	689,529.30	566,640.70	54.89	1,269,000.00	997,009.60	271,990.40	78.57
TOTAL GENERAL FUND	\$ 74,056,814.00	\$ 24,563,860.71	\$ 49,492,953.29	33.17	\$ 77,209,960.00	\$ 24,324,931.60	\$ 52,885,028.40	31.50
202 CARES ACT FUND	3,025,408.45	1,288,954.00	1,736,454.45	42.60	-	-	-	-
209 CA BEVERAGE GRANT	26,073.00	325.68	25,747.32	1.25	26,000.00	(715.87)	26,715.87	(2.75)
211 GAS TAX	2,659,466.00	1,288,939.73	1,370,526.27	48.47	2,658,894.00	1,328,313.70	1,330,580.30	49.96
213 TRANSIT	97,392.00	103,501.81	(6,109.81)	106.27	94,555.00	100,744.77	(6,189.77)	106.55
215 STATE COPS GRANT-B	242,500.00	132,589.30	109,910.70	54.68	222,500.00	149,143.35	73,356.65	67.03
221 ST HOMELAND SEC GR	78,379.00	-	78,379.00	-	77,588.00	(54,843.18)	132,431.18	(70.69)
222 ASSET FORFEITURE	21,000.00	4,510.13	16,489.87	21.48	16,000.00	12,072.72	3,927.28	75.45
223 STATE ASSET FORFEI	11,000.00	814.43	10,185.57	7.40	-	9,860.58	(9,860.58)	-
224 LOCAL PUB SAFETY P	408,800.00	247,167.18	161,632.82	60.46	485,100.00	203,667.78	281,432.22	41.98
225 POLICE MISC GRANTS	473,287.00	38,116.07	435,170.93	8.05	298,078.00	88,615.82	209,462.18	29.73
240 RECREATION PROGRAM	651,600.00	112,765.48	538,834.52	17.31	625,600.00	351,783.64	273,816.36	56.23
241 ECPAC FUND	1,000,000.00	100,000.00	900,000.00	10.00	651,434.00	-	651,434.00	-
253 UASI GRANTS	434,630.00	(1,901.19)	436,531.19	(0.44)	62,940.00	(51,680.00)	114,620.00	(82.11)
254 INDIAN GAMING GRAN	-	122.13	(122.13)	-	-	154.56	(154.56)	-
265 COMM DEV MISC GRAN	310,000.00	-	310,000.00	-	-	-	-	-
266 STATE CASP (AB1379)	26,000.00	18,724.00	7,276.00	72.02	28,000.00	17,100.00	10,900.00	61.07
270 CDBG	1,364,440.00	-	1,364,440.00	-	1,327,381.00	259,038.88	1,068,342.12	19.52
275 HOME	646,351.00	162,951.87	483,399.13	25.21	579,460.00	2,652.26	576,807.74	0.46
298 LOW/MOD HOUSING AS	5,018,421.00	4,656,573.30	361,847.70	92.79	487,421.00	226,128.06	261,292.94	46.39
299 HOUSING IN LIEU FE	-	1,638.19	(1,638.19)	-	-	2,072.96	(2,072.96)	-
501 CITY CAPITAL IMPRO	259,630.00	34,815.00	224,815.00	13.41	156,500.00	33,336.16	123,163.84	21.30
502 PUBLIC SFTY FACILI	-	26,100.55	(26,100.55)	-	-	25,547.94	(25,547.94)	-
503 TRANSNET	2,758,659.00	674,497.75	2,084,161.25	24.45	7,355,446.00	321,041.78	7,034,404.22	4.36
504 SPECIFIC ST OBLIGA	100,000.00	100,000.00	-	100.00	-	-	-	-
505 PARKS & REC IMPROV	-	244,193.76	(244,193.76)	-	1,539,393.00	120,292.15	1,419,100.85	7.81
506 TRAFFIC CONGESTION	-	1,960.56	(1,960.56)	-	-	1,664.21	(1,664.21)	-
508 PARKS & REC GRANTS	400,000.00	-	400,000.00	-	-	-	-	-
515 PARKS IMPACT FEES	30,000.00	9,890.26	20,109.74	32.97	10,000.00	32,213.48	(22,213.48)	322.13
550 PW TRANSPORTATION	7,833,259.00	2,404,708.08	5,428,550.92	30.70	22,772,152.00	888,843.05	21,883,308.95	3.90
552 TRANSPORTATION GRA	(294,429.00)	193,803.50	(488,232.50)	(65.82)	11,010,993.00	(1,296.19)	11,012,289.19	(0.01)
553 REG TRANS CONGSTIO	(75,000.00)	73,597.82	(148,597.82)	(98.13)	75,000.00	274,813.42	(199,813.42)	366.42
554 ROAD MAINT & REHAB	2,627,309.00	652,440.01	1,974,868.99	24.83	1,747,141.00	693,035.89	1,054,105.11	39.67
601 VEHICLE/EQUIP MAIN	2,200,000.00	1,100,022.00	1,099,978.00	50.00	1,485,159.00	855,647.25	629,511.75	57.61
605 VEHICLE/EQUIP REPL	-	-	-	-	400,000.00	199,992.00	200,008.00	50.00
610 SELF-INSURANCE	1,885,003.00	942,504.00	942,499.00	50.00	2,576,000.00	1,248,302.49	1,327,697.51	48.46
611 WORKERS COMP SELF-	1,700,148.00	850,098.00	850,050.00	50.00	2,392,879.00	1,227,735.51	1,165,143.49	51.31
615 IT SERVICES FUND	3,256,695.00	1,578,348.00	1,678,347.00	48.46	3,905,798.00	1,952,892.00	1,952,906.00	50.00
620 OTHER POST-EMP BEN	884,906.00	449,188.24	435,717.76	50.76	1,050,000.00	525,024.60	524,975.40	50.00
650 WASTEWATER	25,397,000.00	22,719,781.56	2,677,218.44	89.46	20,452,500.00	8,415,650.43	12,036,849.57	41.15

**CITY OF EL CAJON
MID-YEAR EXPENDITURE AND USES OF FUNDS COMPARISON REPORT**

FUND		CURRENT YEAR / FY2020-21				PRIOR YEAR / FY2019-20			
		BUDGET	EXPENDITURE	BALANCE	%	BUDGET	EXPENDITURE	BALANCE	%
101	GENERAL FUND								
101000	CITY COUNCIL	\$ 492,267.00	\$ 202,744.20	\$ 289,522.80	41.19	\$ 461,733.00	\$ 284,899.54	\$ 176,833.46	61.70
103000	COMMUNITY SVCS & E	132,900.00	47,801.38	85,098.62	35.97	257,450.00	111,300.34	146,149.66	43.23
104000	CONTINGENCY	60,000.00	1,500.00	58,500.00	2.50	100,000.00	25,000.00	75,000.00	25.00
105000	ECONOMIC DEVELOPME	800,000.00	108,855.71	691,144.29	13.61	1,100,000.00	156,846.00	943,154.00	14.26
106000	CITY ATTORNEY	800,079.00	281,293.30	518,785.70	35.16	857,646.00	301,781.23	555,864.77	35.19
107000	CITY CLERK AND ELE	621,114.00	318,364.19	302,749.81	51.26	495,267.00	229,782.70	265,484.30	46.40
110000	CITY MANAGER	1,296,854.00	631,760.87	665,093.13	48.71	1,542,159.00	828,129.48	714,029.52	53.70
114000	FINANCE	2,047,810.00	1,067,973.72	979,836.28	52.15	2,064,681.00	1,124,702.08	939,978.92	54.47
118000	HUMAN RESOURCES	848,382.00	377,417.18	470,964.82	44.49	933,516.00	393,273.78	540,242.22	42.13
122000	ADMINISTRATIVE SER	-	657.49	(657.49)	-	63,936.00	37,924.06	26,011.94	59.32
123000	FACILITIES MAINTEN	2,241,525.00	930,649.62	1,310,875.38	41.52	2,196,483.00	942,936.17	1,253,546.83	42.93
130110	POLICE ADMINISTRAT	3,092,032.00	1,563,665.61	1,528,366.39	50.57	3,388,132.00	1,766,026.43	1,622,105.57	52.12
130120	INSPECTION & TRAIN	2,177,595.00	1,092,226.36	1,085,368.64	50.16	2,081,178.00	1,050,409.04	1,030,768.96	50.47
130130	RECORDS	1,067,005.00	533,843.70	533,161.30	50.03	1,178,861.00	557,307.09	621,553.91	47.28
130150	COMMUNICATIONS	2,607,096.00	1,310,358.82	1,296,737.18	50.26	2,681,135.00	1,212,867.75	1,468,267.25	45.24
130160	PATROL	16,595,587.00	8,286,015.28	8,309,571.72	49.93	14,825,189.00	8,325,995.81	6,499,193.19	56.16
130170	SPECIAL OPERATIONS	2,848,173.00	1,629,662.87	1,218,510.13	57.22	2,805,350.00	1,623,181.90	1,182,168.10	57.86
130190	TRAFFIC ENFORCEMEN	2,178,316.00	993,829.08	1,184,486.92	45.62	2,073,683.00	857,048.72	1,216,634.28	41.33
130210	INVESTIGATION	5,650,568.00	2,847,463.24	2,803,104.76	50.39	6,101,271.00	2,627,582.16	3,473,688.84	43.07
130220	LABORATORY	955,184.00	474,614.88	480,569.12	49.69	947,089.00	486,115.38	460,973.62	51.33
130230	AUXILIARY	119,951.00	71,449.95	48,501.05	59.57	171,570.00	56,596.10	114,973.90	32.99
135000	ANIMAL CONTROL	1,073,054.00	542,360.88	530,693.12	50.54	1,051,161.00	447,552.58	603,608.42	42.58
140000	FIRE ADMINISTRATIO	2,096,857.00	1,072,946.68	1,023,910.32	51.17	1,995,144.00	1,103,063.98	892,080.02	55.29
141000	SUPPRESSION	12,549,984.00	6,250,364.67	6,299,619.33	49.80	12,435,334.00	6,221,725.05	6,213,608.95	50.03
145000	HEARTLAND FIRE & R	2,074,386.00	974,015.11	1,100,370.89	46.95	2,132,375.00	914,802.21	1,217,572.79	42.90
146000	FIRE EMERGENCY MED	222,300.00	35,445.39	186,854.61	15.94	268,223.00	50,065.96	218,157.04	18.67
150000	PW ADMINISTRATION	502,183.00	263,084.47	239,098.53	52.39	671,086.00	308,472.92	362,613.08	45.97
151310	ENG - OTHER	4,980.00	17,152.71	(12,172.71)	344.43	25,506.00	25,127.69	378.31	98.52
151330	ENG - PRIVATE DEVE	532,594.00	212,770.64	319,823.36	39.95	594,588.00	269,184.87	325,403.13	45.27
151900	ENG - CIP PROJECTS	764,469.00	328,309.68	436,159.32	42.95	1,090,582.00	546,339.30	544,242.70	50.10
152310	TRAFFIC ENGINEERIN	976,207.00	382,820.08	593,386.92	39.22	1,132,037.00	553,855.15	578,181.85	48.93
152320	TRAFFIC MAINTENANC	739,019.00	326,858.97	412,160.03	44.23	859,038.00	292,979.13	566,058.87	34.11
160000	PARKS	2,084,554.00	859,957.18	1,224,596.82	41.25	2,237,154.00	952,077.63	1,285,076.37	42.56
161000	ST MEDIAN MAINT &	821,662.00	238,277.48	583,384.52	29.00	895,255.00	453,327.02	441,927.98	50.64
165000	RECREATION	3,216,451.00	1,386,824.15	1,829,626.85	43.12	3,154,248.00	1,489,242.91	1,665,005.09	47.21
170110	HOUSING & SA ADMIN	570,407.00	305,919.51	264,487.49	53.63	600,613.00	273,358.23	327,254.77	45.51
170510	PLANNING DIVISION	997,141.00	478,610.50	518,530.50	48.00	1,355,988.00	650,513.68	705,474.32	47.97
171000	BUILDING AND FIRE	1,007,299.00	505,154.94	502,144.06	50.15	1,318,613.00	657,741.60	660,871.40	49.88
190000	OTHER FINANCING US	3,000,000.00	-	3,000,000.00	-	-	-	-	-
	TOTAL GENERAL FUND	\$ 79,865,985.00	\$ 36,953,020.49	\$ 42,912,964.51	46.27	\$ 78,143,274.00	\$ 38,209,135.67	\$ 39,934,138.33	48.90
202	CARES ACT FUND	3,025,408.45	2,741,797.01	283,611.44	90.63	-	-	-	-
209	CA BEVERAGE GRANT	46,743.00	-	46,743.00	-	26,286.00	9,807.03	16,478.97	37.31
211	GAS TAX	3,295,487.00	1,210,572.19	2,084,914.81	36.73	3,249,387.00	1,090,058.74	2,159,328.26	33.55
213	TRANSIT	106,575.00	27,361.91	79,213.09	25.67	360,173.00	97,820.84	262,352.16	27.16
215	STATE COPS GRANT-B	261,200.00	43,578.26	217,621.74	16.68	315,403.00	134,410.69	180,992.31	42.62
221	ST HOMELAND SEC GR	78,379.00	-	78,379.00	-	77,588.00	12,792.22	64,795.78	16.49
222	ASSET FORFEITURE	67,850.00	18,035.73	49,814.27	26.58	67,709.00	4,849.04	62,859.96	7.16
223	STATE ASSET FORFEI	-	-	-	-	13,000.00	5,630.00	7,370.00	43.31
224	LOCAL PUB SAFETY P	641,407.00	239,845.06	401,561.94	37.39	479,207.00	266,770.70	212,436.30	55.67
225	POLICE MISC GRANTS	532,427.00	153,250.13	379,176.87	28.78	365,658.00	103,310.47	262,347.53	28.25
240	RECREATION PROGRAM	738,134.00	215,239.52	522,894.48	29.16	708,932.00	255,573.43	453,358.57	36.05
241	ECPAC FUND	953,272.00	346,826.51	606,445.49	36.38	651,434.00	296,755.69	354,678.31	45.55
253	UASI GRANTS	434,630.00	10,477.08	424,152.92	2.41	62,940.00	47,260.16	15,679.84	75.09
265	COMM DEV MISC GRAN	310,000.00	9,779.97	300,220.03	3.15	-	-	-	-
266	STATE CASP (AB1379)	27,910.00	1,026.98	26,883.02	3.68	28,740.00	949.50	27,790.50	3.30
270	CDBG	1,514,440.00	1,320,739.55	193,700.45	87.21	1,327,381.00	379,294.15	948,086.85	28.57
275	HOME	646,351.00	34,867.55	611,483.45	5.39	579,460.00	23,790.16	555,669.84	4.11
280	CAL HOME GRANT	-	-	-	-	64,588.00	-	64,588.00	-
298	LOW/MOD HOUSING AS	7,250,587.00	96,002.85	7,154,584.15	1.32	3,170,917.00	98,370.62	3,072,546.38	3.10
299	HOUSING IN LIEU FE	303,000.00	-	303,000.00	-	-	-	287,000.00	-
501	CITY CAPITAL IMPRO	615,500.00	139,555.45	475,944.55	22.67	4,177,778.00	1,352,223.21	2,825,554.79	32.37
502	PUBLIC SFTY FACILI	(239,000.00)	42,052.07	(281,052.07)	(17.60)	3,840,800.00	112,056.25	3,728,743.75	2.92
503	TRANSNET	2,758,659.00	1,249,276.15	1,509,382.85	45.29	7,355,446.00	262,742.38	7,092,703.62	3.57
504	SPECIFIC ST OBLIGA	400,000.00	-	-	-	-	-	-	-
505	PARKS & REC IMPROV	-	212,331.26	(212,331.26)	-	1,539,393.00	130,061.92	1,409,331.08	8.45
508	PARKS & REC GRANTS	400,000.00	-	-	-	-	-	-	-
515	PARKS IMPACT FEES	-	-	-	-	90,000.00	-	90,000.00	-
550	PW TRANSPORTATION	7,858,678.00	2,393,669.12	5,465,008.88	30.46	22,772,152.00	895,252.52	21,876,899.48	3.93
552	TRANSPORTATION GRA	(294,429.00)	281,338.11	(575,767.11)	(95.55)	11,010,993.00	64,279.27	10,946,713.73	0.58
553	REG TRANS CONGSTIO	(500,000.00)	-	(500,000.00)	-	500,000.00	342,616.41	157,383.59	68.52
554	ROAD MAINT & REHAB	2,920,000.00	847,077.58	2,072,922.42	29.01	3,352,152.00	98,377.91	3,253,774.09	2.93
601	VEHICLE/EQUIP MAIN	2,157,957.00	944,512.33	1,213,444.67	43.77	2,367,875.00	1,159,435.20	1,208,439.80	48.97
605	VEHICLE/EQUIP REPL	446,000.00	188,816.98	257,183.02	42.34	860,800.00	229,198.15	631,601.85	26.63
610	SELF-INSURANCE	2,227,033.00	1,281,944.15	945,088.85	57.56	2,103,259.00	1,293,650.99	809,608.01	61.51
611	WORKERS COMP SELF-	2,700,000.00	974,903.64	1,725,096.36	36.11	2,392,879.00	895,462.00	1,497,417.00	37.42
615	IT SERVICES FUND	4,535,025.00	2,033,777.03	2,501,247.97	44.85	3,986,487.00	1,952,513.83	2,033,973.17	48.98
620	OTHER POST-EMP BEN	1,134,906.00	170,656.97	964,249.03	15.04	1,250,000.00	163,957.84	1,086,042.16	13.12
650	WASTEWATER	28,805,292.00	10,547,301.45	18,257,990.55	36.62	29,197,412.00	9,989,678.24	19,207,733.76	34.21

CITY OF EL CAJON FIVE-YEAR BUSINESS PLAN FISCAL YEAR 2021-22 UPDATE

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

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

Economic Outlook

The economic outlook for the county, state, and nation are taken into consideration when updating the Five-Year Business Plan. Economic impact resulting from the public health crisis caused by the COVID-19 pandemic has shaken economies worldwide. However, after a tumultuous 2020, the outlook for the economy is guarded, but optimistic for 2021.

In a January 27, 2021 press release, the Federal Open Market Committee made the following comments.

The COVID-19 pandemic is causing tremendous human and economic hardship across the United States and around the world. The pace of the recovery in economic activity and employment has moderated in recent months, with weakness concentrated in the sectors most adversely affected by the pandemic. Weaker demand and earlier declines in oil prices have been holding down consumer price inflation.

The release continued:

The path of the economy will depend significantly on the course of the virus, including progress on vaccinations. The ongoing public health crisis continues to weigh on economic activity, employment, and inflation, and poses considerable risks to the economic outlook.

The UCLA Anderson School of Management discussed the economic outlook in a December 9, 2020 release with the following language.

A year ago, the idea that recovery from a national recession would depend on mass vaccinations ending a pandemic was not on most economists' minds. But that's the scenario today, as the nation considers how to inoculate the population against COVID-19. The reopening of the economy is directly related to the population's ability to safely return to work. As a result, the latest UCLA Anderson Forecast report, written by senior economist Leo Feler, anticipates two more quarters of slow growth — seasonally adjusted

annual rates of 1.2% for the fourth quarter of 2020 and 1.8% for the first quarter of 2021 — before robust growth of 6% in the second quarter of 2021.

After that, growth rates should remain above 3.0% well into 2023. “We expect the economy will reach its previous peak by the end of 2021,” Feler writes.

With events continuing to unfold, and with the promise of additional Federal stimulus, caution remains prudent. The City will monitor events closely, and continue to make sound decisions based on data, rather than speculation.

Highlights of this Update

Perhaps the most important element of this report’s projected activity is much stronger estimated Sales Tax revenue performance than previously expected. While news abounds regarding challenged brick and mortar businesses, and the negative impact that has had on Sales Tax revenue, on-line business has surprised many with a robust contribution to the bottom line.

A number of other adjustments have influenced the projections presented, which demonstrate a far better long-term outlook than even the most recent pre-COVID work. Included in these projections are the following changes.

- Budgetary impacts of issuing Pension Obligation Bonds
- Transition to the Humane Society to provide animal care services
- Economic effects of opening new car dealerships and hotels, as well as a new solid waste hauler franchise agreement
- A general move to more typical, sustainable operations

This report has traditionally included the projection of the next five years. This timeframe represents a dependable window in which to anticipate performance. However, as focus shifts to longer-term solutions and strategies, the need for a longer view had grown. Therefore, for the first time, the projections include an additional five years, for a total projection window of ten years. What is most noteworthy in these additional projected years is the significant drop-off in revenues as a result of the conclusion of the additional sales tax authorized by Proposition J in 2009. While this work has value in helping to understand the long-term effects of decisions, it should be noted that accuracy diminishes with each successive year projected.

As a result of these influences listed above, the outcome of this forward looking work demonstrates a continued need for diligent management, but also an outlook that is trending towards improving fiscal health.

Employee Retirement – CalPERS

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

Over the past few years the CalPERS Board approved significant changes to actuarial policies and assumptions to enhance the long-term stability of the fund. These changes, along with poor investment performance, caused employer retirement contribution rates to increase and significantly burdened City finances. As a result, the City took significant action in 2020 to address the challenge. This escalation in costs is demonstrated in the chart below showing CalPERS employer contribution rates.

CALPERS EMPLOYER CONTRIBUTION RATES

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
Miscellaneous Plan	33.761%	37.760%	40.797%	46.202%	53.018%
Safety Plan	47.459%	49.811%	57.725%	63.627%	67.740%

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

During the past year, the City adopted a Pension Funding Policy that will shape City pension funding strategy. Perhaps the most important component of this Policy is a requirement to annually assess plan status and required action. Additionally, a Public Agency Retirement Services Section 115 Trust was establish to provide the City an alternative to investing pension funding with CalPERS, as well as to assist in rate stabilization. Lastly, early in 2021, the City issued Pension Obligation Bonds (POB) in an effort to refinance a portion of its pension debt at a dramatically lower cost.

As a result of issuing POBs, the City combined unfunded liability with CalPERS was reduced from \$206.5 million (06/30/2019 CalPERS actuarial valuation), to \$55.6 million. This will significantly reduce contribution requirements, but updated projected contribution rates will not be available until the next actuarial valuation is issued later in 2021. However, presented below is a table showing the original, pre-POB unfunded liability payments along with the revised payments, the POB debt service payments, and the resulting projected savings over the next five-years.

ESTIMATED CALPERS/POB CASH FLOW ANALYSIS

Fiscal Year	Original UAL Payment	POB Debt Service	Remaining UAL Payment	Estimated Savings
FY 2020-21	15,199,342	-	-	-
FY 2021-22	16,709,382	9,118,884	7,138,714	451,784
FY 2022-23	18,083,972	9,122,874	7,446,263	1,514,835
FY 2023-24	19,004,360	9,121,854	7,651,036	2,231,470
FY 2024-25	18,204,487	9,120,081	6,094,433	2,989,973
FY 2025-26	18,202,417	9,118,645	5,719,662	3,364,110

CalPERS employer contributions, and the City’s unfunded pension liability, continue to represent one of the most significant challenges for the City. While the City has taken significant action to mitigate this issue, there is no guarantee that CalPERS contributions will not continue to grow. It is imperative that the City maintains focus on this issue to ensure the continuation of the progress it has made.

Assumptions Utilized in the Five-Year Business Plan

The Five-Year Business Plan is based on the following assumptions regarding the future.

General Fund Revenue Assumptions

1. Revenue projections are based on anticipated Fiscal Year 2020-21 revenues as determined by mid-year analysis, as well as the most recent data available.
2. Sales tax revenue projections are based on estimates provided by the City's sales tax consultant/analyst.
3. Property tax revenues are projected to grow by 4.0% annually.
4. Ongoing residual revenue distribution resulting from the dissolution of the redevelopment agency, net of expenses, is conservatively projected based on experience.
5. Franchise fees from SDG&E, Waste Management, EDCO, Cox Communication, and AT&T are projected to stabilize in the next year, and return to annual increases of 2.0% beginning Fiscal Year 2022-23.
6. Assumes Transient Occupancy Tax will fully recover over the next two fiscal years and return to stable performance in Fiscal Year 2023-24
7. Assumes most other revenues to grow 2.0% annually where appropriate.
8. Anticipates no revenue reductions to aid in balancing the State's budget.
9. Assumes no extension of the additional sales tax authorized by Proposition J in 2009.

General Fund Expenditure Assumptions

1. Salary and wages are projected using negotiated rates where available, and assumes 2.0% growth where applicable.
2. Personnel costs assume an attrition rate of 5.0% in all projected years.
3. Pension related costs are projected based on information provided by CalPERS as part of the actuarial valuations.
4. Materials and Supplies expenditure growth is projected at 2.0% annually where appropriate.
5. Assumes General Fund funding of the City's capital improvement program and vehicle replacement resumes Fiscal Year 2022-23.
6. Assumes no additional pension related contributions; however, this may be presented for consideration in conjunction with the Annual Pension Review in the fall of 2021.
7. Assumes no additional General Fund subsidy in support of Magnolia Performing Arts Center operation.

Projection Limitations

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

General Fund Projection Results

Once the assumptions identified above are taken into account, and weighed alongside objective information, a picture of anticipated results emerges. The overall conclusion is that revenue growth is anticipated to recover, and then be slow, but is now more closely aligned to expected growth in expenditures. The impact of unforeseen events may have much bigger impacts than what is anticipated here. The information presented below indicates the starting point from which adjustments can be made during the annual budget process to ensure balanced budgets going forward.

Summary of Projected General Fund Activity

Fiscal Year	Projected Inflows	Projected Outflows	Change in Fund Balance
FY 2020-21	75,926,466	79,239,774	(3,313,308)
FY 2021-22	80,346,916	80,760,574	(413,658)
FY 2022-23	83,450,920	85,072,414	(1,621,494)
FY 2023-24	86,200,987	88,078,845	(1,877,858)
FY 2024-25	88,603,950	89,299,259	(695,309)
FY 2025-26	90,996,164	90,113,488	882,676
<i>FY 2026-27</i>	<i>93,460,164</i>	<i>92,592,813</i>	<i>867,351</i>
<i>FY 2027-28</i>	<i>95,998,282</i>	<i>94,259,112</i>	<i>1,739,170</i>
<i>FY 2028-29</i>	<i>98,612,933</i>	<i>95,960,427</i>	<i>2,652,506</i>
<i>FY 2029-30</i>	<i>86,940,655</i>	<i>97,697,093</i>	<i>(10,756,438)</i>
<i>FY 2030-31</i>	<i>89,284,970</i>	<i>99,469,769</i>	<i>(10,184,799)</i>

Fund Balance

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

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

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

1. Provides cash flow to avoid borrowing (tax and revenue anticipation notes) during low cash periods (typically the first six-months of the fiscal year).
2. Provides interest-earning revenues to benefit the General Fund.
3. Serves as the single most important practice evaluated by credit rating agencies when rating a municipality.

- 4. Protects the City from unforeseeable circumstances such as:
 - Unexpected costs resulting from a national or local disaster.
 - A sudden worsening in the economy.
 - Unanticipated external factors, such as litigation or negative actions of other governments.

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

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

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

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

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

GENERAL FUND	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Projected Total Ending Fund Balance	\$45,489,362	\$45,075,704	\$43,454,209	\$41,576,352	\$40,881,042	\$41,763,718

Guidelines for Fiscal Year 2020-21 Budget Development

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

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

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

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



City Council
Agenda Report

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Frank Carson, Director of Parks & Recreation
SUBJECT: Prop 68 Grant Parks & Recreation Applications

RECOMMENDATION:

That the City Council adopts the next Resolution(s), in order, to approve the El Cajon Parks & Recreation Department to submit one or all four Prop 68 Grant Application(s) for Parks and Recreation Facilities.

BACKGROUND:

California Proposition 68 was passed by California voters on June 5, 2018. Prop 68 is a \$4 billion Parks & Water Bond intended to partly revitalize existing, and create new, parks and recreation facilities. One part of the fifteen grant application requirements is to host local community meetings for public input. Since June 2018, City staff has hosted over forty meetings of all ages and diversities of the City to best encapsulate the current needs and trends for future use of parks and recreation facilities.

City staff seeks input from City Council to approve resolutions to apply for Prop 68 Grant Sites at the following four locations:

- 1). Bostonia Community Center
- 2). Kennedy Community Center
- 3). Heartland Pickleball, Fitness Area and Playground
- 4). Wells Park Pickleball Complex & Arena Soccer Complex

Bostonia Community Center – Estimated Grant Request \$2.3M

The center opened to the public April 30, 1979 and has not received any significant renovations or modifications since opening. The renovations proposed would include new gymnasium flooring, new heating units, new energy-efficient lighting, solar energy installation, air-conditioned gymnasium, new doors, drop ceilings, CPTED designed office to match the Renette and Hillside Community Center renovations, planters, fully-equipped kitchen, new bathrooms, new flooring, new amenities, new roof and new drainage.

Kennedy Community Center – Estimated Grant Request \$2.3M

The center opened to the public April 7, 1975 and has only received one partial renovation to the craft room and staff office since opening. The renovations proposed would include new gymnasium flooring, new heating units, new energy-efficient lighting, solar energy installation, air-conditioned gymnasium, new doors, drop ceilings, CPTED designed office to match the

Renette and Hillside Community Center renovations, planters, fully-equipped kitchen, new bathrooms, new flooring, new amenities, new roof and new drainage.

Heartland Pickleball, Fitness Area and Playground – Estimated Grant request \$2.8M

The current name “Heartland” is only intended to be a placeholder. This is the former animal shelter property located next to Heartland Fire Station 9. With the large amount of community responses requesting greater access to outdoor pickleball courts, this site was one of two identified as potential grant application sites and would be identified as a new park. For the past fifteen years, pickleball has been the fastest growing sport for adults over 60 years of age. Many cities throughout the nation have converted their tennis courts to pickleball courts to meet this demand. This grant request would also include demolition of the existing structures, new landscaping fitting the state requirements, a new adult fitness area, solar energy installation, and a Fire Department themed playground area for youth to recreate.

Wells Park Pickleball Complex & Arena Soccer Complex – Estimated Grant Request \$3.4M

Over 300 surveys have been taken at Wells Park since June 2018. The overwhelming request is more access to soccer and our 55+ population is requesting more access to outdoor pickleball. The Pickleball Complex would be located where the former Boys & Girls Club Teen Center was located in the park and the pickleball courts would be located immediately adjacent to that structure. The center would also be retrofitted with solar energy installation. The Arena Soccer Complex will replace the current multi-purpose field and add four arena soccer artificial turf courts. Studies show that with every active recreation amenity added to a park, crime decreases by 17%. There is potential to fully activate this park to make it a regional draw after both complexes are completed.

FISCAL IMPACT:

If one or all grants are awarded, the State of California will fully reimburse the City for all expenses. There is no match requirement.

Prepared By: Frank Carson

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

Attachments

Resolution - Bostonia

Resolution - Kennedy

Resolution - Heartland

Resolution - Wells Park

RESOLUTION NO. __-21

A RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING THE APPLICATION FOR
STATEWIDE PARK DEVELOPMENT AND
COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State to complete the Grant Scope project.

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

The City Council hereby approves filing of an application for the Bostonia Community Center Renovation project; and

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines; and
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

RESOLUTION NO. __-21

A RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING THE APPLICATION FOR
STATEWIDE PARK DEVELOPMENT AND
COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State to complete the Grant Scope project.

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

The City Council hereby approves filing of an application for the Kennedy Community Center Renovation project; and

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines; and
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

RESOLUTION NO. __-21

A RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING THE APPLICATION FOR
STATEWIDE PARK DEVELOPMENT AND
COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State to complete the Grant Scope project.

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

The City Council hereby approves filing of an application for the Heartland Pickleball, Fitness Area and Playground project; and

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines; and
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

RESOLUTION NO. __-21

A RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF EL CAJON
APPROVING THE APPLICATION FOR
STATEWIDE PARK DEVELOPMENT AND
COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State to complete the Grant Scope project.

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

The City Council hereby approves filing of an application for the Wells Park Pickleball Complex and Arena Soccer Complex project; and

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines; and
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).



City Council Agenda Report

Agenda Item 9.

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Graham Mitchell, City Manager
SUBJECT: COVID-19 Status Report

RECOMMENDATION:

No action required.

BACKGROUND:

The City Council asked to receive a status report on COVID-19 related information. Staff will present relevant COVID-19 related data and information and answer questions from the City Council.

Prepared By: Graham Mitchell, City Manager

Reviewed By: N/A

Approved By: N/A



City Council
Agenda Report

DATE: March 9, 2021
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 26, 2021 –	SANDAG Board of Directors Meeting
March 1, 2021 –	LAFCO Meeting
March 1, 2021 –	Special City Council Meeting
March 2, 2021 –	“The Masters Breakfast” Speech
March 2, 2021 –	KUSI Interview
March 9, 2021 –	City Council Meeting

I am available to answer questions.

Submitted By: Bill Wells, Mayor



City Council
Agenda Report

Agenda Item 11.

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Mayor Pro Tem Kendrick
SUBJECT: MAYOR PRO TEM GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications;
Heartland Fire Training JPA.

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:

March 1, 2021 –	Special City Council Meeting
March 4, 2021 –	Metro Waste Water Meeting
March 9, 2021 –	City Council Meeting

I am available to answer questions.

Submitted By: Gary Kendrick, Mayor Pro Tem



City Council
Agenda Report

DATE: March 9, 2021

TO: Honorable Mayor and City Councilmembers

FROM: Councilmember Metschel

SUBJECT: COUNCILMEMBER MICHELLE METSCHEL

Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate; Heartland Fire Training JPA – 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 25, 2021 –	EOC Training
March 1, 2021 –	Special City Council Meeting
March 4, 2021 –	County of San Diego COVID Update
March 5, 2021 –	Attend Youth Center Reveal at ECTLC
March 9, 2021 –	City Council Meeting

I am available to answer questions.

Submitted By: Michelle Metschel, Councilmember



City Council
Agenda Report

Agenda Item 13.

DATE: March 9, 2021

TO: Honorable Mayor and City Councilmembers

FROM: Councilmember Goble

SUBJECT: COUNCILMEMBER STEVE GOBLE

MTS (Metropolitan Transit System Board); East County Advanced Water Purification Joint Powers Authority Board; Chamber of Commerce – Government Affairs Committee; SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – 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 18, 2021 –	Letter to Supervisor Anderson re: Needle Exchange
February 18, 2021 –	Email to City Manager re: Chestnut Development Project
February 19, 2021 –	Email to City Manager re: Chestnut Development Project
February 21, 2021 –	Post on Social Media re: help with EDD Claims
February 23, 2021 –	Email with J. McCormick re: Chestnut Project
February 23, 2021 –	Email with Molly K @ SoCalRHA re: COVID Rental Assistance
February 23, 2021 –	Email with City Manager re: Jail Early Release Program
February 23, 2021 –	Email with Jay R/East County Herald re: MTS Event
February 23, 2021 –	Email with Mark Olson @ MTS re: Feb 26 Event
February 25, 2021 –	Post on social media re: Free COVID Testing Site
February 25, 2021 –	Email with City Manager re: Mattress Recycling Program
February 25, 2021 –	Attend Heartland Fire Webinar on EOC Program
February 25, 2021 –	Email to J McCormick re: Chestnut Project
February 26, 2021 –	Present Commendation at MTS event
March 1, 2021 –	Special City Council Meeting
March 1, 2021 –	Email to J McCormick re: Chestnut Project

March 2, 2021 – Attend Chamber's Gov't Affairs Committee Meeting
March 2, 2021 – Email to Estela D. re: Mar 23 Justice Coalition Event
March 4, 2021 – Conference Call with County re: COVID
March 5, 2021 – Attend ECTLC Teen Event
March 6, 2021 – Community Trash Pick Up
March 8, 2021 – Meeting w/City Manager re: Agenda
March 9, 2021 – City Council Meeting

I am available to answer questions.

Submitted By: Steve Goble, Councilmember



City Council
Agenda Report

DATE: March 9, 2021

TO: Honorable Mayor and City Councilmembers

FROM: Councilmember Ortiz

SUBJECT: COUNCILMEMBER PHIL ORTIZ

League of California Cities, San Diego Division; East County Economic Development Council; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced Water Purification Joint Powers Authority Board – Alternate; Chamber of Commerce – Government Affairs Committee – 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 25, 2021 –	EOC Training
March 1, 2021 –	Special City Council Meeting
March 2, 2021 –	Chamber of Commerce Government Affairs
March 5, 2021 –	ECTLC Teen Center Reveal
March 8, 2021 –	League of California Cities Meeting
March 9, 2021 –	City Council Meeting

I am available to answer questions.

Submitted By: Phil Ortiz, Councilmember



City Council
Agenda Report

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Morgan Foley, City Attorney
SUBJECT: Ordinance to Add Chapter 2.18 to Establish Local Campaign Limits

RECOMMENDATION:

That the City Council approves the introduction of *An Ordinance Adding Chapter 2.18 to Title 2 of the El Cajon Municipal Code to Establish Local Campaign Limits for the City of El Cajon*, and, if approved, requests the City Clerk to read the ordinance by title.

BACKGROUND:

On January 26, 2021, City Council adopted Resolution No. 012-21 to direct the City Attorney, with the assistance of the City Manager's office, to draft an ordinance to present to the City Council, as soon as practicable, in order to add campaign contribution limitations for all City of El Cajon municipal elections in the initial amount of \$10,000, which amount would be adjusted annually each January 1, equal to the most recently reported Consumer Price Index for the San Diego region (CPI-U), from the U.S. Bureau of Labor Statistics.

If approved, a second reading will be conducted at the March 23, 2021 City Council meeting, making this ordinance effective April 22, 2021.

Attachments

Ordinance

ORDINANCE NO. ___

AN ORDINANCE ADDING CHAPTER 2.18 TO
TITLE 2 OF THE EL CAJON MUNICIPAL CODE
TO ESTABLISH LOCAL CAMPAIGN LIMITS
FOR THE CITY OF EL CAJON

WHEREAS, on January 1, 2021, new California state law took effect, arising from passage of AB 571 in 2019, amending Government Code section 85301 and adding Government Code section 85702.5 pertaining to campaign contribution limits for local candidates for office (the "Law"); and

WHEREAS, the Law allows cities to enact their own campaign contribution limits for local elections by ordinance or resolution, or, absent such an enactment, sets \$4,900 as the default campaign contribution limit (the "Default Limit"); and

WHEREAS, the City of El Cajon (the "City") has never adopted local campaign contribution limits for elections involving the offices of Mayor and Councilmembers, nor has the City ever adopted local campaign contribution limits for other local election matters, including recall, referendum, or initiative; and

WHEREAS, the City Council finds that setting campaign contribution limits should be a matter of local control, and left to the desire of local public officials rather than to be subject to the Default Limit established by the Law; and

WHEREAS, after due consideration, the City Council believes that it would be in the best interest of the City to establish local campaign contribution limits for all City elections in the initial amount of \$10,000, which amount would be adjusted annually each January 1, equal to the most recently reported Consumer Price Index for the San Diego region (CPI-U), from the U.S. Bureau of Labor Statistics.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CAJON DOES ORDAIN AS FOLLOWS:

Section 1. A new Chapter 2.18 is hereby added to Title 2 of the El Cajon Municipal Code to read as follows:

Chapter 2.18 LOCAL CAMPAIGN CONTRIBUTION LIMITS

2.18.010 Intent and purpose.

It is the intent of the city council in enacting the ordinance codified in this chapter to place realistic and enforceable limits on the amount individuals may contribute to political campaigns in municipal elections, as well as to supplement the requirements of state law with regard to the making and reporting of campaign contributions and expenditures, for the purpose of preventing the exercise by campaign contributors of potential undue or improper influence over elected officials and to inform the public

of the sources and objects of campaign contributions and expenditures. The city council finds that municipal elections are municipal affairs; that the regulation of campaign expenditures and contributions in municipal elections is not preempted by general State law; and that a limitation on campaign contributions by individuals is the proper subject of municipal regulation under authority granted to cities by Article XI, section 7 of the California Constitution and Government Code section 81013. The contribution limitations of this chapter shall not only apply to all elections for the offices of mayor and councilmembers, but shall also apply to recall elections in which the electorate determines whether to recall an officeholder, and to ballot measure elections. This chapter shall not apply to contributions or other amounts given to a committee that is organized (a) for the purpose of supporting candidates for city offices, or (b) for the purpose of supporting or opposing ballot measures. It is the intent of the city council that this chapter is to be interpreted in a manner consistent with Constitutional requirements. Should any provision of this chapter be determined to be invalid for any reason, the remainder shall be severed therefrom and shall remain in full force and effect.

2.18.020 Definitions.

For the purposes of this chapter, the words and phrases used herein shall have the meanings respectively ascribed to them by the Political Reform Act of 1974, as amended, commencing with Government Code section 81000 or in the regulations adopted by the Fair Political Practices Commission, as amended, commencing with 2 California Code of Regulations section 18202.

2.18.030 Limitations.

A. Contributions Generally.

1. Except as expressly provided in this section, no individual shall make, nor shall any person solicit or accept, any contribution in aid of or in opposition to the nomination or election of a candidate, which will cause the total amount contributed to the candidate by such person to exceed \$10,000 in a single election.
2. The prohibition of subsection (A)(1) of this section shall not apply to any committee or political party or its committee that receives contributions to be expended in elections.
3. The \$10,000 limitation of subsection (A)(1) of this section is not a limitation upon expenditures and shall not limit the expenditures by any candidate or any committee.

4. Spouses are two separate individuals for purposes of the contribution limitation of subsection (A)(1) of this section.
5. The \$10,000 limitation of subsection (A)(1) of this section shall not apply to a candidate in aid of himself or herself, or to any committee which makes expenditures solely for the purpose of advocating the adoption or defeat of a ballot measure or to any committee advocating or opposing the recall of an officeholder.
6. No person shall make a contribution anonymously or under an assumed name. No person shall make a contribution on behalf of another person, whether as agent, intermediary, or otherwise.
7. Contributions are not permitted to be retained by a candidate or any committee when received from anonymous sources or from persons who do not consent to having their name made known. Any such contributions shall be refunded to the donor (if known) or (if unknown) shall be turned over to the city clerk and deposited to the city's treasury, in any event within 72 hours of receipt.
8. The \$10,000 contribution limitation of subsection (A)(1) of this section shall be adjusted in January of every year to reflect any increase or decrease in the Consumer Price Index. Those adjustments shall be rounded to the nearest one hundred dollars (\$100) for the San Diego region (CPI-U), from the U.S. Bureau of Labor Statistics.

B. Prohibited Activities.

1. No officer, employee, agent or attorney or other representative of a person covered by this subsection shall aid, abet, advise, or participate in a violation of this section.
2. No person shall knowingly accept a payment or contribution made in a violation of this section.
3. If a candidate's campaign treasurer is offered a contribution that would be in excess of the limitation the treasurer must refuse the contribution. If, however, a contribution is deposited into the campaign trust account, which is in violation of this section, the treasurer shall report in writing within five days of learning of the illegal nature of the contribution to the city clerk the facts surrounding such contribution. Any such contribution so deposited shall be paid promptly, from available campaign

funds, if any, to the city, and shall be deposited in the general fund of the city.

2.18.040 Statements generally.

Subject to Government Code section 81009.5, each candidate and each committee, including all independent committees, shall file as a public record with the city clerk campaign statements showing the amounts of contributions received and expenditures made with respect to such election at the time required by the Political Reform Act of 1974, as amended.

2.18.050 Media exemptions.

The provisions of this chapter shall not apply to any publication or broadcast or to any news story, commentary or editorial distributed through the facilities of a broadcasting station or bona fide newspaper, magazine or other periodical publication. A news story, commentary or editorial is not considered to be distributed through a bona fide newspaper, magazine, or other periodical publication if:

- A. Such publication is primarily for distribution to individuals affiliated by membership or stock ownership with the person (other than an individual) distributing it or causing it to be distributed; or
- B. Such publication is not primarily for purchase by the public at newsstands or paid by subscription; or
- C. The news story, commentary or editorial is distributed by a person (other than an individual) who devotes a substantial part of his activities to attempting to influence the outcome of city elections, or to influence public opinion with respect to matters of city policy or concern.

2.18.060 Suppliers of goods and services – Disclosure of records required.

No person who supplies goods or services, or both goods and services, to a candidate or committee for use in connection with the campaign of the candidate or for or against a measure shall refuse to divulge or disclose to the enforcement authority the record of any expenditures made by the candidate or committee in payment for such goods or services, or both.

2.18.070 Late filing of campaign statement.

- A. If any person files a campaign statement after any deadline imposed by this chapter, he or she shall, in addition to any other penalties or remedies established in this chapter, be liable to the city clerk in the amount of \$10.00 per day after the deadline until the statement is

filed, as set forth in California Government Code section 91013, as may be amended from time to time.

- B. The city clerk shall deposit any funds received under this section into the general fund of the city to defray the cost of municipal elections.

2.18.080 Violation – Penalty.

- A. Any knowing or willful violation of any provision of this chapter may be prosecuted, either as an infraction or as a misdemeanor, at the discretion of the prosecutor. The maximum fine which may be imposed for each misdemeanor conviction shall be \$1,000. The chairperson and treasurer of any committee shall be both criminally and civilly responsible for any violation of this chapter by the committee. In addition, the candidate shall be both criminally and civilly responsible for any violation of this chapter by the committee, if a controlled committee.
- B. If a candidate is convicted of a willful violation of section 2.18.030 of this code, the election to office of such candidate shall be void and such office shall immediately become vacant. In such event the vacancy shall be filled in accordance with the procedures as set forth in the Government Code.

2.18.090 Civil liability and penalties.

- A. Any person who violates any provision of this chapter shall be liable in a civil action brought by the city for an amount up to \$1,000. In addition thereto, such person shall be liable for the reasonable attorney's fees and costs incurred by the city in any civil proceeding filed to enforce the provisions hereof.
- B. Enforcement of this chapter through civil action may be filed as an alternative to criminal enforcement pursuant to section 2.18.080 of this code. Civil enforcement shall not require that the violation be knowing or willful. All discovery provisions of state law shall be available to the city in the civil enforcement of this chapter. The city shall have the power to subpoena documents and other materials as may be necessary to conduct the investigation. No civil action alleging a violation of this chapter shall be filed against a person pursuant to this section if the city is maintaining a criminal action against that person pursuant to section 2.18.080 of this code.
- C. Each violation of this chapter shall be a separate offense subject to the civil penalty provided in subsection A of this section.
- D. The city's legal counsel is authorized to settle any civil enforcement hereof prior or subsequent to the filing of a civil action by the

imposition of a civil penalty in an amount which does not exceed the potential civil liability, including attorney's fees, set forth in subsection A of this section. Upon payment in full of such civil penalty, the city shall agree to forbear from filing civil or criminal action or, if action has already been filed, shall agree to dismiss such action. The imposition of all civil penalties shall be made a matter of public record.

E. All civil fines shall be deposited into the general fund.

2.18.100 Application of Government Code section 83116.5.

To the greatest extent permitted by law, Government Code section 83116.5 shall not be applied to any person who is an employee or under contract to the city and is giving advice interpreting the campaign, disclosure, or conflict of interest provisions of the Political Reform Act of 1974 or of this chapter as part of that person's government employment or contract.

Section 2. If any portion of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid, unenforceable or unconstitutional, by a court of competent jurisdiction, that portion shall be deemed severable, and such invalidity, unenforceability or unconstitutionality shall not affect the validity or enforceability of the remaining portions of the ordinance, or its application to any other person or circumstance. The City Council hereby declares that it would have adopted each section, sentence, clause or phrase of this ordinance, irrespective of the fact that any one or more other sections, sentences, clauses or phrases of the ordinance be declared invalid, unenforceable or unconstitutional.

Section 3. The City Council of the City of El Cajon intends this ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this ordinance shall be construed in light of that intent.

Section 4. This ordinance shall go into effect thirty (30) days following its passage and adoption.

Section 5. The City Clerk shall certify to the passage and adoption of this ordinance and shall cause the same to be published or posted according to law.

03/09/21 CC Agenda – 1st Reading
03/23/21 CC Agenda – 2nd Reading

Ord – Add ECMC 2.18 to Establish Campaign Contribution Limits 022521



City Council
Agenda Report

Agenda Item 16.

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Morgan Foley, City Attorney
SUBJECT: Ordinance to Amend ECMC Chapter 6.16

RECOMMENDATION:

That the City Council approves the introduction of *An Ordinance to Amend Sections 6.16.060 and 6.16.090, and to Repeal Sections 6.16.080 and 6.16.120, of Chapter 6.16 of Title 6 of the El Cajon Municipal Code to Conform to the San Diego Humane Society's Dog Licensing Procedures* , and, if approved, requests the City Clerk to read the ordinance by title.

BACKGROUND:

At its September 8, 2020 meeting, the City Council approved a Lease Agreement for the El Cajon Animal Services Central Shelter, and an Animal Services Agreement for animal control and sheltering services, with the San Diego Humane Society and S.P.C.A. ("SDHS"). Dog licensing is included in the services to be provided by SDHS. As SDHS employs a different procedure for dog licenses than that previously used by the City of El Cajon Animal Control Division, it is necessary to amend or repeal portions of the El Cajon Municipal Code relating to dog licensing for clarification purposes.

If approved, a second reading will be conducted at the March 23, 2021 City Council meeting, and the ordinance would become effective on April 22, 2021.

Attachments

Ordinance

ORDINANCE NO. ___

AN ORDINANCE TO AMEND SECTIONS 6.16.060 AND 6.16.090, AND TO REPEAL SECTIONS 6.16.080 AND 6.16.120, OF CHAPTER 6.16 OF TITLE 6 OF THE EL CAJON MUNICIPAL CODE TO CONFORM TO THE SAN DIEGO HUMANE SOCIETY'S DOG LICENSING PROCEDURES

WHEREAS, at its September 8, 2020 meeting, the City Council approved a lease and an Animal Services Agreement by and between the City of El Cajon and the San Diego Humane Society and S.P.C.A. ("SDHS"); and

WHEREAS, included in the services provided by SDHS are animal field services such as dog licensing; and

WHEREAS, SDHS has recommended a procedure for dog licenses, which is consistent with other local agencies utilizing their services; and

WHEREAS, implementation of the SDHS licensing procedure requires repealing or amending portions of the El Cajon Municipal Code ("ECMC") relating to dog licensing; and

WHEREAS, in conformity with custom and use relating to personal identification tags on dog collars in addition to the official tag, it is necessary to repeal section 6.16.120 of the ECMC.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CAJON DOES ORDAIN AS FOLLOWS:

SECTION 1. Sections 6.16.060, 6.16.080, 6.16.090, and 6.16.120 of Chapter 6.16 of Title 6 of the El Cajon Municipal Code are hereby repealed.

SECTION 2. A new section 6.16.060 is hereby added to Chapter 6.16 of Title 6 of the El Cajon Municipal Code to read as follows:

6.16.060 Tags furnished by collector - Contents.

The license collector or other proper official shall deliver to the applicant for a dog license, as required under this chapter, a tag bearing the number of the license stamped or engraved thereon.

SECTION 3. A new section 6.16.090 is hereby added to Chapter 6.16 of Title 6 of the El Cajon Municipal Code to read as follows:

6.16.090 Dogs over four months – License and tag requirements.

Every person who owns, keeps or maintains a dog over the age of four months shall obtain a license tag for said dog. The tag shall be securely attached to the collar of the dog and worn at all times.

SECTION 4. This ordinance shall go into effect thirty (30) days following its passage and adoption.

03/09/21 CC Agenda – 1st Reading
03/23/21 CC Agenda – 2nd Reading

Ord - Amend ECMC 6.16 – Dog Licenses 022221



City Council
Agenda Report

Agenda Item 17.

DATE: March 9, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Yazmin Arellano, Director of Public of Works
SUBJECT: Speed Limit Zone-Hacienda Drive

RECOMMENDATION:

That the City Council approves the introduction of an Ordinance amending Section 10.20.130 of Chapter 10.20 of the Municipal Code to include updating the existing speed limit for Hacienda Drive from Swallow Drive to Windmill View Road.

BACKGROUND:

As required by the California Vehicle Code (CVC section 40802), City streets' speed limits need to be re-certified every seven (7) years to be radar enforceable by the Police Department. The re-certification entails preparing an "Engineering and Traffic Survey," also known as a radar speed survey for streets. A new "Engineering and Traffic Survey" was conducted in January 2021 for the expired roadway section of Hacienda Drive from Swallow Drive to Windmill View Road.

Summary of Recommendation

Roadway Limits	Posted Speed Limit (MPH)	Recommended Speed Limit (MPH)
Hacienda Drive Swallow Dr. to Windmill View Rd.	35	30

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

The establishment of speed limits is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) according to section 15301 (Class 1) (c) of the CEQA guidelines. Section 15301 provides an exemption for the maintenance of public facilities.

FISCAL IMPACT:

The cost for replacing the existing speed limit signs is approximately \$300.00.

Prepared By: Mario Sanchez, City Traffic Engineer

Reviewed By: Yazmin Arellano, Director of Public Works

Approved By: Graham Mitchell, City Manager

Attachments

Ordinance

Staff Report

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTION 10.20.130 OF
CHAPTER 10.20 OF THE EL CAJON MUNICIPAL CODE
DELETING THE 35 MILES PER HOUR SPEED LIMIT
AND ESTABLISHING A NEW 30 MILES PER HOUR
SPEED LIMIT ON HACIENDA DRIVE FROM
SWALLOW DRIVE TO WINDMILL VIEW ROAD
IN THE CITY OF EL CAJON

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

SECTION 1: That the designation of "Hacienda Drive from Swallow Drive to Windmill View Road," listed in those sections of roads under the heading, "Thirty-five Miles Per Hour," in section 10.20.130 of Chapter 10.20 of the El Cajon Municipal Code, is hereby deleted.

SECTION 2: That the designation of "Hacienda Drive from Swallow Drive to Windmill View Road" is hereby added to end of the list of those sections of roads under the heading, "Thirty Miles Per Hour," in section 10.20.130 of Chapter 10.20 of the El Cajon Municipal Code.

SECTION 3: This ordinance shall be effective thirty days following its passage and adoption.

Ord - Speed Limit Zone – Hacienda Dr from Swallow to Windmill View 021721

03/09/21 CC Agenda – 1st Reading
03/23/21 CC Agenda – 2nd Reading



Staff Report Engineering & Traffic Survey for Hacienda Drive

Background:

The California Vehicle Code (CVC) Sections 627 and 40802 are the basis and governing law for the establishment of speed limits in California. The vehicle code grants local authorities the right to establish speed limits on streets within their jurisdiction. The “Engineering and Traffic Survey” is intended to serve as the basis for the establishment and enforcement of speed limits on City streets that the Police Department can defend in a court of law.

California Vehicle Code, Section 40802, requires that an “Engineering and Traffic Survey” be conducted every seven (7) years to enable the Police Department continued use of radar for speed enforcement. In addition, if there have been no significant changes to the roadway and/or traffic conditions, a California registered traffic engineer may extend the survey for an additional three (3) years. The existing “Engineering and Traffic Survey” has expired on Hacienda Drive between Swallow Drive and Windmill View Road.

“Engineering and Traffic Survey” to establish Speed Limits:

The California Manual on Uniform Traffic Control Devices (CAMUTCD) establishes the procedure on how to conduct the “Engineering and Traffic Survey”. The survey includes the measurements of the prevailing speed of traffic on the roadway that includes a sample of a minimum of 50 vehicles in each direction. An analysis of vehicle accident history, a review of the road, adjacent land use characteristics, and conditions not readily apparent to the motorist are also considered.

The CAMUTCD guidelines allows the local authority to establish the posted speed limit to within nearest five (5) miles per hour increment of the 85th percentile speed. The 85th percentile speed is defined as that speed of traffic at or below which 85 percent of the traffic is free flowing. The guidelines allow a reduction to the lower 5 MPH increment of the 85th percentile speed for conditions not readily apparent to the motorist. It is important to note that posting an arbitrarily lowered speed limit would have a negative affect and would make the majority of vehicles traveling on the road speed violators and may compromise safety. Also, it is important to note the that the Police Department cannot legally enforce an arbitrarily posted speed limit.

Traffic Engineering Analysis:

A new survey was conducted on Hacienda Drive between Swallow Drive and Windmill View Road in accordance with the guidelines outlined in the CAMUTCD. Survey samples of at least 50 vehicles were collected for each direction of travel. The samples were collected during the off-peak hours between 9:00 A.M. and 11:00 A.M. on Wednesday, January 20, 2021.

Research of all relevant records including collision data and average daily traffic volumes along this segment of Hacienda Drive. The collision history for the past five years to determine the number of collisions that have occurred during this time period. The accident rate per one million vehicle miles of travel was calculated for Hacienda Drive. In this case, there have been no accidents along the section of Hacienda Drive. The State average rate for a two-lane roadway similar to Hacienda Drive is 4.30 accidents per million vehicle miles traveled. The data is summarized in Table 1:

Table 1. Traffic Collision and Roadway Data

	Length of Roadway (ft.)	Average Daily Traffic Volume	Total Number of Collisions (5 years)	Mid-block Accident Rate	*CA Average Mid-block Accident Rate
<u>Hacienda Drive</u> Swallow Dr. to Windmill View Rd.	2,500	1,530	0	0.00	4.30

* California Average Accident rate per one million vehicle miles of travel.

The result of the engineering and traffic survey is summarized below in Table 2.

Table 2. Engineering and Traffic Survey Results

	Posted Speed Limit (MPH)	85th Percentile Speed (MPH)	Average Speed (MPH)	10 MPH Pace (MPH)	Percent Of Vehicles in Pace
<u>Hacienda Drive</u> Swallow Dr. to Windmill View Rd.	35	32.2	29.9	25-34	90.9

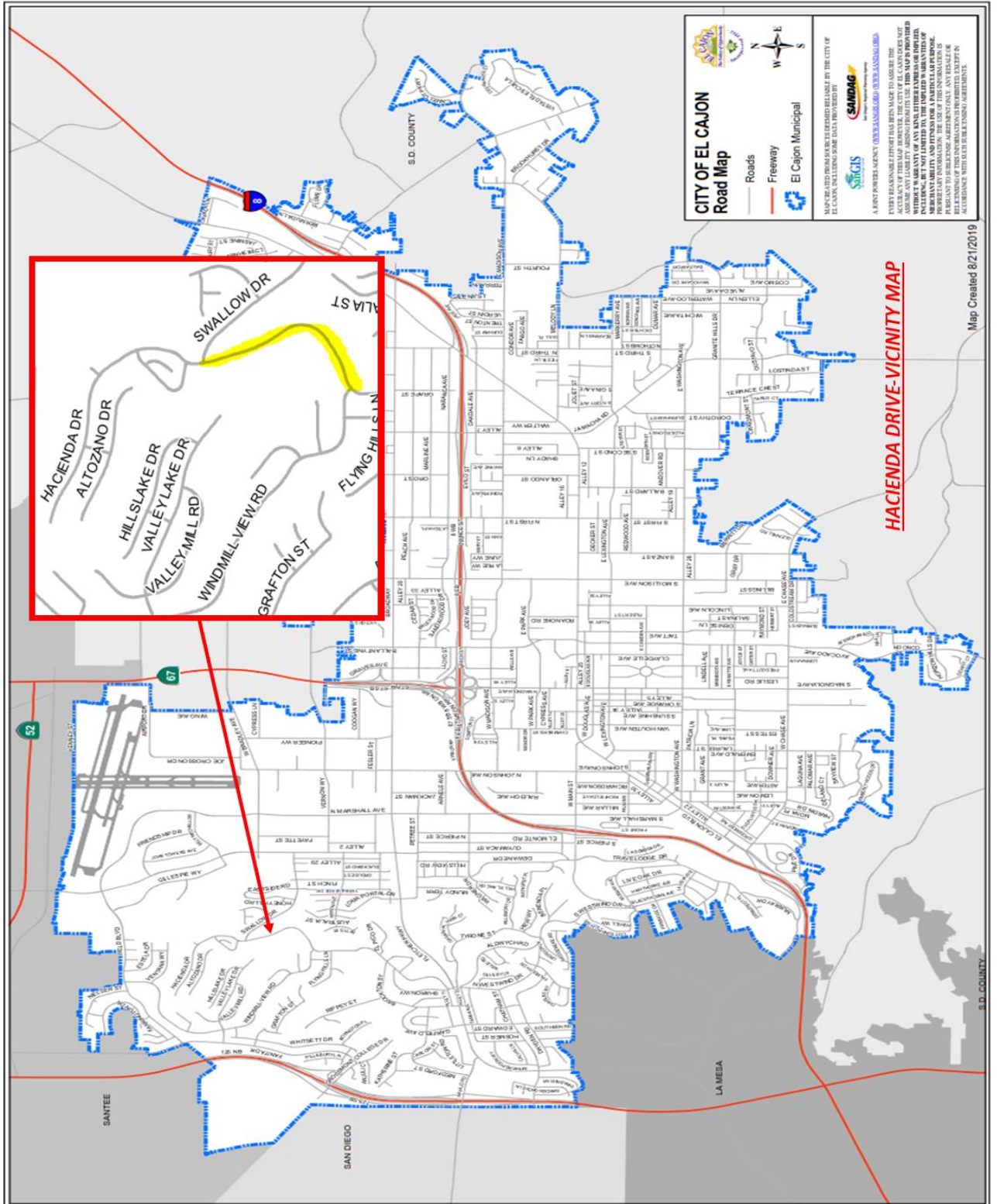
MPH = Miles Per Hour

Findings & Recommendation:

Based on the results of the engineering and traffic survey, the following speed limit shown in Table 3 is recommended.

Table 3. Summary of Recommendations

Roadway Limits	Posted Speed Limit (MPH)	Recommended Speed Limit (MPH)
<u>Hacienda Drive</u> Swallow Dr. to Windmill View Rd.	35	30





City Council
Agenda Report

DATE: March 9, 2021

TO: City Clerk

FROM: City Attorney/General Legal Counsel

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

RECOMMENDATION:

That the following Closed Session be scheduled for the Joint City Council/Housing Authority/
Successor Agency to El Cajon Redevelopment Agency agenda on Tuesday, March 9, 2021, at
3:00 p.m.

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

Number of potential cases: 1

Morgan L. Foley
City Attorney/General Legal Counsel

MLF:hms
