



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JANUARY 08, 2025

4:00 PM - Closed Session (Parkview Conference Room)

5:00 PM - Regular Session

Escondido City Council Chambers, 201 North Broadway, Escondido, CA 92025

WELCOME TO YOUR CITY COUNCIL MEETING

We welcome your interest and involvement in the legislative process of Escondido. This agenda includes information about topics coming before the City Council and the action recommended by City staff.

MAYOR

Dane White

DEPUTY MAYOR

Consuelo Martinez (District 1)

COUNCILMEMBERS

Joe Garcia (District 2)

Christian Garcia (District 3)

Judy Fitzgerald (District 4)

CITY MANAGER

Sean McGlynn

CITY ATTORNEY

Michael McGuinness

CITY CLERK

Zack Beck

HOW TO WATCH

The City of Escondido provides three ways to watch a City Council meeting:

In Person



201 N. Broadway

On TV



Cox Cable Channel 19 and U-verse Channel 99

Online



www.escondido.gov



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HOW TO PARTICIPATE

The City of Escondido provides two ways to communicate with the City Council during a meeting:

In Person



Fill out Speaker Slip and Submit to City Clerk

In Writing



escondido-ca.municodemeetings.com

ASSISTANCE PROVIDED

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 760-839-4869. Notification 48 hours prior to the meeting will enable the city to make reasonable arrangements to ensure accessibility. Listening devices are available for the hearing impaired – please see the City Clerk.





CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JANUARY 08, 2025

CLOSED SESSION

4:00 PM

CALL TO ORDER

1. Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

CLOSED SESSION

- I. **CONFERENCE WITH LABOR NEGOTIATORS (Government Code section 54957.6)**
 - a. Agency Representative: Sean McGlynn, City Manager, or designee Employee Organization: Police Officers' Association Sworn Personnel Bargaining Unit
 - b. Agency Representative: Sean McGlynn, City Manager, or designee Employee Organization: Firefighters Association Safety and Non-Safety Bargaining Unit
- II. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code § 54956.8)**
 - a. Property: 340 N. Escondido Blvd., Escondido (California Center for the Arts, Escondido)
 - b. Agency Negotiator: Sean McGlynn, City Manager, or designees
 - c. Negotiating Party: California Center for the Arts, Escondido, Foundation
 - d. Under Negotiation: Terms of Lease or Management Agreement

ADJOURNMENT



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COUNCIL MEETING AGENDA

WEDNESDAY, JANUARY 08, 2025

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

The City Council conducts the Pledge of Allegiance at the beginning of every City Council meeting.

CALL TO ORDER

Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB)



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JANUARY 08, 2025

2. APPROVAL OF WARRANT REGISTER (COUNCIL)

Request approval for City Council and Housing Successor Agency warrant numbers:

- 389572 – 389730 dated December 04, 2024
- 389731 – 389972 dated December 11, 2024
- 389973 – 390298 dated December 18, 2024

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director Finance)

ESSENTIAL SERVICE – Yes, Internal requirement per Municipal Code Section 10-49

3. APPROVAL OF MINUTES: None

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS

5. CONTINUING THE EMERGENCY REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

Request the City Council adopt Resolution No. 2025-03, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repair of the Escondido Trunk Sewer Main.

Staff Recommendation: Approval (Utilities: Angela Morrow, Director of Utilities)

Presenter: Kyle Morgan, Assistant Director of Utilities, Wastewater

ESSENTIAL SERVICE – Yes, Keep City Clean for Public Health and Safety; Sewer

COUNCIL PRIORITY –Improve Public Safety

a) Resolution No. 2025-03

6. FIRST AMENDMENT TO THE CONSULTING AGREEMENT FOR ADMINISTRATION SERVICES FOR TRANSACTION AND USE TAX

Request the City Council adopt Resolution No. 2025-04, authorizing the Mayor to execute a first amendment to the Consulting Agreement with Hinderliter, DeLlamas & Associates (“HdL”) for administrative and audit services for Ordinance No. 2024-08 establishing the local one-cent general transaction use (sales) tax

Staff Recommendation: Approval (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance



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COUNCIL MEETING AGENDA

WEDNESDAY, JANUARY 08, 2025

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Space

COUNCIL PRIORITY – Eliminate Structural Deficit; Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

a) Resolution No. 2025-04

CURRENT BUSINESS

7. ANNUAL UPDATE ON MOBILEHOME PARK RENT CONTROL REPORTING

Request the City Council receive and file the Annual Update on Mobilehome Park Rent Control Reporting.

Staff Recommendation: Receive and File (Development Services: Danielle Lopez, Housing and Neighborhood Services Manager)

Presenter: Carlos Cervantes, Management Analyst; Danielle Lopez, Housing and Neighborhood Services Manager

ESSENTIAL SERVICE – No

8. CONVERT AD-HOC SUBCOMMITTEE ON HOMELESSNESS TO A STANDING SUBCOMMITTEE

Request the City Council convert the Ad-Hoc Subcommittee on Homelessness to a Standing Subcommittee.

Staff Recommendation: Approval (City Clerk's Office: Zack Beck, City Clerk)

Presenter: Zack Beck, City Clerk

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY – Eliminate Structural Deficit; Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

FUTURE AGENDA

9. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.



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COUNCIL MEETING AGENDA

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Staff Recommendation: None (City Clerk's Office: Zack Beck)

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S WEEKLY ACTIVITY REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development. This report is also available on the City's website, www.escondido.gov.

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

ADJOURNMENT

UPCOMING MEETING SCHEDULE

Wednesday, January 15, 2025 4:00 & 5:00 PM Closed Session, Regular Meeting, *Council Chambers*

Wednesday, January 29, 2025 4:00 & 5:00 PM Closed Session, Regular Meeting, *City Hall - Mitchell Room*

SUCCESSOR AGENCY

Members of the Escondido City Council also sit as the Successor Agency to the Community Development Commission, Escondido Joint Powers Financing Authority, and the Mobilehome Rent Review Board.



AFFIDAVITS
OF
ITEM
POSTING - None



STAFF REPORT

January 8, 2025
File Number 0400-40

SUBJECT

APPROVAL OF WARRANT REGISTER (COUNCIL)

DEPARTMENT

Finance

RECOMMENDATION

Request approval for City Council and Housing Successor Agency warrant numbers:

389572 – 389730 dated December 04, 2024

389731 – 389972 dated December 11, 2024

389973 – 390298 dated December 18, 2024

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director Finance)

ESSENTIAL SERVICE – Yes, Internal requirement per Municipal Code Section 10-49

COUNCIL PRIORITY –

FISCAL ANALYSIS

The total amount of the warrants for the following periods are as follows:

November 27, 2024 – December 04, 2024 is \$911,877.73

December 05, 2024 – December 11, 2024 is \$6,278,101.30

December 12, 2024 – December 18, 2024 is \$5,182,351.55

PREVIOUS ACTION – None

BACKGROUND

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director



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of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.



STAFF REPORT

ITEM NO. 4

SUBJECT

WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

ANALYSIS

The City Council/RRB has adopted a policy that is sufficient to read the title of ordinances at the time of introduction and adoption, and that reading of the full text of ordinances and the full text and title of resolutions may be waived.

Approval of this consent calendar item allows the City Council/RRB to waive the reading of the full text and title of all resolutions agendaized in the Consent Calendar, as well as the full text of all ordinances agendaized in either the Introduction and Adoption of Ordinances or General Items sections. **This particular consent calendar item requires unanimous approval of the City Council/RRB.**

Upon approval of this item as part of the Consent Calendar, all resolutions included in the motion and second to approve the Consent Calendar shall be approved. Those resolutions removed from the Consent Calendar and considered under separate action may also be approved without the reading of the full text and title of the resolutions.

Also, upon the approval of this item, the Mayor will read the titles of all ordinances included in the Introduction and Adoption of Ordinances section. After reading of the ordinance titles, the City Council/RRB may introduce and/or adopt all the ordinances in one motion and second.

RECOMMENDATION

Staff recommends that the City Council/RRB approve the waiving of reading of the text of all ordinances and the text and title of all resolutions included in this agenda. Unanimous approval of the City Council/RRB is required.

Respectfully Submitted,

Zack Beck
City Clerk



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STAFF REPORT

January 8, 2025
File Number 1330-85

SUBJECT

CONTINUING THE EMERGENCY REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

DEPARTMENT

Utilities Department

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-03, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repair of the Escondido Trunk Sewer Main. The Resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.

Staff Recommendation: Approval (Utilities: Angela Morrow, Director of Utilities)

Presenter: Kyle Morgan, Assistant Director of Utilities, Wastewater

ESSENTIAL SERVICE – Yes, Keep City Clean for Public Health and Safety; Sewer

COUNCIL PRIORITY –Improve Public Safety

FISCAL ANALYSIS

Funding for the Emergency Repair of the Escondido Trunk Sewer Main is available in the Wastewater Capital Improvement Project (“CIP”) budget for Sewer Trunk Main, CIP No. 801913.

PREVIOUS ACTION

On June 26, 2024, the City Council adopted Resolution No. 2024-86, ratifying Proclamation No. 2024-02, affirming that it was appropriate for City staff to forego competitive bidding procedures and work with contractors for the necessary emergency repair of the failing trunk sewer main.

On July 10, 2024, the City Council adopted Resolution No. 2024-94, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.

On July 17, 2024, the City Council adopted Resolution No. 2024-103, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.



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On July 23, 2024, a Public Improvement Agreement with CCL Contracting, Inc. was executed for the emergency repair of Section 2, from Beech Street to Grape Day Park, on a time and materials basis in an amount not to exceed \$10,240,691.

On August 7, 2024, the City Council adopted Resolution No. 2024-106, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main. In addition, City Council approved a budget adjustment in the amount of \$12,036,225 to fund the emergency repair of the failing trunk sewer main, consisting of \$7,036,225 from the unallocated Wastewater Reserves and \$5,000,000 from Capital Improvement Project No. 801508, Recycled Easterly Ag MFRO.

On August 21, 2024, a Public Improvement Agreement with J.R. Filanc Construction Company was executed for the emergency repair of Section 1, Ash Street from the Firestone Complete Auto Care parking lot to the Walmart Neighborhood Market parking lot, on a time and materials basis in an amount not to exceed \$1,795,534.

On August 28, 2024, the City Council adopted Resolution No. 2024-117, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.

On September 11, 2024, the City Council adopted Resolution No. 2024-131, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On October 2, 2024, the City Council adopted Resolution No. 2024-141, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On October 23, 2024, the City Council adopted Resolution No. 2024-146, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On November 20, 2024, the City Council adopted Resolution No. 2024-162, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On December 4, 2024, the City Council adopted Resolution No. 2024-178, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

BACKGROUND

The City's trunk sewer mains, constructed in the 1950's, are a critical and integral part of the City's wastewater system. In June 2024, during routine closed-circuit television inspection, Utilities Staff identified multiple failed and severely deteriorated sections of 18-inch and 21-inch trunk sewer main. In order to act quickly to avoid catastrophic failure, a local emergency was proclaimed on June 20, 2024, by the City Manager, serving as the Director of Emergency Services. This allowed staff to work directly with contractors to address the necessary repairs to the failing trunk sewer main.



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The current and continuing scope of work includes two sections of severely deteriorated trunk sewer main that are in critical condition. These sections are shown in **Figure 1** below and defined as follows:

Section 1: Ash Street - paralleling the Escondido Creek, from the Firestone Complete Auto Care (“Firestone”) parking lot to the Walmart Neighborhood Market (“Walmart”) parking lot; and

Section 2: Beech Street to Grape Day Park - paralleling the Escondido Creek, traversing a short section of North Hickory Street, then continuing in East Pennsylvania Street from North Hickory and extending into Grape Day Park.

Figure 1



Section 1 emergency repair work began on August 7, 2024, and is anticipated to be complete by January 31, 2025. J.R. Filanc Construction Company (“Filanc”) has completed the installation of all 300 linear feet of pipe. Remaining work to be completed is the final grading and paving of Ash Street, as well as the seal coat and striping of road.

Utilities Staff continues communication and coordination with Caltrans to ensure compliance with the Project’s Caltrans encroachment permit. Traffic control message boards indicating Ash Street closure and restricted working hours remain in place at the work site.



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Section 2 emergency repair work began on July 25, 2024, and is anticipated to be complete by May 31, 2025. The contractor, CCL Contracting, Inc. (“CCL”), has installed approximately 2,160 linear feet of pipe, from Grape Day Park to Juniper Street, out of a total of 5,400 linear feet. Additional work over the last several weeks includes: installation of the new 24” trunk sewer pipeline, reconnection of sewer laterals, and communication with Utilities Water Distribution Staff and the Fire Department regarding the temporary shut-off of a fire hydrant on Pennsylvania near Hickory Street. Section 2 trunk main installation work continues on Pennsylvania Avenue east to Hickory Street. Electronic message boards updating the community are in place, where appropriate, throughout the construction project site and will remain through the duration of work.

Utilities Staff continues to communicate and coordinate with affected businesses within the construction zones of influence, as well as other City Departments regarding current and upcoming construction, including the Grand Avenue Corridor Project, the Grape Day Park Restroom Project, and the Escondido Creek Trail Project.

RESOLUTIONS

- a) Resolution No. 2025-03

RESOLUTION NO. 2025-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, FINDING THAT AN EMERGENCY CONTINUES TO REQUIRE THE IMMEDIATE REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN.

WHEREAS the City Council recognizes that the City's trunk sewer main pipeline defined in the two following critical sections are at risk of imminent, catastrophic failure:

Section 1: Ash Street - paralleling the Escondido Creek, from the Firestone Complete Auto Care parking lot to the Walmart Neighborhood Market parking lot; and

Section 2: Beech Street to Grape Day Park - paralleling the Escondido Creek, traversing a short section of North Hickory Street, then continuing in East Pennsylvania Street from North Hickory and extending into Grape Day Park; and

WHEREAS, pursuant to the approval of Resolution No. 2024-86 on June 26, 2024, ratifying Proclamation No. 2024-02; Resolution No. 2024-94 on July 10, 2024; Resolution No. 2024-103 on July 17, 2024; Resolution No. 2024-106 on August 7, 2024; Resolution No. 2024-117 on August 28, 2024; Resolution No. 2024-131 on September 11, 2024; Resolution No. 2024-141 on October 2, 2024; Resolution No. 2024-146 on October 23, 2024; Resolution No. 2024-162 on November 20, 2024; and Resolution 2024-178 on December 4, 2024; the City Council previously found that the failing trunk sewer risk constitutes an emergency and found it appropriate for Utilities Staff to proceed to contract services without adopting plans, specifications, working details, or giving notice of bids to award contracts; and

WHEREAS, on August 7, 2024, City Council approved a budget adjustment in the amount of twelve million, thirty-six thousand, two hundred twenty-five dollars (\$12,036,225) to fund the emergency repair

of the failing trunk sewer main, consisting of \$7,036,225 from the unallocated Wastewater Reserves and \$5,000,000 from Capital Improvement Project No. 801508, Recycled Easterly Ag MFRO; and

WHEREAS, Staff entered into a Public Improvement Agreement (“Agreement”) with CCL Contracting, Inc., in an amount not to exceed ten million, two hundred forty thousand, six hundred ninety-one dollars (\$10,240,691) on July 23, 2024; and

WHEREAS, Staff entered into a Public Improvement Agreement (“Agreement”) with J.R. Filanc Construction Company in an amount not to exceed one million, seven hundred ninety-five thousand, five hundred thirty-four dollars (\$1,795,534) on August 21, 2024; and

WHEREAS, pursuant to Section 22050 of the Public Contract Code, the City Council must review the emergency action every 14 days, or at its next regularly scheduled meeting, and determine by a four-fifths vote there is a need to continue the action; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to continue the emergency action.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council finds the failure of the trunk sewer main is a public health and safety emergency; that this emergency will not permit the delay that would result from a competitive bidding process; and that the proposed action and expenditure is still necessary to respond to the emergency requiring immediate repair of the trunk sewer main.



STAFF REPORT

January 8, 2025

File Number 0600-10; A-3522-1

SUBJECT

FIRST AMENDMENT TO THE CONSULTING AGREEMENT FOR ADMINISTRATION SERVICES FOR TRANSACTION AND USE TAX

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-04, authorizing the Mayor to execute a first amendment to the Consulting Agreement with Hinderliter, DeLlamas & Associates (“HdL”) for administrative and audit services for Ordinance No. 2024-08 establishing the local one-cent general transaction use (sales) tax

Staff Recommendation: Approval (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Space

COUNCIL PRIORITY – Eliminate Structural Deficit; Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

FISCAL ANALYSIS

Ordinance No. 2024-08 established a local one-cent general transaction and use (sales) tax for twenty years. The tax goes into effect on the first day of the first calendar quarter commencing more than 110 days after approval of the Ordinance, in April 2025. The City will then begin receiving the transaction and use tax revenue in June 2025.

PREVIOUS ACTION

On July 10, 2024 City Council approved a Consulting Agreement with Hinderliter, DeLlamas & Associates (“HdL”) for general Sales Tax consulting services.

On December 11, 2024, City Council certified the November 2024 General Municipal Election results and adopted Ordinance No. 2024-08 establishing a local one-cent general transaction and use (sales) tax for



CITY of ESCONDIDO

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twenty years, to be administered by the California Department of Tax and Fee Administration, including provisions for citizens’ oversight and accountability.

BACKGROUND

The Measure I Transaction and Use Tax is collected by the California Department of Tax and Fee Administration in a similar manner to the city’s local sales tax revenue. Similar to the sales tax revenue, HdL will provide the City with transaction and use tax consulting services, including economic trend reports which analyze key economic drivers, geographic area reports, and benchmark reports of the City in comparison to other jurisdictions. In addition, HdL will meet with staff on a quarterly basis to provide transaction and use tax projections based on the City’s mix of businesses, the City’s top transaction and use tax producers, an update of sales and use tax trends on a national level, and legislative analysis and recommendations.

HdL shall also provide transaction and use tax audit services to recover transaction and use tax revenues for the City that had been misallocated to other jurisdictions through coding errors or miscalculations from individual businesses. If a misallocation is identified, HdL shall prepare the required documentation to the California Department of Tax and Fee Administration (“CDTFA”) to recover those revenues.

RESOLUTIONS

- a) Resolution No. 2025-04
- b) Resolution No. 2025-04 Exhibit “A” – First Amendment to Consulting Agreement

RESOLUTION NO. 2025-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, AN AMENDMENT TO THE CONSULTING AGREEMENT WITH HINDERLITER, DELLAMAS & ASSOCIATES FOR TRANSACTION AND USE TAX ADMINISTRATION AND CONSULTING SERVICES

WHEREAS, the City of Escondido (“City”) desires to engage the services of a qualified consultant to provide transaction and use tax administration and consulting services; and

WHEREAS, continuous monitoring, identification and correction of allocation errors and reporting deficiencies will help maximize tax revenues; and

WHEREAS, an effective review program can provide for more accurate budget forecasting and financial planning; and

WHEREAS, Hinderliter, DeLlamas & Associates (“HdL”) was awarded a consulting agreement on July 10, 2024 for sales tax consulting services; and

WHEREAS, on December 11, 2024, City Council certified the November 2024 General Municipal Election results and adopted Ordinance No. 2024-08 establishing a local one-cent general transaction and use (sales) tax for twenty years, to be administered by the California Department of Tax and Fee Administration, including provisions for citizens’ oversight and accountability; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to amend the agreement with HdL which is attached and incorporated to this Resolution as Exhibit “A”.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.

2. That the Mayor is authorized to execute, on behalf of the City, a First Amendment to the Consulting Agreement with HdL for transaction and use tax Administration and Consulting services, which is attached and incorporated to this Resolution as Exhibit "A", and subject to final approval as to form by the City Attorney's Office.

3. That the City Manager retains the authority to approve amendments to the consulting agreement in an amount consistent with the Escondido Municipal Code.



CITY OF ESCONDIDO
FIRST AMENDMENT TO CONSULTING AGREEMENT

This First Amendment to Consulting Agreement ("First Amendment") is made and entered into as of the last signature date set forth below ("Effective Date"),

Between: CITY OF ESCONDIDO
a California municipal corporation
201 N. Broadway
Escondido, CA 92025
Attn: Christina Holmes, Director of Finance
760-839-4620
("CITY")

And: Hinderliter, De Llamas & Associates
a California corporation
120 S State College Blvd, Suite 200
Brea, CA 92821
Attn: Andrew Nickerson, President
714-879-5000
("CONSULTANT")

(The CITY and CONSULTANT each may be referred to herein as a "Party" and collectively as the "Parties.")

WHEREAS, the Parties entered into that certain Consulting Agreement dated July 17, 2024 ("Agreement"), wherein CITY retained CONSULTANT to provide services for Transaction Tax Services, as more specifically described in the Agreement; and

WHEREAS, the Parties desire to amend the Agreement to include additional services as described in "Attachment A" to this First Amendment, which is attached hereto and incorporated herein by this reference.

NOW, THEREFORE, in consideration of the mutual covenants, promises, terms, and conditions set forth herein, and the mutual benefits derived therefrom, the Parties hereby agree as follows:

1. The CONSULTANT shall furnish all of the Services described in "Attachment A" to this First Amendment.
2. Pursuant to this First Amendment, Section 2 (Compensation) of the Agreement is deleted in its entirety and replaced with the following:

2. Compensation. The CITY will compensate CONSULTANT in an additional amount

of \$300 monthly plus applicable annually increases tied to the Consumer Price Index (CPI), for monthly Services provided pursuant to this Agreement as well as 25% of the initial amount of new transactions or use tax revenue received by the City because of audit and recovery work performed by CONSULTANT pursuant to the conditions contained in "Attachment A" to this First Amendment.

3. All other terms of the Agreement not referenced in this First Amendment shall remain unchanged and in full force and effect. In the event of a conflict between a provision of the Agreement and this First, this First Amendment shall prevail.
4. This First Amendment and the Agreement, together with any attachments or other documents described or incorporated therein, if any, constitute the entire agreement and understanding of the Parties, and there are no other terms or conditions, written or oral, controlling this matter.
5. This First Amendment may be executed on separate counterparts that, upon completion, may be assembled into and shall be construed as one document. Delivery of an executed signature page of this First Amendment by electronic means, including an attachment to an email, shall be effective as delivery of an executed original.
6. Unless a different date is provided in this First Amendment, the effective date of this First Amendment shall be the latest date of execution set forth by the names of the signatories below.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, this First Amendment is executed by the Parties or their duly authorized representatives as of the Effective Date:

CITY OF ESCONDIDO

Date: _____

Dane White, Mayor

HINDERLITER, DE LLAMAS & ASSOCIATES

Date: _____

Andrew Nickerson, President

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, CITY ATTORNEY

BY: _____

DATE: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

ATTACHMENT "A"

Scope of Work

A. General

Hinderliter, De Llamas & Associates, a California corporation, ("Consultant") will provide the City of Escondido, a California municipal corporation ("City") with consulting services related to sales and use tax.

B. Location

Consultant to provide services at various locations including City Hall located at 201 N. Broadway, Escondido, CA, 92025 and Consultant's office located at 120 S. State College Blvd, Suite 200, Brea, CA 92821.

C. Services

Consultant shall continue to provide the services described in the Agreement. In addition, Consultant shall provide the services described in **Exhibit 1** to this Scope of Work, which is attached hereto and incorporated herein by this reference. In the event of a conflict between this First Amendment (including this Scope of Work) and Exhibit 1, the terms of this First Amendment shall prevail.

D. Scheduling

Consultant to schedule specific dates of work in advance by contacting Christina Holmes, Director of Finance at 760-839-4620 or christina.holmes@escondido.gov. Further instructions will be provided upon scheduling.

E. Contract Price and Payment Terms

The Consultant shall be compensated an additional amount of \$300 monthly plus applicable annually increases tied to the Consumer Price Index (CPI), for monthly Services provided pursuant to this Agreement as well as 25% of the initial amount of new transactions or use tax revenue received by the City because of audit and recovery work performed by Consultant pursuant to the conditions contained in "Exhibit 1" to this First Amendment. Consultant shall submit monthly invoices to the City, and the City shall pay Consultant for invoiced services within 30 days of receipt of an invoice.

F. Term

The term of this First Amendment shall be from the Effective Date of the Agreement through **June 30, 2027** ("Initial Term"). The City shall have three additional one-year options to extend the Initial Term. Any such extension of the Initial Term shall be through an Amendment as described in Section 12 of the Consulting Agreement.

EXHIBIT 1 SERVICES

1. Transactions Tax and Economic Analysis/Forecasting Services/Reports

- 1.1. Consultant shall establish a database containing all applicable Department of Tax and Fee Administration (CDTFA) registration data for each business within the Measure “I” District boundaries holding a seller’s permit account. Said database shall also identify the quarterly transactions and use tax allocations under each account for the most current and previous quarters where available.
- 1.2. Consultant shall provide updated reports each quarter identifying changes in allocation totals by individual businesses, business groups and by categories. Quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, will also be identified. Quarterly reconciliation worksheets to assist finance officer with budget forecasting will be included.
- 1.3. Consultant shall advise and work with CITY Staff on planning and economic questions related to maximizing revenues, preparation of revenue projections and general information on transactions and use tax questions.
- 1.4. Consultant shall make available to CITY the HdL proprietary software program and Measure “I” database containing all applicable registration and quarterly allocation information for CITY business outlets registered with the Department of Tax and Fee Administration. The database will be updated quarterly.

2. Deficiency/Allocation Reviews and Recovery

- 2.1. Consultant shall conduct on-going reviews to identify and correct unreported transactions and tax payments and distribution errors thereby generating previously unrealized revenue for the City. Reviews shall include:
 - 2.1.(a) Comparison of county-wide local tax allocations to transactions tax for brick and mortar stores and other cash register-based businesses, where clearly all transactions are conducted on-site within the Measure “I” City boundaries, and therefore subject to transactions tax.
 - 2.1.(b) Review of any significant one-time use tax allocations to ensure that there is corresponding transaction tax payments for taxpayers with nexus within the City boundaries.
 - 2.1.(c) Review of state-wide transactions tax allocations and patterns to identify any obvious errors and omissions.
 - 2.1.(d) Identification and follow-up with any potentially large purchasers of supplies and equipment (e.g. hospitals, universities, manufacturing plants, agricultural operations, refineries) to ensure that their major vendors are properly reporting corresponding transactions tax payments to the Measure “I” Transactions Tax District.
- 2.2. Consultant will initiate, where the probability of an error exists, contacts with the appropriate taxpayer management and accounting officials to verify whether current tax receipts accurately

reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner so as to enhance CITY's relations with the business community.

2.2. Consultant shall prepare and submit to the Department of Tax and Fee Administration all information necessary to correct any allocation errors and deficiencies that are identified and shall follow-up with the individual businesses and the California Department of Tax and Fee Administration to ensure that all back quarter payments due the CITY are recovered.

3. Consulting and Other Optional Services

Consultant may from time to time in its sole discretion, consult with City's staff, including without limitation, regarding (i) technical questions and other issues related to sales, use and transactions tax, (ii) utilization of reports to enhance business license collection efforts, (iii) sales tax projections for proposed annexations, economic development projects and budget planning, (iv) negotiating/review of tax sharing agreements, (v) establishing purchasing corporations, (vi) meeting with taxpayers to encourage self-assessment of tax obligations, and (vii) other sales, use or transactions tax revenue-related matters.

FEES

4. Transactions Tax and Economic Analysis/Forecasting Services/Reports

- 4.1. Fees shall be paid **\$300** monthly billed quarterly for the transaction district tax reports that we include with the quarterly sales tax analyses. The monthly fee shall be invoiced quarterly in arrears and shall be paid by City no later than 30 days after the invoice date.
- 4.2. Consultant will increase the non-hourly Fees established above once a year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), as reported by the U.S. Bureau of Labor Statistics (the "CPI Change").

5. Allocation and Audit Recovery Services

- 5.1. Fees shall be paid **25%** of the initial amount of new transactions or use tax revenue received by the City because of audit and recovery work performed by Consultant, (hereafter referred to as "audit fees"). New revenue shall not include any amounts determined and verified by City or Consultant to be increment attributable to causes other than Consultant's work pursuant to this agreement. In the event, Consultant is responsible for an increase in the tax reported by businesses already properly making tax payments to the City, it shall be Consultant's responsibility to separate and support the incremental amount attributable to its efforts prior to the application of the audit fee. Said audit fees will apply to state fund transfers received for those specific quarters identified as being missing and/or deficient following completion of the audit by Consultant and confirmation of corrections by the California Department of Tax and Fee Administration but shall not apply prospectively to any future quarter. Consultant shall provide City with an itemized quarterly invoice showing all formula calculations and amounts due for audit fees.

6. Consulting and Other Optional Services

- 6.1. Fees for performing the consulting and other optional Services described above shall be based on the following initial hourly rates: (i) Principal - \$325; (ii) Programmer - \$295; (iii) Senior Analyst - \$245; and (iv) Analyst - \$195.
- 6.2. Consultant may change the rates for its hourly Fees from time to time. A 30 days' prior written notice to City will be given.

7. General Provisions Relating to Fees

- 7.1. Fees for travel and lodging expenses will be invoiced at cost and applied to all meetings (including implementation, training, operations, and support). Travel expenses only apply to out-of-scope travel and must therefore be pre-approved by City.
- 7.2. Fees will be invoiced monthly to City for Services performed during the prior month. To the extent that Consultant has commercially reasonable means to do so, Fees will be netted out of City's monthly revenue disbursement.

8. Confidentiality Information

Section 7056 of the State of California Revenue and Taxation Code ("R&T Code") specifically limits the disclosure of confidential taxpayer information contained in the records of the CDTFA. Section 7056 specifies the conditions under which a city, county or district may authorize persons other than such city, county or district's officers and employees to examine state sales and use tax records. The following conditions specified in Section 7056-(b)(1) of the State of California R&T Code are hereby made part of this Agreement:

- 8.1. Consultant is authorized by this Agreement to examine sales, use or transactions and use tax records of the CDTFA provided to City pursuant to contract under the Bradley-Burns Uniform Local Sales and Use Tax Law R&T Code Section 7200 et.seq.
- 8.2. Consultant is required to disclose information contained in, or derived from, those sales or transactions and use tax records only to an officer or employee of City who is authorized by City resolution provided to the CDTFA to examine the information.
- 8.3. Consultant is prohibited from performing consulting services for a retailer (as defined in R&T Code Section 6015), during the term of this agreement.
- 8.4. Consultant is prohibited from retaining the information contained in or derived from those sales, use or transactions and use tax records after this agreement has expired. Information obtained by examination of the CDTFA records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the Consultant as a person authorized to examine sales and use tax records and certify that this agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

9. Software Use and Proprietary Information

Software Use. Consultant hereby provides authorization to City to access Consultant's Sales Tax website if City chooses to subscribe to the software and reports option. The website shall only be used by authorized City staff. No access will be granted to any third party without explicit written authorization by Consultant. City shall not sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of said software. The software use granted hereunder shall not imply ownership by City of said software, or any right of City to sell said software or the use of same, or any right to use said software for the benefit of others. This software use authorization is not transferable. Upon termination or expiration of this Agreement, the software use authorization shall expire, and all City staff website logins shall be de-activated.

Proprietary Information. As used herein, the term "proprietary information" means all information or material that has or could have commercial value or other utility in Consultant's business, including without limitation: Consultant's (i) computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; desktop or web-based software; (iii) business processes; (iv) marketing plans, analysis and strategies; and (v) materials and techniques used; as well as the terms and conditions of this Agreement. Except as otherwise required by law, City shall hold in confidence and shall not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by City in connection with this Agreement. The obligations imposed by this Section shall survive any expiration or termination of this Agreement or otherwise. The terms of this Section shall not apply to any information that is public information.



STAFF REPORT

January 8, 2025
File Number 0697-20

SUBJECT

ANNUAL UPDATE ON MOBILEHOME PARK RENT CONTROL REPORTING

DEPARTMENT

Development Services; Housing and Neighborhood Services Division

RECOMMENDATION

Request the City Council receive and file the Annual Update on Mobilehome Park Rent Control Reporting.

Staff Recommendation: Receive and File (Development Services: Danielle Lopez, Housing and Neighborhood Services Manager)

Presenter: Carlos Cervantes, Management Analyst; Danielle Lopez, Housing and Neighborhood Services Manager

ESSENTIAL SERVICE – No

COUNCIL PRIORITY –

FISCAL ANALYSIS

Staff time and resources were expended to review the annual survey reports. Staff reviewed the reports and evaluated the mobilehome park submissions. Penalties for noncompliance with the annual survey requirements total \$34,680 for the 2024 reporting period. Fees are calculated at \$40 per space for all rent-controlled, long-term lease, and vacant spaces. This structure ensures recovery of administrative costs related to monitoring and enforcing compliance. Noncompliance results in financial liabilities for parks and impacts the data integrity used for rent control oversight.

PREVIOUS ACTION

None

BACKGROUND

On June 8, 1988, the Escondido residents voted to approve Proposition K to enact Mobilehome Rent Control in the City of Escondido (“City”). Under Proposition K (“Prop K”), if a park owner wants to increase the rent on a mobilehome rent control space, they must file an application with the City and obtain



CITY of ESCONDIDO

STAFF REPORT

approval from the Mobilehome Park Rent Review Board (“Board”). This Board is an independent body comprised of the City of Escondido Councilmembers.

Park owners can file a short- or long-form. The original process, detailed in the Mobilehome Rent Review Guidelines, is considered the Long-Form. It is a very extensive and comprehensive process that takes several factors into consideration including but not limited to change in San Diego Metropolitan Area’s Consumer Price Index (“CPI”), rent comparisons, capital improvement costs, changes in property tax, changes in utility costs and changes in operating and maintenance expenses. In 1997, the Board adopted changes to the Mobilehome Rent Review Board Guidelines to allow for the acceptance of a “short-form” application. The short-form is an abbreviated and less administrative burdensome application process for park owners and City staff. With the Short-Form, a park owner can request a rent increase based solely on the change in CPI, since the last increase was granted by the Board. The requested increase may not exceed ninety percent (90%) of the increase in CPI since the last application was granted by the Board, or eight percent (8%) of the current rent, whichever is less. Park owners are allowed to apply one-year from the date the last application was deemed complete.

THE ANNUAL SURVEY REPORT:

To ensure effective oversight of Prop K, each park owner must submit an accurate and complete annual rent control survey to the City, using a spreadsheet provided by the City, no later than October 15, each year.

The Annual Survey Report is part of City Staff’s mobilehome park oversight process, ensuring compliance with City regulations. Each mobilehome park must submit an annual survey detailing changes or updates since the previous year. These surveys verify that no unauthorized rent increases have occurred and assist with confirming the accuracy of the data submitted with a rent increase application. At a minimum, the survey shall include the space numbers, tenant names, current rents, lease types, the date of the last rent control hearing, the most recent rent increase, a calculation of the Average Space Rent and an itemized list of the utilities included in the space rent. Park owners must also provide the park name, address, current owner’s contact information, and phone number. All spaces must be reported on annually, whether occupied or vacant.

This survey information is reviewed and used to complete the “Average Rent by Park Report” that gets posted to the City’s website.

Survey documents are available and can be downloaded from the Housing and Neighborhood Services website, under Mobilehome Rent Control Administration and Mobilehome Park Owners – Annual Park Update Forms. These documents are also emailed to park managers two months prior to the October 15 due date. This year, park management received the initial request, via email on August 29, 2024, and reminders of the upcoming due date were emailed on September 24, 2024 and October 8, 2024.



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The City of Escondido has twenty-three (23) mobilehome parks located throughout the city. Of the twenty-three (23) parks, twenty-one (21) are subject to rent control and two (2) are resident owned. In 2024, seventeen (17) parks submitted their surveys with four parks still outstanding, including Imperial, Casa de Amigos, Lake Bernardo, and Mobile Park West.

Extensions are available upon request if submitted before the deadline. This year, Casa de Amigos and Imperial Escondido Mobile Estates requested extensions and were granted an additional week. However, neither park submitted their surveys within the extended timeframe.

Once received, survey data is compiled into a report summarizing average rents, total spaces, and park types and posted to the City's website. The report for 2024 will be available on the website in January, 2025.

At a previous Rent Review Board Hearing, it was brought forward that the reports for 2021, 2022, and 2023 had not been posted to the website. Since then, staff reviewed files and found that the information was provided by the parks, but it had not been consolidated into the report and posted to the website. The reports from 2021, 2022, and 2023 are now available online. For those previous years, compliance varied: while all surveys were submitted in 2022, Imperial Mobilehome Park failed to comply in 2021, and three (3) parks—Casa Grande Mobilehome Estates, Lake Bernardo Mobile Estates, and Ponderosa Mobilehome Park—failed to submit reports in 2023.

The city may impose an administrative fee for noncompliance as outlined in its fee schedule and on the survey document. Parks failing to submit a survey will be billed \$40 per space for all spaces in the park. Parks failing to submit a complete survey will be charged \$40 per space, for each omitted space. This includes all rent controlled, long-term lease and vacant spaces. This structure ensures recovery of administrative costs related to monitoring and enforcing compliance. Noncompliance results in financial liabilities for parks and impacts the data integrity used for rent control oversight. By meeting submission requirements, parks avoid penalties and support the City's ability to maintain regulatory standards.

Because staff cannot be certain about the level of communication between the parks and the City and because historically, this policy and resulting fee has not been enforced, the City will not be retroactively charging the delinquent parks for years 2021 (\$9,920) and 2023 (\$14,920). As mentioned previously, for 2024, there are four parks that neglected to submit their surveys; Imperial, Casa de Amigos, Lake Bernardo, and Mobile Park West. This year, Casa de Amigos faces a penalty of \$5,520 for their one hundred thirty-eight (138) spaces, Imperial Escondido Mobile Estates faces a penalty of \$9,920 for their two hundred forty-eight (248) spaces, Lake Bernardo Mobile Estates at \$6,680 for their one hundred sixty-seven (167) spaces, and Mobilepark West faces a penalty of \$12,560 for their three hundred fourteen (314) spaces, for a total of \$ 34,680. Administrative fees will be imposed for these parks and will be billed in January, 2025.



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By enforcing these measures, the City promotes adherence to regulations, reinforces accountability, and ensures fairness in mobilehome park operations.



STAFF REPORT

January 8, 2025
File Number 0610-55

SUBJECT

CONVERT AD-HOC SUBCOMMITTEE ON HOMELESSNESS TO A STANDING SUBCOMMITTEE

DEPARTMENT

City Clerk's Office

RECOMMENDATION

Request the City Council convert the Ad-Hoc Subcommittee on Homelessness to a Standing Subcommittee.

Staff Recommendation: Approval (City Clerk's Office: Zack Beck, City Clerk)

Presenter: Zack Beck, City Clerk

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY – Eliminate Structural Deficit; Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

FISCAL ANALYSIS

N/A

PREVIOUS ACTION

On March 8, 2023, the City Council voted unanimously to create an Ad-Hoc Subcommittee on Homelessness and appointed Mayor Dane White and Councilmember Joe Garcia to serve on it.

The Ad-Hoc Subcommittee held sixteen meetings; drafted a Policy Statement on Homelessness that was approved by the City Council; proposed an Encampment Ordinance that was adopted the City Council; and a Recreational Vehicle Ordinance that was adopted by the City Council.

BACKGROUND

On December 16, 2024, Mayor White requested that an item be placed on the Future Agenda to convert the Ad Hoc Subcommittee on Homelessness a Standing Subcommittee.



CITY of ESCONDIDO
FUTURE AGENDA

1/15/2025

PUBLIC HEARING - (C. MCKINNEY) - INTERFAITH COMMUNITY SERVICES (PLACEHOLDER ITEM)

CURRENT BUSINESS - (Z. BECK) - CITIZENS' OVERSIGHT COMMITTEE INTERVIEWS

CURRENT BUSINESS - (J. SCHOENECK) - COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs) WORKPLAN UPDATE

1/22/2025 (NO MEETING - LEAGUE OF CA CITIES CONFERENCE)

1/29/2025 - GENERAL PLAN WORKSHOP (MITCHELL ROOM)