



# CITY of ESCONDIDO

## COUNCIL MEETING AGENDA

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**WEDNESDAY, JULY 27, 2022**

4:00 PM - Closed Session

**5:00 PM - Regular Session**

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

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### **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**

Paul McNamara

#### **DEPUTY MAYOR**

Tina Inscoe (District 2)

#### **COUNCILMEMBERS**

Consuelo Martinez (District 1)

Joe Garcia (District 3)

Michael Morasco (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.org](http://www.escondido.org)



# CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, JULY 27, 2022

## 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



<https://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, JULY 27, 2022

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### REGULAR SESSION

5:00 PM Regular Session

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#### 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: Garcia, Inscoc, Martinez, Morasco, McNamara

#### 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) -**

**2. APPROVAL OF WARRANT REGISTER (COUNCIL)**

Request approval for City Council and Housing Successor Agency warrant numbers 364990 – 365163 dated July 13, 2022.

Staff Recommendation: Approval (Finance Department: Christina Holmes)

**3. APPROVAL OF MINUTES: None**



# CITY of ESCONDIDO

## COUNCIL MEETING AGENDA

WEDNESDAY, JULY 27, 2022

**4. AMENDMENT TO ESCONDIDO FIRE ASSOCIATION MEMORANDUM OF UNDERSTANDING TO INITIATE PARTICIPATION IN THE CALIFORNIA FIREFIGHTERS BENEFIT TRUST AND A CHANGE TO THE CITY'S MANAGEMENT AND UNCLASSIFIED SALARY AND BENEFITS PLAN 2021-2022**

Request the City Council (1) adopt Resolution 2022-96, authorizing the City's negotiating team to execute a First Amendment to The Memorandum of Understanding Between Representatives of the Escondido Firefighters' Association – Safety Personnel – Non-Safety Personnel, and The City of Escondido, January 1, 2021 – December 31, 2022; and (2) adopt Resolution 2022-97, authorizing the City Manager to modify the Management and Unclassified Salary and Benefits Plan 2021-2022 to mandate continued contributions to the Retiree Medical Trust used by the Escondido Firefighters' Association for Employees Promoted to Fire Management positions.

Staff Recommendation: Approval (Human Resources: Jessica Perpetua, Director of Human Resources)

Presenter: Jessica Perpetua, Director of Human Resources

**5. PROFESSIONAL SERVICES AGREEMENT WITH WITTMAN ENTERPRISES, LLC TO PROVIDE EMERGENCY MEDICAL SERVICES (EMS) BILLING SERVICES**

Request the City Council adopt Resolution No. 2022-105, authorizing the Mayor to execute a Professional Services Agreement with Wittman Enterprises, LLC to provide billing and collection services for ambulance transport and related services operated by the City of Escondido Fire Department.

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

Presenter: Christina Holmes, Director of Finance

Resolution No. 2022-105

**6. AWARD OF AUDITING SERVICES CONTRACT**

Request the City Council adopt Resolution No. 2022-104, authorizing the Mayor to execute a Public Services Agreement with CliftonLarsonAllen LLP for audit services for fiscal years 2022 through 2026, with an option to extend up to an additional two years.

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

Presenter: Christina Holmes, Director of Finance

Resolution No. 2022-104



# CITY of ESCONDIDO

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**7. SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE)**

Request the City Council adopt Resolution 2022-106, setting the Special Tax Levy for Community Facilities District No. 2022-1(Eclipse/Mountain House) (the “District”) for Fiscal Year 2022-23

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

Presenter: Christina Holmes, Director of Finance

Resolution No. 2022-106

**8. REQUEST TO INITIATE AN ANNEXATION FOR A 5.09 ACRE PARCEL LOCATED ON THE SOUTHWEST CORNER OF N. ASH STREET AND STANLEY AVENUE (APN: 224-130-10-00) (PLANNING CASE NO. PL22-0154)**

It is requested that the City Council review and receive the request to initiate an annexation, and authorize the filing of an application for a 5.09 parcel on the southwest corner of Stanley Avenue and Ash Street (APN 224-130-10-00).

Staff Recommendation: Approval (Interim Director of Development Services: Julie Procopio)

Presenter: Ivan Flores, Associate Planner

**9. BID AWARD FOR THE GRAPE DAY PARK MASTER PLAN AND AQUATIC CENTER DESIGN**

Request the City Council adopt Resolution No. 2022-111, authorizing the Mayor, on behalf of the City, to execute a Consulting Agreement with LPA, Inc. in the amount of \$1,040,400, for the completion of a Grape Day Park Master Plan and design of an Aquatic Center (“Project”) on Woodward Avenue.

Staff Recommendation: Approval (Communications and Community Services: Joanna Axelrod)

Presenter: Danielle Lopez, Assistant Director of Community Services

- a. Resolution No. 2022-111

### **CONSENT RESOLUTIONS AND ORDINANCES (COUNCIL/RRB)**

The following Resolutions and Ordinances were heard and acted upon by the City Council/RRB at a previous City Council/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)



# CITY of ESCONDIDO

## COUNCIL MEETING AGENDA

WEDNESDAY, JULY 27, 2022

### PUBLIC HEARINGS

### CURRENT BUSINESS

**10. CONSIDERATION OF RESOLUTION AND ORDINANCE PLACING THE ESCONDIDO PUBLIC SAFETY AND ESSENTIAL SERVICES REVENUE MEASURE BEFORE VOTERS AT THE MUNICIPAL ELECTION ON NOVEMBER 8, 2022.**

Request the City Council (a) adopt Resolution No. 2022-98R calling for an election submitting a proposed one cent general transactions and use (sales) tax increase to the voters; (b) introduce Ordinance No. 2022-15 amending the Escondido Municipal Code to establish a one cent sales tax to be administered by the California Department of Tax and Fee Administration, including provisions for citizens' oversight and accountability; and (c) adopt Resolution No. 2022-99 expressing the Intent of the City Council in adopting Ordinance No. 2022-15.

While the introduction of additional taxes on people at any time should never be done casually, after several months of outreach and engagement with residents and community groups joining this important discussion, staff recommends placing this item on the November 2022 ballot to allow the voters the opportunity to consider an issue which will address the long-term fiscal health of the City of Escondido for years to come.

Staff Recommendation: Approval (City Manager: Sean McGlynn)

Presenters: Joanna Axelrod, Deputy City Manager/Director of Communications & Community Services; Christina Holmes, Finance Director

Resolution No. 2022-98R

Resolution No. 2022-99 – Resolution of Intent

b. Ordinance No. 2022-15

**11. TERM LIMITS BALLOT MEASURE FOR CITY COUNCILMEMBERS AND THE MAYOR**

Consider and introduce Ordinance No. 2022-13 and adopt Resolution No. 2022-91R to place a ballot measure to set term limits for the Mayor and City Councilmembers on the November 8, 2022, consolidated general election.

Staff Recommendation: None

Presenters: Gary McCarthy, Assistant City Attorney

**ORDINANCE NO. 2022-13**



# CITY of ESCONDIDO

## COUNCIL MEETING AGENDA

WEDNESDAY, JULY 27, 2022

### RESOLUTIONS

#### RESOLUTION NO. 2022-91R

#### **12. CITY TREASURER BALLOT MEASURE OPTIONS**

Request the City Council consider and address the alternatives provided below and take preferred action.

If the City Council intends to place the City Treasurer's compensation on the ballot, it should adopt Ordinance No. 2022-16 and Resolution No. 2022-107R.

If the City Council intends to ask the voters to make the City Treasurer an appointed position, it should adopt Ordinance No. 2022-17 and Resolution No. 2022-108R.

Staff Recommendation: Provide Direction (City Attorney: Gary McCarthy, Assistant City Attorney)

Presenter: Gary McCarthy, Assistant City Attorney

### FUTURE AGENDA

#### **13. 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.

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.org](http://www.escondido.org).

### 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.



# CITY *of* ESCONDIDO

## COUNCIL MEETING AGENDA

WEDNESDAY, JULY 27, 2022

### **ADJOURNMENT**

### **UPCOMING MEETING SCHEDULE**

Wednesday, AUGUST, 10, 2022 4:00 & 5:00 PM Regular Meeting, *Council Chambers*  
Wednesday, AUGUST, 17, 2022 4:00 & 5:00 PM Regular Meeting, *Council Chambers*

### **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.





**A F F I D A V I T S**  
**OF**  
**I T E M**  
**P O S T I N G - N O N E**



# STAFF REPORT

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July 27, 2022  
File Number 0400-40

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## **SUBJECT**

APPROVAL OF WARRANT REGISTER (COUNCIL)

## **DEPARTMENT**

Finance

## **RECOMMENDATION**

Request approval for City Council and Housing Successor Agency warrant numbers 364990 – 365163 dated July 13, 2022.

Staff Recommendation: Approval (Finance Department: Christina Holmes)

## **FISCAL ANALYSIS**

The total amount of the warrants for the period of July 7 – July 13, 2022, is \$2,321,830.44

## **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 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

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July 27, 2022  
File Number 0600-10

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## SUBJECT

**AMENDMENT TO ESCONDIDO FIRE ASSOCIATION MEMORANDUM OF UNDERSTANDING TO INITIATE PARTICIPATION IN THE CALIFORNIA FIREFIGHTERS BENEFIT TRUST AND A CHANGE TO THE CITY'S MANAGEMENT AND UNCLASSIFIED SALARY AND BENEFITS PLAN 2021-2022**

## DEPARTMENT

Human Resources

## RECOMMENDATION

Request the City Council (1) adopt Resolution 2022-96, authorizing the City's negotiating team to execute a First Amendment to The Memorandum of Understanding Between Representatives of the Escondido Firefighters' Association – Safety Personnel – Non-Safety Personnel, and The City of Escondido, January 1, 2021 – December 31, 2022; and (2) adopt Resolution 2022-97, authorizing the City Manager to modify the Management and Unclassified Salary and Benefits Plan 2021-2022 to mandate continued contributions to the Retiree Medical Trust used by the Escondido Firefighters' Association for Employees Promoted to Fire Management positions.

Staff Recommendation: Approval (Human Resources: Jessica Perpetua, Director of Human Resources)

Presenter: Jessica Perpetua, Director of Human Resources

## FISCAL ANALYSIS

Adoption of the proposed changes can be accomplished within the current Finance Department budget.

## PREVIOUS ACTION

On January 27, 2021, the City Council adopted Resolution 2021-13 to establish the current Memorandum of Understanding with the Escondido Firefighters' Association.

## BACKGROUND

The Escondido Firefighters' Association ("Association") represents fire suppression personnel (Safety) and paramedics (Non-Safety). The Association seeks to enter into an agreement with the California Firefighters Benefit Trust ("Trust") to create and administer a medical expense reimbursement plan for participating employees. The Trust will allow certain tax advantages for its beneficiaries. Current labor organizations participating in the Trust include: Fallbrook Firefighters Association Local 1622, Riverside City Firefighters' Association Local 1067, San Diego City Firefighters Local 145, Carlsbad Firefighters



# CITY of ESCONDIDO

## STAFF REPORT

Association Local 3730, Lemon Grove Firefighters Local 2728, Oceanside Firefighters Association Local 3736, National City Firefighters Local 2744, La Mesa Firefighters Local 4759, and Vista Firefighters Local 4107.

To meet Internal Revenue Service tax exemption for contributions, the contribution must be uniform and mandatory. The Association members agreed to initially fund the trust with two \$50 payments per month. The Association also asked that any accrued vacation leave be paid into the trust as opposed to cashed out at time of separation from City service. The Association did not include paramedics in the Trust. The City and the Association have met and conferred and agree that the trust will be funded solely by employee contributions. The City agreed to the Associations' request because the proposed Trust did not result in any fiduciary responsibilities or additional costs beyond implementing the payroll deductions in a format requested by the Trust administrator.

The Association has also asked that Association members who promote into Fire Management positions continue to participate in the Trust. To do so, the City must modify its Management and Unclassified Salary and Benefits Plan to mandate continued participation at the same levels as Association members. Current Fire Management personnel cannot participate in the Trust.

- a. Resolution No. 2022-96
- b. Resolution No. 2022-96, Exhibit A – First Amendment to the MOU between Representatives of the Escondido Firefighters' Association – Safety Personnel- Non-Safety and the City of Escondido
- c. Resolution No. 2022-97

## RESOLUTION NO. 2022-96

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY TO EXECUTE A FIRST AMENDMENT TO A MEMORANDUM OF UNDERSTANDING BETWEEN THE REPRESENTATIVES OF THE ESCONDIDO FIREFIGHTERS' ASSOCIATION – SAFETY AND NON-SAFETY PERSONNEL, AND THE CITY OF ESCONDIDO, JANUARY 1, 2021 – DECEMBER 31, 2022

WHEREAS, negotiating teams from the City of Escondido (“City”) and the Escondido Firefighters’ Association – Safety and Non-Safety Personnel (“Association”), have been duly appointed and have met-and-conferred with respect to matters affecting both parties; and

WHEREAS, in January 2021, the City and Association adopted a Memorandum of Understanding (“MOU”) in good faith to address concerning wages, hours, and other terms and conditions of employment; and

WHEREAS, the Association asked the City to cooperate with the Association’s desire to participate in a retirement medical trust created by the California Firefighters Benefit Trust (“Trust”) to be funded solely by employee contributions and employee accrued vacation account payments, at minimal cost of the City, and the City Council desires at this time and deems it to be in the best public interest to amend the MOU to authorize certain employees to participate in a retiree medical trust.

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’s negotiating team is authorized to execute a First Amendment to the MOU

as set forth in Exhibit “A,” which is attached to this Resolution and incorporated by this reference.

FIRST AMENDMENT  
TO THE  
MEMORANDUM OF UNDERSTANDING  
BETWEEN REPRESENTATIVES OF THE ESCONDIDO FIREFIGHTERS'  
ASSOCIATION – SAFETY PERSONNEL – NON-SAFETY AND THE CITY OF  
ESCONDIDO  
JANUARY 1, 2021 – DECEMBER 31, 2022

**1. The City and Association agree to repeal and replace ARTICLE XII - VACATIONS, Paragraph 3 - Vacation Periods, Subparagraphs C and E as follows:**

C. Paramedics who terminate shall be paid in a lump sum for all allowable accrued vacation leave earned in accordance with California law.

**2. The City and Association agree to add Article XXXIII as follows:**

ARTICLE XXXIII

RETIREE MEDICAL TRUST

A. ACKNOWLEDGEMENT. The City acknowledges that the Association has entered into an agreement with the California Firefighters Benefit Trust ("Trust").

B. DEFINED CLASS OF EMPLOYEES RECEIVING CONTRIBUTIONS. Employees receiving contributions to the Trust, as set forth below, consist of all Safety personnel represented by the Association on or after the date of this amendment. ("Safety Employees"). Thus, fire suppression personnel shall participate in the Trust, but paramedics shall not participate.

C. EMPLOYEE CONTRIBUTION AMOUNT. The Association requested and the City agreed that the City shall withhold a mandatory contribution of \$50 per pay period, on a pre-tax basis, from the pay of each Safety Employee, twice each month, and shall transfer such contributions to the Trust. No Safety Employee shall be permitted to opt-out of the mandatory contributions or receive any portion of the mandatory contribution in cash.

D. VACATION LEAVE TRANSFER. Upon a Safety Employee's separation from City service, the City shall irrevocably transfer to the Trust, on a pre-tax basis same as other payroll deductions, an amount equal in value to 100% of the accrued vacation leave that would otherwise be paid to the employee for unused vacation leave under this Memorandum of Understanding. However, a Safety Employee, by written election made no less than 45 days prior to the employee's separation date, may also direct a portion of the accrued vacation leave to a qualifying 457 plan up to allowable annual contribution limits under Internal Revenue Service regulations. No Safety Employee shall be permitted to receive any portion of the accrued vacation leave transfer payment in cash.

E. REMITTANCE OF CONTRIBUTIONS. The City shall promptly remit the twice monthly contributions directly to the designated Trust administrator (“Administrator”) for the duration of the Memorandum of Understanding in one aggregate payment, by either ACH transfer or wire. The City hereby acknowledges the Trust Agreement between the Association and the Trust and will comply with reasonable rules and procedures set by the Trust to report and deposit funds into the trust.

F. TRUST REPORTING. The City shall promptly submit to the Administrator a report of contributing employees for each contribution sent to the Trust, in the format requested by the Trust, at the same time funds are sent to the Trust. The City shall also provide an initial report of contributing employees, and promptly report any changes in Safety Employee employment status.

G. MODIFICATION OF EMPLOYEE CONTRIBUTION AND LEAVE AMOUNTS. The City and the Association agree that the Association has the right, subject to approval of its members according to the Association’s internal rules, to modify the amount of the mandatory employee monthly contribution addressed in Section C in any increment of \$25, or the percentage of the mandatory employee leave contribution addressed in Section D during the course of this Agreement, so long as the modification is mandatory for all Safety Employees.

H. NO CITY LIABILITY. The City shall not incur or be liable for any cost or contributions associated with the Trust. The City will only administer payroll deductions toward a qualifying employee benefit plan under the Internal Revenue Code. The City may cease payroll deductions toward the Trust if the City incurred a fee, anticipates incurring a fee, or believes the payroll deductions will expose the City to legal claims or liabilities; provided however, that the City shall provide advance notice to the Association of its intent to cease payroll deductions and allow the Association a reasonable opportunity to discuss and/or absorb any costs to the City.

I. INDEMNIFICATION. The Association shall indemnify, defend, and hold harmless the City from any claim, complaint, assessment, penalty, or damages asserted by any person or entity, including any state or federal authority, arising out of Association participation in the Trust, including but not limited to fines, fees, or penalties issued by state or federal taxing authority against the City due to Employee payroll deductions or compensation payouts that are directed to the Trust.

## RESOLUTION NO. 2022-97

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO MODIFY THE CITY'S MANAGEMENT AND UNCLASSIFIED SALARY AND BENEFITS PLAN TO MANDATE CONTINUED CONTRIBUTIONS TO THE RETIREE MEDICAL TRUST USED BY THE ESCONDIDO FIREFIGHTERS' ASSOCIATION FOR EMPLOYEES PROMOTED INTO FIRE MANAGEMENT POSITIONS

WHEREAS, negotiating teams from the City of Escondido ("City") and the Escondido Firefighters' Association unit ("Association"), have been duly appointed and have met-and-conferred with respect to matters affecting both parties; and

WHEREAS, in January 2021, the City and Association adopted a Memorandum of Understanding ("MOU") in good faith to address concerning wages, hours, and other terms and conditions of employment for the period of January 1, 2021 through December 31, 2022; and

WHEREAS, concurrent with this Resolution, the City Council, in Resolution 2022-91, authorized executing the First Amendment to the MOU to authorize contributions by certain employees to a retiree medical trust selected by the Association known as the California Firefighters Benefit Trust ("Trust"); and

WHEREAS, the Association asked the City to mandate participation in the Trust by Association members who promote out of the Association and become members of the Fire Management group, so that the future Fire Management employees will be authorized under Internal Revenue Service regulations to continue their participation in the Trust, and the City Council finds that mandating participation by promoted Fire Management employees is in the best public interest and supports positive employee-employer relations.



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 Manager shall modify the Management and Unclassified Salary Plan 2021 - 2022 to mandate that Association members promoted to Fire Management positions shall continue to participate and make contributions to the Trust at the same levels and/or rates as those required by members of the Association.



# STAFF REPORT

July 27, 2022

File Number 0600-10; A-3421

## SUBJECT

**PROFESSIONAL SERVICES AGREEMENT WITH WITTMAN ENTERPRISES, LLC TO PROVIDE EMERGENCY MEDICAL SERVICES (EMS) BILLING SERVICES**

## DEPARTMENT

Finance

## RECOMMENDATION

Request the City Council adopt Resolution No. 2022-105, authorizing the Mayor to execute a Professional Services Agreement with Wittman Enterprises, LLC to provide billing and collection services for ambulance transport and related services operated by the City of Escondido Fire Department.

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

Presenter: Christina Holmes, Director of Finance

## FISCAL ANALYSIS

The cost of the agreement is based on a percentage, 4.5%, of the net revenue received. Based on historical average annual emergency medical services revenue of \$6.0 million, the cost of the agreement will be approximately \$270,000 per year. Sufficient funds are budgeted for this contract in the Finance Department's budget. This fee will be firm for the life of the contract including the renewal option years. The contract is contingent upon budgetary appropriations.

## PREVIOUS ACTION

Council approved a three (3) year Public Services Agreement with Wittman Enterprises, LLC ("Wittman") effective July 1, 2017 through June 30, 2020, with two additional two-year renewal options on June 21, 2017. Both renewal options were exercised and approved by the City Manager.

## BACKGROUND

Firefighter/Paramedics in the Fire Department provide necessary emergency ambulance services to the citizens of Escondido and the Rincon del Diablo Fire Protection District, visitors, and businesses. Paramedic billing for emergency medical services were processed by City employees until early 2001 when it was determined by an expert review that outside paramedic billing services could increase fee collections, provide timelier customer billing, and maintain a higher level of collective expertise in a highly complex billing environment.



# CITY of ESCONDIDO

## STAFF REPORT

Between July 2021 and May 2022, Fire Department paramedics transported approximately 9,574 patients and Wittman billed \$7.9 million in net ambulance fees (gross revenues less Medicare, Medi-Cal and other contractual write downs).

In June 2022, the City received a proposal from Wittman to continue providing EMS billing services. To establish a comparison and determine if the proposal submitted by Wittman was advantageous to the City, staff also reviewed a recent Request for Proposal issued in April 2022 by the City of Carlsbad for EMS billing services. Proposals were received from two firms. The firms were evaluated on approach to the scope of work, price, responsiveness to specifications, project team experience and client references. Based on these criteria, the City of Carlsbad awarded the contract to Wittman Enterprises LLC. In the interest of cost savings and to create efficiencies, Staff proposes to use that process to extend the working contract with Wittman Enterprises, LLC.

Wittman's past performance with the City of Escondido has been highly satisfactory. This company also has extensive experience in providing billing services to governmental entities similar in size and scope to the City of Escondido, many of which are located in San Diego County including the cities of Oceanside, Carlsbad, and Vista. This allows for a high understanding of local demographics and how to bill customers for calls outside the city limits. Therefore, staff is recommending that a new five-year Public Services Agreement be awarded to Wittman Enterprises, LLC based on the staff findings.

### RESOLUTIONS

- A. Resolution No. 2022-105
- B. Resolution No. 2022-105 Exhibit "A" Professional Services Agreement with Wittman Enterprises, LLC

## RESOLUTION NO. 2022-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC SERVICE AGREEMENT WITH WITTMAN ENTERPRISES, LLC TO PROVIDE BILLING AND COLLECTION SERVICES FOR AMBULANCE TRANSPORT AND RELATED SERVICES OPERATED BY THE CITY OF ESCONDIDO FIRE DEPARTMENT

WHEREAS, the City of Escondido (“City”) provides paramedic and transport services and bills for those services; and

WHEREAS, it has been determined that outsourcing the billing function to Wittman Enterprises, LLC has greatly improved collection rates, service standards and cost effectiveness; and

WHEREAS, Fire Administration and Finance management as well as internal collection staff have all been highly satisfied with current paramedic billing services provided; and

WHEREAS, Wittman Enterprises, LLC has demonstrated their ability to conform to the City’s specifications and requirements for paramedic billing services; and

WHEREAS, the City of Carlsbad conducted an extensive RFP process for emergency medical billing services and determined that Wittman Enterprises, LLC was the best qualified and awarded them a five-year contract with two additional two-year renewal options; and

WHEREAS, the City of Escondido, in the interest of cost savings and staff efficiency, proposes to use that process to extend the working contract with Wittman Enterprises, LLC; and

WHEREAS, the City desires to use the paramedic billing service offered by Wittman Enterprises, LLC an independent contractor, as its agent for the purpose of performing the services described in Exhibit "A" to this Agreement.

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

1. That the above recitations are true.
2. That the City Council authorizes the Mayor to execute, on behalf of the City, an agreement with Wittman Enterprises, LLC for the purpose of paramedic billing service. A copy of the agreement is attached as Attachment "A" and is incorporated by this reference, subject to final approval as to form by the City Attorney's Office.



CITY OF ESCONDIDO  
PUBLIC SERVICES AGREEMENT

This Public Services Agreement (“Agreement”) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2022 (“Effective Date”),

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

And: WITTMAN ENTERPRISES, LLC  
A Limited Liability Corporation  
11093 Sun Center Drive  
Rancho Cordova, CA 95670  
Attn: Corrine Wittman  
800-906-6552  
("CONTRACTOR").

(The CITY and CONTRACTOR each may be referred to herein as a “Party” and collectively as the “Parties.”)

WHEREAS, the Parties desire to enter into this Agreement for the performance of the Services described herein.

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. Description of Services. CONTRACTOR shall furnish all of the Services described in the Scope of Work, which is attached to this Agreement as Attachment “A” and incorporated herein by this reference (“Services”).
2. Compensation. In exchange for CONTRACTOR’s completion of the Services, the CITY shall pay, and CONTRACTOR shall accept in full, an amount of 4.5% of net collections for transports, not to exceed the sum of \$275,000 per agreement year. CONTRACTOR shall be compensated only for performance of the Services described in this Agreement. No compensation shall be provided for any other work or services without the CITY’s prior written consent. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in any subsequent amendments shall not exceed a cumulative total of 25% of the maximum payment provided for in this Section 2, unless approved by resolution of the City Council.

3. Performance. CONTRACTOR shall faithfully perform the Services in a proficient manner, to the satisfaction of the CITY, and in accord with the terms of this Agreement. CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other information furnished by CONTRACTOR pursuant to this Agreement, except that CONTRACTOR shall not be responsible for the accuracy of information supplied by the CITY.
4. Termination. The Parties may mutually terminate this Agreement through a writing signed by both Parties. The CITY may terminate this Agreement for any reason upon providing CONTRACTOR with 10 days' advance written notice. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination. If the CITY terminates this Agreement due to no fault or failure of performance by CONTRACTOR, then CONTRACTOR shall be compensated based on the work satisfactorily performed at the time of such termination. In no event shall CONTRACTOR be entitled to receive more than the amount that would be paid to CONTRACTOR for the full performance of the Services.
5. City Property. All original documents, drawings, electronic media, and other materials prepared by CONTRACTOR pursuant to this Agreement immediately become the exclusive property of the CITY, and shall not be used by CONTRACTOR for any other purpose without the CITY's prior written consent.
6. Insurance Requirements.
  - a. CONTRACTOR shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services, and the results of such work, by CONTRACTOR, its agents, representatives, employees, or subcontractors. Insurance coverage shall be at least as broad as the following:
    - (1) *Commercial General Liability.* Insurance Services Office ("ISO") Form CG 00 01 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 general aggregate.
    - (2) *Automobile Liability.* ISO Form CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage, unless waived by the CITY and approved in writing by the CITY's Risk and Safety Division.
    - (3) *Workers' Compensation.* Worker's Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
    - (4) If CONTRACTOR maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONTRACTOR.
  - b. Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:
    - (1) *Acceptability of Insurers.* Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A-: FSC VII, or as approved by the CITY.
    - (2) *Additional Insured Status.* Both the Commercial General Liability and the Automobile Liability policies must name the CITY (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the

addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later edition is used. The Automobile Liability endorsement shall be at least as broad as ISO Form CA 20 01.

- (3) *Primary Coverage.* CONTRACTOR's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the CITY, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officials, officers, agents, employees, or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.
  - (4) *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the CITY.
  - (5) *Subcontractors.* If applicable, CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated in this Agreement, and CONTRACTOR shall ensure that the CITY (including its officials, officers, agents, employees, and volunteers) is an additional insured on any insurance required from a subcontractor.
  - (6) *Waiver of Subrogation.* CONTRACTOR hereby grants to the CITY a waiver of any right to subrogation that any insurer of CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONTRACTOR, its agents, representatives, employees and subcontractors.
  - (7) *Self-Insurance.* CONTRACTOR may, with the CITY's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. CONTRACTOR shall only be permitted to utilize such self-insurance if, in the opinion of the CITY, CONTRACTOR's (i) net worth and (ii) reserves for payment of claims of liability against CONTRACTOR are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. CONTRACTOR's utilization of self-insurance shall not in any way limit the liabilities assumed by CONTRACTOR pursuant to this Agreement.
  - (8) *Self-Insured Retentions.* Self-insured retentions must be declared to and approved by the CITY.
- c. *Verification of Coverage.* At the time CONTRACTOR executes this Agreement, CONTRACTOR shall provide the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
  - d. *Special Risks or Circumstances.* The CITY reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
  - e. *No Limitation of Obligations.* The insurance requirements in this Agreement, including the types and limits of insurance coverage CONTRACTOR must maintain, and any approval of such insurance by the CITY, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONTRACTOR pursuant to this Agreement, including but not limited to any provisions in this Agreement concerning indemnification.
  - f. Failure to comply with any of the insurance requirements in this Agreement, including but not limited to a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. In the event that CONTRACTOR fails to comply with



any such insurance requirements in this Agreement, in addition to any other remedies the CITY may have, the CITY may, at its sole option, (i) immediately terminate this Agreement; or (ii) order CONTRACTOR to stop work under this Agreement and/or withhold any payment that becomes due to CONTRACTOR until CONTRACTOR demonstrates compliance with the insurance requirements in this Agreement.

7. Indemnification, Duty to Defend, and Hold Harmless.

- a. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with CONTRACTOR's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except where caused by the sole negligence or willful misconduct of the CITY.
- b. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall defend, indemnify, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all Claims caused by, arising under, or resulting from any violation, or claim of violation, of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001, as amended) of the California Regional Water Quality Control Board, Region 9, San Diego, that the CITY might suffer, incur, or become subject to by reason of, or occurring as a result of, or allegedly caused by, any work performed pursuant to this Agreement.
- c. All terms and provisions within this Section 7 shall survive the termination of this Agreement.

8. Anti-Assignment Clause. Because the CITY has relied on the particular skills of CONTRACTOR in entering into this Agreement, CONTRACTOR shall not assign, delegate, subcontract, or otherwise transfer any duty or right under this Agreement, including as to any portion of the Services, without the CITY's prior written consent. Any purported assignment, delegation, subcontract, or other transfer made without the CITY's consent shall be void and ineffective. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY's prior written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.

9. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs.

10. Independent Contractor. CONTRACTOR is an independent contractor, and no agency or employment relationship is created by the execution of this Agreement.

11. Amendment. This Agreement shall not be amended except in a writing signed by the CITY and CONTRACTOR.

12. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the CITY and CONTRACTOR concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.

13. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the CITY because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the CITY, in whole or in part.
14. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
15. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
16. Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. The Agreement on file with the City is the copy of the Agreement that shall take precedence if any differences exist between or among copies or counterparts of the Agreement.
17. Provisions Cumulative. The foregoing provisions are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the CITY.
18. Notice. Any statements, communications, or notices to be provided pursuant to this Agreement shall be sent to the attention of the persons indicated herein, and the CITY and CONTRACTOR shall promptly provide the other Party with notice of any changes to such contact information.
19. Business License. CONTRACTOR shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.
20. Compliance with Laws, Permits, and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement. CONTRACTOR shall obtain any and all permits, licenses, and other authorizations necessary to perform the Services. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to California Labor Code section 1770 et seq., CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable laws, shall be paid in performing this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the applicable "General Prevailing Wage Determination" approved by the Department of Industrial Relations as of the Effective Date of this Agreement, which are available online at <http://www.dir.ca.gov/oprl/dprevagedetermination.htm> and incorporated into this Agreement by this reference. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and shall comply with the Immigration Reform and Control Act of 1986 ("IRCA"). CONTRACTOR represents and warrants that all of its employees and the employees of any subcontractor retained by CONTRACTOR who perform any of the Services under this Agreement, are and will be authorized to perform the Services in full compliance with the IRCA. CONTRACTOR affirms that

as a licensed contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will perform the Services. CONTRACTOR agrees to comply with the IRCA before commencing any Services, and continuously throughout the performance of the Services and the term of this Agreement.

23. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

(SIGNATURE PAGE FOLLOWS)

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

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Paul McNamara  
Mayor

WITTMAN ENTERPRISES LLC

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Corinne Wittman  
Chief Executive Officer,

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

BY: \_\_\_\_\_

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

# ATTACHMENT "A"

## Scope of Work

### A. General

Wittman Enterprises, LLC, a California limited liability corporation ("Consultant") will provide the City of Escondido, a California municipal corporation ("City") with medical billing and collection services for ambulance transport and related services operated by the City of Escondido Fire Department.

### B. Location

Consultant to provide services at Consultant's office located at 11093 Sun Center Dr, Rancho Cordova, CA 95670.

### C. Services

#### I. Private Billing

Consultant to prepare all invoices and follow-up mailings. Initial invoicing with both English and Spanish instructions will be on 8X11 billings and will be placed in envelopes, sealed and mailed, postage prepaid. Initial invoicing occurs within three (3) days of receipt of transport tickets. Toll Free 800 telephone number provided to patients. An initial telephone call will also be made at this time to elicit any insurance information from the patient or patient's family. If no answer on this call is received, Consultant will send an inquiry letter in addition to the initial invoice. The standard bill schedule is as follows:

- Invoice - Immediately
- Statement - 30 days
- Past Due - 20 days
- Final Demand - 10 days

#### II. Medicare, Medi-Cal, Medi-Medi

Consultant to prepare all invoices and electronically convey to Medicare and Medi-Cal fiscal intermediaries. All secondary and coinsurance billing transferred to the appropriate secondary pay source and promptly billed to that source.

#### III. Workers' Compensation and Private Insurance

Consultant to bill private insurance, supplemental insurance, secondary insurance and Workers' Compensation billed according to specific requirements. Electronic billing of insurance companies is performed where appropriate. Any correspondence for additional information or follow up necessary to secure insurance payments will be performed by Consultant.

#### IV. Delinquent Claim Handling

Patients with claims aging over 45 days will be contacted by telephone for payment arrangements. Telephone follow up will continue until payment in full is received or account is dismissed by the City to an outside collection agency. Consultant will utilize installment billing as allowed by the City in cases of financial hardship.

## ATTACHMENT "A" Scope of Work

V. Receipts Processing

Consultant will receive direct payment, posting and depositing cash receipts within one (1) day of receipt. Consultant will deposit monies daily into the CITY's bank account and provide a detailed electronic notification.

VI. Reports

Monthly, Consultant will perform accurate month end close procedures that will result in the following reports: Monthly Ticket Survey Monthly Sales Journal, Monthly Cash Receipts Journal, Monthly Receivables Aging Management NR Analysis, Statistical Reports customized to client needs

VII. CITY Responsibilities

Submit necessary transport information, including pay source information and patient condition, to Consultant for billing purposes. Forward to Consultant all necessary information relating to patient transports services, payments and patient eligibility. Notify Consultant of any accounts that require special attention. Obtain signature of patient or guardian. Provide patient's Social Security Number.

VIII. Source Documents

Consultant will retain all source documents including attachments for six (6) years. When service contracted is terminated, all source documents are returned to City

**D. Scheduling**

Consultant to schedule specific dates of work in advance by contacting Christina Holmes, Director of Finance at 760-839-4620 or [cholmes@escondido.org](mailto:cholmes@escondido.org). Further instructions will be provided upon scheduling.

**E. Contract Price and Payment Terms**

Consultant's compensation for all work performed in accordance with this Agreement is established as a fee of 4.5% of monthly net collected revenue from EMS billing services for a period of three years. Net collected revenue is stated as a percentage of collected revenue, minus any refunds or adjustments.

The contract price shall not exceed \$275,000 per agreement year. The contract price includes all labor, materials, equipment, and transportation required to perform the work. Services will be billed as services are performed. Payment will be made after services have been performed and within 30 days of receipt of an invoice for those services.

**F. Term**

The term of this Agreement shall be for five-years, commencing on the Effective Date of the Agreement, with the option of extending the agreement for two additional one-year periods at the City's sole discretion.



# STAFF REPORT

July 27, 2022

File Number 0600-10; A-3422

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## SUBJECT

### AWARD OF AUDITING SERVICES CONTRACT

## DEPARTMENT

Finance

## RECOMMENDATION

Request the City Council adopt Resolution No. 2022-104, authorizing the Mayor to execute a Public Services Agreement with CliftonLarsonAllen LLP for audit services for fiscal years 2022 through 2026, with an option to extend up to an additional two years.

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

Presenter: Christina Holmes, Director of Finance

## FISCAL ANALYSIS

The contract has a ceiling value of \$299,768 over a five-year term (fiscal years ending June 30, 2022, 2023, 2024, 2025, and 2026) with an option to extend up to an additional two years. Sufficient funds for the audit for fiscal year ending June 30, 2022 are available in the FY2022/23 Operating Budget in the Finance Department Professional Services account.

## PREVIOUS ACTION

On June 8, 2016, City Council approved a five-year contract agreement with the Pun Group, for financial statement audit services. The contract was extended for one additional year and ended with the completion of the June 30, 2021 financial statement audit.

## BACKGROUND

Auditing the City's financial records plays an important role in public sector finance. The auditors are responsible for evaluating the City's system of internal controls and overall financial management and condition. It is one of the most important and effective methods to ensure the credibility and transparency of the City's financial reporting to all of the City's stakeholders.

The format of the presentation of the audited financial statements is in accordance with the Governmental Accounting Standards Board (GASB) pronouncements. Audits are performed in accordance with auditing standards generally accepted in the United States and the standards set forth for financial



# CITY of ESCONDIDO

## STAFF REPORT

audits contained in the General Accounting Office’s Government Auditing Standards (2018) issued by the Comptroller General of the United States. Consistent presentation allows comparison of the City’s financial information to other governmental agencies throughout the country. It also allows outside interests, such as bondholders, the information necessary to evaluate their current or future investments. Since the City’s information is presented in the same format as other governmental reporting entities, reasonable and meaningful comparisons can be made between and among governmental entities by anyone inside or outside the government workplace.

In addition, the provisions of the Federal Single Audit Act of 1984 as amended in 1996, and Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), commonly known as a “single audit”, outlines the requirements for audits of State and local governments and non-profit organizations. The City typically is required to have a single audit performed due to the level of funding received from federal grants.

### Annual Comprehensive Financial Report

One of the primary goals related to the fiscal audit process is to issue an Annual Comprehensive Financial Report (“Report”). The Report is the standard reporting level for California municipal agencies, and is eligible to be considered for a Government Finance Officers Association (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting Award (“Award”). In addition to being eligible for an Award for Excellence, the Report provides a higher standard of reporting, which adds credibility and additional transparency to the financial position of the City. The City has received 31 Awards from GFOA for the annual Report. It is important to select an audit firm that will support the continued goal of achieving the Award in future years.

### Multi-Year Contract

Most California based governmental entities issue multi-year contracts for audit services (typical length is three to six years) as significant resources are typically necessary from both the City and the audit firm in the first year of an engagement. An initial year of an audit requires the firm to perform several preliminary steps regarding assessments of internal controls. Those additional steps also increase the level of City resources necessary to support the assessments during the initial year of the audit. The use of a multi-year contract reduces the overall cost of the audit and the firm can typically quote a lower overall cost as a result.

### Request for Proposal (RFP) Process

The City conducted an open Request for Proposal (RFP) in April 2022 and received four responses. The respondents’ Technical and Cost Proposals were evaluated by a four-member committee comprised of employees in the Finance Department. Evaluations were scored based on mandatory elements outlined in the RFP, technical qualifications, and price.





# CITY of ESCONDIDO

## STAFF REPORT

The top two scoring firms were invited to oral interviews in June 2022. Interviews were conducted by a panel comprised of the Director of Finance, Finance Manager, Revenue Manager, and Budget Manager. The firms were evaluated on their responses and the proposed audit plan, proposed staffing, experience and expertise on municipal audits, and reference verifications. The evaluation also included the preparation of the Successor Agency audit, Single Audit of Federal Expenditures, and a GANN Limit Review. The panel unanimously chose CliftonLarsonAllen LLP on the basis of expertise, experience, and fit with the City.

CliftonLarsonAllen, LLP, (“CLA”) is a full-service Certified Public Accounting Firm providing accounting, auditing, tax, and advisory services to a variety of industries. CLA has one of the largest governmental audit and consulting practices in the country, serving more than 4,100 governmental clients nationwide. The governmental services team members are well versed in the issues critical to complex governmental entities and have deep, technical experience in serving state and local units of government. By engaging with CLA, the City will ensure continued compliance with financial and reporting requirements and the City will also benefit from a “fresh look” at its business operations, information systems, and financial and risk management policies and procedures.

### RESOLUTIONS

- a. Resolution No. 2022-104
- b. Resolution No. 2022-104 Exhibit “A” Consulting Agreement with CliftonLarsonAllen LLP

RESOLUTION NO. 2022-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, AN AGREEMENT FOR AUDIT SERVICES WITH CLIFTONLARSONALLEN, LLP

WHEREAS, the City of Escondido (“City”) desires to engage the services of a certified public accounting firm to perform audits for fiscal years ending June 30, 2022, 2023, 2024, 2025, and 2026 with an option to extend up to an additional two years; and

WHEREAS, the City issued a request for proposal for professional audit services; and

WHEREAS, proposals from four firms were opened on May 5, 2022; and

WHEREAS, the evaluation process determined that the proposal of CliftonLarsonAllen, LLP is in the best interests of the City; and

WHEREAS, the Director of Finance has recommended the execution of the Agreement with CliftonLarsonAllen, LLP, for the City’s financial audit; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve said Agreement in an amount not to exceed \$299,768 over a five-year term.

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

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Director of Finance.
3. That the Mayor and the City Council hereby authorize the Mayor to execute, on behalf of the City, the Consulting Agreement with CliftonLarsonAllen, LLP for the City’s financial audit, which is

attached hereto as Exhibit "A" and is incorporated by this reference, subject to final approval as to form by the City Attorney's Office.



CITY OF ESCONDIDO  
CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2022 ("Effective Date"),

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

And: CliftonLarsonAllen LLP  
a Limited Liability Partnership  
2875 Michelle Drive, Suite 300  
Irvine, CA 92606  
Attn: Robert J. Callanan  
714-795-5354  
("CONSULTANT").

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

WHEREAS, the CITY has determined that it is in the CITY's best interest to retain the professional services of a consultant to conduct an audit of its financial statement for the fiscal years ending June 30, 2022, 2023, 2024, 2025, and 2026 with the option of extending the contract for two additional one-year periods at the City's sole discretion;

WHEREAS, CONSULTANT is considered competent to perform the necessary professional services for the CITY; and

WHEREAS, the CITY and CONSULTANT desire to enter into this Agreement for the performance of the Services described herein.

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. Description of Services. CONSULTANT shall furnish all of the Services described in the Scope of Work, which is attached to this Agreement as Attachment "A" and incorporated herein by this reference ("Services").

2. Compensation. In exchange for CONSULTANT's completion of the Services, the CITY shall pay, and CONSULTANT shall accept in full, an amount not to exceed the sum of **\$299,768** for the audit services described in Attachment A, including one major program under the Single Audit Act Any additional major programs that are required under the Federal Single Audit Act will be audited for an additional cost of **\$3,000** each, not to exceed the maximum cumulative amendments authorized by this Agreement. CONSULTANT shall be compensated only for performance of the Services described in this Agreement. No compensation shall be provided for any other work or services without the CITY's prior written consent. If this Agreement is amended at any time, additional compensation of CONSULTANT contained in any subsequent amendments shall not exceed a cumulative total of 25% of the maximum payment provided for in this Section 2, unless approved by resolution of the City Council.
3. Performance. CONSULTANT shall faithfully perform the Services in a proficient manner, to the satisfaction of the CITY, and in accord with the terms of this Agreement. CONSULTANT shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other information furnished by CONSULTANT pursuant to this Agreement, except that CONSULTANT shall not be responsible for the accuracy of information supplied by the CITY.
4. Personnel. The performance of the Services by certain professionals is significant to the CITY. As such, CONSULTANT shall only assign the persons listed on Attachment "B", attached to this Agreement and incorporated herein by this reference ("Personnel List"), to perform the Services. CONSULTANT shall not add or remove persons from the Personnel List without the City's prior written consent. If CONSULTANT has not designated a person to perform a component of the Services, CONSULTANT shall not assign such component of the Services to a person without obtaining the City's prior written consent. CONSULTANT shall not subcontract any component of the Services without obtaining the City's prior written consent.
5. Termination. The Parties may mutually terminate this Agreement through a writing signed by both Parties. The CITY may terminate this Agreement for any reason upon providing CONSULTANT with 10 days' advance written notice. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination. If the CITY terminates this Agreement due to no fault or failure of performance by CONSULTANT, then CONSULTANT shall be compensated based on the work satisfactorily performed at the time of such termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the Services.
6. City Property. Except for the working papers of the CONSULTANT which must be the property of the CONSULTANT in accordance with generally accepted auditing standards. All original documents, drawings, electronic media, and other materials prepared by CONSULTANT pursuant to this Agreement immediately become the exclusive property of the CITY, and shall not be used by CONSULTANT for any other purpose without the CITY's prior written consent.
7. Insurance Requirements.
  - a. CONSULTANT shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services, and the results of such work, by CONSULTANT, its agents, representatives, employees, or subcontractors. Insurance coverage shall be at least as broad as the following:
    - (1) *Commercial General Liability.* Insurance Services Office ("ISO") Form CG 00 01 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 general aggregate.

- (2) *Automobile Liability.* ISO Form CA 00 01 covering any auto (Code 1), or if CONSULTANT has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage, unless waived by the CITY and approved in writing by the CITY's Risk and Safety Division.
  - (3) *Workers' Compensation.* Worker's Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
  - (4) *Professional Liability (Errors and Omissions).* Professional Liability (Errors and Omissions) appropriate to CONSULTANT's profession, with limits no less than \$2,000,000 per occurrence or claim and \$2,000,000 aggregate.
  - (5) If CONSULTANT maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONSULTANT.
- b. Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:
- (1) *Acceptability of Insurers.* Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A-: FSC VII, or as approved by the CITY.
  - (2) *Additional Insured Status.* Both the Commercial General Liability and the Automobile Liability policies must name the CITY (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later edition is used. The Automobile Liability endorsement shall be at least as broad as ISO Form CA 20 01.
  - (3) *Primary Coverage.* CONSULTANT's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the CITY, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officials, officers, agents, employees, or volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it.
  - (4) *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the CITY.
  - (5) *Subcontractors.* If applicable, CONSULTANT shall require and verify that all subcontractors maintain insurance meeting all the requirements stated within this Agreement, and CONSULTANT shall ensure that the CITY (including its officials, officers, agents, employees, and volunteers) is an additional insured on any insurance required from a subcontractor.
  - (6) *Waiver of Subrogation.* CONSULTANT hereby grants to the CITY a waiver of any right to subrogation that any insurer of CONSULTANT may acquire against the CITY by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONSULTANT, its agents, representatives, employees, and subcontractors.

- (7) *Self-Insurance*. CONSULTANT may, with the CITY's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. CONSULTANT shall only be permitted to utilize such self-insurance if, in the opinion of the CITY, CONSULTANT's (i) net worth and (ii) reserves for payment of claims of liability against CONSULTANT are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. CONSULTANT's utilization of self-insurance shall not in any way limit the liabilities assumed by CONSULTANT pursuant to this Agreement.
          - (8) *Self-Insured Retentions*. Self-insured retentions must be declared to and approved by the CITY.
        - c. *Verification of Coverage*. At the time CONSULTANT executes this Agreement, CONSULTANT shall provide the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
        - d. *Special Risks or Circumstances*. The CITY reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
        - e. *No Limitation of Obligations*. The insurance requirements in this Agreement, including the types and limits of insurance coverage CONSULTANT must maintain, and any approval of such insurance by the CITY, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including but not limited to any provisions in this Agreement concerning indemnification.
        - f. Failure to comply with any of the insurance requirements in this Agreement, including, but not limited to, a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. In the event that CONSULTANT fails to comply with any such insurance requirements in this Agreement, in addition to any other remedies the CITY may have, the CITY may, at its sole option, (i) immediately terminate this Agreement; or (ii) order CONSULTANT to stop work under this Agreement and/or withhold any payment that becomes due to CONSULTANT until CONSULTANT demonstrates compliance with the insurance requirements in this Agreement.
8. Indemnification, Duty to Defend, and Hold Harmless.
  - a. CONSULTANT (including CONSULTANT's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with CONSULTANT's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except where caused by the sole negligence or willful misconduct of the CITY.
  - b. All terms and provisions within this Section 8 shall survive the termination of this Agreement.
9. Anti-Assignment Clause. Because the CITY has relied on the particular skills of CONSULTANT in entering into this Agreement, CONSULTANT shall not assign, delegate, subcontract, or otherwise transfer any duty or right under this Agreement, including as to any portion of the Services, without the CITY's prior written consent. Any purported assignment, delegation, subcontract, or other

transfer made without the CITY's consent shall be void and ineffective. Unless CONSULTANT assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY's prior written consent, CONSULTANT shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.

10. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs.
11. Independent Contractor. CONSULTANT is an independent contractor, and no agency or employment relationship is created by the execution of this Agreement.
12. Amendment. This Agreement shall not be amended except in a writing signed by the CITY and CONSULTANT.
13. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the CITY and CONSULTANT concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.
14. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the CITY because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the CITY, in whole or in part.
15. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
16. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
17. Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. The Agreement on file with the City is the copy of the Agreement that shall take precedence if any differences exist between or among copies or counterparts of the Agreement.
18. Provisions Cumulative. The foregoing provisions are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the CITY.
19. Notice. Any statements, communications, or notices to be provided pursuant to this Agreement shall be sent to the attention of the persons indicated herein, and the CITY and CONSULTANT shall promptly provide the other Party with notice of any changes to such contact information.
20. Business License. CONSULTANT shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.



21. Compliance with Laws, Permits, and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement. CONSULTANT shall obtain any and all permits, licenses, and other authorizations necessary to perform the Services. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
22. Prevailing Wages. If applicable, pursuant to California Labor Code section 1770 et seq., CONSULTANT agrees that a prevailing rate and scale of wages, in accordance with applicable laws, shall be paid in performing this Agreement. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the applicable "General Prevailing Wage Determination" approved by the Department of Industrial Relations as of the Effective Date of this Agreement, which are available online at <http://www.dir.ca.gov/oprl/dprevwagedetermination.htm> and incorporated into this Agreement by this reference. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
23. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and shall comply with the Immigration Reform and Control Act of 1986 ("IRCA"). CONSULTANT represents and warrants that all of its employees and the employees of any subcontractor retained by CONSULTANT who perform any of the Services under this Agreement, are and will be authorized to perform the Services in full compliance with the IRCA. CONSULTANT affirms that as a licensed contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will perform the Services. CONSULTANT agrees to comply with the IRCA before commencing any Services, and continuously throughout the performance of the Services and the term of this Agreement.
24. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

(SIGNATURE PAGE FOLLOWS)

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

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Paul McNamara  
Mayor

CLIFTONLARSONALLEN LLP

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Robert J. Callanan, CPA, Principal

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

BY: \_\_\_\_\_

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

## **ATTACHMENT "A"**

### Scope of Work

#### **A. General**

CliftonLarsonAllen LLP, a California limited liability partnership ("Consultant") will provide the City of Escondido, a California municipal corporation ("City") with professional audit services.

#### **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 2875 Michelle Drive, Suite 300, Irvine, CA 92606.

#### **C. Services**

Services shall include:

1. Audit and issue a report on the fair presentation of the Financial Statements of the City in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller of the United States. The City's Annual Comprehensive Financial Report ("ACFR") will be prepared by the City staff. Consultant will be responsible for rendering their opinion and provide the City one electronic copy in PDF format by December 15 of each year.
2. Review and provide an 'in relation to' report on the combining and individual fund financial statements and Schedule of Expenditures of Federal Awards, and perform certain limited procedures on required supplementary information (RSI), including the Management Discussion and Analysis.
3. Express an opinion on the city's compliance with the provisions of the Single Audit Act and the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and other applicable laws and regulations. In addition to the audit of the federal awards, the consultant will review any materials included in the reporting package accompanying the data collection form. The City will prepare the Schedule of Expenditures of Federal Awards. The Consultant will prepare the single audit and complete the data collection form and required filing with the Federal Audit Clearinghouse and provide the City with one electronic copy in PDF format of the data collection form each year.
4. Perform Agreed-Upon Procedures in connection with the annual calculation of the appropriations limit (Gann) as required by Section 1.5 of the Article XIII B of the California Constitution. Consultant will be responsible for rendering their opinion and provide the City one electronic copy in PDF format each fiscal year.
5. When applicable, the Consultant will issue a separate management letter that includes non-reportable conditions.

#### **D. Scheduling**

Consultant to schedule specific dates of work in advance by contacting Christina Holmes, Director of Finance at 760-839-4620 or [cholmes@escondido.org](mailto:cholmes@escondido.org). Further instructions will be provided upon scheduling.

## ATTACHMENT "A"

### Scope of Work

#### E. Contract Price and Payment Terms

The total contract price shall not exceed \$299,768. 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. Consultant shall not bill the City for any transportation costs associated with travel to and from the project site.

#### SCHEDULE OF PROFESSIONAL FEES

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26
Financial Statement Audit, Opinion, and all other related reports	\$49,586	\$51,070	\$52,600	\$54,180	\$55,810
Single Audit Report and Related Reports (1)	6,326	6,520	6,720	6,920	7,130
Review of Appropriations Limit and Report	546	560	580	600	620
<b>Total All-Inclusive Maximum Price</b>	<b><u>\$56,458</u></b>	<b><u>\$58,150</u></b>	<b><u>\$59,900</u></b>	<b><u>\$61,700</u></b>	<b><u>\$63,560</u></b>

(1) This fee contemplates auditing one major program. Additional major programs will be audited for an additional cost of \$3,000 each.

#### SUPPLEMENTAL INFORMATION

(Billable hourly rate for projects outside the scope of the audit)

	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26
Partner	\$275	\$283	\$292	\$300	\$310
Managers/Directors	175	180	186	191	197
Senior Associates	125	129	133	137	141
Associates	95	98	101	104	107
Clerical	60	62	64	66	68

#### F. Term

The term of this Agreement shall be for fiscal years ending June 30, 2022, 2023, 2024, 2025, and 2026 commencing on the Effective Date of the Agreement, with the option of extending the agreement for two additional one-year periods at the City's sole discretion.



# STAFF REPORT

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July 27, 2022  
File Number 0685-10

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## SUBJECT

**SETTING SPECIAL TAX LEVY FOR COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE)**

## DEPARTMENT

Finance

## RECOMMENDATION

Request the City Council adopt Resolution 2022-106, setting the Special Tax Levy for Community Facilities District No. 2022-1(Eclipse/Mountain House) (the “District”) for Fiscal Year 2022-23

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

Presenter: Christina Holmes, Director of Finance

## FISCAL ANALYSIS

A Special Tax will be levied annually on land within Community Facilities District No. 2022-1 (Eclipse/Mountain House) and collected through the County of San Diego Treasurer-Tax Collector’s Office. The funds from the Special Tax will be used to meet the requirements established at the time of formation of the District.

## PREVIOUS ACTION

On May 13, 2021 the City Council authorized a Deposit Account and Reimbursement Agreement between the City of Escondido and CWC Escondido 113, LLC which established the Eclipse (formerly known as Del Prado) zone of the project.

On August 31, 2021 the City Council authorized the First Amendment to Deposit Account and Reimbursement Agreement between the City of Escondido and CWC Escondido 113, LLC to include the additional project Mountain House in the CFD No 2022-1.

The Eclipse/Mountain House project was approved in Resolution 2022-10 by the City Council on March 2, 2022, authorizing the Council to annually adopt a resolution setting the Special Tax Levy. This is the first year that Council will set the Special Tax Levy for the Eclipse/Mountain House CFD.



# CITY of ESCONDIDO

## STAFF REPORT

### BACKGROUND

A Community Facilities District (“CFD”) is a special taxing district that is formed at the request of a project proponent with the approval of the local jurisdiction. CFD's were established in State Government Code in 1982 (also referred to as the Mello-Roos Act) to provide an alternate method for private property owners to finance the acquisition, construction and maintenance of certain public capital facilities, and/or to cover the related cost of ongoing services.

CFD No. 2022-1 was formed on March 2, 2022, to fund the public facilities fees associated with the Eclipse/Mountain House Project. The CFD was formed with two distinct zones. Zone A currently contains a portion of the Eclipse project which includes 81 townhomes. The second portion of the Eclipse project containing 32 townhomes is expected to annex into Zone A of this CFD at a later date. Zone B contains the Mountain House project which includes 36 residential lots. Zone A is currently under construction and it is anticipated that when the majority of the units within the entire CFD are either under construction or completed CFD bonds will be issued.

Under the Funding Agreement with CWC Escondido 113, LLC and TTLC CalWest, LLC, approved March 2, 2022, prior to the issuance of bonds the Assigned Special Tax is to be levied on all parcels classified as Developed Property. A lot located within the Project that has a Building Permit issued prior to March 1 of the previous fiscal year in which the Special Tax is being levied is classified as Developed Property. There are 57 developed lots in the Project that had building permits issued before March 1, 2022 that will be assessed the Special Tax Levy in FY2022/23. The special tax rate is governed by the Rate and Method of Apportionment of Special Tax (“RMA”) established at the time CFD No. 2022-1 was formed. The Assigned Special Tax rate defined in the RMA is based on the Land Use Category of each property.

A Maximum Special Tax Rate was established for developed residential property and undeveloped property. The amount of the Maximum Special Tax Rates and Proposed Actual Special Tax Rates for FY2022/23 are attached as Exhibit “A” to Resolution No. 2022-106.

### RESOLUTIONS

- a. Resolution No. 2022-106
- b. Resolution No. 2022-106 Exhibit “A” CFD 2022-1 (Eclipse/Mountain House) Special Tax Rates

## RESOLUTION NO. 2022-106

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACTING AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2022-1 (ECLIPSE/MOUNTAIN HOUSE), PROVIDING FOR THE LEVY OF AN ANNUAL SPECIAL TAX FOR SUCH COMMUNITY FACILITIES DISTRICT FOR FISCAL YEAR 2022-23

WHEREAS, the City Council of the City of Escondido, California (the “Legislative Body”), has initiated proceedings, held a public hearing, conducted an election, and received a favorable vote from the qualified electors to authorize the levy of a Special Tax in a Community Facilities District, all as authorized pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”). This Community Facilities District is designated as Community Facilities District No. 2022-1 (Eclipse/Mountain House) (the “District”); and

WHEREAS, this Legislative Body, by the adoption of the Ordinance No. 2022-10 (the “Ordinance”) pursuant to Section 53340 of the Government Code of the State of California, has authorized the levy of Special Taxes (as such term is defined in the Ordinance) within the District to finance authorized facilities; and

WHEREAS, Government Code Section 53340 provides that this legislative body may provide, by resolution, for the levy of the Special Taxes in the current tax year at the same rates or at a lower rate than the indexed rates provided for in the Ordinance, if such resolution is adopted and a certified list of all parcels subject to the Special Tax levy including the amount of the Special Tax to be levied on each parcel for the current tax year (the “Certified Parcel List”) is timely filed by the clerk or other official designated by this legislative body with the Auditor of the County of San Diego (the “County Auditor”) on or before August 10 of the applicable tax year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, acting as the legislative body of Community Facilities District No. 2022-1 (Eclipse/Mountain House), as follows:

1. That the above recitations are true.
2. That this Legislative Body hereby authorizes and provides for the levy of the Special Tax within the District on those Taxable Properties (as such term is defined in the Ordinance) within the District for Fiscal Year 2022-23 so long as the rates of such Special Tax are the same rates or lower rates than the rates provided for in the Ordinance. The Proposed Special Tax Rates for the District for Fiscal Year 2022-23 are contained on Exhibit "A" attached to this Resolution and incorporated by this reference. After adoption of this Resolution, the Finance Director of the City, or Finance Director's designee, may make any necessary modifications to these Special Tax Rates to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amounts to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the Special Tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the County Auditor.
3. That the Finance Director is hereby designated and directed to prepare and submit a Certified Parcel List to the County Auditor on or before August 10, or such later date to which the County Auditor may agree, setting forth the amount of the Special Tax to be levied on each Taxable Property within the District calculated pursuant to the Ordinance and subject to the limitations set forth in Section 2 above.
4. That the Special Tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Treasurer-Tax Collector of the County of San Diego is hereby authorized to deduct reasonable administrative costs incurred in collecting any said Special Tax. Any Special Taxes that may not be collected on the County of San Diego ("County") tax roll shall be



collected through a direct billing procedure by the Treasurer of the City of Escondido, or his/her designee acting for and on behalf of the District.

5. That the County Auditor is hereby directed to enter in the next County assessment roll on which taxes will become due, opposite each lot or parcel of land affected in a space marked "public improvements, special tax" or by any other suitable designation, the installment of the Special Tax.

6. That the County Auditor shall then, at the close of the tax collection period, promptly render to the District a detailed report showing the amount and/or amounts of such Special Tax installments, interest, penalties and percentages so collected and from what property collected, and also provide a statement of any percentages retained for the expense of making any such collection.

**City of Escondido Community Facilities District No. 2022-1  
 (Eclipse / Mountain House)**

**Special Tax Rates for Fiscal Year 2022/23**

<b>Land Use Category</b>	<b>Developed Floor Area</b>	<b>Unit<sup>(1)</sup></b>	<b>Assigned Special Tax</b>	<b>Proposed Actual Special Tax <sup>(2)</sup></b>
<b>Zone A (Eclipse)</b>				
Developed Property				
1	Less than 1,200 square feet	DU	\$2,249.20	\$2,249.20
2	1,200 to 1,400 square feet	DU	\$2,371.25	\$2,371.25
3	Greater than 1,400 square feet	DU	\$2,615.42	\$2,615.42
4	Non-Residential	PDU	\$2,558.01	\$2,558.01
Backup Special Tax				
NA	NA	DU	\$2,589.52	\$0.00
Undeveloped Property				
NA	NA	PDU	\$2,589.52	\$0.00
<b>Zone B (Mountain House)</b>				
Developed Property				
1	Residential or Non-Residential	Lot	\$1,790.42	\$1,790.42
Backup Special Tax				
NA	NA	Lot	\$1,841.57	\$0.00
Undeveloped Property				
NA	NA	Lot	\$1,841.57	\$0.00

- 1) Types of units are as defined in the formation documents; Dwelling Unit or "DU", Projected Dwelling Unit or "PDU" and Lot.
- 2) The Proposed Actual Special Tax shown above is the authorized levy for the current fiscal year. The submitted actual levy may be reduced as directed by the Finance Director.



# STAFF REPORT

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July 27, 2022  
File Number 0850-20

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## SUBJECT

**REQUEST TO INITIATE AN ANNEXATION FOR A 5.09 ACRE PARCEL LOCATED ON THE SOUTHWEST CORNER OF N. ASH STREET AND STANLEY AVENUE (APN: 224-130-10-00) (PLANNING CASE NO. PL22-0154)**

## DEPARTMENT

Development Services Department, Planning Division

## RECOMMENDATION

It is requested that the City Council review and receive the request to initiate an annexation, and authorize the filing of an application for a 5.09 parcel on the southwest corner of Stanley Avenue and Ash Street (APN 224-130-10-00).

Staff Recommendation: Approval (Interim Director of Development Services: Julie Procopio)

Presenter: Ivan Flores, Associate Planner

## FISCAL ANALYSIS

All City and LAFCO costs associated with the annexation, development application, and environmental review would be paid by the applicant. There is no fiscal impact associated with the authorization to process the application.

## PREVIOUS ACTION

None.

## BACKGROUND AND ANALYSIS

The applicant, Escondido North, LLC, is requesting review and approval of a project consisting of an Annexation, Tentative Subdivision Map, and Density Bonus. The subject site is located with the County of San Diego. It was pre-zoned to R-1-10 as a result of Planning Case No. 86-95-PZ as part of a broader annexation (Lehner Avenue annexation) which included 110 parcels in the general vicinity of the project. This parcel, among others, was not successfully annexed into the City at the time. The applicant proposes to finalize the annexation process as a part of their current proposal. To continue to move forward with the project and CEQA review, City Council must authorize the initiation of annexation.



# CITY of ESCONDIDO

## STAFF REPORT

Because the annexation process is adding new property to the City of Escondido, it is necessary to survey adjoining parcels to assess interest in also being annexed. Any adjacent property owners would be invited to join the application as consenting properties.

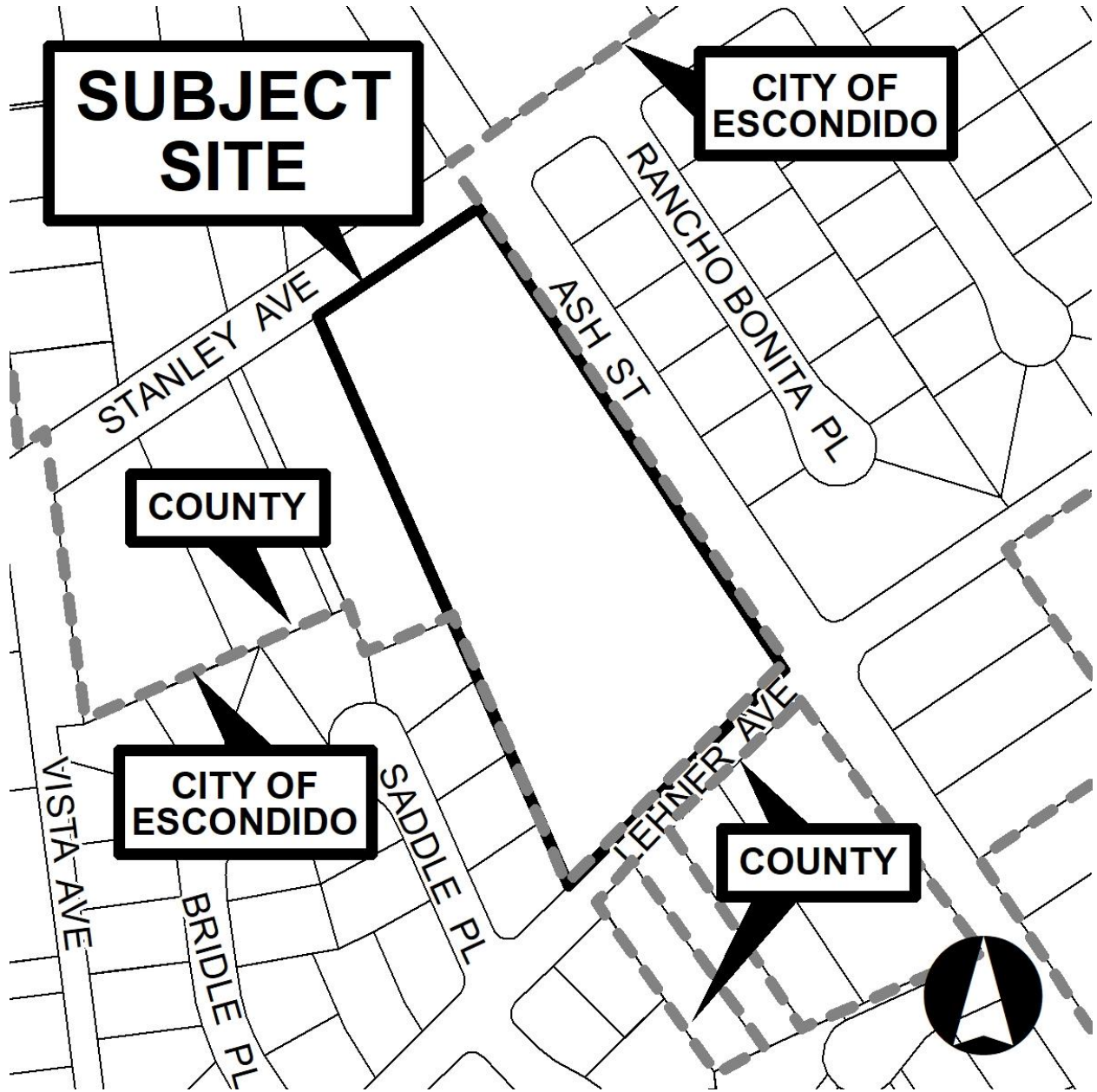
The City Council is being asked to determine whether or not to authorize an application to amend the jurisdictional boundary of the City. General direction received from the City Council on matter pertaining to the annexation and the project does not have a legally binding effect on any possible future discretionary action. This direction does not reflect whether the City Council would ultimately approve the annexation or the project. The City Council’s formal action on the annexation and project would be taken in the future at a public hearing with a recommendation from the Planning Commission.

### **ENVIRONMENTAL REVIEW**

The review and consideration of the privately-initiated annexation request does not create or alter policy. The content is provided for informational purposes only, with direction to staff to continue administrative activities, and is exempt from the requirements of the California Environmental Quality Act (“CEQA”) per Guidelines Section 15378(b)(5), which exempts organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment. In accordance with CEQA, all annexation requests are required to have an environmental assessment to determine potential environmental impacts, if any. Public input received and technical information prepared during the process will be utilized in preparing an environmental document to analyze the possible effects of the annexation and the project.

### **ATTACHMENTS**

1. Attachment “1”-Vicinity Map of Proposed Annexation





# STAFF REPORT

July 27, 2022

File Number 0600-10; A-3424

## SUBJECT

### **BID AWARD FOR THE GRAPE DAY PARK MASTER PLAN AND AQUATIC CENTER DESIGN**

## DEPARTMENT

Communications and Community Services

## RECOMMENDATION

Request the City Council adopt Resolution No. 2022-111, authorizing the Mayor, on behalf of the City, to execute a Consulting Agreement with LPA, Inc. in the amount of \$1,040,400, for the completion of a Grape Day Park Master Plan and design of an Aquatic Center (“Project”) on Woodward Avenue.

Staff Recommendation: Approval (Communications and Community Services: Joanna Axelrod)

Presenter: Danielle Lopez, Assistant Director of Community Services

## FISCAL ANALYSIS

Adequate funding to pay for the Project has been set aside in the FY 22-23 Capital Improvement Program Budget which includes the Jim Stone Aquatic Facility Expansion Project funded through Park Development Fees and the Grape Day Park Project, funded through the American Rescue Plan.

## PREVIOUS ACTION

On June 8, 2022, the City Council adopted Resolution No. 2022-78, approving Fiscal Years 2022/23 – 2026/2027 Five-Year Capital Improvement Program and the Fiscal Year 2022/23 Capital Improvement Program Budget.

On September 29, 2021, the City Council adopted Resolution No. 2021-146 approving a budget adjustment allocating \$22,808,509 of American Rescue Plan funds to a number of projects, including the Grape Day Park Project.

## BACKGROUND

The Project includes updating the Grape Day Park Master Plan developed in 2014, which will serve as the framework for the final Master Plan to be developed by the Consultant. The new Master Plan will provide a number of improvements to the Park including a new restroom, designated outdoor event spaces, and an Aquatics facility. In addition to finalizing the Master Plan, the selected Consultant will design and



# CITY of ESCONDIDO

## STAFF REPORT

prepare construction documents for a new Aquatics Facility that will meet the needs of our growing community.

On March 31, 2022, seven sealed bids were received in response to the advertised Request for Proposals for the Project. The totals for the bids are listed below:

ADL Planning Associates	\$1,035,400
LPA, Inc.	\$1,040,400
JKA	\$1,290,975
DAHLIN Group Architecture	\$1,313,028
HGW	\$1,425,486
RJM Design Group	\$1,429,128
Roesling Nakamura Terada Architects	\$1,489,119

After interviewing the highest ranked firms, LPA, Inc. was determined to be the most qualified firm due to their extensive experience. Staff recommends that the bid submitted by LPA, Inc. be considered the best value for the service provided and that the contract be awarded to LPA, Inc. in the amount of \$1,040,400.

### RESOLUTIONS

- a. Resolution No. 2022-111

### ATTACHMENTS

- a. Resolution No. 2022-111 – Exhibit A - Consulting Agreement

## RESOLUTION NO. 2022-111

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A CONSULTING AGREEMENT FOR THE GRAPE DAY PARK MASTER PLAN AND AQUATIC CENTER DESIGN PROJECT

WHEREAS, the City Council has allocated funding in the adopted Capital Improvement Program Budget for the Grape Day Park Master Plan and Aquatic Center Design Project; and

WHEREAS, a notice inviting bids for said projects was advertised; and

WHEREAS, seven sealed bids for the project were received on March 31, 2022 and evaluated; and

WHEREAS, LPA, Inc. was determined to provide the best value for the service provided; and

WHEREAS, the City Council deems it to be in the best public interest to authorize a Consulting Agreement with LPA, Inc. in the amount of \$1,040,400.

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

1. That the above recitations are true.
2. That the City Council authorizes the Mayor to execute, on behalf of the City, a Consulting Agreement with LPA, Inc. in a substantially similar form to that which is attached and incorporated to this Resolution as Exhibit "A", and subject to final approval as to Form by the City Attorney.





CITY OF ESCONDIDO  
CONSULTING AGREEMENT

This Consulting Agreement (“Agreement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2022 (“Effective Date”),

Between: CITY OF ESCONDIDO  
a California municipal corporation  
201 N. Broadway  
Escondido, CA 92025  
Attn: [Joanna Axelrod]  
(760) 839-4871  
("CITY")

And: LPA, Inc  
1600 National Ave.  
San Diego, CA 92113  
Attn: Arash Izadi  
619-795-2555  
("CONSULTANT").

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

WHEREAS, the CITY has determined that it is in the CITY’s best interest to retain the professional services of a consultant to update and finalize the Grape Day Park Master Plan, design the aquatic facility, and oversee the construction of the aquatic facility;

WHEREAS, CONSULTANT is considered competent to perform the necessary professional services for the CITY; and

WHEREAS, the CITY and CONSULTANT desire to enter into this Agreement for the performance of the Services described herein.

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. Description of Services. CONSULTANT shall furnish all of the Services described in the Scope of Work, which is attached to this Agreement as Attachment “A” and incorporated herein by this reference (“Services”).
2. Compensation. In exchange for CONSULTANT’s completion of the Services, the CITY shall pay, and CONSULTANT shall accept in full, an amount not to exceed the sum of \$1,040,400.

CONSULTANT shall be compensated only for performance of the Services described in this Agreement. No compensation shall be provided for any other work or services without the CITY's prior written consent. If this Agreement is amended at any time, additional compensation of CONSULTANT contained in any subsequent amendments shall not exceed a cumulative total of 25% of the maximum payment provided for in this Section 2, unless approved by resolution of the City Council.

3. Performance. CONSULTANT shall faithfully perform the Services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. In accordance with the foregoing standard, CONSULTANT shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other information furnished by CONSULTANT pursuant to this Agreement, except that CONSULTANT shall not be responsible for the accuracy of information supplied by the CITY.
4. Personnel. The performance of the Services by certain professionals is significant to the CITY. As such, CONSULTANT shall only assign the persons listed on Attachment "B", attached to this Agreement and incorporated herein by this reference ("Personnel List"), to perform the Services. CONSULTANT shall not add or remove persons from the Personnel List without the City's prior written consent. If CONSULTANT has not designated a person to perform a component of the Services, CONSULTANT shall not assign such component of the Services to a person without obtaining the City's prior written consent. CONSULTANT shall not subcontract any component of the Services without obtaining the City's prior written consent.
5. Termination. The Parties may mutually terminate this Agreement through a writing signed by both Parties. The CITY may terminate this Agreement for any reason upon providing CONSULTANT with 10 days' advance written notice. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination. If the CITY terminates this Agreement due to no fault or failure of performance by CONSULTANT, then CONSULTANT shall be compensated based on the work satisfactorily performed at the time of such termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the Services.
6. City Property. All original documents, drawings, electronic media, and other materials prepared by CONSULTANT pursuant to this Agreement immediately become the exclusive property of the CITY, and shall not be used by CONSULTANT for any other purpose without the CITY's prior written consent.
7. Insurance Requirements.
  - a. CONSULTANT shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services, and the results of such work, by CONSULTANT, its agents, representatives, employees, or subcontractors. Insurance coverage shall be at least as broad as the following:
    - (1) *Commercial General Liability.* Insurance Services Office ("ISO") Form CG 00 01 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 general aggregate.
    - (2) *Automobile Liability.* ISO Form CA 00 01 covering any auto (Code 1), or if CONSULTANT has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage, unless waived by the CITY and approved in writing by the CITY's Risk and Safety Division.

- (3) *Workers' Compensation.* Worker's Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
  - (4) *Professional Liability (Errors and Omissions).* Professional Liability (Errors and Omissions) appropriate to CONSULTANT's profession, with limits no less than \$2,000,000 per occurrence or claim and \$2,000,000 aggregate.
  - (5) If CONSULTANT maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONSULTANT.
- b. Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:
- (1) *Acceptability of Insurers.* Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A-: FSC VII, or as approved by the CITY.
  - (2) *Additional Insured Status.* Both the Commercial General Liability and the Automobile Liability policies must name the CITY (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later edition is used. The Automobile Liability endorsement shall be at least as broad as ISO Form CA 20 01.
  - (3) *Primary Coverage.* CONSULTANT's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the CITY, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officials, officers, agents, employees, or volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it.
  - (4) *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the CITY.
  - (5) *Subcontractors.* If applicable, CONSULTANT shall require and verify that all subcontractors maintain insurance meeting all the requirements stated within this Agreement, and CONSULTANT shall ensure that the CITY (including its officials, officers, agents, employees, and volunteers) is an additional insured on any insurance required from a subcontractor.
  - (6) *Waiver of Subrogation.* CONSULTANT hereby grants to the CITY a waiver of any right to subrogation that any insurer of CONSULTANT may acquire against the CITY by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONSULTANT, its agents, representatives, employees, and subcontractors.
  - (7) *Self-Insurance.* CONSULTANT may, with the CITY's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. CONSULTANT shall only be permitted to utilize such self-insurance if, in the opinion of the CITY, CONSULTANT's (i) net worth and (ii) reserves for payment of claims of liability against CONSULTANT are sufficient to adequately compensate for the lack of

other insurance coverage required by this Agreement. CONSULTANT's utilization of self-insurance shall not in any way limit the liabilities assumed by CONSULTANT pursuant to this Agreement.

(8) *Self-Insured Retentions.* Self-insured retentions must be declared to and approved by the CITY.

- c. *Verification of Coverage.* At the time CONSULTANT executes this Agreement, CONSULTANT shall provide the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
- d. *Special Risks or Circumstances.* The CITY reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- e. *No Limitation of Obligations.* The insurance requirements in this Agreement, including the types and limits of insurance coverage CONSULTANT must maintain, and any approval of such insurance by the CITY, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including but not limited to any provisions in this Agreement concerning indemnification.
- f. Failure to comply with any of the insurance requirements in this Agreement, including, but not limited to, a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. In the event that CONSULTANT fails to comply with any such insurance requirements in this Agreement, in addition to any other remedies the CITY may have, the CITY may, at its sole option, (i) immediately terminate this Agreement; or (ii) order CONSULTANT to stop work under this Agreement and/or withhold any payment that becomes due to CONSULTANT until CONSULTANT demonstrates compliance with the insurance requirements in this Agreement.

8. Indemnification, Duty to Defend, and Hold Harmless.

- a. CONSULTANT (including CONSULTANT's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with CONSULTANT's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY, and only to the extent such Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT. Further, in no event shall the cost to defend charged to the CONSULTANT exceed the CONSULTANT's proportionate percentage of fault.
- b. CONSULTANT (including CONSULTANT's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all Claims caused by, arising under, or resulting from any violation, or claim of violation, of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001, as amended) of the California Regional Water Quality Control Board, Region 9, San

Diego, that the CITY might suffer, incur, or become subject to by reason of, or occurring as a result of, or allegedly caused by, any work performed pursuant to this Agreement.

c. All terms and provisions within this Section 8 shall survive the termination of this Agreement.

9. Anti-Assignment Clause. Because the CITY has relied on the particular skills of CONSULTANT in entering into this Agreement, CONSULTANT shall not assign, delegate, subcontract, or otherwise transfer any duty or right under this Agreement, including as to any portion of the Services, without the CITY's prior written consent. Any purported assignment, delegation, subcontract, or other transfer made without the CITY's consent shall be void and ineffective. Unless CONSULTANT assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY's prior written consent, CONSULTANT shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
10. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs.
11. Independent Contractor. CONSULTANT is an independent contractor, and no agency or employment relationship is created by the execution of this Agreement.
12. Amendment. This Agreement shall not be amended except in a writing signed by the CITY and CONSULTANT.
13. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the CITY and CONSULTANT concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.
14. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the CITY because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the CITY, in whole or in part.
15. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
16. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
17. Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. The Agreement on file with the City is the copy of the Agreement that shall take precedence if any differences exist between or among copies or counterparts of the Agreement.
18. Provisions Cumulative. The foregoing provisions are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the CITY.

19. Notice. Any statements, communications, or notices to be provided pursuant to this Agreement shall be sent to the attention of the persons indicated herein, and the CITY and CONSULTANT shall promptly provide the other Party with notice of any changes to such contact information.
20. Business License. CONSULTANT shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.
21. Compliance with Laws, Permits, and Licenses. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement. CONSULTANT shall obtain any and all permits, licenses, and other authorizations necessary to perform the Services. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
22. Prevailing Wages. If applicable, pursuant to California Labor Code section 1770 et seq., CONSULTANT agrees that a prevailing rate and scale of wages, in accordance with applicable laws, shall be paid in performing this Agreement. CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the applicable "General Prevailing Wage Determination" approved by the Department of Industrial Relations as of the Effective Date of this Agreement, which are available online at <http://www.dir.ca.gov/oprl/dprevwagedetermination.htm> and incorporated into this Agreement by this reference. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
23. Department of Industrial Relations Compliance. This public project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. CONSULTANT shall post all job site notices required by regulation. CONSULTANT, as well as any subcontractors, shall be registered pursuant to California Labor Code section 1725.5 to be qualified to bid on, be listed in a bid proposal (subject to the requirements of Public Contract Code section 4104), or engage in the performance of any public works contract subject to the requirements of Division 2, Part 7, Chapter 1 of the California Labor Code. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
24. Immigration Reform and Control Act of 1986. CONSULTANT shall keep itself informed of and shall comply with the Immigration Reform and Control Act of 1986 ("IRCA"). CONSULTANT represents and warrants that all of its employees and the employees of any subcontractor retained by CONSULTANT who perform any of the Services under this Agreement, are and will be authorized to perform the Services in full compliance with the IRCA. CONSULTANT affirms that as a licensed contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will perform the Services. CONSULTANT agrees to comply with the IRCA before commencing any Services, and continuously throughout the performance of the Services and the term of this Agreement.
25. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

(SIGNATURE PAGE FOLLOWS)

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

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Paul McNamara  
Mayor

LPA, Inc

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
John Mills, Chief Operating Officer (please print)

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

BY: \_\_\_\_\_

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



# ATTACHMENT "A" Scope of Work

## ATTACHMENT 'A' SCOPE OF WORK

CITY OF ESCONDIDO  
GRAPE DAY PARK MASTER PLAN &  
AQUATIC CENTER DESIGN  
7/15/2022

### A. GENERAL

LPA, Inc., a California Corporation ("Consultant", or "Architect") will provide the City of Escondido, a California municipal corporation ("City") with consulting services related to the master plan for Grape Day Park and the replacement of the City's James Stone Swimming Pool with a new Aquatic Center as described below in the Scope of Work.

Architect Contacts:  
Arash Izadi, ASLA, LEED-AP  
Director of Sport+Recreation  
5301 California Avenue., Suite 100  
Irvine, CA 92617  
[aizadi@lpadesignstudios.com](mailto:aizadi@lpadesignstudios.com)  
(949) 701-4059

John Courtney, ASLA, LEED-AP  
Project Director  
1600 National Avenue  
San Diego, CA 92113  
[jcourtney@lpadesignstudios.com](mailto:jcourtney@lpadesignstudios.com)  
(619) 795-2555

### B. LOCATION

Consultant shall provide services described in the Scope of Work below at the addresses of Grape Day Park, 321 N. Broadway, Escondido, California 92025 and James Stone Swimming Pool at 131 Woodward Avenue, Escondido, California 92925.

### C. SERVICES

LPA, Inc. understands the City is proposing to update the master plan for Grape Day Park and develop a new aquatic facility that replaces the existing James Stone Swimming Pool adjacent to the park. The scope may generally be described as and the project includes:

1. Master Plan  
The master plan process will be an update to the Draft Master Plan developed in 2014 with anticipated updates that may include:

- Features proposed with the new restroom facility project.
- Updated Aquatics Facility.
- Public art opportunities.
- Signage and way-finding program.
- Off-leash dog walk area.
- Landscaping and irrigation.
- Drainage and water management.

In addition to the items noted above, a Community Engagement process will reaffirm the desire for previously identified features and amenities as well as new facilities and features to be incorporated into the Master Plan Update.

2. Aquatic Center  
The Aquatic Facility effort will include design and documentation and may include:

- Lap / competition pool.
- Recreational pool.
- Splash pad.
- Pool support building.
- Parking lot reconfiguration.
- Landscaping and Irrigation.

This proposal is based on an assumed project budget of up to \$12 Million and a Construction Budget of up to \$8.4 Million, with the pool size(s), program and required documentation based on this budget.

### DETAILED SCOPE OF WORK (BASIC SERVICES)

#### 0 - GENERAL

During the project, certain activities occur in each phase. These activities, described below, are non-sequential and may not be applicable to all phases of the project. These activities include:

- 0.01 Project Administration services including:
  - .01 Initial consultation in development of the Project.





- .02 Preparation of compensation estimates and professional services agreement(s).
- .03 Project-related research.
- .04 Conferences.
- .05 Communications.
- .06 Travel time.
- .07 Progress reports.
- .08 Direction of the work of in-house personnel.
- 0.02 Disciplines Coordination/Document Checking services consisting of:
  - .01 Coordination between LPA's work and the work of other involved disciplines for the Project.
  - .02 Review and checking of documents prepared for the Project.
- 0.03 Agency Consulting/Review/Approval services including:
  - .01 Agency consultations.
  - .02 Preparation of written and graphic explanatory materials.
- 0.04 City-Supplied Data Coordination services including:
  - .01 Review and coordination of data furnished for the Project as a responsibility of the City.
- 1.02 Existing Facilities Surveys services consisting of researching, assembling, review and supplemental information for Projects involving alterations and additions to existing facilities or determining new space usage in conjunction with a new program including:
  - .01 Photography.
  - .02 Review of existing design data.
  - .03 Review of existing drawings.
- 1.03 Survey/Base Map Preparation.
  - .01 See Augmented Services.
- 1.04 Geotechnical services has the following scope:
  - .01 Assist the City in establishing the criteria and requirements for geotechnical investigation and required report for which all structural and storm water improvements will be based on.
- 1.05 Project Development Scheduling services consisting of establishing and maintaining a tentative schedule for predesign services, decision-making, design, documentation, contracting and construction, based on determination of LPA's services, City responsibilities and proposed design and construction procedures.

**1 - PREDESIGN SERVICES**

In the Predesign Phase, LPA, INC. shall provide those services necessary for LPA to assist the City in establishing a program, financial and time requirements, and limitations for the Project prior to beginning design. The following descriptions shall apply to those services.

- 1.01 Project Kickoff / "Plan the Plan Meeting" services required to establish the following detailed requirements for the Project.
  - .01 Initial meeting to review project process, schedule, goals, sustainability, budget, and milestones.
  - .02 Review existing project information including existing surveys, program information, record drawings, entitlements data, and other available information.

- 1.06 Summary of Meetings: services consisting of meeting attendance and presentations of Predesign Phase and recommendations by LPA, INC. as follows:
  - .01 One (1) – Kickoff Meeting (Plan The Plan).
- 1.07 Summary of Deliverables:
  - .01 Program.
  - .02 Schedule.
  - .03 Meeting Minutes.

**2 – GRAPE DAY PARK MASTER PLAN AND COMMUNITY WORKSHOP SERVICES**

- 2.01 Site Analysis: Conduct analysis of the existing site and record:

- .01 Circulation – Vehicular and pedestrian connections relative to the existing master plan. It is our understanding the City has a restroom project currently in progress at the park. Once provided by the City, LPA will consider the design of the restroom project in the park master plan.
  - .02 Existing trees to be protected in place (based on city supplied topographic survey and city supplied arborist report of existing tree conditions).
  - .03 Existing utilities and subsurface data (based on City supplied utility survey).
  - .04 Adjacent land uses, their relationships and edge conditions.
  - .05 Natural elements: sun, wind, soils, etc.
  - .06 Topography and surface drainage.
  - .07 Opportunities and constraints.
- 2.02 Workshop #1 -Staff In-House Workshop: This is an opportunity to engage with Community Services Staff, Public Works Staff and other key department staff to hear direct vision for programming opportunities, operations and to develop conceptual diagrams in a working session.
- 2.03 Workshop #2 - Community Workshop: The first public workshop will present the Master Plan process, focus on what the public sees as community recreation characteristics, issues and current opportunities and constraints for the park.
- 2.04 Site Awareness Tour (Concurrent with Workshop #2): This tour is an opportunity for attendees to engage with the stie, reflect on existing conditions and utilize a tor workbook that LPA will develop to encourage engagement.
- 2.05 Workshop 1, 2, and Site Awareness Tour Summary – LPA will compile information obtained in the two previous workshops and the site awareness tour into a summary document for use throughout the process and as a record of community involvement.
- 2.06 Stakeholder Interviews: – Face-to-face interviews with selected stakeholders such as key City personnel, community leaders, School District, and user group stakeholders, etc., to provide the opportunity to gain valuable perspective. These interviews seek insight into the City's values, strengths, weaknesses, unique attributes, distinctive competencies, and initiatives as well as identify any private sector and/or non-profit organizations and their capabilities to compete or collaborate with the City in delivery of recreation and swimming programs and services. This process lays the groundwork for an engaging and active Public Involvement Process. Consultants will work with Staff to identify and schedule interviewees, with a maximum of eight (8) interviews to be scheduled over the course of one day.
- 2.07 Focus Group Meeting(s): The use of focus groups is a method to engage stakeholders, staff, community leaders, youth, or adults in an interactive planning process. Focus groups provide effective interaction with specific population groups in more detail than possible in a large group or one-on-one setting. These groups may include representatives from City staff, public agencies, schools, public safety, non-profit community agencies, business leaders, faith-based organizations, special interest groups, or others. LPA will facilitate three (3) focus groups meetings (in a single day) to elicit comments from the participants to identify issues, concerns, and current or emerging facility or program needs.
- 2.08 City-Wide Resident Web-Based Survey: Resident surveys are a critical public planning tool due to their ability to represent the public as a whole with statistical validity. They also are an important validation check on the feedback from those citizens who choose to participate in venues such as public workshops or other open engagement. The City-wide surveying will use up to 3 short surveys (for high completion rates) and a target of 270 or more completed responses each to achieve statistical reliability of +/- 6% margin of error with a 95% confidence level. Results will be tabulated and provided in graphic format that will include geographically and demographically indexed results for the most helpful decision support.

- 2.09 City Steering Committee Meeting: Meeting with the Project Oversight or Steering Committee to review the findings of the workshops to date and to finalize the project program.
  - .01 Review program information from the various outreach strategies.
  - .02 Meet with City Steering Committee to confirm program requirements and obtain direction on proposed program.
  - .03 Design objectives, limitations, and criteria.
  - .04 Space requirements.
  - .05 Site requirements.
- 2.10 Conceptual Diagram services consisting of the development of up to three (3) diagrammatic studies and pertinent descriptive text for:
  - .01 Program elements identified in the workshops.
  - .02 Human, vehicular and material flow patterns.
  - .03 General space allocations.
  - .04 Adjacency.
  - .05 Flexibility and expandability.
- 2.11 Community Workshop #3 – The third workshop will focus on recreation programs and facilities input gathered during Workshop #2. Conceptual diagrams developed following the previous workshops will be presented to participants and feedback gathered.
- 2.12 Aquatic Committee Meeting: Special meeting with a select aquatic committee to review additional criteria, program information and requirements for the Aquatic Facility.
- 2.13 Conceptual Diagram Refinement services consisting of refinement of the conceptual diagrams into a single consensus master plan and an aquatics concept plan.
  - .01 Consensus Master Plan.
  - .02 Aquatic Concept Plan.
- 2.14 Rough Order of Magnitude Cost services consisting of development of a high-level cost range for a single consensus plan the Project based on the identified program elements, expected Project delivery process, and appropriate hard cost contingencies. Based on ROM costs, consultant team may develop conceptual phasing considerations / recommendations for the aquatics facility to respond to budgetary constraints of the City finances.
- 2.15 City Steering Committee Meeting: Meeting with the Project Oversight or Steering Committee to review the final consensus plan, rough order of magnitude costs.
  - .01 Review final consensus plan.
  - .02 Review Rough Order of Magnitude Cost Range.
  - .03 Review potential aquatic center phasing considerations.
- 2.16 Draft Master Plan Update – Prepare / Update the draft master plan document incorporating the following items:
  - .01 Introduction.
  - .02 Master Plan Vision, Goals and Objectives.
  - .03 Existing Conditions.
  - .04 Summary of research, observations, and community outreach results.
  - .05 Suggestions, rationales, and recommendations for the placement of amenities.
  - .06 Examples of the various program elements.
  - .07 Implementation strategy/phasing plan.
  - .08 Regulatory requirements.
  - .09 Preliminary Cost Range.
- 2.17 City Steering Committee Meeting: Meeting with the Project Oversight or Steering Committee to review the Draft Master Plan and Aquatic Concept Plan.
- 2.18 Commission and Council Presentations: Prepare for and attend commission, committee, and council meetings to present the Draft Master Plan.
  - .01 Planning Commission.
  - .02 Historic Preservation Committee.
  - .03 City Council.
- 2.19 Final Master Plan – Prepare a final master plan document final incorporating appropriate and reasonable City comments.



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- 2.20 Summary of Meetings:
  - .01 One (1) – In-House City Staff Workshop.
  - .02 Two (2) Community Workshop Meetings.
  - .03 One (1) – Site Awareness Tour (concurrent with Workshop 2).
  - .04 One (1) – Stakeholder Interviews (Up to 8 in a single day)
  - .05 Up to Three (3) – Focus Group Meetings (In a single day).
  - .06 One (1) – Aquatic Committee Meeting
  - .07 Up to Three (3) – Web Based Surveys.
  - .08 Up to Three (3) – City Steering Committee Meetings.
  - .09 One (1) Each – Planning Commission, Historic Committee, and City Council.
- 2.21 Summary of Deliverables:
  - .01 Agendas.
  - .02 Preliminary Master Plan Concepts.
  - .03 Aquatics Concept Plan.
  - .04 Consensus Summary Plan.
  - .05 ROM Cost Estimates and Conceptual Phasing Considerations.
  - .06 Draft Master Plan.
  - .07 Final Master Plan.
  - .08 Workshop Activity Summaries.
  - .09 Meeting Presentations (where appropriate).

**3 – AQUATIC CENTER SCHEMATIC DESIGN SERVICES**

In the Schematic Design Phase, LPA, INC. shall provide those services designated necessary to prepare Schematic Design Documents consisting of drawings and other documents illustrating the general scope, scale, and relationship of Aquatic Center Project components for approval by the City, based on program requirements provided by the City, and reviewed and agreed upon by LPA. Aquatic Center Design will be limited to the aquatic center only and will not include improvements to the broader Grape Day Park or other Master Plan program items. The following descriptions shall apply to those services specific to the Aquatic Center site.

- 3.01 Architectural and Interior Design/Documentation services responding to program requirements and consisting of preparation of preliminary documents for the aquatics building.
  - .01 Conceptual site and floor plans.
- .02 Preliminary selection of building systems and materials.
- 3.02 Landscape Design/Documentation services consisting of alternate materials, systems and equipment and development of conceptual design solutions for the following:
  - .01 Material selection and plans
  - .02 Planting concept.
  - .03 Hardscape areas and materials.
- 3.03 Aquatics Documentation services consisting of drawings and other documents illustrating the scale and relationship for an 8 lane by 25-yard multipurpose lap pool, Instructional Pool (approximately 11,700 sf) and interactive Splash Pad (pool sizes and quantity are subject to the budgetary assumptions noted in this Scope of Services):
  - .01 Conceptual Site Plan.
  - .02 Elevations of splash pad for conceptual site plan.
  - .03 Cut sheets for proposed play elements.
  - .04 Swimming Pool Plan View.
  - .05 Swimming Pool longitudinal sections.
  - .06 Swimming Pool finish concepts.
  - .07 Recreation pool plan section and finish concepts.
- 3.04 Structural Design/Documentation services consisting of recommendations regarding basic structural materials and systems, analyses, and development of conceptual design solutions for the specified structures.
  - .01 A preliminary structural system concept.
  - .02 Preliminary structural design criteria.
- 3.05 Electrical Design/Documentation services consisting of consideration of alternate systems, recommendations regarding basic electrical materials, systems and equipment, analyses, and development of conceptual design solutions for:
  - .01 Power service and distribution.
  - .02 Interior/exterior lighting.
  - .03 Communication systems.
  - .04 Special electrical systems (excluding A/V).



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- .05 General space requirements for electrical equipment and BDF/IDF rooms.
- 3.06 Mechanical and Plumbing Design/Documentation services consisting of consideration of alternate materials, systems and equipment, and development of conceptual design solutions for:
  - .01 Energy source(s).
  - .02 Energy conservation measures.
  - .03 Heating, ventilation, and air conditioning.
  - .04 Energy management and controls.
  - .05 Plumbing.
- 3.07 Civil Design/Documentation services consisting of development of conceptual design solutions for site components. Off-site areas, areas outside the property line, city sidewalks and areas within the public Right of Way are not included. Design solutions will be developed for the following:
  - .01 On-site utility systems exhibit.
  - .02 Fire department access exhibit.
  - .03 Drainage systems concept.
  - .04 Conceptual grading concept exhibit.
  - .05 Stormwater management requirements.
  - .06 Limits of demolition delineation.
  - .07 Parking lot layout.
  - .08 Off-site work limited to curb cuts and curb returns only.
- 3.08 Coordination Meeting: Meeting with the City Staff / Steering Committee to review development of the documents, obtain feedback on various studies and concepts and finalize design components.
- 3.09 Project Development Scheduling services consisting of reviewing and updating previously established Project Schedules for decision-making, design, documentation, contracting and construction.
- 3.10 Statement of Probable Construction Cost services consisting of development of a probable construction cost range for the Project based on the most recent schematic design document, current and historic area, volume, or other unit costs, expected Project delivery process, and appropriate contingencies.
- 3.11 Schematic Design Presentation: Present the Schematic Design Package and Cost Estimate to the Steering Committee for approval.
- 3.12 Summary of Presentations / Meetings services consisting of meeting attendance and presentation of Schematic Design Documents by LPA to the following City representatives:
  - .01 One (1) – City Coordination Meeting.
  - .02 One (1) – Schematic Design Presentation.
- 3.13 Summary of Deliverables consisting of:
  - .01 Schematic Design architectural and structural for the structures.
  - .02 Schematic Design for civil engineering, electrical, landscape architecture and aquatics for the site.
  - .03 Updated Project Schedule (if applicable).
  - .04 Statement of Probable Construction Cost.
  - .05 Meeting Minutes.

**4 – AQUATIC CENTER DESIGN DEVELOPMENT SERVICES**

In the Design Development Phase, LPA, INC. shall provide those services designated necessary to prepare from the approved Schematic Design Documents, for approval by the City, the Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the entire Aquatic Center Project, including architectural, structural, landscape architecture, mechanical, aquatics and plumbing systems, materials and such other elements as may be appropriate. Consideration shall be given to availability of materials, equipment and labor, construction sequencing and scheduling. The following descriptions shall apply to those services.

- 4.01 Architectural Design/Documentation services consisting of continued development and expansion of architectural Schematic Design Documents to establish the final relationships, forms, size, and appearance of the Project architectural components described in Section 3 through the preparation of the following exhibits:

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- .01 Plans, sections, and exterior elevations.
  - .02 Typical construction details.
  - .03 Interior elevations.
  - .04 Final materials selections.
  - .05 Equipment layouts.
- 4.02 Landscape Design/Documentation services consisting of continued development and expansion of landscape Schematic Design Documents and development of Outline Specifications or materials lists to establish final scope and preliminary details for landscape work for the Project landscape architecture components described in Section 3 through the preparation of the following exhibits:
- .01 Hardscape Plan.
  - .02 Typical Construction Details.
  - .03 Applicable Elevations.
  - .04 Planting Plans and Details.
- 4.03 Aquatics Documentation services consisting of drawings and other documents to fix and describe the size and character of the swimming pool architectural, structural, mechanical, and electrical systems, materials, and such as other elements, as may be appropriate, through the preparation of the following exhibits:
- .01 Swimming Pool/Recreation Pool plan view.
  - .02 Swimming Pool/Recreation Pool longitudinal and cross sections.
  - .03 Swimming Pool/Recreation Pool finish details.
  - .04 Swimming Pool/Recreation Pool rail goods/competitive equipment details.
  - .05 Splash pad plan views.
  - .06 Splash pad longitudinal and cross sections.
  - .07 Splash pad finish details.
  - .08 Splash pad play equipment and details.
  - .09 Swimming pool and splash pad equipment room dimensions.
  - .10 Utility requirements and points of connection.
  - .11 HVAC requirements for pool equipment.
  - .12 Outline specifications.
- 4.04 Structural Design/Documentation services consisting of continued development of the specific basic structural system(s) and Schematic Design Documents in sufficient details to establish:
- .01 Final structural design criteria.
  - .02 Foundation and framing sizes.
  - .03 Lateral load resisting system.
  - .04 Critical coordination clearances.
  - .05 Outline specifications of material lists.
- 4.05 Mechanical and Plumbing Design/Documentation services consisting of continued development and expansion of mechanical Schematic Design Documents and development of Outline Specifications or materials lists to establish:
- .01 Preliminary site utility connections.
  - .02 Approximate equipment sizes, weights, and capacities.
  - .03 Preliminary equipment layouts.
  - .04 Required chases and clearances.
  - .05 Preliminary distribution and routing.
  - .06 Visual impacts.
  - .07 Plumbing requirements and equipment.
  - .08 Preliminary energy calculations for code compliance.
- 4.06 Electrical Design/Documentation services consisting of continued development and expansion of electrical Schematic Design Documents and development of Outline Specifications or materials lists to establish:
- .01 Criteria for lighting, electrical and communications systems.
  - .02 Approximate sizes and capacities of major components.
  - .03 Preliminary electrical/low voltage/fire alarm device layouts.
  - .04 Interior/exterior lighting fixture layouts, control locations, and base specifications.
  - .05 Required chases and clearances.
- 4.07 Civil Design/Documentation services consisting of continued development and expansion of civil Schematic Design Documents and development of Outline Specifications or materials lists to establish the final scope and preliminary details for the specified areas.

- 4.08 Interior Design/Documentation services consisting of development of Outline Specifications or materials lists to establish the final scope and preliminary details.
- 4.09 Coordination Meeting: Meeting with the City Staff / Steering Committee to review development of the documents, obtain feedback and finalize design components.
- 4.10 Project Development Scheduling services consisting of reviewing and updating previously established schedules of the Project.
- 4.11 Statement of Probable Construction Costs services consisting of updating and refining the Schematic Design Phase Statement of Probable Construction Cost of the Project, taken into consideration:
  - .01 Availability of materials and labor.
  - .02 Project delivery procedures.
  - .03 Construction scheduling.
  - .04 Changes in scope of the Project.
  - .05 Adjustments in materials.
- 4.12 Design Development Presentation: Present the Schematic Design Package and Cost Estimate to the Steering Committee for approval.
- 4.13 Summary of Presentations/Meetings services consisting of presentation of Design Development Drawings and other documents by LPA to the following City representatives:
  - .01 Two (2) – Steering Committee Design Coordination Meeting.
  - .02 One (1) – Design Development and Budget Presentation.
- 4.14 Summary of Deliverables consisting of:
  - .01 Building Design Development drawings of architecture, interiors, structural, mechanical, and electrical design.
  - .02 Site Design Development drawings of civil, aquatics, site electrical and landscape architecture requirements.
  - .03 Outline specification.
  - .04 Schedule update.
  - .05 Updated Statement of Probable Construction Cost.

## 5 – AQUATIC CENTER CONSTRUCTION DOCUMENTS SERVICES

In the Construction Documents Phase, LPA, INC. shall provide those services designated necessary to prepare, from the approved Design Development documents, for approval by the City, Construction Documents for the Aquatic Center consisting of Drawings, Specifications and other documents setting forth in detail the requirements for construction of the Project and bidding and contracting for the construction of the Project. The following descriptions shall apply to those services:

- 5.01 Architectural Design/Documentation services consisting of preparation of Drawings based on approved Design Development Documents setting forth in detail the architectural construction requirements for the Project including the following:
  - .01 Final site plan.
  - .02 Floor plans.
  - .03 Sections/elevations.
  - .04 Details.
  - .05 Building systems/materials.
  - .06 Kitchen consultant coordination.
  - .07 Specifications.
- 5.02 Landscape Design/Documentation services consisting of preparation of Drawings and Specifications based on approved Design Development Documents, setting forth in detail the landscape requirements for the Project including the following:
  - .01 Materials and layout plans.
  - .02 Details.
  - .03 Sections and elevations.
  - .04 Planting plans and details.
  - .05 Irrigation plans and details.
  - .06 Specifications.
- 5.03 Aquatics Documentation services consisting of drawings and specifications setting forth in detail the requirement for construction of the aquatic components including the following for the swimming pools and splash pad:
  - .01 Architectural drawings.
  - .02 Structural drawings.
  - .03 Mechanical drawings.
  - .04 Electrical drawings.
  - .05 Specifications.

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- 5.04 Structural Design/Documentation services consisting of preparation of final structural engineering calculations, Drawings and Specifications based on approved Design Development documents, setting forth in detail the structural construction requirements for the Project including the following:
  - .01 Structural details and systems.
  - .02 Structural calculations.
  - .03 Specifications.
- 5.05 Mechanical Design/Documentation services consisting of preparation of final mechanical engineering calculations, Drawings and Specifications based on approved Design Development documents, setting forth in detail the mechanical construction requirements for the Project including the following:
  - .01 Mechanical details and plans.
  - .02 Details and systems.
  - .03 Calculations.
  - .04 Specifications.
- 5.06 Electrical Design/Documentation services consisting of preparation of final electrical engineering calculations, Drawings and Specifications based on approved Design Development Documents including the following:
  - .01 Electrical plans.
  - .02 Calculations.
  - .03 Details and schedules.
  - .04 Specifications.

NOTE: Security system design and engineering are not included.
- 5.07 Civil Design/Documentation services consisting of preparation of final civil engineering calculations, Drawings and Specifications based on approved Design Development documents, setting forth in detail the civil construction requirements for the Project including the following:
  - .01 Demolition Plan.
  - .02 Horizontal Plan.
  - .03 Pavement Plan.
  - .04 Wet Utilities Plan.
  - .05 Final Grading Plan.
  - .06 Management Plan.
  - .07 Specifications.
- 5.08 Interior Design/Documentation services consisting of preparation of Drawings and Specifications based on approved Design Development documents, setting forth in detail the requirements for interior construction for the Project including the following:
  - .01 Finish plans.
  - .02 Reflected ceiling plans.
  - .03 Plan enlargements.
  - .04 Elevations.
  - .05 Details.
  - .06 Specifications.
- 5.09 Materials Research/Specifications during the Construction Documents Phase consisting of:
  - .01 Assistance to the City in development of Bidding documents.
  - .02 Assistance to the City in development of their prepared Conditions of the Contract (General, Supplementary, and other Conditions).
  - .03 Development and preparation of Specifications describing materials, systems and equipment, workmanship, quality, and performance criteria required for the construction of the Project.
  - .04 Compilation of Project Manual including Conditions of the Contract, Bidding Documents and Specifications.
- 5.10 Statement of Probable Construction Cost services consisting of updating of the Design Development Phase Statement of Probable Construction Cost of the Project, taking into account:
  - .01 Changes in materials, systems or details of construction which have occurred during preparation of the Construction Documents.
  - .02 Known changes in the cost of materials, labor, and services since preparation of the previous Statement of Probable Construction Cost.
  - .03 Adjustments for known or anticipated changes in the bidding market relative to the Project.





- 5.11 Summary of Presentations / Meetings services consisting of meeting attendance and presentations of Construction Documents and special presentation graphics by LPA to the following City representatives:
  - .01 One (1) - Steering Committee Meeting(s).
  - .02 One (1) - Agency Submittal and Budget Review.
- 5.12 Summary of Deliverables consisting of:
  - .01 Bid-ready construction plans and specifications.
  - .02 Statement of Probable Construction Cost.
  - .03 Digital copy of plans and specifications.
  - .04 Mylar copy of plans and specifications.

**6 - AQUATIC CENTER BIDDING / NEGOTIATION SERVICES**

In the Bidding or Negotiations Phase, LPA, INC., following the City approval of the Construction Documents and of the most recent Statement of Probable Construction Cost, shall provide those services designated necessary for LPA to assist the City in obtaining bids or negotiated proposals and in awarding and preparing contracts for construction of the Aquatic Center. The following descriptions shall apply to those services assigned as the responsibility of the party indicated therein.

- 6.01 Bidding Materials services consisting of assisting the City with:
  - .01 Coordination.
  - .02 Completeness review.
- 6.02 Addenda services consisting of preparation and distribution of Addenda as may be required during bidding or negotiation and including supplementary Drawings, Specifications, instructions, and notice(s) of changes in the bidding schedule and procedure based on the approved Construction Documents.
- 6.03 Bidding/Negotiations services consisting of:
  - .01 Assistance to the City in establishing a list of Bidders or proposers.
  - .02 Assisting to City in establishing Prequalification requirements for

- Bidders or proposers, where appropriate.
- .03 Participation in pre-bid conference.
- .04 Responses to questions from Bidders or proposers and clarifications or interpretations of the Bidding Documents.
- .05 Attendance at bid opening.
- 6.04 Analysis of Alternates/Substitutions services consisting of consideration, analyses, comparisons, and recommendations relative to alternates or substitutions proposed by Bidders or proposers prior to receipt of Bids or proposals.
- 6.05 Bid Evaluation services consisting of:
  - .01 Participation in reviews of Bids or proposals.
- 6.06 Construction Contract Agreements services consisting of:
  - .01 Preparation and distribution of sets of Contract Documents for execution by parties to the Contract(s).
- 6.07 Summary of Presentations / Meetings services consisting of presentation of Construction Documents and other documents by LPA to the following City representatives:
  - .01 One (1) - Prebid Conference
  - .02 One (1) - Bid Opening
- 6.08 Summary of Deliverables consisting of:
  - .01 Bid documents.
  - .02 Addenda.

**7 - AQUATIC CENTER CONSTRUCTION CONTRACT OBSERVATION SERVICES**

In the Construction Contract Observation Phase, LPA, INC. shall provide those services designated necessary for the administration of the Aquatic Center construction contract as set forth in the General Conditions of the Contract for Construction. Unless otherwise provided in the Scope of Services, LPA duties and responsibilities during construction shall be as set forth in the Agreement between the City and Architect for Designated Services. The following descriptions shall apply to those services:

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- 7.01 Office Construction Administration services consisting of:
  - .01 Processing of submittals, including receipt, review of, and appropriate action on Shop Drawings, Product Data, Samples, and other submittals required by the Contract Documents.
  - .02 Distribution of submittals to the City, Contractor and/or LPA's field representative, as required.
  - .03 Maintenance of master file of submittals.
  - .04 Related communications.
- 7.02 Construction Field Observation services consisting of visits to the site as noted below to become generally familiar with the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents and preparing related reports and communications. Site visits are based on bi-weekly meetings for Sixty (60) weeks of construction for a total of Thirty (30) meetings. Structural observation field visits will be based on the critical stage of construction.
- 7.03 Supplemental Documents services consisting of:
  - .01 Preparation, reproduction and distribution of supplemental clarification Drawings, Specifications, and interpretations in response to requests for information by Contractor or the City and, as required, by construction.
  - .02 Forwarding the City's instructions and providing guidance to the Contractor on the City's behalf relative to changed requirements and schedule revisions.
- 7.04 Quotation Requests/Change Orders services consisting of:
  - .01 Preparation, reproduction and distribution of Drawings and Specifications to describe Work to be added, deleted, or modified.
  - .02 Review of proposals from Contractor(s) for reasonableness of quantities and costs of labor and materials.
- .03 Review and recommendations relative to changes in time for Substantial Completion.
- .04 Coordination of communications, approvals, notifications, and record-keeping relative to changes in the Work.
- 7.05 Project Schedule Monitoring services consisting of monitoring the progress of the Contractor(s) relative to established schedules and making status reports to the City.
- 7.06 Project Closeout / Substantial Completion services initiated upon notice from the Contractor(s) that the Work, is sufficiently complete, in accordance with the Contract Documents, to permit occupancy or utilization for the use for which it is intended, and consisting of:
  - .01 A review with the City's representative for conformity of the Work to the Contract Documents to verify the list submitted by the Contractor of items to be completed or corrected.
  - .02 Review upon notice by the Contractor that the Work is ready for final review and acceptance.
  - .03 Notification to the City and Contractor of deficiencies found in follow-up review, if any.
  - .04 Final review with the City representative to verify final completion of the Work.
  - .05 Receipt and transmittal of warranties, affidavits, receipts, releases and waivers of lien or bonds indemnifying the City against liens.
- 7.07 Record Drawings services consisting of:
  - .01 Making arrangements for obtaining from Contractor(s) and other parties information certified by them on all changes made during construction from the initial Contract Documents and on the location of concealed systems as installed during construction.
  - .02 Review of general accuracy of information submitted and certified to by the Contractor(s).
  - .03 Transmittal of record drawings and general data, appropriately



- identified, to the City and others, as directed.
- 7.08 Summary of Meetings services consisting of presentation of Construction Documents and other documents by LPA to the following City representatives:
- .01 Thirty (30) – Bi-Weekly Meetings.
  - .02 One (1) – Project Close Out Reviews.
- 7.09 Summary of Deliverables:
- .01 Field Reports/communications.
- 8.03 Aquatic Center SWPPP services include preparation of a Stormwater Pollution Prevention Plan.
- 8.04 Aquatic Center WQMP services include preparation of a Water Quality Management Plan / Stormwater Management Plan within the limits of the proposed project
- 8.05 Aquatic Center Operational and Market Study
- .01 Project Overview
    - a. Project review and update.
    - b. Identify constraints and parameters.
    - c. Meet with project team.
  - .02 Market Analysis
    - a. Service areas identification.
    - b. Demographic.
    - c. Characteristics/community profile.
    - d. Review of existing city program.
    - e. Competitive market analysis
    - f. Comparison with national, regional, and local participation statistics/trends.
  - .03 Operational Plan
    - a. Use estimates.
    - b. Fee structure.
    - c. Sources of income.
    - d. Operating cost projections.
    - e. Revenue generation projections.
    - f. Revenue / expenditure comparisons.
    - g. Capital improvement allocation.
  - .04 Final Report
    - a. Incorporate City comments.
    - b. Develop final report.
    - c. Develop executive summary.
  - .05 Meetings
    - a. One (1) - Market Analysis presentation.
    - b. One (1) - Operational Plan presentation.
- 8.01 Cost Estimating services provided at the following milestones as described:
- .01 Programming / Conceptual Design.
  - .02 Aquatic Center Schematic Design.
  - .03 Aquatic Center Design Development.
  - .04 Aquatic Center Construction Documents.
- 8.02 Aquatic Center Topographic Survey has the following scope:
- .01 Field Establish Control, set aerial targets, fly 1"=40' scale aerial Topography.
  - .02 Design Survey to supplement aerial survey.
  - .03 Plot Record Property lines based upon City provided title report.
  - .04 We understand the City has an existing topographic survey of Grape Day Park. LPA will review the provided survey and where possible or practical, may utilize the survey to reduce the limits of supplemental survey work at the aquatic facility.
- 8.03 Aquatic Center Underground Utility Survey has the following scope:
- .01 Utilizing the same limits of surveying as the topographic survey, utilize location equipment to determine the presence of and approximate locations and estimated depth of underground utilities that can be detected with commonly available locating equipment, such as electromagnetic, CCTV push camera, ground penetrating radar (GPR), locatable duct rodder.

8 – AUGMENTED SERVICES

The following are included in the Scope of Services and are in addition to the Basic Services noted in Tasks 1 – 7.

## STANDARD ASSUMPTIONS

The following are Scope of Work assumptions:

1. **CONSULTANTS:** The work of the aforementioned consultants is included as part of this Scope of Services and will be billed at their fee plus 20% for LPA's coordination.
2. **SURVEY:** The topographic survey is provided as an augmented service and is limited to the aquatic area only and does not encompass the broader Grape Day Park, offsite areas, or areas beyond the immediate limits of the aquatic facility. The plotting of the Record Property Lines is considered preliminary and subject to change if a Boundary Survey is performed.
3. **TITLE REPORT:** City to provide a comprehensive single title report from which all relevant property line, easement and legal boundaries will be plotted.
4. **GEOTECHNICAL ENGINEERING:** The City shall provide a geotechnical report from which all structural information shall be based.
5. **UTILITY LOCATING / FORENSICS:** The city is to provide an accurate utility plan indicating the location, type, and depth of all utilities.
6. **APPROVAL:** The City's written request to commence each task constitutes approval of prior work. Changes in subsequent work will be considered additional services, documented, and billed on an hourly basis.
7. **MARKET / OPERATIONAL REPORT:** A market and operational report has been included as an optional service and is in addition to the Basic Services.
8. **CONSULTANTS:** The work of the Architect, Landscape Architect, Structural Engineer, Civil Engineer, Mechanical Engineer, Electrical Engineer, Cost Estimator, Aquatics Consultant, and the Irrigation Consultant are included as part of this contract. Any other necessary consultants are in addition to the contract and will be billed at fee, plus 10% for coordination.
9. **REIMBURSABLES:** All project expenses shall be reimbursed to LPA by the City at a multiple of 1.10. Project expenses include, but are not necessarily limited to, all normal costs involving models, renderings, document reproduction, plotting, deliveries, mileage, and approved travel. Unless otherwise agreed to in writing, all governmental taxes and fees will be paid directly by the City. These taxes and fees are separate and are not a part of LPA's reimbursable allowance. Unless specifically noted as being included in a 'stipulated sum', all consultant fees shall be subject to a multiple of 1.10.
10. **RESPONSIBILITIES:** LPA will be responsible for Master Planning Services and Community Outreach (as noted), and Schematic Design, Design Development, Construction Documents, Bid Negotiations, and Construction Administration for the Aquatic Complex as stated on this this Scope of Services. Offsite related work for any area and development of detailed design, Schematic Design or Construction Documents for Grape Day Park are excluded.
11. **AGENCY APPROVAL:** It is assumed all permitting and approval will be through the City of Escondido and County Health Department. Submittals to any other agency including DSA or the requirement of obtaining approvals from any other agency is excluded and may be provided as an optional service. Based on preliminary discussions with DSA regarding similar projects, if a joint use agreement is developed with the School District and/or funding is utilized from the School District it is highly likely that DSA will require a full review and approval as the Lead Agency superseding City requirements. LPA will review the project specifics with the City and include a virtual meeting with LPA's entitlements coordinator to review DSA's requirements and assist in determining if a review by DSA is required.
12. **RATE SCHEDULE:** The attached LPA hourly rate schedule became effective March 2022, however, is subject to change without notification.

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13. ADDITIONAL SERVICES: Tasks not included in this Scope of Services but requested by the City shall be identified as such and billed at an hourly rate unless a detailed scope of services proposal is requested.
14. SPECIFICATIONS: The City shall provide the Standard General Conditions, Special Conditions, and Bidding Instructions. Consultant shall utilize CSI standard format for technical specifications and refer to and include by reference the 2021 Standard Specifications for Public Works Construction ("Greenbook").
15. FEES: The City shall pay all government fees, permits, assessments, etc.
16. SPECIAL MEETINGS: Necessary preparation time and attendance at public hearing, Council Meetings, Commission Meetings or agency meetings (other than as noted in this Scope of Services) by LPA, INC. are not within this Scope of Services.
17. MASTER PLAN: It is assumed the master plan and aquatic facility will be developed concurrently with meetings addressing both items unless noted otherwise in this Scope of Services. The Master Plan is assumed to be an "Update" and not a comprehensive development of a New Master Plan. All previously developed information including the existing Draft Master Plan will be provided to LPA in a usable manner directly editable without requiring extensive redevelopment, word processing or other efforts.
18. PROJECT PHASES: This proposal is based on the assumption that the project shall be installed in one phase. Additional phasing of the project shall require changes to the Construction Documentation, Bid Negotiation and Construction Administration phases of work. Additional work due to phasing of the project shall be considered as additional services.
19. CONSTRUCTION DOCUMENTS: The Construction Documents will be developed as one set of documents. The scope of work does not include a separate set of off-site improvements. If the City requires a separate set of documents for early bid packages, early demo packages or for off-site, etc., LPA will provide these drawings as an additional service.
20. ELECTRICAL EXCLUSIONS: Temporary power design is excluded.
21. LEED/SUSTAINABLE DOCUMENTATION: The design or documentation of LEED or other sustainable tracking/certification process is excluded and may be provided as an additional service.
22. PHOTOVOLTAIC / SOLAR WATER: The design and/or documentation of photovoltaic or solar water systems are excluded and may be provided as an additional service.
23. CITY STREET IMPROVEMENT EXCLUSIONS: Improvements to adjacent city streets are excluded. Any work requiring a dedicated or unique set of documents separate from the comprehensive set being prepared for on-site related work is excluded and may be provided as an additional service.
24. ENVIRONMENTAL: All CEQA related work including but not limited to studies for area wide traffic impacts, cultural resources, stream preservation or modification, soil mitigation or clean-up, oil operations, arborists study of existing tree conditions, regional drainage study, and sensitive habitat are not included in this proposal. It is anticipated that the City has the existing studies required.
25. EXISTING TREES: City to supply a complete arborist report of existing trees with genus, species, condition, and recommendations.
26. PLANNING DEPARTMENT: Submittal and/or preparation of any documents for Planning Department are excluded.
27. OFF-SITE: Off-site infrastructure is in place and adequate connection points for storm drain, water, and sewer are available at the limits of the proposed aquatic facility (or on-site) to serve the proposed development. No studies of utilities beyond the immediate limit of the aquatic facility are included.
28. ACCESS: Access points to the adjacent streets have been previously established and

SCOPE OF SERVICES | GRAPE DAY PARK MASTER PLAN AND AQUATIC CENTER DESIGN  
6/15/2022

- no improvements other than minor curb cuts are anticipated.
29. BOUNDARY: The boundary corners for the site have been established and monumented by others.
30. FLOOD PLAIN: The site is not located within the limits of a 100-year floodplain and will not include any new regional drainage improvements. No on-site retention is anticipated.
31. MAILERS AND OUTREACH: All mailers, noticing and outreach to the community and/or stakeholders (or any other group) shall be by the City. LPA may assist in the development of graphics for fliers and similar items if required.
32. ESCONDIDO CREEK: Studies, coordination with or any required documentation related to Escondido Creek is excluded.
33. ACOUSTICS: Acoustic studies or any other special study is excluded. All required information related to acoustics is to be provided by the City.
34. RECORD DRAWINGS: Information is to be provided by the Contractor. Any drafting services required by the City can be provided on an hourly basis.
35. FIELD SURVEY STAKING: Project General Contractor will provide all field survey staking, as-built survey and plans, and grading and wet utilities substantial conformance letter.
36. SCOPE AND FEES: LPA's scope and fees are based on an assumed level of documentation as described in this Scope of Services with a construction budget of up to \$8.4 million. Based on the scope preliminarily identified in the RFP, the actual construction cost may exceed the budget assumptions noted and may require additional documentation. If the approved budget is increased from the \$8.4 Million noted, LPA's fees will be adjusted up at the same percentage as the original proposal.
37. MEETINGS: Where the maximum number of meetings to be included in Architect's services is specified herein, Architect and architect's consultants agree to attend, and participate in, as many meetings as specified as part of the Basic Services. Meetings in excess of those specified will be billed as Additional Services.
38. DELIVERABLES: The preceding description of services general outlines the activities associated with executing each phase of work. The necessity for, and the extent to which, the Architect and Architect's consultants must commit time and resources to any specific activity will vary depending on the needs of the project. Consequently, the description of services does not represent a comprehensive list of deliverables.
39. CONSULTATION AND COORDINATION: All consultations and coordination not associated with specific meetings shall be conducting at the sole discretion of the Architect and Architect's consultants, and only as necessary for the Architect and Architect's consultants to complete the professional services of this agreement.
40. DOCUMENTS: Documents described in the preceding description of services shall be provided, as appropriate, for the needs of the project and to a level of detail consistent with the standard of practice for this type of project and for the geographical area and regulatory jurisdiction(s) in which the project is located.
41. PROJECT CONTROL: The Architect shall not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility under the Contract for construction. Without in any way limiting the Architect's responsibilities and obligations under Title 21 of the California Code of Regulations or the Building Standards published by the ICBO (formerly Title 24 of the California Code of Regulations), the Architect shall not otherwise be responsible for the Contractor's schedules or failure to carry out the work in accordance with the Contract Documents. The Architect shall not have control over or charge of acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.

### D. SCHEDULING

The Scope of Work shall commence upon execution of this agreement, estimated approximately on or around July 27, 2022. The following are approximate schedule durations for each of the phases of the project, based on a late July '22 starting date and shall be updated at each milestone of the project for City review and approval.

Phase	Duration	Approximate Dates
Master Plan	8 mo.	Jul. '22 – Feb. '23
Schematic Design	3 mo.	Feb. '23 – Apr. '23
Design Development	3 mo.	May. '23 – Jul. '23
Construction Documents	3 mo.	Aug. '23 – Oct. '23
Agency Review	4 mo.	Oct. '23 – Jan. '24
Bidding/Negotiations	3 mo.	Feb. '24 – Mar. '24
Constr. Observation	18 mo.	Mar. '24 – Sept. '25

### E. CONTRACT PRICE AND PAYMENT TERMS

The following is the proposed compensation for the Scope of Work identified. The contract price total dollar amount is an estimated fee based on an assumed Project Budget of \$12 Million and a Construction Cost of up to \$8,400,000. Upon confirmation of the budget at the end of Schematic Design, LPA's fees and services will be adjusted up to reflect the final budget and related documentation and locked in at that time.

The contract price shall not exceed \$1,040,400.00 without written approval from the City, and includes basic services, augmented services and reimbursable expenses and does not include optional services. The contract price for the work includes all labor, materials, equipment, reimbursable expenses and transportation required to perform the work referenced above in the Scope of Work. Pending confirmation of the scope, the following fees may be adjusted to align with the services noted.

\*Master Plan

Master Plan:	\$146,000
<b>Subtotal Master Planning</b>	<b>\$146,000</b>

Documentation (Basic Services)

Schematic Design:	\$ 107,100
Design Development (30% CD):	\$ 164,200
Construction Documents:	\$ 214,200
Bidding:	\$ 21,420
Construction Observation	\$ 207,080
<b>Subtotal Documentation (Basic Srvcs.)</b>	<b>\$ 714,000</b>

\*Augmented Services

Topographic Survey:	\$ 38,856
Underground Utilities Survey:	\$ 17,244
Cost Estimating	\$ 46,800
SWPPP	\$ 6,000
WQMP/Storm Water Quality Mgmt. Plan	\$ 6,000
Operational & Market Study	\$ 24,600
<b>Subtotal Augmented Services</b>	<b>\$ 139,400</b>

Reimbursable Allowance	<u>\$ 41,000</u>
<b>TOTAL</b>	<b>\$1,040,400</b>



**SCOPE OF SERVICES** | GRAPE DAY PARK MASTER PLAN AND AQUATIC CENTER DESIGN  
 6/15/2022

\*Augmented Services: Augmented Services are in addition to the Basic Services noted in the Master Plan and Documentation scopes but are included in the overall project scope and contract price.

Reimbursable expenses are in addition to compensation and typically run approximately %5 - 10% of a total project fee. They include costs for reproduction, plotting, express mailing, delivery charges, mileage, travel, and overhead on consultant invoices.

Consultant shall submit monthly invoices to the City, and the City shall pay Consultant for invoiced services within 30 days of receipt of invoices for those services.

Aquatics:	Aquatic Design Group
Cost Estimating:	HL Construction Management
Irrigation Design:	Sweeney and Associates
**Optional	Ballard*King
Market/Operations:	

**BASIC HOURLY RATE SCHEDULE**

Principal	\$280.00
Director	\$240.00
Discipline Director	\$260.00
Project Director	\$250.00
Project Leader	\$200.00
Design Coordinator II	\$170.00
Manager	\$165.00
Design Coordinator I	\$145.00
Senior Specialist	\$140.00
Designer III	\$135.00
Specialist III	\$110.00
Designer II	\$120.00
Specialist II	\$95.00
Designer I	\$110.00
Specialist I	\$85.00
Intern	\$85.00

NOTE: These rates became effective March 2022 and are subject to change annually.

**PROPOSED CONSULTANT/DISCIPLINES**

Architecture:	LPA
Landscape Architecture:	LPA
Interior Design:	LPA
Structural:	LPA
Civil:	LPA
Mechanical/Plumbing:	LPA



## ATTACHMENT "B" Personnel List

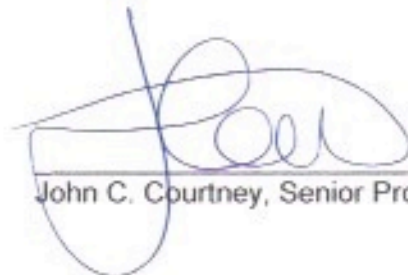
Pursuant to Section 4 of the Agreement, CONSULTANT shall only assign performance of Services to persons listed below.

1. Arash Izadi, Principal, [aizadi@lpadesignstudios.com](mailto:aizadi@lpadesignstudios.com) , and
2. John Courtney, Managing Director & Sr. Project Manager, [john.courtney@lpadesignstudios.com](mailto:john.courtney@lpadesignstudios.com), and
3. Rocio Gertler, Principal, [rgertler@lpadesignstudios.com](mailto:rgertler@lpadesignstudios.com), and
4. Lindsay DeCeault, Project Landscape Architect, [ldeceault@lpadesignstudios.com](mailto:ldeceault@lpadesignstudios.com) , and
5. Matthew Porreca, Project Architect, [mporreca@lpadesignstudios.com](mailto:mporreca@lpadesignstudios.com) , and
6. Kathereen Shinkai, Civil Engineer, [kshinkai@lpadesignstudios.com](mailto:kshinkai@lpadesignstudios.com) , and
7. Erik Ring, Mechanical Engineer, [ering@lpadesignstudios.com](mailto:ering@lpadesignstudios.com) , and
8. Bryan Seamer, Structural Engineer, [bseamer@lpadesignstudios.com](mailto:bseamer@lpadesignstudios.com) , and
9. Steve Bakin, Electrical Engineer, [sbakin@lpadesignstudios.com](mailto:sbakin@lpadesignstudios.com) , and
10. Darcie Gumbayan, Entitlement Specialist, [dgumbayan@lpadesignstudios.com](mailto:dgumbayan@lpadesignstudios.com) , and
11. Kenya Huezo, Landscape Architect, [khueze@lpadesignstudios.com](mailto:khueze@lpadesignstudios.com) , and
12. Jesse Hong, Landscape Architect, [jhong@lpadesignstudios.com](mailto:jhong@lpadesignstudios.com) , and
13. Eric Baumgartner, Architect, [ebaumgartner@lpadesignstudios.com](mailto:ebaumgartner@lpadesignstudios.com) , and
14. Dennis Berkshire, Aquatic Consultant, Aquatic Design Group, [dberkshire@aquaticdesigngroup.com](mailto:dberkshire@aquaticdesigngroup.com), and
15. Scott Ferrell, Aquatic Architect, Aquatic Design Group, [sferrell@aquaticdesigngroup.com](mailto:sferrell@aquaticdesigngroup.com) , and
16. Ryan Craven, Cost Estimator, [rcraven@hlconstructionmanagement.com](mailto:rcraven@hlconstructionmanagement.com) , and
17. Tim Fettig, Surveyor (Guida Surveying), [tfettig@guidainc.com](mailto:tfettig@guidainc.com) , and
18. Darin Barr, Project Analyst, (Ballard\*King Associates), [darin@ballardking.com](mailto:darin@ballardking.com) , and
19. George Wymer, Irrigation Designer, (Sweeney & Associates), [gwyrner@sweeneyassoc.com](mailto:gwyrner@sweeneyassoc.com) , and

CONSULTANT shall not add or remove persons from this Personnel List without the City's prior written consent. If CONSULTANT has not designated a person to perform a component of the Services, CONSULTANT shall not assign such component of the Services to a person without obtaining the City's prior written consent. CONSULTANT shall not subcontract any component of the Services without obtaining the City's prior written consent.

Acknowledged by:

Date: 7/15/22

  
\_\_\_\_\_  
John C. Courtney, Senior Project Manager



# STAFF REPORT

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July 27, 2022  
File Number 0650-20

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## SUBJECT

**CONSIDERATION OF RESOLUTION AND ORDINANCE PLACING THE ESCONDIDO PUBLIC SAFETY AND ESSENTIAL SERVICES REVENUE MEASURE BEFORE VOTERS AT THE MUNICIPAL ELECTION ON NOVEMBER 8, 2022.**

## DEPARTMENT

City Manager

## RECOMMENDATION

Request the City Council (a) adopt Resolution No. 2022-98R calling for an election submitting a proposed one cent general transactions and use (sales) tax increase to the voters; (b) introduce Ordinance No. 2022-15 amending the Escondido Municipal Code to establish a one cent sales tax to be administered by the California Department of Tax and Fee Administration, including provisions for citizens' oversight and accountability; and (c) adopt Resolution No. 2022-99 expressing the Intent of the City Council in adopting Ordinance No. 2022-15.

While the introduction of additional taxes on people at any time should never be done casually, after several months of outreach and engagement with residents and community groups joining this important discussion, staff recommends placing this item on the November 2022 ballot to allow the voters the opportunity to consider an issue which will address the long-term fiscal health of the City of Escondido for years to come.

Staff Recommendation: Approval (City Manager: Sean McGlynn)

Presenters: Joanna Axelrod, Deputy City Manager/Director of Communications & Community Services; Christina Holmes, Finance Director

## FISCAL ANALYSIS

The Registrar of Voters estimates that the cost of placing the Public Safety and Essential Services Revenue Measure on the November 8, 2022 ballot will be up to \$80,000, which includes printing and distributing the ballot question, impartial analysis, supporting/opposing view, and rebuttal. If the measure passes, preparatory costs and ongoing administration costs charged by the California Department of Tax and Fee Administration will be paid from the revenues received.

## PREVIOUS ACTION

On October 13, 2021, City Council appointed Mayor McNamara and Councilmember Morasco to serve on the Revenue Measure Subcommittee.

On October 25, 2021, the Revenue Measure Subcommittee met to review the City's long-range financial forecast, proposed timeline, and discuss analytical and Community Survey needs.

On November 8, 2021, the Revenue Measure Subcommittee met to discuss the timeline, community survey interests and topics and to review previous Community Survey questions.

On November 17, 2021, the Revenue Measure Subcommittee met to review Community Survey questions.

On December 13, 2021, the Revenue Measure Subcommittee met to review and consider the draft Council presentation.

On January 12, 2022, the Revenue Measure Subcommittee met to review the Community Survey results.

On January 24, 2022, the Revenue Measures Subcommittee met to receive a budget outreach update.

On January 26, 2022, City Council received information on the City's [California Employees Retirement System pension obligations](#).

On February 2, 2022, City Council received a Financial Status Report for the [FY2021/22 Second Quarter Ending December 31, 2021](#).

On April 4, 2022, the Revenue Measure Subcommittee met to review revenue scenarios.

On April 20, 2022, the Revenue Measure Subcommittee provided an [update to the full City Council](#), and it provided direction to staff to move forward with conducting a survey of likely November 2022 voters as to their support for a sales tax increase. The [Potential Local Funding Scenarios spreadsheets](#) that were presented with that agenda item are included here as Attachment "1".

On May 2, 2022, the Revenue Measure Subcommittee met to receive a staff update on City Council requests for information.

On May 9, 2022, the Revenue Measure Subcommittee met in executive session to review poll questions.

On May 11, 2022, City Council received a Financial Status Report for the [FY2021/22 Third Quarter Ending March 31, 2022](#) and held the [FY2022/23 Operating Budget Briefing](#).

On May 25, 2022, a [Pension Obligation Bond Workshop](#) was conducted.

On June 8, 2022, a Public Hearing for the [adoption of the FY2022/23 Operating Budget](#) was conducted and continued to June 22, 2022.

On June 20, 2022, the Revenue Measure Subcommittee received a briefing on the topline results of the survey.



# CITY of ESCONDIDO

## STAFF REPORT

On June 22, 2022, the City Council adopted Resolution No. 2022-69 [approving the FY2022/23 Annual Operating Budget](#) and adopted Resolution No. 2022-89 authorizing [judicial validation proceedings](#) relating to the issuance of bonds to refund certain pension obligations.

On July 13, 2022, the City Council [reviewed and considered the revenue measure survey results](#) and provided direction to staff.

On July 18, 2022, the Revenue Measure Subcommittee met to discuss the next steps for consideration of placing a local sales tax measure on the November 2022 ballot.

### BACKGROUND

#### **Financial Needs, Challenges, Cost Control Measures, and Revenue-Generating Efforts**

Like many other cities in California, the City of Escondido (“City”) is experiencing significant financial challenges as a result of continued state revenue take-away, dissolution of redevelopment, state and federal mandates, increasing service demands, and a growing population. Furthermore, nearly all of the sales tax generated locally goes to the State, County or SANDAG. A locally controlled sales tax measure will ensure that Escondido has local control over local funding for the services residents expect and deserve. In addition, and perhaps most significantly, as a service-based organization, approximately 84% of the City’s budget is devoted to employee-related costs, which are growing primarily as a result of pension-related payments the City is required to make. The City provides retirement benefits to its employees who provide the City services residents rely on, by contracting with the California Public Employees Retirement System (CalPERS). Retirement benefits are funded by contributions from both employees and the City (“normal” annual service costs) as well as investment earnings. CalPERS invests contribution payments with the goal of earning sufficient returns over the long-term to pay defined benefits as promised and cover CalPERS expenses. Historically, more than 60% of all funds paid to CalPERS retirees comes from investment earnings. The estimated long-term average return expected to be earned on investments is referred to as the “discount rate”. When lower investment earnings occur, future contributions must increase to make up the expected difference and an unfunded accrued liability (“UAL”) is created. The UAL represents the shortfall or gap between what is needed to pay retiree benefits versus how much in current assets the City actually has in its accounts with CalPERS. The UAL is calculated annually and changes depending on the demographic trends of the plan participants. As noted above, the UAL is essentially the City’s debt owed to CalPERS, and CalPERS currently charges the City a 6.8% interest rate on this debt with a mandatory payment schedule.

Pension cost increases are one of the most significant financial challenges facing most cities throughout the state and are primarily due to factors outside of the cities’ control, namely actuarial assumption changes made by CalPERS and below average investment returns. Required annual payments to CalPERS are 15% of the total General Fund operating budget at \$19.7 million in FY2022/23, and are expected to continue to grow over the next twenty years. CalPERS and the League of California Cities have detailed

various options available to help manage pensions. There is no perfect solution to managing a City's pension obligations and many agencies employ multiple methods to manage their pension obligations. The following actions have been taken to address pension costs.

- Lower Benefit Tiers for Employees. Taking advantage of state legislation, two new lower benefit tiers have been established with CalPERS: Tier 2 Employees hired in 2011-12 (depending on employee group) are required to pay the full employee contribution upon hiring. Tier 3 was created in 2013 as a result of the California Public Employees' Pension Reform Act (PEPRA) and establishes a reduced tier of benefits for new CalPERS employees. The employee share for PEPRA employees is higher than that for Tier 1 and Tier 2 employees.
- Employee Cost Sharing. In 2018, to help address the long-term budget impacts as a result of CalPERS pension liabilities, the Firefighters Association, Police Officers Association, and Maintenance & Operations bargaining units agreed to share in the costs of the employer's CalPERS contribution. Prior to the agreements, Classic CalPERS Safety members were contributing 9% and Classic CalPERS Miscellaneous members were contributing 8% of their salary towards the employee's retirement benefit. The amount increased by 1% each year until the additional contribution reached 3% for each group. Classic CalPERS Safety members are currently contributing 12% and Classic CalPERS Miscellaneous members are contributing 11% towards their CalPERS retirement benefit.
- Prepayments to CalPERS. Since FY2017/18 the City has prepaid the annual Unfunded Accrued Liability payment at the beginning of each fiscal year to save 3.5% (approximately \$800,000/year).
- Section 115 Pension Trust. In February 2018, City Council authorized the establishment of a Section 115 Irrevocable Pension Trust Fund. The Trust Fund is used to set aside and hold money to meet future pension liabilities and can be used to provide economic relief during recessionary cycles and/or rate increases that are significantly above anticipated projected employee rate increases. Funds placed in this Trust can also be used to offset the City's "normal" CalPERS costs, such that if funds are necessary for other purposes, a certain amount of flexibility is present. Another benefit is that funds held in the Trust can be invested in the same manner as funds in a typical pension fund rather than as part of the City's General Fund, which means a potentially higher rate of return. As of March 31, 2022, the Section 115 Pension Trust Fund has a balance of \$25,840,638 which includes City contributions of \$24,406,430 plus investment earnings net of expenses of \$2,616,620.
- Pension Obligation Bonds. In June 2022 City Council authorized and the City initiated judicial validation proceedings to consider issuing Pension Obligation Bonds (POBs). Actual savings achieved from a POB will depend on market conditions. During the validation period, which typically takes about four months, staff and the financing team will refine the various options for the POBs. These options may include evaluating different sizes of POBs, amortization shapes, maturities (length of term,) and targeted funded ratios.

Despite all of these measures, and the City's efforts to fund projects with grants and other sources of onetime funds, it has not been enough to meet growing costs and demand for services.

Operating revenue has not kept pace with the growing costs of providing City services, and as a result, the General Fund long-term financial plan has projected annual deficits creating a structural budget deficit. To address this projected shortfall, the City has maintained a hardline on expenditures and staff are continuously seeking measures that ensure efficiency, while enhancing basic operations. Decreased spending has been accomplished by:



# CITY of ESCONDIDO

## STAFF REPORT

- Reducing City staff by over 140 employees from 2008 to 2021 (10% reduction) as the City's population grew by more than 10%.
- Controlling pension and employee benefit costs by transferring the responsibility to employees to fund a larger portion of the total costs.
- Forming strategic partnerships to provide services, such as the Escondido Library, to save an estimated \$400,000 annually.
- Investing in technology to reduce ongoing costs and expand online services.
- Deferring maintenance and capital project costs of more than \$8 million annually for the City's parks, playgrounds, libraries, recreation centers, pools, streets, sidewalks, bridges, storm drains, fleet, and other City facilities. Deferred maintenance costs will only continue to increase in the future.

While these actions have resulted in controlling annual operating expenses, this has resulted in the lowest per capita spending for the services Escondido provides in comparison to other cities in San Diego North County. Escondido spends approximately \$703 per citizen compared to the two other full-service cities in North County, the City of Carlsbad has a per capita expense of \$1,368, and Oceanside's per capita expense is \$912. The City of Escondido has been consistently doing more with less.

In addition to cost-control measures, revenue-generating opportunities have also been explored:

- In April 2020, City Council adopted an updated fee schedule and cost allocation plan to ensure that certain fees charged by the City for the services being delivered equal the City's cost of providing the services including direct and indirect costs, departmental overhead, and City administration.
- A fiscal analysis was performed to evaluate the cost of providing police, fire, public works, community and general services to new residential development, and the results determined that the revenue received is less than the cost to provide ongoing services.
- In May 2020, the City Council established the CityWide Community Facilities District that would fund City services for new residential development by offsetting ongoing costs of new development with a special tax collected from the new residential property owners in the District. Future revenue resulting from the Services CFD is dependent on future development in the City.
- In May 2021, staff presented City Council options for legalizing the cultivation and sale of cannabis products in Escondido. City Council's direction to staff was not to pursue any legalization efforts due to the significant costs associated with the administration of cannabis regulation and the potential public safety issues.
- City staff continues to explore the options for creation of a Short-Term Rental Program, which may generate additional revenue from short-term rental hosts. The establishment of a program

would involve a large degree of administrative expense, the future fiscal impact is uncertain. A preliminary review provided by a prospective consultant estimates additional annual lodging taxes of less than \$100,000 potentially recoverable by the City.

Item 10.

### **Outreach and Education**

Over the last several months and as part of this year's budget process, the City engaged over 2,000 residents through The Escondido Discussion and scientifically conducted surveys to assess City service needs and resident priorities.

Through this extensive conversation, residents identified funding priorities for City services including addressing homelessness; repairing and maintaining local streets, sidewalks and infrastructure; keeping parks and public facilities safe, clean and well-maintained; providing quick responses to 911 emergencies; and providing fire protection and paramedic services.

Escondido residents continue to prioritize fast emergency response times for 911 calls. This locally controlled funding would help the City to have enough police officers, firefighters, dispatchers, and paramedics to respond to 911 emergencies.

Public works services were also at the top of resident priorities. Additional locally controlled funding is needed to keep up with basic repairs and maintenance to public facilities, storm drains, streets, and sidewalks. If these repairs are not taken care of now, they will be a lot more expensive to fix in the future.

In addition to holding four City hosted events, including one at the Park Avenue Community Center for Seniors, City staff outreached to the following groups:

- Auto dealership owners
- Brookside HOA
- Casa de Amigos
- Community Alliance for Escondido (Café)
- Downtown Business Association
- East End Club
- Emerald Heights HOA
- Escondido Democratic Club
- Escondido Education COMPACT
- Escondido Republican Club
- Greater Escondido Chamber of Commerce
- Kiwanis
- Library Support Groups
- Mercado District
- Neighborhood Leadership Forum
- Old Escondido Neighborhood
- Orchard Church
- Rotaries
- San Diego County Taxpayers Association
- Universidad Popular

As part of each discussion and through extensive outreach including social media, utility bills, partnerships with the local school districts, and City newsletters, community members have been encouraged to complete an online survey to share their priorities for the City of Escondido. As of July 1, 2022, feedback from 904 community members has been provided. Based on the responses received, the community confirmed the five priorities identified in the Community Opinion Survey.

In addition, information regarding the City's financial challenges and updated status reports have been shared at public City Council meetings during Quarterly financial updates, three budget workshops, and three pension workshops.

On October 13, 2021, City Council appointed Mayor McNamara and Councilmember Morasco to serve on the Revenue Measure Subcommittee. Over the course of 11 meetings, the Subcommittee has performed the following responsibilities:



# CITY of ESCONDIDO

## STAFF REPORT

- Reviewing the budget and anticipated structural budget deficit
- Soliciting, gathering, and discussing community input
- Exploring options for increasing revenue and closing the structural budget deficit
- Making a recommendation to the full Council about a path forward for securing additional, locally-controlled funding

The Subcommittee has been meeting regularly since October of 2021 and worked with the full City Council to approve the FY2022/23 budget once again utilizing one-time sources of funds, deferring necessary expenses, and making cuts to services.

### **Transparency and Resolution of Intent**

In addition to the Resident Satisfaction Survey, the full City Council provided direction to the Subcommittee to move forward with conducting a scientific poll of potential November 2022 voters to determine their support for a potential revenue measure. The survey was conducted from May 19 – May 29, 2022, on a random sample of 1,022 registered voters likely to participate in the November 2022 election. Participants were recruited via email, text message, and telephone. Data was collected in both English and Spanish. With an overall margin of error of +/- 3%, the survey concludes that:

- Respondents continue to be highly satisfied with the quality of life and City services provided in Escondido;
- Respondents continue to prioritize public safety, public works, and addressing homelessness; and
- A one cent sales tax until ended by voters shows solid viability for the November ballot across all demographic categories.

The final report was presented to City Council on July 13, 2022 and is included here as Attachment “2” It states in part:

“Most Escondido voters have a positive opinion of the quality of life in the city, and they value the services they receive from the City of Escondido while also seeing opportunities for improvements. Together, these sentiments translate into solid *natural* support (ranging between 62% to 68%) for establishing a one cent sales tax to provide funding for general city services such as police patrols and crime prevention, fire protection, paramedic, and 911 emergency response, keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained, addressing homelessness, traffic



management, and other city services. The natural support levels for the measure tested in this study are well above the simple majority (50% +1) that is required for passage.

The results of this study suggest that if structured appropriately, focused on projects and services that voters identify as their priorities, *and* combined with effective public outreach/education and a solid independent campaign, the proposed sales tax measure has a good chance of passage if placed on the November 2022 ballot.

Consistent with the findings of other similar studies, this survey found that voters tend not to assign much weight to the duration of a measure in their decision calculus. At the Initial Ballot Test, overall support for the sales tax measure was modestly lower for the measure that would last until ended by voters (62%) when compared to the measure with a 20-year duration (68%.) However, this difference evaporated quickly as the interview proceeded, with support at the Final Ballot Test being 63% for a measure that would last until ended by voters, 64% for a measure that would extend for 20 years. At no point after the Initial Ballot Test was there a statistically significant difference in support for the proposed measure based on the duration.”

If the Measure is placed on the ballot and approved by voters, beginning in FY-2023/24, the following financial accountability measures would be required to ensure transparency, citizens’ oversight, and strategic reviews and evaluation.

- Funds from a revenue measure would be budgeted, tracked, accounted, and reported separately from all General Fund revenues;
- A Citizens’ Oversight Committee (COC) would be appointed by the City Council with a range of expertise including but not limited to finance, accounting, and engineering. These meetings would be subject to state Brown Act open meeting regulations;
- An initial and annual spending plan shall be prepared by the City Manager and presented to the COC and City Council for their consideration and final decision prior to the Council’s consideration of the City’s annual budget;
- An annual independent audit conducted by the City’s independent auditors;
- A page dedicated to sharing educational information about the City’s financial status, pension liability, service needs, and how the revenues generated by this measure are spent would be created on the City’s website.

As the Revenue Measure Subcommittee suggested, Resolution No. 2022-99 – Resolution of Intent builds on the Ordinance requirements around transparency and oversight and includes the following highlights:

- Upfront acknowledgment of the impact of the Unfunded Accrued Liability on the City’s finances and the existence of critical financial circumstances that warrant placement of a local sales tax measure on the ballot for voter consideration;
- Commitment to engage the community in the yearly budget process in a transparent, honest, and meaningful way;
- Intention that at least 50% of any additional revenue be directed to support the City’s police and fire departments;
- Strategic review every 5 years by the Citizens’ Oversight Committee and City Council.

### **Ballot Language Options**

On July 13, 2022, City Council provided direction to staff to return with options. Elections Code §13247 requires the ballot question to be limited to 75 words.



# CITY of ESCONDIDO

## STAFF REPORT

### Option A – Staff Recommendation

*To provide funding for general services in the City of Escondido, such as police patrols and crime prevention; fire protection, paramedic, and 911 emergency response; keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well maintained; addressing homelessness, traffic management, and other City services, shall an ordinance establishing a 1 cent sales tax be adopted, providing approximately \$28,000,000 annually for City services until ended by voters, with independent audits, citizen oversight, and all money locally controlled?*

The ballot language presented in Option A sticks very closely to that tested in the recent survey. There are just three changes:

- '28 million dollars' is shown as a single number (\$28,000,000). This saves two words and was always intended – spelling out '28 million dollars' was done in the survey to make sure the interviewer read the figure correctly.
- 'one cent' is changed to 1 cent
- 'for general government use' is changed to 'for City services'. General government use was referenced in the survey in anticipation of a particular statewide proposition qualifying for the November 2022 ballot that would change how general tax ballot language must appear. The measure did not qualify for the ballot, so the easier to understand 'for City services' language, is recommendation, which also uses 1 less word.

Because Option A sticks closely to the ballot language that was tested in the survey, the survey results are applicable to this version and the survey remains a statistically reliable estimate of voters' opinions about the proposed measure.

Differences in the duration (e.g., until ended by voters, 20 years, etc) and tax rate (1 cent, ¾ cent, ½ cent) are also not expected to significantly impact the viability of the measure, as the survey tested differences in duration and tax rate and found similar levels of support and viability.

Changes to the ballot language, on the other hand, can have significant impacts on how voters respond to a measure and its viability – especially when these changes **introduce** items that voters do not fully understand, find confusing, or simply don't agree should be a use of measure proceeds, or **remove** items that voters find appealing. Even small changes to the ballot language in this manner can have large impacts

on the viability of a measure. For this reason, the recent survey results do not provide a statistically reliable estimate or guide to how voters may perceive Option B as it deviates from the tested language.

Item 10.

Thanks to City Council's leadership in soliciting multiple surveys of the community, we have verified that constituents clearly trust the City as a fiscal steward and the way funding is currently being spent. Strong support and viability for this option exist across every subgroup within the voting population of our community including:

- Political Party
- Age
- Gender
- Years in Escondido
- Child in household
- Household Party Type
- Homeownership
- Likely to Vote my Mail
- Likely June 2022 Voter

### **Option B – Pension**

*To provide funding for general services in the City of Escondido, such as police patrols, crime prevention, fire protection, paramedic, 911 emergency response; keeping streets, infrastructure, parks, and facilities safe, clean, and well maintained; reducing pension costs; addressing homelessness, traffic management, and other City services, shall an ordinance establishing a 1 cent sales tax be adopted, providing approximately \$28,000,000 annually for City services until ended by voters, with independent audits, citizen oversight, and all money locally controlled?*

It is critical to note regarding Option B:

- Many other cities throughout the state of California are faced with similar financial hardships resulting from unfunded pension liability. However, out of the 201 sales tax revenue measures placed on ballots between April 2018 – June 2022, the City Clerk could only find one that included language referencing pensions from Carmel-by-the-Sea. As a community with a very high median income and a heavy reliance on tourists to pay the bulk of that sales tax, this example is an outlier.
- The City's consulting team who have assisted in hundreds of revenue measure efforts throughout their careers, strongly advise against the inclusion of the new language in Option B.
- The additional language in Option B has not been tested and therefore the statistical reliability of the poll results would no longer be applicable with this option.
- The poll tested pensions as both a potential negative argument and a potential use of the funds, which voters rated very low on their list of priorities. It can be reasonably assumed that adding this language into the ballot question will not be supported strongly enough to result in passage.

### **Sales Tax Cap**



# CITY of ESCONDIDO

## STAFF REPORT

The sales tax rate in Escondido is 7.75%, which is the base rate for San Diego County. This includes the statewide rate of 7.25% and a Countywide District tax of .50% for the TransNet Program initiated by SANDAG. *Of the total 7.75% collected, Escondido receives only 1%.*

- Under California Law, the combined taxes in any county cannot exceed 2%.
- The .50% for the TransNet Program is included in this cap, reducing the available Local Tax capacity in Escondido to 1.5%.

The state-imposed cap on sales tax means that the City has a limited window to approve an additional tax that would be locally controlled and stay in Escondido before another taxing agency claims the remaining 1.5%.

### **Critical Decisions for City Council to Make**

Language:

- Option A – Staff recommendation and viable per poll results
- Option B - Pension

Rate:

To assist in the discussion at the April 20, 2022 City Council meeting, staff used its professional expertise, knowledge of the community, and the results of the Resident Satisfaction Survey to compile a series of scenarios at each potential funding rate exemplified by the terms “No New Revenue”, “Survive”, “Stabilize”, and “Thrive”. These are included again for reference as Attachment “2”. These do not represent an approved spending plan but are merely illustrative of the choices and conversations the City Council, Citizens’ Oversight Committee, and community would be able to have in order to determine what the appropriate investment should and will be if a measure is placed and adopted by voters.

- 1 cent – Staff recommendation and viable per poll results; estimated to generate ~\$28 million annually
- ¾ cent – Estimated to generate ~\$21 million annually
- ½ cent – Estimated to generate ~\$14 million annually

Duration:

- Until ended by voters – Staff recommendation and viable per poll results
- Number of years (e.g. 15, 20, etc.)

### **Ballot Argument in Favor**

California Elections Code (section 9282 (b)) allows for arguments to be filed by the City Council, a member or members of the Council authorized by the Council, individual voters eligible to vote on the measure, bona fide associations of citizens, or any combination of voters and associations. Should the City Council vote to approve placing this revenue measure on the November 2022 ballot, City Council will have the option to write the argument in favor.

If multiple arguments for or against the measure are received, the City Clerk will select the arguments to be presented to the voters in the voter information pamphlet based on priorities described in state law. If the City Council or individual Councilmembers prefer to submit an argument in support of the proposed measure, the City Council or Councilmember argument would take precedence over any other submissions.

### **Recommendation**

Staff requests the City Council:

- Adopt Resolution No. 2022-98R calling for an election submitting a proposed general transactions and use (sales) tax increase to the voters;
- Introduce Ordinance No. 2022-15 amending the Escondido Municipal Code to establish a sales tax to be administered by the California Department of Tax and Fee Administration, including provisions for citizens' oversight and accountability; and
- Adopt Resolution No. 2022-99 expressing the Intent of the City Council in adopting Ordinance No. 2022-15.

### **ATTACHMENTS**

- a. Attachment "1" - Potential Local Funding Scenarios Spreadsheets
- b. Attachment "2" - Revenue Measure Poll Report

### **RESOLUTIONS**

- a. Resolution No. 2022-98R
- b. Resolution No. 2022-99 – Resolution of Intent

### **ORDINANCES**

- b. Ordinance No. 2022-15

## Potential Scenario: No New Revenue

The City potentially faces an \$8 million budget gap this year. To maintain the essential services the City provides and address the community's priorities, a locally controlled source of revenue is being considered. The following is a list of possible cuts to services that may be made if no additional revenue is generated. We are continuing to engage the community on their needs and priorities for the City.

#	Category	Outcome	General Fund Savings
1	Crime, Crashes, Community	Eliminate community outreach efforts and partnership events: - Cut Coffee with a Cop, Shop with a Cop, Parades, etc. - Lose opportunities to connect with the community	(\$40,000)
2	Crime, Crashes, Community	Reduce/eliminate animal control contract: SDHS to only respond to incidents involving threats to human life	(\$1,000,000)
3	Crime, Crashes, Community	Eliminate partnership programs with COMPACT: -Cut the Juvenile Diversion Program, forcing all juvenile criminal matters to go to through the justice system -Eliminate alternatives to incarceration, leaving jail as the only option for young offenders -Eliminate gang intervention and prevention efforts leaving at-risk youth in a vulnerable position -Abandon the youth mentoring programs	(\$120,000)
4	Crime, Crashes, Community	Reduce 10 Police Officers and 5 Dispatchers; respond only to serious crimes: -Reduce Detectives and only investigate violent crime -Reduce Traffic Officers and only investigate serious injury/fatal collisions -Eliminate the COPPS Division and homelessness, quality of life, and mental illness needs will not be met -Reduce Dispatchers and 9-1-1 call response times will increase -Reduce Officer Training Budget and staff will be less qualified to appropriately respond to citizens or safely handle high risk incidents -Ignore equipment and facility maintenance costs resulting in decreased safety and effectiveness *Consequences will include: no resources for proactive crime or traffic enforcement; significant 9-1-1 call wait times, resulting in a delayed response to emergencies; no community outreach or engagement; high Police Officer turn-over rates; inability to recruit talented Officers; and severely reduced ability to address crime and community safety	(\$2,000,000)
5	Events, Engagement, Enrichment	Communications: A budget reduction means reducing staff: one Graphic position would be eliminated and the Communications position would be consolidated to one position (likely a Communications Manager/PIO). Digital Media Services would only record, broadcast, and rebroadcast City Council meetings. The sole function would be crisis communications and basic regulatory reporting.	(\$170,000)
6	Events, Engagement, Enrichment	Reducing the funding for the CCAE would result in a loss of the programs and services offered at the Center. The outcome is the immediate loss of jobs, impacts to school music and dance programs, and local dance and arts businesses who use it as a performance venue.	(\$110,000)

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#	Category	Outcome	General Fund Savings
7	Events, Engagement, Enrichment	Volunteer Program: A budget reduction would result in the possible elimination of the Community Engagement Liaison. This would limit the City's ability to devote resources and invest in the volunteer program.	(\$115,000)
8	Events, Engagement, Enrichment	Library: Negotiate current management contract with LS&S for reduced hours and/or closure. This would result in the reduction of free programs and access to free materials.	(\$250,000)
9	Community Safety, Prevent, Response & Recovery (CPR)	Laying off 9 firefighters and closure of one fire station. The outcome will be longer response times from the remaining open stations and large call volume workload on remaining stations. Other impacts include employee burnout, morale decline, loss of quality employees and increased labor tensions: Loss of quality and well-trained employees to other agencies. Firefighters, paramedics and EMTs are critical to respond to the prevention, response and recovery from emergencies. Inability to replace aging tools, equipment and safety gear: Firefighters become ineffective, higher risk of injury and liability.	(\$2,000,000)
10	Community Safety, Prevent, Response & Recovery (CPR)	Reduction of Fire Inspectors/Fire Investigators. Reduction of training. Reduced inspections. Less buildings and property will be inspected. Hazards will go uncorrected and actual property and life loss will increase.	(\$50,000)
11	Parks, Pools, Programs	EVCC & Sports Center: Closing these facilities and eliminating positions may have to be considered in this scenario in order to prioritize other services. This would result in the loss of affordable after school programming options for youth which impacts public safety (PAL program, skate park, soccer). Elimination of indoor pickleball, summer camps, recreational classes, and other recreational opportunities. The Skate park would lose the ability to host national and international tournaments which bring in revenue and notoriety to the City.	(\$500,000)
12	Parks, Pools, Programs	Close the Tiny Tot Program and the Don Anderson Community Building - This calculation includes reducing revenues by \$60,000. \$100,000 (budget) less \$60,000 (revenue). This would eliminate an affordable childcare option for working families	(\$40,000)
13	Parks, Pools, Programs	Aquatics: Possible closure of City pools. The closure of pools would eliminate an effective recreation program and an affordable option for community members.	(\$139,800)

## Potential Scenario: No New Revenue

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#	Category	Outcome	General Fund Savings
14	Parks, Pools, Programs	Reduction in Parks Maintenance, restroom cleaning, landscaping and closure of facilities. This would lead to reduced park amenities, play structures, and grounds maintenance. The reduction of maintenance would lead to the deterioration of play structures and fields which could lead to increased liability due to injuries. The homeless encampment removal and debris clean up response times would also increase.	(\$543,000)
15	Pipes, Pavement, Projects	A budget reduction would result in the loss of a Code Compliance Officer which would delay response times and monitoring of reported code violations.	(\$56,000)
16	Pipes, Pavement, Projects	A budget reduction for the Building Division would result in the loss of either an inspector or a development technician. Either way, the result would be a reduction in service to developers, business owners, home owners, etc., and a delay in processing building permits or conducting building inspections.	(\$88,500)
17	Pipes, Pavement, Projects	A budget reduction would require elimination of at least one engineer position resulting in the need to discontinue certain traffic safety functions. The traffic engineering hotline/email would be eliminated and resident-reported traffic safety and congestion concerns would not be addressed. The Transportation and Community Safety Commission would be disbanded and the annual projects selected by the Commission discontinued. The City would no longer complete school safety and traffic calming projects and review of street improvement plans for development projects would be delayed.	(\$160,000)
18	Pipes, Pavement, Projects	A budget reduction in Planning would see the elimination of two positions. This would result in either a reduced capacity to assist developers, business owners, home owners, etc., in processing their projects, thus reducing the overall development potential of the City; or it would mean an inability to stay current on various state-mandated long-range planning goals/targets, potentially resulting in enforcement action by the state including fines, withholding of funds, ineligibility for certain grants, and negative publicity/press surrounding issues such as housing, homelessness, and climate change.	(\$172,000)
19	Pipes, Pavement, Projects	Public Works would need to reduce staff in all divisions, including Street Maintenance, resulting in a major reduction of City services where potholes exist, concrete lift liability would increase, wait times for traffic signal/street lights repairs would increase, reduced ROW striping, tree maintenance, blight build-up (debris removal response time increased, if not eliminated)	(\$480,000)



## Potential Scenario: No New Revenue

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#	Category	Outcome	General Fund Savings
20	Pipes, Pavement, Projects	Reduction or elimination of the Graffiti removal program. Graffiti is a blighting influence on our entire community, it is an act of vandalism that costs hundreds of thousands of dollars to clean up every year. Reduction or elimination of this program will impact the safety & cleanliness of the community & ability to attract and retain businesses/residents. City staff address approximately 36,000 tags a year, this would reduce to 18,000 tags per year or less as tags increase. Response times would increase and potentially generate citizen complaints, concerns from community about safety, more gang activity, and elimination of the deterrent effect of responding so quickly.	(\$150,000)
21	Resources, Services, Maintenance	Deferred Facility Maintenance: There are 139 City-owned facilities that Building Maintenance is responsible for maintaining. Staff are responsible for maintaining the cleanliness of these facilities and contribute to the efforts to address homelessness and assist with graffiti removal on public facilities. A reduction in critical maintenance staff will result in less cleaning of City facilities and loss of support of City events, i.e. Mitchell room reservations, fountain, dome, Recreation activities. As less staff are monitoring City facilities, this would likely lead to an increase in vandalism and exacerbate issues with homelessness and the broken window effect.	(\$750,000)
22	Resources, Services, Maintenance	Further reduce the replacement of vehicles and shift to vehicle retention vs. replacement. The department would also need to reduce the number of vehicles and staff positions. This will lead to increased maintenance costs and risk of failure for needed vehicles, ie. fire trucks. The City will also not be able to fund the EV transition which will result in CARB violations.	(\$3,800,000)
23	Resources, Services, Maintenance	With no additional resources to close the budget gap, staff positions, which make up 85% of the total General Fund budget, would need to be eliminated. This would impact all of the services the City provides that support and address the community priorities and CityWide goals	(\$820,000)

**Potential Scenario: Surviving 1/2 Cent**

Estimated Annual Increase in Revenue = \$14 Million

#	Category	Outcome	Annual Range
1	Crime, Crashes, Community	State law requires certain minimum animal control services, which are currently provided by the San Diego Humane Society ("SDHS"). The SDHS contributes to the community's public safety and helps keep the City's streets clean. Funding is needed to maintain the full animal services contract with the Humane Society & anticipated annual increases.	\$1,000,000 - \$1,500,000
2	Crime, Crashes, Community	Hire 8 Police Officers to close the staffing gap following the 2008 recession when 10 Officer positions were eliminated. This would bring the staffing level from 160 Police Officers to 168: <ul style="list-style-type: none"> <li>-Increase Crimes of Property by 2 Detectives to accommodate increases in property crime</li> <li>-Maintain adequate staffing levels in the Traffic Division, which includes an additional 2 Officers</li> <li>-Maintain adequate staffing levels in the Patrol Division, which includes an additional 4 Officers</li> <li>-Maintain current Dispatch staffing levels</li> <li>-Maintain community outreach and partnership events (Coffee with a Cop, Shop with a Cop, parades, etc.)</li> <li>-Maintain equipment &amp; training goals</li> </ul>	\$1,414,560 - \$1,697,472
3	Crime, Crashes, Community	Maintain data driven approach to crime prevention and suppression <ul style="list-style-type: none"> <li>-Share data driven information with patrol officers in high-risk areas</li> <li>-Deploy software programs to increase efficiency</li> <li>-Provide actionable criminal intelligence to the COPPS Unit to reduce repeat offenders</li> <li>-Continue efforts to strategically address crime in the downtown and business areas</li> <li>-Continue focusing on quality of life issues</li> </ul>	\$285,000
4	Community Safety, Prevent, Response & Recovery (CPR)	The Fire department has had the current staffing levels for 10 years but total call volume has increased by 30%. Funding will be used to maintain current staffing levels but provide some resources to adapt to annual increases in call volume and workload by: <ul style="list-style-type: none"> <li>-Repairing and replacing the most critical aging tools, equipment and safety gear,</li> <li>-Add minimal resources for EOC maintenance and the CERT program,</li> <li>-Make small investments in technology to analyze existing data to improve responses to incidents.</li> <li>-Vehicle replacement fund is still underfunded - increase annual allocations by \$500,000.</li> </ul>	\$1,000,000 - \$1,550,000
5	Trash, Traffic, Trees	Required Mandate: In order to comply with the Regional Water Quality Control Board's trash mandate, trash capture devices will be required to be installed and maintained on over 1,000 inlets CityWide. The anticipated cost to install and maintain devices is \$760,000/yr with \$300,000 already budgeted. The elimination of trash within the storm drain system (and eventually our creeks) contributes to the priority of keeping areas clean and attractive to businesses and protects the City's infrastructure.	\$552,000

**Potential Scenario: Surviving 1/2 Cent**

Estimated Annual Increase in Revenue = \$14 Million

#	Category	Outcome	Annual Range
6	Trash, Traffic, Trees	Traffic signals are an integral part of the infrastructure that contributes to the public safety of the City's streets. The City maintains 165 signalized intersections and 3,300 signal heads. This item provides the equipment necessary to proactively maintain the City's traffic signal equipment. Additional one-time funds of \$140,000 are needed for a bucket truck and four laptops for remote access and programming.	\$25,000
7	Trash, Traffic, Trees	This item improves the public safety and aesthetic appeal of streets, parks and City facilities: - Resurfacing and re-striping parking lots and drives (\$440,000 annually with a 10-year life cycle). There is currently no budget for this item - Staffing a full time pothole filling crew to proactively repair potholes on City streets (1FTE and 1PTE, no equipment, \$180,000) - Clearly Delineate Vehicle and Pedestrian Rights of Way by employing a full time Roadway restriping /marking crew. This item includes replacement of striping machine and 1 FTE. Current machine can only be used 1 month per year (\$32,000 annual and \$370,000 one time).	\$216,000 - \$782,500
8	Resources, Services, Maintenance	Additional staff resources and costs needed to address deferred maintenance CityWide. With additional City projects and an expansion of the services currently provided, additional staffing and operational resources will be needed. Resources will be used to support vehicle and equipment maintenance and replacement CityWide.	\$750,000 - \$1,500,000

**Surviving would increase annual revenue by approximately \$14 million. The list does not account for Infrastructure, One-Time Costs to implement new services, or the structural budget gap (\$8M in FY2021/22) \$4,242,560 - \$6,391,972**

**Potential Local Funding Options**

To maintain the essential services the City provides and address the community's priorities, a locally controlled source of revenue is being considered. This list are options that can be accomplished with additional resources. We are continuing to engage the community on their needs and priorities for the City.


**Potential Scenario: Stabilizing 3/4 Cent**

Estimated Annual Increase in Revenue = \$21 Million

#	Category	Outcome		Annual Range
1	Crime, Crashes, Community	State law requires certain minimum animal control services, which is currently provided by the San Diego Humane Society ("SDHS"). The SDHS contributes to the community's public safety and helps keep the City's streets clean. Funding is needed to maintain the full animal services contract with the Humane Society & anticipated annual increases.	Same	\$1,000,000 - \$1,500,000
2	Crime, Crashes, Community	Hire <u>10 to 20</u> Police Officers to at least return to pre-2008 staffing numbers of 170 Police Officers; adequately staff Dispatch; provide community outreach -Increase Crimes of Property Detectives to accommodate increases in property crime -Increase Traffic Division by 2 officers to primarily focus on night time DUI enforcement -Increase Dispatch staffing levels by 5 -Maintain community outreach and partnership events (Coffee with a Cop, Shop with a Cop, parades, etc.) -Maintain equipment & training goals	↑	\$2,661,840 - \$4,783,680
3	Crime, Crashes, Community	Expand Criminal Intelligence Unit staffing to increase crime data analysis to develop actionable information for COPPS Unit. -Share data driven information with patrol officers in high-risk areas -Deploy software programs to increase efficiency -Provide actionable criminal intelligence to the COPPS Unit to reduce repeat offenders -Continue efforts to strategically address crime in the downtown and business areas -Continue focusing on quality of life issues -NEW: Expand staffing to increase crime data analysis -NEW: Develop actionable information for COPPS Unit	↑	\$521,000
4	Crime, Crashes, Community	Expand public education campaign -Increase crime prevention education with community members -Establish Crime Prevention Through Environmental Design (CEPTD) with the community -Educate community members on how to connect with the Police Department -Attend neighborhood meetings -Engage in dialogue to enhance community-based crime reduction efforts	NEW	\$118,000
5	Crime, Crashes, Community	Provide appropriate support services to the community -Increase transparency -Meet public records request demand -Increase Records Division staff members -Provide Property and Evidence management at adequate staffing levels based on best practices	NEW	\$317,000

**Potential Scenario: Stabilizing 3/4 Cent**

Estimated Annual Increase in Revenue = \$21 Million

#	Category	Outcome		Annual Range
6	Community Safety, Prevent, Response & Recovery (CPR)	To build capacity to meet the increasing demands of the community, funds will be used to invest in current staff and: -Add support staff: EMS Chief, Nurse Educator, Training Captain, Administrative Assistant, Management Analyst. Additional part-time staff will be used to assist with large projects, EOC maintenance, CERT program. -Upgrade EOC technology to assist with emergency response efforts. -Additional two dispatch staff members to handle increased workload and time with tiered dispatch. -Tools, equipment and safety gear are replaced on schedule. -Use new technology/software to create or mine new data to drive decisions. -Apparatus replacement plan fully funded. -Vehicles are replaced on schedule to avoid critical failure. -Facility maintenance regularly conducted on schedule, training tower refurbished, failing appliances replaced, mattresses and furniture replaced.		\$1,850,000 - \$4,338,000
7	Community Safety, Prevent, Response & Recovery (CPR)	Fire Prevention Bureau: Enhanced training and professional development. Additional technology and equipment to improve productivity. Fire Prevention Bureau administrative assistant added to handle clerical tasks. Increased capacity for more inspections.	NEW	\$100,000 - \$200,000
8	Events, Engagement, Enrichment	Creation of dedicated community outreach/engagement team and strategy to ramp up outreach and engagement which would help connect with the community to touch base and measure progress on addressing priority issues and satisfaction levels. Conduct an annual community survey. *Community Outreach position, Marketing Director, Bilingual PIO, Graphics tech, DMS tech, admin. Customized engagement platform/software licenses (this would include a centralized dashboard for data collection, tracking, and additional services like texting, robo calling, virtual idea boards, etc.), Consultant Services for topic specific campaigns, meeting planning and facilitation, ad hoc surveys, etc.	NEW	\$550,000 - \$750,000
9	Events, Engagement, Enrichment	Community Events: Funds set aside to support community events to offer reduction in fees, offset City costs and support local community events. The volunteer program, City-run events, and private special event expansion supports more positive activities in areas throughout the City which drives out negative activities. Resources would provide an increase in services and support for community events: Volunteer Events, Cruisin' Grand, Christmas Parade, 4th of July Event, Street Fair, Tournaments	NEW	\$215,000 - \$325,000

**Potential Scenario: Stabilizing 3/4 Cent**

Estimated Annual Increase in Revenue = \$21 Million

#	Category	Outcome		Annual Range
10	Events, Engagement, Enrichment	Expand Library programs & services: Library programs help support literacy, job searching, workforce development, and extended learning opportunities that support solutions to homelessness. Increase to Library supplies, presenters, staff hours for bilingual and increase in programs. Increase the Collection budget and operate a bookmobile to reach the full community.	NEW	\$150,000 - \$624,000
11	Parks, Pools, Programs	Aquatics: Washington Park Pool would remain open with current capacity for rentals and aquatics programs that recover all direct program costs. HSs have a place to practice and compete in water polo; allows WA Park to stay open at full capacity with the addition of staff: 1 Pool Manager, 5 Lifeguards/WSI/Head Guards, Increase temporary part-time staff to (6) 1000 Hr Maintenance Specialist	NEW	\$125,000 - \$235,000
12	Parks, Pools, Programs	PACC (Senior Center) - Adding capacity & resources to the Senior Center & Nutrition Program will allow us to serve more seniors who are at a high risk for homelessness thus helping with homelessness prevention. Add staff (2 FTE) to allow for more direct services in the form of classes and activities as well as the coordination of the partner organizations to provide services; Bilingual programs run by staff.	NEW	\$57,600 - \$112,600
13	Parks, Pools, Programs	Queen Califia: increasing staff for Queen Califia promotes tourism and contributes to the local economy and also deters vandalism. Hire a Temp staff to expand the hours beyond the current 2-3 days per week. Hire full time docent for increased operational hours for the public to visit. 1 FT Coordinator	NEW	\$85,000
14	Parks, Pools, Programs	Deferred Park Maintenance. Increase staff and equipment to address deferred park maintenance and increase services: <ul style="list-style-type: none"> <li>-Restore Pest Control</li> <li>-Add Parks Tree Crew</li> <li>-Create a Sports Turf Renovation Program</li> <li>-Restore contractual support for pest control, playgrounds, GSOB, power washing, and parking lot sweeping</li> <li>-Increase in landscape materials to annually aerate, overseed, and top dress sports fields</li> <li>-Playground Renovation Rotated yearly &amp; complete ballfield renovation rotated annually</li> <li>-Create a proactive maintenance and replacement schedule for park amenities.</li> <li>-Absorb maintenance responsibility for the Escondido Creek Trail.</li> </ul> *Additional staffing provides more eyes on the parks which facilitates intervention opportunities with PD and service providers before they escalate. *Well-maintained recreational assets such as parks attract businesses and new residents – sports tourism.	NEW	\$1,000,000 - \$1,992,000

**Potential Scenario: Stabilizing 3/4 Cent**

Estimated Annual Increase in Revenue = \$21 Million

#	Category	Outcome	Annual Range
15	Pipes, Pavement, Projects	Permitting/Plan Review software: Improve systems for best user (internal and external) functionality/experience to create the most effective experience. One-time cost for initial software design and hardware (touchscreen monitors and/or tablets); Ongoing costs include 2.5 FTEs (1.5 IS; 0.5 Planning/Com Dev; 0.5 Engineering)	NEW \$300,000
16	Pipes, Pavement, Projects	Development Process Improvements and Processing Guide - Business Analyst position designed to focus on process streamlining, preparing and updating guidelines for submission, and processing of development applications. The position would also assist in coordinating in-person and electronic process improvements as we move toward a paperless work environment.	NEW \$180,000
17	Pipes, Pavement, Projects	Carrying costs (or the cost to finance a project over time) are estimated at 30% of a development project cost. Right sizing staff to meet demand expedites the development process and allows a more hands-on approach with each applicant by cooperatively developing solutions to plan review comments. This hands-on approach is expected to reduce plan review turn-around times by 2-weeks per cycle (30%) and eliminate one review cycle from the entitlement process (2 FTE for Engineering) thereby making development in the City more cost effective.	NEW \$640,000 - \$768,000
18	Trash, Traffic, Trees	Required Mandate: In order to comply with the Regional Water Quality Control Board's trash mandate, trash capture devices will be required to be installed and maintained on over 1,000 inlets Citywide. The anticipated cost to install and maintain devices is \$760,000/yr. with \$300,000 already budgeted. The elimination of trash within the storm drain system (and eventually our creeks) contributes to the priority of keeping areas clean and attractive to businesses and protects the City's infrastructure.	Same \$552,000
19	Trash, Traffic, Trees	Traffic signals are an integral part of the infrastructure that contributes to the public safety of the City's streets. The City maintains 165 signalized intersections and 3,300 signal heads. This item provides resources for ongoing traffic signal equipment replacement including cameras and battery back-ups. Annual cost for replacement of battery back-up, cameras and signal heads \$6k/yr./signal.	↑ \$990,000 - \$1,118,000
20	Trash, Traffic, Trees	This item improves the public safety and aesthetic appeal of streets, parks and City facilities: -Resurfacing and re-striping parking lots and drives (\$440,000 annually with a 10-year life cycle). There is currently no budget for this item -Staffing a full time potholing filling crew to proactively repair potholes on City streets (1FTE and 1PTE, no equipment, \$180,000) -Clearly delineate vehicle and pedestrian rights of way by employing a full time roadway restriping /marking crew. This item includes replacement of striping machine and 1 FTE. Current machine can only be used 1 month per year (\$32,000 annual and \$370,000 one time).	Same \$216,000 - \$782,400

**Potential Scenario: Stabilizing 3/4 Cent**

Estimated Annual Increase in Revenue = \$21 Million

#	Category	Outcome		Annual Range
21	Trash, Traffic, Trees	Improve tree canopy and walkability through 1) planting 200 trees per year and removing stumps at 100 locations/year. (1 FTE, 1 PTE and 1 tree truck. \$1,700/tree to remove/stump grind, \$3,600 for sidewalk repair) (\$820,000), and 2) Designating a crew to grind and repair sidewalk lifts (500 lifts is the current reported backlog) (\$280,000).	NEW	\$750,000 - \$900,000
22	Resources, Services, Maintenance	Additional staff resources and costs needed to address deferred maintenance CityWide. With additional City projects and an expansion of the services currently provided, additional staffing and operational resources will be needed. Resources will be used to support vehicle and equipment maintenance and replacement CityWide. Additional resources are also required to meet future CARB regulations.	↑	\$750,000 - \$3,000,000
23	Resources, Services, Maintenance	Deferred Facility Maintenance: There are 139 City-owned facilities that require ongoing maintenance & resources. Staff are responsible for maintaining the cleanliness of these facilities and contribute to the efforts to address homelessness and assist with graffiti removal on public facilities. Well-maintained recreational assets discourage littering, vandalism, gang activity, and graffiti by encouraging community pride of ownership. This item would return the department to pre-recession Custodial staffing levels to provide appropriate services to City facilities and cleaning park and public facility restrooms more frequently, perform scheduled maintenance on HVAC systems, elevators, fire systems, security systems, roll-up doors, back flow devices, back-up generators, pest control, and oversee special projects for different departments. Possible minor City facility improvements: Upgrade City facility bathrooms, ADA requirements to City facilities, Modernize City facilities, roof repairs.	NEW	\$900,000 - \$3,540,000

**Stabilizing would increase annual revenue by approximately \$21 million. The list does not account for Infrastructure, One-Time Costs to implement new services, or the structural budget gap (\$8M in FY2021/22)**

**\$14,028,440 - \$27,111,680**

**Potential Local Funding Options**

To maintain the essential services the City provides and address the community's priorities, a locally controlled source of revenue is being considered. This list are options that can be accomplished with additional resources. We are continuing to engage the community on their needs and priorities for the City.



**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome	Annual Range
1	Crime, Crashes, Community	State law requires certain minimum animal control services, which is currently provided by the San Diego Humane Society ("SDHS"). The SDHS contributes to the community's public safety and helps keep the City's streets clean. Funding is needed to maintain the full animal services contract with the Humane Society & anticipated annual increases.	Same \$1,000,000 - \$1,500,000
2	Crime, Crashes, Community	Hire <u>25-35</u> Police Officers to reach median per capita staffing levels for San Diego County, bringing the total number of Police Officers to 195. Increase Dispatchers to meet safety and community needs -Increase Traffic Division to 10 officers, allowing for traffic enforcement 16-18 hours each day, and educate the community on traffic safety -Increase Detectives to accommodate increases in various types of crime -Increase community outreach and partnership events (Coffee with a Cop, Shop with a Cop, parades, etc.) -Educate the community on safety, crime prevention, and quality of life issues -NEW: Create a Street Team as a branch of the COPPS Division that will work on criminal intelligence produced by the Real-time Crime Center -NEW: Staff every Patrol Beat with an Officer allowing for proactive patrol of neighborhoods and businesses -NEW: Increase Dispatch staffing levels to 34 allowing for adequate coverage and Next-Gen regional plans	↑ \$5,844,600 - \$8,161,260
3	Crime, Crashes, Community	Establish a fully operational Real-Time Crime Center -Share data driven information with patrol officers in high-risk areas -Deploy software programs to increase efficiency -Provide actionable criminal intelligence to the COPPS Unit to reduce repeat offenders -Continue efforts to strategically address crime in the downtown and business areas -Continue focusing on quality of life issues - Expand staffing to increase crime data analysis - Develop actionable information for COPPS Unit - NEW: Develop actionable strategies through the Real-Time Crime Center - NEW: Combine multiple data sets, such as current collision trends and traffic complaints to PD and City Hall - NEW: Review citizen concerns and tips received from PD and City Hall	↑ \$500,000 - \$875,000

**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome		Annual Range
4	Crime, Crashes, Community	<p>Improve Community Interaction, Outreach, and Education</p> <ul style="list-style-type: none"> <li>-Engage in active dialogue with community via social media channels</li> <li>-Attend community events</li> <li>-Provide public and safety education</li> <li>-NEW: Expand youth partnership programs to elementary school age children</li> <li>-NEW: Hire a full-time PIO/Social Media representative assigned to PD and FD</li> <li>-NEW: Host English and Spanish Citizen Police Academy</li> <li>-NEW: Establish ongoing crime prevention education, generally directed in response to trends</li> </ul>	↑	\$488,000
5	Community Safety, Prevent, Response & Recovery (CPR)	<p>Escondido Fire retains employees and attracts high caliber employees.</p> <ul style="list-style-type: none"> <li>-NEW: Add emergency response personnel to meet growing community emergency response needs.</li> <li>-NEW: Implement proactive community risk reduction and preventative community paramedicine. One medic squad (6 personnel).</li> <li>-NEW: Secondary medical advice and care (telemedicine).</li> <li>-NEW: Three additional dispatch staff members. BLS ambulance. Secondary medical advice and care (telemedicine).</li> <li>-NEW: Proactive and innovative tools, equipment and safety gear utilized. (IE replace gas powered tools with electric). Proactively innovate with new technology / software to create or mine new data to drive decisions</li> <li>- Apparatus replacement plan fully funded. New vehicles necessary for a proactive community healthcare program and additional apparatus to meet growing community needs fully funded.</li> </ul>	↑	\$2,316,000 - \$6,816,000
6	Community Safety, Prevent, Response & Recovery (CPR)	<p>Fire Prevention Bureau: Plans Examiner position added. Advanced training and professional development. Inspectors/Investigators achieve state arson investigator and state code inspector certification. All businesses inspected annually.</p>	↑	\$150,000 - \$250,000

**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome		Annual Range
7	Events, Engagement, Enrichment	<p>Creation of dedicated community outreach/engagement team and strategy. This would ramp up outreach and engagement which would help connect with the community to touch base and measure progress on addressing priority issues and satisfaction levels. Conduct an annual community survey.</p> <ul style="list-style-type: none"> <li>- Community Outreach position, Bilingual PIO, Marketing Manager, Graphics tech, DMS tech, admin.</li> <li>- Customized engagement platform/software licenses (this would include a centralized dashboard for data collection, tracking, and additional services like texting, robo calling, virtual idea boards, etc.),</li> <li>- Consultant Services for topic specific campaigns, meeting planning and facilitation, ad hoc surveys, etc.</li> </ul> <p>Tailored marketing for Economic Development and Community Services. Refreshed branding (every 3-5 years).</p>	↑	\$600,000 - \$960,000
8	Events, Engagement, Enrichment	<p>Community Events: Funds set aside to support community events to offer reduction in fees, offset City costs and support local community events. Volunteer program, City-run, and private special event expansion supports more positive activities in areas throughout the City which drives out negative activities. Offer city sponsored special events such as concerts in the park, Halloween carnival, possibly bring the Christmas Parade in-house. CS Supervisor II/III, 5-6 Temp staff.</p> <p>Volunteer Program: Further expansion of the volunteer program including part-time staffing and greater program investment. Add Management Analyst I/II, 2 Temp staff</p>	↑	\$215,000 - \$420,000
9	Events, Engagement, Enrichment	<p>Expand Library programs &amp; services: Library programs help support literacy, job searching, workforce development, and extended learning opportunities that support solutions to homelessness. Increase to Library supplies, presenters, staff hours for bilingual and increase in programs. Increase the Collection budget and operate a bookmobile to reach the full community. Expand literacy services to fully meet ESL and adult literacy needs. Install book vending machines and holds pickup lockers/book returns at two locations in community.</p>	↑	\$200,000 - \$792,000
10	Parks, Pools, Programs	<p>Aquatics: Full Pool programming, plus expansion of services and activities at both pool locations. HSs have a place to practice and compete in water polo; allows WA Park to stay open at full capacity with the addition of staff.</p>	↑	\$300,000 - \$600,000

**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome		Annual Range
11	Parks, Pools, Programs	PACC (Senior Center) - Adding capacity & resources to the Senior Center & Nutrition Program will allow us to serve more seniors who are at a high risk for homelessness thus helping with homelessness prevention. Add staff (4 FTE), to allow for more direct services in the form of classes and activities as well as the coordination of the partner organizations to provide services; Bilingual programs run by staff.	↑	\$120,000 - \$250,000
12	Parks, Pools, Programs	Queen Califia: Expand Queen Califia's hours to multiple days per week, host special events, and sell merchandise. Hire full time docent and Temp staff for increased operational hours for the public to visit, support merchandise sales, and special events. 1 FT Coordinator, 1-2 Temp staff	↑	\$100,000 - \$120,000
13	Parks, Pools, Programs	Deferred Park Maintenance. Increase staff and equipment to address deferred park maintenance and increase services: -Restore Pest Control -Add Parks Tree Crew -Create a Sports Turf & Park Turf Renovation Program -Restore contractual support for pest control, playgrounds, GSOB, power washing, parking lot sweeping, tree trimming and parking lot pavement rehabilitation -Increase in landscape materials to annually aerate, oversee, and top dress sports fields -Playground Renovation rotated yearly & complete ballfield renovation rotated annually -Create a proactive maintenance and replacement schedule for park amenities. -Absorb maintenance responsibility for the Escondido Creek Trail. -NEW: Build & Maintain new parks and park assets, sports fields, skate parks, courts, bike parks, field lighting, dumpster enclosures, ballfield fencing, etc. *Additional staffing provides more eyes on the parks which facilitates intervention opportunities with PD and service providers before they escalate. *Well-maintained recreational assets such as parks attract businesses and new residents – sports tourism.	↑	\$1,000,000 - \$5,000,000
14	Pipes, Pavement, Projects	Permitting/Plan Review software: Improve systems for best user (internal and external) functionality/experience to create the most effective experience. One-time cost for initial software design and hardware (touchscreen monitors and/or tablets); Ongoing costs include 2.5 FTEs (1.5 IS; 0.5 Planning/Com Dev; 0.5 Engineering)	Same	\$300,000

**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome		Annual Range
15	Pipes, Pavement, Projects	Development Process Improvements and Processing Guide - Business Analyst position designed to focus on process streamlining, preparing and updating guidelines for submission, and processing of development applications. The position would also assist in coordinating in-person and electronic process improvements as we move toward a paperless work environment.	Same	\$180,000
16	Pipes, Pavement, Projects	Carrying costs (or the cost to finance a project over time) are estimated at 30% of a development project cost. Right sizing staff to meet demand expedites the development process and allows a more hands-on approach with each applicant by cooperatively developing solutions to plan review comments. This hands-on approach is expected to reduce plan review turn-around times by 2-weeks per cycle (30%) and eliminate one review cycle from the entitlement process (2 FTE for Engineering) thereby making development in the City more cost effective.	Same	\$640,000 - \$768,000
17	Pipes, Pavement, Projects	Addition of a Building Inspector to increase efficiency and reduce duration of construction phase. The additional inspector will be able to handle the large increase in inspection services anticipated in the coming years based on the increase in residential construction. Home-building has been going strong for several years, with close to 400 units permitted in 2021. Looking at projects currently in the pipeline, it is anticipated that 2022 will see more than 500 units permitted, with no slowdown on the horizon.	NEW	\$150,000
18	Pipes, Pavement, Projects	Add Development Project Coordinators (2 FTE) to improve the development applicant's experience by ensuring clear communication and removing barriers to development. Duties include monitoring project progress; maintaining active liaison with developers, consultants and contractors; coordinating project development activities with other City departments and outside agencies; and performing a variety of public and developer relations activities.	NEW	\$330,000 - \$396,000
19	Pipes, Pavement, Projects	Guiding development of the overall vision for Escondido. Adding staff dedicated to Advance Planning would allow Current Planning staff (those who primarily process development projects submitted by the public) to focus on that work, becoming more efficient and effective in their review of such projects, resulting in a reduction of the number of review cycles for development projects from an average of three cycles to two, and cutting entitlement processing times by 25% or more. The need is exacerbated by the fact that state and federal programs are requiring more and more local-level implementation actions that pull staff away from focusing on development project processing. These implementation actions may be necessary to maintain compliance with various statutes where non-compliance could result in penalties from State agencies. Additionally, having certain long-range planning documents in-place and up-to-date will allow the City to compete for grants that we may otherwise not be eligible for. For instance, if the City could achieve a Prohousing Designation, we would have a greater chance of obtaining certain competitive infrastructure grants, or even be eligible for grants that we do not currently qualify for. Adding 1 Principal Planner, 3 Senior Planners, Two Associate Planners, and Development Technician to the overall Planning Division would allow the appropriate allocation of resources. The Advance Planning team would be also responsible for oversight and implementation of the General Plan update.	NEW	\$897,000 - \$1,076,400

**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome		Annual Range
20	Pipes, Pavement, Projects	Deferred Street Maintenance: The overall condition of pavement in the City is rated "fair" (63 out of 100) which is one of the lowest ranked in the County. Current budgets allow treatment of approximately 8% of the City's 740-lane-miles per year. Increasing the budget would increase resurfacing to 13% of the City's streets, raising the PCI to good condition (70+) and supporting maintenance of 1/8th of the City's streets each year.	NEW	\$3,500,000 - \$4,200,000
21	Pipes, Pavement, Projects	The City has 13-miles of alleys some of which are paved and others are unpaved. The current pavement program budget is inadequate to upgrade alleys. This project enables improvement of public alleys at a cost of \$27.2-million with a 20-year life and their ongoing maintenance.	NEW	\$1,360,000 - \$1,632,000
21	Trash, Traffic, Trees	Required Mandate: In order to comply with the Regional Water Quality Control Board's trash mandate, trash capture devices will be required to be installed and maintained on over 1,000 inlets Citywide. The anticipated cost to install and maintain devices is \$760,000/yr. with \$300,000 already budgeted. The elimination of trash within the storm drain system (and eventually our creeks) contributes to the priority of keeping areas clean and attractive to businesses and protects the City's infrastructure.	Same	\$552,000
22	Trash, Traffic, Trees	Implement key traffic safety and congestion relief strategies including: -NEW: Crash deterrence through upgraded signal equipment to extend red signal when vehicles are in conflict zone. Upgrade detection to radar cameras, \$20,000 per signal and 5-year life (\$660,000), -NEW: Implement a robust traffic calming program. Calm traffic with sidewalk medians islands, chicanes, and chokers (\$400,000), -NEW: Add a traffic management center operator to respond to incidents and coordinate signal corridors Citywide (\$235,000), and -NEW: Maintain a wireless broadband system at each traffic signal to support connected vehicles and maintain communication with traffic signals. The system would allow monitoring of signals operations, including receiving alarms for failing detection systems and assessment of signal efficiency to support ongoing congestion reduction. -NEW: Ongoing traffic signal equipment replacement including cameras and battery back-ups. Annual cost for replacement of battery back-up, cameras and signal heads \$6k/yr./signal. 1 FTE Network Engineer. ½ FTE Electrician. Radio replacement at \$2,000/each 5 yr. life.	↑	\$990,000 - \$1,118,000

**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome		Annual Range
23	Trash, Traffic, Trees	This item improves the public safety and aesthetic appeal of streets, parks and City facilities: -Resurfacing and re-striping parking lots and drives (\$440,000 annually with a 10-year life cycle). There is currently no budget for this item -Staffing a full time pothole filling crew to proactively repair potholes on City streets (1FTE and 1PTE, no equipment, \$180,000) -Clearly delineate vehicle and pedestrian rights of way by employing a full time roadway restriping /marking crew. This item includes replacement of striping machine and 1 FTE. Current machine can only be used 1 month per year (\$32,000 annual and \$370,000 one time).	Same	\$216,000 - \$782,400
24	Trash, Traffic, Trees	Improve tree canopy and walkability through 1) planting 200 trees per year and removing stumps at 100 locations/year. (1 FTE, 1 PTE and 1 tree truck. \$1,700/tree to remove/stump grind, \$3,600 for sidewalk repair) (\$820,000), and 2) Designating a crew to grind and repair sidewalk lifts (500 lifts is the current reported backlog) (\$280,000).	Same	\$750,000 - \$900,000
25	Trash, Traffic, Trees	Complete strategies proposed in the Climate Action Plan designed to meet greenhouse gas emission targets including: 1) Partner with a private entity to install EV Charging Stations PAFH (30 stations) and in park and rides (281 stations). 2) Operate two electric vehicle shuttles with 10min headways during peak hr. \$100/hour estimated operating costs, \$150,000 per year per shuttle, and 3) Plant 1,347 trees	NEW	\$860,000 - \$1,032,000
26	Resources, Services, Maintenance	Additional staff resources and costs needed to address deferred maintenance CityWide. With additional City projects and an expansion of the services currently provided, additional staffing and operational resources will be needed. Resources will be used to support vehicle and equipment maintenance and replacement CityWide. Additional resources are also required to meet future CARB regulations.	↑	\$1,000,000 - \$5,000,000
27	Resources, Services, Maintenance	Deferred Facility Maintenance: There are 139 City-owned facilities that require ongoing maintenance & resources. Staff are responsible for maintaining the cleanliness of these facilities and contribute to the efforts to address homelessness and assist with graffiti removal on public facilities. Well-maintained recreational assets discourage littering, vandalism, gang activity, and graffiti by encouraging community pride of ownership. This item would return the department to pre-recession Custodial staffing levels to provide appropriate services to City facilities and cleaning park and public facility restrooms more frequently and add additional maintenance staff: (2) Plumbers, (1) Painter, (2) Drywallers, (3) Lead Maintenance Tech's, (1) Electrician, (1) Carpenter. This would allow proactive maintenance; provide resources for CPTED facility upgrades such as LED lighting to reduce shadows and areas for homeless to hide; and increased capacity in staffing allows for the opportunity to support the building of new structures and expanding existing facilities - Senior services (hubs)	↑	\$1,200,000 - \$7,850,000

**Potential Scenario: Thriving 1 Cent**

Estimated Annual Increase in Revenue = \$28 Million

#	Category	Outcome		Annual Range
28	Resources, Services, Maintenance	Grant funds are available from Federal, State, County and other sources to provide additional funds that address the Community's priorities and CityWide goals. Resources are needed to add staff positions (4) to create a team devoted to seeking and applying for grant opportunities as well as new positions for project management.	NEW	\$420,000 - \$750,000
29	Resources, Services, Maintenance	First-time homebuyer loans: Increase opportunities for affordable home-ownership. Would allow up to 5 loans of \$100K annually; Funds to be repaid over time so this investment has minimal long-term cost. This can be looked at as seed money that will be recouped, and initial annual investments can be recirculated once loans are paid back.	NEW	\$600,000 - \$900,000
30	Resources, Services, Maintenance	Create a Homeless Services Division to lead all strategies, programs and initiatives related to homelessness. Resources needed to use evidence-based practice research, community input and consumer feedback, to implement data-driven solutions to prevent, reduce and end homelessness.	NEW	\$500,000 - \$4,000,000
31	Resources, Services, Maintenance	Economic Development: Expand staff and resources to support economic growth, attract new businesses in targeted industries, and partner with regional economic developers. Conduct business expansion, attraction and retention efforts to promote a robust economy. Invest in "Visit Escondido" to promote tourism.	NEW	\$250,000 - \$1,000,000

**Thriving would increase annual revenue by approximately \$28 million. The list does not account for Infrastructure, One-Time Costs to implement new services, or the structural budget gap (\$8M in FY2021/22)**

**\$14,028,440 - \$27,111,680**

**Potential Local Funding Options**

To maintain the essential services the City provides and address the community's priorities, a locally controlled source of revenue is being considered. This list are options that can be accomplished with additional resources. We are continuing to engage the community on their needs and priorities for the City.



## Infrastructure Projects

#	Department	Project	Project Cost
1	Community Services	Build new Multi-use, Multigenerational Community Center/Library/Service Hub. New Center: 1 CS Supervisor II/III, 1 Recreation Coordinator, 6 Recreation Leader II (recreation staff only, not including library or BM)	\$50,000,000
2	Community Services	Mountain View Park Historic Property Restoration: This project will restore the historic Field House property located at Mountain View Park to arrest the damage that decades of deferred maintenance have caused and transform the space into an agricultural museum and event space that will celebrate and educate current and future visitors about the history and agricultural roots of historic Escondido.	\$1,250,000
3	Community Services	The Kit Carson Amphitheater is a hidden gem within the City of Escondido's Kit Carson Park. This full-service performance venue boasts a beautiful outdoor setting and is conveniently located near Westfield North County Mall, restaurants, public transportation and the 15 freeway. Improving the 42,000 square foot Amphitheater will create an opportunity to provide valuable community programs, services and activities that the City would otherwise not be able to provide.	\$1,500,000
4	Community Services	Daley Ranch Trail Alignment and Habitat Restoration Project: Daley Ranch is a 3,201-acre conservation area managed in perpetuity for the preservation of a biologically unique and diverse habitat area of regional importance. This project will dramatically improve trail alignment, restore habitat, and allow native flora and fauna to return to this area.	\$500,000
5	Engineering	Lining of Corrugated metal pipelines (Cat 1-4) CityWide to avoid rusting and sinkholes. Condition assessment estimate cost at \$40-M @ 20 yr. life. Curren budget include approximately \$900,000 per year toward this effort, so resulting shortfall is \$22-million over 20-years	\$22,000,000
6	Engineering	Fix Top 20 Hot Spots Identified in the Local Roadway Safety Plan. Includes protected left turns at 10 locations, 2 signals, 1 roundabout, and 7 intersection improvements	\$12,000,000
7	Engineering	Centre City Parkway & Brotherton Signal: This project installs a new signal at Centre City Parkway and Brotherton Rd. to support closure of the left turn access from South Escondido Blvd. There have been numerous fatal accidents at this location, so this project will improve safety by eliminating left turn movement across this former State highway.	\$1,500,000
8	Engineering	Escondido Gateway Improvements: The Escondido Gateway Improvements relieve congestion, calm traffic, and improve safety. Phase I: Gamble to Fig / \$7-million and Phase II: Lincoln/Ash roundabout / \$ 2-million	\$9,000,000
9	Engineering	Grand Avenue Vision Plan: The Grand Avenue Vision project will widen sidewalks through a road diet to accommodate outdoor dining and pedestrian activity in our historic downtown. Additional funding, in the amount of \$6,000,000, would widen an additional block of sidewalk, build two traffic circles and add festoon lighting for two additional blocks to the project scope.	\$6,000,000
10	Engineering	Build 12 roundabouts. \$2-million/each location	\$24,000,000
11	Engineering	Install 2 MW of solar panels	\$3,000,000
12	Engineering	Safe Routes to School Improvements. Fill sidewalk gaps and build green corridors near schools on Citrus, Rose, Ash and Redwood. 2.75-miles of sidewalk gaps within walkshed of Hidden Valley MS, Rose Elem, Rincon M.S., Felicita Elem.	\$12,500,000

## Infrastructure Projects

#	Department	Project	Project Cost
13	Engineering	Midway Drainage Improvements. Remove Midway/Valley area from floodplain (Goldenrod, Fern, Erica, Daisy & Maywood). Hundreds of homes/businesses would no longer have to pay flood insurance and could improve property	\$34,000,000
14	Engineering	Install 8.3-miles of sidewalk. Curb, gutter, and sidewalk only. No retaining walls. \$2.5-million/mile	\$20,750,000
15	Engineering	Install 30 miles of bike lanes. Slurry and re-stripe. No widening.	\$9,800,000
16	Engineering	EV Charging Stations: 30 at PAFH and 281 in park and rides. Assumes stations at park and rides would be installed by private venture	\$300,000
17	Fire	Additional storage for vehicles and equipment at existing facilities. Add facilities before demand outpaces current services. Investment in facilities to gain efficiencies and long-term costs savings: Covered parking with solar panels, conversion of carpeted floors to polished concrete.	\$1,300,000
18	Library	Renovate current library; add study rooms and collaborative spaces with needed equipment; add computer lab; and replace FFE; Add 1-2 FTE positions for strategic services OR build new library either as a stand-alone or as part of a service hub model	14,000,000 - \$50,000,000
19	Library	Add 2nd Library Location; Add ~15 FTE for up to 20,000 sq ft location	\$20,400,000
20	Library	Mobile Van (bookmobile and outreach service)	\$100,000
21	Library	Library Book vending machines (2 locations)	\$600,000
22	Planning	General Plan Update, update every 10 years: Preparing a new GP will help us stay current and create a vision for the City's identity over time (current 20-yr cycle)	\$3,000,000
23	Planning / Parks	11th Avenue Park Master Plan: Enable construction of 11th Ave Park	\$300,000
24	Planning / Parks	El Caballo Park Master Plan MND: Provide environmental clearance for existing El Caballo Park Master Plan	\$125,000
25	Planning / Parks	Jesmond Dene Park Master Plan: Enable and streamline installation of improvements at Jesmond Dene Park	\$300,000
26	Planning / Parks	Mountain View Park MasterPlan: Enable and streamline installation of improvements at Mountain View Park	\$300,000
27	Planning / Parks	Rod McLeod Park MasterPlan: Enable and streamline installation of improvements at Rod McLeod Park	\$300,000
28	Planning / Parks	Washington Park Master Plan: Enable and streamline installation of improvements at Washington Park	\$250,000
29	Planning / Parks	Escondido Creek Trail Master Plan: Update/complete Creek Trail Master Plan and environmental review	\$300,000
30	Planning / Parks	Kit Carson Park Master Plan: Update KCP Master Plan including environmental review (likely EIR)	\$500,000
31	Planning / Parks	Update/Complete GDP Master Plan: Enable and streamline installation of improvements in Grape Day Park	\$300,000

**\$236,175,000**



**VOTER OPINION SURVEY**  
SUMMARY REPORT

PREPARED FOR THE  
**CITY OF ESCONDIDO**



JULY 6, 2022



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## INTRODUCTION

Nestled in the foothills of North County, the City of Escondido is a diverse community known for its rich history, small town-charm, vibrant downtown, world-class arts, and a progressive vision for its future. Established in 1888 and currently home to an estimated 151,038 residents<sup>1</sup>, the City's team of full-time and part-time employees provides a full suite of municipal services including police, fire, public works, water and wastewater utilities, planning, parks, and community services.

Over the past decade, the City of Escondido's revenues have not kept pace with the growing costs associated with providing municipal services and facilities. Although the City has been proactive in responding to this challenge by reducing its costs, deferring maintenance projects, cutting back on basic services where feasible, and through effective financial management practices, the practical reality is that existing revenues simply do not support the high quality services that residents have come to expect. The City is facing an \$8,000,000 deficit in the next fiscal year that is expected to grow to \$10,000,000 annually over the next five years. To provide the funding required to maintain and improve the quality of essential city services, the City of Escondido will need to establish a local revenue measure.

**MOTIVATION FOR RESEARCH** The primary purpose of this study was to produce an unbiased, statistically reliable evaluation of voters' interest in supporting a general sales tax measure to provide the funding noted above. Additionally, should the City decide to move forward with a revenue measure, the survey data can guide how best to structure the measure so it is consistent with the community's priorities and expressed needs. Specifically, the study was designed to:

- Gauge current, *baseline* support for enacting a local sales tax to ensure adequate funding for general municipal services;
- Identify the types of services voters are most interested in funding, should the measure pass;
- Expose voters to arguments in favor of, and against, the proposed tax measure to assess how information affects support for the measure; and
- Estimate support for the measure once voters are presented with the types of information they will likely be exposed to during an election cycle.

It is important to note at the outset that voters' opinions about tax measures are often somewhat fluid, especially when the amount of information they initially have about a measure is limited. How voters think and feel about a measure today may not be the same way they think and feel once they have had a chance to hear more information about the measure during the election cycle. Accordingly, to accurately assess the feasibility of establishing a sales tax increase to fund municipal services, it was important that in addition to measuring *current* opinions about the measure (Question 5), the survey expose respondents to the types of information voters are likely to encounter during an election cycle, including arguments in favor of (Question 8) and opposed to (Question 10) the measure, and gauge how this type of information ultimately impacts their voting decision (Questions 9 & 11).

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1. Source: US Census April 1, 2020.

**OVERVIEW OF METHODOLOGY** For a full discussion of the research methods and techniques used in this study, turn to *Methodology* on page 32. In brief, the survey was administered to a random sample of 1,022 voters in the City of Escondido who are likely to participate in the November 2022 election. The survey followed a mixed-method design that employed multiple recruiting methods (email, text, and telephone) and multiple data collection methods (telephone and online). Administered between May 19 and May 29, 2022, the average interview lasted 16 minutes.

**ORGANIZATION OF REPORT** This report is designed to meet the needs of readers who prefer a summary of the findings as well as those who are interested in the details of the results. For those who seek an overview of the findings, the section titled *Key Findings & Conclusions* is for you. It provides a summary of the most important findings of the survey and a discussion of their implications. For the interested reader, this section is followed by a more detailed question-by-question discussion of the results from the survey by topic area (see *Table of Contents*), as well as a description of the methodology employed for collecting and analyzing the data. The questionnaire used for the interviews is contained at the back of this report (see *Questionnaire & Toplines* on page 35).

**ACKNOWLEDGMENTS** True North thanks the City of Escondido for the opportunity to assist the City in this important effort. The collective expertise, local knowledge, and insight provided by city staff and representatives improved the overall quality of the research presented here. A special thanks also to Catherine Lew and Rhonda Ammouri (Lew Edwards Group) for assisting in the design of the survey.

**DISCLAIMER** The statements and conclusions in this report are those of the authors (Dr. Timothy McLarney and Richard Sarles) at True North Research, Inc. and not necessarily those of the City of Escondido. Any errors and omissions are the responsibility of the authors.

**ABOUT TRUE NORTH** True North is a full-service survey research firm that is dedicated to providing public agencies with a clear understanding of the values, perceptions, priorities, and concerns of their residents and voters. Through designing and implementing scientific surveys, focus groups, and one-on-one interviews as well as expert interpretation of the findings, True North helps its clients to move with confidence when making strategic decisions in a variety of areas—such as planning, policy evaluation, performance management, establishing fiscal priorities, passing revenue measures, and developing effective public information campaigns.

During their careers, Dr. McLarney and Mr. Sarles have designed and conducted over 1,200 survey research studies for public agencies, including more than 400 revenue measure feasibility studies. Of the measures that have gone to ballot based on Dr. McLarney's recommendation, 95% have been successful. In total, the research that Dr. McLarney has conducted has led to over \$34 billion in voter-approved local revenue measures.



## KEY FINDINGS & CONCLUSIONS

The bulk of this report is devoted to conveying the details of the study findings. In this section, however, we attempt to ‘see the forest through the trees’ and note how the collective results of the survey answer the key questions that motivated the research. The following conclusions are based on True North’s interpretations of the survey results and the firm’s collective experience conducting revenue measure studies for public agencies throughout the State.

*Is it feasible to place a local sales tax measure on the November 2022 ballot?*

Yes. Most Escondido voters have a positive opinion of the quality of life in the city, and they value the services they receive from the City of Escondido while also seeing opportunities for improvements. Together, these sentiments translate into solid *natural* support (ranging between 62% to 68%) for establishing a one cent sales tax to provide funding for general city services such as police patrols and crime prevention, fire protection, paramedic, and 911 emergency response, keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained, addressing homelessness, traffic management, and other city services. The natural support levels for the measure tested in this study are well above the simple majority (50% +1) that is required for passage.

The results of this study suggest that if structured appropriately, focused on projects and services that voters identify as their priorities, *and* combined with effective public outreach/education and a solid independent campaign, the proposed sales tax measure has a good chance of passage if placed on the November 2022 ballot.

Having stated that a general sales tax measure is feasible, it is important to note that the measure’s prospects will be shaped by external factors and that a recommendation to place the measure on the November 2022 ballot comes with several qualifications and conditions. Indeed, although the results are promising, all revenue measures must overcome challenges prior to being successful. The proposed measure is no exception. The following paragraphs discuss some of the challenges and the next steps that True North recommends.

*Which services do Escondido voters view as priorities?*

A general tax is “any tax imposed for general governmental purposes”<sup>2</sup> and is distinguished from a special tax in that the funds raised by a general tax are not earmarked for a specific purpose(s). Thus, a general tax provides a municipality with a great deal of flexibility with respect to what is funded by the measure on a year-to-year basis.

Although the Escondido City Council would have the discretion to decide how to spend the revenues, the survey results indicate that voters are most interested in using the proceeds to fund public works, public safety, and address homelessness. Specifically, voters most strongly

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2. Section 1, Article XIII C, California Constitution.

avored using measure proceeds to repair and maintain local streets, sidewalks and infrastructure (92% strongly or somewhat favor), keep parks and public areas safe, clean, and well-maintained (92%), provide quick responses to 911 emergencies (90%), provide fire protection and paramedic services (89%), clean up piles of trash and litter that people dump along streets, sidewalks, and in public areas (89%), and address homelessness (88%).

*Does the duration of the measure strongly shape voter support?*

To assess how support for the measure may vary based on the duration of the measure, the survey employed a split-sample approach to test two options: until ended by voters and for 20 years. The overall sample of voters was split into two representative subsamples, with half receiving one version and half receiving the alternative. Consistent with the findings of other similar studies, this survey found that voters tend not to assign much weight to the duration of a measure in their decision calculus. At the Initial Ballot Test, overall support for the sales tax measure was modestly lower for the measure that would last until ended by voters (62%) when compared to the measure with a 20 year duration (68%). However, this difference evaporated quickly as the interview proceeded, with support at the Final Ballot Test being 63% for a measure that would last until ended by voters, 64% for a measure that would extend for 20 years. At no point after the Initial Ballot Test was there a statistically significant difference in support for the proposed measure based on the duration.

*How might a public information campaign affect support for the proposed measure?*

As noted in the body of this report, individuals' opinions about revenue measures are often not rigid, especially when the amount of information presented to the public on a measure has been limited. Thus, in addition to measuring current support for the measure, one of the goals of this study was to explore how the introduction of additional information about the measure may affect voters' opinions about the proposal.

It is clear from the survey results that voters' opinions about the proposed measures are somewhat sensitive to the nature, and amount, of information they have about the measure. Information about the projects and services that could be funded by the measure as well as arguments in favor of the measure were found by many voters to be compelling reasons to support the measure—effectively increasing support for the measure to 67% at the Interim Ballot Test. That said, voters also exhibited some sensitivity to opposition arguments, and there is a risk they could be swayed by divisive and hyper-partisan campaigning during the November election cycle. Accordingly, one of the keys to building and *sustaining* support for a measure will be the presence of an effective, well-organized public outreach effort and a separate, independent campaign that focuses on the need for the measure as well as the many benefits that it will bring.

*How might changes to the economic or political climate alter support for the measure?*

A survey is a snapshot in time—which means the results of this study and the conclusions noted above must be viewed in light of the *current* economic and political climates. On the one hand, this should provide some reassurances to the City of Escondido that a sales tax measure is feasible. Even with concerns regarding the pandemic, inflation, high gas prices, and the trajectory of the economy, more than six-in-ten Escondido voters were supportive of the measure at every ballot test. Support for the proposed measure also appears to be quite resilient, as the support levels found in the present survey were reasonably close to those found in a 2019 survey conducted for the City (prior to the pandemic).<sup>3</sup>

On the other hand, the months leading up to the November 2022 election are likely to be punctuated with dramatic events on the public health, economic, and political fronts. Exactly how these events unfold and may shape voters' opinions remains to be seen. Should the economy and/or political climate improve, support for the measure could increase. Conversely, negative economic and/or political developments (including devolving into a hyper-partisan environment), could dampen support for the measure below what was recorded in this study.

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3. In October 2019 and in the absence of the pandemic, inflation, high gas prices, etc., support for a one-cent sales tax increase to fund general city services ranged between 65% to 70% among Escondido voters.

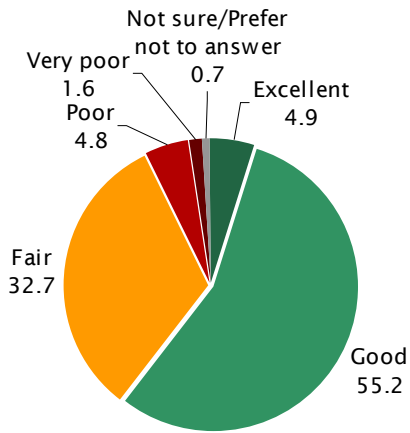
# QUALITY OF LIFE & CITY SERVICES

The opening section of the survey was designed to gauge voters' opinions regarding the City of Escondido's performance in providing municipal services, as well as their perceptions of the quality of life in the City.

**QUALITY OF LIFE** At the outset of the interview, voters were asked to rate the quality of life in the City of Escondido using a five-point scale of excellent, good, fair, poor, or very poor. As shown in Figure 1 below, six-in-ten voters shared favorable opinions of the quality of life in Escondido, with 5% reporting it is excellent and 55% stating it is good. Approximately one-third (33%) of voters surveyed rated the quality of life in the City is fair, whereas about 6% used poor or very poor to describe the quality of life in Escondido.

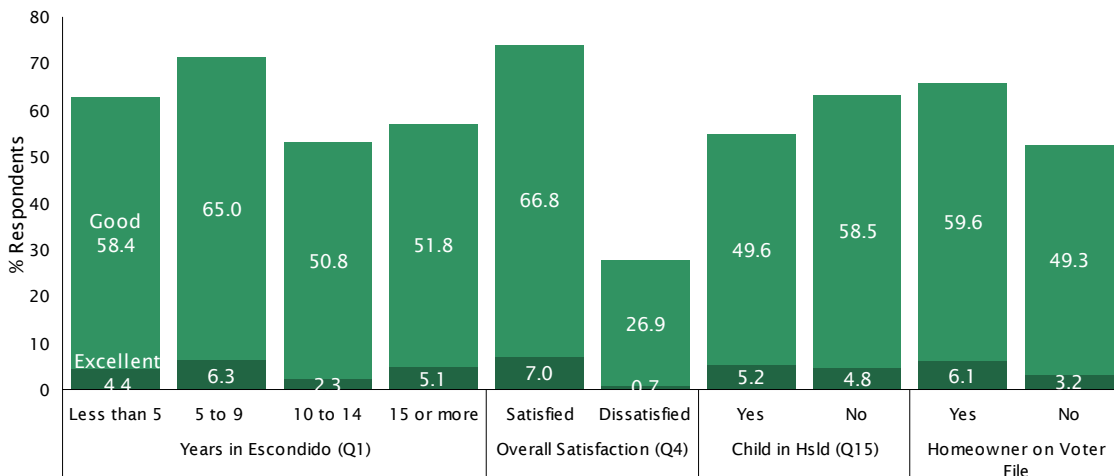
**Question 2** *How would you rate the overall quality of life in Escondido? Would you say it is excellent, good, fair, poor or very poor?*

**FIGURE 1 QUALITY OF LIFE**

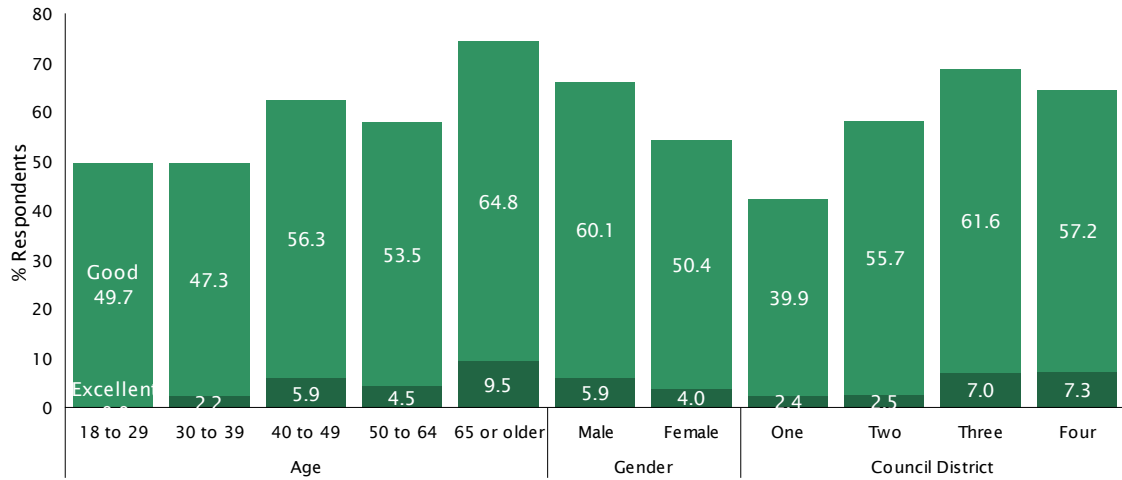


Figures 2 and 3 show how ratings of the quality of life in Escondido varied across a range of subgroups. Although the majority of nearly all subgroups provided favorable quality of life ratings, the most positive assessments were provided by those who had lived in Escondido less than 10 years, those satisfied with the City's overall performance in providing municipal services, residents without children in their household, home owners, seniors, males, and those living in Council Districts 3 or 4.

**FIGURE 2 QUALITY OF LIFE BY YEARS IN ESCONDIDO, OVERALL SATISFACTION, CHILD IN HSLD & HOMEOWNER VOTER ON FILE**



**FIGURE 3 QUALITY OF LIFE BY AGE, GENDER & COUNCIL DISTRICT**

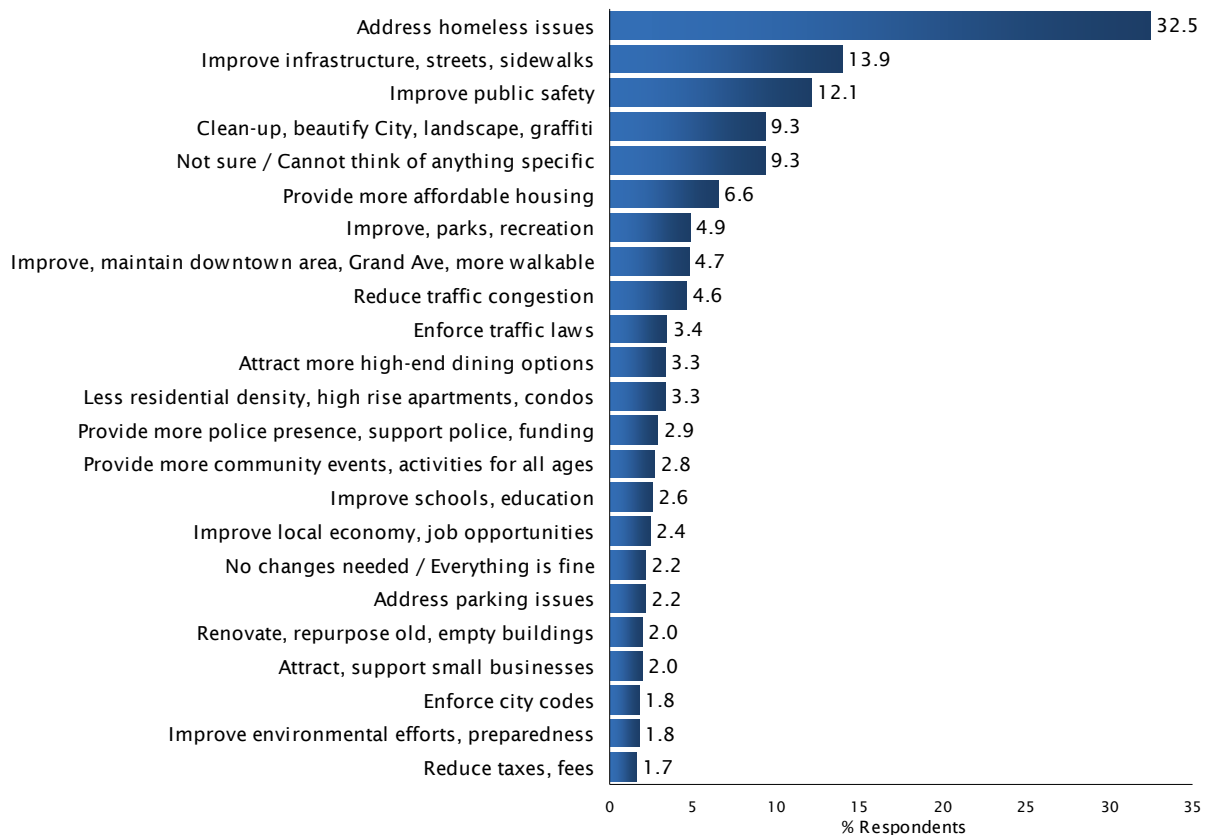


**CHANGES TO IMPROVE ESCONDIDO** The next question in this series asked voters to indicate the one thing that city government could *change* to make Escondido a better place to live, now and in the future. Question 3 was posed in an open-ended manner, allowing residents to mention any aspect or attribute that came to mind without being prompted by or restricted to a particular list of options. True North later reviewed the verbatim responses and grouped them into the categories shown in Figure 4 on the next page.

Among specific changes desired, addressing homeless issues was the most common, mentioned by one-third (33%) of voters surveyed. Other top issues included improving infrastructure, streets, and sidewalks (14%), improving public safety (12%), cleaning up and beautifying the City/landscaping/removing graffiti (9%), and providing more affordable housing (7%). Eleven percent (11%) of respondents could not think of a desired change (9%) or reported that no changes are needed (2%) to make Escondido a better place to live.

**Question 3** *If the city government could change one thing to make Escondido a better place to live now and in the future, what change would you like to see?*

**FIGURE 4 CHANGES TO IMPROVE CITY**



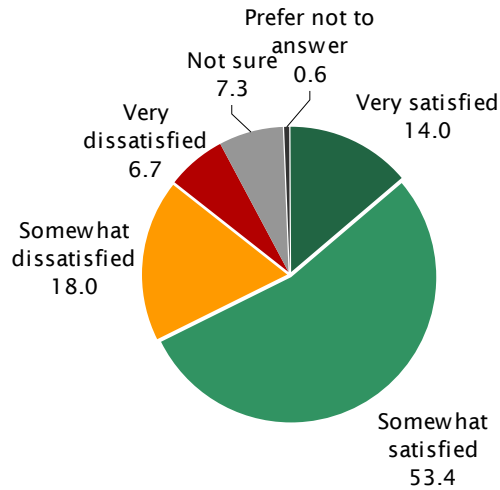
**OVERALL PERFORMANCE RATING** The final question in this series asked respondents to indicate if, overall, they were satisfied or dissatisfied with the job the City of Escondido is doing to provide city services. Because this question does not reference a specific program, facility, or service and requested that the respondent consider the City's performance in general, the findings of this question may be regarded as an *overall performance rating* for the City.

As shown in Figure 5 on the next page, two-thirds of Escondido voters surveyed indicated that they were satisfied with the City's efforts to provide municipal services, with 14% saying they were very satisfied and 53% somewhat satisfied. Approximately 25% reported that they were dissatisfied with the City's overall performance, and 8% were unsure or unwilling to state their opinion. For the interested reader, figures 6 and 7 display how the percentage of respondents satisfied with the City's overall performance varied across several demographic subgroups.

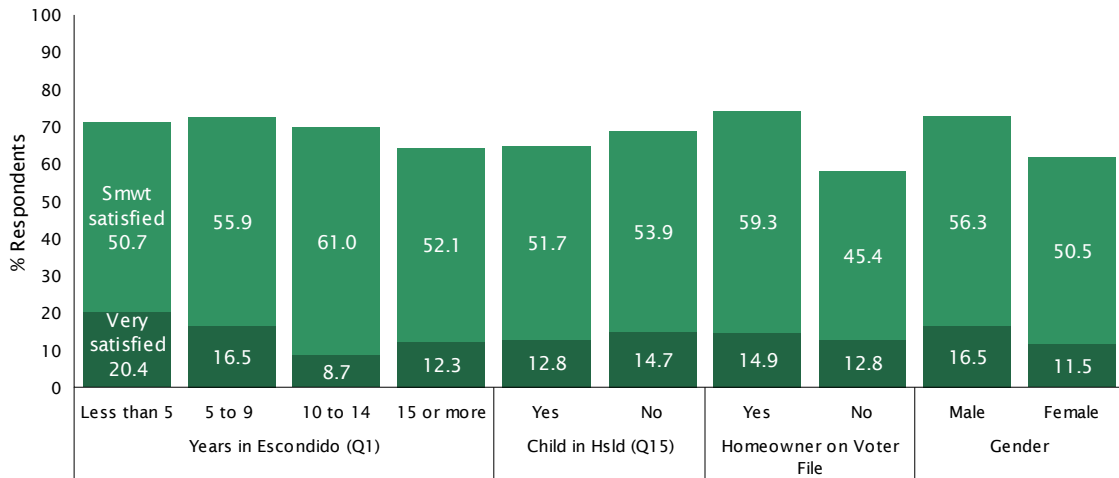


**Question 4** Generally speaking, are you satisfied or dissatisfied with the job the City of Escondido is doing to provide city services?

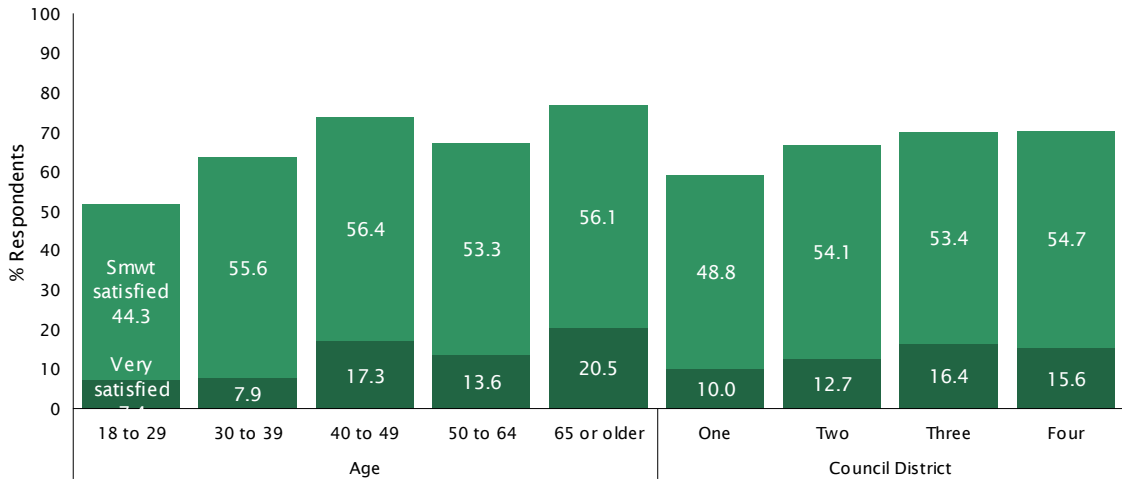
**FIGURE 5 OVERALL SATISFACTION**



**FIGURE 6 OVERALL SATISFACTION BY YEARS IN ESCONDIDO, CHILD IN HSLD, HOMEOWNER ON VOTER FILE & GENDER**



**FIGURE 7 OVERALL SATISFACTION BY AGE & COUNCIL DISTRICT**



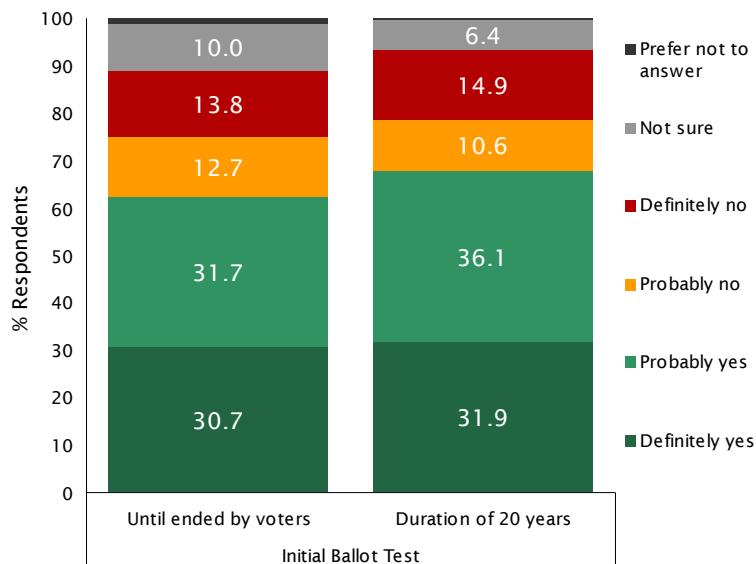
# INITIAL BALLOT TEST

The primary research objective of this survey was to estimate voters' support for establishing a one-cent sales tax to provide funding for general city services in the City of Escondido, such as police patrols and crime prevention, fire protection, paramedic, and 911 emergency response, keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained, addressing homelessness, traffic management, and other city services. To this end, Question 5 was designed to take an early assessment of voters' support for the proposed measure.

The motivation for placing Question 5 near the front of the survey is twofold. First, voter support for a measure can often depend on the amount of information they have about a measure. At this point in the survey, the respondent has not been provided information about the proposed measure beyond what is presented in the ballot language. This situation is analogous to a voter casting a ballot with limited knowledge about the measure, such as what might occur in the absence of an effective campaign. Question 5, also known as the Initial Ballot Test, is thus a good measure of voter support for the proposed measure *as it is today*, on the natural. Because the Initial Ballot Test provides a gauge of natural support for the measure, it also serves a second purpose in that it provides a useful baseline from which to judge the impact of various information items conveyed later in the survey on voter support for the measure.

**Question 5** *Later this year, voters in Escondido may be asked to vote on a local ballot measure. Let me read you a summary of the measure. To provide funding for general services in the City of Escondido, such as police patrols and crime prevention; fire protection, paramedic, and 9-1-1 emergency response; keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained; addressing homelessness, traffic management, and other city services; shall an ordinance establishing a one-cent sales tax be adopted, providing approximately 28 million dollars annually for general government use <<until ended by voters | for 20 years>>, with independent audits, citizen oversight, and all money locally controlled? If the election were held today, would you vote yes or no on this measure?*

**FIGURE 8 INITIAL BALLOT TEST BY DURATION OF MEASURE**



To assess how support for the measure may vary based on the *duration* of the measure, the survey used a split-sample approach to test two options: *until ended by voters* and *for 20 years*. The overall sample of voters was split into two representative subsamples, with half receiving one version and the other half receiving the alternative.

As shown in Figure 8 on the previous page, there was a modest difference in voters' initial levels of support for the sales tax renewal measure based on the version tested. Among those who received a measure that would extend until ended by voters, 62% supported the measure, 27% opposed, and 11% were unsure at the Initial Ballot Test. Voters who received the 20-year version were somewhat more supportive initially, with 68% indicating they would support the proposal, 26% opposed, and 7% unsure.

The support levels recorded at the Initial Ballot Test were 12% and 18% above the simple majority required for passage of a general tax under California law, depending on the version tested. The findings of this survey also suggest that voters' opinions about the proposed measure have remained relatively stable over the past two years, despite the pandemic and trends in inflation, gas prices, and other factors. Approximately 70% of likely November 2020 voters surveyed in October 2019 (prior to the pandemic) supported a similar sales tax measure (prior to the pandemic).

**INITIAL SUPPORT BY SUBGROUPS** For the interested reader, Table 1 on the next page combines responses for the two tax durations and shows how support for the measure at the Initial Ballot Test varied by key demographic traits. The blue column (Approximate % of Voter Universe) indicates the percentage of the likely November 2022 electorate that each subgroup category comprises, whereas the green column (% Probably or Definitely Yes) conveys the level of support for the measure. The most striking pattern in the table is that support for the measure was widespread at the Initial Ballot Test, exceeding a simple majority in *all* identified subgroups with the exception of one: respondents who rated the City's performance in managing its finances as poor or very poor.

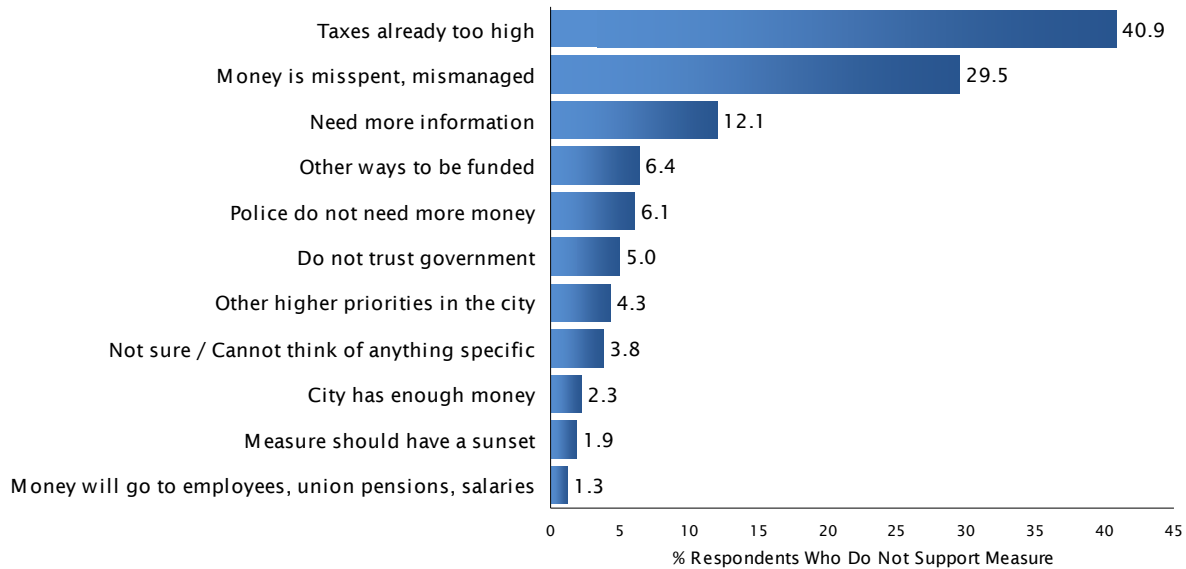
TABLE 1 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INITIAL BALLOT TEST

		Approximate % of Voter Universe	% Probably or Definitely Yes	% Not sure
Overall		100.0	65.2	8.2
Years in Escondido (Q1)	Less than 5	16.7	66.7	11.0
	5 to 9	16.6	77.2	5.2
	10 to 14	8.3	61.7	10.1
	15 or more	58.4	61.6	7.9
Overall Satisfaction (Q4)	Satisfied	73.2	69.6	6.6
	Dissatisfied	26.8	52.7	10.5
Child in Hsld (Q15)	Yes	28.7	69.6	3.8
	No	71.3	65.0	9.6
Opinion of Economy in 6 Months (Q13)	Better	9.5	80.7	5.3
	About the same	35.7	74.3	7.6
	Worse	54.8	55.6	9.2
Fiscal Management Rating (Q14)	Excellent, good	30.2	84.9	2.8
	Fair	44.4	63.4	6.3
	Poor, very poor	25.4	44.5	12.9
Party	Democrat	37.1	72.5	9.0
	Republican	35.1	56.4	7.7
	Other / DTS	27.8	66.5	7.8
Age	18 to 29	16.1	66.4	13.0
	30 to 39	17.1	67.7	4.8
	40 to 49	14.1	69.3	9.0
	50 to 64	25.9	60.9	6.7
	65 or older	26.7	64.8	8.5
Registration Year	Since Nov '18	11.8	73.8	6.6
	Jun '12 to <Nov '18	24.8	64.3	10.3
	Jun '06 to <Jun '12	11.2	59.7	5.7
	Before Jun '06	52.2	64.8	8.1
Household Party Type	Single dem	19.9	74.4	8.7
	Dual dem	10.5	70.0	9.6
	Single rep	14.2	58.4	5.6
	Dual rep	13.3	58.9	7.9
	Other	17.0	62.1	10.6
	Mixed	25.1	65.1	7.1
Homeowner on Voter File	Yes	57.8	64.0	7.6
	No	42.2	66.8	9.0
Gender	Male	49.8	64.6	7.9
	Female	50.2	65.9	8.5
Council District	One	13.6	70.5	5.1
	Two	34.7	63.4	10.1
	Three	21.0	70.9	5.8
	Four	30.6	60.9	9.1
Likely to Vote by Mail	Yes	74.4	65.3	8.9
	No	25.6	64.9	6.0
Likely Jun 2022 Voter	Yes	65.5	64.3	8.3
	No	34.5	66.9	8.0

**REASONS FOR OPPOSING MEASURE** Respondents who opposed the measure (or were unsure) at the Question 5 Initial Ballot Test were subsequently asked if there was a particular reason for their position. Question 6 was asked in an open-ended manner, allowing respondents to mention any reason that came to mind without being prompted by, or restricted to, a particular list of options. True North subsequently reviewed the verbatim responses and grouped them into the categories shown in Figure 9. Among specific reasons offered for not supporting the measure or being unsure, a belief that taxes are already too high (41%) and the perception that city funds have been/will be mismanaged or misspent (30%) were the most common, followed by a need for more information (12%).

**Question 6** *Is there a particular reason why you do not support or are unsure about the measure I just described?*

**FIGURE 9 REASONS FOR NOT SUPPORTING MEASURE**



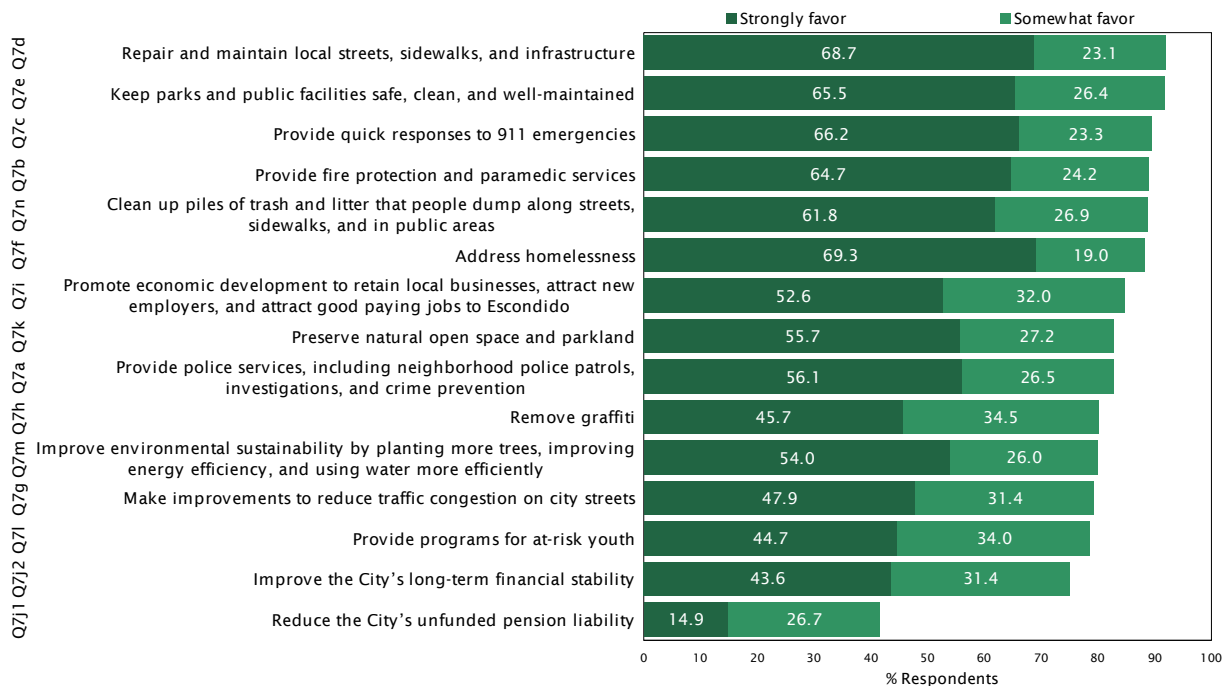
# PROJECTS & SERVICES

The ballot language presented in Question 5 indicated that the proposed measure would provide funding for general city services in the City of Escondido such as police patrols and crime prevention, fire protection, paramedic, and 911 emergency response, keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained, addressing homelessness, traffic management, and other city services. The purpose of Question 7 was to provide respondents with a full range of services that may be funded by the proposed measure, as well as identify which of these services voters most favored funding with the proceeds of the measure.

After reading each service, respondents were asked if they would favor or oppose spending some of the money on that particular item assuming that the measure passed. Descriptions of the services tested, as well as voters' responses, are shown in Figure 10 below. The order in which the services were presented to respondents was randomized to avoid a systematic position bias.

**Question 7** *The measure we've been discussing will provide funding for a variety of services in your community. If the measure passes, would you favor or oppose using some of the money to: \_\_\_\_\_, or do you not have an opinion?*

**FIGURE 10 PROJECTS & SERVICES**



Overall, the services that resonated with the largest percentage of respondents were repairing and maintaining local streets, sidewalks and infrastructure (92% strongly or somewhat favor), keeping parks and public areas safe, clean, and well-maintained (92%), providing quick responses to 911 emergencies (90%), providing fire protection and paramedic services (89%), cleaning up piles of trash and litter that people dump along streets, sidewalks, and in public areas (89%), and addressing homelessness (88%).

**SERVICE RATINGS BY INITIAL SUPPORT** Table 2 presents the top five services (showing the percentage of respondents who *strongly* favor each) by position at the Initial Ballot Test. Not surprisingly, individuals who initially opposed the measure were generally less likely to favor spending money on a given service when compared with supporters. Nevertheless, initial supporters, opponents, and the undecided did agree on four of the top five priorities for funding.

**TABLE 2 TOP PROJECTS & SERVICES BY POSITION AT INITIAL BALLOT TEST**

Position at Initial Ballot Test (Q5)	Item	Project or Service Summary	% Strongly Favor
Probably or Definitely Yes (n = 666)	Q7f	Address homelessness	78
	Q7e	Keep parks and public facilities safe, clean, and well-maintained	77
	Q7d	Repair and maintain local streets, sidewalks, and infrastructure	76
	Q7c	Provide quick responses to 911 emergencies	76
	Q7b	Provide fire protection and paramedic services	73
Probably or Definitely No (n = 265)	Q7d	Repair and maintain local streets, sidewalks, and infrastructure	52
	Q7f	Address homelessness	52
	Q7b	Provide fire protection and paramedic services	48
	Q7c	Provide quick responses to 911 emergencies	47
	Q7e	Keep parks and public facilities safe, clean, and well-maintained	44
Not Sure (n = 84)	Q7d	Repair and maintain local streets, sidewalks, and infrastructure	64
	Q7f	Address homelessness	58
	Q7c	Provide quick responses to 911 emergencies	56
	Q7n	Clean up piles of trash and litter that people dump along streets, sidewalks, and in public areas	56
	Q7b	Provide fire protection and paramedic services	53



# POSITIVE ARGUMENTS

If the City chooses to place a measure on an upcoming ballot, voters will be exposed to various arguments about the measure in the ensuing months. Proponents of the measure will present arguments to try to persuade voters to support a measure, just as opponents may present arguments to achieve the opposite goal. For this study to be a reliable gauge of voter support for the proposed sales tax measure, it is important that the survey simulate the type of discussion and debate that will occur prior to the vote taking place and identify how this information ultimately shapes voters' opinions about the measure.

The objective of Question 8 was thus to present respondents with arguments in favor of the proposed measure and identify whether they felt the arguments were convincing reasons to support it. Arguments in opposition to the measure were also presented and are discussed later in this report (see *Negative Arguments* on page 22). Within each series, specific arguments were administered in random order to avoid a systematic position bias.

**Question 8** *What I'd like to do now is tell you what some people are saying about the measure we've been discussing. Supporters of the measure say: \_\_\_\_\_. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to SUPPORT the measure?*

**FIGURE 11 POSITIVE ARGUMENTS**

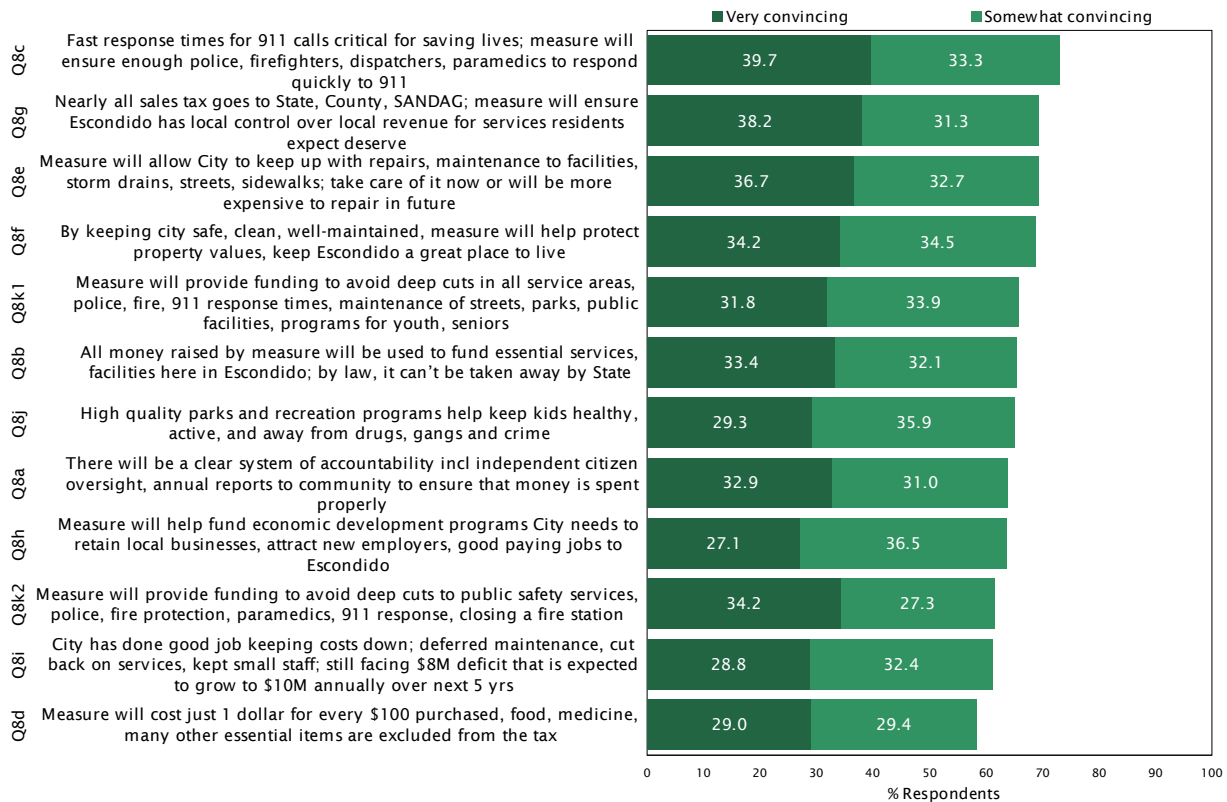


Figure 11 on the previous page presents the truncated positive arguments tested, as well as voters' reactions to the arguments. The arguments are ranked from most convincing to least convincing based on the percentage of respondents who indicated that the argument was either a 'very convincing' or 'somewhat convincing' reason to support the sales tax measure. Using this methodology, the most compelling positive arguments were: *Fast emergency response times for 911 calls are critical for saving lives. This measure will ensure that we have enough police officers, firefighters, dispatchers, and paramedics to respond quickly to 911 emergencies* (73% very or somewhat convincing), *Currently, nearly all of the sales tax generated locally goes to the State of California, the County of San Diego, or SANDAG. This measure will ensure that Escondido has local control over local revenue for the services residents expect and deserve* (70%), and *The funding raised by this measure will allow the City to keep up with basic repairs and maintenance to public facilities, storm drains, streets, and sidewalks. If we don't take care of it now, it will be a lot more expensive to repair in the future* (69%).

**POSITIVE ARGUMENTS BY INITIAL SUPPORT** Table 3 on the next page lists the top five most convincing positive arguments (showing the percentage of respondents who cited it as very convincing) according to respondents' vote choice at the Initial Ballot Test. The positive arguments resonated with a much higher percentage of voters initially inclined to support the measure compared with those who initially opposed the measure or were unsure. Nevertheless, two arguments were ranked among the top five most compelling by all three groups.

TABLE 3 TOP POSITIVE ARGUMENTS BY POSITION AT INITIAL BALLOT TEST

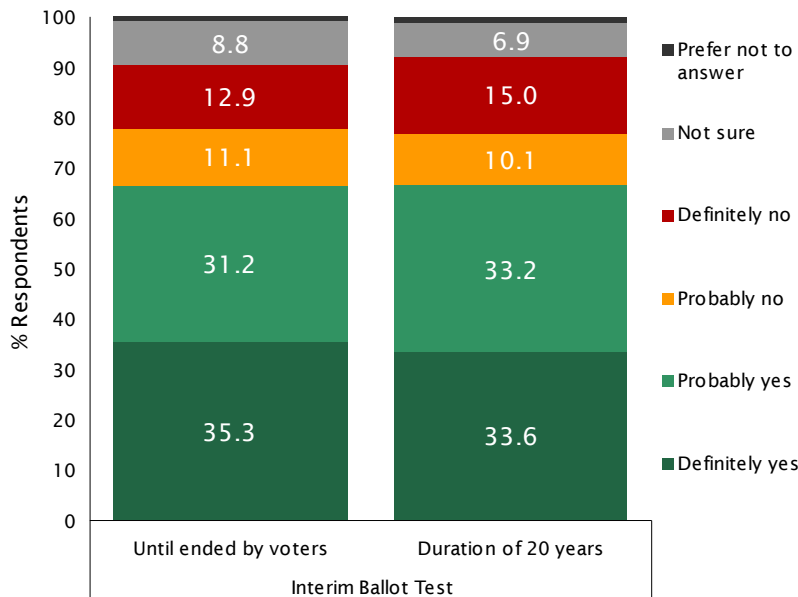
Position at Initial Ballot Test (Q5)	Item	Positive Argument Summary	% Very Convincing
Probably or Definitely Yes (n = 666)	Q8c	Fast response times for 911 calls critical for saving lives; measure will ensure enough police, firefighters, dispatchers, paramedics to respond quickly to 911	52
	Q8g	Nearly all sales tax goes to State, County, SANDAG; measure will ensure Escondido has local control over local revenue for services residents expect deserve	51
	Q8e	Measure will allow City to keep up with repairs, maintenance to facilities, storm drains, streets, sidewalks; take care of it now or will be more expensive to repair in future	48
	Q8k2	Measure will provide funding to avoid deep cuts to public safety services, police, fire protection, paramedics, 911 response, closing a fire station	48
	Q8f	By keeping city safe, clean, well-maintained, measure will help protect property values, keep Escondido a great place to live	46
Probably or Definitely No (n = 265)	Q8e	Measure will allow City to keep up with repairs, maintenance to facilities, storm drains, streets, sidewalks; take care of it now or will be more expensive to repair in future	14
	Q8c	Fast response times for 911 calls critical for saving lives; measure will ensure enough police, firefighters, dispatchers, paramedics to respond quickly to 911	12
	Q8g	Nearly all sales tax goes to State, County, SANDAG; measure will ensure Escondido has local control over local revenue for services residents expect deserve	11
	Q8f	By keeping city safe, clean, well-maintained, measure will help protect property values, keep Escondido a great place to live	9
	Q8h	Measure will help fund economic development programs City needs to retain local businesses, attract new employers, good paying jobs to Escondido	9
Not Sure (n = 84)	Q8c	Fast response times for 911 calls critical for saving lives; measure will ensure enough police, firefighters, dispatchers, paramedics to respond quickly to 911	33
	Q8k1	Measure will provide funding to avoid deep cuts in all service areas, police, fire, 911 response times, maintenance of streets, parks, public facilities, programs for youth, seniors	32
	Q8g	Nearly all sales tax goes to State, County, SANDAG; measure will ensure Escondido has local control over local revenue for services residents expect deserve	27
	Q8a	There will be a clear system of accountability incl independent citizen oversight, annual reports to community to ensure that money is spent properly	26
	Q8h	Measure will help fund economic development programs City needs to retain local businesses, attract new employers, good paying jobs to Escondido	25

# INTERIM BALLOT TEST

After informing respondents about the services that could be funded by the measure as well as exposing them to positive arguments voters may encounter during an election cycle, the survey again presented respondents with the ballot language used previously to gauge how support for the proposed sales tax measure may have changed. As shown in Figure 12, at this point in the survey there was little difference in support based on the duration of the measure. Two-thirds (67%) of voters at the Interim Ballot Test supported a measure that would extend *until ended by voters*, whereas 24% opposed and 10% were unsure or unwilling to share their opinion. Two-thirds (67%) of voters also supported a comparable measure that would last *for 20 years*, while 25% opposed and 8% were unsure or unwilling to share their opinion.

**Question 9** *Sometimes people change their mind about a measure once they have more information about it. Now that you have heard a bit more about the measure, let me read you a summary of it again. To provide funding for general services in the City of Escondido, such as police patrols and crime prevention; fire protection, paramedic, and 9-1-1 emergency response; keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained; addressing homelessness, traffic management, and other city services; shall an ordinance establishing a one-cent sales tax be adopted, providing approximately 28 million dollars annually for general government use <<until ended by voters | for 20 years>>, with independent audits, citizen oversight, and all money locally controlled? If the election were held today, would you vote yes or no on this measure?*

**FIGURE 12 INTERIM BALLOT TEST BY DURATION OF MEASURE**



**SUPPORT BY SUBGROUPS** Table 4 on the next page shows how support for the measure at this point in the survey varied by key voter subgroups, as well as the change in subgroup support when compared with the Initial Ballot Test. Positive differences appear in green and negative differences appear in red. As shown in the table, support for the sales tax measure increased by modest amounts (less than 5 percentage points) between the Initial and Interim Ballot Test for

most voter subgroups. Notable exceptions include recent registrants (+13%) and those who had lived in Escondido between 10 to 14 years (+7%).

**TABLE 4 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INTERIM BALLOT TEST**

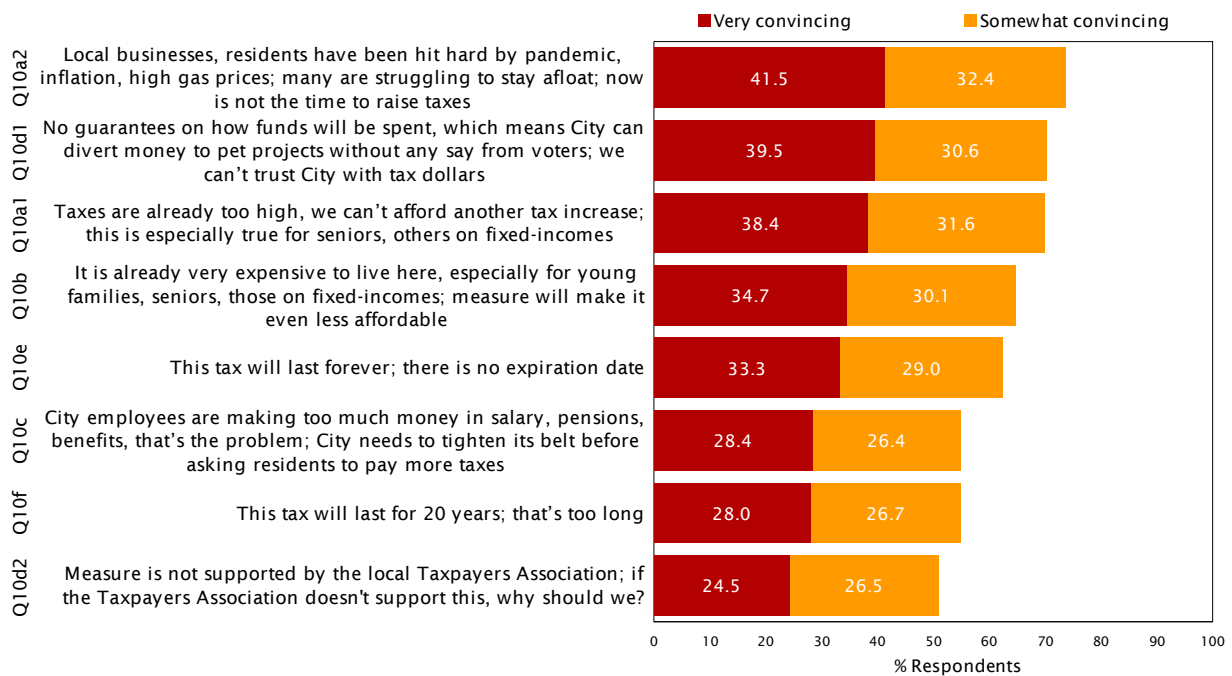
		Approximate % of Voter Universe	% Probably or Definitely Yes	Change From Initial Ballot Test (Q5)
Overall		100.0	66.6	+1.4
Years in Escondido (Q1)	Less than 5	16.7	71.5	+4.8
	5 to 9	16.6	73.4	-3.8
	10 to 14	8.3	68.7	+7.0
	15 or more	58.4	62.8	+1.2
Overall Satisfaction (Q4)	Satisfied	73.2	71.9	+2.4
	Dissatisfied	26.8	52.8	+0.1
Child in Hsld (Q15)	Yes	28.7	72.5	+2.8
	No	71.3	66.0	+1.1
Opinion of Economy in 6 Months (Q13)	Better	9.5	84.8	+4.1
	About the same	35.7	76.6	+2.3
	Worse	54.8	56.2	+0.6
Fiscal Management Rating (Q14)	Excellent, good	30.2	87.6	+2.7
	Fair	44.4	66.0	+2.6
	Poor, very poor	25.4	42.4	-2.2
Party	Democrat	37.1	73.4	+1.0
	Republican	35.1	56.5	+0.1
	Other / DTS	27.8	70.2	+3.8
Age	18 to 29	16.1	71.3	+4.9
	30 to 39	17.1	70.0	+2.3
	40 to 49	14.1	69.3	+0.0
	50 to 64	25.9	61.2	+0.2
	65 or older	26.7	65.5	+0.7
Registration Year	Since Nov '18	11.8	86.6	+12.8
	Jun '12 to <Nov '18	24.8	62.5	-1.8
	Jun '06 to <Jun '12	11.2	62.8	+3.1
	Before Jun '06	52.2	64.8	+0.0
Household Party Type	Single dem	19.9	74.4	+0.0
	Dual dem	10.5	73.9	+3.9
	Single rep	14.2	61.9	+3.5
	Dual rep	13.3	58.2	-0.6
	Other	17.0	65.7	+3.6
	Mixed	25.1	65.1	+0.0
Homeowner on Voter File	Yes	57.8	63.5	-0.5
	No	42.2	70.9	+4.1
Gender	Male	49.8	67.0	+2.4
	Female	50.2	66.3	+0.5
Council District	One	13.6	75.3	+4.8
	Two	34.7	66.5	+3.2
	Three	21.0	68.9	-2.0
	Four	30.6	61.3	+0.3
Likely to Vote by Mail	Yes	74.4	66.8	+1.5
	No	25.6	66.0	+1.1
Likely Jun 2022 Voter	Yes	65.5	63.9	-0.3
	No	34.5	71.7	+4.8

## NEGATIVE ARGUMENTS

Whereas Question 8 of the survey presented respondents with arguments in favor of the sales tax measure, Question 10 presented respondents with arguments designed to elicit opposition to the measure. In the case of Question 10, however, respondents were asked whether they felt that the argument was a very convincing, somewhat convincing, or not at all convincing reason to *oppose* the measure. The arguments tested, as well as voters' opinions about the arguments, are presented below in Figure 13.

**Question 10** *Next, let me tell you what opponents of the measure are saying. Opponents of the measure say: \_\_\_\_\_. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the measure?*

FIGURE 13 NEGATIVE ARGUMENTS



Overall, the most compelling negative arguments were: *Local businesses and residents have been hit hard by the pandemic, inflation, and high gas prices. Many are struggling to stay afloat. Now is not the time to raise taxes* (74% very or somewhat convincing), *There are no guarantees on how funds will be spent, which means the City can divert the money to pet projects without any say from voters. We can't trust the City with our tax dollars* (70%), and *Taxes are already too high - we can't afford another tax increase. This is especially true for seniors and others on fixed incomes* (70%).

**NEGATIVE ARGUMENTS BY INITIAL SUPPORT** Table 5 on the next page ranks the negative arguments (showing the percentage of respondents who cited each as very convincing) according to respondents' vote choice at the Initial Ballot Test.

TABLE 5 TOP NEGATIVE ARGUMENTS

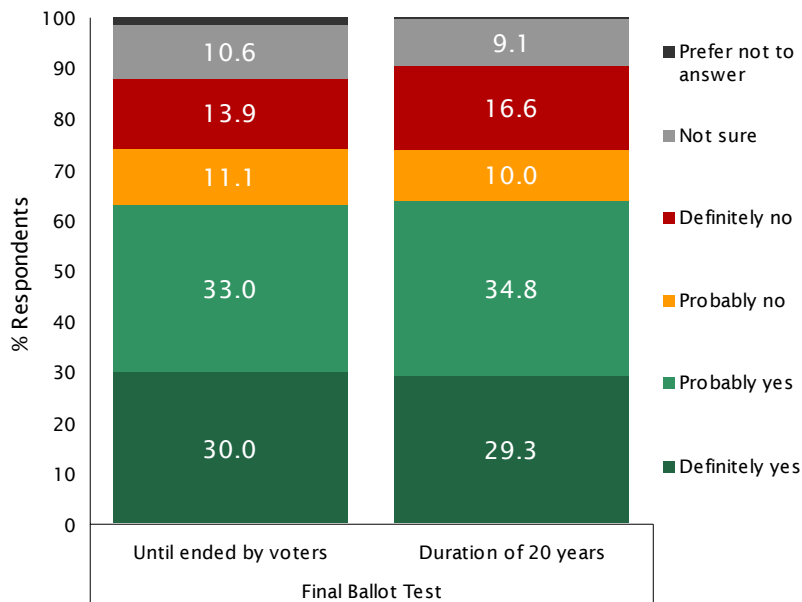
Position at Initial Ballot Test (Q5)	Item	Negative Argument Summary	% Very Convincing
Probably or Definitely Yes (n = 666)	Q10d1	No guarantees on how funds will be spent, which means City can divert money to pet projects without any say from voters; we can't trust City with tax dollars	31
	Q10a2	Local businesses, residents have been hit hard by pandemic, inflation, high gas prices; many are struggling to stay afloat; now is not the time to raise taxes	29
	Q10e	This tax will last forever; there is no expiration date	25
	Q10a1	Taxes are already too high, we can't afford another tax increase; this is especially true for seniors, others on fixed-incomes	25
	Q10c	City employees are making too much money in salary, pensions, benefits, that's the p	23
Probably or Definitely No (n = 265)	Q10a2	Local businesses, residents have been hit hard by pandemic, inflation, high gas prices; many are struggling to stay afloat; now is not the time to raise taxes	71
	Q10a1	Taxes are already too high, we can't afford another tax increase; this is especially true for seniors, others on fixed-incomes	67
	Q10b	It is already very expensive to live here, especially for young families, seniors, those on fixed-incomes; measure will make it even less affordable	64
	Q10d1	No guarantees on how funds will be spent, which means City can divert money to pet projects without any say from voters; we can't trust City with tax dollars	61
	Q10e	This tax will last forever; there is no expiration date	54
Not Sure (n = 84)	Q10a2	Local businesses, residents have been hit hard by pandemic, inflation, high gas prices; many are struggling to stay afloat; now is not the time to raise taxes	54
	Q10a1	Taxes are already too high, we can't afford another tax increase; this is especially true for seniors, others on fixed-incomes	49
	Q10b	It is already very expensive to live here, especially for young families, seniors, those on fixed-incomes; measure will make it even less affordable	42
	Q10f	This tax will last for 20 years; that's too long	39
	Q10d1	No guarantees on how funds will be spent, which means City can divert money to pet projects without any say from voters; we can't trust City with tax dollars	39

## FINAL BALLOT TEST

Voters' opinions about ballot measures are often not rigid, especially when the amount of information presented to the public on a measure has been limited. A goal of the survey was thus to gauge how voters' opinions about the proposed measure may be affected by the information they could encounter during the course of an election cycle. After providing respondents with the wording of the proposed measure, services that could be funded, and arguments in favor of and against the proposal, the survey again asked voters whether they would vote 'yes' or 'no' on the proposed sales tax measure.

**Question 11** *Now that you have heard a bit more about the measure, let me read you a summary of it one more time. To provide funding for general services in the City of Escondido, such as police patrols and crime prevention; fire protection, paramedic, and 9-1-1 emergency response; keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained; addressing homelessness, traffic management, and other city services; shall an ordinance establishing a one-cent sales tax be adopted, providing approximately 28 million dollars annually for general government use <<until ended by voters | for 20 years>>, with independent audits, citizen oversight, and all money locally controlled? If the election were held today, would you vote yes or no on this measure?*

FIGURE 14 FINAL BALLOT TEST BY DURATION OF MEASURE



At this point in the survey, support for a general sales tax that would continue *until ended by voters* was found among 63% of likely November 2022 voters, with 30% indicating that they would *definitely* support the measure. Approximately 25% of respondents opposed the measure at the Final Ballot Test, and 12% were unsure or unwilling to state their vote choice. Support for a sales tax measure that would last *for 20 years* was found among 64% of likely November 2022 voters, with 29% indicating that they would *definitely* support the measure. Approximately 27% of respondents opposed the measure at the Final Ballot Test, and 9% were unsure or unwilling to state their vote choice.



## CHANGE IN SUPPORT

Combining the results for both versions of the measure, Table 6 provides a closer look at how support for the proposed measure changed over the course of the survey by calculating the difference in support between the Initial, Interim, and Final Ballot Tests within subgroups of voters. The percentage of support for the measure at the Final Ballot Test is shown in the column with the heading *% Probably or Definitely Yes*. The columns to the right show the difference between the Final and the Initial, and the Final and Interim Ballot Tests. Positive differences appear in green, and negative differences appear in red.

**TABLE 6 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT FINAL BALLOT TEST**

		Approximate % of Voter Universe	% Probably or Definitely Yes	Change From Initial Ballot Test (Q2)	Change From Interim Ballot Test (Q9)
Overall		100.0	63.5	-1.6	-3.1
Years in Escondido (Q1)	Less than 5	16.7	66.0	-0.6	-5.4
	5 to 9	16.6	73.3	-3.8	-0.0
	10 to 14	8.3	68.1	+6.5	-0.6
	15 or more	58.4	59.1	-2.5	-3.7
Overall Satisfaction (Q4)	Satisfied	73.2	68.9	-0.6	-3.0
	Dissatisfied	26.8	49.7	-3.0	-3.1
Child in Hsld (Q15)	Yes	28.7	70.8	+1.1	-1.7
	No	71.3	62.5	-2.5	-3.5
Opinion of Economy in 6 Months (Q13)	Better	9.5	84.4	+3.7	-0.4
	About the same	35.7	73.1	-1.1	-3.4
	Worse	54.8	53.1	-2.4	-3.1
Fiscal Management Rating (Q14)	Excellent, good	30.2	85.4	+0.5	-2.2
	Fair	44.4	64.0	+0.7	-2.0
	Poor, very poor	25.4	38.8	-5.7	-3.6
Party	Democrat	37.1	70.5	-2.0	-2.9
	Republican	35.1	52.2	-4.2	-4.3
	Other / DTS	27.8	68.4	+2.0	-1.8
Age	18 to 29	16.1	67.7	+1.4	-3.6
	30 to 39	17.1	67.6	-0.2	-2.4
	40 to 49	14.1	67.7	-1.6	-1.6
	50 to 64	25.9	56.7	-4.3	-4.5
	65 or older	26.7	62.9	-1.9	-2.6
Registration Year	Since Nov '18	11.8	82.4	+8.6	-4.2
	Jun '12 to <Nov '18	24.8	57.5	-6.8	-5.0
	Jun '06 to <Jun '12	11.2	64.0	+4.3	+1.2
	Before Jun '06	52.2	62.0	-2.8	-2.8
Household Party Type	Single dem	19.9	72.3	-2.1	-2.1
	Dual dem	10.5	69.1	-0.9	-4.8
	Single rep	14.2	54.4	-4.0	-7.5
	Dual rep	13.3	55.6	-3.2	-2.6
	Other	17.0	65.5	+3.4	-0.2
	Mixed	25.1	62.3	-2.8	-2.9
Homeowner on Voter File	Yes	57.8	60.8	-3.2	-2.7
	No	42.2	67.3	+0.5	-3.6
Gender	Male	49.8	63.6	-1.0	-3.4
	Female	50.2	63.6	-2.3	-2.8
Council District	One	13.6	73.4	+2.9	-1.9
	Two	34.7	63.0	-0.4	-3.5
	Three	21.0	68.2	-2.8	-0.7
	Four	30.6	56.6	-4.4	-4.7
Likely to Vote by Mail	Yes	74.4	63.0	-2.2	-3.8
	No	25.6	64.9	+0.0	-1.1
Likely Jun 2022 Voter	Yes	65.5	61.2	-3.0	-2.7
	No	34.5	67.9	+1.0	-3.8

As expected, voters generally responded to the negative arguments with a reduction in their support for the sales tax measure when compared with the levels recorded at the Interim Ballot Test. The general trend over the course of the entire survey (Initial to Final Ballot Test) was also one of slightly declining support for most voter subgroups, averaging -1.6 percentage points overall. Nevertheless, even with this decline, support for the proposed measure at the Final Ballot Test remained well above the simple majority required for passage of a general tax.

Whereas Table 6 displays change in support for the measure over the course of the interview at the subgroup level, Table 7 displays the individual-level changes that occurred between the Initial and Final Ballot tests for the measure. On the left side of the table is shown each of the response options to the Initial Ballot Test and the percentage of respondents in each group. The cells in the body of the table depict movement within each response group (row) based on the information provided throughout the course of the survey as recorded by the Final Ballot Test. For example, in the first row we see that of the 31.3% of respondents who indicated that they would definitely support the measure at the Initial Ballot Test, 22.9% also indicated they would definitely support the measure at the Final Ballot Test. Approximately 6.0% moved to the probably support group, 0.6% moved to the probably oppose group, 0.6% moved to the definitely oppose group, and 1.1% stated they were now unsure of their vote choice.

To ease interpretation of the table, the cells are color coded. Red shaded cells indicate declining support, green shaded cells indicate increasing support, whereas white cells indicate no movement. Moreover, within the cells, a white font indicates a fundamental change in the vote: from yes to no, no to yes, or not sure to either yes or no.

**TABLE 7 MOVEMENT BETWEEN INITIAL & FINAL BALLOT TEST**

Initial Ballot Test (Q5)		Final Ballot Test (Q11)				
		Definitely support	Probably support	Probably oppose	Definitely oppose	Not sure
Definitely support	31.3%	22.9%	6.0%	0.6%	0.6%	1.1%
Probably support	33.9%	6.0%	24.0%	1.1%	0.2%	2.6%
Probably oppose	11.6%	0.0%	1.9%	5.8%	2.0%	1.9%
Definitely oppose	14.3%	0.0%	0.6%	1.6%	11.6%	0.6%
Not sure	8.9%	0.6%	1.5%	1.4%	0.8%	4.6%

As one might expect, the information conveyed in the survey had the greatest impact on individuals who either weren't sure about how they would vote at the Initial Ballot Test or were tentative in their vote choice (probably yes or probably no). Moreover, Table 7 makes clear that although the information did impact some voters, it did not do so in a consistent way for all respondents. Some respondents found the information conveyed during the course of the interview to be a reason to become more supportive of the measure, whereas a slightly larger percentage found the same information to be a reason to be less supportive. Despite 15% of respondents making a *fundamental*<sup>4</sup> shift in their opinion about the measure over the course of the interview, the net impact is that support for the measure at the Final Ballot Test was approximately five percentage points lower than support at the Initial Ballot Test.

4. This is, they changed from a position of support, opposition or undecided at the Initial Ballot Test to a different position at the Final Ballot Test.

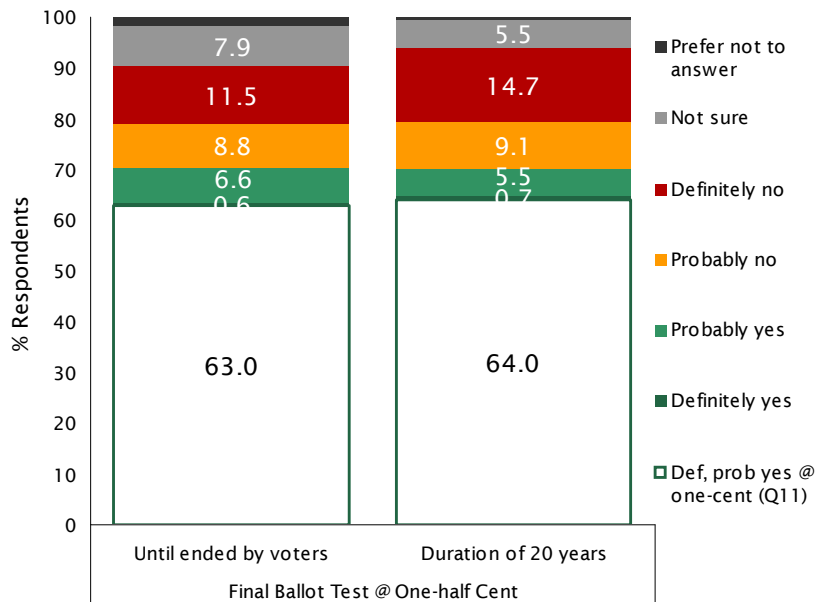
## FINAL BALLOT TEST AT LOWER RATE

The ballot language tested throughout the survey indicated that the measure would increase the local sales tax rate by one cent and be used to fund general city services. Voters who did not support the proposed measure at the Final Ballot Test (Question 11) were subsequently asked if they would support the measure if the rate were set at a lower amount: one-half cent.

As shown in Figure 15, lowering the tax rate to one-half cent generated a modest amount of additional support for the proposed measure. For the version that would last *until ended by voters*, and additional 7% of voters indicated they would support the measure if the tax rate were lowered to one-half cent, although all but 0.6% of the additional support for the measure was 'soft' (probably yes). Similarly, for the measure that would last for a period of *20 years*, an additional 6% of respondents indicated they would support the measure if the rate were lowered, but just 0.7% indicated they would definitely do so.

**Question 12** *What if the measure I just described raised the sales tax by a lower amount: one-half cent? Would you vote yes or no on the measure?*

**FIGURE 15 FINAL BALLOT TEST AT ONE-HALF CENT**



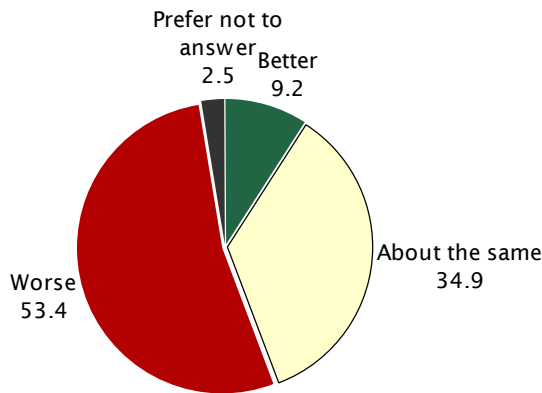
## RELATED ATTITUDES

In addition to questions that were focused on the proposed sales tax measure, the survey also inquired as to voters' expectations for the economy and their assessment of the job the City has done in managing its finances to date.

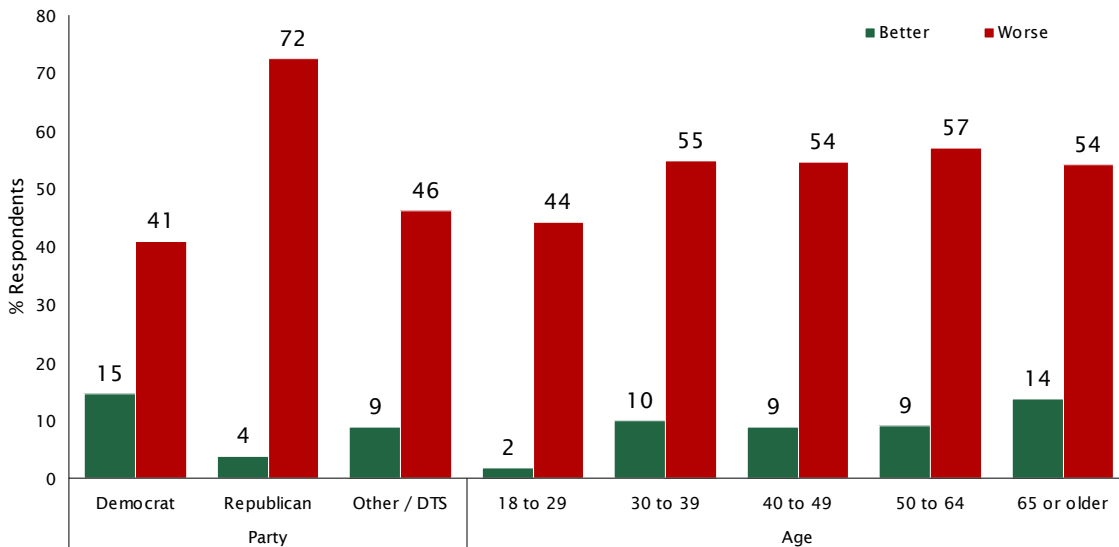
**ECONOMIC EXPECTATIONS** When asked about their expectations for the economy six months into the future, Escondido voters were mostly pessimistic, with 53% expecting the economy to be worse, 35% anticipating it will be about the same as today, while just 9% expected the economy will be better. An additional 3% preferred to not answer the question (Figure 16). When compared to their respective counterparts, Republicans and those between the ages of 50 and 64 were the most pessimistic regarding the direction of the economy (Figure 17).

**Question 13** *Looking ahead six months from now, do you think the economy will be better than today, be about the same as today, or will it be worse than today?*

**FIGURE 16 OPINION OF ECONOMY IN 6 MONTHS**



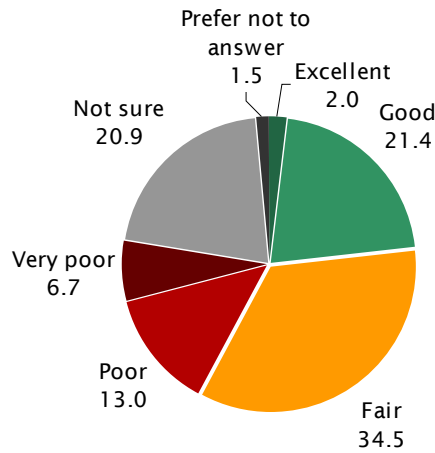
**FIGURE 17 OPINION OF ECONOMY IN 6 MONTHS BY PARTY & AGE**



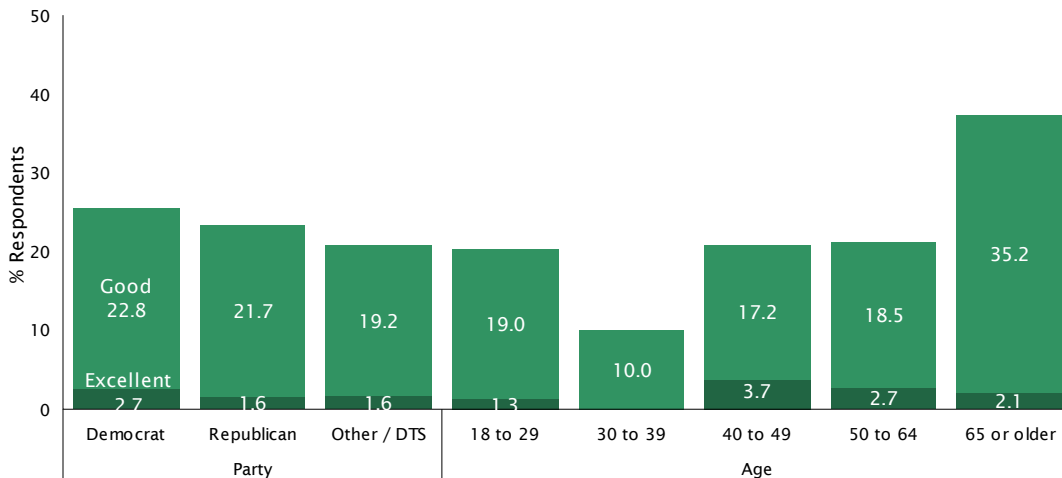
**FISCAL MANAGEMENT** The final substantive question of the survey asked respondents to rate the job the City of Escondido has done in managing its financial resources. As shown in Figure 18, approximately one-quarter rated the City’s performance as excellent (2%) or good (21%), 35% rated it as fair, while one-in-five respondents used poor (13%) or very poor (7%) to describe the City’s performance in managing its finances. An additional 22% were not sure or preferred to not answer the question. For the interested reader, figures 19 and 20 show how the percentage who rated the City’s performance in managing its finances as excellent or good varied by partisanship, age, Council District, and position at the Initial Ballot Test.

**Question 14** *In your opinion, has the City of Escondido done an excellent, good, fair, poor or very poor job of managing its financial resources?*

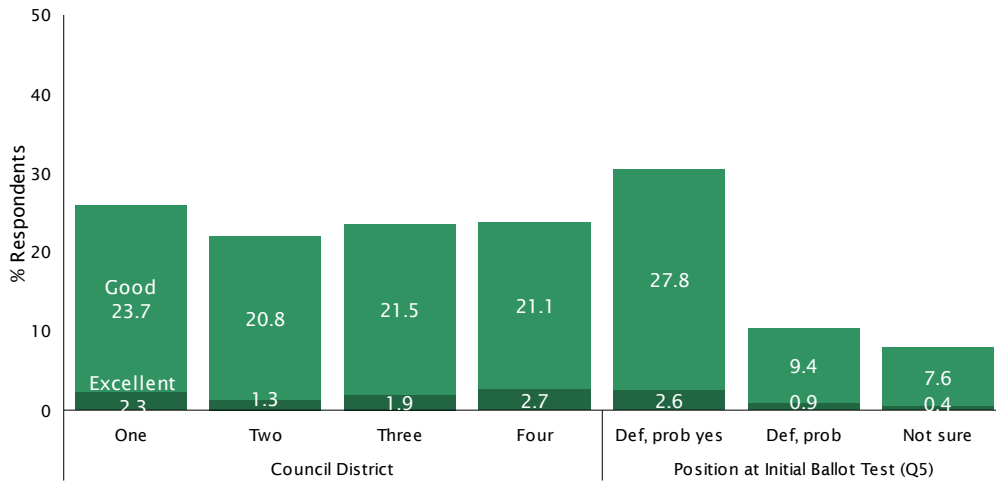
**FIGURE 18 FISCAL MANAGEMENT RATING**



**FIGURE 19 FISCAL MANAGEMENT RATING BY PARTY & AGE**



**FIGURE 20 FISCAL MANAGEMENT RATING BY COUNCIL DISTRICT & POSITION INITIAL BALLOT TEST**





# BACKGROUND & DEMOGRAPHICS

**TABLE 8 DEMOGRAPHICS OF SAMPLE**

<i>Total Respondents</i>	1022
<b>Years in Escondido (Q1)</b>	
Less than 5	17
5 to 9	16
10 to 14	8
15 or more	58
Prefer not to answer	1
<b>Child in Hsld (Q15)</b>	
Yes	28
No	69
Prefer not to answer	3
<b>Gender</b>	
Male	50
Female	50
Prefer not to answer	0
<b>Party</b>	
Democrat	37
Republican	35
Other / DTS	28
<b>Age</b>	
18 to 29	16
30 to 39	17
40 to 49	14
50 to 64	26
65 or older	27
<b>Registration Year</b>	
Since Nov '18	12
Jun '12 to <Nov '18	25
Jun '06 to <Jun '12	11
Before Jun '06	52
<b>Household Party Type</b>	
Single dem	20
Dual dem	11
Single rep	14
Dual rep	13
Other	17
Mixed	25
<b>Homeowner on Voter File</b>	
Yes	58
No	42
<b>Likely to Vote by Mail</b>	
Yes	74
No	26
<b>Likely Jun 2022 Voter</b>	
Yes	66
No	34

In addition to questions directly related to the proposed measure, the study collected basic demographic information about respondents and their households. Some of this information was gathered during the interview, although much of it was collected from the voter file. The profile of the likely November 2022 voter sample used for this study is shown in Table 8.



## M E T H O D O L O G Y

The following sections outline the methodology used in the study, as well as the motivation for using certain techniques.

**QUESTIONNAIRE DEVELOPMENT** Dr. McLarney of True North Research worked closely with the City of Escondido to develop a questionnaire that covered the topics of interest and avoided possible sources of systematic measurement error, including position-order effects, wording effects, response-category effects, scaling effects, and priming. Several questions included multiple individual items. Because asking items in a set order can lead to a systematic position bias in responses, items were asked in random order for each respondent.

Some of the questions asked in this study were presented only to a subset of respondents. For example, only individuals who did not support the sales tax or were unsure at the Initial Ballot Test (Question 5) were asked to describe the reason for their position (Question 6). In some cases, two versions of a project or argument were tested to identify how wording differences impact perceptions of the item. In such cases, half of the sample received the item with version 1 wording (e.g., Question 8, item K1) and the other half received version 2 (e.g., Question 8, item K2). The questionnaire included with this report (see *Questionnaire & Toplines* on page 35) identifies the skip patterns and programming instructions used in the survey to ensure each respondent received the appropriate questions.

**PROGRAMMING, PRE-TEST & TRANSLATION** Prior to fielding the survey, the questionnaire was CATI (Computer Assisted Telephone Interviewing) programmed to assist interviewers when conducting telephone interviews. The CATI program automatically navigates skip patterns, randomizes the appropriate question items, and alerts the interviewer to certain types of keypunching mistakes should they occur. The survey was also programmed into a passcode-protected online survey application to allow online participation for sampled voters. The integrity of the questionnaire was pre-tested internally by True North and by dialing into voter households in the City prior to formally beginning the survey. Once finalized, the survey was professionally translated into Spanish to allow for data collection in both English and Spanish languages.

**SAMPLE** The survey was administered to a random sample of 1,022 registered voters in the City who are likely to participate in the November 2022 election, including a subset who are also likely to participate in the lower turnout June 2022 primary election. Consistent with the profile of this universe, the sample was stratified into clusters, each representing a combination of age, gender, and household party-type. Individuals were then randomly selected based on their profile into an appropriate cluster. This method ensures that if a person of a particular profile refuses to participate in the study, they are replaced by an individual who shares their same profile.

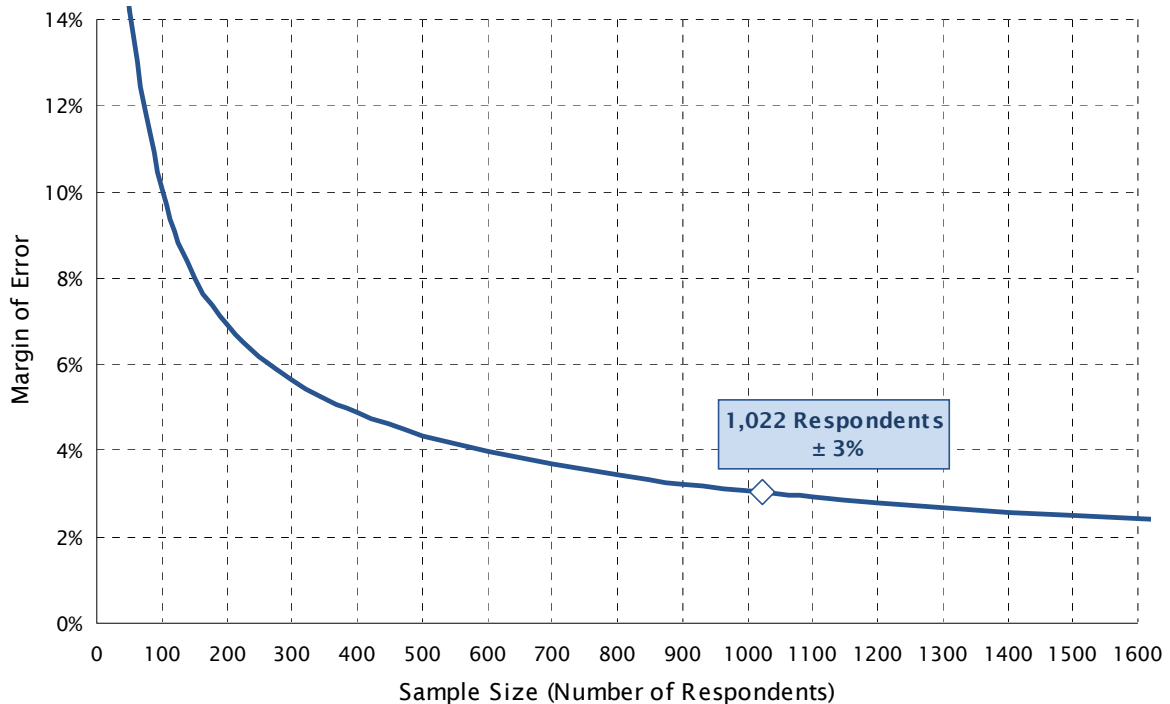
**STATISTICAL MARGIN OF ERROR** By using the probability-based sampling design noted above, True North ensured that the final sample was representative of voters in the City who are likely to participate in the November 2022 election. The results of the sample can thus be used to estimate the opinions of *all* voters likely to participate in this election. Because not all voters participated in the study, however, the results have what is known as a statistical margin



of error due to sampling. The margin of error refers to the difference between what was found in the survey of 1,022 voters for a particular question and what would have been found if all 49,610 likely November 2022 voters identified in the City had been surveyed for the study.

Figure 21 provides a graphic plot of the *maximum* margin of error in this study. The maximum margin of error for a dichotomous percentage result occurs when the answers are evenly split such that 50% provide one response and 50% provide the alternative response. For this survey, the maximum margin of error is  $\pm 3\%$ .

**FIGURE 21 MAXIMUM MARGIN OF ERROR DUE TO SAMPLING**



Within this report, figures and tables show how responses to certain questions varied by subgroups such as age, gender, and partisan affiliation. Figure 21 is thus useful for understanding how the maximum margin of error for a percentage estimate will grow as the number of individuals asked a question (or in a particular subgroup) shrinks. Because the margin of error grows exponentially as the sample size decreases, the reader should use caution when generalizing and interpreting the results for small subgroups.

**RECRUITING & DATA COLLECTION** The survey followed a mixed-method design that employed multiple recruiting methods (email, text, and telephone) and multiple data collection methods (telephone and online). Telephone interviews averaged 16 minutes in length and were conducted during weekday evenings (5:30PM to 9PM) and on weekends (10AM to 5PM). It is standard practice not to call during the day on weekdays because most working adults are unavailable and thus calling during those hours would likely bias the sample.

Voters recruited via email and text were assigned a unique passcode to ensure that only voters who received an invitation could access the online survey site, and that each voter could complete the survey only one time. During the data collection period, an email reminder notice was

also sent to encourage participation among those who had yet to take the survey. A total of 1,022 surveys were completed between May 19 and May 29, 2022.

**DATA PROCESSING** Data processing consisted of checking the data for errors or inconsistencies, coding and recoding responses, weighting, and preparing frequency analyses and cross-tabulations.

**ROUNDING** Numbers that end in 0.5 or higher are rounded up to the nearest whole number, whereas numbers that end in 0.4 or lower are rounded down to the nearest whole number. These same rounding rules are also applied, when needed, to arrive at numbers that include a decimal place in constructing figures and tables. Occasionally, these rounding rules lead to small discrepancies in the first decimal place when comparing tables and charts for a given question. Due to rounding, some figures and narrative include numbers that add to more than or less than 100%.

## QUESTIONNAIRE &amp; TOPLINES



City of Escondido  
Revenue Measure Feasibility Survey  
Final Toplines (n=1,022)  
June 2022

### Section 1: Introduction to Study

Hi, may I please speak to \_\_\_\_\_. My name is \_\_\_\_\_, and I'm calling on behalf of TNR, an independent public opinion research firm. We're conducting a survey of voters about important issues in Escondido (ES-con-DEE-doh) and I'd like to get your opinions.

*If needed:* This is a survey about important issues in your community. I'm NOT trying to sell anything and I won't ask for a donation.

*If needed:* The survey should take about 12 minutes to complete.

*If needed:* If now is not a convenient time, can you let me know a better time so I can call back?

*If the person asks why you need to speak to the listed person or if they ask to participate instead, explain:* For statistical purposes, at this time the survey must only be completed by this particular individual.

*If the person says they are an elected official or is somehow associated with the survey, politely explain that this survey is designed to measure the opinions of those not closely associated with the study, thank them for their time, and terminate the interview.*

### Section 2: Quality of Life & City Services

I'd like to begin by asking you a few questions about what it is like to live in Escondido.

Q1 How long have you lived in Escondido?

1	Less than 1 year	2%
2	1 to 4 years	14%
3	5 to 9 years	16%
4	10 to 14 years	8%
5	15 years or longer	58%
99	Prefer not to answer	1%

Q2 How would you rate the overall quality of life in Escondido? Would you say it is excellent, good, fair, poor or very poor?

1	Excellent	5%
2	Good	55%
3	Fair	33%
4	Poor	5%
5	Very Poor	2%
98	Not sure	1%
99	Prefer not to answer	0%



City of Escondido Survey

June 2022

Q3	If the city government could change one thing to make Escondido a better place to live now and in the future, what change would you like to see? Verbatim responses recorded and later grouped into categories shown below.	
	Address homeless issues	32%
	Improve infrastructure, streets, sidewalks	14%
	Improve public safety	12%
	Clean-up, beautify City, landscape, graffiti	9%
	Not sure / Cannot think of anything specific	9%
	Provide more affordable housing	7%
	Reduce traffic congestion	5%
	Improve, maintain downtown area, Grand Ave, more walkable	5%
	Improve, parks, recreation	5%
	Less residential density, high rise apartments, condos	3%
	Attract more high-end dining options	3%
	Enforce traffic laws	3%
	Provide more police presence, support police, funding	3%
	Improve schools, education	3%
	Provide more community events, activities for all ages	3%
	Address parking issues	2%
	Improve environmental efforts, preparedness	2%
	Reduce taxes, fees	2%
	Improve local economy, job opportunities	2%
	Enforce city codes	2%
	Attract, support small businesses	2%
	Renovate, repurpose old, empty buildings	2%
	No changes needed / Everything is fine	2%
Q4	Generally speaking, are you satisfied or dissatisfied with the job the City of Escondido is doing to provide city services? <i>Get answer, then ask: Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?</i>	
	1 Very satisfied	14%
	2 Somewhat satisfied	53%
	3 Somewhat dissatisfied	18%
	4 Very dissatisfied	7%
	98 Not sure	7%
	99 Prefer not to answer	1%

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Section 3: Initial Ballot Test				
Later this year, voters in Escondido may be asked to vote on a local ballot measure. Let me read you a summary of the measure.				
Split Sample. Sample A receives 'until ended by voters', Sample B receives 'for 20 years'.				
Q5	To provide funding for general services in the City of Escondido, such as:			
	<ul style="list-style-type: none"> <li>Police patrols and crime prevention</li> <li>Fire protection, paramedic, and 9-1-1 emergency response</li> <li>Keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained</li> <li>Addressing homelessness, traffic management, and other city services</li> </ul>			
shall an ordinance establishing a one-cent sales tax be adopted, providing approximately 28 million dollars annually for general government use <<until ended by voters   for 20 years>>, with independent audits, citizen oversight, and all money locally controlled? If the election were held today, would you vote yes or no on this measure? <i>Get answer, then ask: Would that be definitely (yes/no) or probably (yes/no)?</i>				
			Until Ended by Voters	For 20 Years
	1	Definitely yes	31%	32%
	2	Probably yes	32%	36%
	3	Probably no	13%	11%
	4	Definitely no	14%	15%
	98	Not sure	10%	6%
	99	Prefer not to answer	1%	0%
Q6	Is there a particular reason why you do not support or are unsure about the measure I just described? <i>If yes, ask: Please briefly describe your reason. Verbatim responses recorded and later grouped into categories shown below.</i>			
		Taxes already too high		41%
		Money is misspent, mismanaged		30%
		Need more information		12%
		Other ways to be funded		6%
		Police do not need more money		6%
		Do not trust government		5%
		Other higher priorities in the city		4%
		Not sure / Cannot think of anything specific		4%
		City has enough money		2%
		Measure should have a sunset		2%
		Measure is too expensive		1%
		Money will go to employees, union pensions, salaries		1%

Section 4: Projects & Services							
Q7	The measure we've been discussing will provide funding for a variety of services in your community.						
	If the measure passes, would you favor or oppose using some of the money to: _____, or do you not have an opinion? <i>Get answer, if favor or oppose, then ask: Would that be strongly (favor/oppose) or somewhat (favor/oppose)?</i>						
	<i>Randomize. Split Sample J1/J2</i>	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	Not sure	Prefer not to answer
A	Provide police services, including neighborhood police patrols, investigations, and crime prevention	56%	27%	5%	6%	3%	3%
B	Provide fire protection and paramedic services	65%	24%	3%	2%	4%	3%
C	Provide quick responses to 9-1-1 emergencies	66%	23%	2%	2%	3%	3%
D	Repair and maintain local streets, sidewalks, and infrastructure	69%	23%	3%	1%	2%	2%
E	Keep parks and public facilities safe, clean, and well-maintained	65%	26%	3%	1%	1%	3%
F	Address homelessness	69%	19%	4%	3%	2%	3%
G	Make improvements to reduce traffic congestion on city streets	48%	31%	11%	2%	4%	3%
H	Remove graffiti	46%	35%	7%	3%	7%	3%
I	Promote economic development to retain local businesses, attract new employers, and attract good paying jobs to Escondido	53%	32%	5%	3%	4%	3%
J1	Reduce the City's unfunded pension liability	15%	27%	17%	12%	22%	6%
J2	Improve the City's long-term financial stability	44%	31%	8%	4%	8%	4%
K	Preserve natural open space and parkland	56%	27%	6%	3%	5%	4%
L	Provide programs for at-risk youth	45%	34%	8%	4%	6%	3%
M	Improve environmental sustainability by planting more trees, improving energy efficiency, and using water more efficiently	54%	26%	8%	5%	4%	4%
N	Clean up piles of trash and litter that people dump along streets, sidewalks, and in public areas	62%	27%	4%	2%	2%	3%

Section 5: Positive Arguments							
What I'd like to do now is tell you what some people are saying about the measure we've been discussing.							
Q8	Supporters of the measure say: ----- Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to <b>SUPPORT</b> the measure?						
	<i>Randomize. Split Sample K1/K2</i>	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Not Sure	Prefer not to answer
A	There will be a clear system of accountability including independent citizen oversight and annual reports to the community to ensure that the money is spent properly.	33%	31%	15%	15%	3%	4%
B	All money raised by the measure will be used to fund essential services and facilities here in Escondido. By law, it can't be taken away by the State.	33%	32%	14%	11%	4%	4%
C	Fast emergency response times for 9-1-1 calls are critical for saving lives. This measure will ensure that we have enough police officers, firefighters, dispatchers, and paramedics to respond quickly to 9-1-1 emergencies.	40%	33%	11%	9%	3%	4%
D	This measure will cost just 1 dollar for every 100 dollars purchased – and food, medicine and many other essential items are excluded from the tax.	29%	29%	22%	10%	6%	4%
E	The funding raised by this measure will allow the City to keep up with basic repairs and maintenance to public facilities, storm drains, streets, and sidewalks. If we don't take care of it now, it will be a lot more expensive to repair in the future.	37%	33%	15%	9%	2%	4%
F	By keeping our city safe, clean and well-maintained, this measure will help protect our property values and keep Escondido a great place to live.	34%	34%	16%	8%	2%	4%
G	Currently, nearly all of the sales tax generated locally goes to the State of California, the County of San Diego, or SANDAG. This measure will ensure that Escondido has local control over local revenue for the services residents expect and deserve.	38%	31%	13%	10%	4%	4%

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June 2022

H	This measure will help fund the economic development programs the City needs to retain local businesses and attract new employers and good paying jobs to Escondido	27%	37%	19%	10%	3%	5%
I	The City of Escondido has done a good job keeping costs down. It has deferred maintenance projects, cut back on basic services, and kept a small staff despite a growing population. Even with these cost-cutting efforts, the City is facing an 8 million dollar deficit next year that is expected to grow to 10 million dollars annually over the next five years. There is no more room to cut if we want to keep our community a safe, clean place to live. We need to support this measure.	29%	32%	17%	13%	5%	4%
J	High quality parks and recreation programs help keep kids healthy, active, and away from drugs, gangs and crime.	29%	36%	16%	10%	4%	4%
K1	This measure will provide the funding needed to avoid deep cuts in all service areas, including police, fire protection, 9-1-1 emergency response times, the maintenance of streets, parks and public facilities, as well as programs for youth and seniors.	32%	34%	12%	14%	4%	4%
K2	This measure will provide the funding needed to avoid deep cuts to public safety services including police, fire protection, paramedics, 9-1-1 emergency response, and closing a fire station.	34%	27%	17%	14%	4%	4%



Section 6: Interim Ballot Test				
Sometimes people change their mind about a measure once they have more information about it. Now that you have heard a bit more about the measure, let me read you a summary of it again.				
<i>Split Sample. Sample A receives 'until ended by voters', Sample B receives 'for 20 years'.</i>				
Q9	To provide funding for general services in the City of Escondido, such as:			
	<ul style="list-style-type: none"> <li>• Police patrols and crime prevention</li> <li>• Fire protection, paramedic, and 9-1-1 emergency response</li> <li>• Keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained</li> <li>• Addressing homelessness, traffic management, and other city services</li> </ul>			
	shall an ordinance establishing a one-cent sales tax be adopted, providing approximately 28 million dollars annually for general government use <<until ended by voters   for 20 years>>, with independent audits, citizen oversight, and all money locally controlled?			
	If the election were held today, would you vote yes or no on this measure? <i>Get answer, then ask:</i> Would that be definitely (yes/no) or probably (yes/no)?			
			Until Ended by Voters	For 20 Years
	1	Definitely yes	35%	34%
	2	Probably yes	31%	33%
3	Probably no	11%	10%	
4	Definitely no	13%	15%	
98	Not sure	9%	7%	
99	Prefer not to answer	1%	1%	

Section 7: Negative Arguments							
Next, let me tell you what opponents of the measure are saying.							
Q10	Opponents of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the measure?						
	<i>Randomize. Split Sample A1/A2, D1/D2</i>	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Not sure	Prefer not to answer
A1	Taxes are already too high - we can't afford another tax increase. This is especially true for seniors and others on fixed-incomes.	38%	32%	18%	6%	3%	3%
A2	Local businesses and residents have been hit hard by the pandemic, inflation, and high gas prices. Many are struggling to stay afloat. Now is not the time to raise taxes.	41%	32%	17%	5%	2%	2%

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B	It is already very expensive to live here, especially for young families, seniors, and those on fixed-incomes. This measure will make it even less affordable.	35%	30%	21%	8%	4%	2%
C	City employees are making too much money in salary, pensions and benefits - that's the problem. The City needs to tighten its belt before asking residents to pay more taxes.	28%	26%	24%	13%	5%	3%
D1	There are no guarantees on how funds will be spent, which means the City can divert the money to pet projects without any say from voters. We can't trust the City with our tax dollars.	40%	31%	14%	8%	5%	3%
D2	This measure is not supported by the local Taxpayers Association. If the Taxpayers Association doesn't support this, why should we?	24%	26%	32%	7%	8%	2%
<i>Only Sample A receives item E.</i>							
E	This tax will last forever. There is no expiration date.	33%	29%	23%	7%	4%	3%
<i>Only Sample B receives item F.</i>							
F	This tax will last for 20 years. That's too long.	28%	27%	26%	11%	5%	3%

**Section 8: Final Ballot Test**

Now that you have heard a bit more about the measure, let me read you a summary of it one more time.

*Split Sample. Sample A receives 'until ended by voters', Sample B receives 'for 20 years'.*

Q11	To provide funding for general services in the City of Escondido, such as:				
	<ul style="list-style-type: none"> <li>• Police patrols and crime prevention</li> <li>• Fire protection, paramedic, and 9-1-1 emergency response</li> <li>• Keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well-maintained</li> <li>• Addressing homelessness, traffic management, and other city services</li> </ul>				
	shall an ordinance establishing a one-cent sales tax be adopted, providing approximately 28 million dollars annually for general government use <<until ended by voters   for 20 years>>, with independent audits, citizen oversight, and all money locally controlled? If the election were held today, would you vote yes or no on this measure? <i>Get answer, then ask: Would that be definitely (yes/no) or probably (yes/no)?</i>				
			Until Ended by Voters	For 20 Years	
	1	Definitely yes	30%	29%	Skip to Q13
	2	Probably yes	33%	35%	Skip to Q13
	3	Probably no	11%	10%	Ask Q12
4	Definitely no	14%	17%	Ask Q12	
98	Not sure	11%	9%	Ask Q12	
99	Prefer not to answer	1%	0%	Skip to Q13	

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Q12		What if the measure I just described raised the sales tax by a lower amount: <b>one-half cent</b> ? Would you vote yes or no on the measure? <i>Get answer, then ask: Would that be definitely (yes/no) or probably (yes/no)?</i>	
		Until Ended by Voters	For 20 Years
	Def, prob yes @ one cent (Q11)	63%	64%
1	Definitely yes	1%	1%
2	Probably yes	7%	6%
3	Probably no	9%	9%
4	Definitely no	12%	15%
98	Not sure	8%	5%
99	Prefer not to answer	2%	0%

### Section 9: Background & Demographics

Thank you so much for your participation. I have just two background questions for statistical purposes.

Q13 Looking ahead six months from now, do you think the economy will be better than today, be about the same as today, or will it be worse than today?

1	Better	9%
2	About the same	35%
3	Worse	53%
99	Prefer not to answer	2%

Q14 In your opinion, has the City of Escondido done an excellent, good, fair, poor or very poor job of managing its financial resources?

1	Excellent	2%
2	Good	21%
3	Fair	34%
4	Poor	13%
5	Very poor	7%
98	Not Sure	21%
99	Prefer not to answer	1%

Q15 Do you have children under the age of 18 living in your household?

1	Yes	28%
2	No	69%
99	Prefer not to answer	3%

Those are all of the questions that I have for you. Thanks so much for participating in this important survey.

City of Escondido Survey

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Post-Interview & Sample Items			
S1	Gender		
	1	Male	50%
	2	Female	50%
	99	Prefer not to answer	<1%
S2	Party		
	1	Democrat	37%
	2	Republican	35%
	3	Other	6%
	4	DTS	22%
S3	Age on Voter File		
	1	18 to 29	16%
	2	30 to 39	17%
	3	40 to 49	14%
	4	50 to 64	26%
	5	65 or older	27%
S4	Registration Date		
	1	Since Nov 2018	12%
	2	Jun 2012 to before Nov 2018	25%
	3	Jun 2006 to before Jun 2012	11%
	4	Before June 2006	52%

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City of Escondido Survey

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S5 Household Party Type		
1	Single Dem	20%
2	Dual Dem	11%
3	Single Rep	14%
4	Dual Rep	13%
5	Single Other	12%
6	Dual Other	5%
7	Dem & Rep	4%
8	Dem & Other	11%
9	Rep & Other	10%
0	Mixed (Dem + Rep + Other)	1%
S6 Homeowner on Voter File		
1	Yes	58%
2	No	42%
S7 Likely to Vote by Mail		
1	Yes	74%
2	No	26%
S8 Likely June 2022 Voter		
1	Yes	66%
2	No	34%
S9 Likely November 2022 Voter		
1	Yes	100%
2	No	0%
S10 Council District		
1	One	14%
2	Two	35%
3	Three	21%
4	Four	31%

City of Escondido Survey

June 2022

S11	Ballot Test Version		
	1	Until ended by voters	50%
	2	Duration of 20 years	50%

## RESOLUTION NO. 2022-98R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 8, 2022, FOR THE SUBMISSION OF A PROPOSED ORDINANCE FOR A 1 CENT GENERAL TRANSACTIONS AND USE (SALES) TAX INCREASE; CONSOLIDATING THE ELECTION WITH THE STATEWIDE ELECTION, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO PERMIT THE REGISTRAR OF VOTERS TO CONDUCT THE ELECTION; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS the City of Escondido ("City") may impose a local transactions and use (sales) tax increase for general governmental purposes with the approval of the majority of voters in the City; and

WHEREAS, the City Council of the City of Escondido has adopted an ordinance adding Chapter 25, Article 2, sections 25-33.1 through 25-33.17 to the Escondido Municipal Code to establish a 1 cent general transactions and use (sales) tax until ended by voters years to be administered by the California Department of Tax and Fee Administration including provisions for citizen's oversight and accountability ("the Ordinance"); and

WHEREAS, Chapter 25 of the Escondido Municipal Code establishes a 1 cent transactions and use tax until ended by voters to be administered by the State Board of Equalization (the "Sales Tax"); and

WHEREAS, Ordinance No 2022-15, attached hereto and incorporated herein as Exhibit "A," would implement the Sales Tax which, if approved by voters, would take effect no later than April 1, 2023; and

WHEREAS, the City Council is authorized by statute to submit the proposed ordinance to the voters; and

WHEREAS, in accordance with State elections law, the City Council of the City of Escondido has called a General Municipal Election to be held in the City of Escondido, California, on Tuesday, November 8, 2022; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date; that the City precincts, polling places and election officers of the two elections be the same; that the Registrar of Voters canvass the returns of the General Municipal Election; and that the election be held in all respects as if there were only one election.

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

1. All of the foregoing recitals are true.
2. That pursuant to the requirements of the laws of the State of California there shall be and there is hereby called and ordered to be held in the City of Escondido, California, on Tuesday, November 8, 2022, a General Municipal Election for the purpose of submitting the following proposed ordinance imposing a general transactions and use (sales) tax to the qualified electors of the City of Escondido.
3. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election on November 8, 2022, the following question:

To provide funding for general services in the City of Escondido, such as police patrols and crime prevention; fire protection, paramedic, and 911 emergency response; keeping streets, sidewalks, infrastructure, parks, and facilities safe, clean, and well maintained; addressing homelessness, traffic management, and other City services, shall an ordinance establishing a 1 cent sales tax be adopted, providing approximately \$28,300,000 annually for City services, until ended by voters, with independent audits, citizen oversight, and all money locally controlled?	Yes
	No

4. That the text of the ordinance submitted to the voters is attached as Exhibit "A" and



incorporated into this resolution by this reference.

5. That the notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give such further or additional notice of the election, in time, form and manner as required by law.

6. Pursuant to California Elections Code section 9282, the City Council hereby acknowledges its authority, and the authority of any individual voter who is eligible to vote on the measure, or bona fide association of citizens, or any combination of voters and associations, to submit a written argument, not to exceed 300 words, for or against the measure. Arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no arguments for or against the measure may be submitted, withdrawn or changed.

7. Pursuant to California Elections Code section 9285, rebuttal arguments will be allowed. The rebuttal arguments may not exceed 250 words. Rebuttal arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no rebuttal arguments for or against the measure may be submitted to the City Clerk. This Section 7 is applicable only to the November 8, 2022 election called by this resolution and after that election, shall expire.

8. Pursuant to California Elections Code section 9280, the City Clerk is directed to transmit a copy of the measure to the City Attorney. The City Attorney is directed to prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk by the date fixed by the City Clerk.

9. Pursuant to California Elections Code section 10403, the Board of Supervisors of the

County of San Diego is hereby requested to permit the Registrar of Voters to perform and render all services and proceedings, and to procure and furnish any and all official ballots, notices, printed matter and all supplies and equipment and paraphernalia incidental to and connected with the conduct of the subject election of the City of Escondido, with the cooperation and assistance of the City Clerk of the City of Escondido, in order to properly and lawfully conduct such election.

10. The Board of Supervisors of the County of San Diego is hereby requested to consolidate this election with the statewide election to be held on the same day, in the same territory. Pursuant to California Elections Code section 10411 and section 10418: (a) the election shall be held in all respects as if there were only one election; (b) only one form of ballot shall be used; and (c) the Registrar of Voters of the County of San Diego shall canvass the returns of the subject election as part of the canvass of the returns of the election consolidated hereby.

11. Pursuant to California Elections Code sections 10410 and 10418, within the territories affected by this consolidation, the elections precincts, polling places, voting booths and polling hours shall, in every case, be the same, and there shall be only one set of election officers in each of the precincts.

12. The polls of said election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in California Elections Code section 14401 or as otherwise required or allowed under applicable law.

13. That the ballots to be used at the election shall be, both as to form and matter contained in form and content as required by law.

14. City request Measure titled as Measure E.

15. That the vote requirement for the measure to pass is a majority (50%+1) of the votes

cast.

16. The County of San Diego shall be reimbursed in full for the services performed by the Registrar of Voters for the City of Escondido upon presentation of a bill therefor, and this City agrees to indemnify and save free and harmless the County, its officers, agents and employees from expense or liability, including reasonable attorney's fees, as a result of an election contest arising from this election.

17. The City Council finds that this Resolution is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

18. That in all particulars not otherwise recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

19. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, improper or unenforceable, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

20. The City Clerk is hereby directed to certify the passage and adoption of this resolution and forthwith file a certified copy of this Resolution with the Board of Supervisors and the Registrar of Voters of the County of San Diego and to issue instructions to the Registrar of Voters to take any and all steps necessary for the holding of the election.

ORDINANCE NO. 2022-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADDING CHAPTER 25, ARTICLE 2, DIVISION 2, SECTION 25-33.1 THROUGH 25-33.17 TO THE ESCONDIDO MUNICIPAL CODE TO ESTABLISH A 1 CENT GENERAL TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION INCLUDING PROVISIONS FOR CITIZENS' OVERSIGHT AND ACCOUNTABILITY

WHEREAS, the health, safety and welfare of all residents in the City of Escondido ("City") is the City's top priority; and

WHEREAS, the City's ability to create and collect revenue has not been able to keep pace with the growing costs of providing municipal services and thereby threatens the City's ability to provide the needed services to ensure safe neighborhoods and quality services to support its residents; and

WHEREAS, the City has aggressively responded to this financial challenge by reducing its workforce over the years below pre-recession levels; reducing pension obligations; deferring maintenance of City facilities and equipment purchases; pursuing available grant funding whenever possible; establishing Community Facilities Districts thereby capturing the additional services costs associated with new developments; and, regrettably, cutting back services despite serving a growing population; and

WHEREAS, the City fundamentally changed the methodology it uses in the budget process for its 2022/23 fiscal year budget to ensure that it maintains fiscal stability by reducing reliance on unsustainable one-time funding sources and instead, using reliable indicators of revenue and expenditures to provide a realistic balanced budget focusing on the priorities of the community; and

WHEREAS, projections for budget deficits over at least the next 20 years reflect dramatic increases in expenditures and obligations that far exceed anticipated revenues resulting in a structural budget gap; and

WHEREAS, nearly 2,000 residents of the City have expressed through multiple channels, including a community survey, a scientifically conducted survey concerning a potential local sales tax measure, and by communications directly to City staff City Service funding priorities including addressing homelessness, repairing and maintain local streets, sidewalks and infrastructure, keeping parks and public facilities safe, clean and well-maintained, providing quick responses to 911 emergencies and providing fire protection and paramedic services; and

WHEREAS, nearly all sales tax goes to either the State, County or SANDAG, a local sales tax measure will allow Escondido local control over local revenue for the services residents expect and deserve; and

WHEREAS, residents continue to prioritize 911 emergency response, the funding from this measure will help the City to ensure enough police, firefighters, dispatchers and paramedics to respond quickly to 911 emergencies; and

WHEREAS, additional local funding will the City to keep up with basic repairs and maintenance to public facilities, storm drains, streets and sidewalks; these repairs will be a lot more expensive in the future if they are not addressed now; and

WHEREAS, the City needs additional resources to retain the City's current staffing levels of police and firefighters/paramedics, to address homelessness, and provide the needed upkeep of numerous City facilities including streets, storm drains, sidewalks, curbs, gutters, park and recreation facilities, and other infrastructure which are in need of repair, replacement, upgrading and/or maintenance; and

WHEREAS, the City has determined that the enactment of a 1 cent general local transactions and use tax (commonly known as a "sales tax") until ended by the voters would allow the City to address the community's public safety, homelessness, infrastructure, facilities, and equipment priorities without compromising the provision of existing City services; and

WHEREAS, local, voter-approved funding will provide a guaranteed source of money for essential City services that cannot be taken by Sacramento or Washington, D.C, as all funds will be controlled by the City; and

WHEREAS, pursuant to Article XIII C of the California Constitution, and California Revenue and Taxation Code Section 7285.9, the City has the authority to enact a local sales tax for general purposes with the approval of the majority of voters in the City voting in an election on the issue; and

WHEREAS, the City Council directed staff to prepare for submittal to the voters an ordinance enacting a 1 cent sales tax consistent with all applicable general-purpose tax laws, including measures providing for citizens' oversight, separate accounting and independent audits; and

WHEREAS, proposed Sections 25-33.1 through 25-33.17, of Chapter 25, Article 2, Division 2 of the Escondido Municipal Code, set forth below, establish a transaction and use tax to be administered by the California Department of Tax and Fee Administration consistent with City Council direction and State law; and

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is hereby revised to add Chapter 25, Article 2, Division 2, Sections 25-33.1 through 25-33.17 as set forth below, thereby enacting a local transaction and

use tax within the City of Escondido to be administered by the California Department of Tax and Fee Administration:

**CHAPTER 25, ARTICLE 2, DIVISION 2, SECTIONS 25-33.1 THROUGH 25-33.17**

**ONE CENT SALES TAX**

**25-33.1. TITLE.**

This chapter shall be known as the Escondido One Cent Sales Tax Ordinance. The City of Escondido hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

**25-33.2. PURPOSE.**

This ordinance codified in this chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transaction and use tax, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority vote of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transaction and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible

deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting California State Sales and Use Taxes.

D. To adopt a retail transaction and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of the Ordinance.

E. To provide transactions and use tax revenue for unrestricted general revenue purposes, and not specific purposes. All the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any legal municipal purpose.

**25-33.3. OPERATIVE DATE.**

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the approval of the voters of the City of a measure approving the imposition of the transactions and use tax set forth herein, unless a later Operative Date becomes effective under the provisions of Section 25-33.6.

**25-33.4. TRANSACTIONS AND USE TAX IMPOSITION RATE.**

A. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1.0%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of the ordinance codified in this chapter.

B. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of the ordinance codified in this chapter for storage, use or other consumption in said territory at the rate of one percent



(1.0%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

**25-33.5. TERMINATION DATE.**

The authority to levy the tax imposed by this chapter shall expire upon a vote of a majority of the voters of this City.

**25-33.6. CONTRACT WITH CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION.**

Prior to the Operative Date, City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of the ordinance codified in this chapter; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract, and in such a case the Operative Date shall be the first day of the first calendar quarter following the effective date of such a contract.

**25-33.7. PLACE OF SALE.**

For the purposes of this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of tax and Fee Administration.

**25-33.8. ADOPTION OF PROVISIONS OF STATE LAW.**

Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1

(commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this chapter as though fully set forth herein.

**25-33.9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.**

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as part of the title of the State Controller, State Treasurer, Victim Compensation and Government Claims Board, California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action be taken by or against this City or any agency, office, or employee thereof, rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the state under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

**25-33.10. PERMIT NOT REQUIRED.**

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this chapter.

**25-33.11. EXEMPTIONS AND EXCLUSIONS.**

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft license in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by

registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of the ordinance codified in this chapter.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of the ordinance codified in this chapter.

5. For the purposes of subsections (B)(3) and (B)(4) of this section, the sale or lease of tangible personal property shall be deemed to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this state, the United States, or any foreign government. This exemption is

in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of the ordinance codified in this chapter.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of the ordinance codified in this chapter.

5. For the purposes of subparagraphs (C)(3) and (C)(4) of this section, storage, use, or other consumption, or possession of, or exercise or any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (C)(7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or

licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumptions of which is subject to the use tax.

**25-33.12. AMENDMENTS TO REVENUE AND TAXATION CODE.**

All amendments subsequent to the effective date of the ordinance codified in this chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this chapter; provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

**25-33.13. ENJOINING COLLECTION FORBIDDEN.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the state or the City, or against any officer of the state or the City, to prevent or enjoin the collection under this chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

**25-33.14. AMENDMENTS BY CITY COUNCIL.**

The following amendments to this chapter must be approved by the voters of the City: terminating the tax, increasing or decreasing the tax rate; revising the methodology for calculating the tax, such that a tax increase would result; or, imposing the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of law). The City Council may otherwise amend this chapter without submitting the amendment to the voters for approval.

**25-33.15. USE OF PROCEEDS.**

The proceeds from the tax imposed by this chapter shall be for unrestricted general revenue purposes of the City and shall be received into the general fund of the City. Nothing in this chapter shall constitute the tax imposed under this chapter as a special tax, or bind the City to use the proceeds for any specific purpose or function; the City Council shall retain discretion to expend the proceeds of the tax for any lawful purpose of the City.

**25-33.16. CITIZENS' OVERSIGHT AND ACCOUNTABILITY.**

In order to provide for citizens' oversight, transparency, and accountability in connection with expenditures of tax revenues generated under the terms of this chapter, the City shall do the following:

A. Separate Fund Accounting. All revenue generated by the tax ("Measure 'E' Revenues") shall be accounted in the General Fund as a separate line item entitled "Local Sales and Use Tax - Measure 'E' Revenues." Measure 'E' Revenues will then be transferred to a General Fund subfund entitled "Measure 'E' Fund." Any and all expenditures of Measure 'E' Revenues will be tracked and accounted for by City Finance Department staff in accordance with Generally Accepted Accounting Principles (GAAP), and presented annually in a report (the "Finance Department Report") to the Citizens' Oversight Committee ("COC") created pursuant to Subdivision (D) below.

B. Initial and Annual Submittal of Measure A Spending Plan. If Measure 'E' is approved by the voters, beginning in the fiscal year 2023-24, and for each subsequent year, the City Manager shall, prior to the City Council consideration of the City's annual budget, prepare and present to the COC for its review a spending plan for Measure 'E' Revenues. It is the intent that the Measure 'E' Revenues be used to improve public safety, infrastructure, and the delivery of public services and help solve the City's structural deficit and the plan (the "Measure 'E' Spending Plan") shall reflect these priorities and include specific proposals for near term expenditures as well as a plan for expenditures while the tax is in effect, and finance options for larger-scale projects that may require the pledge of Measure 'E' Revenues. After

review and recommendation by the COC, the Measure 'E' Spending Plan shall be presented to the City Council for its consideration and final decision in its discretion, as part of the City's annual budget process. The City Council must consider for approval the expenditure of projected Measure 'E' Revenues as a separate line item category in each year's budget.

C. Annual Independent Audit. Beginning with the fiscal year that ends June 30, 2023, the City's independent auditors shall, as part of their annual audit of the City's financial statements, review the collection and expenditure of revenue from the Measure 'E' Revenues. Along with the City's Finance Department Report provided in subsection A, above, the auditors' review of such revenues ("Auditor Report") shall be presented each year to the COC at a public meeting for its review for compliance with the terms of the ordinance codified in this chapter. The results of the COC review shall then be transmitted through the City's Manager's Office to the City Council for its consideration at a public meeting.

D. Citizens' Oversight Committee. Prior to the Operative Date, the City Council shall create and convene a Citizens' Oversight Committee ("COC"). The function of the COC shall be to review and report on City compliance with the terms of this chapter and the Measure 'E' Spending Plan presented and approved by the City Council thereafter. Specific COC responsibilities shall include: (1) public review and comment on each year's Finance Department Report, Measure 'E' Spending Plan and Auditor Report (as provided in subsections A-C, above); (2) preparation of an annual report regarding compliance with the City Council adopted Measure 'E' Spending Plan for presentation to the City Council at a public meeting; (3) working with City staff to identify and apply "best practices" for tracking and reporting on Measure 'E' Revenues and expenditures relative to other City revenues and expenditures; and (4) making a finding whether the Measure 'E' Revenues have been expended consistent with the intent of the measure. Current elected City officials and employees are disqualified from membership in the COC. COC members shall be appointed by the City Council in accordance with existing City policies, or as may be



adopted by Resolution or Ordinance, and will include individuals with a range of expertise, including but not limited to accounting, finance, and engineering. The COC shall operate in accordance with the Ralph M. Brown Act, which includes requirements that meetings be noticed in advance and held in public. The COC shall be created by City Council ordinance consistent with the terms of this section adopted no later than April 30, 2023.

**25-33.17. SEVERABILITY.**

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable. This City Council and the people of the City of Escondido hereby declare that they would have adopted the ordinance codified in this chapter irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the chapter be enforced.

SECTION 2. ENVIRONMENTAL ANALYSIS. This ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, "CEQA") and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this ordinance does not constitute a "project" that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 3. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 4. The City Clerk shall be authorized to replace the terms "Measure E" wherever they appear in this ordinance, and in Resolution 2022-98, with the respective ballot designations determined by the County Registrar before this ordinance is codified.

SECTION 5. This ordinance shall take effect immediately, upon approval by a simple majority of the voters voting on the question at the November 8, 2022 election.

## RESOLUTION NO. 2022-99

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, EXPRESSING THE INTENT OF THE CITY COUNCIL IN ADOPTING ORDINANCE NO. 2022-98 AND PLACING A LOCAL SALES TAX MEASURE ON THE NOVEMBER 2022 BALLOT

WHEREAS, the City of Escondido (“City”) is a general law city of extraordinary potential currently experiencing critical fiscal challenges to having sufficient revenues to meet ever increasing costs required by law; and

WHEREAS, the City’s ability to create and collect revenue has not been able to keep pace with the growing costs of providing municipal services and thereby threatens the City’s ability to provide the needed services to ensure safe neighborhoods and quality services to support its residents; and

WHEREAS, the City has aggressively responded to this financial challenge by reducing its workforce over the years below pre-recession levels; reducing pension obligations; deferring maintenance of City facilities and purchase of equipment; pursuing available grant funding whenever possible; establishing Community Facilities Districts thereby capturing the additional services costs associated with new developments; and, regrettably, cutting back services despite serving a growing population;

WHEREAS, the City serves its citizens primarily by services performed by employees, as a result approximately 84% of the City’s budget is devoted to employee related costs, which are growing primarily as a result of pension related payments the City is required to make to CalPERS to address the Unfunded Accrued Liability; and

WHEREAS, required annual payments to CalPERS are 15% of the total General Fund operating budget at \$19.7 million in FY2022/23, and are expected to continue to grow over the next twenty years; and

WHEREAS, the City fundamentally changed the methodology it uses in the budget process for its 2022/23 fiscal year budget to ensure that it maintains fiscal stability by reducing reliance on unsustainable

one-time funding sources and instead, using reliable indicators of revenue and expenditures to provide a realistic balanced budget focusing on the priorities of the community; and

WHEREAS, nearly 2,000 residents of the City have expressed through multiple channels, including a community survey, a scientifically conducted survey concerning a potential local sales tax measure, and by communications directly to City staff and the City Councilmembers, a strong interest in ensuring a safe community for its residents and one that attracts business and visitors; and

WHEREAS, nearly all sales tax goes to either the State, County or SANDAG, a local sales tax measure will allow Escondido local control over local revenue for the services residents expect and deserve; and

WHEREAS, residents also identified funding priorities for City services including addressing homelessness, repairing and maintain local streets, sidewalks and infrastructure, keeping parks and public facilities safe, clean and well-maintained, providing quick responses to 911 emergencies and providing fire protection and paramedic services; and

WHEREAS, residents continue to prioritize 911 emergency response, the funding from this measure will help the City to ensure enough police, firefighters, dispatchers and paramedics to respond quickly to 911 emergencies; and

WHEREAS, additional local funding will the City to keep up with basic repairs and maintenance to public facilities, storm drains, streets and sidewalks; these repairs will be a lot more expensive in the future if they are not addressed now; and

WHEREAS, the City Council believes that a local government can best address the community's concerns about safety by providing focused financial support and resources to its police and fire departments; and

WHEREAS, the City Council is considering the placement of a local sales tax measure before the voters which would allow for locally controlled funds to augment existing but insufficient sales and

property tax revenues to directly meet the needs of this City, including specifically, the need to ensure a safe and livable community; and

WHEREAS, the City Council is particularly mindful of the financial burdens placed on all residents by the imposition of any kind of tax, levy or fee and the increase of any such revenue sources must be done only when required to provide the services needed to achieve the expectations of City residents; and

WHEREAS, because the current City Council is not able to direct future city councils on their spending priorities in their budgets, and particularly in how any revenue derived from a proposed local general sales tax measure will be allocated, the purpose of this Resolution is to unequivocally state the intent of this City Council which is facing the existing critical fiscal challenge and required to make the difficult decision whether there are sufficient revenues available to meet the community's needs and whether its residents should be potentially facing an increased tax burden; and

WHEREAS, this City Council believes that should the community vote in favor of a local sales tax measure, future city councils should devote at least 50% of any additional revenue derived therefrom to support of the City's police and fire departments in their efforts to deliver to the taxpayers the safe City they want and deserve; and

WHEREAS, the proposed sales tax measure will require separate accounting as Local Sales and Use Tax – Measure 'E' Revenues and the City Manager shall prepare an annual spending plan for Measure 'E' Revenues to be used to improve public safety, infrastructure and the delivery of public services and help solve the City's structural deficit.

WHEREAS, the City Council shall create and convene a Citizens' Oversight Committee to: (1) ensure public review and comment on the annual spending plan for Measure 'E' Revenues; (2) prepare an annual report regarding compliance with the previous year annual spending plan for presentation to the City Council at a public meeting; (3) work with City staff to prepare best practices for tracking and

reporting on Measure 'E' Revenues and expenditures relative to other City revenues and expenditures, and; (4) making a finding whether Measure 'E' Revenues have been expended consistent with the intent of the measure; and

WHEREAS, the Citizens' Oversight Committee shall operate subject to the Brown Act and all meetings will be properly noticed and open to the public; and

WHEREAS, the City shall conduct an annual independent audit of the City's financial statements, including the review of the collection and expenditure of revenue from Measure 'E,' and the auditor's report shall be presented to the Citizens' Oversight Committee for its review of compliance with the terms of Measure 'E'; and

WHEREAS, in addition to the review of the annual spending plan for Measure 'E' Revenues as part of the annual budget process, every five years the City Council should conduct a strategic review of Measure 'E' Revenues and expenditures and will assess the necessity of continuing any sales tax approved by the voters; and

WHEREAS, this City Council deems it to be in the best interests of the City and its residents, given existing fiscal challenges and the importance of supporting a safe and livable community, to place a measure on the November 2022 ballot for the community's consideration and decision.

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

1. That the above recitations are true.
2. That this City Council believes that a City must live within its financial means; engage the community in its yearly budget process in a transparent, honest and meaningful way; and must avoid whenever reasonably possible placing any additional tax burdens on City residents.
3. That this City Council believes at this time there are sufficient critical financial circumstances and needs warranting placement of a local sales tax measure on the ballot for voter consideration.

4. That this City Council is adopting Ordinance No. 2022-15 to give future City Councils the opportunity to have adequate fiscal resources to maintain a safe and livable community for City residents and that can best be accomplished by earmarking not less than half of any additional revenues from a local sales tax measure to support the City's police and fire services.

## ORDINANCE NO. 2022-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADDING CHAPTER 25, ARTICLE 2, DIVISION 2, SECTION 25-33.1 THROUGH 25-33.17 TO THE ESCONDIDO MUNICIPAL CODE TO ESTABLISH A 1 CENT GENERAL TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION INCLUDING PROVISIONS FOR CITIZENS' OVERSIGHT AND ACCOUNTABILITY

WHEREAS, the health, safety and welfare of all residents in the City of Escondido ("City") is the City's top priority; and

WHEREAS, the City's ability to create and collect revenue has not been able to keep pace with the growing costs of providing municipal services and thereby threatens the City's ability to provide the needed services to ensure safe neighborhoods and quality services to support its residents; and

WHEREAS, the City has aggressively responded to this financial challenge by reducing its workforce over the years below pre-recession levels; reducing pension obligations; deferring maintenance of City facilities and equipment purchases; pursuing available grant funding whenever possible; establishing Community Facilities Districts thereby capturing the additional services costs associated with new developments; and, regrettably, cutting back services despite serving a growing population; and

WHEREAS, the City fundamentally changed the methodology it uses in the budget process for its 2022/23 fiscal year budget to ensure that it maintains fiscal stability by reducing reliance on unsustainable one-time funding sources and instead, using reliable indicators of revenue and expenditures to provide a realistic balanced budget focusing on the priorities of the community; and



WHEREAS, projections for budget deficits over at least the next 20 years reflect dramatic increases in expenditures and obligations that far exceed anticipated revenues resulting in a structural budget gap; and

WHEREAS, nearly 2,000 residents of the City have expressed through multiple channels, including a community survey, a scientifically conducted survey concerning a potential local sales tax measure, and by communications directly to City staff City Service funding priorities including addressing homelessness, repairing and maintain local streets, sidewalks and infrastructure, keeping parks and public facilities safe, clean and well-maintained, providing quick responses to 911 emergencies and providing fire protection and paramedic services; and

WHEREAS, nearly all sales tax goes to either the State, County or SANDAG, a local sales tax measure will allow Escondido local control over local revenue for the services residents expect and deserve; and

WHEREAS, residents continue to prioritize 911 emergency response, the funding from this measure will help the City to ensure enough police, firefighters, dispatchers and paramedics to respond quickly to 911 emergencies; and

WHEREAS, additional local funding will the City to keep up with basic repairs and maintenance to public facilities, storm drains, streets and sidewalks; these repairs will be a lot more expensive in the future if they are not addressed now; and

WHEREAS, the City needs additional resources to retain the City's current staffing levels of police and firefighters/paramedics, to address homelessness, and provide the needed upkeep of numerous City facilities including streets, storm drains, sidewalks, curbs, gutters, park and recreation facilities, and other infrastructure which are in need of repair, replacement, upgrading and/or maintenance; and

WHEREAS, the City has determined that the enactment of a 1 cent general local transactions and use tax (commonly known as a "sales tax") until ended by the voters would allow the City to address the community's public safety, homelessness, infrastructure, facilities, and equipment priorities without compromising the provision of existing City services; and

WHEREAS, local, voter-approved funding will provide a guaranteed source of money for essential City services that cannot be taken by Sacramento or Washington, D.C, as all funds will be controlled by the City; and

WHEREAS, pursuant to Article XIIC of the California Constitution, and California Revenue and Taxation Code Section 7285.9, the City has the authority to enact a local sales tax for general purposes with the approval of the majority of voters in the City voting in an election on the issue; and

WHEREAS, the City Council directed staff to prepare for submittal to the voters an ordinance enacting a 1 cent sales tax consistent with all applicable general-purpose tax laws, including measures providing for citizens' oversight, separate accounting and independent audits; and

WHEREAS, proposed Sections 25-33.1 through 25-33.17, of Chapter 25, Article 2, Division 2 of the Escondido Municipal Code, set forth below, establish a transaction and use tax to be administered by the California Department of Tax and Fee Administration consistent with City Council direction and State law; and

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is hereby revised to add Chapter 25, Article 2, Division 2, Sections 25-33.1 through 25-33.17 as set forth below, thereby enacting a local transaction and

use tax within the City of Escondido to be administered by the California Department of Tax and Fee Administration:

**CHAPTER 25, ARTICLE 2, DIVISION 2, SECTIONS 25-33.1 THROUGH 25-33.17**

**ONE CENT SALES TAX**

**25-33.1. TITLE.**

This chapter shall be known as the Escondido One Cent Sales Tax Ordinance. The City of Escondido hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

**25-33.2. PURPOSE.**

This ordinance codified in this chapter is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transaction and use tax, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority vote of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transaction and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible

deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting California State Sales and Use Taxes.

D. To adopt a retail transaction and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of the Ordinance.

E. To provide transactions and use tax revenue for unrestricted general revenue purposes, and not specific purposes. All the proceeds from the tax imposed by this chapter shall be placed in the City's general fund and be available for any legal municipal purpose.

**25-33.3. OPERATIVE DATE.**

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the approval of the voters of the City of a measure approving the imposition of the transactions and use tax set forth herein, unless a later Operative Date becomes effective under the provisions of Section 25-33.6.

**25-33.4. TRANSACTIONS AND USE TAX IMPOSITION RATE.**

A. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1.0%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of the ordinance codified in this chapter.

B. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of the ordinance codified in this chapter for storage, use or other consumption in said territory at the rate of one percent

(1.0%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

**25-33.5. TERMINATION DATE.**

The authority to levy the tax imposed by this chapter shall expire upon a vote of a majority of the voters of this City.

**25-33.6. CONTRACT WITH CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION.**

Prior to the Operative Date, City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of the ordinance codified in this chapter; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract, and in such a case the Operative Date shall be the first day of the first calendar quarter following the effective date of such a contract.

**25-33.7. PLACE OF SALE.**

For the purposes of this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of tax and Fee Administration.

**25-33.8. ADOPTION OF PROVISIONS OF STATE LAW.**

Except as otherwise provided in this chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1

(commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this chapter as though fully set forth herein.

**25-33.9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.**

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as part of the title of the State Controller, State Treasurer, Victim Compensation and Government Claims Board, California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action be taken by or against this City or any agency, office, or employee thereof, rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the state under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

**25-33.10. PERMIT NOT REQUIRED.**

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this chapter.

**25-33.11. EXEMPTIONS AND EXCLUSIONS.**

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft license in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by

registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of the ordinance codified in this chapter.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of the ordinance codified in this chapter.

5. For the purposes of subsections (B)(3) and (B)(4) of this section, the sale or lease of tangible personal property shall be deemed to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this state, the United States, or any foreign government. This exemption is



in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of the ordinance codified in this chapter.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of the ordinance codified in this chapter.

5. For the purposes of subparagraphs (C)(3) and (C)(4) of this section, storage, use, or other consumption, or possession of, or exercise or any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (C)(7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or

licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumptions of which is subject to the use tax.

**25-33.12. AMENDMENTS TO REVENUE AND TAXATION CODE.**

All amendments subsequent to the effective date of the ordinance codified in this chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this chapter; provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

**25-33.13. ENJOINING COLLECTION FORBIDDEN.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the state or the City, or against any officer of the state or the City, to prevent or enjoin the collection under this chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

**25-33.14. AMENDMENTS BY CITY COUNCIL.**

The following amendments to this chapter must be approved by the voters of the City: terminating the tax, increasing or decreasing the tax rate; revising the methodology for calculating the tax, such that a tax increase would result; or, imposing the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of law). The City Council may otherwise amend this chapter without submitting the amendment to the voters for approval.

**25-33.15. USE OF PROCEEDS.**

The proceeds from the tax imposed by this chapter shall be for unrestricted general revenue purposes of the City and shall be received into the general fund of the City. Nothing in this chapter shall constitute the tax imposed under this chapter as a special tax, or bind the City to use the proceeds for any specific purpose or function; the City Council shall retain discretion to expend the proceeds of the tax for any lawful purpose of the City.

**25-33.16. CITIZENS' OVERSIGHT AND ACCOUNTABILITY.**

In order to provide for citizens' oversight, transparency, and accountability in connection with expenditures of tax revenues generated under the terms of this chapter, the City shall do the following:

A. Separate Fund Accounting. All revenue generated by the tax ("Measure 'E' Revenues") shall be accounted in the General Fund as a separate line item entitled "Local Sales and Use Tax - Measure 'E' Revenues." Measure 'E' Revenues will then be transferred to a General Fund subfund entitled "Measure 'E' Fund." Any and all expenditures of Measure 'E' Revenues will be tracked and accounted for by City Finance Department staff in accordance with Generally Accepted Accounting Principles (GAAP), and presented annually in a report (the "Finance Department Report") to the Citizens' Oversight Committee ("COC") created pursuant to Subdivision (D) below.

B. Initial and Annual Submittal of Measure A Spending Plan. If Measure 'E' is approved by the voters, beginning in the fiscal year 2023-24, and for each subsequent year, the City Manager shall, prior to the City Council consideration of the City's annual budget, prepare and present to the COC for its review a spending plan for Measure 'E' Revenues. It is the intent that the Measure 'E' Revenues be used to improve public safety, infrastructure, and the delivery of public services and help solve the City's structural deficit and the plan (the "Measure 'E' Spending Plan") shall reflect these priorities and include specific proposals for near term expenditures as well as a plan for expenditures while the tax is in effect, and finance options for larger-scale projects that may require the pledge of Measure 'E' Revenues. After

review and recommendation by the COC, the Measure 'E' Spending Plan shall be presented to the City Council for its consideration and final decision in its discretion, as part of the City's annual budget process. The City Council must consider for approval the expenditure of projected Measure 'E' Revenues as a separate line item category in each year's budget.

C. Annual Independent Audit. Beginning with the fiscal year that ends June 30, 2023, the City's independent auditors shall, as part of their annual audit of the City's financial statements, review the collection and expenditure of revenue from the Measure 'E' Revenues. Along with the City's Finance Department Report provided in subsection A, above, the auditors' review of such revenues ("Auditor Report") shall be presented each year to the COC at a public meeting for its review for compliance with the terms of the ordinance codified in this chapter. The results of the COC review shall then be transmitted through the City's Manager's Office to the City Council for its consideration at a public meeting.

D. Citizens' Oversight Committee. Prior to the Operative Date, the City Council shall create and convene a Citizens' Oversight Committee ("COC"). The function of the COC shall be to review and report on City compliance with the terms of this chapter and the Measure 'E' Spending Plan presented and approved by the City Council thereafter. Specific COC responsibilities shall include: (1) public review and comment on each year's Finance Department Report, Measure 'E' Spending Plan and Auditor Report (as provided in subsections A-C, above); (2) preparation of an annual report regarding compliance with the City Council adopted Measure 'E' Spending Plan for presentation to the City Council at a public meeting; (3) working with City staff to identify and apply "best practices" for tracking and reporting on Measure 'E' Revenues and expenditures relative to other City revenues and expenditures; and (4) making a finding whether the Measure 'E' Revenues have been expended consistent with the intent of the measure. Current elected City officials and employees are disqualified from membership in the COC. COC members shall be appointed by the City Council in accordance with existing City policies, or as may be

adopted by Resolution or Ordinance, and will include individuals with a range of expertise, including but not limited to accounting, finance, and engineering. The COC shall operate in accordance with the Ralph M. Brown Act, which includes requirements that meetings be noticed in advance and held in public. The COC shall be created by City Council ordinance consistent with the terms of this section adopted no later than April 30, 2023.

**25-33.17. SEVERABILITY.**

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable. This City Council and the people of the City of Escondido hereby declare that they would have adopted the ordinance codified in this chapter irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the chapter be enforced.

SECTION 2. ENVIRONMENTAL ANALYSIS. This ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, "CEQA") and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this ordinance does not constitute a "project" that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 3. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 4. The City Clerk shall be authorized to replace the terms "Measure E" wherever they appear in this ordinance, and in Resolution 2022-98, with the respective ballot designations determined by the County Registrar before this ordinance is codified.

SECTION 5. This ordinance shall take effect immediately, upon approval by a simple majority of the voters voting on the question at the November 8, 2022 election.



# STAFF REPORT

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July 27, 2022  
File Number 0650-20

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## SUBJECT

### TERM LIMITS BALLOT MEASURE FOR CITY COUNCILMEMBERS AND THE MAYOR

## DEPARTMENT

City Attorney

## RECOMMENDATION

Consider and introduce Ordinance No. 2022-13 and adopt Resolution No. 2022-91R to place a ballot measure to set term limits for the Mayor and City Councilmembers on the November 8, 2022, consolidated general election.

Staff Recommendation: None

Presenters: Gary McCarthy, Assistant City Attorney

## FISCAL ANALYSIS

The San Diego County Registrar of Voters indicates that placement of this measure on the November general election ballot could cost up to \$78,000. The actual costs will depend on how many jurisdictions participate in the election and the quantity of pages required to present the measure and associated text. The Registrar assigns election costs in a consolidated election through the use of a weighted average method.

## PREVIOUS ACTION

On July 15, 2020, the City Council considered placing a ballot measure before the voters to enact terms limits on City Councilmembers and the City Treasurer. The matter failed to muster a majority vote.

On May 25, 2022, the City Council directed the City Attorney to prepare a ballot measure for the November 2022 general election to allow voters to address term limits for the Mayor and City Councilmembers in Escondido. The City Council agreed that the ballot measure should set limits of two terms for the Mayor and three terms for City Councilmembers.

## BACKGROUND

In the Community Opinion Survey Summary Report, prepared for the City of Escondido published on December 31, 2021, approximately two-thirds (68%) of Escondido residents favored limiting City Councilmembers to two consecutive four-year terms, twenty-two percent (22%) preferred no term limits



# CITY of ESCONDIDO

## STAFF REPORT

and 10% were unsure or unwilling to answer the question. In every identified subgroup surveyed, those who favored term limits outnumbered those who did not by at least 2-to-1.

On April 6, 2022, Councilmember Morasco requested a Future Agenda item to discuss and consider an amendment to the Escondido Municipal Code to place limits on the terms for the mayor, councilmembers and the city treasurer who may serve the City of Escondido. Any such amendment would need to be placed on the general election ballot for public vote. At this time there are no limits on the number of terms an elected or appointed representative for the City may serve under the Code. Neither federal nor state law place term limits on the city's elected offices.

On May 25, 2022, after a staff presentation, hearing public comment and deliberating on the merits of bringing the matter forward for a public vote, the City Council directed the City Attorney to prepare a ballot measure for the November 2022 general election to allow voters to address term limits for the Mayor and City Councilmembers in Escondido. The City Council agreed that the ballot measure should set limits of two terms for the Mayor and three terms for City Councilmembers. The City Council did not address the issue of whether the other elected City official, the City Treasurer, should also be included in the ballot measure for a public vote on a term limit.

### 1. Municipal Term Limits.

As noted in the May 2022 Staff Report, State law establishes procedural steps to adopt local government term limits. First, the City Council or City residents may propose by initiative limits on the number of terms a municipality's elected may serve. Second, regardless of the source, any proposal to limit or change term durations shall not become operative unless the electors of the City at a regularly scheduled election vote and a majority of the votes cast on the question in favor the adoption of the proposal. (Government Code section 36502(b).) The imposition of term limits must occur prospectively – it cannot impact the current term of elected officials.

### 2. Proposed Ballot Measure and Ordinance.

The proposed ordinance, if approved by a simple majority of qualified voters, would impose lifetime term limits of two terms for a Mayor and three terms for City Councilmembers. Partial terms of two years or more in that office would count as one term. A partial term of less than two years in that office would not count as a term.

Under state law, any term limits would not apply to the current terms of current elected officials. Ordinance No. 2022-13 provides the language necessary to amend the Escondido Municipal Code to impose term limits requested by the City Council on May 25, 2022. The Ordinance requires voter approval in order to be effective.

Resolution No. 2022-91R will add this ballot measure to the consolidated general election on November 8, 2022. The San Diego County Registrar of Voters Calendar of Events lists the key events for the next consolidated general election and is included as Attachment "A."





# CITY of ESCONDIDO

## STAFF REPORT

Ballot measures may include arguments for or against the measure. Anyone can submit arguments in support of or opposed to the measure, and may also submit rebuttals. If the City Clerk receives multiple arguments for or against the measure, the City Clerk will select the arguments to be presented to the voters in the voter information pamphlet based on priorities described in state law. If the City Council prefers to submit an argument in support of the proposed measure, the City Council or an individual councilmember's argument would take precedence over any other submissions. Thus, the City Council may choose to maintain control of the ballot argument.

Because of the physical limitations of ballots, ballot measure language has a 75-word limit. The proposed ballot language is as follows:

To establish term limits of two terms for persons serving as Mayor and three terms for persons serving as a City Councilmember, whether consecutive or not, shall Ordinance 2022-13 amending the Escondido Municipal Code be approved?

The ballot measure voter information pamphlet would contain the proposed changes to Chapter 2 of the Escondido Municipal Code.

### Conclusion.

If the City Council chooses to submit this ballot measure to the voters on November 8, 2022, and more than one half (50% + 1) of the voters vote yes, the measure would become effective.

The City Council or individual Councilmembers may retain control of the ballot measure argument by voting to authorize the mayor, or one or more city councilmembers, to draft the argument and any rebuttals if necessary.

### **ATTACHMENTS**

- a. Attachment "1" – San Diego County Registrar of Voters November 8, 2022 for Local Measures Calendar of Events

### **ORDINANCES**

- a. ORDINANCE NO. 2022-13

### **RESOLUTIONS**

- a. RESOLUTION NO. 2022-91R

## SAN DIEGO COUNTY – REGISTRAR OF VOTERS

Item 11.

NOVEMBER 8, 2022

## CALENDAR OF EVENTS

FOR

## LOCAL MEASURES: COUNTY, SCHOOL AND SPECIAL DISTRICTS

(CITIES: PLEASE CONTACT EACH CITY CLERK FOR DETAILS.)

Unless stated otherwise, all section references are for the California Elections Code.

<b>DAYS BEFORE AN ELECTION</b>	<b>DATE</b>	<b>EVENT</b>
88	August 12	Registrar of Voters to receive resolution(s) requesting consolidation, services, etc. Ballot text (limited to 75 words) must be included in the resolution. (10403; Education Code 5322) Tax rate statement (if applicable) is due at Registrar of Voters Office. (9401)
87	August 13	Registrar of Voters to post online measure text and Notice of Argument Deadline.
85	August 15	Registrar of Voters to publish a Notice of Argument Deadline in newspaper of general circulation. (9163, 9316, 9502)
82	August 18	Arguments in favor of OR against a measure are due at Registrar of Voters Office. (9163, 9316, 9502)
81	August 19	Impartial analysis is due at Registrar of Voters Office. (9160, 9313, 9500)
77	August 23	Rebuttal arguments due at Registrar of Voters Office. (9167, 9317, 9504)
67 to 41	September 2 - September 28	Ballots typeset, proofed and printed.
29	October 10	First day vote-by-mail ballots are available. (3001,3003) In-office voting begins.
15	October 24	Last day to register to vote in this election. (2102)
14 to 0	October 25 - November 8	Conditional Voter Registration Period – Voters who miss the registration deadline may register and vote. See details at <a href="http://sdvote.com">sdvote.com</a> (2170)
6 to 0	November 2 - November 8	Emergency voting in person or pick up (also can pick up with written/signed statement of request by any authorized representative). (3021)
0	November 8	<b>ELECTION DAY</b> – Polls open from 7 am to 8 pm.
<b>DAYS AFTER THE ELECTION</b>	<b>DATE</b>	<b>EVENT</b>
+ 30	December 8	Certified results available after the official canvass is completed. Major elections (Primary or General of an even year, for example) may require 30 days; stand-alone or smaller elections require less time. (15372)

## ORDINANCE NO. 2022-13

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADDING ARTICLE 2, SECTION 2-25 TO CHAPTER 2 OF THE ESCONDIDO MUNICIPAL CODE TO ESTABLISH TERM LIMITS FOR THE MAYOR AND CITY COUNCILMEMBER OFFICES

WHEREAS, in Community Opinion Survey Summary Report, prepared for the City of Escondido and published on December 31, 2021, approximately two-thirds (68%) of Escondido residents favored limiting City Councilmembers to two consecutive four-year terms, twenty-two percent (22%) preferred no term limits, and 10% were unsure or unwilling to answer the question; and

WHEREAS, California Government Code section 36502(a) authorizes the city council of a general law city to adopt, by initiative, a proposal to limit the number of terms a member of the city council may serve on the city council, or the number of terms an elected mayor may serve; and

WHEREAS, California Government Code section 36502(b) holds that any proposal to limit the number of terms a member of the city council may serve on the city council, or the number of terms an elected mayor may serve, shall apply prospectively only and shall not become operative unless it is submitted to the electors of the city at a regularly scheduled election and a majority of the votes cast on the question favor the adoption of the proposal; and

WHEREAS, at a duly noticed meeting held on May 25, 2022, the City Council directed the City Attorney to prepare a ballot measure for voter approval to establish term limits for the Mayor and City Councilmembers of the City of Escondido.

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is revised to add Chapter 2 - Administration, Article 2 - City Council, Section 2-25 – Term Limits, as set forth below:

**CHAPTER 2, ARTICLE 2, SECTION 2-25****Term limits.**

(a) No person shall serve more than two terms as the mayor whether consecutive or not. This term limit applies to appointed terms and elected terms. A partial term of two years or more in that office shall count as one term. A partial term of less than two years in that office shall not count as one term.

(b) No person shall serve more than three terms as a councilmember, regardless of the district represented, whether consecutive or not. This term limit applies to appointed terms and elected terms. A partial term of two years or more in that office shall count as one term. A partial term of less than two years in that office shall not count as one term.

SECTION 2. ENVIRONMENTAL ANALYSIS. This Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, "CEQA") and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Ordinance does not constitute a "project" that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 3. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 4. This Ordinance shall take effect immediately, upon approval by a simple majority of the voters, voting on the question at the November 8, 2022 election.

## RESOLUTION NO. 2022-91R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 8, 2022, FOR THE SUBMISSION OF A PROPOSED ORDINANCE TO ESTABLISH TERM LIMITS ON MAYOR AND CITY COUNCILMEMBER OFFICES; CONSOLIDATING THE ELECTION WITH THE STATEWIDE ELECTION, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO PERMIT THE REGISTRAR OF VOTERS TO CONDUCT THE ELECTION; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS, the California Elections Code Section 9222, authorizes the City Council to submit to the voters a proposition for the enactment of any ordinance, to be voted upon at any succeeding regular city election, and if the proposition submitted receives a majority of the votes cast on it at the election, the ordinance shall be or enacted accordingly; and

WHEREAS, the City Council of the City of Escondido has adopted an ordinance, adding Article 2, Section 2-25 of Chapter 2 of the Escondido Municipal Code to establish term limits for the mayor and city councilmember offices; and

WHEREAS, the City Council is authorized by statute to submit the proposed ordinance to the voters; and

WHEREAS, in accordance with State elections law, the City Council of the City of Escondido has called a General Municipal Election to be held in the City of Escondido, California, on Tuesday, November 8, 2022; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date; that the City precincts, polling places and election officers of the two elections be the same; that the Registrar of Voters canvass the returns of the General Municipal Election; and that the election be held in all respects as if there were only one election.

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 pursuant to the requirements of the laws of the State of California there shall be and there is hereby called and ordered to be held in the City of Escondido, California, on Tuesday, November 8, 2022, a General Municipal Election for the purpose of submitting the following proposed ordinance, imposing term limits on the offices of mayor and city councilmembers, to the qualified electors of the City of Escondido.
3. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election on November 8, 2022, the following question:

To establish term limits of two terms for persons serving as Mayor and three terms for persons serving as a City Councilmember, whether consecutive or not, shall Ordinance 2022-13 amending the Escondido Municipal Code be approved?	Yes
	No

4. That the text of the ordinance submitted to the voters is attached as Exhibit A and incorporated into this resolution by this reference.
5. That the notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give such further or additional notice of the election, in time, form and manner as required by law.
6. Pursuant to California Elections Code section 9282, the City Council hereby acknowledges its authority, and the authority of any individual voter who is eligible to vote on the measure, or bona fide association of citizens, or any combination of voters and associations, to submit a written argument, not to exceed 300 words, for or against the measure. Arguments must

be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no arguments for or against the measure may be submitted, withdrawn or changed.

7. Pursuant to California Elections Code section 9285, rebuttal arguments will be allowed. The rebuttal arguments may not exceed 250 words. Rebuttal arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no rebuttal arguments for or against the measure may be submitted to the City Clerk. This Section 7 is applicable only to the November 8, 2022 election called by this resolution and after that election, shall expire.

8. Pursuant to California Elections Code section 9280, the City Clerk is directed to transmit a copy of the measure to the City Attorney. The City Attorney is directed to prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk by the date fixed by the City Clerk.

9. Pursuant to California Elections Code section 10403, the Board of Supervisors of the County of San Diego is hereby requested to permit the Registrar of Voters to perform and render all services and proceedings, and to procure and furnish any and all official ballots, notices, printed matter and all supplies and equipment and paraphernalia incidental to and connected with the conduct of the subject election of the City of Escondido, with the cooperation and assistance of the City Clerk of the City of Escondido, in order to properly and lawfully conduct such election.

10. The Board of Supervisors of the County of San Diego is hereby requested to consolidate this election with the statewide election to be held on the same day, in the same territory. Pursuant to California Elections Code section 10411 and section 10418: (a) the election shall be held in all



respects as if there were only one election; (b) only one form of ballot shall be used; and (c) the Registrar of Voters of the County of San Diego shall canvass the returns of the subject election as part of the canvass of the returns of the election consolidated hereby.

11. Pursuant to California Elections Code sections 10410 and 10418, within the territories affected by this consolidation, the elections precincts, polling places, voting booths and polling hours shall, in every case, be the same, and there shall be only one set of election officers in each of the precincts.

12. The polls of said election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in California Elections Code section 14401 or as otherwise required or allowed under applicable law.

13. That the ballots to be used at the election shall be, both as to form and matter contained in form and content as required by law.

14. City requests Measure titled as Measure F.

15. That the vote requirement for the measure to pass is a majority (50%+1) of the votes cast.

16. The County of San Diego shall be reimbursed in full for the services performed by the registrar of Voters for the City of Escondido upon presentation of a bill therefor, and this City agrees to indemnify and save free and harmless the County, its officers, agents and employees from expense or liability, including reasonable attorney's fees, as a result of an election contest arising from this election.

17. The City Council finds that this Resolution is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in

a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

18. That in all particulars not otherwise recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

19. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, improper or unenforceable, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

20. The City Clerk is hereby directed to certify the passage and adoption of this resolution and forthwith file a certified copy of this Resolution with the Board of Supervisors and the Registrar of Voters of the County of San Diego and to issue instructions to the Registrar of Voters to take any and all steps necessary for the holding of the election.

ORDINANCE NO. 2022-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADDING ARTICLE 2, SECTION 2-25 TO CHAPTER 2 OF THE ESCONDIDO MUNICIPAL CODE TO ESTABLISH TERM LIMITS FOR THE MAYOR AND CITY COUNCILMEMBER OFFICES

WHEREAS, in Community Opinion Survey Summary Report, prepared for the City of Escondido and published on December 31, 2021, approximately two-thirds (68%) of Escondido residents favored limiting City Councilmembers to two consecutive four-year terms, twenty-two percent (22%) preferred no term limits, and 10% were unsure or unwilling to answer the question; and

WHEREAS, California Government Code section 36502(a) authorizes the city council of a general law city to adopt, by initiative, a proposal to limit the number of terms a member of the city council may serve on the city council, or the number of terms an elected mayor may serve; and

WHEREAS, California Government Code section 36502(b) holds that any proposal to limit the number of terms a member of the city council may serve on the city council, or the number of terms an elected mayor may serve, shall apply prospectively only and shall not become operative unless it is submitted to the electors of the city at a regularly scheduled election and a majority of the votes cast on the question favor the adoption of the proposal; and

WHEREAS, at a duly noticed meeting held on May 25, 2022, the City Council directed the City Attorney to prepare a ballot measure for voter approval to establish term limits for the Mayor and City Councilmembers of the City of Escondido.

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is revised to add Chapter 2 - Administration, Article 2 - City Council, Section 2-25 – Term Limits, as set forth below:

## CHAPTER 2, ARTICLE 2, SECTION 2-25

### Term limits.

(a) No person shall serve more than two terms as the mayor whether consecutive or not. This term limit applies to appointed terms and elected terms. A partial term of two years or more in that office shall count as one term. A partial term of less than two years in that office shall not count as one term.

(b) No person shall serve more than three terms as a councilmember, regardless of the district represented, whether consecutive or not. This term limit applies to appointed terms and elected terms. A partial term of two years or more in that office shall count as one term. A partial term of less than two years in that office shall not count as one term.

SECTION 2. ENVIRONMENTAL ANALYSIS. This Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, "CEQA") and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Ordinance does not constitute a "project" that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 3. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 4. The City Clerk shall be authorized to replace the terms "Measure F" wherever they appear in this ordinance, and in Resolution No. 2022-91, with the respective ballot designations determined by the County Registrar of Voters before this ordinance is codified.

SECTION 5. This Ordinance shall take effect immediately, upon approval by a simple majority of the voters, voting on the question at the November 8, 2022 election.



# STAFF REPORT

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July 27, 2022  
File Number 0650-20

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## **SUBJECT**

### **CITY TREASURER BALLOT MEASURE OPTIONS**

## **DEPARTMENT**

City Attorney

## **RECOMMENDATION**

Request the City Council consider and address the alternatives provided below and take preferred action.

If the City Council intends to place the City Treasurer's compensation on the ballot, it should adopt Ordinance No. 2022-16 and Resolution No. 2022-107R.

If the City Council intends to ask the voters to make the City Treasurer an appointed position, it should adopt Ordinance No. 2022-17 and Resolution No. 2022-108R.

Staff Recommendation: Provide Direction (City Attorney: Gary McCarthy, Assistant City Attorney)

Presenter: Gary McCarthy, Assistant City Attorney

## **FISCAL ANALYSIS**

The fiscal impact of a ballot measure relating to the City Treasurer will vary with the decisions made. A routine ballot measure could cost between \$45,000 and \$75,000.

The option to reduce the City Treasurer's compensation could present significant annual savings that would vary with the proposed salary. Appointing the Director of Finance to also serve as the City Treasurer could save approximately \$100,000 to \$168,000 each year. As discussed in more detail below, if the law regarding a City Treasurer vacancy does not change, a special election to fill a City Treasurer vacancy could cost more than \$500,000. The City would not realize any savings from modifying the City Treasurer's compensation or moving to an appointed City Treasurer until the City Treasurer's current term of office expires after the November 2024 election.

## **PREVIOUS ACTION**

On May 25, 2022, the City Council considered the City Treasurer position and compensation. The staff report from May 25 is included as Attachment "1". The City Council directed staff to provide further information regarding reducing the City Treasurer compensation or making the City Treasurer an appointed position.



# CITY of ESCONDIDO

## STAFF REPORT

### BACKGROUND

A voter initiative passed in 1984 (Proposition F), and modified in 1986 (Proposition N), has tied the City Treasurer's compensation to that of the highest paid City department head. Since the voters enacted the authorizing ordinance, only the voters can modify it. In 2012 and 2014, the City Council placed ballot measures to change the City of Escondido to a charter city which included language that would have resulted in an appointed City Treasurer. Both measures failed. However, the City Treasurer position may have been a peripheral issue as the ballot arguments for and against the ballot measures did not mention the City Treasurer.

#### 1. Community Survey.

In December 2021, at the direction of the City Council's Revenue Measure Subcommittee, a Community Opinion Survey was conducted which sought to provide the City with a statistically reliable understanding of its residents' satisfaction, priorities, and concerns as they relate to services, facilities, and policies provided by the City. The Survey Summary Report included:

After receiving background information about the City Treasurer position, most respondents (55%) agreed that the City should eliminate the City Treasurer position. They shouldn't pay a person \$135,000 a year to do a job they may not be qualified to do, and for which the City is outsourcing the work anyway.<sup>1</sup> Approximately one-quarter of respondents (26%) felt the City should keep the elected City Treasurer position. The Treasurer is meant to oversee the City's investment decisions and answers directly to the voters. An additional 18% were either unsure or unwilling to answer the question.

#### 2. Statutory v. Actual Treasurer Duties.

State and local laws provide a wide-ranging set of tasks for the City Treasurer to accomplish. Attachment "2" provides a table of the eleven statutory duties, highlights the financial category of work performed, and identifies who performs the required tasks. The Director of Finance handles eight of the tasks. One task is unique to the City Treasurer, and another task is a catch-all provision that could be accomplished by one or both. The allocation of work evolved over time and reflects a division of labor and collaboration between the Director of Finance and the City Treasurer.

The Director of Finance is the chief accounting officer of the City. (EMC § 10-27.) The individual must be qualified by sufficient accounting training, skill, and experience to be proficient in the office. (EMC § 10-17.) Further, the Director of Finance shall be independent from the City Treasurer and enjoys equal rank with the City Treasurer. (EMC § 10-15.) The Municipal Code requires that the Director of Finance consolidate all accounting matters of the City in his/her office as an entirely separate and distinct entity from all other departments. (EMC § 10-29.) Unlike the City Treasurer, the Director of Finance works under the direction and control of the City Manager and is also responsible to the City Council. (EMC § 10-29.)

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<sup>1</sup> After the Survey, the City Treasurer requested that the City Council end the outsourced contract with an investment manager and to increase funding for staffing within the Treasurer's General Fund budget.



# CITY of ESCONDIDO

## STAFF REPORT

The Director of Finance is an at-will employee and can be fired at any time for any legitimate business reason.

The City Treasurer focuses his/her work on managing the City's investment portfolio. The City of Escondido Annual Budget provides an accurate list of the City Treasurer's actual duties as follows:

- Maintaining adequate bank balances to cover expenditures and investing surplus cash considering both short-term and long-term cash flow needs;
- Overseeing the City's investment program; managing the City's investment portfolio and investment policy in accordance with legal guidelines;
- Performing bond administration duties including trustee account reconciliation, oversight of debt service requirements and payments, and preparation of annual tax levies; and
- Coordinating assigned activities with other divisions, departments, and outside agencies; and preparing and maintaining a variety of investment, bank, and bond records and reports.

As of March 31, 2022, the City Treasurer managed more than \$195 million in City assets. The City Treasurer does not provide direct oversight of the Director of Finance or any accounting-related functions of the City. It is common for city treasurers to manage an agency's investment portfolio and not to be involved in accounting duties.<sup>2</sup>

The City has been fortunate to have City Treasurers who work cooperatively with the Director of Finance. However, a City Treasurer who prefers to assume all of the accounting tasks or who does not want to collaborate with the Finance Department staff would create a significant challenge for the City and could require a larger Treasurer staff than currently budgeted.

### 3. Full or Part-Time Treasurer Duties.

Before addressing appropriate compensation, the amount of actual work the position requires should be assessed. The voters, who are the City Treasurer's only "supervisor," have not addressed this issue. In 2018, a ballot measure in Torrance, California, sought to address this exact issue after their City Treasurer failed to show up for work for a year, yet still got her full salary and benefits. (See Attachment "3", p. 5.)

In his candidate statement in 2012, prior Escondido City Treasurer Ken Hugins wrote, "I have conducted my responsibilities on a part-time, reduced cost basis, returning to you hundreds of thousands of dollars

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<sup>2</sup> For example, the Carlsbad City Treasurer's Office "is charged with the design of an effective cash management and investment program for the city and all of its agencies..." The La Mesa City Treasurer's primary responsibility is investing surplus funds in the City Treasury. The Oceanside City Treasurer "oversees the day-to-day management of the City's \$450-million-plus investment fund, ensuring this fund is protected, ample liquidity to meet the City's budgeted expenditures is maintained, and optimal investment income is generated within the parameters of prudent risk management."





# CITY of ESCONDIDO

## STAFF REPORT

of my salary.” A 2005 email from Escondido Director of Finance Gil Rojas, Subject: History on Treasurers Salary, reads, “Ken Hugins took office on June 14, 1986, and according to Ken his intent was to be a part-time City Treasurer as was the previous Treasurer... On November 2, 1986, Ken Hugins requested a 50% reduction in salary. This would have set his salary at 25% of the City Attorney’s salary...On September 27, 1992, Mr. Hugins requested that this salary be increased to the full amount allowed stating that he would return one half of the total by direct payment to the city.” Over his more than 30 years as City Treasurer, records indicate Ken Hugins returned \$451,268 to the City.

More recently, in a May 23, 2022 email to the City Council, City Treasurer Shultz wrote,

After reviewing the notes agenda packet dealing with the agenda item regarding the Treasurer position, I would agree that the Treasurer’s salary is out of line with other Treasurer’s (*sic*) in San Diego County as illustrated by staff, and it should be discussed to have the Treasurer’s salary potentially reduced.

I would propose that the City Treasurer’s salary be tied to 50% of the Mayor’s salary. While this amount will still be higher than the median Treasurer’s salary amongst those four cities, it is also far below the elected County Treasurer.<sup>3</sup> I believe this salary is necessary to ensure someone with the qualifications and experience will want to go through the election process and be qualified to manage the City’s investment portfolio.

In a later email, City Treasurer Shultz disagreed with a perception that he worked part-time. However, he has agreed that a substantial reduction in City Treasurer compensation would be appropriate. Thus, the statements made by our past two City Treasurers support a conclusion that the City Treasurer duties are more like a part-time job than a full-time job.

#### 4. Compensation.

Today, the City Treasurer makes a fixed salary that does not change whether the individual works full-time, part-time, or not at all. We may have a hard-working City Treasurer today, but the City would be obligated to pay the Treasurer’s salary even if that individual chose to not work.

City Treasurer’s current salary is \$105,997,<sup>4</sup> a salary more than three times the annual salary received by City Councilmembers, \$34,061.

The following chart displays the salaries of elected City Treasurers in the County.

<sup>3</sup> The San Diego County Treasurer is also the Tax Assessor. The Treasurer-Tax Assessor collects all property taxes in the county and manages an \$11 billion investment portfolio. Because of the wide range and often overlapping duties and the independent authority of elected officials, it is not easy to compare treasurer salaries across organizations.

<sup>4</sup> The Escondido City Treasurer also receives a \$5,100 car allowance, \$5,740 as a cafeteria benefit, and family health care. Total compensation exceeds \$150,000.



# CITY of ESCONDIDO

## STAFF REPORT

**Table 1**

**Elected Treasurer Compensation in San Diego County**

City	Annual Salary	Compensation Authority
Carlsbad	\$12,840	Fixed amount in Muni. Code.
Escondido	\$105,997	Percentage + benefits fixed by Voter Initiative
La Mesa	\$6,948	City Council determines
National City	\$11,031	City Council determines
Oceanside	\$24,100	City Council determines

The average salary for the other four elected City Treasurer's in San Diego County is \$13,742. The Carlsbad City Treasurer receives a flat rate of \$1,070/month plus a car allowance set by City Council Resolution. La Mesa, National City, and Oceanside allow the City Council to set the City Treasurer's salary at any level they chose.

Because of the formula adopted by the voters in 1986, Escondido's City Treasurer earns roughly 7.7 times more salary than the average salary of other elected City Treasurers in San Diego County. Changing the law to authorize the City Council to determine the City Treasurer's salary, as done in La Mesa, National City, and Oceanside, would allow the City Council maximum flexibility to set the City Treasurer's salary based on market demand, technical skills, education and experience, or any other reason.

### 5. Recent Statewide Ballot Measures.

Placing a measure on the ballot to change the current structure of the Treasurer's position is no guarantee of success. A recent survey of ballot measures seeking to change the City Treasurer from an elected to an appointed position in California identified seven ballot measures between 2016 and 2020. Excerpts from the pertinent ballot measures and the respective arguments are included as Attachment "3". While the facts and circumstances regarding each ballot measure varied, there may be some lessons to learn.

Only two of the seven measures succeeded. Notably, the successful measures to appoint the City Treasurer, Rio Vista in 2018 and El Segundo in 2020, had supporting ballot arguments signed by the elected City Treasurer. In contrast, the effort to appoint the City Treasurer in Oceanside in 2020 failed by a 3 to 1 margin. In Oceanside, the City Treasurer opposed the ballot measure. Escondido's City Treasurer has advocated retaining an elected position.

Attachment "3" also illustrates how common it is for these measures to lack ballot arguments, either for or against. Ballot arguments offer some indication of community support or opposition to a measure. Proponents and opponents of the measure have an opportunity to submit their arguments and any



# CITY of ESCONDIDO

## STAFF REPORT

rebuttals. There is no cost to submit a ballot argument and the City Council or individual Councilmembers, local organizations, or individual voters could submit a ballot argument. Measures in three cities (Angels, Torrance, and National City) had no arguments submitted in support of the measure. The City Councils had incurred the costs of a ballot measure, but did not take advantage of their opportunity to submit supporting arguments. In Angels and National City, potential voters or community associations also did not bother to submit opposing arguments for the voter information guide. Not surprisingly, the measures with no supporting arguments failed.

Comments in support of changing the City Treasurer from an elected to an appointed position include addressing the lack of technical qualifications, professional skills, and finance/accounting experience. Proponents may point to the increasingly complex nature of municipal finance, changing regulations, and the fact that two thirds of California cities have appointed treasurers. Other supportive arguments address saving taxpayer money, streamlining City operations, and improving government efficiency.

Those who oppose appointing a City Treasurer will emphasize preserving the voter's right to elect government officials and to hold those elected officials accountable. The terms transparency, independence, and watchdog are used to oppose a change from an elected to an appointed City Treasurer. Another trend is an emphasis on the need to avoid too much power in the city council, city manager or other "unelected bureaucrats."

In Torrance, although no one wrote an argument in support of an appointed City Treasurer, opponents wrote, "Our City Treasurer has not been to work in over a year. She's still getting \$65,000 a year – plus a car allowance of \$450 per month and benefits paid with your taxes." The opponents conceded that the City Council had no ability to address the City Treasurer's lack of accountability and advocated for recalling the City Treasurer as opposed to waiving the right to vote for one. The opponents wrote, "Don't give up our future choice because of the sins of the City Treasurer. Help us recall our City Treasurer and elect someone who will do the job." The Torrance measure failed by an almost 2 to 1 ratio.

Finally, the lack of supporting arguments by the city councils, local associations, or other interested individuals may indicate a lack of preparation. Successful ballots are well organized, straightforward, and have community support. Those measures without ballot arguments may communicate a message of voter indifference to the measure.

### 6. Ballot measure opportunity.

Under state law, when a mayor, councilmember, or city treasurer vacancy exists, the City Council has a choice to either fill the vacancy by an election or appoint an individual to complete the term of office. However, the City's voter-approved ordinance requires the City Council to set an election no less than 30 days and no more than 75 days from the date of the vacancy.<sup>5</sup> The relatively tight window to act means

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<sup>5</sup> EMC section 2-94(a) provides: If the office of Treasurer shall become vacant during the first three (3) years of the term, the city council shall set an election to be held not less than thirty (30) days nor more than seventy-five (75) days after the date on which the vacancy occurred for the purpose of selecting a treasurer to fill the remaining portion of the term.



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the City might be forced to conduct a special election to fill the vacancy. In such a scenario, the City would be responsible to pay all costs associated with a special election. The County Registrar of Voters verified that a special election could cost the City more than \$500,000. This is not a budgeted cost.

Using the same vacancy procedures for all elected officials, as provided in state law, simplifies the process, provides greater flexibility, and could save substantial amounts of taxpayer funds. If the City Council decides to pursue a ballot measure, staff strongly recommends establishing one vacancy process for all elected officials. To do so, the voters would need to amend Escondido Municipal Code § 2-94, Term of Office and Filling of Vacancy.

### 7. Timing.

The City Council could place a ballot measure on the upcoming election in November 2022. Any changes to the City Treasurer's compensation or elected status, approved by the voters, would not become effective until December 2024. Thus, the City Council has multiple opportunities to bring forward a ballot measure at later consolidated elections before Mr. Shultz's current term in office expires.

### **CITY COUNCIL OPTIONS**

If the City Council prefers to act now, staff has provided two options for consideration with associated implementing ordinances and resolutions to place the proposed changes before the voters. Staff has not studied to any significant degree the viability of a City Treasurer ballot measure.

#### **Option 1: Position Remains Elected but with Lower Salary.**

Compensation should be related to job duties and responsibilities and should be adequate to ensure viable candidates seek the position. At this time there is no statutory requirements for academic, professional or experience for the City Treasurer position. Since the City Treasurer works for the voters, and the voters have not addressed whether or not the position is full-time or part-time, the City Treasurer is free to determine how and when he performs his duties. City Treasurer Shultz has indicated his support to reduce the City Treasurer salary.

Setting the City Treasurer's compensation in an annual resolution provides maximum flexibility as the City Council can adjust the amount periodically to any level necessary to reward performance and retain competent individuals. The annual compensation resolution could also provide a check and balance on our local government expenditures. For example, at the federal level, the U.S. Congress sets the U.S. President's compensation. (3 U.S.C. 102.)



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To authorize the City Council to periodically address the City Treasurer’s salary, Escondido Municipal Code § 2-95 would be repealed and replaced to read:

Repeal	Replace
<p>Sec. 2-95. Salary and benefits.</p> <p><del>The city council shall fix the treasurer’s salary annually at no less than one half (1/2) the highest salary paid to a city department head other than the city manager, unless a lower salary is requested by the city treasurer, with benefits equal to those provided such appointee.</del></p>	<p>Sec. 2-95. Salary and benefits.</p> <p>The city treasurer shall receive such compensation as may from time to time be determined by resolution of the city council.</p>

The proposed change would also allow the exact amount of compensation to be determined at a later date, presumably before the next City Treasurer term begins in December 2024.

The California Attorney General opined that a city council (or the electorate) has wide discretion to set a city treasurer’s salary, but not “so low a figure that no competent person would accept the office.” (84 Cal. Atty Gen.13,18.) The Attorney General acknowledged setting the city treasurer’s salary equal to that of a city councilmembers’ salary because the state-law duties of the office, “do not necessarily require the city treasurer’s full-time attention, especially if the city has a finance department responsible for performing the financial affairs of the city.” (Supra. at 18.)

Given the proposed language, the City Council could address a future salary for the next term of office now, or could do so at a later date. The City Council could select the average salary of other elected city treasurers in San Diego County, \$13,742, as a starting point. A major risk of lowering the salary too much, could result in a lack of viable candidates. As City Treasurer Shultz has mentioned, it costs money to run for office, and qualified individuals may not be interested in the office if the salary is too low.

City Treasurer Shultz’s proposed reduction to one half the mayor’s salary would produce an annual salary of \$39,870.54 and according to Mr. Shultz should attract qualified applicants for the office. This amount remains significantly higher than the other elected city treasurers in the county and almost \$6,000 more than Escondido City Councilmembers earn.

The City Council might consider matching the City Treasurer salary to the salary received by City Councilmembers, \$34,061. While this amount is less than the amount suggested by the City Treasurer, it is significantly higher than the countywide elected city treasurer average. State law provides very specific guidance regarding how and when City Council salaries can be adjusted. The standardized approach to City Treasurer and City Councilmember salaries and vacancy procedures has the value of simplicity and



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would allow straightforward messaging. The salary level when combined with the prestige of elected office might be enough.

If the City Council decides to address the City Treasurer salary and vacancy procedures, the proposed ballot language would state:

To authorize the city council to determine the city treasurer's compensation and to standardize vacancy procedures for all City of Escondido elected officials, shall Ordinance 2022-16 amending the Escondido Municipal Code be approved?

### **Option 2: Appoint Director of Finance as City Treasurer.**

On May 25, 2022, the City Council asked for more information about changing the City Treasurer position from elected to appointed. The government of a general law city is vested in governing officers and employees, which include a City Treasurer. (Cal. Gov't Code § 36501(c).) The City Treasurer may be elected or appointed. The City Council may submit to the voters whether the City Treasurer should be appointed. (See Cal. Gov't Code §§ 36503, 36508-336510.) Approximately two thirds of California cities have appointed treasurers. In San Diego County, 13 of 18 cities have appointed city treasurers.

In practice, most of a City Treasurer's statutory duties involve accounting tasks and, in Escondido, the Director of Finance completes almost all of the accounting tasks. Cities with an appointed City Treasurer typically will hire an expert in municipal investment management to address their cash management and investment portfolio. Perhaps most importantly, any individual hired to perform the City Treasurer duties would have the requisite education, training, and experience. An appointment also means the authority to terminate employment when standards are not met.

The appointment of a City Treasurer also provides a check and balance that currently does not exist. Today, the City Treasurer has broad latitude to do whatever he/she wants to do, both in terms of daily work and to a certain extent, the City's investment portfolio. The City has been fortunate to have capable City Treasurers who have maintained positive and collaborative relationships with our Directors of Finance.

Statewide, a more common approach builds upon the professional acumen of a Director of Finance because they have the necessary training and experience to accomplish the City Treasurer duties. Most Directors of Finance in California also serve as City Treasurers and the functions of treasury and finance staffs are merged. Typically, Directors of Finance are hired by the City Manager. The Escondido Director of Finance already performs most of the duties required by state law, and Finance Department employees could easily manage the merger. A 2019 budget exercise by the previous Director of Finance, estimated this approach would save about \$167,000 in annual personnel costs. It is the most efficient use of accounting and financial management resources and ensures an integrated process of accounting and investment management without duplicative effort. A review of the 2023 Treasury section budget indicates the City could save \$100,000 to \$168,000 per year, primarily as the result of deleting the City Treasurer compensation.



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A City Treasurer and Director of Finance are mutually dependent on each other. Typically, the City Treasurer focuses on investments but all the accounting tasks, including accounting for the city’s investments, are done through the City’s financial management system and managed by the Director of Finance.

The City Council would continue to ensure adequate supervision and oversight of the City Manager and Director of Finance. One could make a strong argument that this approach provides greater transparency and control of municipal finances because the Director of Finance is actually supervised. In contrast, a city treasurer working only for the voters has wide latitude and little supervision into their daily activities or investment management.

If the City Council decides to pursue appointment of the City Treasurer, beginning in December 2024, the ballot measure would repeal Escondido Municipal Code Chapter 2, Article 4B, City Treasurer, and authorize the City Council to amend Escondido Municipal Code section 2-63, as follows:

Repeal	Replace
<p>Sec. 2-63. Power to control departments, appointive officers, employees.</p> <p>The city manager shall have the power to exercise control over all departments of the city and over all appointive officers and employees thereof, except <del>the city treasurer and</del> city attorney and their employees.</p>	<p>Sec. 2-63. Power to control departments, appointive officers, employees.</p> <p>The city manager shall have the power to exercise control over all departments of the city and over all appointive officers and employees thereof, except the city attorney and their employees.</p>

The implementing ordinance would not need to address the City Treasurer duties described in Chapter 2, Article 4B since the Director of Finance’s duties described throughout Escondido Municipal Code Chapter 10, Finance, Article 2, Director of Finance, already encompass the City Treasurer duties.



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If approved by the voters, Ordinance 2022-17 would repeal and replace an obsolete provision with a statutory appointment of the Director of Finance as the City Treasurer.

Repeal	Replace
<p>Sec. 10-15. <del>Relation to other offices.</del></p> <p>The office of director of finance shall be <del>independent from the city clerk and the city treasurer and shall enjoy equal rank with such offices.</del></p>	<p>Sec. 10-15. City treasurer.</p> <p>The director of finance shall be also be the city treasurer and shall have and exercise all of the powers, duties, and responsibilities of the office as described in state and local laws.</p>

Prospective ballot language to appoint the City Treasurer would read:

Shall the office of city treasurer be appointive?

### CONCLUSION

Changing the City Treasurer’s salary or elected status requires voter approval. If the City Council prefers to act now, the Community Opinion Survey indicated support for a salary reduction or making the City Treasurer an appointed official. Ken Huggins supported a lower salary during his 30+ years of service as City Treasurer, and City Treasurer Shultz has agreed that a salary reduction would be appropriate. Ordinance 2022-16 also addresses standardizing the vacancy process for all elected officials.

If the City Council decides to pursue a salary reduction, approval of Ordinance 2022-16 and Resolution 2022-107R would place the matter before the voters on the November 2022 ballot.

Alternately, the City Council could approve Ordinance 2022-17 and Resolution 2022-108R to ask the voters to make the City Treasurer an appointed position.

If the City Council chooses to proceed with a ballot measure, the City Council or individual council members may submit ballot arguments for or against the proposed measure, before August 18th.

Finally, the City Council could choose to take no action as this time, because any salary or an appointed status would not take effect until after the November 2024 election and the City Council has multiple opportunities to place a matter on a ballot before the November 2024.





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### ATTACHMENTS

- a. Attachment "1" – Consideration of City Treasurer Position and Compensation Staff Report, May 25, 2022
- b. Attachment "2" – Statutory Duties, Finance Categories & Actual Task Performance
- c. Attachment "3" – Statewide City Treasurer Ballot Measures 2016 through 2022

### RESOLUTIONS

- a. Resolution No. 2022-107R
- b. Resolution No. 2022-107 Exhibit "A"
- c. Resolution No. 2022-108R
- d. Resolution No. 2022-108 Exhibit "A"

### ORDINANCES

- a. Ordinance No. 2022-16
- b. Ordinance No. 2022-17



# STAFF REPORT

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May 25, 2022  
File Number 0650-40

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## SUBJECT

### CONSIDERATION OF CITY TREASURER POSITION AND COMPENSATION

## DEPARTMENT

City Attorney

## RECOMMENDATION

Request the City Council consider and provide direction to staff on (1) any proposed modifications to the current language in the Escondido Municipal Code relating to the City Treasurer's position and/or salary including, but not limited to, the potential to achieve financial savings, and (2) if required, the preparation of a ballot measure for the November 2022 general election related to the City Treasurer position and/or salary.

Staff Recommendation: None (City Attorney: Michael R. McGuinness)

Presenters: Michael Morasco, City Councilmember and Michael R. McGuinness, City Attorney

## FISCAL ANALYSIS

The San Diego County Registrar of Voters indicates that placement of this ballot measure on the November 2022 Gubernatorial General Election ballot could cost between \$45,000 and \$75,000. The actual costs will depend on how many jurisdictions participate in the election as the Registrar assigns election costs in a consolidated election through the use of a weighted average method.

Should the matter go before the voters, and there is a reduction in the salary approved by the electorate, any savings achieved by that reduction would not be realized until December 2024 at the end of the current City Treasurer's term. Nothing prohibits, and the Escondido Municipal Code specifically allows, the City Treasurer to accept a lower salary than that provided for under existing law.

## PREVIOUS ACTION

None.

## BACKGROUND



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On April 6, 2022, Councilmember Morasco requested a Future Agenda item to discuss and consider potential modifications to the City Treasurer position including whether the position should continue to be an elected position and the amount of compensation for the position provided for in the Escondido Municipal Code (“EMC”). Currently the City Treasurer position, including its duties and compensation, is provided for in EMC sections 2-93 through 2-96.4.

### 1. Elected Position.

State law allows a general law city such as the City of Escondido to appoint a City Treasurer. (Government Code section 36501(c).) When appointed, the City has the authority and discretion to decide the qualifications for the eligible candidates, what responsibilities to give that position, how to staff the office, and set the amount of compensation for the position provided it is not in conflict with State law. State law also permits the electorate to adopt an initiative measure to make the City Treasurer an elected position and to fix the compensation for that official. (84 Ops.Cal.Atty.Gen. 13 (2001) (Opinion No. 00-905).)

Escondido voters approved Proposition F making changes to the offices of the City Clerk and the City Treasurer. Adopted at the June 1984 election with a vote of 51.56% YES to 48.44% NO, Proposition F repealed all previous ordinances and resolutions regarding the Clerk’s and Treasurer’s positions, recommitted the Clerk and Treasurer as elected positions, limited the budget and staff size of the offices, and set a minimum salary for the positions by requiring that these elected officials receive a salary of at least one half of the highest salary of an appointed department head other than the City Manager.

Two and a half years later, on November 4, 1986, the voters approved Proposition N, the “City Clerk and City Treasurer Accountability Initiative” which amended Proposition F by clarifying ambiguous terms and simplifying regulation of these offices. The vote was 60.65% YES and 39.35% NO. Specifically, Proposition N provided that the Treasurer’s salary shall be fixed by the City Council “annually at no less than one half the highest salary paid to a City department head other than the City Manager, unless a lower salary is requested by the City Treasurer with benefits equal to those provided such appointee.”<sup>1</sup> In 1998, the voters adopted Proposition U which amended Proposition N by making the City Clerk an appointive position.

Today, the City Treasurer is elected at large with a term of four years. Because the elected position of City Treasurer came about by a vote of the people, any repeal or amendment to the Code must be placed on

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<sup>1</sup> There is some confusion surrounding the actual language of the proposition. The proposition as submitted to the voters read in relevant part as follows: “...salary annually at no less that one-half the highest salary paid to an appointed City department head other than the City Manager...” However, the word “appointed” is not found in the EMC at section 2-95 which codified Proposition N nor in Resolution No. 86-258 which called for the holding of the election on the proposed amends to Proposition F. The word does appear in the redlined version of Proposition F which appeared in the ballot materials. The absence of the word “appointed” is not material to the implementation of the ordinance.



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a ballot for a public vote. (Elections Code section 9222.) Further, EMC section 2-93 specifically provides that “The office of treasurer of the City of Escondido is created as an elected position ... unless repealed, or amended by the state legislature or the people of the City of Escondido by public vote.”

The current City Treasurer, Douglas W. Shultz, has served in that role since first elected in 2016. In 2020, given the absence of any declared candidates for the position, and pursuant to Elections Code section 10299, the City Council adopted Resolution No. 2020-121 to appoint Mr. Shultz as City Treasurer effective December 9, 2020. The City Treasurer’s current term expires in December 2024.

### 2. Duties and Responsibilities.

Pursuant to the Code, the City Treasurer has the following duties and responsibilities:

1. Receive directly or through other departments of the city all monies collected by or on behalf of the city and hold same for deposit or investment;
2. Make disbursements for expenditures authorized by the city council;
3. Perform all other functions necessarily incidental to the proper fulfillment of the treasurer’s duties and responsibilities; and
4. With the City Council, annually select an independent certified public accountant to conduct an audit of the internal controls of the office of city treasurer. (EMC sections 2-96.3, 2-96.4.)

In addition to the above, State law provides additional duties for a City Treasurer. (Government Code section 41001-41007; sections 53630 *et. seq.*) As to the internal functions of the office of the City Treasurer, the official has sole responsibility for management of the office including the appointment of a deputy treasurer, hiring and discharge of employees and developing budgets for operating and capital expenditures. (EMC section 2-96.2.) At this time, the City Treasurer’s Office has the following staff: the City Treasurer, an Accountant I, and a Senior Accounting Assistant. The *draft* General Fund FY 2022/23 Operating Budget for the City Treasurer’s Office as of May 11, 2022, was \$238,080.

The City’s Human Resources Department has studied how other municipalities in San Diego County staff a city treasurer position. In the County, there are 13 public agencies which have typical or statutory city treasurer functions performed by the Director of Finance or Director of Administrative Services. Escondido is one of five public agencies in the County with an elected City Treasurer. The other cities are Oceanside, Carlsbad, National City, and La Mesa. The County of San Diego also has an elected treasurer referred to as the County Treasurer – Tax Collector.

### 3. City Treasurer Salary.

As noted above, pursuant to EMC section 2-95, the City Council is required to fix the treasurer’s salary “annually at no less than one half the highest salary paid to a city department head other than the City Manager, unless a lower salary is requested by the city treasurer, with benefits equal to those provided



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such appointee.” At this time, Mr. Shultz has a salary of \$105,997 and receives benefits consistent with other city employees at that salary range.

A review of the salaries for elected city treasurers in San Diego County reflects that the median salary for that position is \$12,840. The following are the current salaries: Oceanside (\$24,190); Carlsbad (\$12,840); National City (\$11,031) and La Mesa (\$6,948). As a result, Mr. Shultz’s salary has a variance of 87.89% above the median.

Similar to the length of the City Treasurer’s term, State law does not permit the City to directly or indirectly reduce this official’s compensation and/or benefits during a pending term. (80 Ops.Cal.Atty.Gen. 119 (1997) (Opinion No. 97-103) (employment relationship between elected officials and city is contractual and reduction in compensation during term of office would impair the obligation of a contract or deprive official of vested property right); *Betts v. Board of Administration* (1978) 21 Cal.3d 859, 863 (compensation and retirement benefits for office of State Treasurer are contractually vested upon acceptance of employment).

### CONCLUSION

At this time, City staff seek direction from the City Council on any proposed changes to the EMC related to the City Treasurer’s office which would be brought forward for a public vote at the November 2022 Gubernatorial General Election.

**Attachment "2"**  
**Statutory Duties, Finance Category & Actual Task Performance**

Statutory Duties	Finance Category	Actual Responsible Party
<p>The city treasurer shall make withdrawals from such a fund only on order signed by the proper department head and for the following purposes:</p> <p>(a) Making a refund of bail, which has been exonerated, or other refundable deposits.</p> <p style="text-align: center;">Cal. Gov't Code § 36524</p>	Accounting	Director of Finance
<p>(b) Revolving fund advances authorized by the city council.</p> <p style="text-align: center;">Cal. Gov't Code § 36524</p>	Accounting	Director of Finance
<p>(c) Correction of clerical or ministerial errors in the receipt of payments to the city.</p> <p style="text-align: center;">Cal. Gov't Code § 36524</p>	Accounting	Director of Finance
<p>(d) Making settlements with city funds at the end of each calendar month for collections accumulated during the month.</p> <p style="text-align: center;">Cal. Gov't Code § 36524</p>	Accounting	Director of Finance
<p>The city treasurer shall comply with all laws governing the deposit and securing of public funds and the handling of trust funds in his or her possession.</p> <p style="text-align: center;">Cal. Gov't Code § 41002(a)</p>	Accounting	Director of Finance
<p>If the city has issued bonds, the city treasurer shall use a system of accounting and auditing that adheres to generally accepted accounting principles.</p> <p style="text-align: center;">Cal. Gov't Code § 41002(b)</p>	Investments	Treasurer Section in Department of Finance
<p>The city treasurer shall pay out money only on warrants signed by legally designated persons.</p> <p style="text-align: center;">Cal. Gov't Code § 41003</p>	Accounting	Director of Finance
<p>Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances. The city treasurer shall file a copy with the legislative body.</p> <p style="text-align: center;">Cal. Gov't Code § 41004</p>	Accounting	Not currently completed <sup>1</sup>

<sup>1</sup> The City has a pending Request for Proposals that will address improved financial reporting capabilities that would allow the Director of Finance to complete this task.

**Attachment "2"**  
**Statutory Duties, Finance Category & Actual Task Performance**

<b>Statutory Duties</b>	<b>Finance Category</b>	<b>Actual Responsible Party</b>
<p>The city treasurer shall perform such duties relative to the collection of city taxes and license fees as are prescribed by ordinance.</p> <p align="center">Cal. Gov't Code § 41005</p>	Accounting	Director of Finance
<p>Duties and responsibilities</p> <p>In addition to those functions, duties, and responsibilities mandated by state law and herein, the treasurer shall in accordance with all applicable provisions of state law governing the duties and responsibilities of the treasurer with respect to the handling of city funds:</p> <p>(1) Receive directly or through other departments of the city all monies collected by or on behalf of the city and hold same by deposit or investment.</p> <p align="center">EMC Sec. 2-96.3</p>	Accounting	Director of Finance
<p>(2) Make disbursements for expenditures authorized by the city council.</p> <p align="center">EMC Sec. 2-96.3</p>	Accounting	Director of Finance
<p>(3) Perform all other functions necessarily incidental to the proper fulfillment of the treasurer's duties and responsibilities. Nothing in this section shall relieve the city council from its fiduciary responsibility with respect to city funds, for which both the city treasurer and city council shall be held accountable.</p> <p align="center">EMC Sec. 2-96.3</p>	Not Specified	Catch all provision that could be performed by the City Treasurer or the Director of Finance

**Attachment “3”  
Statewide City Treasurer Ballot Measures 2016 thru 2022**

Rio Vista 2016 [Passed]. The city council placed a measure on the November general election to appoint the city treasurer. Rio Vista, Solano County has a population of 7,360. The measure passed with 2593 votes and 2074 opposed (55.56 % / 45.44%). The City Treasurer wrote the argument in favor of the change to an appointed position. The Solano County Taxpayers Association opposed the measure. The following table highlights excerpts from the voter information pamphlet.

Arguments in Favor	Arguments Against
<p><i>The City Treasurer function requires professional skills and expertise in municipal fund accounting, government reporting requirements, investment regulations and debt management; yet, State statute only requires that an applicant be at least 21 years of age and a resident of the city--criteria regarding technical or financial skills or experience are not factors.</i></p> <p><i>Municipal government and regulations have become more complex and the responsibilities of the City Treasurer require increasing levels of training and experience. Knowledge and experience in any or all of these areas can be criteria for an appointed treasurer – and may never be criteria for an elected treasurer.</i></p> <p><i>Assigning the treasurer duties to finance professional makes good sense. The duties can be assigned to a finance professional (CPA, CIA, etc.) who would have ethical and professional standards to which they swear (or affirm).</i></p> <p><i>Failure to follow those standards is cause for loss of their professional license and therefore loss of ability to earn an income. The City of Rio Vista also has an Investment and Financial Review Committee that provides additional oversight of the City’s finances.</i></p>	<p>Today you have the right to run for the office of City Treasurer. Today you have the right to vote for whom you believe is the best candidate to City Treasurer. Today you can hold your City Treasurer accountable for their actions by virtue of your vote. If Measure N passes you will lose and FOREVER FORFEIT THOSE RIGHTS! Shall we give away our constitutional right, our voice, our power of vote and let a select few appoint whomever they see fit?</p> <p>VOTE NO on Measure N. The City Treasurer’s Office is independent from the City Council and, by law, is responsible for the receipt, custody, deposit, disbursement and investment of all City funds.</p> <p>VOTE NO on Measure N. maintain the people’s right and power to elect government representatives! Support a transparent, accessible government with integrity and accountability.</p> <p>Vote no on measure n. changing the job to an appointed position takes oversight away from voters and chisels away at the democratic process. An appointed city treasurer does not have to live in Rio Vista but will be managing YOUR money.</p> <p>The city treasurer should not be relegated to an appointed bureaucrat. The checks and balances of an elected city treasurer were important to the creators of our Constitution – they need to be maintained to assure good, honest government.</p> <p>The treasurer needs to be accountable to the people because he/she manages their money. As an elected official, citizens may judge the official and recall if necessary.</p> <p><b>THIS IS A NO BRAINER!</b> Who will want to give up an elected position for an appointee who will</p>



**Attachment "3"**  
**Statewide City Treasurer Ballot Measures 2016 thru 2022**

	<p>not even have to be a resident of the City of Rio Vista? <b>VOTE NO ON MEASURE N.</b></p>
	<p><b>REBUTTAL</b> to Argument in Favor of <b>MEASURE N</b></p> <p>The proponent of Measure "N" argues that a "yes" vote will ensure that the City's finances will have the best oversight possible. The only thing a yes vote on Measure "N" will ENSURE is the voters will lose their constitutional right to vote a City Treasurer in or out of Office!! Do you really want 5 people in a city of 8,000 appointing and controlling your City Treasurer? Do you really trust them to make this type of decision???</p> <p>An elected City Treasurer is independent from the City Council and, by law, is responsible for the receipt, custody, deposit, disbursement and investment of all City funds. What are the qualifications and skills of the City Council who want the power to appoint a City Treasurer??</p> <p>Irresponsible spending needs to be watched by an elected Treasurer. Obviously, the Council wants you to believe that it's not important to have an elected Treasurer as an INDEPENDENT check on their actions.</p> <p>How can the Treasurer be truly independent if that person is hired/fired/controlled by the City Manager and City Council? Remember the City of Bell: look how that turned out with their supposed "internal" controls!</p> <p>Just ask yourself: Why the city wants to change the City Treasurer's Office from Elective to Appointive?" Why the current elected City Treasurer is the sole proponent of the "argument in favor?" What do they want to hide?</p> <p><b>DO NOT BE FOOLED INTO GIVING UP YOUR RIGHT TO VOTE FOR YOUR CITY TREASURER!</b></p>

**Attachment "3"**  
**Statewide City Treasurer Ballot Measures 2016 thru 2022**

Proponents and opponents did not submit rebuttal arguments.

Angels 2018 [Failed]. The City Council of Angels in Calaveras County placed a measure to make the city clerk and city treasurer appointed positions. Angels has a population of 3,826. The measure failed 604 votes opposed to 583 in favor (50.88 % / 49.12%). The city attorney impartial analysis repeated the state law authority to make the change. However, no proponents or opponents submitted arguments for the sample ballot and voter information guide.

Arguments in Favor	Arguments Against
None	None

Ceres 2018 [Failed]. Later that year, on the November 2018 general election ballot, voters rejected a city council effort to change the city treasurer from an elected to appointed position. Ceres, in Stanislaus County has a population of 49,302. The vote failed by almost a two to one margin, 6,952 opposed to 3,821 in favor (64.53%/35.47%). The following table highlights excerpts from proponents of the measure.

Arguments in Favor	Arguments Against
<p>Transitioning to an appointed City Treasurer will save taxpayer money, streamline City operations and ensure only the most qualified individuals are eligible to hold this critically important position. State law only provides that an elected City Treasurer has to be 18 years old and a resident of the city. An appointed City Treasurer would be required to have technical qualifications, professional skills and finance background and experience in order to meet the requirements for the job.</p> <p>City government, state laws and federal regulations have become more complex and the responsibilities of the City Treasurer require increasing levels of education, training and experience. An appointed City Treasurer would be required to meet these requirements. An elected City Treasurer is not required to meet these requirements.</p> <p>The elected officials who oversee the city's finances need qualified professionals to assist them in their review of government accounting, budgeting, financial markets and investment policies in order to best serve the public.</p>	<p>None.</p>

**Attachment "3"**  
**Statewide City Treasurer Ballot Measures 2016 thru 2022**

<p>Assigning the City Treasurer duties to a finance professional just makes good common sense. In addition, this measure would also save the city money since we would not have to pay to hold an election for City Treasurer every four years.</p> <p>For all of these reasons, the undersigned members of the Ceres City Council urge you to support Measure X.</p>	
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Proponents and opponents did not submit rebuttal arguments.

Torrance 2020 [Failed]. At a March election, voters rejected an effort to amend the city charter to make the city treasurer an appointed position, 22,965 opposed and 13692 in support (64.55% / 37.35%). Torrance is in the Los Angeles County with a population of 147,067. The city council had placed the measure on the ballot. The city attorney’s impartial analysis noted that an appointed position would allow the city council to establish professional skills and experience requirements to competently and responsibly discharge the duties of the office. Similar to Escondido, the city treasurer in Torrance manages the city investment of funds, prepares a monthly investment report, files monthly investment report with the city council and prepares the annual investment policy.

Despite incurring the costs of placing the matter on the ballot, the city council did not submit a ballot argument in support of the measure and no one else submitted an argument in support of the change. As you will see below, the opponents of the measure did participate.

Arguments in Favor	Arguments Against
None	<p>BEWARE. Voting for Measure J takes away your choice and gives it to one person—an unelected City Manager. Even the City Council will have no say in who is the City Treasurer. You will have given tremendous power to a city bureaucrat that you cannot remove from office.</p> <p>HAS HAPPENED BEFORE. In 1992, this same issue was on that ballot. Then, it was an issue with a City Clerk not doing the job but still getting paid rather than the City Treasurer.</p> <p>Torrance voters rejected that measure by more than 2 to 1. Torrance is a large city. We can find a capable City Treasurer, from among 150,000+ residents. A full-time City Treasurer should be a Torrance resident! If qualified candidates are willing to move to Torrance, they are eligible too.</p>

**Attachment "3"**  
**Statewide City Treasurer Ballot Measures 2016 thru 2022**

	<p>We are not opposed to at some future point, a Charter amendment requiring reasonable education, qualifications and skills for anyone running for City Treasurer.</p> <p><b>MAKES NO DIFFERENCE.</b> Passing Measure J will not replace the City Treasurer. Our City Treasurer hasn't been to work in over a year. She's still getting paid \$65,000 a year—plus a car allowance of \$450 per month and other benefits paid with your taxes. This can go on until July 2022— the remainder of her term. There's nothing the City Council can do about it because she's an elected official. Measure J will not replace her. Even if Measure J passes, it will not take effect until her term ends.</p> <p><b>CITY TREASURE IS THE PROBLEM</b>          Please Vote No on Measure J. Help us keep our elected City Treasurer. Don't give up future choice for the sins of the City Treasurer. Help us recall our City Treasurer and elect someone who will do the job.</p>
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El Segundo 2020 [Passed]. In March voters approved a measure to appoint the city treasurer with 3,356 votes and 1,821 opposed (64.83% / 35.17%). El Segundo is a small city in Los Angeles County with a 16,731 population. The City Council placed the measure on the ballot. Signatures on the ballot argument in support included the city treasurer, the mayor, the mayor pro tem, and two councilmembers. No one submitted an opposing argument or rebutted the argument in favor.

Arguments in Favor	Arguments Against
<p>Vote "Yes" on Measure T to improve government efficiency and save taxpayer money.</p> <p>El Segundo currently elects a part-time Treasurer to manage the City's cash and investments of \$100 million. The only requirements to be the elected Treasurer is that you must be 18 years of age or older and a resident of the City. There are no educational or experience requirements to be the Treasurer.</p>	<p>None.</p>

**Attachment "3"**  
**Statewide City Treasurer Ballot Measures 2016 thru 2022**

<p>Two-thirds of California cities have converted their elected Treasurer to an appointed position in an effort to streamline government financial operations, increase transparency, as well as reduce salary costs. By appointing a City Treasurer, existing overlapping duties in the finance functions will be eliminated and will place responsibility for managing the City's cash and investments with a qualified and experienced finance professional.</p> <p>The City will save approximately \$39,000 per year in salary, health insurance and retirement benefits. In addition, the City will maintain complete transparency of its finances and will continue with its longstanding practice of annual audits by independent third-party accounting firms.</p> <p>Measure T is a step forward in making government more responsible and efficient while increasing transparency and reducing spending on salaries.</p>	
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National City 2020. In March, voters rejected a measure that would appoint the city treasurer and the city clerk with 4,059 opposed and 3,747 in support (53% / 48%). National City has a population of 58,582. Once again, although the city council placed the matter on the ballot and incurred the costs associated with a ballot measure, the city council did not support the measure with a ballot argument. In fact, no one submitted an argument in support of or opposed to the change in city organization.

Arguments in Favor	Arguments Against
None	None

Oceanside 2020 [Failed]. On the March 2020 ballot, Oceanside voters rejected, by a 3 to 1 margin, an effort to make both the city treasurer and the city clerk appointed positions with 34,472 opposed and 11,384 in favor (75.2% / 24.8%). The mayor, city clerk (Zach Beck), and three community members signed the ballot argument in support of the change. The city treasurer, a city councilmember, the president of the Democratic Club of Oceanside and two community members submitted argument in opposition to the measure. Excerpts from the argument include:

Arguments in Favor	Arguments Against
Growing complexities of municipal governance and finance necessitate that highly qualified	Both the City Clerk and City Treasurer should be elected, independent watchdogs, not

**Attachment "3"**  
**Statewide City Treasurer Ballot Measures 2016 thru 2022**

<p>professionals serve as City Clerk and City Treasurer.</p> <p>Converting the two elected positions to City Manager-appointed positions will ensure personnel performing related duties are selected based on job-related qualifications, not popularity.</p> <p>The City Clerk serves as the compliance officer for federal, state and local statutes, and oversees our increasingly complex election process.</p> <p>The City Treasurer is responsible for investing the City's funds for safety, liquidity and returns, but there are no professional qualifications to hold this office, just the ability to win an election.</p> <p>Most neighboring cities fill the roles of City Clerk and City Treasurer through appointment.</p>	<p>subordinates of the City Council appointed City Manager.</p> <p>The City Clerk and the City Treasurer are currently answerable to the public, free from City Manager and City Council interference, and can be recalled; not the case if the positions are appointed.</p> <p>Amendment to the City Code that expands City Manager appointment authority occurred without public input.</p> <p>This measure has been on the Oceanside ballot before and failed by 85%.</p> <p>Under this measure, one person will hire and appoint both the City Clerk and City Treasurer and they won't have to live in Oceanside.</p> <p>Too much power concentrated in one person.</p>
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## ORDINANCE NO. 2022-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADDING ARTICLE 2, SECTION 2-25 TO CHAPTER 2 OF THE ESCONDIDO MUNICIPAL CODE TO AUTHORIZE THE CITY COUNCIL TO DETERMINE THE CITY TREASURER'S COMPENSATION AND TO STANDARDIZE VACANCY PROCEDURES FOR ALL CITY OF ESCONDIDO ELECTED OFFICIALS

WHEREAS, in a Community Opinion Survey Summary Report, prepared for the City of Escondido ("City") and published on December 31, 2021, found that "After receiving background information about the City Treasurer position, most respondents (55%) agreed that the City should eliminate the City Treasurer position. They shouldn't pay a person \$135,000 a year to do a job they may not be qualified to do, and for which the City is outsourcing the work anyway." and

WHEREAS, a voter initiative passed in 1984 (Proposition F), and modified in 1986 (Proposition N), has tied the City Treasurer's compensation to that of the highest paid City department head and could result in the City paying \$500,000 for a special election to fill a City Treasurer vacancy; and

WHEREAS, the voters did not place any specific education, training, or experience requirements for a City Treasurer; and

WHEREAS, since, the voters enacted the Propositions F and N, only the voters can modify the City Treasurer's compensation and vacancy procedures; and

WHEREAS, the City Council believes the City Treasurer position is not a full time job; and

WHEREAS, the City of Escondido's City Treasurer receives approximately \$150,000 in total compensation; and

WHEREAS, using the same vacancy provisions for the City Treasurer, City Councilmembers, and the Mayor will allow the City Council to assess all options when a vacancy occurs in any City of Escondido elected office; and

WHEREAS, if approved by the voters, the proposed ordinance will allow the City Council to pay the City Treasurer appropriate compensation based on the City Treasurer's education, training, experience and services provided to the City; and

WHEREAS, California Government Code section 36517 states, "the city treasurer shall receive, at stated times, a compensation fixed by ordinance or resolution;" and

WHEREAS, California Government Code section 36512 authorizes the City Council to fill a vacancy in the elected offices of the City of Escondido within 60 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy; and

WHEREAS, on May 25, 2022, the City Council directed the City Attorney to prepare a ballot measure for consideration of voter approval to address the City Treasurer's compensation.

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is revised to repeal Chapter 2 - Administration, Article 4B - City Treasurer, Section 2-94 – Terms of office and filling of vacancy.

SECTION 2. The Escondido Municipal Code is revised to repeal and replace Chapter 2 - Administration, Article 4B - City Treasurer, Section 2-95. Salary and benefits. as follows:

The city treasurer shall receive such compensation as may from time to time be determined by resolution of the city council.

SECTION 3. ENVIRONMENTAL ANALYSIS. This Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, "CEQA") and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to



a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Ordinance does not constitute a “project” that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 4. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 5. This Ordinance shall take effect immediately, upon approval by a simple majority of the voters, voting on the question at the November 8, 2022 election.

## RESOLUTION NO. 2022-107R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 8, 2022, FOR THE SUBMISSION OF A PROPOSED ORDINANCE TO AUTHORIZE THE CITY COUNCIL TO DETERMINE THE CITY TREASURER'S COMPENSATION AND TO STANDARDIZE VACANCY PROCEDURES FOR ALL CITY OF ESCONDIDO ELECTED OFFICIALS; CONSOLIDATING THE ELECTION WITH THE STATEWIDE ELECTION, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO PERMIT THE REGISTRAR OF VOTERS TO CONDUCT THE ELECTION; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS, the California Elections Code Section 9222, authorizes the City Council to submit to the voters a proposition for the enactment of any ordinance, to be voted upon at any succeeding regular city election, and if the proposition submitted receives a majority of the votes cast on it at the election, the ordinance shall be or enacted accordingly; and

WHEREAS, the City Council of the City of Escondido has adopted Ordinance No. 2022-16 which is attached hereto and incorporated herein as Exhibit "A", to repeal Escondido Municipal Code Chapter 2, Article 4B, Section 2-94 – Terms of office and filling of vacancy, and to repeal and replace Escondido Municipal Code Section 2-95 – Salary and benefits, as follows:

The city treasurer shall receive such compensation as may from time to time be determined by resolution of the city council; and

WHEREAS, the City Council is authorized by statute to submit the proposed ordinance to the voters; and

WHEREAS, in accordance with State elections law, the City Council of the City of Escondido has called a General Municipal Election to be held in the City of Escondido, California, on Tuesday, November 8, 2022; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date; that the City precincts, polling places and election officers of the two elections be the same; that the Registrar of Voters canvas the returns of the General Municipal Election; and that the election be held in all respects as if there were only one election.

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 pursuant to the requirements of the laws of the State of California there shall be and there is hereby called and ordered to be held in the City of Escondido, California, on Tuesday, November 8, 2022, a General Municipal Election for the purpose of submitting the following proposed ordinance, to authorize the city council to determine the city treasurer’s compensation and to standardize vacancy procedures for all City of Escondido elected officials, to the qualified electors of the City of Escondido.
3. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election on November 8, 2022, the following question:

To authorize the city council to determine the city treasurer’s compensation and to standardize vacancy procedures for all City of Escondido elected officials, shall Ordinance 2022-16 amending the Escondido Municipal Code be approved?	Yes
	No

4. That the text of the Ordinance submitted to the voters is attached as Exhibit “A” and incorporated into this resolution by this reference.

5. That the notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give such further or additional notice of the election, in time, form and manner as required by law.

6. Pursuant to California Elections Code section 9282, the City Council hereby acknowledges its authority, and the authority of any individual voter who is eligible to vote on the measure, or bona fide association of citizens, or any combination of voters and associations, to submit a written argument, not to exceed 300 words, for or against the measure. Arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no arguments for or against the measure may be submitted, withdrawn or changed.

7. Pursuant to California Elections Code section 9285, rebuttal arguments will be allowed. The rebuttal arguments may not exceed 250 words. Rebuttal arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no rebuttal arguments for or against the measure may be submitted to the City Clerk. This Section 7 is applicable only to the November 8, 2022 election called by this resolution and after that election, shall expire.

8. Pursuant to California Elections Code section 9280, the City Clerk is directed to transmit a copy of the measure to the City Attorney. The City Attorney is directed to prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk by the date fixed by the City Clerk.

9. Pursuant to California Elections Code section 10403, the Board of Supervisors of the County of San Diego is hereby requested to permit the Registrar of Voters to perform and render all services and proceedings, and to procure and furnish any and all official ballots, notices, printed

matter and all supplies and equipment and paraphernalia incidental to and connected with the conduct of the subject election of the City of Escondido, with the cooperation and assistance of the City Clerk of the City of Escondido, in order to properly and lawfully conduct such election.

10. The Board of Supervisors of the County of San Diego is hereby requested to consolidate this election with the statewide election to be held on the same day, in the same territory. Pursuant to California Elections Code section 10411 and section 10418: (a) the election shall be held in all respects as if there were only one election; (b) only one form of ballot shall be used; and (c) the Registrar of Voters of the County of San Diego shall canvass the returns of the subject election as part of the canvass of the returns of the election consolidated hereby.

11. Pursuant to California Elections Code sections 10410 and 10418, within the territories affected by this consolidation, the elections precincts, polling places, voting booths and polling hours shall, in every case, be the same, and there shall be only one set of election officers in each of the precincts.

12. The polls of said election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in California Elections Code section 14401 or as otherwise required or allowed under applicable law.

13. That the ballots to be used at the election shall be, both as to form and matter contained in form and content as required by law.

14. City requests Measure titled as Measure G.

15. That the vote requirement for the measure to pass is a majority (50%+1) of the votes cast.

16. The County of San Diego shall be reimbursed in full for the services performed by the registrar of Voters for the City of Escondido upon presentation of a bill therefor, and this City agrees to

indemnify and save free and harmless the County, its officers, agents and employees from expense or liability, including reasonable attorney's fees, as a result of an election contest arising from this election.

17. The City Council finds that this Resolution is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

18. That in all particulars not otherwise recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

19. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, improper or unenforceable, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

20. The City Clerk is hereby directed to certify the passage and adoption of this resolution and forthwith file a certified copy of this Resolution with the Board of Supervisors and the Registrar of Voters of the County of San Diego and to issue instructions to the Registrar of Voters to take any and all steps necessary for the holding of the election.

ORDINANCE NO. 2022-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ADDING ARTICLE 2, SECTION 2-25 TO CHAPTER 2 OF THE ESCONDIDO MUNICIPAL CODE TO AUTHORIZE THE CITY COUNCIL TO DETERMINE THE CITY TREASURER'S COMPENSATION AND TO STANDARDIZE VACANCY PROCEDURES FOR ALL CITY OF ESCONDIDO ELECTED OFFICIALS

WHEREAS, in a Community Opinion Survey Summary Report, prepared for the City of Escondido ("City") and published on December 31, 2021, found that "After receiving background information about the City Treasurer position, most respondents (55%) agreed that the City should eliminate the City Treasurer position. They shouldn't pay a person \$135,000 a year to do a job they may not be qualified to do, and for which the City is outsourcing the work anyway." and

WHEREAS, a voter initiative passed in 1984 (Proposition F), and modified in 1986 (Proposition N), has tied the City Treasurer's compensation to that of the highest paid City department head and could result in the City paying \$500,000 for a special election to fill a City Treasurer vacancy; and

WHEREAS, the voters did not place any specific education, training, or experience requirements for a City Treasurer; and

WHEREAS, since, the voters enacted the Propositions F and N, only the voters can modify the City Treasurer's compensation and vacancy procedures; and

WHEREAS, the City Council believes the City Treasurer position is not a full time job; and

WHEREAS, the City of Escondido's City Treasurer receives approximately \$150,000 in total compensation; and

WHEREAS, using the same vacancy provisions for the City Treasurer, City Councilmembers, and the Mayor will allow the City Council to assess all options when a vacancy occurs in any City of Escondido elected office; and

WHEREAS, if approved by the voters, the proposed ordinance will allow the City Council to pay the City Treasurer appropriate compensation based on the City Treasurer's education, training, experience and services provided to the City; and

WHEREAS, California Government Code section 36517 states, "the city treasurer shall receive, at stated times, a compensation fixed by ordinance or resolution;" and

WHEREAS, California Government Code section 36512 authorizes the City Council to fill a vacancy in the elected offices of the City of Escondido within 60 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy; and

WHEREAS, on May 25, 2022, the City Council directed the City Attorney to prepare a ballot measure for consideration of voter approval to address the City Treasurer's compensation.

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is revised to repeal Chapter 2 - Administration, Article 4B - City Treasurer, Section 2-94 – Terms of office and filling of vacancy.

SECTION 2. The Escondido Municipal Code is revised to repeal and replace Chapter 2 - Administration, Article 4B - City Treasurer, Section 2-95. Salary and benefits. as follows:

The city treasurer shall receive such compensation as may from time to time be determined by resolution of the city council.

SECTION 3. ENVIRONMENTAL ANALYSIS. This Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, "CEQA") and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to



a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Ordinance does not constitute a “project” that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 4. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 5. This Ordinance shall take effect immediately, upon approval by a simple majority of the voters, voting on the question at the November 8, 2022 election.

## ORDINANCE NO. 2022-17

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, REPEALING ESCONDIDO MUNICIPAL CODE CHAPTER 2 - ADMINISTRATION, ARTICLE 4B – CITY TREASURER, AND AMENDING THE ESCONDIDO MUNICIPAL CODE TO AUTHORIZE THE CITY MANAGER TO APPOINT THE CITY TREASURER

WHEREAS, in a Community Opinion Survey Summary Report prepared for the City of Escondido (“City”) and published on December 31, 2021, found that “After receiving background information about the City Treasurer position, most respondents (55%) agreed that the City should eliminate the City Treasurer position. They shouldn't pay a person \$135,000 a year to do a job they may not be qualified to do, and for which the City is outsourcing the work anyway.” and

WHEREAS, a voter initiative passed in 1984 (Proposition F), and modified in 1986 (Proposition N), has tied the City Treasurer’s compensation to that of the highest paid City department head and could result in the City paying \$500,000 for a special election to fill a City Treasurer vacancy; and

WHEREAS, the voters did not place any specific education, training, or experience requirements for a City Treasurer; and

WHEREAS, since the voters enacted the Propositions F and N, only the voters can modify the City Treasurer’s compensation and vacancy procedures; and

WHEREAS, California Government Code section 36508 authorizes the city council to submit to the electors the question whether the City Treasurer shall be appointed by the city council; and

WHEREAS, California Government Code section 36509 requires the question to be printed on a ballot to appoint a City Treasurer shall substantially be in the following form, “Shall the office of city treasurer be appointive?”; and

WHEREAS, California Government Code section 36510 authorizes, if approved by a majority of votes cast, the City Council shall appoint the City Treasurer at the expiration of the term of the officers

then in office, and on a vacancy in any such office, and the city council may by ordinance vest in the city manager its authority to appoint the City Treasurer; and

WHEREAS, the City Council believes the City Treasurer position is not a full time job; and

WHEREAS, the City of Escondido's City Treasurer receives approximately \$150,000 in total compensation; and

WHEREAS, the Director of Finance already accomplishes most of the statutory duties assigned to a City Treasurer in state law; and

WHEREAS, appointment of a City Treasurer by the City Council would ensure the person selected for the position had the education, training and experience necessary to manage the City's investment portfolio; and

WHEREAS, appointment of a City Treasurer would allow improved transparency, supervision and accountability of the City Treasurer by the City Manager and the City Council; and

WHEREAS, the merger of the City Treasurer duties with the duties of the Director of Finance would enable more efficient financial management of the City resources while allowing significant annual savings; and

WHEREAS, on May 25, 2022, the City Council directed the City Attorney to prepare a ballot measure for consideration of the voters to address appointment of the City Treasurer.

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is revised to repeal Chapter 2 - Administration, Article 4B - City Treasurer.

SECTION 2. The Escondido Municipal Code Chapter 2 – Administration, Article 2 – City Manager, Section 2-63, Power to control departments, appointive officers, employees is repealed and replaced as follows:

The city manager shall have the power to exercise control over all departments of the city and over all appointive officers and employees thereof, except the city attorney and their employees.

SECTION 3. The Escondido Municipal Code Chapter 10 – Finance, Article 2 – Director of Finance, Section 10-15, Relation to other offices, is repealed and replaced as follows:

City treasurer.

The director of finance shall be also be the city treasurer and shall have and exercise all of the powers, duties, and responsibilities of the office as described in state and local laws.

SECTION 4. ENVIRONMENTAL ANALYSIS. This Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, “CEQA”) and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Ordinance does not constitute a “project” that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 5. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 6. This Ordinance shall take effect immediately, upon approval by a simple majority of the voters, voting on the question at the November 8, 2022 election.

## RESOLUTION NO. 2022-108R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 8, 2022, FOR THE SUBMISSION OF A PROPOSED ORDINANCE TO REPEAL ESCONDIDO MUNICIPAL CODE ARTICLE 4B - CITY TREASURER AND AMENDING THE ESCONDIDO MUNICIPAL CODE TO AUTHORIZE THE CITY MANAGER TO APPOINT THE CITY TREASURER; CONSOLIDATING THE ELECTION WITH THE STATEWIDE ELECTION, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO PERMIT THE REGISTRAR OF VOTERS TO CONDUCT THE ELECTION; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS, the California Elections Code Section 9222, authorizes the City Council to submit to the voters a proposition for the enactment of any ordinance, to be voted upon at any succeeding regular city election, and if the proposition submitted receives a majority of the votes cast on it at the election, the ordinance shall be or enacted accordingly; and

WHEREAS, the City Council of the City of Escondido has adopted Ordinance No. 2022-17, which is attached hereto and incorporated herein as Exhibit "A", to repeal Escondido Municipal Code Chapter 2, Article 4B – City Treasurer; and to repeal and replace Escondido Municipal Code Chapter 2, Article 2 – City Manager, Section 2-63, Power to control departments, appointive officers, employees; and to repeal and replace Escondido Municipal Code Chapter 10, Article 2 – Director of Finance, Section 10-15, Relation to other offices; and

WHEREAS, the City Council is authorized by statute to submit the proposed ordinance to the voters; and

WHEREAS, in accordance with State elections law, the City Council of the City of Escondido has called a General Municipal Election to be held in the City of Escondido, California, on Tuesday, November 8, 2022; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date; that the City precincts, polling places and election officers of the two elections be the same; that the Registrar of Voters canvas the returns of the General Municipal Election; and that the election be held in all respects as if there were only one election.

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 pursuant to the requirements of the laws of the State of California there shall be and there is hereby called and ordered to be held in the City of Escondido, California, on Tuesday, November 8, 2022, a General Municipal Election for the purpose of submitting the following proposed ordinance, to authorize the city council to determine the city treasurer’s compensation and to standardize vacancy procedures for all City of Escondido elected officials, to the qualified electors of the City of Escondido.
- 3. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election on November 8, 2022, the following question:

Shall the Office of the city treasurer be appointive?	Yes
	No

- 4. That the text of the Ordinance submitted to the voters is attached as Exhibit “A” and incorporated into this resolution by this reference.
- 5. That the notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give such further or additional notice of the election, in time, form and manner as required by law.
- 6. Pursuant to California Elections Code section 9282, the City Council hereby acknowledges its authority, and the authority of any individual voter who is eligible to vote on the

measure, or bona fide association of citizens, or any combination of voters and associations, to submit a written argument, not to exceed 300 words, for or against the measure. Arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no arguments for or against the measure may be submitted, withdrawn or changed.

7. Pursuant to California Elections Code section 9285, rebuttal arguments will be allowed. The rebuttal arguments may not exceed 250 words. Rebuttal arguments must be submitted to the City Clerk, and may be changed until and including the date fixed by the City Clerk, after which no rebuttal arguments for or against the measure may be submitted to the City Clerk. This Section 7 is applicable only to the November 8, 2022 election called by this resolution and after that election, shall expire.

8. Pursuant to California Elections Code section 9280, the City Clerk is directed to transmit a copy of the measure to the City Attorney. The City Attorney is directed to prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk by the date fixed by the City Clerk.

9. Pursuant to California Elections Code section 10403, the Board of Supervisors of the County of San Diego is hereby requested to permit the Registrar of Voters to perform and render all services and proceedings, and to procure and furnish any and all official ballots, notices, printed matter and all supplies and equipment and paraphernalia incidental to and connected with the conduct of the subject election of the City of Escondido, with the cooperation and assistance of the City Clerk of the City of Escondido, in order to properly and lawfully conduct such election.

10. The Board of Supervisors of the County of San Diego is hereby requested to consolidate this election with the statewide election to be held on the same day, in the same territory. Pursuant



to California Elections Code section 10411 and section 10418: (a) the election shall be held in all respects as if there were only one election; (b) only one form of ballot shall be used; and (c) the Registrar of Voters of the County of San Diego shall canvass the returns of the subject election as part of the canvass of the returns of the election consolidated hereby.

11. Pursuant to California Elections Code sections 10410 and 10418, within the territories affected by this consolidation, the elections precincts, polling places, voting booths and polling hours shall, in every case, be the same, and there shall be only one set of election officers in each of the precincts.

12. The polls of said election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, except as provided in California Elections Code section 14401 or as otherwise required or allowed under applicable law.

13. That the ballots to be used at the election shall be, both as to form and matter contained in form and content as required by law.

14. City requests Measure titled as Measure G.

15. That the vote requirement for the measure to pass is a majority (50%+1) of the votes cast.

16. The County of San Diego shall be reimbursed in full for the services performed by the registrar of Voters for the City of Escondido upon presentation of a bill therefor, and this City agrees to indemnify and save free and harmless the County, its officers, agents and employees from expense or liability, including reasonable attorney's fees, as a result of an election contest arising from this election.

17. The City Council finds that this Resolution is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in

a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

18. That in all particulars not otherwise recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

19. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, improper or unenforceable, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

20. The City Clerk is hereby directed to certify the passage and adoption of this resolution and forthwith file a certified copy of this Resolution with the Board of Supervisors and the Registrar of Voters of the County of San Diego and to issue instructions to the Registrar of Voters to take any and all steps necessary for the holding of the election.

ORDINANCE NO. 2022-17

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, REPEALING ESCONDIDO MUNICIPAL CODE CHAPTER 2 - ADMINISTRATION, ARTICLE 4B – CITY TREASURER, AND AMENDING THE ESCONDIDO MUNICIPAL CODE TO AUTHORIZE THE CITY MANAGER TO APPOINT THE CITY TREASURER

WHEREAS, in a Community Opinion Survey Summary Report prepared for the City of Escondido (“City”) and published on December 31, 2021, found that “After receiving background information about the City Treasurer position, most respondents (55%) agreed that the City should eliminate the City Treasurer position. They shouldn't pay a person \$135,000 a year to do a job they may not be qualified to do, and for which the City is outsourcing the work anyway.” and

WHEREAS, a voter initiative passed in 1984 (Proposition F), and modified in 1986 (Proposition N), has tied the City Treasurer’s compensation to that of the highest paid City department head and could result in the City paying \$500,000 for a special election to fill a City Treasurer vacancy; and

WHEREAS, the voters did not place any specific education, training, or experience requirements for a City Treasurer; and

WHEREAS, since the voters enacted the Propositions F and N, only the voters can modify the City Treasurer’s compensation and vacancy procedures; and

WHEREAS, California Government Code section 36508 authorizes the city council to submit to the electors the question whether the City Treasurer shall be appointed by the city council; and

WHEREAS, California Government Code section 36509 requires the question to be printed on a ballot to appoint a City Treasurer shall substantially be in the following form, “Shall the office of city treasurer be appointive?”; and

WHEREAS, California Government Code section 36510 authorizes, if approved by a majority of votes cast, the City Council shall appoint the City Treasurer at the expiration of the term of the officers

then in office, and on a vacancy in any such office, and the city council may by ordinance vest in the city manager its authority to appoint the City Treasurer; and

WHEREAS, the City Council believes the City Treasurer position is not a full time job; and

WHEREAS, the City of Escondido's City Treasurer receives approximately \$150,000 in total compensation; and

WHEREAS, the Director of Finance already accomplishes most of the statutory duties assigned to a City Treasurer in state law; and

WHEREAS, appointment of a City Treasurer by the City Council would ensure the person selected for the position had the education, training and experience necessary to manage the City's investment portfolio; and

WHEREAS, appointment of a City Treasurer would allow improved transparency, supervision and accountability of the City Treasurer by the City Manager and the City Council; and

WHEREAS, the merger of the City Treasurer duties with the duties of the Director of Finance would enable more efficient financial management of the City resources while allowing significant annual savings; and

WHEREAS, on May 25, 2022, the City Council directed the City Attorney to prepare a ballot measure for consideration of the voters to address appointment of the City Treasurer.

NOW, THEREFORE, subject to approval by an affirmative, simple majority vote of the people as required by law, THE PEOPLE OF THE CITY OF ESCONDIDO, CALIFORNIA, DO ORDAIN AS FOLLOWS:

SECTION 1. The Escondido Municipal Code is revised to repeal Chapter 2 - Administration, Article 4B - City Treasurer.

SECTION 2. The Escondido Municipal Code Chapter 2 – Administration, Article 2 – City Manager, Section 2-63, Power to control departments, appointive officers, employees is repealed and replaced as follows:

The city manager shall have the power to exercise control over all departments of the city and over all appointive officers and employees thereof, except the city attorney and their employees.

SECTION 3. The Escondido Municipal Code Chapter 10 – Finance, Article 2 – Director of Finance, Section 10-15, Relation to other offices, is repealed and replaced as follows:

City treasurer.

The director of finance shall be also be the city treasurer and shall have and exercise all of the powers, duties, and responsibilities of the office as described in state and local laws.

SECTION 4. ENVIRONMENTAL ANALYSIS. This Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code sections 2100, *et. seq.*, “CEQA”) and CEQA Regulations (14 California Code of Regulations sections 1500, *et. seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not have any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Ordinance does not constitute a “project” that requires environmental review (14 CCR section 15378(b)(4-5)).

SECTION 5. INCONSISTENT PROVISIONS. Any provisions of the Escondido Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 6. This Ordinance shall take effect immediately, upon approval by a simple majority of the voters, voting on the question at the November 8, 2022 election.



# CITY of ESCONDIDO

FUTURE AGENDA

8/10/2022

PRESENTATION - Clean Energy Alliance Update

**CONSENT CALENDAR** - (J. PROCOPIO) - SANDAG SMART GROWTH INCENTIVE PROGRAM GRANT AGREEMENT - Request the City Council City Council authorize the City Manager or their designee to execute the Smart Growth Inceptive Program Grant (SGIP) Agreement

**CONSENT CALENDAR** - (R. VOGT) - FIREHOUSE SUBS PUBLIC SAFETY FOUNDATION GRANT AWARD - It is requested that the City Council accept a Firehouse Subs Public Safety Foundation Grant Award in the amount of \$16,147.42 to purchase two Bullard QXT Thermal Imaging Cameras.

**CONSENT CALENDAR** - (D. SHULTZ) - TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED JUNE 30, 2022 - Request the City Council receive and file the Quarterly Investment Report for the quarter ended June 30, 2022

**PUBLIC HEARING** - (H. NELSON) Carefree Ranch Mobile Home Short-Form Application

**CURRENT BUSINESS** - (J. PROCOPIO) - ADOPTION ORDINANCE 2022-10 - UPDATES TO CALIFORNIA VEHICLE CODE SECTION 22358.8 TO RETAIN EXISTING SPEED LIMITS ON CERTAIN STREET SEGMENTS (first reading and introduction)

8/17/2022

**CURRENT BUSINESS** - (P. MCNAMARA, M. MORASCO) - REVIEW OF CALIFORNIA CENTER FOR THE ARTS MANAGEMENT AGREEMENT