



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 22, 2024

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

5:00 PM - Regular Session

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

WELCOME TO YOUR CITY COUNCIL MEETING

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

MAYOR

Dane White

DEPUTY MAYOR

Christian Garcia (District 3)

COUNCILMEMBERS

Consuelo Martinez (District 1)

Joe Garcia (District 2)

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.gov



CITY of ESCONDIDO

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WEDNESDAY, MAY 22, 2024

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, MAY 22, 2024

CLOSED SESSION

4:00 PM

CALL TO ORDER

- I. Roll Call: C. Garcia, J. Garcia, Martinez, Morasco, White

CLOSED SESSION

II. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code § 54956.9(d)(1))

- a. *Noah Werner, et. al v. City of Escondido*
San Diego Superior Court Case No. 37-2021-00011594-CU-OR-NC
- b. *City of Escondido v. County of San Diego*
San Diego County Superior Court Case No. 37-2022-00013777-CU-EI-NC

III. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code § 54956.9(d)(2))

- a. Potential Claims related to contractual obligations of the California Center for the Arts, Escondido

IV. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code § 54956.8)

- a. Property: Kit Carson Park (APN 2710301200)
- b. Agency Negotiator: Sean McGlynn, City Manager, or designee
- c. Negotiating Parties: The Rinks Foundation
- d. Under Negotiation: Price and Terms of Potential Ground Lease

ADJOURNMENT



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 22, 2024

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

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FLAG SALUTE

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

CALL TO ORDER

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

PROCLAMATION

Cameron Curry Day, May 22, 2024

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

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

CONSENT CALENDAR

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

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



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 22, 2024

2. APPROVAL OF WARRANT REGISTERS (COUNCIL)

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

- 383702 – 383836 dated May 08, 2024

Staff Recommendation: Approval (Finance Department: Christina Holmes)

3. APPROVAL OF MINUTES: Regular Meeting of May 8, 2024

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS

5. COMPUTER REPLACEMENT PURCHASE

Request the City Council adopt Resolution No. 2024-56 authorizing the Mayor to execute a purchase order for the purchase of 450 computers and related technology materials and a budget adjustment.

Staff Recommendation: Approval (Information Systems Department: Robert Van De Hey, Chief Information Officer)

Presenter: Robert Van De Hey, Chief Information Officer

a) Resolution No. 2024-56

6. AWARD OF RFP NO. 24-07 FOR RISK MANAGEMENT INFORMATION SYSTEM AND IMPLEMENTATION SERVICES TO ORIGAMI RISK, LLC AND AUTHORIZATION OF MASTER SERVICES AGREEMENT IN THE AMOUNT OF \$518,050 FOR A FIVE-YEAR TERM

Request the City Council adopt Resolution No. 2024-35, authorizing the Mayor to execute, on behalf of the City of Escondido, a Master Services Agreement with Origami Risk, including all related documents necessary for implementation of the risk management information system and implementation services.

Staff Recommendation: Approval (Information Systems Department: Rob Van De Hey, Chief Information Officer)

Presenter: Jessica Perpetua, Director of Human Resources; Rob Van De Hey, Chief Information Officer

a) Resolutions No. 2024-35



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 22, 2024

CURRENT BUSINESS

7. OPERATION AND MANAGEMENT AGREEMENT BETWEEN THE CITY OF ESCONDIDO AND THE CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO FOUNDATION FOR FISCAL YEAR 2025

Request the City Council adopt Resolution No. 2024-58 authorizing the Mayor to execute the proposed Operations and Management Agreement (“Agreement”) between the City of Escondido (“City”) and the California Center for the Arts, Escondido Foundation.

Staff Recommendation: Approval (City Manager’s Office: Christopher W. McKinney, Deputy City Manager / Director of Utilities)

Presenter: Christopher W. McKinney, Deputy City Manager / Director of Utilities

a) Resolution No. 2024-58

CURRENT BUSINESS

8. FISCAL YEAR 2024/25 OPERATING BUDGET BRIEFING

Request the City Council provide direction regarding the Fiscal Year 2024/25 General Fund Operating Budget.

Staff Recommendation: Provide Direction (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

FUTURE AGENDA

9. FUTURE AGENDA

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

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

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER’S WEEKLY ACTIVITY REPORT

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



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 22, 2024

ORAL COMMUNICATIONS

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

ADJOURNMENT

UPCOMING MEETING SCHEDULE

Wednesday, June 05, 2024	4:00 & 5:00 PM	Closed Session, Regular Meeting, <i>Council Chambers</i>
Wednesday, June 12, 2024	4:00 & 5:00 PM	Closed Session, Regular Meeting, <i>Council Chambers</i>

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
O F
I T E M
P O S T I N G – N O N E



STAFF REPORT

May 22, 2024
File Number 0400-40

SUBJECT

APPROVAL OF WARRANT REGISTERS (COUNCIL)

DEPARTMENT

Finance

RECOMMENDATION

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

383702 – 383836 dated May 08, 2024

Staff Recommendation: Approval (Finance Department: Christina Holmes)

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

COUNCIL PRIORITY –

FISCAL ANALYSIS

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

May 02, 2024 – May 08, 2024 is \$2,807,946.18

PREVIOUS ACTION – None

BACKGROUND

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



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

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FLAG SALUTE

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CALL TO ORDER

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

PROCLAMATIONS

Economic Development Week, May 6-10, 2024

National Water Safety Month, May-2024

PRESENTATION

National Water Safety Month

ORAL COMMUNICATIONS

Bradley Tatsch – Introduced Boy Scout Troop 649.

CONSENT CALENDAR

Motion: Morasco; Second: C. Garcia; Approved: 5-0

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

2. APPROVAL OF WARRANT REGISTERS (COUNCIL)

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

- 382903 – 383032 dated April 10, 2024
- 383033 – 383268 dated April 17, 2024



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

- 383269 – 383470 dated April 24, 2024

Staff Recommendation: Approval (Finance Department: Christina Holmes)

3. APPROVAL OF MINUTES: Regular Meetings of April 10, 2024 and April 17, 2024

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS

5. THE CITY OF ESCONDIDO’S INVESTMENT POLICY

Request the City Council adopt Resolution No. 2024-53, approving the City of Escondido’s May 2024 Investment Policy. (File Number 0490-10)

Staff Recommendation: Approval (Finance Department: Douglas Shultz, City Treasurer)

Presenter: Douglas Shultz, City Treasurer

- a) Resolution No. 2024-53

6. TREASURER’S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2024

Request the City Council approve the Quarterly Investment Report for the quarter ended March 31, 2024. (File Number 0490-55)

Staff Recommendation: Approval (Finance Department: Douglas Shultz, City Treasurer)

Presenter: Douglas Shultz, City Treasurer

7. AUTHORIZE CHANGE ORDER FOR THE ANNUAL SIDEWALK MAINTENANCE PROJECT

Request the City Council adopt Resolution No. 2024-54 authorizing a construction change order in the amount of \$45,000 for the construction of new pedestrian ramps and additional sidewalk, curb and gutter replacement to be completed as a part of the Annual Sidewalk Maintenance Project. (File Number 0910-10)

Staff Recommendation: Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Jonathan Schauble, Principal Civil Engineer

- a) Resolution No. 2024-54

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 MINUTES

8. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING AND ADOPTING THE ESCONDIDO POLICE DEPARTMENT MILITARY EQUIPMENT USE POLICY

Approved on April 17, 2024 with a vote of 4/0 (Martinez - Absent)

a) Ordinance No. 2024-04 (Second Reading and Adoption)

9. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A ZONE TEXT AMENDMENT TO AMEND SEVERAL ARTICLES OF THE ESCONDIDO ZONING CODE

Approved on April 17, 2024 with a vote of 4/0 (Martinez - Absent)

a) Ordinance No. 2024-05 (Second Reading and Adoption)

PUBLIC HEARING

10. REVIEW AND REAFFIRM COMMUNITY DEVELOPMENT BLOCK GRANT ("CDBG"), HOME INVESTMENT PARTNERSHIP PROGRAM ("HOME"), EMERGENCY SOLUTIONS GRANT ("ESG") PRIORITIES IN THE 2020-2024 CONSOLIDATED PLAN AND APPROVE AN ALLOCATION PROCESS FOR FISCAL YEAR 2024-2025 FUNDING.

Request the City Council conduct a public hearing, review and re-affirm the CDBG, HOME, and ESG priorities adopted in the 2020-2024 Consolidated Plan, approve an allocation process for Fiscal Year 2024-2025 utilizing the maximum allowable allocations for public services and the maximum allowable allocations for administration of the CDBG and HOME programs, and authorize the release of a Request for Proposal ("RFP") for public services and community development activities. (File Number 0870-11)

Staff Recommendation: Provide Direction and Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Danielle Lopez, Housing and Neighborhood Services Manager

Motion: J. Garcia; Second: C. Martinez; Approved: 5-0

CURRENT BUSINESS

11. 2023 HOUSING ELEMENT ANNUAL PROGRESS REPORT

Request the City Council review and receive the 2023 calendar year annual progress report for the Housing Element of the General Plan and authorize resubmittal of the report to the State Office of Planning and Research, the State Department of Housing and Community Development, and the San Diego Association of Governments. (File Number 0875-70)



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

Staff Recommendation: Receive and File (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Pricila Roldan, Associate Planner

Motion: Martinez; Second: J. Garcia; Approved: 5-0

12. CALIFORNIA CENTER FOR THE ARTS ESCONDIDO FACILITY REQUEST FOR PROPOSALS

Request the City Council receive a presentation and provide direction. (File Number 0470-32)

Staff Recommendation: Receive and Provide Direction (Economic Development Department: Jennifer Schoeneck, Director of Economic Development)

Presenter: Jennifer Schoeneck, Director of Economic Development

Motion to approve the RFP as-written and assign the review of RFP responses to a Council Subcommittee that will be determined in December 2024: White; Second: Morasco; Approved: 4-1 (Martinez – No)

13. AUTHORIZE THE PURCHASE OF PLAYGROUND EQUIPMENT FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PLAYGROUND EQUIPMENT REPLACEMENT PROJECT AT WASHINGTON PARK, JESMOND DENE PARK, AND WESTSIDE PARK

Request the City Council adopt Resolution No. 2024-39, authorizing the Mayor to execute, on behalf of the City of Escondido (“City”), a cooperative Purchase Agreement through Sourcewell with Miracle Recreation Equipment Company, in the amount of \$520,928.97 for the purchase of playground equipment for children 2-5 years, 5-12 years, and integrated shade structures for the Community Development Block Grant (“CDBG”) Playground Equipment Replacement Project at Washington Park, Jesmond Dene Park, and Westside Park. (File Number 0600-10; A-3501)

Staff Recommendation: Approval (Public Works Department: Joseph Goulart, Director of Public Works)

Presenter: Wayne Thames, Parks Superintendent

a) Resolution No. 2024-39

Motion: C. Garcia; Second: Martinez; Approved:: 5-0



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

14. AUTHORIZE THE PURCHASE AND INSTALLATION OF PLAYGROUND EQUIPMENT FOR THE SAN DIEGO COUNTY PARK IMPROVEMENTS PROJECT AT MOUNTAIN VIEW PARK AND KIT CARSON PARK

Request the City Council adopt Resolution No. 2024-40, authorizing the Mayor to execute, on behalf of the City of Escondido (“City”), a cooperative Purchase Agreement through Sourcewell with Miracle Recreation Equipment Company, in the amount of \$892,217.53 for the purchase and installation of playground equipment for children 2-5 years, 5-12 years, and integrated shade structures for the San Diego County Park Improvements Project at Mountain View Park and Kit Carson Park. (File Number 0600-10; A-3502)

Staff Recommendation: Approval (Public Works Department: Joseph Goulart, Director of Public Works)

Presenter: Wayne Thames, Parks Superintendent

a) Resolution No. 2024-40

Motion: J. Garcia; Second: Morasco; Approved: 5-0

FUTURE AGENDA

15. 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)

C. Garcia / White: Presentation from the CEO for Clean Energy Alliance

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.

ORAL COMMUNICATIONS

None



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

ADJOURNMENT

Mayor White adjourned the meeting at 7:05 p.m.

MAYOR

CITY CLERK



STAFF REPORT

ITEM NO. 4

SUBJECT

WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

ANALYSIS

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

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

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

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

RECOMMENDATION

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

Respectfully Submitted,

Zack Beck
City Clerk



STAFF REPORT

May 22, 2024
File Number 0470-25

SUBJECT

COMPUTER REPLACEMENT PURCHASE

DEPARTMENT

Information Systems

RECOMMENDATION

Request the City Council adopt Resolution No. 2024-56 authorizing the Mayor to execute a purchase order for the purchase of 450 computers and related technology materials and a budget adjustment.

Staff Recommendation: Approval (Information Systems Department: Robert Van De Hey, Chief Information Officer)

Presenter: Robert Van De Hey, Chief Information Officer

ESSENTIAL SERVICE – Yes, internal requirement that supports all departments

COUNCIL PRIORITY –

FISCAL ANALYSIS

Requesting a budget adjustment in the amount of \$302,000 from the Internal Services Fund Balance (Network & Systems Administration-Fund 657).

PREVIOUS ACTION

None

BACKGROUND

After conducting a thorough analysis, the Information Systems department has decided to continue its long-standing practice of technology refresh cycle for staff computers. Over the past two decades, we have maintained an average lifespan of 7 to 8 years for our computers, a cycle which has been supported by the Internal Services Budget Fund. This approach has allowed us to achieve significant cost savings for the City of Escondido (“City”) by extending the computer refresh cycle by almost a full round, estimated at \$600,000 cost savings. However, our current inventory of computers is aging and is unable to support the latest Microsoft Windows 11 operating system, released on October 21, 2021.



CITY of ESCONDIDO

STAFF REPORT

In light of this, we recognized the need to complete the computer refresh and therefore conducted a comprehensive comparison of major vendors in the market. Despite our longstanding partnership with Dell for approximately eighteen years, we explored offerings from Lenovo, HP, and Dell. While all vendors offered comparable products, we found that Dell best met our requirements for enterprise management and aligned with our standards. Furthermore, upon evaluating pricing, Dell emerged as the most cost-effective option while still delivering the quality of technology necessary to meet the needs of City staff.

As a result, it is our recommendation to procure a quantity of 450 of the Dell OptiPlex Small Form Factor model 7020s due to its quality, competitive pricing, and the staff's familiarity and expertise in managing the Dell product line. The purchase will be funded with a budget adjustment (Attachment "1") from the Internal Services Fund Balance that was contributed to annually for this future purpose.

This strategic investment in high-quality computers with a longer lifespan and higher return on investment ("ROI") has proven to be prudent in the past, and we are confident that this decision will continue to serve the best interests of the City. Our commitment to ensuring that staff have access to reliable and efficient technology remains unwavering, and we believe that the procurement of the Dell OptiPlex Small Form Factor model 7020 is in line with this commitment. We look forward to the continued success and productivity of City staff with these new computers in place.

RESOLUTIONS

- a. Resolution No. 2024-56
- b. Resolution No. 2024-56 Exhibit "A" - Dell OptiPlex 7020 Quote 2024

ATTACHMENTS

1. Budget Adjustment Request

RESOLUTION NO. 2024-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, THE PURCHASE OF EQUIPMENT FROM DELL TECHNOLOGIES

WHEREAS, the City of Escondido (“City”) desires to purchase technology hardware equipment;
and

WHEREAS, the Chief Information Officer has determined that the City’s current hardware and will need to be replaced due to decrease productivity and inability to support current operating systems; and

WHEREAS, the Chief Information Officer has recommended the purchase of this equipment from Dell Technologies; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve a purchase from Dell Technologies for equipment upgrades.

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 Mayor is authorized to execute, on behalf of the City, a purchase order of computer equipment from Dell Technologies in the amount of \$301,218.98, which is attached and incorporated to this Resolution as Exhibit “A” and subject to final approval as to form by the City Attorney.



Your quote is ready for purchase.

Complete the purchase of your personalized quote through our secure online checkout before the quote expires on **May. 31, 2024**.

You can download a copy of this quote during checkout.

[Place your order](#)

Quote No.	3000176886614.1	Sales Rep	Robert Burns
Total	\$301,218.98	Phone	(800) 456-3355, 6179460
Customer #	6090556	Email	Robert.Burns1@Dell.com
Quoted On	May. 16, 2024	Billing To	BRITTANY WINCKLER
Expires by	May. 31, 2024		CITY OF ESCONDIDO
Contract Code	C000001115143		INFORMATION
Customer Agreement #	23026 / 7-23-70-55-01		SYSTEMS
Deal ID	25583646		201 N BROADWAY
			ESCONDIDO,
			CA 92025-2709

Message from your Sales Rep

Please use the Order button to securely place the order with your preferred payment method online. You may contact your Dell sales team if you have any questions. Thank you for shopping with Dell.

Regards,
Robert Burns

Product	Unit Price	Quantity	Subtotal
OptiPlex Small Form Factor (7020)	\$624.00	450	\$280,800.00
	Subtotal:		\$280,800.00
	Shipping:		\$0.00
	Non-Taxable Amount:		\$17,329.50

Taxable Amount: \$263,470.50
Estimated Tax: \$20,418.98

Total: \$301,218.98

Special pricing may be available for qualified customers. Please contact your DFS Sales Representative for details.



Shipping Group Details

Shipping To INFORMATION SYSTEMS CITY OF ESCONDIDO 201 N BROADWAY ESCONDIDO, CA 92025-2798 (760) 839-4026	Shipping Method Standard Delivery
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	Unit Price	Quantity	Subtotal
OptiPlex Small Form Factor (7020)	\$624.00	450	\$280,800.00
Estimated delivery if purchased today: May. 29, 2024 Contract # C000001115143 Customer Agreement # 23026 / 7-23-70-55-01			

Description	SKU	Unit Price	Quantity	Subtotal
OptiPlex Small Form Factor 7020	210-BKWH	-	450	-
Intel Core i5 processor 14500 vPro (24MB cache, 14 cores, 20 threads, up to 5.0 GHz Turbo, 65W)	338-CNCH	-	450	-
Windows 11 Pro, English, Brazilian Portuguese PT-BR, French, Spanish	619-ARSB	-	450	-
No Microsoft Office License Included - 30 day Trial Offer Only	658-BCSB	-	450	-
16 GB: 1 x 16 GB, DDR5	370-BBPY	-	450	-













M.2 2230 512GB PCIe NVMe SSD Class 35	400-BQSB	-	450	-
M.2 22x30 Thermal Pad	412-AAQT	-	450	-
M2X3.5 Screw for SSD/DDPE	773-BBBC	-	450	-
Intel Integrated Graphics	490-BBFG	-	450	-
OptiPlex SFF with 180W Bronze Power Supply	329-BJWG	-	450	-
System Power Cord (Philippine/TH/US)	450-AAOJ	-	450	-
No Optical Drive	429-ABKF	-	450	-
CMS Software not included	632-BBBJ	-	450	-
No Wireless LAN Card	555-BKHY	-	450	-
Optional DisplayPort	382-BBKE	-	450	-
Dell KB216 Wired Keyboard English	580-ADJC	-	450	-
Dell Optical Mouse - MS116 (Black)	570-ABIE	-	450	-
No Cover Selected	325-BCZQ	-	450	-
Dell Additional Software	634-CHFP	-	450	-
ENERGY STAR Qualified	387-BBLW	-	450	-
SERI Guide (ENG/FR/Multi)	340-AGIK	-	450	-
Watch Dog SRV	379-BFMR	-	450	-
Quick Start Guide, OptiPlex SFF	340-DMJB	-	450	-

Print on Demand Label	389-BDQH	-	450	-
Trusted Platform Module (Discrete TPM Enabled)	329-BBJL	-	450	-
Shipping Material	340-CQYR	-	450	-
Shipping Label	389-BBUU	-	450	-
Regulatory Label for OptiPlex SFF 180W PSU	389-FFZH	-	450	-
No Hard Drive Bracket, Dell OptiPlex	575-BBKX	-	450	-
Intel® Rapid Storage Technology Driver	658-BFSK	-	450	-
Intel Core i5 Processor Label	340-CUEW	-	450	-
Desktop BTS/BTP Shipment	800-BBIP	-	450	-
Chassis Intrusion Switch	461-AAJL	-	450	-
No Additional Add In Cards	382-BBHX	-	450	-
Internal Speaker	520-AARD	-	450	-
No vPro® support	631-BBQQ	-	450	-
Fixed Hardware Configuration	998-GSBW	-	450	-
EPEAT 2018 Registered (Silver)	379-BDTO	-	450	-
Dell Limited Hardware Warranty Plus Service	803-8583	-	450	-
Onsite Service After Remote Diagnosis 3 Years	803-8590	-	450	-

Subtotal:	\$280,800.00
Shipping:	\$0.00
Estimated Tax:	\$20,418.98
Total:	\$301,218.98

CONNECT WITH DELL: 

BROWSE MORE OPTIONS:

 IT Transformation	 Laptops	 Desktops
 Servers & Storage	 2-in-1's	 Electronics & Accessories
 Financing Options	 Dell Services	 Dell Support
 Subscription Center	 Events	 Dell Premier

Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All product, pricing and other information is based on the latest information available and is subject to change. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier's affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm.

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecifictterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.



BUDGET ADJUSTMENT REQUEST

Department:	Information Systems	<u>For Finance Use Only</u> BA # _____ Fiscal Year _____
Department Contact:	Robert Van De Hey	
City Council Meeting Date: <i>(attach staff report)</i>	May 22, 2024	

EXPLANATION OF REQUEST

Budget adjustment is to support technology refresh cycle for staff computers. This will enable City computers to support the latest Microsoft Windows 11 Operating System.

BUDGET ADJUSTMENT INFORMATION

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Computer Replacement Purchase	5194-657-033	\$302,000	
Decrease available fund balance	3050-657		\$302,000

APPROVALS

DocuSigned by: Robert Van De Hey / 7/2024 <small>341464B18C2441C...</small>	DocuSigned by: Lorena Rocha 5/7/2024 <small>99A33925FA6B449...</small>		
DEPARTMENT HEAD	DATE	FINANCE	DATE



STAFF REPORT

May 22, 2024

File Number 0600-10; A-3507

SUBJECT

AWARD OF RFP NO. 24-07 FOR RISK MANAGEMENT INFORMATION SYSTEM AND IMPLEMENTATION SERVICES TO ORIGAMI RISK, LLC AND AUTHORIZATION OF MASTER SERVICES AGREEMENT IN THE AMOUNT OF \$518,050 FOR A FIVE-YEAR TERM

DEPARTMENT

Information Systems

RECOMMENDATION

Request the City Council adopt Resolution No. 2024-35, authorizing the Mayor to execute, on behalf of the City of Escondido, a Master Services Agreement with Origami Risk, including all related documents necessary for implementation of the risk management information system and implementation services.

Staff Recommendation: Approval (Information Systems: Rob Van De Hey, Chief Information Officer)

Presenter: Jessica Perpetua, Director of Human Resources; Rob Van De Hey, Chief Information Officer

ESSENTIAL SERVICE – Yes, internal requirement in support of all City Departments including: Police Services, Fire/EMS Services, Water, Sewer, Public Works, Engineering, and Development services.

COUNCIL PRIORITY –

FISCAL ANALYSIS

The risk management information system is a missing component of the Workday Implementation Project. The funding for implementation of these risk management information system services is included in the Workday Project budget, approved by City Council on May 10, 2023. The ongoing funding for the risk management information system subscription will be allocated from the operating budget based on number of employees per department.

PREVIOUS ACTION

None

BACKGROUND

Since implementation of PeopleSoft in 1997, the human resources management system included the risk management component. Because Workday does not currently support risk management, an alternate



CITY of ESCONDIDO

STAFF REPORT

stand-alone system was necessary to continue providing support for the risk and safety needs of the City of Escondido (“City”).

RFP No. 24-07 solicitation was released on August 31, 2023. Staff received a total of four responses to evaluate. After evaluating the responses and demonstrations, the reviewing City team and senior leadership determined that Origami Risk, LLC best meets the City’s goals of bringing broad-based functionality and modern tools that will enable greater efficiency and transparency.

During the May 10, 2023 City Council meeting, Council approved a Main Subscription Agreement with Workday, Inc. To supplement the Workday Project, City staff now recommends approval of a Master Services Agreement with Origami Risk, LLC, to provide a risk management information system and corresponding implementation services for a period of five years amounting to a contract price of \$518,050.

If approved, implementation of the risk management information system is estimated to take approximately six to eight months. Implementation will include system configuration, data mapping, conversion of data, development of interfaces, and training.

RESOLUTIONS

- a. Resolutions No. 2024-35
- b. Resolutions No. 2024-35 Exhibit “A” Software Subscription Agreement

RESOLUTION NO. 2024-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A MASTER SERVICES AGREEMENT WITH ORIGAMI RISK, LLC, FOR IMPLEMENTATION SERVICES OF THE ORIGAMI RISK SOFTWARE

WHEREAS, the City of Escondido ("City) desires to engage the services of an Information Technology firm for risk management information system and implementation services; and

WHEREAS, the City's Chief Information Officer has recommended the execution of a five-year Master Services Agreement with Origami Risk, LLC, a Delaware limited liability company ("Origami") for risk management information system and implementation services of the Origami Risk Software as a service ("SaaS") subscription based on Origami's submitted proposal in response to RFP No. 24-07; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve the Master Services Agreement.

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

1. That the above recitations are true.
2. That the Mayor is authorized to execute, on behalf of the City, a Master Services Agreement with with Origami, including all related documents necessary for implementation of the risk management information system and implementation services, in the amount of \$518,050, which is attached hereto and incorporated to this Resolution as Exhibit "A" and subject to final approval as to form by the City Attorney.

SOFTWARE SUBSCRIPTION AGREEMENT

This SOFTWARE SUBSCRIPTION AGREEMENT (this “**Agreement**”) is entered into as of May 13, 2024 (the “**Effective Date**”) by and between ORIGAMI RISK LLC, a Delaware limited liability company (“**Origami**”), and THE CITY OF ESCONDIDO, a California municipal corporation (“**Client**”). Origami and Client hereby agree as follows:

1. **DEFINITIONS.**

“**Affiliate**” means, with respect to a party, its parent company and subsidiaries and/or controlled corporations or entities which are directly or indirectly controlled by, or under common control with, such party.

“**Client Data**” means the data provided or inputted by or on behalf of Client or any User or Affiliate of Client for use with the Service.

“**Client Party**” means Client and each of its Affiliates and Users.

“**Client Support**” means support services provided by Origami to Client as set forth in any Order Form or Statement of Work.

“**Confidential Information**” means all confidential and proprietary information of a party, including, without limitation, business plans, strategies, products, software, source code, object code, clients, data models, discoveries, inventions, developments, know-how, improvements, works of authorship, concepts, or expressions thereof, whether or not subject to patents, copyright, trademark, trade secret protection or other intellectual property right protection.

“**Configurations**” means specifically modified reports, dashboard panels, or other configurations, features or modules of the Service customized for Client.

“**Documentation**” means all user guides, videos, embedded help text, and other reference materials generally furnished with respect to the Service, whether in printed or electronic format.

“**Fees**” means the fees payable pursuant to this Agreement as set forth in any Order Form or Statement of Work.

“**Intellectual Property Rights**” means worldwide intellectual and proprietary property owned or properly licensed by a party and all intellectual or proprietary property rights subsumed therein, including copyright, patent, trademark (including goodwill), trade dress, trade secret and know-how rights.

“**Order Form**” means any order form setting forth subscriptions, hosting, data processing or other Service-related items ordered by Client that is entered into and mutually approved in writing by the parties pursuant to this Agreement from time to time. The initial Order Form is attached hereto as Exhibit A.

“**Professional Services**” means professional services provided by Origami to Client as set forth in any Statement of Work.

“**Service**” means Origami’s software-as-a-service identified in an Order Form and accessible by Client via <https://live.OrigamiRisk.com> or another designated web site or IP address or mobile application, rendered to Client by Origami.

“**Statement of Work**” means any statement of work setting forth Professional Services to be performed by Origami for Client that is entered into and mutually approved in writing by the parties pursuant to this Agreement from time to time. The initial Statement of Work is attached hereto as Exhibit B.

“**User**” means any employee, contractor, agent, customer, investor, consultant or service provider of Client or any of Client’s Affiliates who uses or accesses the Service or any other person or entity that is provided user credentials to the Service by or on behalf of Client or any of Client’s Affiliates.

“**Work Product**” means Configurations and any software, programming, tools, documentation, and materials that are used, created, developed, or delivered by Origami to Client in connection with Configurations, and all Intellectual Property Rights subsumed therein.

2. **SERVICE.**

(a) **Service.** Subject to the terms and conditions of this Agreement, during the term of this Agreement, Origami hereby grants Client a non-exclusive right to permit its Users to access and use the Service via the Internet pursuant to subscriptions set forth in an Order Form. Client’s Users may use the Service solely for internal business of Client, its Affiliates and Users. Users shall use the Service in accordance with this Agreement and each applicable Order Form, Statement of Work and Documentation.

(b) **Service Level Agreement.** Origami’s Service Level Agreement with respect to the Service is set forth as Exhibit C (the “**Service Level Agreement**”). Any Excluded Event (as defined in such Service Level Agreement) and any unavailability of the Service that does not constitute a failure of the Availability Requirement set forth in such Service Level Agreement shall not constitute a breach of this Agreement.

(c) **Restrictions.** Nothing in this Agreement shall be construed as a grant to Client of any right to, and Client shall not, and shall not permit any User or any other third party to: (i) reproduce, license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the Service or any portion thereof; (ii) distribute, disclose or allow use of any of the Service, or any portion thereof, in any format, through any timesharing service, service bureau, network or by any other means, to or by any third party; (iii) decompile, disassemble, or otherwise reverse engineer or attempt to reconstruct or discover any source code or underlying ideas or algorithms of the Service in any manner; (iv) create derivative works from, modify or alter any of the Service in any manner whatsoever; (v) use or access the Service in a manner that would reasonably be expected to damage, disable, overburden, or impair any Origami servers or the networks connected to any Origami server (and if any access or use of the Service does damage, disable, overburden, or impair any Origami servers or the networks connected to any Origami server, then Client shall promptly discontinue such access or use upon written notice of such by Origami); (vi) take any action that would reasonably be expected to interfere with any third party's use and enjoyment of the Service (and if any Client action does interfere with any third party's use and enjoyment of the Service, then Client shall promptly discontinue such action upon written notice of such by Origami); (vii) attempt to gain unauthorized access to the Service, accounts, computer systems, or networks connected to any Origami server; (viii) use any robot, spider or other automatic device or manual process to monitor or copy portions of the Service or to artificially simulate user activity; (ix) use the Service in a manner intended to abuse or violate the privacy or property rights of others; (x) perform any vulnerability scanning or penetration testing on the Service or Origami's systems or networks without Origami's explicit prior written consent for each such scan or test; or (xi) access the Service in order to (A) build a competitive product or service, or (B) build a product using similar unique and confidential ideas, features, functions or graphics of the Service.

(d) **Users.** Client may permit the number of authorized Users as set forth in the Order Form to use the Service. Each authorized User shall access and use the Service (i) in accordance with the terms of this Agreement and the applicable Order Form and Documentation, and, (ii) when applicable, through a unique and reasonably secure username and password as further described in the applicable Order Form or Documentation. It is Client's responsibility to designate the applicable access to be granted to each User. Client shall cause all Users to comply with all obligations of Client hereunder, to the extent applicable to Users. Except for Client's and its Affiliates'

system administrators where reasonably necessary for administrative or security purposes, no User may use the username/user identification or password of any other User. Client shall be responsible for the acts and omissions of its Users as if they were undertaken by Client itself. Further, Client shall be responsible for ensuring that its Users utilize appropriate security practices and are given appropriate permissions for their usage of the Service.

(e) **Third Party Access.** Client shall also have the right for Client and its Affiliates to permit third party Users to access or use the Service in accordance with the terms and conditions of this Agreement and each applicable Order Form and Statement of Work, provided that each such third party User has agreed in writing to Origami's Third Party User Agreement ("**Third Party Terms**") prior to or upon such User's initial login to the Service. Such Third Party Terms are available from Origami upon request. Client may meet this requirement with respect to any third party User by requiring such third party User to accept the Third Party Terms as part of a click-through that can be enabled to appear upon such third party User's initial login to the Service. Any rights granted hereunder or under the Third Party Terms with respect to the Service to third party Users shall expire or terminate immediately upon the termination of this Agreement in accordance with its terms. Client shall be fully responsible for (i) ensuring the compliance of each Client Party with the terms and conditions of this Agreement, and each applicable Order Form, Statement of Work, and Documentation, and the applicable Third Party User Agreement, and (ii) all violations of the terms or conditions of this Agreement, each applicable Statement of Work, Order Form, Documentation, and the applicable Third Party Terms by each Client Party.

(f) **Client Support and Professional Services.** During the term of this Agreement, Origami will provide Client Support and Professional Services to the extent set forth in an Order Form or Statement of Work. Client may also contract for expanded services for additional days and hours in accordance with the rates set forth in the Statement of Work, or if no such rates are specified, Origami's then-current policies and prices. Notwithstanding the foregoing, Origami will not be obligated to provide any support required as a result of, or with respect to, (i) Client's operating systems, networks, hardware, or other related equipment of Client, or (ii) Client's or any of its Users' use of the Service other than in accordance with the applicable Statement of Work and Documentation and as permitted under this Agreement.

(g) **Client Obligations.** Client shall: (i) provide Origami with reasonable access to Client's premises to the extent necessary to enable Origami to perform its obligations hereunder; (ii) provide adequate

resources to participate in or facilitate the performance of the Service; (iii) timely participate in meetings relating to the Service; (iv) assign personnel with relevant training and experience to work in consultation with Origami; (v) meet the requirements to use the Service as set forth at <http://www.origamirisk.com/product-requirements>; (vi) safeguard the usernames, passwords and other security data, methods and devices furnished to Client in connection with the Service and prevent unauthorized access to or use of the Service and promptly notify Origami if it becomes aware of any such unauthorized access or that the security of its usernames or passwords has been compromised; (vii) be responsible for Client networks, equipment and system security required or appropriate in connection with the Service; (viii) have sole responsibility for the accuracy, quality, legality, reliability and appropriateness of all Client Data; (ix) transmit Client Data only in an encrypted format as set forth in the Service Level Agreement or as otherwise mutually agreed by the parties; (x) obtain all consents and authorizations from any third parties that Client requires in order for Origami to perform its obligations hereunder (and Origami shall not be required to enter into agreements with any such third parties), and (xi) take such other actions as are required of Client pursuant to this Agreement, including any Order Form or Statement of Work.

(h) **Client Warranty.** The parties acknowledge and agree that during the term of this Agreement a Client Party or other third parties may disclose certain Client Data, including personally identifiable data regarding employees or other individuals, to Origami for the benefit of a Client Party. With respect to any Client Data so disclosed by, or on behalf of, a Client Party to Origami, Client represents and warrants to Origami that: (i) each such Client Party, and such other third parties operating on Client's behalf are authorized to collect, use and disclose the Client Data to Origami for use and storage pursuant to this Agreement; (ii) such disclosure, use or storage does not and shall not violate applicable law or, if applicable, such Client Party's agreements with or privacy notices to individuals with respect to whom the Client Data relates; and (iii) Client shall not request Origami to use, store, disclose or otherwise process Client Data in any manner that would not be permissible under applicable law or, if applicable, such Client Party's agreements with or privacy notices to individuals with respect to whom the Client Data relates, if done by Client.

(i) **Non-Origami Events.** Client acknowledges and agrees that Origami shall not be responsible or liable for any delay or failure in its performance of any duties or obligations pursuant to this Agreement, including any Order Form or Statement of Work, to the extent such delays or failures result or arise from any (1) act or omission of any Client Party, including

any delays in their performance or cooperation with respect to the obligations or warranties set forth in this Agreement or any Order Form or Statement of Work; (2) failure of any Client Party's equipment or software (other than the Service); or (3) Force Majeure Event.

(j) **Mobile Service.** The Service may include certain services that are available via an application downloaded and installed on a mobile device. To the extent Client chooses to use such application, Client acknowledges and agrees that Client Data may be stored locally on a mobile device as part of such service and that the physical security of any mobile device used to access such services is Client's responsibility. If Client or any User elects to store data on a mobile device, Origami shall not be responsible for any loss of Client Data or any other data on such device.

3. INTELLECTUAL PROPERTY RIGHTS.

(a) **Origami Intellectual Property Rights.** As between Origami and Client, Origami owns all right, title and interest, including all related Intellectual Property Rights in and to, or related to the Service and Work Product, including all software programs contained therein. To the extent that any such Intellectual Property Rights do not otherwise vest in Origami or its licensors, Client hereby agrees to promptly assign such Intellectual Property Rights to Origami or its licensors, and to do all other acts reasonably necessary to perfect Origami's or its licensors' ownership thereof, without additional consideration of any kind. The Origami name, the Origami logos, and the product names associated with the Service are trademarks of Origami or third parties, and no right or license is granted with respect to their use. The Service may contain intellectual property belonging to third parties. All such intellectual property is and shall remain the property of its respective owners. Except for the limited rights expressly granted herein, all right, title and interest in and to the Service and Work Product are reserved by Origami, and, except as expressly granted herein, nothing contained in this Agreement shall be construed as conferring any right, title, interest or license with respect to the Service or Work Product upon Client, by implication, estoppel or otherwise. In addition, Client agrees and acknowledges that Origami shall have an unlimited right to incorporate into any updates, upgrades, or modifications to the Service all suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by Client or any User relating to the Service. Such Service, as updated, upgraded, or modified, shall be owned by Origami as provided in this Section. Client expressly acknowledges and agrees that the Work Product shall not constitute work made-for-hire under the United States Copyright Act, and that Origami shall have the exclusive right to protect the

Work Product by patent, copyright, or any other means. Work Product shall be made available to Client as part of the Service to the extent set forth in an Order Form or Statement of Work, and Client shall have no other right to use any Work Product.

(b) **Client Data.** Client Data shall be Confidential Information of Client under this Agreement. As between Origami and Client, Client shall own all right, title and interest in and to the Client Data, which shall never be deemed to be the Service or Work Product, even if delivered or incorporated therewith. Origami shall have no responsibility, whatsoever, for the accuracy, quality, legality, reliability, appropriateness, and intellectual property ownership of Client Data, and Origami shall not review, monitor or check the Client Data except as necessary to provide the Service to Client. Origami shall not be responsible or liable for the deletion, destruction, damage or loss of any Client Data through no fault of Origami or its providers without limiting Origami's liability to maintain backup data as set forth in the Service Level Agreement. Upon Client's written request within 30 days following the termination of this Agreement, Origami will at its expense provide electronic files to Client in delimited text format containing Client's Client Data. Subject to Origami's confidentiality obligations set forth in this Agreement, Client agrees that Origami shall have the right to collect and use data or information resulting from a Client Party's use of the Service so long as such data and information is de-identified and aggregated so that it cannot identify, be traced back to or otherwise be associated in any manner with Client or any particular individual.

(c) **Notices of Infringement.** In the event Client discovers or is notified of an actual or suspected infringement of the rights of Origami or its licensors in or to the Service or any unauthorized access to or use of the Service (each, an "**Infringement**"), Client shall promptly notify Origami of such known or suspected Infringement and terminate such Infringement to the extent within Client's control. Client agrees to reasonably cooperate with and assist Origami (at Origami's sole expense) in protecting, enforcing and defending Origami's rights in and to the Service.

4. FINANCIAL TERMS.

(a) **Fees.** Client shall pay to Origami the Fees set forth in any Order Form or Statement of Work or as otherwise agreed in writing by the parties.

(b) **Expenses.** Client shall reimburse Origami for all pre-authorized in writing, reasonable, documented out of pocket travel, lodging, meal and other expenses reasonably incurred by Origami in the course of performing the Service.

(c) **Taxes.** Client shall be liable for any taxes (including without limitation sales, use, excise and gross receipts taxes), charges, tariffs, and duties and any interest and penalties arising under this Agreement, excluding taxes based upon Origami's income. All such taxes may be included in amounts invoiced by Origami to Client.

(d) **Payments.** All Fees under this Agreement shall be payable by Client in accordance with the applicable Order Form or Statement of Work or as otherwise agreed by the parties. Fees shall be due within 30 days of invoice date. Payments remitted after 30 days shall bear interest at 1.5 percent per month. Except as provided in Sections 7(b) and 9(a), all Fees paid hereunder are non-refundable. Without limiting Origami's other rights and remedies, if Client does not pay a correct overdue invoice within 15 days after receiving notice from Origami of nonpayment unless Client has notified Origami of a good faith dispute prior to such time, then Origami may suspend Client's access to the Service and any other services until Origami receives such payment, and Fees shall continue to accrue during any such period; provided that this shall not be deemed to limit Client's right to the return of its Client Data pursuant to Section 3(b) of this Agreement.

5. CONFIDENTIALITY.

(a) **Confidential Information.** Each party acknowledges and agrees that during the term of this Agreement it may be furnished with or otherwise have access to Confidential Information of the other party. The party that has received Confidential Information (the "**Receiving Party**"), in fulfilling its obligations under this Section, shall exercise the same degree of care and protection with respect to the Confidential Information of the party that has disclosed Confidential Information to the Receiving Party (the "**Disclosing Party**") that it exercises with respect to its own Confidential Information, but in no event shall the Receiving Party exercise less than a reasonable standard of care. The Receiving Party shall only use, access and disclose Confidential Information as necessary to fulfill its obligations under this Agreement, including any Order Form or Statement of Work, or in exercise of its rights expressly granted hereunder. Receiving Party shall not directly or indirectly disclose, sell, copy, distribute, republish, create derivative works from, demonstrate or allow any third party to have access to any of Disclosing Party's Confidential Information; provided that the Receiving Party may disclose the Disclosing Party's Confidential Information to its directors, officers, employees, subcontractors, agents, Affiliates or other representatives (collectively, the "**Representatives**") who have a need to know and who are bound by confidentiality obligations with respect to such Confidential Information that are substantially similar to those set forth in this

Section. The Receiving Party shall be responsible and liable for any breach of this Section by any of its Representatives. This Agreement (including all Statements of Work and pricing thereunder) and all Intellectual Property Rights with respect to the Service and Work Product shall be deemed to be Confidential Information of Origami under this Agreement.

(b) **Exclusions.** The following information shall not be considered Confidential Information subject to this Section: (i) information that is publicly available or later becomes available other than through a breach of this Agreement; (ii) information that is known to the Receiving Party or its Representatives prior to such disclosure or is independently developed by the Receiving Party or its Representatives subsequent to such disclosure; or (iii) information that is subsequently lawfully obtained by the Receiving Party or its Representatives from a third party without obligations of confidentiality. If the Receiving Party is required by law to disclose any portion of the Disclosing Party's Confidential Information, including, but not limited to disclosure as required by a California Public Records Act request, Receiving Party shall give prior timely notice of such disclosure to Disclosing Party to permit Disclosing Party to seek a protective or similar order, and, absent the entry of such an order, Receiving Party shall disclose only such Confidential Information as is necessary be disclosed in response to such subpoena, court order or other similar document.

(c) **Return of Confidential Information.** Upon termination or expiration of this Agreement, the Receiving Party will promptly return or destroy any Confidential Information in the possession or control of the Receiving Party. Origami's obligation to return and destroy Client Data is set forth in Section 3(b).

6. DATA SECURITY.

(a) **Audit Report.** Upon Client's written request to Origami during the term of this Agreement (no more than once in any 12-month period), Origami shall provide a copy of its Service Organization Control (SOC) 2 audit report (or an equivalent audit report or pursuant to a successor standard) ("**SOC 2 Report**") to Client, and such report shall contain an unqualified opinion. Such audit report shall be deemed Confidential Information under the terms of this Agreement.

(b) **Safeguards.** Origami shall maintain commercially reasonable administrative, technical and physical safeguards designed to protect the security and privacy of Client Data. Such safeguards are described in Origami's most recently completed SOC 2 Report. In no event during the term of this Agreement will Origami materially diminish the protections provided by the controls

set forth in such SOC 2 Report. Such safeguards shall comply with data privacy laws that are applicable to Origami in its performance of this Agreement, including, without limitation, any applicable data privacy laws addressing personally identifiable information that may be contained in the Client Data. Origami shall also maintain an internal information security management program that addresses data security and the security controls employed by Origami in compliance with this Agreement. Origami shall encrypt Client Data as set forth in the Service Level Agreement.

(c) **Notification.** Origami shall inform Client promptly and without undue delay in the event that it learns of any breach of Origami's systems resulting in unauthorized disclosure of, or access to, any Client Data. Any such notice will provide a description about the Client Data that was accessed to the extent available at the time of the notice. Origami will provide regular updates to Client as additional details about the nature of the affected Client Data become available. Origami agrees to mitigate, to the extent practicable, any harmful effects from such breach that are or become known to Origami.

7. TERM AND TERMINATION.

(a) **Term.** This Agreement shall commence on the Effective Date and continue until all subscriptions to the Service hereunder and Statements of Work have expired or been terminated sooner in accordance with this Section. The term of each subscription shall be as specified in the applicable Order Form, and the term of each Statement of Work shall be as specified therein (or, if not specified, shall run until the completion of the applicable Professional Services thereunder).

(b) **Termination for Breach.** This Agreement may be terminated by either party upon written notice to the other party if the other party breaches any material term and fails to cure such breach within 30 days after receipt of written notice of such breach. If Client terminates the Agreement for Origami's breach in accordance with this paragraph, Origami shall refund to Client, within 45 days of the effective date of such termination, any prepaid but unearned Fees paid to Origami in advance by Client. If Origami terminates the Agreement for Client's breach in accordance with this paragraph, all remaining unpaid Fees shall become due and payable.

(c) **Termination for Insolvency.** Either party may terminate this Agreement immediately upon notice to the other party if the other party (i) becomes insolvent or admits its inability to pay its debts generally as they become due, (ii) becomes subject, voluntarily or involuntarily, to any proceeding under any bankruptcy or insolvency law, which is not fully stayed within seven business days or is

not dismissed or vacated within 45 days after filing, (iii) is dissolved or liquidated or takes any company action for such purpose or ceases to exist as a going concern, (iv) makes a general assignment for the benefit of creditors, or (v) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell all or substantially all of its property or business.

(d) **Events Upon Termination.** Upon the termination of this Agreement: (i) Origami shall cease providing the Service to Client, and Client and its Users shall cease use of the Service; and (ii) Origami shall invoice Client for all accrued Fees and all reimbursable expenses. Client shall pay the invoiced amounts, including from previously issued invoices, within 30 days of the date of such invoice.

(e) **Survival.** Except as otherwise set forth herein, in the event of termination of this Agreement for any reason, the provisions of Sections 2(i), 2(j), 3, 5, 7(d), 7(e), 8(c), and 9 through 13, as well as all payment obligations, shall survive.

8. **LIMITED WARRANTY.**

(a) **Service Warranty.** Origami warrants that the Service will perform in all material respects in accordance with the Documentation when used in accordance with the terms of this Agreement on the hardware and with the third-party software specified by Origami from time to time. Client's sole remedy for any breach by Origami of the warranty provided in this Section shall be replacement of the nonconforming Service, at Origami's sole expense, as described herein. Origami shall deliver to Client replacement Service, a work-around and/or an error/bug fix as may be necessary to correct the nonconformity. In the event that Client gives Origami notice of an apparent nonconformity that Origami reasonably determines is not due to any fault or failure of the Service to conform to the warranty provided herein, all time spent by Origami resulting in such determination, including time spent attempting to correct the problem, shall be charged against Client Support hours, or, if Client Support hours have been exhausted, charged to Client at Origami's then current hourly rate for such services.

(b) **Professional Services Warranty.** Origami represents and warrants that the Professional Services shall be performed in a professional and commercially reasonable manner consistent with the standard of care exercised by Origami in performing similar services for other clients. Client's sole remedy for breach of this warranty shall be re-performance of the nonconforming Professional Services, provided that Origami must have received written notice of the nonconformity from Client no

later than 30 days after the original performance of the applicable Professional Services by Origami.

(c) **Disclaimers.**

(i) EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, ORIGAMI MAKES NO WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE SERVICE, WORK PRODUCT, CLIENT SUPPORT, PROFESSIONAL SERVICES, OR ANY OTHER SERVICES PROVIDED HEREUNDER OR THE USE THEREOF BY CLIENT AND ITS USERS, INCLUDING QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND ORIGAMI HEREBY DISCLAIMS THE SAME. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, ORIGAMI AND ITS LICENSORS DO NOT REPRESENT OR WARRANT THAT: (a) THE USE OF THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE; OR (b) THE SERVICE WILL MEET CLIENT'S REQUIREMENTS OR EXPECTATIONS; OR (c) ALL ERRORS OR DEFECTS IN THE SERVICE WILL BE CORRECTED.

(ii) CLIENT ACKNOWLEDGES AND AGREES THAT THE SERVICE IS A TOOL TO BE USED BY CLIENT IN THE COURSE OF EXERCISING ITS PROFESSIONAL JUDGMENT. THE SERVICE MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. ORIGAMI IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS OUTSIDE OF ITS REASONABLE CONTROL. NO ORIGAMI AGENT OR EMPLOYEE IS AUTHORIZED TO MAKE ANY EXPANSION, MODIFICATION OR ADDITION TO THIS LIMITATION AND EXCLUSION OF WARRANTIES IN THIS AGREEMENT.

(iii) Origami shall not be responsible for: (A) any non-conformities of the Service with Documentation, omissions, delays, inaccuracies or any other failure caused by a Client Party's computer systems, hardware or software (other than the Service), including by interfaces with such third party software, or any inaccuracies that such systems may cause within the Service; or (B) any data that Origami receives from a Client Party or third party sources and including the data's accuracy or completeness, or Client's claim handling or other decisions. Origami disclaims any liability for interception of any such data or communications, including of encrypted data. Client agrees that Origami shall have no

responsibility or liability for any damages arising in connection with access to or use of the Service by any Client Party to the extent such access or use is not authorized by this Agreement.

9. **INDEMNIFICATION BY ORIGAMI.**

(a) **Indemnification.** Origami agrees to indemnify, defend, settle, or pay any third party claim or action against a Client Party for infringement of any U.S. patent or copyright arising from Client's use of the Service in accordance with this Agreement. If the Service or any part of the Service is held to infringe and the use thereof is enjoined or restrained or, if as a result of a settlement or compromise, such use is materially adversely restricted, Origami shall, at its own expense and as Client's sole remedy therefor (other than the indemnification obligation set forth above), either: (i) procure for Client the right to continue to use the Service; or (ii) modify the Service to make it non-infringing, provided that such modification does not materially adversely affect Client's authorized use of the Service; or (iii) replace the Service with a functionally equivalent non-infringing program at no additional charge to Client; or (iv) if none of the foregoing alternatives is reasonably available to Origami, terminate this Agreement and refund to Client any prepaid but unearned Fees paid to Origami in advance by Client prior to the effective date of the termination.

(b) **Exclusions.** Origami's indemnification obligations under Section 9(a) shall not apply to the extent the claim is based on: (i) modifications to the Service or any component thereof made by anyone other than Origami or on behalf of Origami; (ii) use of any Service in combination with a product not supplied by Origami; or (iii) use of any Service other than in accordance with this Agreement and the Documentation.

(c) **Conduct.** Origami shall have the sole right to conduct the defense of any such infringement claim or action and all negotiations for its settlement or compromise, and to settle or compromise any such claim. Client agrees to use reasonable efforts to cooperate and ensure that each Client Party cooperates with Origami in doing so. Client agrees to give Origami prompt written notice, in no case longer than within seven days of receipt or discovery, of any threat, warning, or notice of any such claim or action, with copies of any and all documents each Client Party may receive relating thereto.

10. **INDEMNIFICATION BY CLIENT.**

Client agrees to indemnify, defend and hold harmless Origami, its Affiliates, and all their officers, directors, members, managers, shareholders, employees and other agents for and against any damage, cost, liability, expense, claim, suit, action or other proceeding, to the extent based on or arising in connection with: (a) any breach of this

Agreement by a Client Party in connection with Client Data; (b) a Client Party's violation of any Federal, state or local law, rule or regulation relating to such Client Party's collection and use of any Client Data; (c) a claim, which, if true, would constitute a breach of Client's representations and warranties under this Agreement.

11. **LIMITATION OF LIABILITY.**

(a) **Disclaimer of Damages.** IN NO EVENT WILL ORIGAMI BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT, INTENDED CONDUCT OR OTHERWISE, INCLUDING WITHOUT LIMITATION, DAMAGES RELATING TO THE LOSS OF PROFITS, INCOME, GOODWILL OR REVENUE, COSTS INCURRED AS A RESULT OF DECISIONS MADE IN RELIANCE ON THE SERVICE, LOSS OF USE OF THE SERVICE OR ANY OTHER SOFTWARE OR OTHER PROPERTY, LOSS OF DATA, THE COSTS OF RECOVERING OR RECONSTRUCTING SUCH DATA OR THE COST OF SUBSTITUTE SOFTWARE, SERVICES OR DATA, OR FOR CLAIMS BY THIRD PARTIES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) **Limitation of Liability.** UNDER NO CIRCUMSTANCES SHALL ORIGAMI'S AGGREGATE MAXIMUM LIABILITY ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT EXCEED THE PAYMENTS ACTUALLY MADE TO ORIGAMI HEREUNDER DURING THE 12 MONTHS PRECEDING THE DATE ON WHICH ANY CLAIM IS MADE AGAINST ORIGAMI.

12. **EXPORT CONTROL.**

(a) **Export.** Client shall not export the Service or any Work Product in violation of applicable United States laws and regulations. Client also agrees that it will not knowingly export, directly or indirectly, the Service or any Work Product (i) that it knows will directly assist in the design, development, production, stockpiling or use of missiles, nuclear weapons or chemical/biological weapons; (ii) to any entity on the Department of Commerce Entity List or any person or entity on the Department of Commerce Denied Persons List, each currently available at <http://www.bis.doc.gov>; or (iii) to any country subject to sanctions administered by the Department of the Treasury's Office of Foreign Assets Control or to any person or entity on the lists of prohibited entities and persons maintained by such office, currently available at <http://www.ustreas.gov/ofac>.

(b) **Disclaimer.** Origami makes no representation that the Service is appropriate or available for

use in other locations. If Client uses the Service from outside the United States of America, Canada, the United Kingdom and/or the European Union, Client is solely responsible for compliance with all applicable laws, including export and import regulations of other countries. Any diversion of the Service contrary to applicable law is prohibited.

13. GENERAL.

(a) **Notices.** Any notice, request, demand or other communication (each, a “**Notice**”) given pursuant to this Agreement must be in writing and delivered to the other party by either personal delivery, Certified Mail (return receipt requested and postage prepaid), nationally recognized overnight courier (with all fees prepaid) or e-mail at the address of such party listed on the signature page to this Agreement. A party may change its address by giving Notice pursuant to this Section.

(b) **Assignment.** Neither party shall have the right to assign, transfer, or sublicense any obligations or benefit under this Agreement without the prior written consent of the other party; provided, however, that no written consent shall be required to assign or transfer this Agreement to any parent or wholly owned subsidiary of a party, and further provided that Origami may assign or transfer this Agreement without Client’s prior written consent to a successor by way of a merger, acquisition, sale, transfer or other disposition of all or substantially all of its assets. Except as otherwise provided herein, this Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the parties.

(c) **Third Party Beneficiaries.** This Agreement does not and is not intended to confer any rights or remedies upon any party other than the parties to this Agreement.

(d) **Publicity.** Without prior written approval of the other party or as otherwise set forth in a Statement of Work or Order Form, neither party shall, directly or indirectly, make any public announcement related to this Agreement or the Service. Notwithstanding the foregoing, Origami may disclose the fact that Client has procured a license for the Service; provided that Origami will not state or imply that Client endorses or recommends the Service without the written permission of Client.

(e) **Entire Agreement; Amendments.** This Agreement (including all exhibits, appendices, schedules and attachments hereto) constitutes the final agreement between the parties. All prior and contemporaneous oral and written communications, negotiations and agreements between the parties on the matters contained in this Agreement, including, without limitation, any nondisclosure or confidentiality agreements entered into

between the parties prior to the date of this Agreement, are expressly merged into and superseded by this Agreement. No terms or conditions contained in any purchase order shall amend this Agreement or shall otherwise constitute an agreement between the parties. The parties may amend this Agreement only by a written agreement of the parties that identifies itself as an amendment to this Agreement.

(f) **Waivers.** The parties may waive any provision in this Agreement only by a writing executed by the party against whom the waiver is sought to be enforced. No failure or delay in exercising any right or remedy, or in requiring the satisfaction of any condition, under this Agreement, and no act, omission or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy or condition. A waiver once given is not to be construed as a waiver on any future occasion or against any other person.

(g) **Severability.** In the event that any provision of this Agreement shall be determined to be illegal or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

(h) **Governing Law.** The laws of the State of California (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement and the transactions it contemplates, including, without limitation, its interpretation, construction, performance and enforcement.

(i) **Dispute Resolution; Arbitration.** If a dispute arises out of or relates to this Agreement or a breach thereof, the parties shall first try to resolve their dispute through informal and good faith negotiation. Any demands, claims or controversies arising out of or relating to this Agreement, (including, but not limited to, fees or costs, breach of contract, or tort claims), shall be settled by binding arbitration before ADR Systems of America in Chicago, Illinois and in accordance with the Arbitration Rules of ADR Systems of America, and judgment upon the award rendered by the arbitrator may be entered in any court or tribunal having jurisdiction thereof. Either party may commence the arbitration process called for in this Agreement by filing a written demand for arbitration with ADR Systems of America. The arbitration will be conducted in accordance with the ADR Systems of America Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration. The parties will select one arbitrator from ADR Systems of America’s panel of neutrals and will share equally in the costs. The prevailing party shall be awarded attorneys’ fees. The party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorney’s fees, to be paid by the

party against whom enforcement is ordered. The arbitration proceedings and arbitration award shall be maintained by the parties as strictly confidential, except as is otherwise required by court order or as is necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and advisors.


(j) **Force Majeure.** Neither party shall have any liability for any failure or delay in performance of its obligations under this Agreement (except for payment) because of circumstances beyond its reasonable control, including without limitation, acts of God, fires, floods, earthquakes, wars, civil disturbances, terrorism, sabotage, accidents, unusually severe weather, labor disputes, governmental actions, power failures, viruses that are not preventable through generally available retail products, inability to obtain labor, material or equipment, catastrophic hardware failures, usage spikes, attacks on servers, or any inability to transmit or receive information over the Internet (each, a "**Force Majeure Event**"), nor shall any such failure or delay give any party the right to terminate this Agreement.

(k) **Certain Remedies.** Each party acknowledges and agrees that (i) it would be extremely difficult, if not impossible, to calculate the actual damages in the event of Origami's breach of Section 3(b) or 5 of this Agreement or Client's breach of Section 2, 3 or 5 of this Agreement; and (ii) breach of any such provision of this Agreement would result in ongoing damages to the non-breaching party that could not be adequately compensated by monetary damages. Accordingly, each party agrees that in the event of any actual or threatened breach of any such provision of this Agreement, the non-breaching party shall be entitled, in addition to all other rights and remedies existing in its favor at law, in equity or otherwise, to seek injunctive or other equitable relief (including without limitation a temporary restraining order, a preliminary injunction and a final injunction) against the other party to prevent any actual or threatened breach of any such provision and to enforce this Agreement specifically, without the necessity of posting a bond or other security or of proving actual damages.

(l) **Counterparts.** This Agreement and each Order Form and Statement of Work may be executed in counterparts, each of which will be deemed an original but all of which together shall constitute one and the same Agreement. Delivery of an executed counterpart of a signature page to this Agreement or any Order Form or Statement of Work by PDF or other electronic means shall be as effective as delivery of a manually executed counterpart of this Agreement or such Order Form or Statement of Work.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ORIGAMI RISK LLC

By:  _____

Name: Earnest Bentley
(Print Name)

Title: President, Risk Solutions

Address: 222 N. LaSalle St.
Suite 2100
Chicago, IL 60601

Email: legal@origamirisk.com

THE CITY OF ESCONDIDO

By: _____

Name: _____
(Print Name)

Title: _____

Address: _____

Email: _____

**EXHIBIT A
 ORIGAMI RISK ORDER FORM**

CONTACT INFORMATION	
Client: City of Escondido, California Address: 201 N Broadway, Escondido, CA 92025 Primary Contact: Amy Marquez, Risk & Safety Mgr. Primary Contact Email: am Marquez@escondido.org	Bill To Contact: Amy Marquez, Risk & Safety Mgr. Bill To Email: am Marquez@escondido.org Is purchase order (PO) required? <input type="checkbox"/> Upon entering into this Order Form, please send any PO's, vendor registration links or tax exemption certificates to finance@origamirisk.com

SUBSCRIPTION DETAILS
Subscription Term: 60 Months Effective Date: Effective Date (as defined in the Agreement)

RECURRING SUBSCRIPTIONS – LICENSES	
Subscription	Quantity / Functionality Purchased
RMIS	Functionality Selected
EHS - Safety Management	Functionality Selected
Claims Admin User(s)	7 Claims Admin User(s)
IT System Admin	7 Special License(s) – IT System Admin users
Block of 1,000 Read Only users	1 Special License – 1 block of 1,000 read-only users
Annual Total: \$70,510.00	

RECURRING SUBSCRIPTIONS – HOSTING	
Subscription	Quantity / Functionality Purchased
Hosting, Network & Storage	Up to 1 GBs of Database Size
Free Searchable File Attachment Storage	Includes 50 GBs of Searchable file storage
Additional Non-Searchable File Attachment Storage	100 Additional GBs of Non-Searchable File Attachment Storage
Annual Total: \$9,775.00	

RECURRING SUBSCRIPTIONS – DATA PROCESSING	
Subscription	Quantity / Functionality Purchased
HR Employee Demographic Import	Integration Selected – import Employee details daily
Fleet Schedule Feed	Integration Selected – import Fleet vehicles weekly
Vector Solutions - import training records	Integration Selected – import training records weekly
CityWorks AMS - import work orders for repair costs	Integration Selected – import work orders for repair costs daily
Annual Total: \$17,500.00	

RECURRING SUBSCRIPTIONS – Client Support	
Subscription	Quantity / Functionality Purchased
Client Support Tier	Selected Client Support tier includes support resourcing based on up to 5 hours of Client Support services per month beginning on the Effective Date.
Annual Total: \$15,000.00	

Annual Fees (before discount): \$112,785.00
Discount (applied to \$112,785.00): (\$20,000.00)
Total Annual Fees: \$92,785.00

BILLING DETAILS AND ADDITIONAL TERMS

This Order Form is effective as of the Effective Date (as identified above) for the purchase of the subscription services listed above from Origami Risk LLC (“Origami”). This Order Form is subject to all the terms and conditions of the underlying agreement between Client and Origami (the “Agreement”). To the extent the Agreement does not contemplate order forms, this Order Form will be deemed a Statement of Work for purposes of the Agreement. This Order Form will be deemed a part of the Agreement.

Fees for the first year of recurring subscription fees and all one-time fees under this Order Form will be invoiced and due upon execution of this Order Form. Fees for ongoing contract years are due annually upfront on each anniversary date thereafter. All fees are subject to applicable sales tax, which will appear separately on each invoice. All travel costs and expenses will be pre-approved by Client in writing and billed to Client as incurred.

Service descriptions and service-specific terms and conditions are set forth at origamirisk.com/serviceDescriptions, which are hereby incorporated by reference in the form available at such link as of the Effective Date. Additional professional services may be set forth in other Statements of Work as agreed between the parties.

Special Product Descriptions:

- IT System Admin User - These users are for utilization by Client’s Information Technology (IT) team for the purposes of providing IT support and utilization of the System Administration functionality
- Block of 1,000 Read Only Users – This license allows for 1,000 read-only users access to the system. These users have the ability to report new incidents but otherwise can only view system content and view files attached to system records. They do not have the ability to add/edit/delete information from the system other than their entry of new incidents.

ORDER FORM APPROVAL

The undersigned agree to this Order Form.

ORIGAMI RISK LLC

CITY OF ESCONDIDO

By:  _____

By: _____

Name: Earnest Bentley
(Print Name)

Name: _____
(Print Name)

Title: President, Risk Solutions

Title: _____

Date: May 7, 2024

Date: _____

EXHIBIT B **STATEMENT OF WORK**

This Statement of Work (“SOW”) describes services to be performed by Origami Risk LLC (“Origami”) for Origami Risk (“Client”). This SOW is subject to all the terms and conditions of the Software Subscription Agreement between Client and Origami (the “Agreement”), into which it will now be integrated as Exhibit B. Capitalized terms used herein shall have the meanings set forth in the Agreement.

OVERVIEW

This SOW sets forth the Professional Services to conduct the implementation of the Service. The term of this SOW shall begin on the Effective Date of the Agreement and continue until Go-Live of the Service (as defined below).

This SOW does not include subscriptions to the Service. All subscriptions and associated fees are set forth in a separate Order Form between the parties that is attached as Exhibit A to the Agreement.

Client desires a solution with minimal modifications/customizations from Origami standards.

Will be using the system for new incident reporting (roughly 200 new incidents will be added per year) and Claims Administration of Vehicle Accidents/Auto, Property and General Liability claims which are handled in house. For claim payments, this will occur outside the Origami system as Workday cuts/processes the check payments and there is no interface between Workday/Origami required with respect to the check/payment process.

There is no Workers’ Compensation (WC) included in this project as WC is handled by Client’s TPA and no feed to/from WC TPA is required.

Client will be using the system to maintain location and property information as well as a means by which to store vendor contracts. On the Safety side, Client will be utilizing Origami’s standard functionality to support (a) Audits, Inspections, Checklists (b) Root Cause Analysis (c) Corrective Actions (d) Safety Meeting Management (e) Task Management / CAPA (f) Training and Certification Mgt.

Please see the following sections of this document for greater detail of the items to be implemented.

IMPLEMENTATION

Implementation Process

Implementation is the process of configuring the Service for use by Client including system settings, supporting Client in loading data, initial user training, and other work identified in this section of the SOW. The implementation phase is completed when Client is able to utilize the Service platform for the purposes contemplated by the implementation tasks set forth below in this SOW, referred to by Origami as being Live in the system. Origami will manage the overall implementation process, including scheduling and leading meetings, communicating with the team, follow up documentation, and maintaining the project schedule through the Go-Live date. Once Origami moves Client from its staging environment to its live production environment, any additional use of Origami’s staging environment after Go-Live will incur additional hosting fees.

Client’s provision of timely and accurate specifications, direction and feedback is essential to the implementation. Both parties understand that time is of the essence with regard to the implementation and agree to use reasonable and good faith efforts to promptly complete the implementation.

Origami provides fixed price implementations based on (i) reasonable estimates from Client to complete the deliverables as scoped in this SOW and (ii) Client’s continued and uninterrupted effort toward Go-Live. Any voluntary project interruptions or stoppages ordered by Client outside of the project plan or any failures by Client to meet the obligations above will result in the conversion of the implementation to a time and expense engagement, effective upon email notice

from Origami to Client and billed monthly as incurred at Origami's bundled hourly rate set forth below after crediting Client for any remaining unused portion of the fixed price.

Service Implementation

Based on conversations with the Client, Origami estimates that it will need to provide 1,039 hours of professional services for the implementation deliverables set forth in this SOW (including, without limitation, training and project management hours). If there are any changes to the scope of such deliverables, the parties will agree to meet and negotiate in good faith an amendment to this SOW to resolve any issues and to address any additional requirements. The implementation services will include the following:

Origami will:

- Provide Client with Origami's Single Sign On (SSO) setup guide and configure Origami side SSO
- Deploy standard Origami out of the box screens for (a) Equipment/Assets with a field to identify the person assigned to that equipment (b) Vehicles/Fleet with a field to associate the driver assigned (c) Employee records with ability to attach an employee physical result file attachment and receive the training record information received from the Vector Solutions interface (d) Contact management (e) Insurance Policy Management
- Provide access to Origami's standard Location form layout and perform a one-time import of Client's locations / properties
- Develop the incident forms for Auto Liability, Auto Physical Damage, General Liability, Property.
- Mirror/replicate the above form layouts to Claim Form screen designs for Auto Liability, Auto Physical Damage, General Liability, Property.
- Deploy Origami's standard reserve/paid financial categories and turn on the Recoveries functionality to allow for Client to track subrogation/recovery efforts. Provide up to 15 hours of configuration and workflow rules/approval workflows Client would like to deploy to financial limits/approvals and reserve/payment request approvals.*
- Provision of access to Origami's standard Dashboard functionality and spend up to 10 hours to configure default dashboards to Client's preferred dashboard panels*
- Provision of access to Origami's standard Report module, which includes Ad-Hoc reporting, Report Templates and Custom Template functionality. In addition, Origami to spend up to 10 hours to configure Client's desired reports. Known reports are to recreate reporting requirements for Client's Excess Insurance Carrier*
- Deploy a Document Folder for housing vendor contracts (note this is not Origami's full Contract Management solution being that Client has a separate Contract Management solution outside of Origami Risk)
- Safety Deliverables:
 - o Deploy Origami's standard out of the box functionality for:
 - Safety Management inspections, audits & checklists
 - Root Cause Analysis via 5 Why's methodology
 - Safety Task Management / CAPA
 - Safety Meeting Management functionality
 - Ergonomic Evaluation/Assessment
 - Driver Qualifications (configured to match the historical data being imported)
 - Training and Certification management
- Provide access to Origami's Data Entry Event functionality (workflow engine) and Origami to spend up to Configure up to 25 hours to configure Client's desired data entry events with corresponding system actions*
- Configure up to 10 User Security Profiles for the named users roles/permissions/access

*In the event that additional hours in excess of the hours allocated herein are needed to complete the implementation deliverable, the parties may enter into a separate amendment or statement of work to purchase such additional hours.

Client will:

- Configure Client side SSO using Origami's SSO guide
- Provide specifications, direction, and feedback as needed by Origami in a timely manner.
- Configure additional default dashboards, fields, forms, user roles, distribution lists, reports and other features as needed by Client.

Convert Legacy System – Oracle Database

Client has the following record types that will be converted to the Origami system. (Records counts listed below are approximate and will have increased since provision of these rough numbers during the RFP process.)

- Driver qualification data: 166 records
- Employee vehicle accidents: 1,700 records
- Employee equipment assignments: 1,550 records
- Employee vehicle assignments: 136 records
- Ergonomic evaluations: 780 records
- Employee physicals: 31,500 records
- Vehicle/property damage subrogation: 950 records
- Liability claims tracking: 3,000 records

Client hosts the data which is stored in an Oracle database and can be exported in either a .csv or .xlsx file.

Origami will:

- As applicable, provide Client with text for data request letter suitable for requesting necessary data from Client's legacy provider.
- Convert the legacy data from the Oracle Database and import into the Service. Legacy data will include those items/record types listed above.

Client will:

- Arrange for an extract of data from the Oracle Database to .xlsx and/or .csv
- Ensure that data received from legacy provider is of a usable format suitable for processing.
- Ensure that the data is securely transferred to Origami

Loading Carrier / TPA Claims Data for Data Processing

Not applicable. There are no carriers, TPAs interfaced with for this project.

Configuring Automated Interfaces, Imports & Extracts To / From 3rd Party Systems

NOTE: At time of contract execution, it is unknown whether Vector Solutions will be able to support an export of completed training records to Origami Risk. As such, within the first 120 days from contract execution and prior to Origami doing any work on the interface, Client may provide written notice/request to Origami to remove the Vector Solutions from the work effort and receive a \$3,000 per year credit to apply to other services/effort.

Origami will:

- Implement import/export routines and schedules required to accommodate imports listed below.
 - Import on a daily basis of employee details from Workday ERP
 - Import on a weekly basis of vehicle details from Fleet Focus
 - Import on a weekly basis of employee training records completed from Vector Solutions
 - Import on a daily basis of work orders from City Works AMS to obtain repair costs

Client will:

- Arrange for data to be delivered in the agreed upon format, on the agreed upon schedule from the above listed interfaces.

Configuration of Incident Intake Process

Origami will:

- Configure the Enterprise Portal Data Entry Screens to accurately mirror Client's existing process (with below improvements)
- Build the workflow in the Service for proper email notification, mail merge document distribution and task creation according to Client's business rules.

Client will:

- Provide screen shots of existing intake forms currently in use.
- Work with Origami to identify opportunities to improve on current intake forms and process.
- Specify the workflows and individuals required for event triggered emails, tasks and mail merge

Training

Origami will:

- Provide up to 24 hours of training to Client during the implementation period set forth in this SOW. Client Support hours will be eroded for training following this implementation period. Training will be provided at Client offices or online at Client's request. Training can be provided in one session or several on mutual agreement between Client and Origami. Travel & Expenses associated with any on-site training will be pre-approved by Client and billed as incurred.

Client will:

- Provide Origami with guidance about the employees to be trained and any training requirements or a preferred approach.
- If training is to be provided in Client office, provide appropriate meeting space and internet access so Origami can perform the training and also provide for transportation and other expenses for Client employees who attend the training.

Project Management

Origami is founded on a set of **ITERATIVE** processes from top to bottom. These contemporary tenets are the foundation of Origami's ability to deliver better service and faster and more accurate implementations. Origami also maintains a set of best practices, tools and experts for our clients who require a more **TRADITIONAL** approach to managing their implementation project. The selection below indicates the project management model included within this SOW:

This SOW includes:

[Included] Iterative Project Management

[Not Included] Traditional Project Management

Iterative Project Management - Included

Origami will:

- o Schedule and lead initial kickoff call or meeting
- o Maintain schedule with key deliverables and expected dates
- o Lead status calls twice per month
- o Maintain project status document containing priority list, open items and changes which may impact timeline
- o Coordinate all activity within Origami to complete Origami's tasks on the project schedule and assign project management as shared role of team members
- o The Service's administrative tools and screens serve as documentation of the implementation for Client's System Administrator to reference.

Client will:

- o Participate in status calls and working meetings
- o Coordinate all activity within Client's organization to complete Client's tasks on the project schedule

- Coordinate all activity of Client's 3rd party providers required to complete tasks on the project schedule

Traditional Project Management – Not Included

If included, in addition to the responsibilities listed in Iterative Project Management above, Origami will designate a Project Manager to provide a specified number of hours of project management during the Implementation. This Project Manager will (1) manage the Origami tasks listed in Iterative Project Management above, (2) coordinate meetings and discussions with stakeholders as needed to maintain project progress, and (3) maintain a library of written artifacts and documentation including:

- Formal project kickoff agenda
- Communication plan
- Formal stakeholder analysis
- Project charter
- Collaboration website
- Detailed work breakdown structure
- Weekly project status calls, agenda, meeting notes
- Detailed issues and risks log
- Action items list
- Detailed project plan
- On site agendas
- Change control management
- Executive steering committee status call agenda (as needed)
- Origami governance decision management document
- UAT test plan for critical items (dependent on Client input and test cases provided)
- Executive project dashboard
- Lessons learned analysis

Client Roles and Responsibilities

- Client will designate, prior to the start of the implementation, a single point of contact who shall be responsible to coordinate and manage all activities required within Client's organization and make decisions on behalf of Client. This single point of contact may be changed at any time upon Client's notice to Origami.
- Client will designate, prior to the start of this engagement, at least one System Administrator ("Client SA") who will be responsible for working with Origami to implement the Service and maintain the Service thereafter, and who will provide ongoing production support to Client's users, both internal and external. Client SAs will be responsible for setting up and assigning security rights and maintaining user IDs for all users. Client SAs will have sufficient knowledge, skills and abilities to perform their identified project roles.
- Client will provide requested information within a reasonable timeframe as agreed upon by Client and Origami; if providing the requested information is not achievable or will take longer than preferred, Client will promptly inform Origami of the situation and alternative solutions will be determined.
- Client will help resolve project issues and assist with bringing issues to the attention of the appropriate persons within the organization, as required.
- Client will be primarily responsible for obtaining information and resolving any issues pertaining to third party products or services used by Client, if necessary.
- Client agrees generally to provide other reasonable assistance and cooperation to see that services are successfully completed.
- For any deliverables that Origami provides to Client for approval, Client will confirm approval or provide necessary details on any requested remediation promptly unless otherwise agreed between the parties.
- Client will be responsible for testing and quality assurance related to the implementation to ensure that all configurations and customizations operate as intended (including functionality, usability and data access rights), and Origami shall not be responsible for any damages caused by any such configurations or customizations.
- Client will have final responsibility for decisions regarding all configurations and customizations (such as forms, dashboards, interfaces, reports, workflows and data flows) created by or for Client or Client's users in the Service.

Marketing Terms

- A. Unless expressly prohibited in writing by Client, Origami may use Client’s name, logo, and any testimonials/quotes in Marketing and Sales materials (including the Origami website).
- B. Upon Origami’s request, Client will cooperate in good faith with Origami in conducting case studies or in drafting a press release.

PRICING AND INVOICE SCHEDULE

Origami will invoice Client \$54,125 for the professional services detailed in this SOW. Such payment shall be invoiced by Origami and due by Client immediately upon signature of this SOW by both parties.


If needed, additional professional services can be purchased through a separate statement of work. All fees are subject to state sales tax, where applicable. All travel costs and expenses will be pre-approved by Client in writing and billed to Client as incurred.

STATEMENT OF WORK APPROVAL

The undersigned agree to this Statement of Work.

ORIGAMI RISK LLC

CITY OF ESCONDIDO

By:  _____

By: _____

Name: Earnest Bentley
(Print Name)

Name: _____
(Print Name)

Title: President, Risk Solutions

Title: _____

Date: May 7, 2024

Date: _____

EXHIBIT C

SERVICE LEVEL AGREEMENT (SLA)

SYSTEM AVAILABILITY

Origami Risk will be available 99.5% of the time, excluding unavailability as a result of any Excluded Event (the “Availability Requirement”). This includes holidays, weekends, and non-business hours. It does not include planned downtime. In normal circumstances, Origami Risk will schedule downtime between 9:00 PM Eastern Time and 2:00 AM Eastern Time with an aim for such downtime to occur over the weekend.

“Excluded Event” means (i) scheduled maintenance windows of which Client is notified at least 24 hours in advance and which occur outside of normal business hours; (ii) scheduled repairs of not more than two hours duration in any one week period of which Client is notified at least four hours in advance and which occur outside of normal business hours; (iii) critical repairs including security updates where advance notice cannot be reasonably provided; (iv) interruptions caused by transmission errors, Internet service providers, vandalism, user error or other factors beyond Origami’s or its direct service providers’ reasonable control; or (v) interruptions caused by any act or omission of Client (including any employee, contractor, agent, customer, investor, consultant or third party user of Client or any of Client’s affiliates who uses or accesses the service), including any failure or delay in the performance of its obligations or failure of Client’s equipment or non-Origami software. The Availability Requirement applies only to Origami’s production environment and not to Origami’s staging environment.

Service Credits:

In the event there is a material failure of Origami’s service to meet the Availability Requirement in any calendar month (a “Service Level Failure”), then Client shall have the following sole and exclusive remedy: Origami will provide Client with a service credit on the next annual invoice equal to the pro-rated charges for one (1) full day of the affected services (e.g., 1/30 of the monthly fee, assuming a thirty (30) day month) for each day during which there was a Service Level Failure in such calendar month (a “Service Credit”). For clarity, such Service Credit shall not include credit for hosting fees, data processing fees, professional services fees or any other prepaid bundled fees other than licensing fees.

If Client believes that it is entitled to receive Service Credits, Client shall notify Origami in writing within seven business days after the applicable calendar month with a description of the Service Level Failure and the date and time of such Service Level Failure. If Client does not notify Origami within such timeframe, then Client shall be deemed to have waived all claims with respect to such Service Level Failure (but not to any future Service Level Failure). Origami will make all determinations regarding Service Credits in its reasonable discretion.

For any given month, Client shall in no event be entitled to receive a Service Credit that exceeds 100% of its monthly license fees for such month. Client agrees that Service Credits are the sole and exclusive remedy for any Service Level Failure.

BACKUP AND RECOVERY

Origami currently backs up transactions every 15 minutes via incremental backups. A differential database backup is performed nightly and a full backup is performed weekly. Backups are stored off site via Amazon S3, which has multiple redundancy and 99.999999999% durability and 99.99% availability of objects over a given year. Periodic database restore tests are performed to validate that backups are valid. Origami retains weekly backups for a minimum of six months.

NOTICES

Two email subscription options are available to each Origami Risk user. These determine the type of communication that they will receive from Origami Risk.

- Emergency: Receive emails concerning outages and other system problems
- Maintenance: Receive emails concerning scheduled maintenance on the system.

In addition, any Origami Risk user can visit <http://status.origamirisk.com/> to view the current system status.

SERVICE REQUESTS

Origami Risk will respond to service related incidents or issues within the following time frames:

Urgent Requests

An urgent request for service concerns a new development that significantly affects a major business task with no workaround. Client will request urgent support by sending an email to support@origamirisk.com with the word "Urgent" in the subject line. An urgent request made between 7:00 AM Central Time and 7:00 PM Central Time will typically be responded to immediately. If Client does not receive a prompt response, Client may escalate by contacting any Origami Risk service or support employee or manager via contact information provided to Client. The target resolution time for an urgent issue is as soon as possible.

Normal Requests

A normal request for service is any service request that is not urgent. A normal service request will typically be responded to within one business day. Client will request support by sending an email to support@origamirisk.com. Client may also call or email any member of the Origami Risk support team directly.

SECURITY

Any access to Origami Risk requires a unique user id and password. Passwords must adhere to standard password security rules including minimum length and complexity. Origami Risk uses a role-based security model. Client is responsible for assigning and maintaining role, location, and coverage security for users. Client's system administrators can use the tools in Origami Risk to review and change security rights, edit the user profile, and reset the password. User passwords are encrypted in the Origami database using a SHA-256 hash algorithm.

System locks out user after five login attempts with an incorrect password. An administrative user must then reset the user's password and unlock the user account.

Origami Risk uses TLS v1.2 or higher for all communications over https. Origami databases are fully encrypted using 256-bit AES encryption.

Claim, Transaction, and Notes data sent to the Origami Risk FTP site must be encrypted using at least 128 bits. Origami uses Open PGP for file encryption and can provide an encryption key to be used by the client. Origami Risk will keep the files on a secured files system in encrypted format except during the import process. When the import process is completed, unencrypted files are removed from the system.



STAFF REPORT

May 22, 2024

File Number 0600-10; A-3508

SUBJECT

OPERATION AND MANAGEMENT AGREEMENT BETWEEN THE CITY OF ESCONDIDO AND THE CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO FOUNDATION FOR FISCAL YEAR 2025

DEPARTMENT

City Manager's Office

RECOMMENDATION

Request the City Council adopt Resolution No. 2024-58 authorizing the Mayor to execute the proposed Operations and Management Agreement ("Agreement") between the City of Escondido ("City") and the California Center for the Arts, Escondido Foundation.

Staff Recommendation: Approval (City Manager's Office: Christopher W. McKinney, Deputy City Manager / Director of Utilities)

Presenter: Christopher W. McKinney, Deputy City Manager / Director of Utilities

ESSENTIAL SERVICE – No

COUNCIL PRIORITY – Eliminate Structural Deficit

FISCAL ANALYSIS

In January 2024, the City Council approved an allocation plan for funding received through the American Recovery Plan Act ("ARPA"). This plan for expending ARPA funding included an allocation of \$1,837,330 to the California Center for the Arts, Escondido ("CCA") for management and operation by the CCA Foundation ("CCA") during Fiscal Year ("FY") 2025. This funding is intended to cover cost of managing the center as specified in the proposed Agreement (\$660,000 for FY 2025, or \$330,000 semi-annually), the cost of insurance, and the cost of energy purchases from San Diego Gas and Electric ("SDGE") (natural gas and electricity).

The CCA campus at 340 North Escondido Boulevard is property owned by the City. The CCA operates the CCA under the terms of the existing fifteen-month Operation and Management Agreement which expires on June 30, 2024. If the City Council authorizes the new proposed Management Agreement, the management fee will remain \$660,000 per year. The City will pay the money from ARPA funding in two equal payments of \$918,665, with the first occurring on or about July 5, 2024 and the second occurring on or about January 6, 2025.



CITY of ESCONDIDO

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The total management fees paid in FY2024 under the terms of the proposed agreement will be \$660,000. The proposed agreement provides that 100% of the premiums for insurance required by the agreement will be paid by the CCAEF from ARPA funding allocated for operation and maintenance of the CCAE.

PREVIOUS ACTION

On March 22, 2023, the City Council approved a Management Agreement with a fifteen-month term, beginning April 1, 2023, and terminating on June 30, 2024. The City and the CCAEF executed this agreement on March 31, 2023.

BACKGROUND

The CCAE opened in 1994 in its current City-owned facilities located at 340 North Escondido Boulevard in Escondido. The CCAEF formed to operate and manage the facility on behalf of the City under the terms of a Management Agreement, which grew into three separate agreements. Through mutual agreement, the City and the CCAEF consolidated these agreements in 2014 into a single agreement with a five-year term. The CCAEF and City worked under the 2014 agreement on a month-to basis from its expiration in 2019 through March 31, 2023. The CCAEF and City mutually agreed to the existing fifteen-month agreement that took effect on April 1, 2024 and will terminate on June 30, 2024.

The proposed Agreement has a term of 12 months beginning on July 1, 2024 and ending on June 30, 2025. Within 3 months of the Agreement's termination, the City and the CCAEF may agree to extend the Agreement by one year, until June 30, 2026. After that extension, the Agreement may continue on a month-to-month basis if neither the City nor the CCAEF take further action.

The proposed Agreement is attached to Resolution No. 2024-58 as Exhibit "A". The following paragraphs detail some important terms of potential public interest that are continuing from the existing agreement, as well as the changes to the existing agreement that are recommended in the proposed Agreement. Several sections are of particular interest as the proposed Agreement is considered. Some of these sections change or add significant terms when compared to past Management Agreements between the City and the CCAEF, while others are noteworthy simply because they specify important responsibilities of the City and the CCAEF. These sections are:

Section 3 (*Unchanged from the existing agreement*) – Requires the CCAEF to remain a non-profit organization in good standing with the State of California, and to notify the City of amendments to any of its formation documents (e.g., Articles of Incorporation and Bylaws).

Section 4 (*Unchanged from the existing agreement*) – Grants the CCAEF exclusive rights to produce and present activities at the CCAE, with the understanding that the CCAE facilities are for



CITY of ESCONDIDO

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the benefit of the public. Allows the CCAEF to produce its own “in-house” programming and to lease the premises to outside entities. Gives the City access to the Conference Center for a limited number of days each year at no cost.

Section 11 (*Unchanged from the existing agreement*) – Specifies that the CCAEF must obtain permits through the City’s regular process for events on the Great Green of Grape Day Park, but the City will charge no permit fee.

Section 12 – (*Unchanged from the existing agreement*) Requires the CCAEF to continue to provide production and exhibition assistance to non-profit and community groups, including production, promotional, and technical assistance, as long as the CCAE facilities remain available.

Section 21 (*Change from the existing agreement*) – Updates and specifies requirements for insurance coverage for the CCAE facility and operations. Specifies that the CCAEF shall pay 100% of all premiums, with funding to come from the allocation of ARPA monies to the CCAEF by the City.

Section 27 (*Change from the existing agreement*) – Provides that the City will continue to pay the CCAEF a Management Fee for the services it provides, with a Management Fee of \$660,000 per year over the twelve-month term of the agreement (\$330,000 semi-annually). The CCAEF continues to agree to designate \$100,000 annually of this Management Fee to fund several community events: (1) Annual 4th of July (Independence Day) Celebration, (2) Día de los Muertos, (3) Música en la Plaza, and (4) Winter Wonderland. Funding for the Management Fee, the costs of energy payments to SDGE, and Liability Insurance as required in Section 21 will come from the allocation of ARPA monies to the CCAEF by the City.

The CCAEF Board of Trustees is expected to consider and approve the proposed Agreement at its regular meeting on June 6, 2024. The resolution authorizes the Mayor to execute the attached Agreement after the CCAEF Board of Trustees approves the Agreement, or an agreement with revisions that do not materially change the terms of the attached Agreement.

RESOLUTIONS

- A. Resolution 2024-58
- B. Resolution No. 2024-58 Exhibit “A”- Agreement

RESOLUTION NO. 2024-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, AN OPERATIONS AND MANAGEMENT AGREEMENT BETWEEN THE CITY AND THE CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO FOUNDATION

WHEREAS, the City owns certain property known as the California Center for the Arts, Escondido (“Center”) which has been operated since 1994 by the California Center for the Arts, Escondido Foundation (“CCAEF”); and

WHEREAS, the CCAEF has been operating and managing the Center under the terms of a fifteen-month agreement beginning on April 1, 2023, and terminating on June 30, 2024; and

WHEREAS, the CCAEF was established to further advance the programs and solicits donations from individuals, groups and foundations; and

WHEREAS, the City Council desires at this time and deems it to be in the best interest to approve a new Agreement with the California Center for the Arts, Escondido Foundation, having a term of twelve months, beginning on July 1, 2024 and ending on June 30, 2025, with the option for a single, twelve-month extension through June 30, 2026.

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

1. That the above recitations are true.
2. That the City Council accepts the recommendations of the City Manager.
3. That the Mayor is hereby authorized to execute, on behalf of the City, an

Agreement with the California Center for the Arts, Escondido Foundation, which is attached to this Resolution as Exhibit "A" and incorporated by this reference, or a Management Agreement that is not substantively different from Exhibit "A" and approved by the City Attorney.

OPERATION AND MANAGEMENT AGREEMENT BETWEEN THE CITY OF ESCONDIDO AND THE CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION

This Operation and Management Agreement ("Agreement") is entered into as of July 1, 2024 ("Effective Date") by and between the City of Escondido, a California municipal corporation ("City") and the California Center for the Arts, Escondido, Foundation, a California nonprofit public benefit corporation ("CCAEF") for the purposes of providing for professional management and operation of the California Center for the Arts, Escondido.

Recitals

WHEREAS, in 1994, the CCAEF was incorporated in California as a nonprofit public benefit corporation and is exempt from income tax under California Revenue and Taxation Code section 23701d and Internal Revenue Code section 501 (c)(3); and

WHEREAS, in or about 1994, the City constructed an arts, theatre, and museum complex located at 340 N. Escondido Blvd., Escondido, CA 92025 ("Center") to provide a focal point in southern California for the presentation of a variety of world class, visual and performing art events, to encourage diverse cultural activities in programs, and to provide a venue for local events, educational, opportunities, and presentations; and

WHEREAS, the City desires that the Center be managed with special expertise in the field of performing arts, theatre and museum operations; the holding of special events; the attraction of world-class entertainers; and the promotion and support of local cultural programming, all the while affording proper accountability to the citizens of Escondido; and

WHEREAS, the CCAEF is competent to provide professional personnel with such special expertise, interest, and capacity to operate and manage the Center to accomplish the goals of the City, as stated herein; and

WHEREAS, the City and the CCAEF share a common vision and goals for the Center and desire to work in partnership to assist each other in achieving these goals; and

WHEREAS, the parties desire to commit to writing their respective rights, duties, obligations and promises with respect to the City's desire to have the CCAEF serve, and the CCAEF's agreement, to serve, as the operator of the Center for the term stated in this agreement.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definition of Terms

The following words and phrases in this Agreement shall have the significance attached to them in this Section unless otherwise indicated or apparent from their context.

Agreement. The Agreement shall consist of the recitals, terms, and all documents referenced herein and made a part hereof, including Exhibits and Attachments, if any.

CCAEF. The California Center for the Arts, Escondido Foundation, a California nonprofit public benefit corporation, acting by and through its Board of Trustees, employees, consultants and volunteers.

Center or Center Premises. The total complex, located at 340 N. Escondido Blvd., Escondido, CA 92025, consisting of theaters, educational facilities and studios, museum, conference center, administrative offices, immediately adjacent exterior gardens, plazas, and grounds, and a central plant, which are collectively referred to in this Agreement as "the Center." A satellite image outlining the Center Premises is attached as **Exhibit 1** and incorporated by reference. The area commonly referred to as the Great Lawn is not included as part of the Center Premises under this Agreement. The parking lot on the west side of the footbridge by the Center's Administration building shall be for the primary use of the CCAEF; however, the City reserves the right to use that parking area for its use with 30-day advance notice. The City and Center commit to working together to develop a mutually beneficial and streamlined process for the area of Grape Day Park commonly known as the "Great Lawn" .

City. The City means the City of Escondido, a general law city formed pursuant to the laws of the State of California.

Contract Administrator. The Contract Administrator means the City Manager or his/her designee or, upon written notice to CCAEF, such other person as shall be designated from time to time by City.

Party or Parties. Center or City may be referred to individually as Party or collectively as Parties.

Routine Maintenance. Routine Maintenance as used herein shall refer to the regularized facility maintenance and cleaning services provided by the respective Parties referenced in **Exhibit 2**, which is attached hereto and incorporated by this reference.

Section 2. Grant of License

2.1 City hereby grants to CCAEF the right to use and operate the Center and Center Premises, as identified in Exhibit 1, and CCAEF so agrees to operate such facilities, subject to the terms and conditions set forth in this Agreement.

Section 3. CCAEF Representation of Nonprofit Good Standing

3.1 CCAEF warrants that it is a validly existing nonprofit public benefit corporation in good standing with the State of California, and that it has provided the City with a current copy of a resolution of the Board of Trustees of the CCAEF Corporation authorizing the execution of this Agreement on behalf of CCAEF. CCAEF also warrants that it has, in conjunction with its execution of this Agreement, provided City with copies of its current Articles of Incorporation, its Bylaws, filings with the Office of the California Secretary of State, liability insurance policies, a list of names of the current members of its Board of Trustees, a list of names of other officers of the corporation, and an organizational chart detailing the CCAE staffing. The CCAEF shall also provide to the City copies of formation documents relating the CCAE Charitable Trust, and other documents as may be public records under California or Federal law. CCAEF agrees that it will provide City with copies of any of the above documents which change in form or scope at any time during the term of this Agreement, and with any other documents which may be reasonably required by City, within thirty (30) days of such change or request.

Section 4. Operation of the Facilities

4.1 **Exclusive Right to Center Activities.** To further the purposes of the City, the CCAEF shall have exclusive rights to produce, present, or provide a wide variety of performing arts and visual presentations, and to operate a museum and education facilities for a wide variety of events. These

presentations will be offered through efforts of the CCAEF or in cooperation with performing artists, other performing arts organizations, or commercial promoters, with the goal that the Center will be operated for the benefit of the public. CCAEF may, at its own discretion, use the theaters, or other parts of the Center, for production of in-house programming. CCAEF shall assemble, safeguard, preserve and conserve objects of art for display at the museum. The City recognizes that a permanent art collection is held in trust by CCAEF. CCAEF has exclusive rights to operate the Conference Center for meetings, banquets, special events and gatherings. CCAEF shall also have the exclusive right to sell, or to contract for the right to sell, beverages, food, confections, clothing, novelties, and publications within the Center as appropriate. These activities shall be conducted at no financial risk to the City. Any excess revenues received from the production of Center activities may be retained by the CCAEF for funding of additional programming at the Center.

4.2 Right to Rent and Contract for Use. CCAEF shall have the exclusive right to rent and control events at the Center, distribute tickets, operate a ticket office, and charge admission for events at the museum and theaters, as well as to establish pricing and rate structures for all activities at the Center. CCAEF shall use the Center facilities for presentation of performing arts (e.g. dance, music, theater) by outside groups and promotional entities that rent the Center and stage their own productions, and shall have the right to enter into contracts with such groups to fulfill this purpose. CCAEF shall use the Center for rental to outside groups and promotional entities that rent the facility for their own events, for the display of artistic exhibitions and for educational activities, or for other appropriate uses consistent with the purposes of this Agreement.

4.3 Leasing of Center Space. CCAEF may offer space at the Center for lease to other entities sharing CCAEF's vision or purpose. Such leases, if in excess of one year, shall be subject to the City's prior approval and shall be executed by and between the City and the entity selected by CCAEF. Such leases between the City and the entity shall be subject to and in accordance with all the terms and conditions set forth in this Agreement.

4.4 Reservation for City Use. CCAEF understands that the City may occasionally need use of some portions of the Center facilities, subject to the following guidelines: The City may schedule use of Conference Center rooms 12 days per calendar year at no room rental cost. If possible, the use will occur on Monday through Thursday. If the space is needed on a Friday, Saturday or Sunday, the City shall vacate the premises by no later than 4 p.m., to allow the CCAEF to rent the facilities in the evening. City shall pay the full market cost of all labor, food, beverages, setup, preparation and any items rented by the CCAEF on behalf of the City. If a potential rental of the space becomes likely, the CCAEF will work with the City to determine if a different room or theater is available that would serve the City's needs and allow the CCAEF to generate more rental income. The Contract Administrator shall be the City's designated agent to coordinate with CCAEF staff for City use of these Center facilities.

4.5 First Amendment and Political Activities. CCAEF has adopted and implemented an Expressive Activities Policy which conforms to state and federal law. Further, the Center shall not be used directly by CCAEF for the purpose of working on or campaigning for the nomination or election of any persons to any public office, whether partisan or non-partisan. However, CCAEF may rent all or part of the Center facilities to persons or entities for political activities at standard, publicly-available (non-preferred) rates.

4.6 Information Technology Policies and Support. The CCAEF shall follow all information and computer technology protocols, guidelines, policies, restrictions and directions from the City if the CCAEF intends to connect its computers to the City's servers. The CCAEF shall employ sufficient staff to provide on-site assistance to the CCAEF employees; however, the City may provide additional assistance to the

CCAEF on computer technology access and related questions subject to availability.

4.7 Reasonable Self-imposed Restrictions. Subject to the terms of this Agreement, including but not limited to Section 17, CCAEF may develop reasonable restrictions for the use of the Center which are consistent with and supportive of the rights of the general public, consistent with the requirements of this agreement, and which are designed to enable CCAEF to use these facilities consistent with the purpose of this Agreement.

4.8 Security. The City and the CCAEF share concerns regarding the security at the Center for both individuals and property, and commit to implementing appropriate security measures. The CCAEF is responsible for maintaining the proper security of the Center Premises, which may include retention of security personnel at the CCAEF's expense. Security personnel may include City Park Rangers, through a separate Memorandum of Understanding.

4.9 City Property. At all times during the term of this Agreement, the Center Premises shall remain the absolute property of the City. No legal title or leasehold interest in the Center shall be deemed or construed to have been created or vested in CCAEF by anything contained in this Agreement or otherwise. Because CCAEF is an operator of a City-owned facility organized for the purpose of reducing the burden on City government, the Parties intend that CCAEF shall have no liability of any sort for payment of property taxes.

4.10 Utilities. CCAEF shall be responsible for the payment of all utility bills related to the operation of the Center, including those related to meters placed at the Center and 80% of the City's natural gas and electricity charges generated at the City's Central Plant facility shared between City Hall and the Center.

Section 5. CCAEF Property

5.1 City agrees that all furniture, equipment, and other similar property of a personal nature which is acquired by CCAEF solely with its own resources shall be and remain the property of CCAEF. All fixtures, including items which are attached to, affixed or otherwise become part of the Center, shall be property of the City.

Section 6. Center Naming Rights

6.1 CCAEF shall have the right to name or change the name of the Center, or a portion of the Center. If the CCAEF has developed a Naming Policy, which has been approved by the City Council, no additional approval is needed. If no such policy has been developed or approved by the City Council, naming rights are subject to the prior written approval of the City. The amount and use of any monetary donation or payment made by a third-party for naming rights to the Center, or a portion thereof, shall also be the subject to prior written approval of the City, unless the aforementioned policy has been previously approved by the City Council.

Section 7. Construction, Improvements, and Alterations

7.1 Protection of Center Facility. CCAEF agrees to use reasonable and professional care and skill to protect the Center Premises at all times. Further, the CCAEF shall use care to protect and preserve all alterations, additions and improvements made by the City to the Center. CCAEF agrees not to alter any existing improvements on the Center Premises, except in accordance with written permission and/or plans and specifications previously submitted and approved in writing by the Contract Administrator or

other designated City representative.

7.2 Training and Instructions. Where applicable, City shall provide CCAEF with instructions for use of existing equipment, materials and fixtures and train CCAEF personnel with respect to the care of any new equipment, materials and fixtures installed by or on behalf of the City.

7.3 Use of City Employees and Contractors. City reserves the right to employ its own employees or contractors to perform any repairs, maintenance, alterations and Regular Maintenance to the Center Premises at any time and with reasonable notice to the CCAEF. The City may, at its discretion, chose to pay the CCAEF to complete repairs, maintenance or alterations on Center facilities.

7.4 Recommendations & Responsibility for Improvements. Recommendations for interior decoration and alterations for the accommodation of the ongoing operation of the Center shall be the responsibility of CCAEF. Other than preliminary design sketches intended to provide a conceptual visualization of a proposed change, which will be produced by CCAEF at no cost to the City, no architectural or design work may begin without written approval from the City. No construction related to any plans and/or specifications produced by such architectural or design work can begin without written approval from the City. The cost of architectural, design, and resulting construction shall be the responsibility of the CCAEF, except in the cases of City approved Capital Improvement Projects as described In Section 7.5.

7.5 Capital Improvement Project Funding. CCAEF may request funding from the City for Capital Improvement Projects (CIP) related to the Center. The costs of any such CIPs shall be borne by the City, but only where the City shall have first approved of and prioritized such expenditures in writing. CCAEF shall establish a yearly budget and proposal for any CIP expenses it recommends for the Center Premises and for which it seeks City contribution. The CIP budget shall be submitted to the City not later than April 1 each year to allow the City to review the recommendation and, if approved, to include such amount in its CIP or other budget for City Council consideration for the next fiscal year starting July 1. The City shall provide the format necessary for submittal of CIP requests.

7.6 Quarterly Facility Walkthrough. On a quarterly basis, representatives from the City and the CCAEF shall walk through the premises, including the interior of all the buildings, to identify short and long-term repairs and improvements as well as identifying items that may be included in the City's CIP budget.

Section 8. Waste, Damage or Destruction of Center

8.1 CCAEF shall take all reasonable measures to assure that any tenants, users, contractors or licensees of the Center avoid any form of waste, damage, destruction of the Center Premises and immediately adjacent City property, or make any temporary or permanent alterations of the facilities without the City's prior written consent. Such measures shall include use of written agreements, provision of insurance, and if necessary, on-site monitoring of performances, conferences, events, and other uses of the Center. In the event of any waste, damage or destruction to property under the control of the CCAEF or City, CCAEF shall give immediate notice to the City of any damage to the facilities within not more than twenty-four (24) hours of such damage occurring. CCAEF shall not itself commit or allow any waste or damage to the Center premises or City property, or permit or any nuisance. CCAEF shall keep the Center clean and clear of refuse and obstructions, and shall assure that either itself or all licensees, invitees or users dispose of all garbage, trash, and rubbish and return the Center to the condition prior to use, in a manner satisfactory to City.

Section 9. Routine Maintenance, Repair and Cleaning

9.1 The Parties agree to perform the Routine Maintenance of the Center Premises as provided for in Exhibit 2. City responsibilities shall be completed by City maintenance staff or by qualified contractors hired by the City. CCAEF responsibilities shall be completed by CCAEF staff with the qualifications and certifications necessary to complete the work, or by qualified contractors hired by the CCAEF. CCAEF shall notify the City of any non-emergency repair or maintenance issues which it requests the City to undertake, or which are among the City's responsibilities, within ten (10) days of discovery of such facility issue. If the maintenance or repair does not clearly fall into a category listed in Exhibit 2, the Parties will meet and confer regarding the respective responsibility for such repair or maintenance under this Agreement. For purposes of carrying out day-to-day responsibilities and in implementing this paragraph, CCAEF staff and City shall regularly meet and discuss those items of maintenance and repair that both Parties expect CCAEF shall undertake as well as those items of maintenance and repair which the City shall undertake.

Section 10. Obligation of Diligent and Permitted Use

10.1 CCAEF and City covenants to diligently perform all of their obligations under this Agreement, and to use the Center solely for the purposes described in this Agreement.

Section 11. Special Events and Use of Additional City Areas

11.1 Coordination and Permits. The CCAEF may request the temporary use of portions of Grape Day Park, including the area commonly referred to as the Great Lawn, or other City- owned facilities adjacent to the Center Premises, subject to prior written approval of the Contract

11.2 Administrator and any conditions required therein. Any request to use such non-Center areas or facilities shall be coordinated so as not to conflict with other City-sponsored events and shall be accompanied by the necessary no-fee Special Event or no-fee Temporary Use Permits, additional insurance coverage as may be required by the City, and additional permits or authorizations as may be required to conduct the event required by other government agencies. No changes to the facilities or grounds of Grape Day Park may be made by the CCAEF without prior express approval from the City through the permit process. If changes are approved, they must be temporary in nature unless expressly approved as a permanent change by the City prior to the event. If alcoholic beverages will be sold or provided in conjunction with any event covered under this section, a current license (includes 1-day licenses) issued by the California Department of Alcoholic Beverages, shall be held by the Party using the space.

11.3 Parking Area. The portion of the parking lot north of the channel and west of the footbridge by the CCAEF Administration Building is available for general public parking. However, since this is the primary area for Center Patron parking, it is listed as part of the Center premises, under "Definitions". If the City has a need to use or close this area, the Contract Administrator shall contact the primary CCAEF liaison to discuss the impact, identify options and develop a mutually agreeable solution. See Exhibit 1 for map of this area.

Section 12. Production Assistance

12.1 During those periods when CCAEF is not fully utilizing the Center for presentation, production, rehearsal, exhibitions or programs, CCAEF will continue to assist other non-profit or community performing artists or groups producing cultural events. Such assistance may include

promotional, production and technical assistance as is appropriate to the particular performing artist or group utilizing the Center. CCAEF may charge fees for production management, labor, lighting design, sound engineering, production design, or other such production or support activities which it provides to performing artists and other organizations.

Section 13. Catering

13.1 CCAEF shall be permitted to use, hire or retain any catering company or caterer it reasonably chooses, consistent with the terms of this Agreement. CCAEF and its caterers and employees shall be required to comply with all state, county and local food handling laws, rules and regulations.

Section 14. Entry and Inspection

14.1 City reserves the right to enter the Center Premises for the purpose of viewing and ascertaining its condition, to protect City's interests in the facilities, or to inspect the operations conducted thereon at any time with reasonable notice to the CCAEF's primary representative, and at a time that does not interfere with Center operations or events. In secure areas (as reasonably designated from time-to-time by CCAEF), City's representatives may be accompanied by CCAEF personnel.

Section 15. Facility Schedule

15.1 Center Program Schedule. CCAEF shall have sole discretion over the Center schedule and content, including but not limited to rental of facilities, presented and produced performances, and museum exhibitions so long as they are consistent with the mission for the Center, as defined in this Agreement. On or about July 15, October 15, January 15, and April 15, CCAEF shall submit to the City for its review, a projected Schedule ("Schedule") which will indicate the various anticipated renting or uses of the Center, including the Conference Center, each theater, and the museums and educational facilities throughout the following 3 months. The City shall have the opportunity to review the Schedule for the purpose of assuring that the community has appropriate and reasonable access to the facilities, to presentations, and visual arts presentations and that the various parts of the Center are being utilized effectively throughout the year. It shall be the objective of the CCAEF to present at least 2 exhibition rotations in the museums and educational facilities each year. Any substantial modifications to the Schedule shall be subject to the reasonable review of the City.

15.2 CCAEF Program Approval. CCAEF shall have control over leasing details such as artist or group approval, performance schedule and length, and other artistic or promotional matters, including but not limited to artist and performance selection, exhibition theme and schedule, presentation and production specifics, and artistic content.

Section 16. Financial Reporting Requirements

16.1 Price and Fee Schedule. CCAEF shall provide to City, by July 15 of each year throughout the term of this Agreement, a current schedule of prices or fees for all items or facilities sold or rented at the Center. When such prices or fees are changed, CCAEF shall notify the City as soon as is practical of the new fee schedule.

16.2 Periodic Reports to the City Council. The CCAEF shall participate in the City's Center for the Arts City Council Subcommittee meetings, as required and on dates mutually agreeable to the CCAEF and the City. Additionally, the CCAEF Executive Director shall participate in the quarterly financial status updates presented by the City's Finance Department staff to the full City Council. These quarterly reports

should include a brief verbal report of the Center's activities and current plans for use of the Center and are intended to provide an opportunity for both City and CCAEF to communicate directly their concerns and expectations with respect to the operations of the facilities, and to provide for public Information and comments.

16.3 Annual Report. Except as provided in Section 16.9, on or before the filing deadline for its Federal Tax Return for each of CCAE's fiscal years (November 15), CCAEF shall submit to City its completed financial statement audited by an independent certified public accountant, who shall be approved by the City. Such audited financial statement shall be generated in accordance with generally accepted accounting principles and include an audited supplemental statement that segregates operations of the theaters, Conference Center, museum and education facilities, and other overall CCAEF operations. The segregated operations information and records shall include all revenues and expenses with respect to the operation of the theaters, Conference Center, museum and education facilities including the following: 1) Revenues -- for single ticket sales, subscription sales, concessions, rental income, and facility charges; and 2) Expenses -- for payroll, utilities, repair and maintenance of premises, repair and maintenance of equipment and other overhead.

16.4 Supplemental Annual Report. In addition to the Annual Report, CCAEF shall also submit to the City all supplemental or amended annual reports published by the independent certified public accountant including but not limited to the Audit Communication Letter required by Statement of Auditing Standards No. 114, the Report on Internal Control and Management Letter, if applicable.

16.5 Regular Financial Reports. The CCAEF shall submit its monthly regular financial status reports ("Financial Reports"), produced in the normal course of its operations, to the Contract Administrator or designee within one week of such reports being presented to the CCAEF Board of Trustees.

16.6 Operating Budget. City shall have the right to review the CCAEF's proposed annual operating budget in a form agreed to by both Parties for the next fiscal year. The budgeted uses of the Management Fee paid to the CCAEF by the City shall be noted in the budget as a monthly planned expenditure and the City shall be given the opportunity to request changes as it believes are necessary. At the time of the City's quarterly budget report to the City Council, the CCAE will report on deviations from the budgeted uses of the City Management Fee, if any, and explain the cause and/or purpose of the deviations.

16.7 Board and Committee Meetings. CCAEF shall notify the Contract Administrator in advance of all meetings of its Board of Trustees, whether regular or special. The Contract Administrator shall have the right to attend any of such meetings at his/her discretion. The Contract Administrator shall serve as a non-voting member ex-officio of the CCAEF Finance Committee.

16.8 Information Reporting. On an ongoing basis and upon request of the City, CCAEF shall provide such other reports or information reasonably necessary for the City to review the operations of the Center and the manner in which City funds are being utilized. The requests shall be responded to as promptly as reasonably possible depending on the information requested, and all information shall be provided and used consistent with Section 16.11.

16.9 Audit by City Accountant. The City may choose, in its sole discretion, to select, manage and compensate an independent certified public accountant to generate an annual and supplemental financial statement audits of the CCAEF provided for in this Section 16. In such case, CCAEF shall be responsible for the timely and complete submission of all information and records required to perform the

audit in the timeframes required by the City. CCAEF staff and CCAEF outside auditors/CPA's will be made available during the audit process and allowed to participate in the process to assist the firm by providing information, documentation, explanations, and preparation of necessary schedules. The preparation of confirmations will be the responsibility of the CCAEF.

16.10 Cooperation. The CCAEF shall fully cooperate with the City and its consultants in the preparation of all audits and reports required by this Section 16 and shall provide all requested information and documentation as is requested in a timely manner satisfactory to the City. A failure to fully and timely cooperate with auditors, consultants and the City in the submission of the financial reports required under this Agreement shall constitute a material breach of the Agreement.

16.11 Confidentiality. Whenever the Parties exchange information which is exempt from public disclosure under the California Public Records Act, Government Code Section 6250 et seq., the Parties shall cooperate with each other in a good faith effort to maintain the confidentiality of such documents, to the extent allowed by law. However, the City and CCAEF shall comply with any lawful order of a court with competent jurisdiction when required to produce documents or information to third parties.

Section 17. CCAEF's Executive Director/CEO

17.1 Executive Director/CEO. The CCAEF shall employ an Executive Director/CEO who shall have the requisite knowledge, background and experience to lead the CCAEF and Center to satisfactorily perform the CCAEF's obligations of this Agreement and who shall serve as the principal liaison for the CCAEF and Center with the City and Contract Administrator. In the event that the CCAEF furloughs staff for any reason, the Executive Director/CEO shall not be furloughed for more hours in a particular month than any other full-time employee of the CCAEF.

17.2 Executive Director Selection. The Contract Administrator may participate with the CCAEF Board of Trustees in the process of selecting a new Executive Director /CEO and in the annual evaluation process of an existing Executive Director. The Contract Administrator may provide final input on any individual selected for the position of CCAEF Executive Director.

17.3 Executive Director Consultation with City. The City may provide input and advice to the Executive Director through the Contract Administrator on operational and financial issues, procedures for submission and approval of expenditures related to this Agreement, the adoption of policies for use of the Center, as well as development of contracts, schedules, fees, and other items necessary to implement the purposes of this Agreement.

Section 18. Future Disposition of the Center

18.1 The City retains the right to dispose of the Center Premises, or a portion of it, to another entity by sale, lease or other transfer of rights during the term of this Agreement. In the event the Center Premises, or a portion thereof, are sold, leased or otherwise disposed of, the City may take any and all steps it deems reasonably necessary to facilitate the disposition, including, but not limited to, the expedited turnover of portions of the Center Premises and the assignment of its rights and duties under this Agreement. City shall comply with Section 29.4.B of this Agreement should it chose to implement this provision. In the event that the Center, or a portion thereof, is disposed of, CCAEF and the City shall meet and confer on the impacts of the disposition.

Section 19. Compliance with Law

19.1 CCAEF agrees to comply, and secure compliance from its Board of Trustees, employees and representatives, with all the requirements of all municipal, county, state, and federal laws pertaining to the Center and its operations. The judgment of any court of competent jurisdiction that CCAEF has violated any law, or CCAEF's admission that it has done so, shall be conclusive of that fact as between City and CCAEF. Notwithstanding the foregoing, CCAEF shall not be in breach of this Agreement and City shall have no right to terminate this Agreement in the event of a minor violation of a requirement or statute if CCAEF promptly complies with the requirement or statute upon learning of such violation. CCAEF will not knowingly take any action that would, in the judgment of the City's Contract Administrator or counsel, adversely affect the CCAEF's nonprofit public benefit status.

Section 20. Nondiscrimination

20.1 CCAEF agrees that it shall abide by all state and federal nondiscrimination laws including, but not limited to, not discriminating in any manner against any person or persons on account of age, race, marital status, gender, religious creed, color, ancestry, national origin, sexual orientation, sexual identity, mental disability, or medical condition in CCAEF's or its renters' use of the Center.

Section 21. Insurance

21.1 **Required Insurance Coverage.** The CCAEF on behalf of the Center and City shall procure and maintain for the duration of the Agreement insurance coverage against claims for Injuries to persons or damages to property which may arise from or in connection with the Center's operation and use of the Center Premises, as well as its agents, representative, employees, or contractors. The cost of such insurance shall be borne solely by the Center, as provided for herein. Insurance coverage shall be at least as broad as the following:

(a) Commercial General liability (CGL). Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$10,000,000 per occurrence.

(b) Automobile Liability. ISO Form CA 00 01 covering any auto (Code 1), or if the Center has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$10,000,000 per accident for bodily injury and property damage.

(c) Workers' Compensation. The Center shall maintain 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.

(d) Employment Practices Liability. The Center shall maintain Employment Practices Liability Insurance with limits of no less than \$2,000,000.

(e) Directors and Officers Liability. The Center shall maintain Directors and Officers Liability Insurance with limits of no less than \$10,000,000.

(f) Property Insurance. The Center shall maintain property insurance against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

(g) Sexual Abuse or Molestation (SAM) Liability. The CGL policy referenced above is not endorsed to include affirmative coverage for sexual abuse or molestation, the Center shall obtain and maintain a

policy covering Sexual Abuse and Molestation with a limit no less than \$2,000,000 per occurrence or claim.

21.2 If the Center maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Center.

21.3 Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:

21.4 Premium Payment. The CCAEF shall pay 100% of the insurance premiums.

21.5 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.

21.6 Additional Insured Status. The CGL, Automobile Liability, Employment Practices Liability, Directors and Officer Liability and SAM 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.

21.7 Primary Coverage. The Center'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 Center's insurance and shall not contribute with it.

21.8 Notice of Cancellation. Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the City.

21.9 Subcontractors. If applicable, the Center shall require and verify that all contractors and subcontractors maintain insurance meeting all the requirements stated in this Agreement, and the Center shall ensure that the City (including its officials, officers, agents, employees, and volunteers) is an additional insured on any Insurance required from a subcontractor.

21.10 Waiver of Subrogation. The Center hereby grants to the City a waiver of any right to subrogation that any insurer of the Center may acquire against the City by virtue of the payment of any loss under such insurance. The Center 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 Center, its agents, representatives, employees and subcontractors.

21.11 Legal Liability Coverage. The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.

21.12 Self-Insured Retentions. Self-insured retentions must be declared to and approved by the City. The City may require the Center to purchase coverage with a lower retention or provide proof of

ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the City. Unless otherwise provided for herein, any and all deductibles and SIRs shall be the sole responsibility of the Center who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. Policies shall NOT contain any self-Insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. Entity reserves the right to obtain a copy of any policies and endorsements for verification.

21.13 Certificates of Insurance. CCAEF agrees to deposit with City, on or before the effective date of this Agreement, one certificate of insurance for each of the policy or policies necessary to satisfy the insurance provisions of this Agreement and to keep such insurance in effect during the entire term of this Agreement. This certificate must be reviewed by, and acceptable to, the City Attorney prior to commencement of the Agreement Term. CCAEF will also deposit with the City within 60 days of the Effective Date of this Agreement, an additional insured endorsement naming City specifically and separately as an "additional insured", with the exception of the worker's compensation policy. The appropriate endorsements described above shall follow within sixty (60) days.

21.14 City Review and Approval. City shall retain the right at any time to review the coverage, form and amount of the insurance required hereby. If, in the opinion of the City, the insurance provisions in this Agreement do not provide adequate protection for City and for members of the public using the Center, City may require CCAEF to obtain insurance sufficient in coverage, form and amount to provide adequate protection from and against the kind and extent of risks which exist or are foreseeable at the time a change in insurance is required. City's requirements shall be reasonable, but shall be designed to assure adequate protection of the City's interests. The City shall notify CCAEF in writing of changes in the insurance requirements and, if CCAEF does not deposit with City within sixty (60) days of receipt of such notice a new Certificate of Insurance for each policy or policies of insurance incorporating such changes, this Agreement shall be deemed in default without further notice to CCAEF and may be forthwith terminated by the City.

21.15 Insurance No Limit of Liability. The procuring of such required policy or policies of insurance shall not be construed to limit CCAEF's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement. Notwithstanding said policy or policies of Insurance, CCAEF shall be obligated for the full and total amount of any damage, injury or loss attributable to any act or omission of it or its agents, customers or guests in connection with this Agreement or with use or occupancy of the Center Premises.

Section 22. Indemnification

22.1 City Indemnification. CCAEF shall defend, indemnify, and hold harmless City, its officers, agents, and employees from and against any and all claims, demands, and liabilities for loss of any kind or nature which City, its officers, agents, or employees may sustain or incur or which may be imposed upon them or any of them for injury to or death of persons or damage to property as a result of, arising out of, or in any manner connected with this Agreement or with the occupancy and use of the Center Premises by CCAEF, its invitees, visitors, or any other persons whatsoever. CCAEF further agrees to pay any and all costs and expenses, including, but not limited to, court costs and reasonable attorney's fees incurred by City on account of any such claims, demands, or liabilities.

22.2 CCAEF Indemnification. City shall defend, indemnify and hold harmless CCAEF its officers, agents, and employees from and against any and all claims, demands, and liabilities for loss of any kind or nature which CCAEF, its officers, agents, or employees may sustain or incur or which may

be imposed upon them or any of them for injury to or death of persons or damage to property as a result of, arising out of, or in any manner connected with this Agreement or with the occupancy and use of the Center Premises by City, its invitees, visitors, or any other persons whatsoever. City further agrees to pay any and all costs and expenses, including, but not limited to, court costs and reasonable attorney's fees incurred by CCAEF on account of any such claims, demands, or liabilities.

Section 23. Risk Management and Accident Reports

23.1 Risk Management. Both parties shall engage in responsible and professional risk management activities to the greatest extent possible to minimize the exposure to claims and liability on behalf of itself and the City. Such risk management efforts shall include, but not be limited to, cooperating with the City's legal and insurance staff as well as the City's building and maintenance officials.

23.2 Timely Notice. CCAEF shall immediately report to City any accident causing property damage or injury to persons on the Center Premises. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information or documentation of the incident.

Section 24. Defense of Third-Party Claims and Litigation

24.1 Notice of Claims & Lawsuits. In addition to the requirements of Section 23, CCAEF shall immediately report to City any notice, claim, or lawsuit ("Claim") served on or presented to the CCAEF, or its Board of Trustees or employees directly, by third-parties arising out of or related to Center operations which may give rise to liability of the CCAEF or the City. CCAEF shall tender the Claim to its insurance carrier provided for in Section 21 and, as appropriate, the insurance carrier for its renter, performer, exhibiter, contractor or subcontractor and seek defense and indemnification of the Claim so presented. If the tender of the defense and indemnification of the Claim is accepted by the insurer, Sections 24.3 and 24.4 shall govern the Parties' obligation as to the payment of the self-insured retention, if any. If the tender of the Claim is not accepted by any insurer, Sections 24.3 and 24.4 shall govern the respective defense and indemnification obligations of the Parties.

24.2 Notice of Government Code Claims. City shall notify CCAEF of any Government Code Claim ("Claim") presented pursuant to California Government Code section 900 et. seq. to the City arising out of or related to Center operations which may give rise to liability of the CCAEF or the City within ten (10) calendar days of receipt. The Parties shall meet and confer as to the contents of the Claim and City shall tender the defense and indemnification of the Claim to all appropriate insurers who may cover such Claim. If the tender of the defense and indemnification of the Claim is accepted by the insurer, Sections 24.3 and 24.4 shall govern the Parties' obligation as to the payment of the self-insured retention, if any. If the tender of the Claim is not accepted by any insurer, Sections 24.3 and 24.4 shall govern the respective defense and indemnification obligations of the Parties.

24.3 City Responsibility for Claim. To the extent the Claim relates solely to a fixed, permanent physical attribute of the Center Premises under the responsibility of the City pursuant to this Agreement, the City shall undertake (i) the defense of both the City and CCAEF in the matter and be responsible for the payment of any settlement or judgment on the Claim on behalf of the City and CCAEF, and their respective councils, boards, and employees, and/or (ii) pay the self-insured retention amount necessary to secure insurance coverage.

24.4 CCAEF Responsibility for Claim. To the extent the Claim relates solely to the operation of an event at and/or under the supervision of the Center and its employees, volunteers, patrons, renters, performers, exhibitors, contractors and subcontractors, and unrelated to a fixed, permanent physical

attribute of the Center Premises, the CCAEF shall undertake (i) the defense of the City and CCAEF in the matter and be responsible for the payment of any settlement or judgment of the Claim on behalf of the City and CCAEF, and their respective councils, boards and employees, and/or (ii) pay the self-insured retention amount necessary to secure insurance coverage.

24.5 Shared Responsibility for Claim. To the extent the Claim relates to or arises out of both a fixed, permanent physical attribute of the Center Premises and the operation of an event as described in Section 24.4, the Parties shall meet and confer regarding the joint defense of the Claim including the sharing of resources, potential retention of joint counsel, and sharing in the payment of a settlement or judgment. If the Parties are unable to resolve the dispute between themselves, they may seek appropriate remedies against each other pursuant to this Agreement and state law.

Section 25. Patron Waivers

25.1 City may from time to time require that CCAEF obtain a liability waiver and release from the users of the Center Premises. CCAEF's indemnification obligation provided for herein shall include any claim by the City against the CCAEF for the failure to ensure that any user of the Center executes an enforceable waiver as provided in this section.

Section 26. No Affiliation

26.1 Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture or other affiliation between the City and CCAEF or between the City and any other entity or party, or cause the City to be responsible in any way for the debts or obligations of the CCAEF or any other party or entity.

Section 27. City Payment

27.1 Management Fee, Liability Insurance Costs, and Electric and Natural Gas Utility Costs. The City has allocated to the Center and CCAEF a total of \$1,837,330 of federal funding received via the American Recovery Plan Act ("ARPA Funding"). This ARPA Funding will be distributed to the CCAEF in two equal payments of \$918,665; the first to be made on or before July 5, 2024, and the second to be made on or before January 6, 2025. This ARPA Funding shall serve, in part, as compensation for the services performed on behalf of the City by the CCAEF provided for herein and shall include a Management Fee. This Management Fee is in addition to the other support by the City to the CCAEF as specifically provided for in this Agreement. The amount of the Management Fee for the 12-month term of this Agreement is \$660,000, to be paid in two equal installments of \$330,000 on or before the dates provided for herein. The CCAEF agrees to designate \$100,000 of the total Management Fee under this agreement to support the following community events: the Annual 4th of July (Independence Day) Celebration, Día de los Muertos, Música en la Plaza, and Winter Wonderland. Remaining ARPA Funds after accounting for the Management Fee, or \$1,177,330, will contribute to the payment of the CCAEF costs of Liability Insurance, as provided for under Section 21 of this Agreement, and the CCAEF costs for electricity and natural gas utilities.

27.2 Use of Revenues. CCAEF shall use such revenues to pay the expenses of operating the Center in accordance with this Agreement. For purposes of this paragraph, "expenses" shall include employee salaries and benefits and all other expenses of operating/programming the Center. CCAEF agrees that on an annual basis it will provide a report to the City detailing all such revenues and expenses of the Center. Any revenues in excess of those needed to operate the Center shall be used to purchase needed items for the facility or placed in a reserve account to offset future operating expenses. CCAEF shall have the right to conduct special fundraising and seek to thereby obtain revenues over and above

revenues derived from the operation of the Center for the purpose of creating and maintaining endowment funds, which shall be and remain the property of CCAEF or the CCAEF Charitable Trust.

27.3 American Rescue Plan Act of 2021 Funds. Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") administrated by the U.S Department of Treasury ("Federal Awarding Agency") and established by the American Rescue Plan Act of 2021 ("ARPA") will be used to fund all or a portion of this Agreement. CCAEF shall comply with all applicable federal law, regulations, executive orders, SLFRF policies, procedures, and directives relating to such funds. In addition to the Financial Reporting Requirements detailed in Section 16, above, CCAEF shall comply with all the federal funding requirements set forth in this Section 27.3.

27.3.1 SLFRF Eligible Uses. All ARPA funded activities under this Agreement must meet one of the SLFRF fund eligible use categories as specified in the Final Rule adopted by the US Treasury on n January 6, 2022, which will become effective on April 1, 2022 ("Eligible Uses"). The Final Rule may be accessed at the following link: <https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds>. CCAEF certifies that all ARPA funded services provided under this Agreement will meet the SLFRF fund eligible use category of Responding to the far-reaching public health and negative economic impacts of the pandemic, by providing assistance to impacted nonprofits. The COVID-19 pandemic forced the closure of the Center, impacting the local community and tourism industry more than most sectors. This resulted in a loss of revenue to the Center and decline in economic activity in the City. CCAEF is a 501c3 organization. Nonprofits are presumed to be disproportionately impacted by the public health emergency or its negative economic impacts. Funding for the Center will be used to encourage tourism and support the local economy, promoting community activity in the downtown area of the City, a Qualified Census Tract.

27.3.2 Budget. CCAEF shall adhere to the budget specified in **Exhibit 3**, which is attached hereto and incorporated herein by this reference ("Budget"). The City may require a more detailed Budget breakdown than what is contained in Exhibit 3, and CCAEF shall provide such supplementary Budget information in a timely fashion in the form and content prescribed by the City. Any changes to the Budget may only be made by written amendment signed by both the City and CCAEF. CCAEF is responsible for complying with the Cost Principles set forth in 2 CFR Part 200 Subpart E. CCAEF must have adequate financial management systems and internal controls in place to account for the expenditure of federal funds. CCAEF must ensure that all expenditures for services provided under this Agreement comply with restrictions related to administrative costs.

27.3.3 General Compliance. Throughout the term of this Agreement, CCAEF shall comply with all requirements applicable to use of SLFRF funds including adherence to future guidelines that may be established by the U.S. Treasury during the term of this Agreement. CCAEF shall comply with all applicable federal, state, and local laws, regulations, and policies governing the funds provided under this Agreement. At all times during the term of this Agreement, CCAEF shall comply with the Grant Award Terms and Conditions. CCAEF may request, and CCAEF shall supply to the City, any additional information from the CCAEF as needed to meet any additional guidelines regarding the Eligible Uses and/or use of SLFRF funds that may be established by the U.S. Treasury during the term of this Agreement.

27.3.4 Restricted or Ineligible Uses of SLFRF Funds. If at any time during the term of this Agreement, the City determines that any portion of the services provided by CCAEF hereunder constitute a restricted or ineligible use of SLFRF funds, then the City may terminate or suspend this Agreement as more particularly described in Section 29.4. Within 30 of written notice from the City of the restricted or ineligible use of SLFRF funds, CCAEF shall refund the City all SLFRF funds paid by the City to CCAEF in connection with the restricted or ineligible use. Restricted/Ineligible uses of ARPA funds include, but are not limited to: usage of funds to either directly or indirectly offset a reduction in net tax revenue

resulting from a change in law, regulation or administrative interpretation during the covered period that reduces any tax or delays the imposition of any tax or tax increase; damages covered by insurance; usage of funds as a deposit into any pension fund; expenses that have been or will be reimbursed under any federal program; debt service costs; contributions to a “rainy day” fund; and legal settlements.

27.3.5 Clean Air Act. CCAEF agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. CCAEF agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Awarding Agency, and the appropriate Environmental Protection Agency Regional Office. CCAEF agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the Federal Awarding Agency.

27.3.6 Federal Water Pollution Control Act. CCAEF agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. CCAEF agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Awarding Agency, and the appropriate Environmental Protection Agency Regional Office. CCAEF agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by the Federal Awarding Agency.

27.3.7 Debarment and Suspension.

a. This Agreement is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, CCAEF is required to verify that none of CCAEF’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

b. CCAEF shall comply with 2 C.F.R. Part 180, Subpart C and 2 C.F.R. Part 3000, Subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction CCAEF enters into.

c. This certification is a material representation of fact relied upon by the City. If it is later determined that CCAEF did not comply with 2 C.F.R. Part 180, Subpart C and 2 C.F.R. Part 3000, Subpart C, in addition to remedies available to the City the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

d. CCAEF agrees to comply with the requirements of 2 C.F.R. Part 180, Subpart C and 2 C.F.R. Part 3000, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. CCAEF further agrees to include a provision requiring such compliance in its lower tier covered transactions.

27.3.8 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended).

a. Prior to entering into this Agreement, CCAEF shall file the required certification pursuant to the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352 (as amended)). Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the Federal Awarding Agency.

b. Required Certification. At the time CCAEF executes this Agreement, CCAEF shall provide the City with a completed Appendix A, 44 C.F.R. Part 18 – Certification Regarding Lobbying. A blank Appendix A, 44 C.F.R. Part 18 – Certification Regarding Lobbying is attached to this Agreement as **Exhibit 4** and incorporated herein by this reference.

27.3.9 Procurement of Recovered Materials. In the performance of this Agreement, CCAEF shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired (1) competitively within a timeframe providing for compliance with the Agreement’s performance schedule, (2) meeting Agreement performance requirements, or (3) at a reasonable price. Information about this requirement, along with the list of EPA-designated items, is available at EPA’s Comprehensive Procurement Guidelines website, located at <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>. CCAEF shall also comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

27.3.10 Access to Records. The following access to records requirements apply to this Agreement: (1) CCAEF agrees to provide the City, the Federal Awarding Agency Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of CCAEF that are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions; (2) CCAEF agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed; and (3) CCAEF agrees to provide the Federal Awarding Agency Administrator or their authorized representatives access to construction or other work sites pertaining to the work being completed under this Agreement. In compliance with the Disaster Recovery Act of 2018, the City and CCAEF acknowledges and agrees that no language in this Agreement is intended to prohibit audits or internal reviews by the Federal Awarding Agency Administrator or the Comptroller General of the United States.

27.3.11 Federal Awarding Agency Seal, Logo, and Flags. CCAEF shall not use the Federal Awarding Agency seal(s), logos, crests, or reproductions of flags or likenesses of Federal Awarding Agency officials without specific Federal Awarding Agency pre-approval.

27.3.12 Records

a. Records Maintenance. Records, in their original form, must be maintained in accordance with requirements prescribed by the City with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period three years after termination of this Agreement and after final disposition of all pending matters. “Pending matters” include, but are not limited to, an audit, litigation or other actions involving records. Records, in their original form pertaining to matters covered by this Agreement, must at all times be retained within the County of San Diego unless authorization to remove them is granted in writing by the City.

b. Records Inspections. At any time during normal business hours and as often as either the City, Inspector General acting pursuant to the Inspector General Act of 1978, or the Auditor General of the State of California may deem necessary, CCAEF must make available for examination all of its records with respect to all matters covered by this Agreement. The City, Inspector General, and the Auditor General of the State of California each have the authority to audit, examine and make excerpts or transcripts from records, including all CCAEF’s invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement. CCAEF agrees to provide any reports requested by the City regarding performance of this Agreement. With respect to inspection of CCAEF’s records, the City may require that CCAEF provide supporting

documentation to substantiate CCAEF's expenses with respect to the CCAEF's use or expenditure of the grant amount.

27.3.12 Administrative Requirements.

a. Reporting Requirements. In order to ensure compliance with the existing ARPA guidelines set forth by the U.S. Treasury – while also ensuring that all expenditures within the scope of this Agreement adhere to future guidelines that may be established by the U.S. Treasury during the term of this Agreement – CCAEF, when requesting reimbursement for costs incurred for Eligible Uses, shall provide to the City a comprehensive and detailed list of all such expenditures on an itemized invoice, and shall also provide any backup documentation to support such expenditures. Said invoice must include a statement, signed by the CCAEF, indicating that all expenditures therein comport with guidelines and requirements applicable to SLFRF funds as set forth by the U.S. Treasury. Reimbursement requests shall be submitted to the City no more than once per month.

b. Timeline Regarding the Dissemination of Funds to Subrecipient. Upon receipt of the CCAEF's complete reimbursement request, the City shall disseminate funds for all Eligible Uses therein within 30 days of receipt of said reimbursement request. The dissemination of SLFRF funds shall only occur after the City reviews CCAEF's reimbursement request to ensure that all expenditures detailed therein qualify for reimbursement in accordance with all published federal, state, and local guidance regarding the use of SLFRF funds as specified in the ARPA. All payments from the City to CCAEF are contingent on the availability of SLFRF funds to the City, and further subject to all applicable federal, state, and local laws regarding the governance of SLFRF funds within the ARPA.

27.3.13 Civil Rights. Recipients of Federal financial assistance from the U.S. Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the U.S. Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.

Section 28. Coordination of Activities

28.1 Notice to City. In order to avoid conflicts, CCAEF will notify the City and the City will notify CCAEF within a reasonable time after the approved scheduling of events in and improvements to Grape Day Park or the Great Lawn. City will consult and coordinate with the CCAEF with respect to any facilities maintenance or improvements which may impact or conflict with scheduled CCAEF or Center events and CCAEF will consult with the City in the planning of approved improvements or additions to Center Premises.

28.2 Outdoor Noise Response. The CCAEF is responsible for ensuring that its outdoor events are conducted consistent with the City's Noise Abatement and Control Ordinance. CCAEF shall make available during outdoor events an individual to respond to noise complaints from City residents in person and/or by phone. CCAEF shall make public on its website an operable number for the receipt of noise complaints and shall be responsible for the satisfactory resolution of such reports.

Section 29. Term of Operation and Management Agreement

29.1 Initial Term. This Agreement shall commence upon the Effective Date and shall expire on June 30, 2025 unless terminated pursuant to Section 29.4 (the "Initial Term").

29.2 Renewal Option. Within three (3) months before the expiration of the Initial Term, City and CCAEF may extend the term of this Agreement ("Extension Period") upon and subject to all of the provisions contained herein, or as otherwise agreed to by the Parties, for a single, additional one (1) year period.

29.3 Holding Over. At the expiration of the Initial Term and one Extension Period provided for herein, in the event the City permits CCAEF to continue to operate the Center, all other terms and conditions of this Agreement shall continue in full force and effect, on a month-to-month basis.

29.4 Termination.

29.4.1 For Cause. This Agreement may be terminated at any time for cause, provided written Notice of Default ("Default Notice") in performance is provided to the other Party. Within thirty (30) days of the date of such Default Notice, the Party receiving the Default Notice shall have the right to cure to the reasonable satisfaction of the other Party the breach or failure of performance under the terms of this Agreement.

29.4.2 For Convenience. Either Party may, at any time during the term of this Agreement, terminate this Agreement for any reason (i.e. without cause) by tendering six (6) months advance written notice to the other Party.

29.4.3 Immediate Termination. City may terminate this Agreement immediately in the event the CCAEF is declared insolvent by a court of competent jurisdiction, or is dissolved, or loses its tax-exempt status.

29.4.4 Existing Obligations. Any termination of this Agreement shall not have any effect on bona fide contracts, entered into in good faith by CCAEF and City shall make reasonable efforts to accept such contracts. CCAEF shall cooperate to diligently and promptly to assign such agreements to the City.

29.4.5 CCAEF Remaining Assets. If, for any reason, the CCAEF is dissolved, any assets remaining, including cash, after satisfaction of all debts and obligations, will be transferred to another nonprofit organization with a similar mission, as required by law.

Section 30. General Provisions

30.1 No Right to Assign or Transfer. As the City has relied on the particular expertise of CCAEF in entering into this Agreement, CCAEF shall not assign, delegate, or transfer any duty or right under this Agreement, except as specifically authorized, and any such purported assignment, delegation, or subletting shall be void, unless the City has approved such action in writing in advance.

30.2 Amendment of Agreement. This Agreement may be amended at any time by the Parties provided that all additions, deletions or changes are made in writing and executed by both Parties. The Contract Administrator may execute implementing MOUs and amendments to this Agreement without

further City Council approval for all changes within the authority of the Contract Administrator under the Escondido Municipal Code.

30.3 Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the City.

30.4 Merger Clause. This Agreement and its Exhibits, if any, are the entire understanding of the Parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and its Exhibits, if any, the provisions of this Agreement shall prevail.

30.5 Anti-Waiver Clause. None of the provisions contained herein shall be waived because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived, in whole or in part.

30.6 Severability. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

30.7 Costs and Attorney's Fees. In the event that either Party should bring suit against the other Party to enforce any provisions of this Agreement, the prevailing Party in such litigation shall pay the other Party's costs and reasonable attorneys' fees incurred pursuant to said litigation.

30.8 Force Majeure. The time within which the Parties hereto shall be required to perform any act under this Agreement, other than the payment of money, shall be extended by a period of time equal to the number of days during which performance of such act is delayed due to an act of God, fire, earthquake, flood, explosion, war, invasion, insurrection, riot, mob violence, or any other similar cause beyond the reasonable control of either of the Parties.

30.9 Choice of Law. This Agreement shall be governed by the laws of the State of California. Venue for any action arising from this Agreement, including but not limited to matters concerning validity, construction, performance or enforcement shall be heard exclusively in the state court located in North San Diego County, California, or federal courts located in San Diego County, as allowable under federal law.

30.10 Notice to Parties. Any statements, communications or notices to be provided pursuant to this Agreement shall be sent to the attention of the persons indicated below, until such time as notice of any changes of person to be notified or change of address is forwarded to both Parties:

30.11 Business License. CCAEF shall be required to maintain a City of Escondido Business License during the term of this Agreement.

(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: _____

Dane White, Mayor

CALIFORNIA CENTER FOR THE ARTS,
ESCONDIDO, FOUNDATION

Date: _____

Signature

Name & Title (please print)

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

By: _____

Date: _____

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

Exhibit 1
Overhead Photo of Campus Perimeter

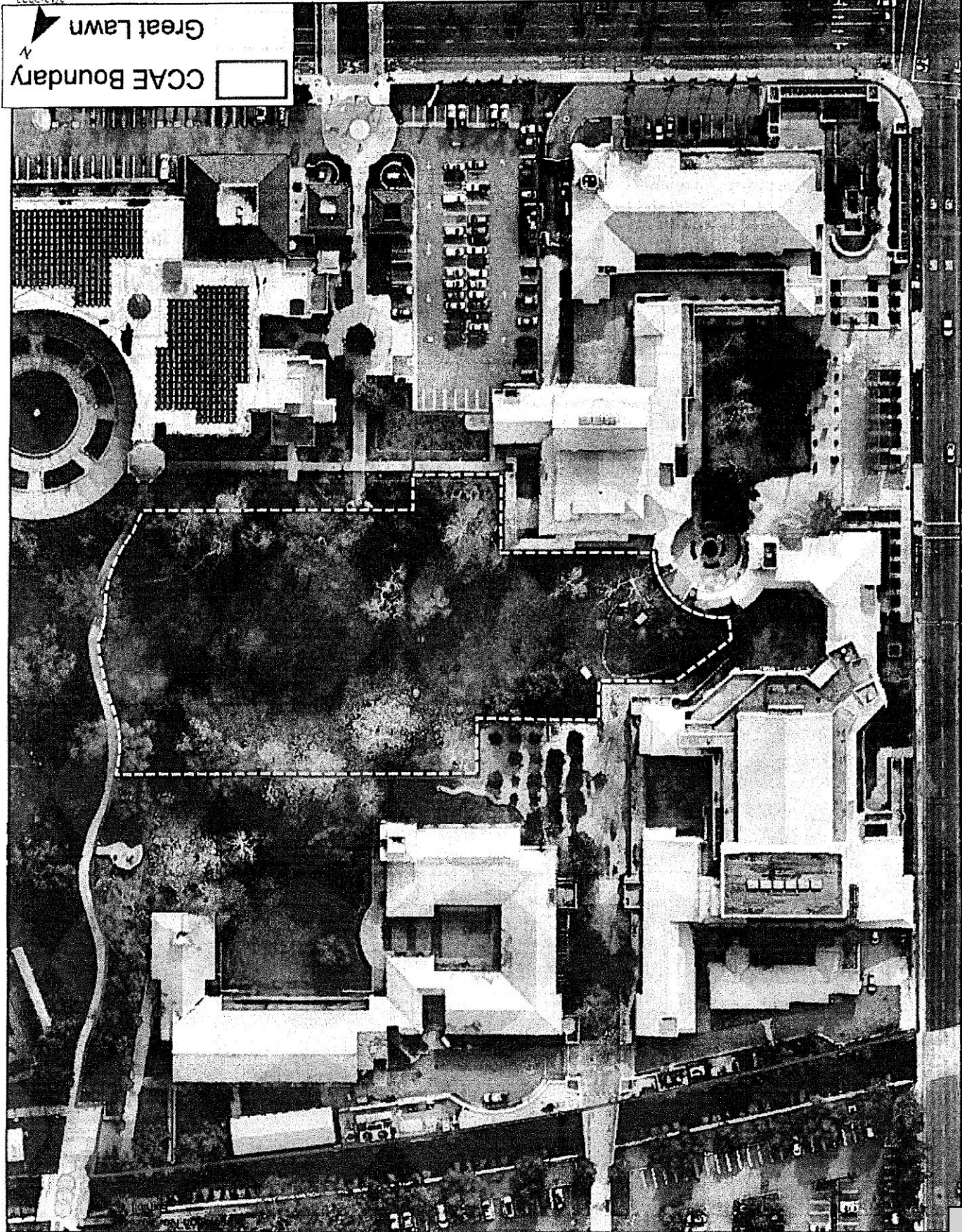


Exhibit 2
Center Premises Regular Maintenance

The Parties shall be responsible for the following maintenance and cleaning of the Center Premises:

CITY MAINTENANCE RESPONSIBILITIES.

Maintenance of permanent structures including interior walls and ceilings, not to include interior painting of walls.

Maintenance of exterior walls, roofs, walks, lighting, structures, landscaping, and landscape irrigation systems.

All structural electrical, heating, venting, air-conditioning, plumbing and sewer maintenance.

Maintenance of all permanent kitchen equipment such as stoves, hoods, refrigerators, ice machines, walk in freezers

Maintenance and repair of elevators and conveyances.

Maintenance and repair of fire alarm system.

Routine maintenance and cleaning of exterior grounds, not including exterior maintenance and cleaning for CCAE activities or programs.

Maintenance and replacement of stage lighting and sound equipment, stage curtains, decorations, furnishings, and ornamentations.

CCAEF MAINTENANCE RESPONSIBILITIES.

All routine interior cleaning and maintenance, including repairs and replacement required by such routine maintenance, such as, but not limited to, light painting, minor carpentry, minor drywall repairs, interior window cleaning, light bulb replacements, door lock and hinge lubing, drapery & window coverings, stage maintenance and inspections,

All interior and exterior janitorial services required to keep the premises in a clean, sanitary and safe condition in a manner satisfactory to City and in compliance with all applicable laws such as, but not limited to, custodial services, routine sanitation of restroom facilities, plunging and snaking drains and fixtures

Routine cleaning of permanent kitchen equipment in compliance with all applicable laws, such as, but limited to, stoves, hoods, refrigerators, ice machines, walk-in freezers

Installation and maintenance of any new or additional improvements, alterations, additions, or decorations

Maintenance and repair of CCAE security alarm systems

Exterior window cleaning and exterior landscape/hardscape leaf blowing

Repairs and replacement of interior structures, fixtures, and equipment due to the negligence or deliberate acts of Center, or of Center's agents, employees or any person or persons acting for Center or under Center's control, or invitees or licensees of the Center or due to other causes, including but not limited to, vandalism within the buildings.

Exhibit 3
Budget

Organization: CCAEF
Project Title: CCAE Management

ITEM (SLFRF Eligible Use)	ESCONDIDO FUNDING	OTHER FUNDS (If Applicable)		PROJECT TOTAL
		AMOUNT	SOURCE	
Total				

Exhibit 4ATTACHMENT 1 - Appendix A, 44 C.F.R. Part 18 – Certification Regarding Lobbying
Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

the California Center for the Arts, Escondido, Foundation, a California nonprofit public benefit corporation ("CCAEF") certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the CCAEF understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of CCAEF's Authorized Official

Name and Title of CCAEF's Authorized Official

Date



STAFF REPORT

Item 8.

May 22, 2024

File Number 0430-30

SUBJECT

FISCAL YEAR 2024/25 OPERATING BUDGET BRIEFING

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council provide direction regarding the Fiscal Year 2024/25 General Fund Operating Budget.

Staff Recommendation: Provide Direction (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

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

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

The Preliminary FY2024/25 Annual Operating Budget document can be viewed on the City’s website at: <https://www.escondido.gov/361/Current-Budget-Information>

PREVIOUS ACTION

On June 7, 2023, staff provided the FY2023/24 operating budget workshop which presented the projected General Fund budget deficit and provided scenarios for the programs and services to consider for elimination when all available one-time funds and reserve balances are depleted.

On September 27, 2023, City Council participated in a Visioning and Structural Deficit Strategy Workshop where they identified the City’s Essential Services, Council Priorities, and provided direction on revenue options for staff to investigate.

On January 31, 2024, staff presented Fiscal Sustainability, Capital Projects, and American Rescue Plan Act (“ARPA”) which provided a recommended approach for expending American Rescue Plan Act and Park Development funds to support the Council Priority of Eliminating the Structural Deficit.



CITY of ESCONDIDO

STAFF REPORT

ANALYSIS

The City's annual budget process begins around December each year with an update of the budgetary forecast and the General Fund Multi-Year Financial Plan. The financial forecast takes a look forward at the City's General Fund revenues and expenditures. Its purpose is to identify financial trends, shortfalls, and potential issues so the City can proactively address them. It does so by projecting out into the future the fiscal results of continuing the City's current service levels and policies, providing a snapshot of what the future will look like as a result of those policies.

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. Revenue-generating opportunities have also been explored. In addition, since the Great Recession, the City has controlled costs by annually deferring maintenance and capital project costs. Despite all of these measures, and the City's efforts to fund projects with grants and other sources of one-time funds, it has not been enough to meet growing costs and demand for services.

Last fiscal year, the FY2023/24 General Fund operating budget started with a net operating deficit of \$11,295,840. In order to continue to provide essential City services, staff made recommendations to close the deficit that included a combination of using reserve balances as well as deferring major purchases to future years. Until revenue is increased on an ongoing and structural basis, the City must continue to rely on short-term, one-time resources to continue operations and avoid substantial cuts to City services. With no funding plan or known option for replenishment, the reserves in Internal Service Funds will be depleted in the upcoming fiscal years. As the budget becomes tighter, to ensure budget savings the Historical Cost Savings Target will be stricter leading to slower hiring of positions. In addition, American Rescue Plan Act funds must be obligated by December 31, 2024 and will no longer be a source of revenue for the General Fund.

Recognizing that reserve funds and one-time sources of funds will not be available in future fiscal years without a new ongoing source of revenue, a Budget Workshop was held on June 7, 2023, that provided scenarios for the programs and services that the City will need to consider eliminating when all available one-time funds and reserve balances are depleted. Attachment "1" to this agenda item presents those scenarios.



CITY of ESCONDIDO

STAFF REPORT

In addition, City Council held a Visioning and Structural Deficit Strategy Workshop on September 27, 2023, where City Council identified the following Essential Services and Council Priorities that now guide staff:

ESSENTIAL SERVICES



COUNCIL PRIORITIES



FY2024/25 PRELIMINARY OPERATING BUDGET

To address the predicted structural budget gap for the upcoming fiscal year, Departments were directed to submit their FY2024/25 General Fund operating budget at the same level as the prior year, FY2023/24, while prioritizing the City Council’s Essential Services and Council Priorities noted above. The May 22, 2024 Operating Budget Workshop will present actions taken to propose a flat budget, preserve General Fund Reserve balances, and sustain current City services.

ATTACHMENTS

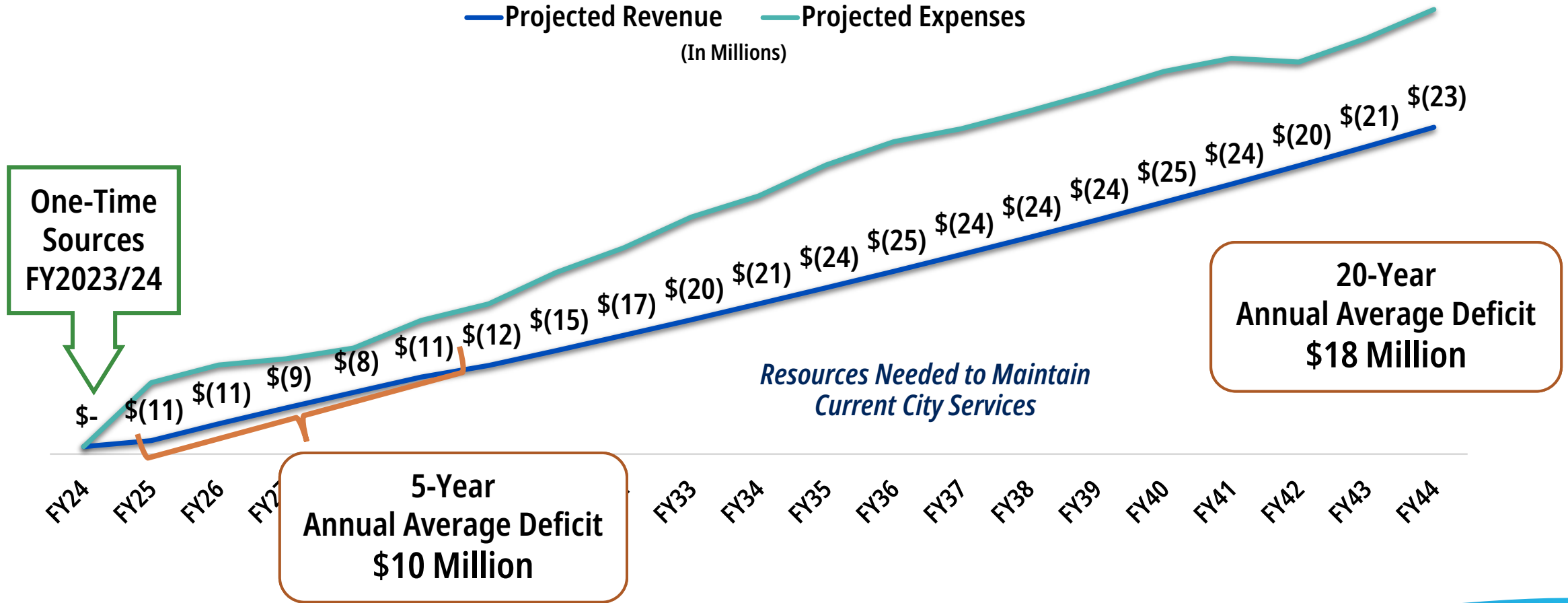
- a. Attachment “1” – General Fund Budget Scenarios

General Fund Budget Scenarios – *Not for Consideration for the FY2024/25 Operating Budget*

Recognizing that reserve funds and one-time sources of funds will not be available in future fiscal years without a new ongoing source of revenue, a Budget Workshop was held on June 7, 2023 ([Link to June 7, 2023 City Council Presentation](#)), that provided scenarios for the programs and services that the City will need to consider eliminating when all available one-time funds and reserve balances are depleted. This attachment presents those scenarios.

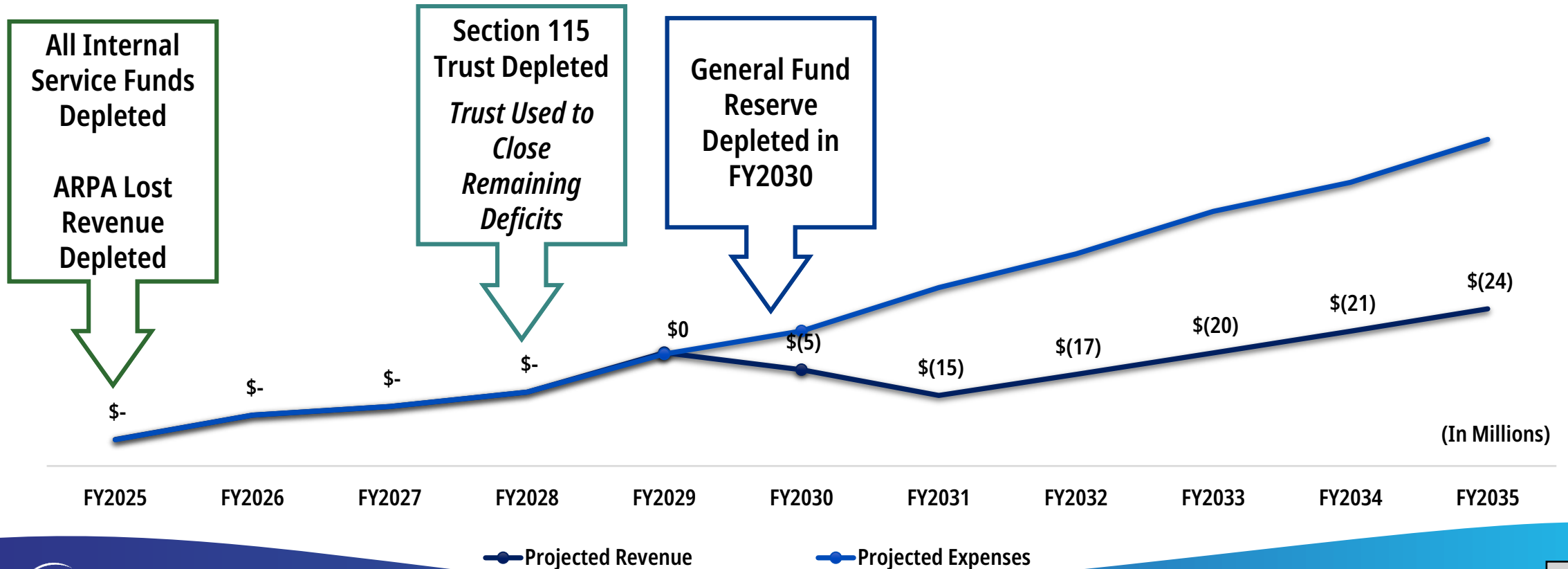
The Preliminary Proposed FY2024/25 Annual Operating Budget document can be viewed on the City's website at: <https://www.escondido.gov/361/Current-Budget-Information>

General Fund Structural Budget Deficit



General Fund Structural Budget Deficit

Forecast Using Available One-Time Sources



Scenarios to Address the Structural Deficit

Scenario #1

Proportional Across-the-Board Budget Reductions

Scenario #2

Across-the-Board but Preserve Public Safety
Departments

Scenario #3

Targeted Business Model Approach

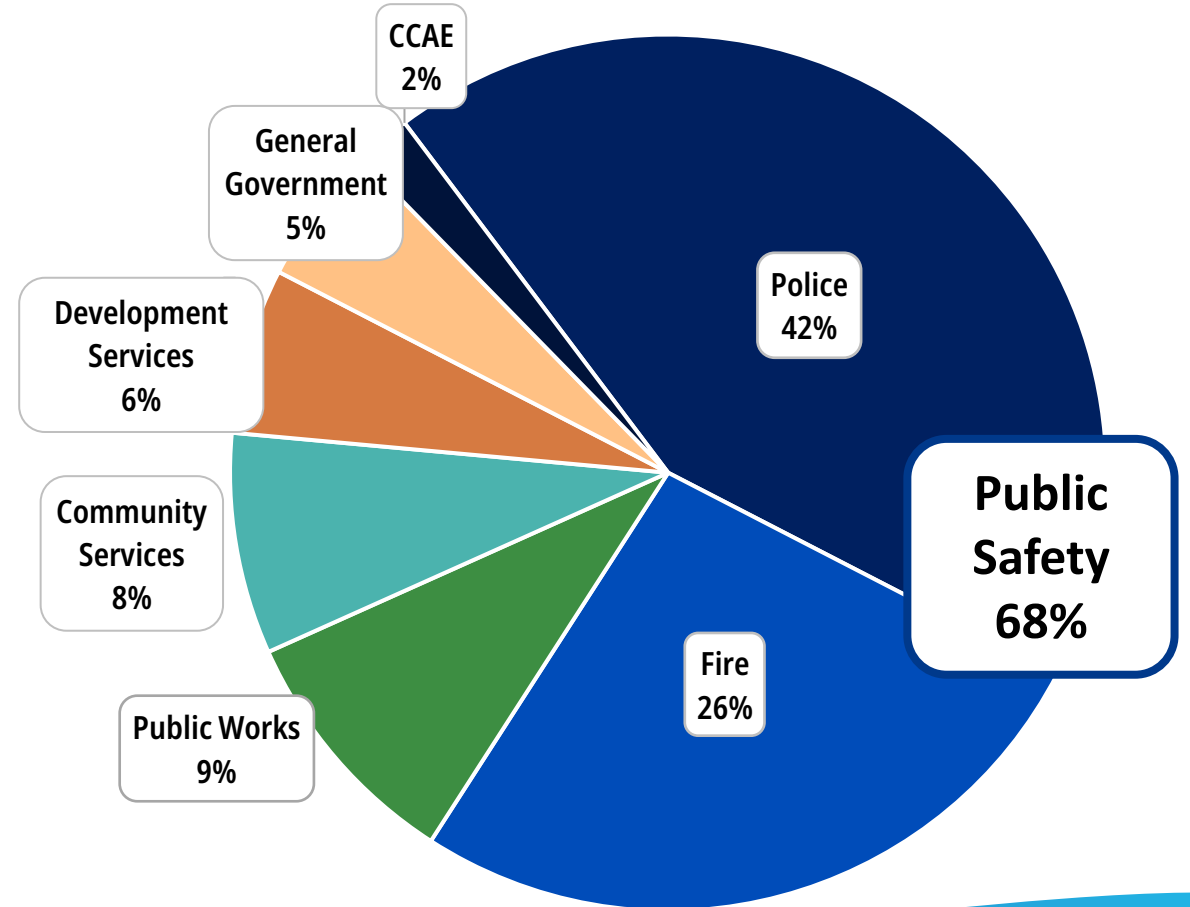
Scenario #1

Proportional Across the Board Budget Reductions To Close the General Fund Structural Deficit

Scenario # Item 8.
**Proportional
 Across the
 Board Cuts**

General Fund Departments

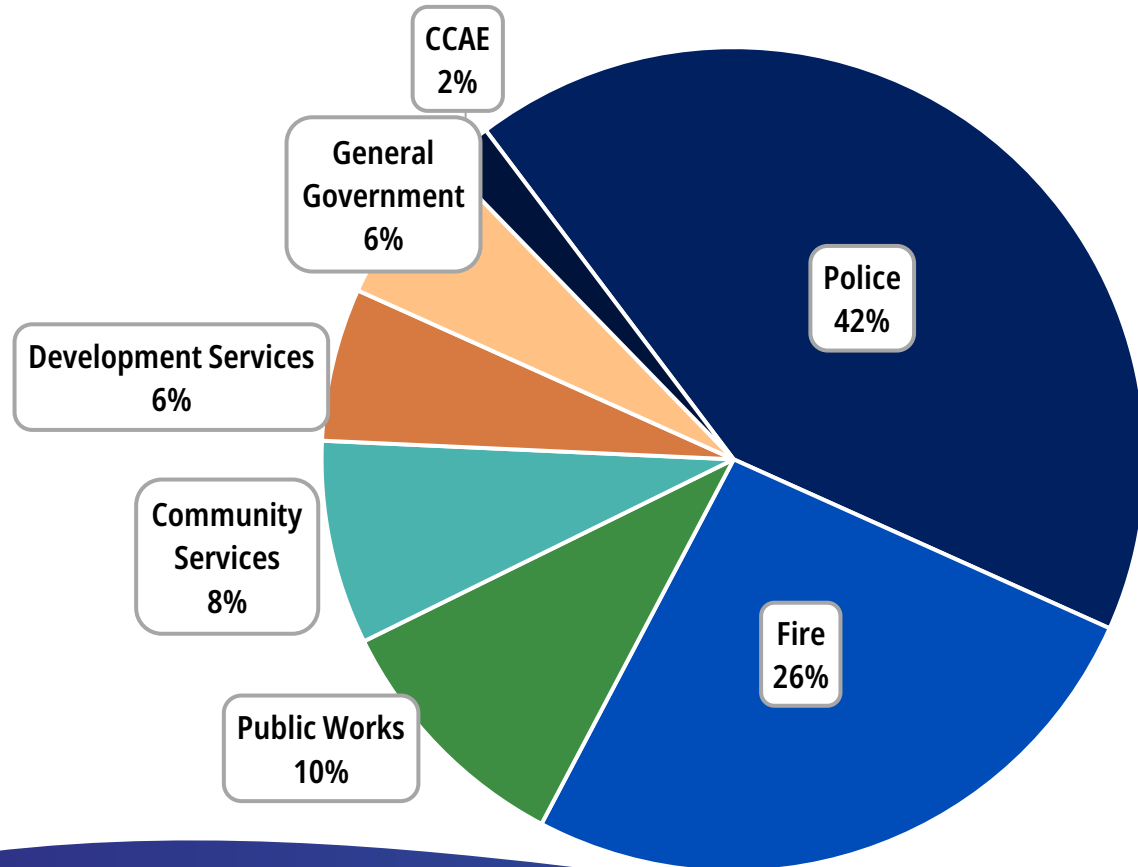
Department	FY2023/24 Projected Expenses
General Government Services	\$8,258,700
Community Services	10,835,430
Development Services	8,343,060
Public Works	12,398,470
Police	54,083,660
Fire	33,528,860
California Center for the Arts	3,247,370
Total Expenditures	\$130,695,550



Scenario Item 8.
Proportional
Across the
Board Cuts

Scenario #1

Proportional Across-the-Board Reductions



Department	Percentage	Structural Deficit
Police	42%	4,138,140
Fire	26%	2,565,420
Public Works	10%	948,650
Communications & Community Services	8%	829,060
Development Services	6%	638,360
General Government Services	6%	631,900
California Center for the Arts	2%	248,470
Total General Fund Deficit		\$10,000,000

Police Department – 42% of General Fund

Scenario # Item 8.
*Proportional
Across the
Board Cuts*

**Total Expenses of \$54,083,660 –
Budget Reduction of \$4,128,140**

Budget Reductions Identified

- Sworn Police Officers
- Professional Staff Positions
- Animal Control Regulation Contract
- Community Outreach Services – Education COMPACT

Scenario #1
Proportionate
Across the
Board Cuts

Police Department

Budget Reduction of \$4,128,140

Impacts: Reduce the Number of Sworn Police Officers

	Current Service	Reduced Service
Traffic Division	<p>6 Traffic Officers</p> <ul style="list-style-type: none"> • Proactively Enforce Laws • Focus on Safety Issues – Speed & Red-Light Violations 	<p>3 Traffic Officers</p> <ul style="list-style-type: none"> • Significantly Reduce Traffic Enforcement • Investigate Only Fatal & Serious Injury Traffic Collisions
Crimes of Property (COP)	<p>5 Detectives</p> <ul style="list-style-type: none"> • Investigate: Commercial Burglary, Residential Burglary, Arson, fraud/forgery/financial crimes; auto theft, and general property crimes 	<p>3 Detectives</p> <ul style="list-style-type: none"> • General crimes: thefts, vandalisms, shoplifting will not be investigated • Auto theft investigations will be nearly eliminated, only major fraud cases will be investigated

Police Department

Budget Reduction of \$4,128,140

Impacts: Reduce the Number of Sworn Police Officers

	Current Service	Reduced Service
<p>Community Oriented Policing and Problem Solving Unit "COPPS"</p>	<p>3 COPPS Officers</p> <ul style="list-style-type: none"> • COPPS officers proactively address areas of crime/disorder • COPPS officers focus on homelessness issues and assistance 	<p>No COPPS Officers</p> <ul style="list-style-type: none"> • No longer have a COPPS unit to proactively address areas of crime/disorder • Homelessness becomes a greater problem for the community
<p>School Resource Officers "SRO"</p>	<p>3 SROs (1 SRO is fully funded by the school districts)</p> <ul style="list-style-type: none"> • Trained in school-based crisis response to work collaboratively with education officials to provide prevention and intervention for youth crimes • Building relationships with students allows SROs to provide specific help 	<p>1 SRO (funded by School District)</p> <ul style="list-style-type: none"> • Patrol officers will have to respond to school incidents increasing response times to other calls for service • Students will not have access to SROs they know and trust, making it more likely that they miss opportunities for crime prevention and intervention

Police Department

Budget Reduction of \$4,128,140

Impacts: Reduce the Number of Professional Staff Positions

	Current Service	Reduced Service
Public Safety Dispatch	<p>24 Public Safety Dispatchers</p> <ul style="list-style-type: none"> Answer 9-1-1 calls, dispatch emergency response personnel, handle police and fire radio, and field non-emergency public safety calls from community members 	<p>21 Public Safety Dispatchers</p> <ul style="list-style-type: none"> Delayed response to emergencies and increased call wait times Cuts to the types of non-emergency services provided
Customer Service Representatives	<p>2 Police Customer Service Representatives</p> <ul style="list-style-type: none"> Police Customer Service Reps assist community members when they come to the PAFH lobby Lobby services include: crime reporting; citation payment; officer assistance; requests for crime reports; impounded vehicle releases; etc. 	<p>No Customer Service Representatives</p> <ul style="list-style-type: none"> PAFH lobby will be closed; services will be appointment only Increased wait time for services Other staff will be pulled away from their duties to cover these tasks

Police Department

Budget Reduction of \$4,128,140

Impacts: Reduce the Number of Professional Staff Positions

	Current Service	Reduced Service
Parking Attendant	<p>5 Part-Time parking attendants</p> <ul style="list-style-type: none"> • Parking attendants ensure that residential and commercial parking laws are enforced • Parking enforcement allows customers and residents to maintain basic parking accessibility • Handicap and red curb parking is strictly enforced to maintain public safety 	<p>No Parking Attendants</p> <ul style="list-style-type: none"> • No parking enforcement throughout the city • Businesses will be affected by unauthorized parking • Residential areas will not be patrolled for unauthorized parking • Loss in revenue from citation fees
Parking Citation Contract	<p>Processing Software and Equipment</p> <ul style="list-style-type: none"> • Current contract provides parking attendants with software and equipment to efficiently issue electronic parking citations • The contract company processes citations and collects fees for the city 	<p>No Processing Software or Equipment</p> <ul style="list-style-type: none"> • Near elimination of parking citations • City staff would have to process and collect fees on paper parking citations

Police Department

Budget Reduction of \$4,128,140

Impacts: Eliminate Special Events and Contracts

	Current Service	Reduced Service
Overtime for Special Events	<p>Police Department Staff Support</p> <ul style="list-style-type: none"> Community events are staffed by officers and police personnel to ensure traffic control and citizen safety Special events include: Parades, Cruisin' Grand, Grape Day Festival, and Fireworks 	<p>No Police Department Staff Support</p> <ul style="list-style-type: none"> Traffic safety will decrease and crowd safety will be reduced Officers will not be assigned to these events which will delay emergency response
Computer Aided Dispatch (CAD) Equipment	<p>Equipment Upgrades and Scheduled Maintenance</p> <ul style="list-style-type: none"> CAD is the system used by Dispatch and Patrol to process calls for service and police actions CAD catalogues data from all calls for service and monitors officers locations to decrease response times. 	<p>No Equipment Upgrades and Scheduled Maintenance</p> <ul style="list-style-type: none"> A lack of CAD upgrades and maintenance would cause inefficiencies in dispatch and for Patrol officers There would be increased response times for calls to be answered by dispatch and officer responses in the field

Police Department – Impacts: Eliminate the Animal Control Services Contract

Attachment "1"

	Current Service	Reduced Service
Animal Control Services	<p>Contract with San Diego Humane Society (SDHS)</p> <ul style="list-style-type: none"> • Providing housing and care of stray domestic animals • Providing housing and care for police and animal cruelty holds • Providing lost and found assistance for the general public’s animals • Providing services to include: feed, care, and disposition of all animals • Managing of dog license program • Investigating and issuing Service Dog licenses • Investigating and enforcing dangerous dog situations • Enforcing licensing and rabies vaccinations • Investigating and enforcing animal cruelty laws • Responding to and caring for injured domestic animals • Monitoring and responding to bites and enforcing rabies requirements • Responding to and investigating animal noise complaints • Staffing Humane Officers to patrol and respond to City animal needs • Providing disaster relief services involving animals • Providing quarterly and annual animal control reports 	<ul style="list-style-type: none"> • Provide only mandated animal control services • Arrange rabies vaccinations • Respond to calls for service related to dangerous animals • Additional police personnel positions may need to be cut to fund legally required animal control services

Police Department – Impacts: Terminate Contract with Education COMPACT

	Current Service	Reduced Service
Education COMPACT Services	<p>Juvenile Diversion Program and Alternatives to Detention (ATD) Offers juveniles an alternative to criminal justice system.</p>	<p>Rather than alternatives to detention, all juvenile cases will be sent through San Diego District Attorney’s Office for prosecution.</p> <p>Most of these cases will not meet current filing criteria resulting in these cases being dropped.</p> <p>As a result, these juveniles will receive little to no accountability or support to keep them from re-offending.</p>
	<p>Family Intervention Team (FIT)</p> <ul style="list-style-type: none"> Partners former law enforcement officers with former gang members, to create a team of credible mentors that assist families of at-risk boys. This team provides intensive and wrap-around guidance specific to gang prevention. 	
	<p>Girls Rock Program Partners police officers and youth workers to mentor at-risk girls</p>	
	<p>Cannabis Abuse Program (CAP) Provides workshops to help youth stay sober.</p>	
	<p>Guiding Good Choices Provides evidence-based programming to improve family communication, learn the impact of drug use, manage family conflicts, and create a support network for parents</p>	

Fire Department – 26% of the General Fund

Scenario #1
Proportio Item 8.
Across the
Board Cuts

Total Expenses of \$33,528,860 –

Proportional Reduction is \$2,565,420

- Note FD Revenue:
 - \$9.3 million ambulance transportation
 - \$2.4 million Rincon FPD
- Fire Engine and Ambulance staffing is not scalable for 24/7 coverage
- Only viable option to reduce by \$2.565 million: close one fire station
 - Eliminate one fire engine company (\$2 million)
 - Eliminate one ambulance (\$900,000)

Fire Department – Impacts: Eliminate One Fire Engine Company

	Current Service	Reduced Service
Fire Engine Company	<p>7 Fire Stations</p> <ul style="list-style-type: none"> • 2023 EFD emergency response: 17,777 calls • Response Time Standard is 7 ½ minutes, 90% of the time • Down to 86% with <u>current resources</u> due to 2% annual call volume increase over 2022 	<p>6 Fire Stations</p> <ul style="list-style-type: none"> • Remaining six Fire Stations absorb emergency calls from further distances • Increased and imbalanced requests for assistance from neighbors • Longer response times for first Paramedic at medical emergencies • Reduced effectiveness and safety at fire, rescue and Haz Mat incidents • Must have 4 firefighters at scene to enter burning structure • Must have a minimum of 15 firefighters at scene to be effective and safe • Reduction in ISO rating, reduction in service to City and Rincon FPD

Fire Department – Impacts: Eliminate One Ambulance

	Current Service	Reduced Service
Ambulance Services	<p>5 Ambulances in Service</p> <ul style="list-style-type: none"> In 2023, EFD ambulances transported 11,250 times Requested aid from San Marcos Fire 758 times San Marcos Fire transported Escondido patients 271 times 	<p>4 Ambulances in Service</p> <ul style="list-style-type: none"> Lay off 3 Firefighter/Paramedics and 3 EMTs Remaining 4 ambulances absorb emergency calls from further distances Increased and unacceptable requests for assistance from neighbors Longer response times EFD and auto aid ambulances for medical emergencies Reduction of an EFD ambulance will likely mean losing about 2,500 transports and over \$1 million in revenue IF other agencies will respond to Escondido

Scenario #2

Across-the-Board Budget Reductions but Preserve Public Safety

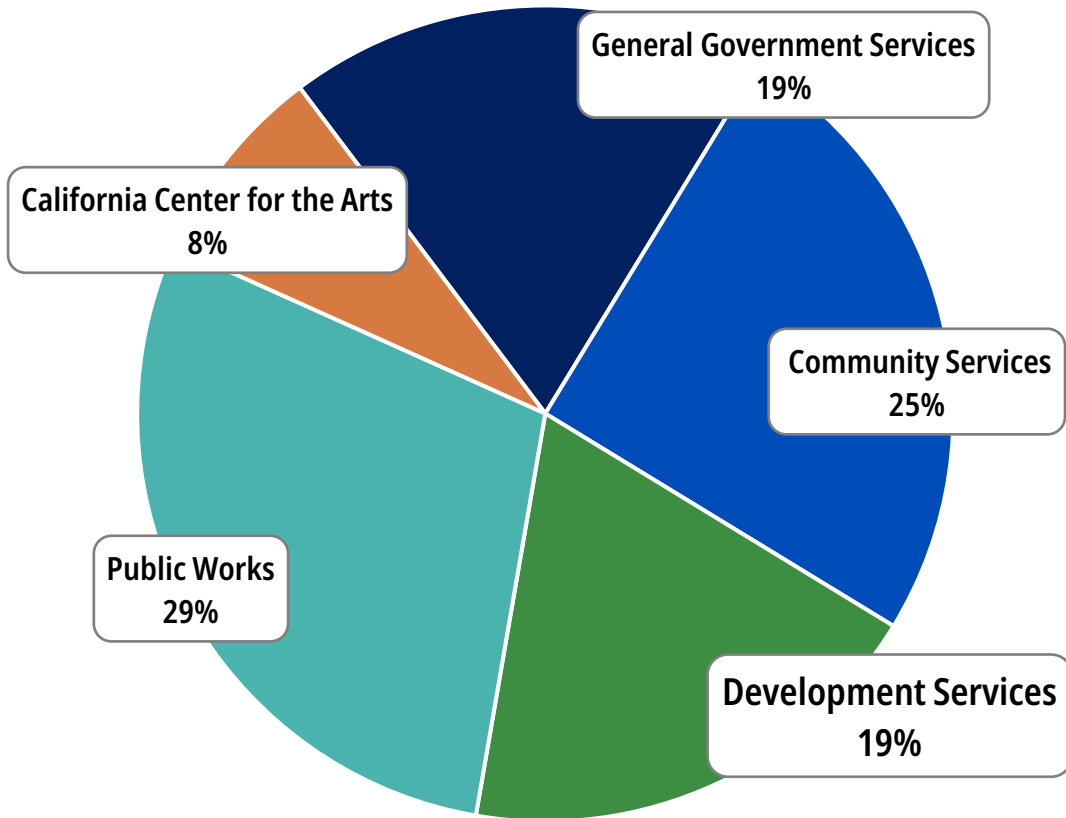
Public safety has been identified as a high priority

- ✓ City Council Direction
- ✓ Confirmed in Community Surveys

Scenario #2

Across the Board and Preserve Public Safety

Scenario Item 8.
 ATB &
 Preserve
 Public Safety



Department		Structural Deficit
Public Works	29%	\$2,877,800
Community Services & Communications	25%	2,515,010
Development Services	19%	1,936,510
General Government Services	19%	1,916,930
California Center for the Arts	8%	753,750
Police	42%	4,138,140
Fire	26%	2,565,420
Total General Fund Deficit		\$10,000,000

Scenario Item 8.
**ATB &
Preserve
Public Safety**

Reorganization of Departments

Combine Public Works and Development Services

Budget Reduction Target of \$4,814,310

Eliminate **12 Development Services** Staff Positions:

- Director of Development Services
- Assistant Planner
- Assistant City Engineer
- Building Inspector
- Code Compliance Officer
- 3 Full-Time Code Compliance Officers
- 4 Part-Time Code Compliance Officers

Eliminate **33 Public Works** Staff Positions:

- Director of Public Works
- Deputy Director of Public Works
- 5 Full-Time Public Works Positions
- 26 Temporary Part-Time Positions

Two New Departments

Reorganization of Departments

Combine Public Works and Development Services

Two New Departments

Land
Development
Department

Capital Project
and Traffic
Department

Reorganization of Departments

Combine Public Works and Development Services

Impacts: Reduced Maintenance of City Parks & Facilities

	Current Service	Reduced Service
Public Sanitation – Restrooms	Cleaned Once per Day, 7 Days per Week	Every Other Day, No Cleaning on Weekends
Public Sanitation – Trash Pickup	Picked Up Once per Day, 7 Days per Week	Once Every 2 Weeks

Reorganization of Departments

Combine Public Works and Development Services

Impacts: Reduced Graffiti Response

	Current Service	Reduced Service
Property Type	64% on Private Property	Service Public Property Only
Current Response Time	Less than 24 Hours	As Resources Are Available

Reorganization of Departments

Combine Public Works and Development Services

Impacts: Reduced Homelessness Response

	Current Service	Reduced Service
Debris Crew –Schedule	7 Days per Week	2 Days per Week
Response Time	Same Day Response to Calls	3 to 4 Days

Reorganization of Departments

Combine Public Works and Development Services

Impacts: Reduced Potholes and Road Repairs

	Current Service	Reduced Service
Patch Truck –Schedule	Daily with Two Crews	Every Other Day
Response Time	72-Hours to Complete a Repair	30 – 35 Days

Reorganization of Departments

Combine Public Works and Development Services

Impacts: Reduce Code Compliance Services

	Current Service	Reduced Service
Code Compliance Response	<p>Respond to All Complaints</p> <ul style="list-style-type: none"> ✓ Property Maintenance (overgrown vegetation) ✓ Graffiti ✓ Trash Cans ✓ Stockpiling ✓ Junk Vehicles ✓ Temporary Signs 	<p>Limited to Life Safety & Public Health Concerns</p>

Reorganization of Departments

Combine Public Works and Development Services

Impacts: Eliminate the Planning Commission

	Current Service	Reduced Service
Eliminate the Planning Commission (Staff Support .33 FTE)	Planning Commission Conducts a detailed review of all types of development projects and individual land use requests	Responsibilities would Transfer to the City Council Minimum of one additional two-hour meeting per month

Reorganization of Departments

Combine Public Works and Development Services

Impacts: Eliminate the Deputy Building Official

	Current Service	Reduced Service
Eliminate Deputy Building Official	Currently Process 500 plan reviews annually 19 days average review	Utilizing a third-party reviewer would extend the average review time to 30+ days

Reorganization of Departments

Combine Public Works and Development Services

✓ Eliminate Economic Development – **Budget Reduction \$409,450**

- Economic development can only be helpful to the community if there is a functional Development Services Department where private industry can quickly receive permits for building development and expansion

	Current Service	Reduced Service
Eliminate Economic Development Division	Manages programs that promote business attraction, retention and expansion	As Resources Are Available
2 Staff Positions and Program Costs		

Reorganization of Departments

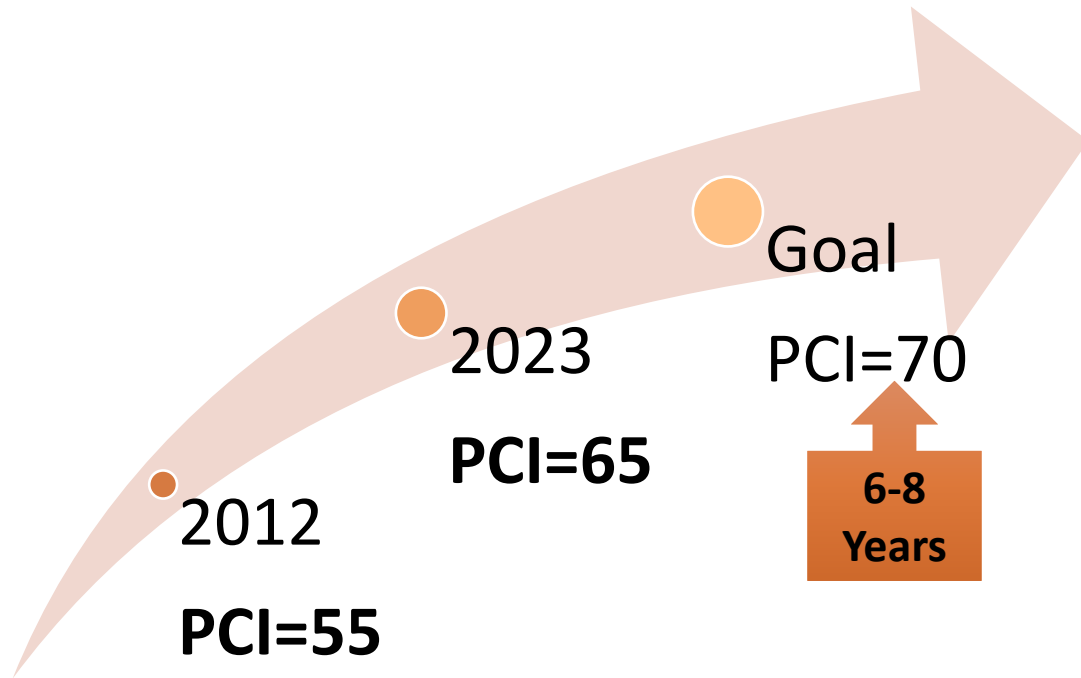
Combine Public Works and Development Services

Impacts State Mandates and Restricted Funding Sources

- General Plan
- Housing Element Law
- Subdivision Law
- Administer Specific Ordinances
- CEQA
- Regulate and enforce the construction, repair, or alteration of buildings
- Apply the State Historical Building Code
- Minimum Maintenance of Effort Expenses to Receive Gas Tax Funds and PCI Progress

Reorganization of Departments

Combine Public Works and Development Services



10-point improvement

Impacts

Reduction in Staffing & Resources will impact the progress made on the City's Pavement Condition Index

Community Services

Budget Reduction Target of \$2,515,010

- Community Services – Provides Three Primary Services
 - ✓ Recreation Programs
 - ✓ Older Adult and Senior Services
 - ✓ Library

Only Option is to Eliminate One of these to Meet the Budget Reduction Target

Will Discuss Further in Scenario #3

Scenario #3

Targeted Business Model Approach

- Defining “What is an Essential Service?”
- Preserving Public Safety and Other Health and Safety Services
- Targeted Approach Reduces the Burden on Public Works & Development Services

In community surveys and through public engagement, residents identified the following community service priorities:

Addressing homelessness

Attracting businesses and jobs to the City

Improving public safety and police services

Maintaining and repairing local streets, roads and sidewalks

Keeping public areas clean and free of graffiti



We want to hear from you!
Share your priorities for City services.



City Council Visioning and Structural Deficit Strategy Workshop

ESSENTIAL SERVICES



POLICE SERVICES



FIRE/EMS SERVICES



LAND USE/ DEVELOPMENT



KEEP CITY CLEAN



PUBLIC WORKS



CLEAN WATER



PARKS FACILITIES



SEWER

CITY COUNCIL PRIORITIES



ELIMINATE THE STRUCTURAL DEFICIT



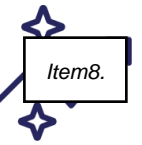
ENCOURAGE HOUSING DEVELOPMENT



IMPROVE PUBLIC SAFETY



RETENTION AND ATTRACTION

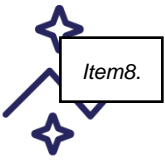


ELIMINATE THE STRUCTURAL DEFICIT

General Fund Departments



Department	FY2023/24 Projected Expenses
General Government Services	\$8,258,700
Community Services	10,835,430
Development Services ✓	8,343,060
Public Works ✓	12,398,470
Police ✓	54,083,660
Fire ✓	33,528,860
California Center for the Arts	3,247,370
Total General Fund Expenditures	\$130,695,550



ELIMINATE THE
STRUCTURAL
DEFICIT



Community Services

Eliminate Recreation Programs as a City Service = **Net Budget Reduction of \$2,048,370** (Expenses Less Program Revenue)

Eliminate 15 Staff Positions:

- 13 Full-Time Staff Positions
- 2 Regular Part-Time Staff Positions

Eliminate ≈135 Temporary Part-Time Staff Positions

Close City Facilities*:

- East Valley Community Center
- Escondido Sports Center
- Don Anderson Building
- Mathes Center
- Oak Hill Activity Center
- Washington Park Recreation Building

**Unless Operated & Resourced by Another Entity*

Community Services

Eliminate the Recreation Program as a City Service

Impacts: Close the East Valley Community Center

	Current Services	Reduced Services
East Valley Community Center	<ul style="list-style-type: none"> • Facility Reservations (1,171 rentals) • Open Gym (5,112 participants) • Police Athletic League (401 participants) • Recreation Classes (900+) 	<p>Closure of the Facility <i>Unless Operated & Resourced by Another Entity</i></p>

Community Services

Eliminate the Recreation Program as a City Service

Impacts: Closure of the Sports Center and Reduced Programming at Kit Carson

	Current Services	Reduced Services
Kit Carson Park — Sports Center	Athletic Leagues <ul style="list-style-type: none"> • 1,301 participants youth soccer program • 6 youth soccer, pop warner, and baseball leagues with 4,416 participants • 226 adult softball teams with 2,950 participants • 9 soccer tournaments with 13,600 participants. • 11 softball tournaments with 14,600 participants • 154 adult hockey teams with 1,690 participants 	Closure of the Facility Minimum Maintenance of Park No Programs Offered <i>Unless Operated & Resourced by Another Entity</i>
	Skate Park <ul style="list-style-type: none"> • 2,115 participants/visits at the skate park 	

Community Services

Eliminate the Recreation Program as a City Service

Impacts: No Programming at City Pools

	Current Services	Reduced Services
Aquatics Facilities	Two Pools	Pools Open for Facility Reservations (School Districts) – Absorbed by Another Department/Entity
Recreation Programming (Classes)	Recreation Programming <ul style="list-style-type: none"> • 1,700+ swim lessons • 3,000 Open/lap swim entries • 450+ Aquafit enrollments 	No Recreation Programs Offered <i>Unless Operated & Resourced by Another Entity</i>

Community Services

Eliminate the Recreation Program as a City Service

Impacts: Eliminate the Public Art Program

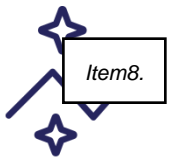
	Current Services	Reduced Services
Eliminate Public Art Program (staff time)	Public Art Commission	Public Art Commission Dissolves
Public Art Maintenance	Public Art is Maintained	Existing public art would remain until condition demands removal
Niki Foundation	Staff work with the Niki Foundation to Program the Queen Califia Art Sculpture	Absorbed by another department/entity

Community Services

Eliminate the Recreation Program as a City Service

Impacts: Reorganization of Volunteer Program

	Current Services	Reduced Services
Volunteer Program	Currently Community Services Staff	Move to the City Manager's Office



ELIMINATE THE
STRUCTURAL
DEFICIT



Community Services

Eliminate the Senior Nutrition & Older Adult Services Program = **Budget Reduction of \$1,051,450**

Eliminate 11 Staff Positions:

- 3 Full-Time Staff Positions
- 8 Temporary Part-Time Staff Positions

Close City Facilities*:

- Park Avenue Community Center

**Unless Operated & Resourced by Another Entity*

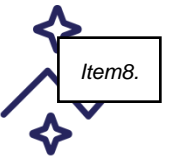
Community Services

Eliminate the Senior Nutrition & Older Adult Services as a City Service

Impacts: Park Avenue Community Center Closes

	Current Services	Reduced Services
Meal Contract	Serving 110 people per day 24,200+ annual meals	Not Provided <i>Unless Operated & Resourced by Another Entity</i>
Transportation Contract	Transports 30 people per day 10,860+ annual one-way rides *45 people on the waitlist	Not Provided <i>Unless Operated & Resourced by Another Entity</i>
PACC Resources	Elimination of available resources for seniors	Not Provided <i>Unless Operated & Resourced by Another Entity</i>

**Scenario #3
Targeted Business
Model Approach**



ELIMINATE THE
STRUCTURAL
DEFICIT



Library

Close the Library = Budget Reduction of \$3,033,490

- The Library is owned by the City and operated by Library Systems & Services (LS&S) under a Management Agreement
- The term of the agreement is through June 30, 2027:

Fiscal Year	Management Fee
FY2024/25	\$3,033,490
FY2025/26	3,124,500
FY2026/27	3,218,230

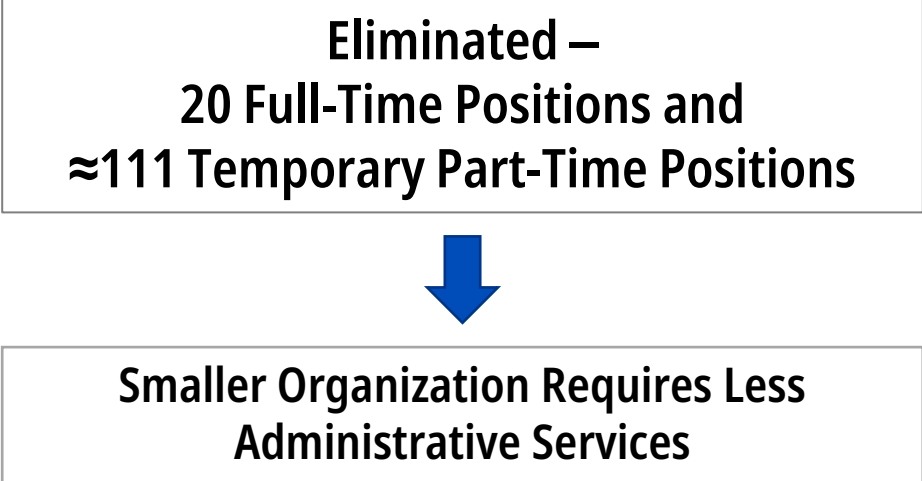
Temporary Funding
January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for FY2024/25 and FY2025/26

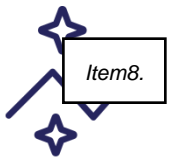
Scenario #3

Targeted Business Model Approach

Budget Reduction Target of \$10,000,000

Program/Services	Budget Reduction
Library	(\$2,945,140)
Recreation Services	(2,048,370)
Senior Services	(1,051,450)
TOTAL	(\$6,044,960)





ELIMINATE THE
STRUCTURAL
DEFICIT

General Administrative Services

Department	Description	Budget Reduction
City Manager	2 Positions – Economic Development & Contract Expenses	\$409,540
City Attorney	1 Position	142,000
City Clerk	1 Administrative Position	82,930
Treasurer	1 Accountant	103,000
Finance	1 Accountant	103,000
Human Resources	1 Senior Human Resources Analyst	117,720
	1 Department Assistant	56,000
Information Systems	1 Network Engineer	120,970
	1 Geographic Analyst Position	128,360
	Staff Overtime	4,000

**Additional
Reduction in Staff
(10 positions) and
Other Expenses**

**Budget Savings
\$1,267,520**



Scenario #3

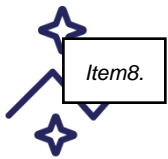
Targeted Business Model Approach

Budget Reduction Target of \$10,000,000

Program/Services	Budget Reduction
Library	(\$2,945,140)
Recreation Services	(2,048,370)
Administrative Services	(1,267,520)
Senior Services	(1,051,450)
TOTAL	(\$7,312,480)

Eliminated –
38 Full-Time Positions and
≈111 Temporary Part-Time Positions

Scenario #3
Targeted Business
Model Approach



ELIMINATE THE
STRUCTURAL
DEFICIT



California Center for the Arts

Close the CCAE Facility = Budget Reduction of \$2,388,410

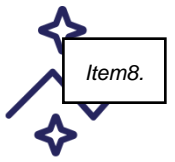
Operations and Financial support is provided by the City through a Management Agreement:

- A management fee for the operation of the Center,
- Gas and electric utility bills for the campus, and
- City Support Services, including Building Maintenance and Network Support

Management Fee	\$660,000
Gas & Electric Utilities	1,177,300
City Support Services	1,210,070
Total Center for the Arts	\$3,047,370
Estimated Remaining Expenses*	(658,960)
Net Reduction to the General Fund	\$2,388,410

**Will still incur some expenses in a vacant building*

Temporary Funding
January 31, 2024 City Council approved the use of American Rescue Plan Act Funds for FY2024/25



ELIMINATE THE STRUCTURAL DEFICIT

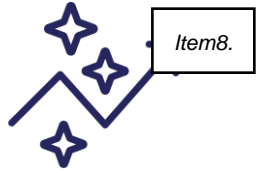
General Fund Structural Budget Deficit

Program/Services	Budget Reduction
Library	(\$3,033,490)
CCAE	(2,388,410)
Recreation Services	(2,048,370)
Administrative Services	(1,267,520)
Senior Services	(1,051,450)
TOTAL	(\$9,789,240)

Budget Reduction Target of \$10,000,000

Manageable Budget Gap





ELIMINATE THE
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Revenue Options

Direction to Pursue New Revenue:

- Cannabis
- Short-Term Rental Program (TOT)
- Parcel Tax for Library Services

Full Cost Recovery Fee Study

- Calculate and Consider Full Cost Recovery for all City User Fees

What is NOT in the Budget?

Deferred Maintenance of More than \$8,000,000 Annually

- Parks
- Recreation Centers
- Street Paving & Maintenance
- Playgrounds
- Pools
- Sidewalks
- Library
- Storm Drains
- Bridges

Rising Service Demands

- 30%+ increase in Public Safety and 9-1-1 Calls for Service since 2008
- Impact of homelessness
- Graffiti Eradication and Gang Response
- Aging population
- Response times for quality of life concerns





CITY of ESCONDIDO

FUTURE AGENDA

5/29/2024 - NO MEETING (MEMORIAL DAY)

6/5/2024

CONSENT CALENDAR - (J. PERPETUA) - EMPLOYEE BENEFITS INSURANCE BROKER SERVICE AMENDMENT - It is requested that the City Council adopt Resolution 2024-46 authorizing the Mayor to execute an Amendment with HUB International Employee Benefits as the City's consultant to provide employee benefits insurance broker services for an additional 18 months.

ESSENTIAL SERVICE: Yes, internal requirement in support of police services, Fire/EMS; Keep City Clean for Public Health and Safety; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY:

CONSENT CALENDAR - AWARD CONSTRUCTION OF RYAN PARK LIGHTING

ESSENTIAL SERVICE: Yes, Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY:

CONSENT CALENDAR - (C. MCKINNEY) -AWARD CONTRACT FOR THE CONSTRUCTION OF THE JUNIPER STREET LIGHTING IMPROVEMENTS

ESSENTIAL SERVICE: Yes, Public Works/Infrastructure

COUNCIL PRIORITY:

CONSENT CALENDAR - (C. MCKINNEY) - RICK ENGINEERING PROFESSIONAL SERVICES - It is requested that the City Council approve the contract services for staff augmentation to process development reviews for Storm Water, Planning, Land Development and Real Property documents.

ESSENTIAL SERVICE: YES, LAND USE/DEVELOPMENT

COUNCIL PRIORITY: Encourage Housing Development

CONSENT CALENDAR - (J. SCHOENECK) - LIBRARY SYSTEMS AND SERVICES CONTRACT - It is requested that the City Council approve the Public

ESSENTIAL SERVICE:

COUNCIL PRIORITY: ELIMINATE STRUCTURAL DEFICIT; INCREASE RETENTION AND ATTRACTION OF PEOPLE AND BUSINESSES TO ESCONDIDO

CURRENT BUSINESS - (Z. BECK) - GENERAL MUNICIPAL ELECTION NOVEMBER 5, 2024 – REQUEST THE CITY COUNCIL ADOPT RESOLUTIONS CALLING FOR AND HOLDING A GENERAL MUNICIPAL ELECTION FOR THE OFFICE OF CITY TREASURER, CITY COUNCIL DISTRICT 3 AND CITY COUNCIL DISTRICT 4 AND REQUESTING CONSOLIDATION WITH THE NOVEMBER 5, 2024, STATEWIDE GENERAL ELECTION

ESSENTIAL SERVICE: YES - INTERNAL REQUIREMENT

COUNCIL PRIORITY:

CURRENT BUSINESS - (Z. BECK) - CALIFORNIA ELECTIONS CODE SECTION 9215 - It is requested that the City Council provide direction regarding the Escondido Community Investment Initiative pursuant to CA Elections Code Section 9215.

ESSENTIAL SERVICES: YES - INTERNAL REQUIREMENT

COUNCIL PRIORITY:

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

ESSENTIAL SERVICE:

COUNCIL PRIORITY: ELIMINATE STRUCTURAL DEFICIT; INCREASE RETENTION AND ATTRACTION OF PEOPLE AND BUSINESSES TO ESCONDIDO

WORKSHOP - (C. HOLMES) - CIP BUDGET

ESSENTIAL SERVICE:

COUNCIL PRIORITY: ELIMINATE STRUCTURAL DEFICIT; INCREASE RETENTION AND ATTRACTION OF PEOPLE AND BUSINESSES TO ESCONDIDO